

FY2016 Consolidated Financial Results (Japanese Accounting Standards)



MEMBERSHIP
May 11, 2017

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(Amounts less than one million yen are rounded)

1. Consolidated Financial Results for FY2016 (April 1, 2016 through March 31, 2017)

<1> Consolidated operating results

(Percent indications show percentage of changes from corresponding figures for the previous period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2016	11,720,041	(3.9)	742,228	(6.4)	864,733	0.3	663,499	26.7
FY2015	12,189,519	7.2	793,278	34.6	862,272	24.2	523,841	14.5

(Note): Comprehensive income : 615,950 million yen for FY2016, 720.1% : 75,107 million yen for FY2015, (89.6)%

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income as a percentage of total assets	Operating income as a percentage of net sales
	yen	yen	%	%	%
FY2016	165.94	165.94	13.8	4.8	6.3
FY2015	125.00	124.99	11.0	5.0	6.5

(Reference): Equity in earnings (losses) of affiliates : 148,178 million yen for FY2016, 122,524 million yen for FY2015

<2> Consolidated financial position

	Total assets	Net assets	Net assets as a percentage of total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY2016	18,421,008	5,167,136	26.4	1,242.90
FY2015	17,373,643	5,140,745	27.2	1,132.61

(Reference): Net assets excluding share subscription rights and non-controlling interests: 4,861,847 million yen as of March 31, 2017,

4,721,265 million yen as of March 31, 2016

<3> Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2016	1,335,473	(1,377,626)	320,610	1,241,124
FY2015	927,013	(1,229,280)	530,606	992,095

2. Dividends

	Annual cash dividends per share					Total cash dividends (Annual)	Payout ratio (Consolidated)	Cash dividends as a percentage of net assets (Consolidated)
	at 1st quarter end	at 2nd quarter end	at 3rd quarter end	at fiscal year end	Total			
	yen	yen	yen	yen	yen	Millions of yen	%	%
FY2015	—	21.00	—	21.00	42.00	175,584	33.6	3.7
FY2016	—	24.00	—	24.00	48.00	189,146	28.9	3.9
FY2017 forecast	—	—	—	—	53.00		38.8	

Note: For FY2017 forecast, allocation of cash dividends per share between 2nd quarter end and fiscal year end has not yet been determined.

3. Forecast of consolidated operating results for FY2017 (April 1, 2017 through March 31, 2018)

(Percent indications show percentage of changes from corresponding figures for the previous period.)

	Net sales		Operating income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
FY2017	11,800,000	0.7	685,000	(7.7)	535,000	(19.4)	136.77

※ Notes

<1> Significant changes in scope of consolidated subsidiaries: None

In : - (Company Name :) Out : - (Company Name :)

<2> Changes in accounting policies, accounting estimation change and restatement

<2>-1 Changes in accounting policies due to the revision of the accounting standards: None

<2>-2 Changes in accounting policies except for those in <2>-1: Yes

<2>-3 Changes due to accounting estimation change: None

<2>-4 Restatement: None

Note: See attached page14 "3. CONSOLIDATED FINANCIAL STATEMENTS (5) Notes to Consolidated Financial Statements - Changes in accounting policies".

<3> Number of shares issued

<3>-1 Number of shares issued at the fiscal year end (including treasury stocks)

<3>-2 Number of treasury stocks at the fiscal year end

<3>-3 The average number of shares issued during the fiscal year

FY2016	4,220,715,112 shares	FY2015	4,494,715,112 shares
FY2016	309,024,958 shares	FY2015	326,219,157 shares
FY2016	3,998,384,640 shares	FY2015	4,190,789,033 shares

(Reference) Non-Consolidated Financial Results**Results of FY2016 (April 1, 2016 through March 31, 2017)**

1 Results of non-consolidated operations for the year ended March 31, 2017

(Percent indications show percentage of changes from corresponding figures for the previous period.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2016	3,729,335	6.8	285,041	55.3	551,995	42.0	585,951	133.4
FY2015	3,493,419	(0.7)	183,522	30.5	388,799	(28.0)	251,009	(48.9)

	Net income per share - basic
	yen
FY2016	136.80
FY2015	55.92

※ This Financial Results report is out of scope of Financial Audit.

