

To Shareholders

The items published on the Internet Website
concerning the convocation of the 113th Ordinary
General Meeting of Shareholders

June 4, 2012
NISSAN MOTOR CO., LTD.

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Pursuant to applicable laws and Article 16 of the Articles of Incorporation of the Company, the above items are provided to shareholders through the corporate website (<http://www.nissan-global.com/EN/IR/>).

1. " Status of Independent Auditors " of Jigyo-Houkoku

(1) Name of independent auditors

Ernst & Young ShinNihon LLC

(2) Fees paid to the independent auditors regarding the current business year

Fees paid to the independent auditors regarding the current business year

441 million yen

Fees for audits of the financial statements and other assurance services to be paid by the Company and subsidiaries to the independent auditors

1,046 million yen

Notes:1. Because the audit engagement contract between the Company and the independent auditors does not separately specify the fees for i) audits required by the Corporate Law and ii) audits required by the Financial Instruments and Exchange Law, the total fees for those audits have been disclosed.

2. The company paid the fees to the independent auditor for advise on the English translation of financial reporting that are not the services defined in Article 2, Paragraph 1 of the Certified Public Accountants Law of Japan.

All the overseas subsidiaries included in "(6) Principal Group Companies" in 1. Business Review of the Fiscal Year 2011 are audited by audit firms other than Ernst & Young ShinNihon LLC.

(3) Policy concerning the decision to dismiss or to deny reappointment of independent auditor

The Board of Statutory Auditors, by unanimous agreement, will dismiss the independent auditors, when confirmed that the independent auditors falls under any item of paragraph 1, Article 340 of the Company Law.

Additionally, in the event of other cases where his / her retention as independent auditors is deemed to be detrimental to the Company, the Board of Directors will propose, with the agreement of the Board of Statutory Auditors, or as requested by the Board of Statutory Auditors, to dismiss or deny reappointment to the Ordinary General Meeting of Shareholders.

2. " Business Management Systems, Processes and Internal Controls" of Jigyo-Houkoku

Systems to ensure compliance of directors' activities to laws and articles of associations, and other systems to ensure proper and legitimate business activities

The Board of Directors of Nissan determined Nissan's systems and policies to ensure appropriate management and execution of Nissan's business, which is outlined below.

(1) Systems to ensure efficient execution and management of business activities by the directors

Nissan has the Board of Directors, which decides material business activities of the company and checks on the activities of the individual directors. In addition, statutory auditors who comprise the board of auditors audit the activities of the directors.

Nissan's Board of Directors is relatively small, so it is structured with a transparent and logical system of delegation is implemented, by which the authority to perform business activities are properly

delegated to corporate officers and other employees.

Nissan uses a proven system of Executive Committee where key issues such as business strategies, are reviewed and discussed, as well as Operations Committee where operational business decisions are reviewed and discussed.

For review and discussion of the regional and specific business area operations, Nissan utilizes Management Committees.

In order to promote cross functional activities, cross functional teams—CFTs—are organized. CFTs detect problems and challenges and propose solutions to line organizations.

Nissan implements an objective and transparent Delegation of Authority procedure for the purpose of speeding up and clarifying the decision making processes as well as ensuring consistent decisions.

Nissan ensures an efficient and effective management of its business by determining and sharing management policy and business direction through establishment of the mid-term management plan and the annual business plan.

(2) Systems to ensure compliance of employees' and directors' activities with laws and articles of associations

Nissan implements “Global Code of Conduct”, which explains acceptable behaviors of all employees working at Nissan group companies worldwide and promotes understanding by them.

In order to ensure rigorous and strict compliance with the code of conduct, Nissan and its group companies offer education programs such as the e-learning system.

With regard to members of the Board of Directors as well as corporate officers of Nissan, Nissan establishes “Guidance for Directors and Corporate Officers regarding Compliance”, which explains the acceptable behaviors of the members of the Board of Directors and the corporate officers.

Nissan stands firm and take appropriate actions against anti-social forces or groups. If any director, officer or employee is approached by such forces or groups, the said individual shall promptly report such matter to his/her superiors and specific committee, and shall follow their instructions.

If any director, officer or employee is, directly or indirectly, exposed or threatened to commit an illegal or criminal action such as fraud or blackmail during the course of business activities, the said individual shall act resolutely against it, and he/she shall promptly report such matter to his/her superiors and specific committee, and shall follow their instructions.

For the purpose of monitoring and ensuring compliance with the code of conduct, Nissan establishes the “Global Compliance Committee”.

Nissan implements the “Easy Voice System” by which the employees are able to submit their opinions, questions and requests freely and directly to Nissan management.

Nissan is committed to continually implementing relevant company rules. Examples include “Global Rules for the Prevention of Insider Trading” and the “Rules for the Protection of Personal Information”. The company continually offers education programs to employees as part of its program to promote the understanding and compliance with such corporate rules.

Nissan is committed to improve and enhance the internal control systems to ensure accuracy and reliability of its financial reports in accordance with the Financial Instruments and Exchange Law

together with its related rules and standards.