※ Explanation regarding the appropriate use of forecasts of business results

The financial forecast is based on judgments and estimates that have been made on the basis of currently available information.

By nature, such financial forecast is subject to uncertainty and risk. Therefore, you are advised that the final results might be significantly different from the aforementioned forecast due to changes in economic environments related to our business, market trends and exchange rate, etc.

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1. BUSINESS PERFORMANCE AND FINANCIAL POSITION

(1) Fiscal Year 2016 Business Performance

In fiscal year 2016, the global industry volume ("TIV") increased by 5.3% to 91.81 million units. Nissan's global sales amounted to 5,626,000 units, a 3.7% increase year-on-year.

In Japan, TIV increased by 2.8% year-on-year to 5.08 million units. Our sales reached 557,000 units, down 2.6% from the prior fiscal year, due to sales suspension of DAYZ and DAYZ Roox series of mini-cars in April.

Sales of DAYZ and DAYZ Roox have been resumed in July, and we have also launched new models such as Serena ProPILOT and Note e-POWER. As a result, our market share improved toward the year end.

In China, TIV increased by 13.2% to 26.88 million units. Our sales in China resulted in 1,355,000 units, by contribution of X-trail, Sylphy and Cashqai, accounting for a market share of 5.0%.

In North America, including Mexico and Canada, TIV increased by 0.8% to 21.10 million units. Our sales in North America increased by 5.9% to 2,130,000 units.

Meanwhile, in the United States of America, TIV decreased by 0.7% to 17.49 million units. We sold 1,581,000 units, up 4.2% from the prior fiscal year by contribution of Rogue and Altima, and our market share increased by 0.4 points to 9.0%.

In Europe, TIV increased by 5.8% to 19.46 million units. We sold 683,000 units in Europe, excluding Russia, up 7.2% from the prior fiscal year by contribution of Qashqai and Navara. Meanwhile, our sales in Russia decreased by 19.7% to 93,000 units.

In other markets, our sales volumes decreased by 3.3% to 808,000 units. Our sales volume in Asia and Oceania, Middle East and Africa decreased by 4.5% to 341,000 units, 5.4% to 198,000 units and 10.7% to 87,000 units, each. Meanwhile, our sales volume in Latin America increased by 6.0% to 182,000 units, which exceeded the growth of TIV.

Net sales in the fiscal year 2016 decreased by ¥469.5 billion (3.9%) to ¥11,720.0 billion. Operating income totaled ¥742.2 billion, yielding a 6.3% operating margin, which decreased by ¥51.1 billion (6.4%) from the prior fiscal year. The variance of operating income was mainly due to unfavorable effects of foreign exchange rate movement.

Net non-operating income of ¥122.5 billion was recorded, increased by ¥53.5 billion from the prior fiscal year. This result was primarily attributable to the increase in equity in earnings of affiliates. As a result, ordinary income increased by ¥2.4 billion (0.3%) from the prior fiscal year to ¥864.7 billion. Net special gains of ¥100.5 billion were recorded, improving by ¥229.9 billion from the prior fiscal year. Income before income taxes of ¥965.2 billion was recorded, a profit increase of ¥232.3 billion (31.7%) from the prior fiscal year. As a result, net income attributable to owners of parent of ¥663.5 billion was recorded, a profit increase of ¥139.7 billion (26.7%) from the prior fiscal year.

For fiscal year 2016, automotive free cash flow reached ¥677.1 billion positive. As a result, our net automotive debt continued to be in a net cash position, finishing the year with ¥1,635.0 billion.

(2) Fiscal Year 2016 Financial Position

■ Assets

Current assets have increased by 6.7% to ¥11,462.5 billion compared to March 31, 2016. This was mainly attributable to increases in sales finance receivables by ¥687.4 billion and cash on hand and in banks by ¥203.7 billion.

Fixed assets have increased by 5.0% to ¥6,958.5 billion compared to March 31, 2016. This was mainly attributable to increases in investment securities by ¥265.0 billion and machinery, equipment and vehicles, net by ¥159.8 billion.

As a result, total assets have increased by 6.0% to ¥18,421.0 billion compared to March 31, 2016.

■ Liabilities

Current liabilities have increased by 4.3% to ¥7,054.2 billion compared to March 31, 2016. This was mainly due to an increase in accrued expenses by ¥130.6 billion.

Long-term liabilities have increased by 13.4% to ¥6,199.7 billion compared to March 31, 2016. This was mainly due to increases in bonds by ¥523.2 billion and long-term borrowings by ¥347.9 billion.

As a result, total liabilities have increased by 8.3% to ¥13,253.9 billion compared to March 31, 2016.

■ Net Assets

Net assets have increased by 0.5% to ¥5,167.1 billion compared to ¥5,140.7 billion as of March 31, 2016. This was mainly attributable to increase in retained earnings by ¥198.4 billion despite an increase in translation adjustments (loss) by ¥105.5 billion.

(3) Fiscal Year 2016 Cash Flows

Cash and cash equivalents at the end of fiscal year 2016 increased by ¥249.0 billion or 25.1% to ¥1,241.1 billion, attributable to an increase in inflows from operating activities despite of an increase of cash outflows of investing activities and a decrease of cash inflows of financing activities.

■ Operating Activities

Cash and cash equivalents provided by operating activities amounted to ¥1,335.5 billion in fiscal year 2016, an increase of ¥408.5 billion from ¥927.0 billion provided in the prior fiscal year. This was mainly attributable to an increase in income before income taxes, a decrease of income taxes paid and a growth of increase in trade notes and accounts payable.

■ Investing Activities

Cash and cash equivalents used in investing activities amounted to ¥1,377.6 billion in fiscal year 2016, an increase of ¥148.3 billion from ¥1,229.3 billion used in the prior fiscal year. This was mainly due to an increase in payments for purchase of investment securities despite an increase in proceeds from sales of subsidiaries' shares resulting in changes in the scope of consolidation.

■ Financing Activities

Cash and cash equivalents provided by financing activities amounted to ¥320.6 billion in fiscal year 2016, a decrease of ¥210.0 billion from the inflows of ¥530.6 billion in the prior fiscal year. This was mainly due to a decrease in net increase in short-term borrowings despite an increase in proceeds from issuance of bonds.

(4) Fiscal Year 2017 Financial Forecast

For fiscal year 2017, Nissan anticipates total industry volumes will rise by 2.4% to 94.02 million units. In that period, we expect Nissan to improve with retail volumes by 3.6% to 5.83 million units. This would equate to a record of global market share of 6.2%.

Under the foreign exchange rate assumption of ¥108 to the dollar and ¥118 to the euro, we anticipate net revenues increasing by 0.7% to ¥11.8 trillion for the year ending March 31, 2018. Operating income is forecast to reach ¥685.0 billion – representing a margin of 5.8% and a decrease of 7.7% compared with fiscal year 2016. Net income attributable to owners of parent is expected to reach ¥535.0 billion, a decrease of 19.4% compared with fiscal year 2016.

Looking at the year-over-year change in consolidated operating income, we anticipate:

- An improvement in *monozukuri*, sales and marketing of ¥195.0 billion;
- Decrease of ¥90.0 billion due to rise in raw material cost;
- A negative foreign exchange movement of ¥60.0 billion;
- Decrease of ¥42.5 billion due to exclusion of Calsonic Kansei Corporation and 17 other companies.