Nissan establishes a department specialized in internal audit for the purpose of regularly monitoring Nissan and group companies' business and their compliance with laws, articles of associations and corporate ethics.

(3) Rules and systems for proper management of risk and loss

Nissan minimizes the possibility of occurrence of risks and, if they occur, mitigate the magnitude of losses by sensing such risks as early as possible and implementing appropriate countermeasures. In order to achieve such objective, Nissan and its group companies implement the Global Risk Management Policy.

Management of material company-wide risks are assigned mainly to each of the members of the Executive Committee, who are responsible to monitor, manage and implement necessary measures such as preparing relevant risk management manuals.

Concerning the management of other specific business risks beyond those supervised directly by the Executive Committee, they are handled by each manager in the business function who will evaluate, prepare and implement the necessary measures to minimize such risks.

(4) Systems to ensure accurate records and the retention of information of directors' execution of business

Nissan prepares full and accurate minutes of meetings of the Board of Directors in accordance with laws and the board regulations and ensures they are retained and managed in a secure environment.

In performing business activities by various divisions and departments, matters to be decided pursuant to Delegation of Authority are decided by either electronic system or written documents, and are stored and retained either electronically or in writing.

While the departments in charge are responsible for proper and strict retention and management of such information, directors, statutory auditors and others have access to any records as required for the purpose of performing their business activities.

In line with the Information Security Policy, Nissan endeavors to enhance proper and strict retention and management of information and to prevent improper use of information and unintended disclosure of such information.

(5) Systems to ensure proper and legitimate business activities of the Group companies

Nissan establishes various Management Committees which are trans-group organizations in order to ensure proper, efficient and consistent group management.

In Management Committee meetings, Nissan provides group companies with important information and shares with them management policies; this ensures that the business decisions of all group companies are made efficiently and effectively.

The group companies implement an objective and transparent Delegation of Authority procedures.

Group companies implement each company's code of conduct in line with the Global Code of Conduct and establish compliance committee of each company and ensure full compliance with all laws and our corporate code of conduct. The Global Compliance Committee regularly monitors these companies and

works to ensure further strict compliance with laws, articles of association and corporate behavior. In addition, group companies implement the easy voice system which ensures that employees are able to directly communicate to the group company or to Nissan directly their opinions, questions, and requests. The internal audit department of Nissan periodically carries out local audits on the business of group companies for the purpose of monitoring and confirming legal compliance, relevant articles of association as well as management of business risks. Major group companies establishes their own internal audit departments and perform internal audits under the supervision of Nissan's internal audit department. Nissan's statutory auditors and group companies' statutory auditors have periodic meetings to share information and exchange opinions from the viewpoint of consolidated management for the purpose of ensuring effective auditing of group companies.

(6) Organization of employee(s) supporting statutory auditors, and systems showing their independence from the directors

Nissan has an auditors office to support the activities of the statutory auditors. Dedicated manager(s) is assigned and performs his/her duties under the supervision and responsibility of the statutory auditors. The statutory auditors make appraisal of dedicated manager's performance, and his/her move to another department and his/her disciplinary action are subject to prior approval of the board of auditors.

(7) Systems by which directors and employee report business issues to the statutory auditors

The statutory auditors determine their annual audit plan and perform their audit activities in accordance with that plan. The annual audit plan includes schedules of reports by various divisions. Directors and employees make reports in accordance with the annual audit plan.

When directors and employees detect any incidents which gives or could give a materially negative impact to Nissan, they are required to immediately report such incidents to the statutory auditors.

In addition, directors and employees are required to make an ad-hoc report to the statutory auditors regarding the situation of business activities when so requested.

The internal audit department periodically reports to the statutory auditors its internal audit plan and the results of the internal audits performed.

(8) System to ensure effective and valid auditing by the statutory auditors

At least 50% of the statutory auditors are external auditors to ensure effective and independent auditing. The statutory auditors hold periodical meetings in order to exchange and share information and their respective opinions. Ad-hoc meetings are also held whenever deemed necessary.

The statutory auditors have periodical meetings with representative directors (including the President) and exchange views and opinions.

3. Consolidated Statement of Changes in Net Assets

Consolidated Statement of Changes in Net Assets

(For the year ended March 31, 2012)
(in millions of yen, () indicates loss or minus)

| Accounts | Amount |
|--|-----------|
| Shareholders' equity | |
| Common stock | |
| Balance at the beginning of current period | 605,814 |
| Balance at the end of current period | 605,814 |
| Capital surplus | |
| Balance at the beginning of current period | 804,470 |
| Balance at the end of current period | 804,470 |
| Retained earnings | |
| Balance at the beginning of current period | 2,733,253 |
| Changes of items during the period | |
| Cash dividends paid | (62,748) |
| Net income | 341,433 |
| Disposal of treasury stock | (2,848) |
| Total changes of items during the period | 275,837 |
| Balance at the end of current period | 3,009,090 |
| Treasury stock | |
| Balance at the beginning of current period | (162,024) |
| Changes of items during the period | |
| Purchase of treasury stock | (9,028) |
| Disposal of treasury stock | 21,510 |
| Total changes of items during the period | 12,482 |
| Balance at the end of current period | (149,542) |
| Total shareholders' equity | |
| Balance at the beginning of current period | 3,981,513 |
| Changes of items during the period | |
| Cash dividends paid | (62,748) |
| Net income | 341,433 |
| Purchase of treasury stock | (9,028) |
| Disposal of treasury stock | 18,662 |
| Total changes of items during the period | 288,319 |
| Balance at the end of current period | 4,269,832 |

| Accounts | Amount |
|---|-------------|
| Accumulated other comprehensive income | |
| Unrealized holding gain and loss on securities | |
| Balance at the beginning of current period | 20,862 |
| Changes of items during the period | |
| Net changes of items other than those in shareholders' equity | (3,883) |
| Total changes of items during the period | (3,883) |
| Balance at the end of current period | 16,979 |
| Unrealized gain and loss from hedging instruments | |
| Balance at the beginning of current period | 1,904 |
| Changes of items during the period | |
| Net changes of items other than those in shareholders' equity | (7,012) |
| Total changes of items during the period | (7,012) |
| Balance at the end of current period | (5,108) |
| Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting | |
| Balance at the beginning of current period | (13,945) |
| Balance at the end of current period | (13,945) |
| Translation adjustments | |
| Balance at the beginning of current period | (1,048,919) |
| Changes of items during the period | |
| Net changes of items other than those in shareholders' equity | (72,140) |
| Total changes of items during the period | (72,140) |
| Balance at the end of current period | (1,121,059) |
| Total accumulated other comprehensive income | |
| Balance at the beginning of current period | (1,040,098) |
| Changes of items during the period | |
| Net changes of items other than those in shareholders' equity | (83,035) |
| Total changes of items during the period | (83,035) |
| Balance at the end of current period | (1,123,133) |
| Share subscription rights | |
| Balance at the beginning of current period | 2,415 |
| Balance at the end of current period | 2,415 |
| Minority interests | |
| Balance at the beginning of current period | 329,953 |
| Changes of items during the period | |
| Net changes of items other than those in shareholders' equity | (29,070) |
| Total changes of items during the period | (29,070) |
| Balance at the end of current period | 300,883 |
| Total net assets | |
| Balance at the beginning of current period | 3,273,783 |
| Changes of items during the period | |
| Cash dividends paid | (62,748) |
| Net income | 341,433 |
| Purchase of treasury stock | (9,028) |
| Disposal of treasury stock | 18,662 |
| Net changes of items other than those in shareholders' equity | (112,105) |
| Total changes of items during the period | 176,214 |
| Balance at the end of current period | 3,449,997 |

(Reference information) Consolidated Statement of Comprehensive Income

(Reference information)

Consolidated Statement of Comprehensive Income

(For the year ended March 31, 2012)

(in millions of yen, () indicates loss or minus)

| Accounts | Amount |
|---|----------|
| Income before minority interests | 377,823 |
| Other comprehensive income | |
| Unrealized holding gain and loss on securities | (5,286) |
| Unrealized gain and loss from hedging instruments | (1,564) |
| Translation adjustments | (57,863) |
| The amount for equity method company portion | (22,510) |
| Total of other comprehensive income | (87,223) |
| Comprehensive income | 290,600 |
| (Breakdown of comprehensive income) | |
| Parent company portion of comprehensive income | 258,398 |
| Minority interest portion of comprehensive income | 32,202 |

4. Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements

Basis of Consolidated Financial Statements

1. Number of Consolidated Subsidiaries and Companies Accounted for by the Equity Method

(1) Consolidated subsidiaries ; 199 companies (Domestic 76, Overseas 123)

Domestic Car Dealers, Parts Distributors

Kanagawa Nissan Motor Co., Ltd, Nissan Motor Sales Co., Ltd
Nissan Parts Chuo Sales Co., Ltd.
and 50 other companies

Domestic Vehicles and Parts Manufacturers

Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., JATCO Ltd., Calsonic Kansei Corp.
and 8 other companies

Domestic Logistics & Services Companies

Nissan Trading Co., Ltd., Nissan Financial Service Co., Ltd., Autech Japan, Inc.
and 8 other companies

Overseas subsidiaries

Nissan North America, Inc., Nissan International SA
Nissan Motor Manufacturing (UK) Ltd.
Nissan Mexicana, S.A. de C.V. and 119 other companies

Unconsolidated subsidiaries ; 126 companies (Domestic 78, Overseas 48)

Domestic Nissan Marine Co., Ltd., Nissan Shatai Manufacturing Co., Ltd. and 76 other companies

Overseas Calsonic Kansei Spain, S.A. and 47 other companies

These unconsolidated subsidiaries are immaterial in terms of their total assets, sales, net income or loss, retained earnings and others, and do not have a significant effect on the consolidated financial statements.

As a result, they have been excluded from consolidation.