Based on our outlook and our expectations for continued solid automotive free cash flow generation for fiscal year 2017, we are forecasting a 10.4% increase in the dividend to ¥53 per share.

2. BASIC RATIONALE ON SELECTION OF ACCOUNTING STANDARDS

We are currently in the process of studying the adoption of International Financial Reporting Standards (IFRS) for the purpose of disclosure of financial information.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	(in millions of yen)	
	FY2015	FY2016
	(As of March 31, 2016)	(As of March 31, 2017)
Assets		
Current assets		
Cash on hand and in banks	918,771	1,122,484
Trade notes and accounts receivable	837,704	808,981
Sales finance receivables	6,653,237	7,340,636
Securities	73,384	121,524
Merchandise and finished goods	857,818	911,553
Work in process	86,313	73,409
Raw materials and supplies	330,435	288,199
Deferred tax assets	251,689	156,457
Other	825,080	746,650
Allowance for doubtful accounts	(86,858)	(107,344)
Total current assets	10,747,573	11,462,549
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	645,945	609,769
Machinery, equipment and vehicles, net	3,182,514	3,342,305
Land	625,152	599,626
Construction in progress	196,718	177,394
Other, net	566,573	546,127
Total property, plant and equipment	5,216,902	5,275,221
Intangible fixed assets	130,877	127,807
Investments and other assets		
Investment securities	893,688	1,158,676
Long-term loans receivable	7,747	16,036
Net defined benefit assets	4,691	8,456
Deferred tax assets	187,106	176,354
Other	186,962	197,757
Allowance for doubtful accounts	(1,903)	(1,848)
Total investments and other assets	1,278,291	1,555,431
Total fixed assets	6,626,070	6,958,459
Total assets	17,373,643	18,421,008

(in millions of yen)

	FY2015 (As of March 31, 2016)	FY2016 (As of March 31, 2017)
Liabilities		
Current liabilities		
Trade notes and accounts payable	1,479,689	1,578,594
Short-term borrowings	1,037,271	980,654
Current portion of long-term borrowings	1,350,894	1,339,982
Commercial papers	499,875	430,019
Current portion of bonds	357,998	368,101
Lease obligations	14,916	31,565
Accrued expenses	981,989	1,112,591
Deferred tax liabilities	51	2
Accrued warranty costs	106,536	110,086
Other	934,968	1,102,626
Total current liabilities	6,764,187	7,054,220
Long-term liabilities		
Bonds	969,987	1,493,159
Long-term borrowings	2,755,896	3,103,803
Lease obligations	14,460	20,398
Deferred tax liabilities	691,809	601,398
Accrued warranty costs	138,107	128,394
Net defined benefit liability	424,123	369,346
Other	474,329	483,154
Total long-term liabilities	5,468,711	6,199,652
Total liabilities	12,232,898	13,253,872
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	805,646	817,464
Retained earnings	4,150,740	4,349,136
Treasury stock	(148,684)	(140,697)
Total shareholders' equity	5,413,516	5,631,717
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	64,030	57,778
Unrealized gain and loss from hedging instruments	(4,486)	7,154
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(13,945)	(13,945)
Translation adjustments	(582,363)	(687,841)
Remeasurements of defined benefit plans	(155,487)	(133,016)
Total accumulated other comprehensive income	(692,251)	(769,870)
Share subscription rights	502	391
Non-controlling interests	418,978	304,898
Total net assets	5,140,745	5,167,136
Total liabilities and net assets	17,373,643	18,421,008