(2) Companies Accounted for by the Equity Method ; 60 companies

Unconsolidated subsidiaries; 35 companies (Domestic 20, Overseas 15)

Nissan Marine Co., Ltd., Calsonic Kansei Spain, S.A. and 33 other companies

Affiliates; 25 companies (Domestic 18, Overseas 7)

Renault, Nissan Tokyo Sales Holdings Co., Ltd. and 23 other companies

Companies not Accounted for by the Equity Method ; 124 companies

Unconsolidated subsidiaries; 91 companies

Nissan Shatai Manufacturing Co., Ltd and 90 other companies

Affiliates; 33 companies

Tonox Co., Ltd. and 32 other companies

These companies are not accounted for by the equity method, as their impact is not significant on the consolidated net income or loss, consolidated retained earnings or others.

(3) Change in the Scope of Consolidation and Equity Method of Accounting

The change in the scope of consolidation and equity method compared with that at the year ended March 31, 2011 was summarized as follows:

Number of companies newly included in the scope of consolidation; 5 subsidiaries (Nissan Trading China Co., Ltd., Nissan Motor Kyushu Co., Ltd. and 3 other companies)

Number of companies excluded from the scope of consolidation ; 13 subsidiaries
(Nissan Prince Tokyo Motor Sales Co., Ltd., Nissan Prince Nishitokyo Sales Co., Ltd.,
and 11 other companies)

Number of companies newly accounted for by the equity method; 3 companies
(JATCO (Thailand) Co., Ltd. and 2 other companies)

Number of companies decreased to be accounted for by the equity method of accounting; 2 companies
(Nissan Trading China Co., Ltd., and the other)

The increase in the number of companies was primarily attributable to those that were newly established, or became material to the consolidated financial statements, and the decrease was mainly due to merger, liquidation, and transfer of stocks.

2. Fiscal Period of Consolidated Subsidiaries

(1) The fiscal year of the following consolidated subsidiaries is different from that of the Company (March 31).

December 31 year end companies : Dongfeng Motor Co., Ltd., Yulon Nissan Motor Co., Ltd.,
Nissan Mexicana, S.A. De C. V. and 39 other overseas subsidiaries

(2) Nissan Mexicana, S.A. De C. V. and 8 other consolidated subsidiaries whose fiscal year end is December 31 close their books of account at March 31 for consolidation reporting purpose.

With respect to Dongfeng Motor Co., Ltd., Yulon Nissan Motor Co., Ltd. and 31 other companies, the necessary adjustments were made in consolidation to reflect any significant transactions from January 1 to March 31.

3. Significant Accounting Policies

(1) Valuation methods for assets

1) Securities

Held-to-maturity debt securities Held-to-maturity debt securities are stated at amortized cost.

Other securities

Marketable securities Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in net assets.

Costs of securities sold are calculated by the moving average method.

Non-marketable securities Non-marketable securities classified as other securities are carried at cost determined by the moving average method.

2) Derivative financial instruments

Derivative financial instruments are stated at fair value.

3) Inventories

Inventories are primarily stated at cost determined by the first-in and first-out method. Cost of inventories is written-down when their carrying amounts become unrecoverable.

(2) Depreciation of property, plant and equipment

Depreciation of property, plant and equipment is calculated principally by the straight-line method based on the estimated useful lives and economic residual value determined by the Company.

Depreciation of leased assets is calculated by the straight-line method based on the estimated useful lives or lease term and the estimated residual values.

(3) Basis for reserves and allowances

Allowance for doubtful accounts

Allowance for doubtful accounts is provided for possible bad debt at an amount estimated based on past bad debts experience for normal receivables plus uncollectible amounts determined by reference to the collectibilities of individual doubtful receivables.

Accrued warranty costs

Accrued warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts and based on past experience.

Accrued retirement benefits

Accrued retirement benefits or prepaid pension costs are recorded principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year. The net retirement benefit obligation at transition is primarily being amortized over a period of 15 years by the straight-line method.

Prior service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.

Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.

Accrued retirement benefits for directors and statutory auditors

Accrued retirement benefits for directors and statutory auditors are recorded at an amount which would be required to be paid as of the balance sheet date in accordance with the Company's internal rules if those directors and statutory auditors resigned their offices.

(4) Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and differences arising from the translation are charged or credited to income.

Assets and liabilities of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date and revenue and expense accounts are translated at the average rate of exchange in effect during the year. Differences arising from the translation are presented as translation adjustments and minority interests in its consolidated financial statements.

(5) Significant hedge accounting method

Hedge accounting

Primarily, deferred hedge accounting is applied for derivative instruments.

Short-cut method, "Furiate-Shori," is applied for forward exchange contracts which are qualified for such treatment and related to the hedged items other than foreign currency denominated accounts receivables.

Special treatment, "Tokurei-Shori," is applied for interest rate swaps which are qualified for such treatment.

Hedging instruments and hedged items

Hedging instruments - Derivative transactions

Hedged items - Hedged items are primarily receivables and payables denominated in foreign currencies and others.

Hedging policy

Based on the internal risk management rules and authority regarding derivative transactions, expected risks such as fluctuations in foreign exchange and interest rate are hedged within certain extent.

Assessment of hedge effectiveness

The assessment of hedge effectiveness is omitted when the terms of hedged items are substantially same as those of hedging instruments.

(6) Amortization of goodwill and negative goodwill

Goodwill and negative goodwill in consolidated subsidiaries and in companies accounted for by the equity method which had occurred before March 31, 2010 have been amortized over periods not exceeding 20 years determined based on their expected life. However, immaterial differences are charged or credited to income in the year of acquisition.

Negative goodwill in consolidated subsidiaries and in companies accounted for by the equity method which had occurred after April 1, 2010 recorded profit in the year of acquisition.

(7) Consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(8) Filing of consolidated tax returns

The Company and certain consolidated subsidiaries have been filing consolidated tax returns.

Notes to Consolidated Balance Sheet

1. Assets pledged as collateral:

| | | |
|---|--|----------------------|
| (1) Assets pledged as collateral | | (in millions of yen) |
| | Sales finance receivables | 1,025,991 |
| | Other current assets | 2,844 |
| | Property, plant and equipment | 501,526 |
| | Total | 1,530,361 |
| (2) Liabilities secured by the above collateral | | |
| | Short-term borrowings | 73,216 |
| | Long-term borrowings (including the current maturities) | 892,787 |
| | Total | 966,003 |

2. Accumulated depreciation of property, plant and equipment amounted to 4,252,049 million yen.

(The above amount includes depreciation of leased assets in the amount of 173,599 million yen.)

3. Contingent liabilities

At March 31, 2012, the Company and its consolidated subsidiaries had the following contingent liabilities:

| | | |
|--------------------------------------|--|----------------------|
| | | (in millions of yen) |
| 1) Guarantees | | 90,746 |
| | (89,330 for employees, 1,416 for others) | |
| 2) Commitments to provide guarantees | | 191 |

4. Discounted notes receivables

(in millions of yen)
424

Notes to Consolidated Statement of Income

(1) Gain on negative goodwill was mainly due to the share exchange effective on March 22, 2012, in which Aichi Machine Industry Co., Ltd. became a wholly-owned subsidiary of the Company.

(2) The substance of the loss on disaster is as follows:

| | | |
|---|--|----------------------|
| | | (in millions of yen) |
| Details of loss on disaster for Great East Japan Earthquake | | |
| Fixed cost during the suspension of operations | | 12,251 |
| The loss on disposal of damaged assets and repair expenses | | 3,367 |
| Others | | 5,508 |
| Total | | 21,126 |
| Recovery cost related to the impact on supply chains by the flood in Thailand | | 8,741 |

Notes to Consolidated Statement of Changes in Net Assets

1. Shares issued and outstanding

Common stock 4,520,715 thousand shares

2. Dividends

(1) Dividend paid

| Resolution | Type of shares | Cash dividends paid (millions of yen) | Dividends per share (yen) | Cut-off date | Effective date |
|---|----------------|--|------------------------------|--------------------|-------------------|
| Annual general meeting of the shareholders on June 29, 2011 | Common stock | 20,916 | 5 | March 31, 2011 | June 30, 2011 |
| Meeting of the Board of Directors on November 2, 2011 | Common stock | 41,832 | 10 | September 30, 2011 | November 29, 2011 |

(Note) Total dividends were obtained by deducting the amount corresponding to the equity of Renault shares held by the Company.

(2) Dividends of which cut off date was in FY2011 and effective date will be in the next fiscal year

| | |
|------------------------|---|
| Type of shares | Common stock |
| Resources of dividends | Retained earnings |
| Total dividends | 41,914 millions of yen (Dividends per share : 10 yen) |
| Cut off date | March 31, 2012 |
| Effective date | Undetermined |

(Note) Total dividends were obtained by deducting the amount corresponding to the equity of Renault shares held by the Company.

3. Type and number of shares to be issued upon the exercise of share subscription rights (as of March 31, 2012)

Common stock 28,730 thousand shares

Notes to Financial Instruments

1. Overview of financial instruments

The Group's fund management is primarily limited to short-term deposits and appropriate repurchase agreement transactions.

The financing has been diversified, such as bank loans, bond issues, commercial paper issues, and liquidation of securities, to reduce the exposure to liquidity risk.

The Group holds trade notes and accounts receivables from sales of products and collects such receivables in accordance with the terms and conditions of relevant sales agreements. The Group also holds trade liabilities with various payment dates based on the payment conditions from purchasing diverse parts, materials and services, required for development and manufacture of products.

The Group utilizes derivatives financial instruments based on the internal "Policies and Procedures for Risk Management" mainly for the purpose of hedging its exposure to adverse fluctuations in foreign currency exchange rates on receivables and payables denominated in foreign currencies, interest rates on interest-bearing debt and market prices on commodity, but does not enter into such transactions for speculative or trading purposes.

The sales financing business provide the Group's financial services including auto loans and leases, which are supplied to customers following a strict credit assessment, and inventory financing, which is supplied to dealers.