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

	(in millions of yen)	
	FY2015	FY2016
	(From April 1, 2015 To March 31, 2016)	(From April 1, 2016 To March 31, 2017)
Net sales	12,189,519	11,720,041
Cost of sales	9,796,998	9,422,551
Gross profit	2,392,521	2,297,490
Selling, general and administrative expenses		
Advertising expenses	342,213	313,406
Service costs	130,530	79,125
Provision for warranty costs	137,941	131,059
Other selling expenses	234,456	251,378
Salaries and wages	393,739	402,202
Retirement benefit expenses	16,137	20,809
Supplies	3,901	4,083
Depreciation and amortization	45,056	50,773
Provision for doubtful accounts	63,586	88,550
Amortization of goodwill	5,111	1,818
Other	226,573	212,059
Total selling, general and administrative expenses	1,599,243	1,555,262
Operating income	793,278	742,228
Non-operating income		
Interest income	26,467	15,868
Dividends income	5,966	9,416
Equity in earnings of affiliates	122,524	148,178
Derivative gain	37,683	33,419
Miscellaneous income	11,726	20,914
Total non-operating income	204,366	227,795
Non-operating expenses		
Interest expense	24,806	14,128
Exchange loss	96,452	65,289
Credit liquidation costs	9,702	10,906
Miscellaneous expenses	4,412	14,967
Total non-operating expenses	135,372	105,290
Ordinary income	862,272	864,733

	(in millions of yen)	
	FY2015 (From April 1, 2015 To March 31, 2016)	FY2016 (From April 1, 2016 To March 31, 2017)
Special gains		
Gain on sales of fixed assets	9,011	7,114
Gain on sales of investment securities	23,338	—
Gain on sales of shares of subsidiaries and affiliates	—	111,502
Insurance income	5,287	7,204
Gain on transfer of business	—	9,788
Other	4,762	1,459
Total special gains	42,398	137,067
Special losses		
Loss on sales of fixed assets	4,937	9,256
Loss on disposal of fixed assets	13,274	11,253
Loss on sales of investment securities	—	3,865
Impairment loss	42,087	5,532
Quality related costs	90,700	—
Other	20,738	6,737
Total special losses	171,736	36,643
Income before income taxes	732,934	965,157
Income taxes-current	149,920	275,818
Income taxes-deferred	30,221	(11,179)
Total income taxes	180,141	264,639
Net income	552,793	700,518
Net income attributable to non-controlling interests	28,952	37,019
Net income attributable to owners of parent	523,841	663,499

Consolidated Statements of Comprehensive Income

	(in millions of yen)	
	FY2015 (From April 1, 2015 To March 31, 2016)	FY2016 (From April 1, 2016 To March 31, 2017)
Net income	552,793	700,518
Other comprehensive income		
Unrealized holding gain and loss on securities	(34,043)	(4,172)
Unrealized gain and loss from hedging instruments	(12,325)	11,532
Translation adjustments	(286,807)	(98,614)
Remeasurements of defined benefit plans	(81,791)	31,740
The amount for equity method company portion	(62,720)	(25,054)
Total other comprehensive income	(477,686)	(84,568)
Comprehensive income	75,107	615,950
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	71,164	585,880
Comprehensive income attributable to non-controlling interests	3,943	30,070

(3) Consolidated Statements of Changes in Net Assets

FY 2015 (From April 1, 2015 To March 31, 2016)

(in millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments
Balance at the beginning of current period	605,814	804,567	3,811,848	(148,239)	5,073,990	95,600	7,185
Changes of items during the period							
Cash dividends paid			(157,239)		(157,239)		
Net income attributable to owners of parent			523,841		523,841		
Purchase of treasury stock				(28,907)	(28,907)		
Disposal of treasury stock		1,157		1,173	2,330		
Retirement of treasury stock		(138)	(27,151)	27,289	—		
Changes in the scope of consolidation			(88)		(88)		
Others		60	(471)		(411)		
Net changes of items other than those in shareholders' equity						(31,570)	(11,671)
Total changes of items during the period		1,079	338,892	(445)	339,526	(31,570)	(11,671)
Balance at the end of current period	605,814	805,646	4,150,740	(148,684)	5,413,516	64,030	(4,486)

	Accumulated other comprehensive income				Share subscription rights	Non-controlling interests	Total net assets
	Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	(13,945)	(246,776)	(81,638)	(239,574)	2,294	410,552	5,247,262
Changes of items during the period							
Cash dividends paid							(157,239)
Net income attributable to owners of parent							523,841
Purchase of treasury stock							(28,907)
Disposal of treasury stock							2,330
Retirement of treasury stock							—
Changes in the scope of consolidation							(88)
Others							(411)
Net changes of items other than those in shareholders' equity		(335,587)	(73,849)	(452,677)	(1,792)	8,426	(446,043)
Total changes of items during the period		(335,587)	(73,849)	(452,677)	(1,792)	8,426	(106,517)
Balance at the end of current period	(13,945)	(582,363)	(155,487)	(692,251)	502	418,978	5,140,745

FY 2016 (From April 1, 2016 To March 31, 2017)

(in millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments
Balance at the beginning of current period	605,814	805,646	4,150,740	(148,684)	5,413,516	64,030	(4,486)
Changes of items during the period							
Cash dividends paid			(182,803)		(182,803)		
Net income attributable to owners of parent			663,499		663,499		
Purchase of treasury stock				(277,859)	(277,859)		
Disposal of treasury stock		11,835		7,284	19,119		
Retirement of treasury stock		(17)	(278,545)	278,562	—		
Changes in the scope of consolidation			40		40		
Changes in the scope of equity method			(3,795)		(3,795)		
Net changes of items other than those in shareholders' equity						(6,252)	11,640
Total changes of items during the period		11,818	198,396	7,987	218,201	(6,252)	11,640
Balance at the end of current period	605,814	817,464	4,349,136	(140,697)	5,631,717	57,778	7,154

	Accumulated other comprehensive income				Share subscription rights	Non-controlling interests	Total net assets
	Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	(13,945)	(582,363)	(155,487)	(692,251)	502	418,978	5,140,745
Changes of items during the period							
Cash dividends paid							(182,803)
Net income attributable to owners of parent							663,499
Purchase of treasury stock							(277,859)
Disposal of treasury stock							19,119
Retirement of treasury stock							—
Changes in the scope of consolidation							40
Changes in the scope of equity method							(3,795)
Net changes of items other than those in shareholders' equity		(105,478)	22,471	(77,619)	(111)	(114,080)	(191,810)
Total changes of items during the period		(105,478)	22,471	(77,619)	(111)	(114,080)	26,391
Balance at the end of current period	(13,945)	(687,841)	(133,016)	(769,870)	391	304,898	5,167,136