2. Fair value of financial instruments

The following table indicates the carrying value in the consolidated balance sheet, the fair value and the unrealized gain (loss) as of March 31, 2012. Assets and liabilities, for which it is deemed difficult to measure the fair value, are not included in the table below. (Refer to Note 2.)

| | (in millions of yen) | | |
|--|----------------------|----------------------|------------------------|
| | Carrying value | Estimated fair value | Unrealized gain (loss) |
| (1) Cash on hand and in banks | 765,423 | 765,423 | — |
| (2) Trade notes and accounts receivable | 820,008 | | |
| Allowance for doubtful accounts | (16,593) | | |
| | 803,415 | 803,415 | — |
| (3) Sales finance receivables | 3,157,794 | | |
| Allowance for doubtful accounts | (34,749) | | |
| | 3,123,045 | 3,123,070 | 25 |
| (4) Securities and investment securities | 358,457 | 305,847 | (52,610) |
| (5) Long-term loans receivable | 5,617 | | |
| Allowance for doubtful accounts | (708) | | |
| | 4,909 | 5,107 | 198 |
| Total assets | 5,055,249 | 5,002,862 | (52,387) |
| (1) Trade notes and accounts payable | 1,377,254 | 1,377,254 | — |
| (2) Short-term borrowings | 244,582 | 244,582 | — |
| (3) Commercial papers | 38,437 | 38,437 | — |
| (4) Bonds | 772,160 | 788,797 | (16,637) |
| (5) Long-term borrowings | 2,700,265 | 2,722,747 | (22,482) |
| (6) Lease obligations | 72,774 | 74,798 | (2,024) |
| Total liabilities | 5,205,472 | 5,246,615 | (41,143) |
| Derivative transactions | (14,963) | (14,963) | — |

(*1) The allowance for doubtful accounts is specifically provided for trade notes and accounts receivable, sales finance receivables, and long-term loans receivable.

(*2) Carrying value of sales finance receivables in the consolidated balance sheet includes the corresponding balance of (52,548) million yen of deferred installment income and others.

(*3) Bonds, long-term borrowings and lease obligations include each current portion which is categorized in current liabilities.

(*4) Net receivables and payables, which were derived from derivative transactions, are presented in net amounts, and any item for which the total becomes a net liability is indicated in parentheses.

(Note 1) Calculation method of the fair value of financial instruments and matters relating to securities and derivative transactions

Assets

(1) Cash on hand and in banks and (2) Trade notes and accounts receivable

Fair value is calculated based on the book value as these assets are settled within a short time and the fair value is almost equal to the book value.

(3) Sales finance receivables

Fair value is calculated based on the discounted cash flows by collection period, using discount rates reflecting maturity and credit risk.

(4) Securities and Investment securities

Fair value of stocks is based on the prices traded at the stock exchange. Fair value of unlisted foreign investment trusts is based on the book value as these are settled within a short time and fair value is almost equal to the book value.

(5) Long-term loans receivable

Fair value is calculated based on the discounted cash flows of each individual loan, using discount rate which would be applicable for similar new loans.

Liabilities

(1) Trade notes and accounts payable, (2) Short-term borrowings, and (3) Commercial papers

Fair value is calculated based on the book value as these liabilities are settled within a short time and fair value is almost equal to the book value.

(4) Bonds

Fair value of marketable bonds is based on the market prices, and that of non-marketable bonds is based on the present value estimated by discounting the total principal and interest, using discount rates reflecting the remaining term and credit risk.

(5) Long-term borrowings and (6) Lease obligations

Fair value is calculated based on the present value estimated by discounting the total principal and interest, using discount rates which would be applicable for similar new borrowings or lease transactions.

Derivative transactions

Fair value is calculated based on the discounted cash flows and others. Fair value of interest rate swaps which are accounted using special treatment, "Tokurei-Shori", is included in that of corresponding hedged long-term borrowings, as those interest rate swaps are recorded as an adjustment to interest expenses of hedged instruments under the special treatment.

(Note 2) Unlisted stocks (carrying value in the consolidated balance sheet: 90,278 of millions of yen) are not included in

(4) Securities and Investment securities, as it is deemed difficult to measure the fair value because they are nonmarketable and future cash flows can not be estimated.

Notes to Investment and Rental Property

1. The status of rental property

The company and certain consolidated subsidiaries own rental properties, mainly for vehicle and parts dealers, in Japan and overseas countries.

2. Fair value of investment and rental property

(in millions of yen)

| Carrying value | Estimated Fair Value |
|----------------|----------------------|
| 141,582 | 141,328 |

(note1) Carrying value deducted accumulated depreciation and impairment loss from acquisition cost of fixed assets.

(note2) Estimated fair value was mainly based on real-estate appraisal value which was calculated by external real-estate appraisers.

Notes to Amounts per share

| | |
|---|------------|
| Net assets excluding share subscription rights and minority interests per share | 750.77 yen |
| Basic net income per share | 81.67 yen |

Other

Not applicable.

Amounts less than one million yen are rounded off.

5. Notes to Non-Consolidated Financial Statements

Notes to Non-Consolidated Financial Statements

Significant Accounting Policies

1. Valuation method for assets

- (1) Securities
 - 1) Held-to-maturity debt securities
Held-to-maturity debt securities are stated at amortized cost (straight-line method).
 - 2) Equity securities issued by subsidiaries and affiliates
Equity securities issued by subsidiaries and affiliates are carried at cost determined by the moving average method.
 - 3) Other securities
 - a) Marketable securities:
Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in net assets. Costs of securities sold are calculated by the moving average method.
 - b) Non-marketable securities:
Non-marketable securities classified as other securities are carried at cost determined by the moving average method.
- (2) Derivative financial instruments
Derivative financial instruments are stated at fair value.
- (3) Inventories
Inventories are stated at cost determined by the first-in, first-out method (cost of Inventories is written-down when their carrying amounts become unrecoverable).

2. Depreciation and amortization of fixed assets

- (1) Property, plant and equipment
Depreciation of property, plant and equipment is calculated by the straight-line method based on the estimated useful lives and economic residual value determined by the Company.
- (2) Intangible assets
Amortization of intangible assets is calculated by the straight-line method. Amortization of software for internal use is calculated by the straight-line method over the estimated useful lives (5 years).
- (3) Leased Assets
Depreciation of leased assets is calculated by the straight-line method based on the estimated useful lives or lease terms and the estimated residual values.

3. Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and the differences arising from the translation are included in the statement of income.

4. Basis for reserves and allowances

- (1) Allowance for doubtful accounts
Allowance for doubtful accounts is provided for possible bad debt at the amount estimated based on past bad debts experience for normal receivables plus uncollectible amounts determined by reference to the collectibilities of individual doubtful receivables.
- (2) Accrued warranty costs
Accrued warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts and based on past experience.
- (3) Accrued retirement benefits
Accrued retirement benefits or prepaid pension costs are recorded at an amount calculated based on the retirement benefit obligation and the fair value of pension plan assets at the end of current fiscal year.
The net retirement benefit obligation at transition is being amortized over a period of 15 years using the straight-line method.
Prior service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.
Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.

5. Other significant accounting policies

- (1) Significant hedge accounting method
 - 1) Hedge accounting
Primarily, deferred hedge accounting is applied for derivative instruments.
Short-cut method, "Furiate-Shori," is applied for forward exchange contracts which are qualified for such treatment and related to the hedged items other than foreign currency denominated accounts receivables.
Special treatment, "Tokurei-Shori," is applied for interest rate swaps which are qualified for such treatment.
 - 2) Hedging instruments and hedged items
Hedging instruments - Derivative transactions
Hedged items - Mainly receivables and payables denominated in foreign currencies, and others.
 - 3) Hedging policy
Based on the internal risk management rules and authority regarding derivative transactions, expected risks such as fluctuations in foreign exchange and interest rate are hedged within certain extent.
 - 4) Assessment of hedge effectiveness
The assessment of hedge effectiveness is omitted when the terms of hedged items are substantially same as those of hedging instruments.
- (2) Consumption taxes
Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.
- (3) Filing of consolidated tax returns
The Company has been filing consolidated tax returns.

6. Change in presentation

Until the year ended March 31, 2011, "Gain on sales of subsidiaries and affiliates' stocks" was included in "Other" in Special gains, whereas this is presented separately in the year ended March 31, 2012 due to increase in its materiality.

Notes to Non-Consolidated Balance Sheet

1. Accumulated depreciation of property, plant and equipment amounted to 1,357,728 million yen.
(The above amount includes depreciation of leased assets in the amount of 100,903 million yen.)

2. Guarantees given and other items (in millions of yen)

| | |
|---|-----------|
| • Guarantees given | |
| Employees | 82,437 |
| Automotive Energy Supply Corporation | 17,077 |
| Nissan South Africa (Pty) Ltd. | 3,389 |
| Nissan North America, Inc. | 807 |
| Nissan Motor Manufacturing (UK) Ltd. | 735 |
| Others | 21,095 |
| Total | 125,541 |
| • Commitments to provide guarantees of indebtedness | |
| Hibikinada Development Co., Ltd. | 191 |
| • Letter of awareness | |
| Nissan Motor Manufacturing (UK) Ltd. | 21,960 |
| Nissan Motor Iberica, S.A. | 21,960 |
| Total | 43,920 |
| • Keepwell Agreements | |
| Provided for the following companies | |
| Nissan Motor Acceptance Corp. | 1,639,869 |
| Nissan Financial Services Co., Ltd. | 443,500 |
| Nissan Canada, Inc. | 123,896 |
| Nissan Financial Services Australia Pty Ltd. | 55,542 |
| Nissan Leasing (Thailand) Co., Ltd. | 31,458 |
| Total | 2,294,267 |

3. Monetary receivables from and payables to subsidiaries and affiliates: (except for separately disclosed)

| | |
|----------------------------------|----------------------|
| | (in millions of yen) |
| Short-term monetary receivables: | 449,007 |
| Short-term monetary payables: | 288,105 |
| Long-term monetary payables: | 10,825 |

Notes to Non-Consolidated Statement of Income

(1) Transactions with subsidiaries and affiliates

| | |
|--|----------------------|
| | (in millions of yen) |
| Operating transactions with subsidiaries and affiliates | |
| Sales: | 3,166,990 |
| Operating expenses: | 1,339,779 |
| Transactions with subsidiaries and affiliates other than operating transactions: | 35,672 |

(2) The substance of the loss on disaster is as follows:

| | |
|---|----------------------|
| | (in millions of yen) |
| Details of loss on disaster for Great East Japan Earthquake | |
| Fixed cost during the suspension of operations | 8,958 |
| The loss on disposal of damaged assets and repair expenses | 3,323 |
| Others | 1,549 |
| Total | 13,830 |

| | |
|---|-------|
| Recovery cost related to the impact on supply chains by the flood in Thailand | 3,376 |
|---|-------|

Note to Non-Consolidated Statement of Changes in Net Assets

| | | |
|---------------------------------------|--------------|------------------------|
| Treasury stock (as of March 31, 2012) | Common stock | 30,919 thousand shares |
|---------------------------------------|--------------|------------------------|

Note relating to deferred tax assets and liabilities

Deferred tax assets mainly consist of those deriving from net loss carryforwards, tax credits carryforwards, accrued retirement benefits and accrued warranty costs.

Deferred tax liabilities mainly consist of those deriving from reserves under Special Taxation Measures Law and unrealized holding gain on securities.

Valuation allowance provided against deferred tax assets amounted to 160,713 million yen.

Note relating to related party transactions

Subsidiaries, affiliates and others

(in millions of yen)

| Attribute | Name | Percentage of voting right held by the company | Relation | Nature of transactions | Amount of the transactions | Account | Balance at the end of fiscal year |
|------------|--|---|---|--|----------------------------|--|-----------------------------------|
| Subsidiary | Nissan North America, Inc. | Ownership Directly 100% | · Purchasing products manufactured by the Company · Concurrent positions held by directors | Sales | 1,051,143 | Trade accounts receivable | 66,368 |
| | | | | | | Advances received | 117,905 |
| Subsidiary | Nissan International SA | Ownership Indirectly 100% | · Purchasing products manufactured by the Company · Concurrent positions held by directors | Sales | 410,283 | Trade accounts receivable Advances received | 16,481 40,730 |
| Subsidiary | Nissan Shatai Co., Ltd. | Ownership Directly 43.68% Indirectly 0.02% | · Manufacturing certain products on behalf of the Company | Purchases | 286,165 | Trade accounts payable Advances paid Other accounts receivable Accrued expenses | 61,834 7,209 7,011 5,703 |
| Subsidiary | Nissan Financial Services Co., Ltd. | Ownership Directly 100% | · Providing guarantee and loans for sales finance services for vehicles manufactured by the company | Making loans | 360,000 | Short-term loans receivable from subsidiaries and affiliates | 360,000 |
| | | | | Guarantees given and other (Keepwell Agreements) | 443,500 | - | - |
| Subsidiary | Nissan Finance Co., Ltd. | Ownership Directly 100% | · Making loans for the group loan provided for domestic subsidiaries | Making loans | 186,830 | Short-term loans receivable from subsidiaries and affiliates | 186,830 |
| Subsidiary | Nissan Motor Acceptance Corp. | Ownership Indirectly 100% | · Providing guarantee and loans for sales finance services for vehicles manufactured by the company | Making loans | 132,918 | Short-term loans receivable from subsidiaries and affiliates | 132,918 |
| | | | | Guarantees given and other (Keepwell Agreements) | 1,639,869 | - | - |
| Subsidiary | Nissan Canada Inc. | Ownership Directly 37.36% Indirectly 62.64% | · Providing guarantee for sales finance services for vehicles manufactured by the company | Guarantees given and other (Keepwell Agreements) | 123,896 | - | - |
| Subsidiary | Nissan Financial Services Australia Pty Ltd. | Ownership Indirectly 100% | · Providing guarantee for sales finance services for vehicles manufactured by the company | Guarantees given and other (Keepwell Agreements) | 55,542 | - | - |

Terms and conditions of transactions and policies on deciding terms and conditions

- (1) Sales of products and parts are decided considering market prices and total costs.
- (2) Purchase of products is decided after investigation and negotiation considering bidding prices, existing prices, and market price of our products.
Parts provided to subcontractors are offset against the purchase costs, and after negotiation, at the amount which is decided based on the price calculated using the cost.

Others

- (1) The Company provides guarantees to the borrowings of its subsidiaries.
In addition, the Company provides keepwell agreements, as a part of guarantee, in order to enhance the credits.
- (2) The Company has borrowings and lendings with its group companies. The interest rate is determined by reference to market rates.

Notes to Amounts per share

| | |
|--|------------|
| Net assets excluding share subscription rights per share | 403.86 yen |
| Basic net loss per share | 16.71 yen |

Other

Not applicable.

Amounts less than one million yen are omitted.

-END-