(4) Consolidated Statements of Cash Flows

	(in millions of yen)	
	FY2015 (From April 1, 2015 To March 31, 2016)	FY2016 (From April 1, 2016 To March 31, 2017)
Cash flows from operating activities		
Income before income taxes	732,934	965,157
Depreciation and amortization (for fixed assets excluding leased vehicles)	424,881	391,798
Depreciation and amortization (for long term prepaid expenses)	18,666	22,910
Depreciation and amortization (for leased vehicles)	389,339	426,349
Impairment loss	42,087	5,532
Increase (decrease) in allowance for doubtful receivables	16,669	22,959
Provision for residual value risk of leased vehicles (net changes)	53,737	63,049
Quality related costs	90,700	—
Interest and dividend income	(32,433)	(25,284)
Interest expense	111,906	119,310
Equity in losses (earnings) of affiliates	(122,524)	(148,178)
Loss (gain) on sales of fixed assets	(4,074)	2,142
Loss on disposal of fixed assets	13,274	11,253
Loss (gain) on sales of investment securities	(23,338)	3,865
Loss (gain) on sales of shares of subsidiaries and affiliates	—	(111,502)
Loss (gain) on transfer of business	—	(9,788)
Decrease (increase) in trade notes and accounts receivable	15,171	(42,584)
Decrease (increase) in sales finance receivables	(830,209)	(765,894)
Decrease (increase) in inventories	(17,244)	(32,660)
Increase (decrease) in trade notes and accounts payable	217,587	296,060
Other	39,705	192,688
Subtotal	1,136,834	1,387,182
Interest and dividends received	33,222	24,467
Proceeds from dividends income from affiliates accounted for by equity method	144,961	127,772
Interest paid	(110,439)	(117,213)
Income taxes paid	(277,565)	(86,735)
Net cash provided by operating activities	927,013	1,335,473
Cash flows from investing activities		
Net decrease (increase) in short-term investments	4,855	(2,119)
Purchase of fixed assets	(531,251)	(503,745)
Proceeds from sales of fixed assets	80,320	72,814
Purchase of leased vehicles	(1,385,990)	(1,293,840)
Proceeds from sales of leased vehicles	560,861	512,375
Payments of long-term loans receivable	(3,018)	(1,581)
Collection of long-term loans receivable	8,285	2,096
Purchase of investment securities	(24,869)	(270,228)
Proceeds from sales of investment securities	25,192	—
Proceeds from (payments for) sales of subsidiaries' shares resulting in changes in the scope of consolidation	—	97,055
Proceeds from (payments for) purchase of subsidiaries' shares resulting in changes in the scope of consolidation	(6,354)	—
Net decrease (increase) in restricted cash	44,839	4,779
Proceeds from transfer of business	—	9,582
Other	(2,150)	(4,814)
Net cash used in investing activities	(1,229,280)	(1,377,626)

(in millions of yen)

	FY2015 (From April 1, 2015 To March 31, 2016)	FY2016 (From April 1, 2016 To March 31, 2017)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	420,085	16,119
Proceeds from long-term borrowings	1,824,367	1,724,688
Proceeds from issuance of bonds	270,592	878,641
Repayments of long-term borrowings	(1,545,177)	(1,369,795)
Redemption of bonds	(212,033)	(344,009)
Proceeds from non-controlling shareholders	4,914	1,275
Purchase of treasury stock	(28,325)	(277,419)
Proceeds from sales of treasury stock	303	128
Repayments of lease obligations	(23,093)	(26,265)
Cash dividends paid	(157,239)	(182,803)
Cash dividends paid to non-controlling interests	(23,788)	(99,950)
Net cash provided by financing activities	530,606	320,610
Effects of exchange rate changes on cash and cash equivalents	(45,107)	(34,875)
Increase in cash and cash equivalents	183,232	243,582
Cash and cash equivalents at beginning of the period	802,612	992,095
Increase due to inclusion in consolidation	6,251	5,447
Cash and cash equivalents at end of the period	992,095	1,241,124

(5) Notes to Consolidated Financial Statements

(Notes to Events and Conditions which indicate there could be Substantial Doubt about Going Concern Assumption)

Not applicable.

(Basis of Consolidated Financial Statements)

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

(1) Consolidated subsidiaries : 193 companies (Domestic 72, Overseas 121)

(2) Companies Accounted for by the Equity Method

Unconsolidated subsidiaries: 17 companies (Domestic 12, Overseas 5)

Affiliates: 30 companies (Domestic 20, Overseas 10)

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

Number of companies newly included in the scope of consolidation; 5 subsidiaries

Number of companies excluded from the scope of consolidation; 20 subsidiaries

Number of companies newly accounted for by the equity method; 2 companies

Number of companies ceased to be accounted for by the equity method; 7 companies

Mitsubishi Motors Corporation (MMC) have been included in the scope of equity method through acquisition of their stocks in the current fiscal year.

Calsonic Kansei Corporation and 17 other companies which were consolidated subsidiaries and Calsonic Kansei Spain, S.A.

and 1 other company which were unconsolidated subsidiaries accounted for by the equity method have been excluded from consolidation and equity method respectively, due to sale of their shares.

(Changes in accounting policies)

The "Balance Sheet Classification of Deferred Taxes" (Accounting Standards Update No. 2015-17 issued by Financial Accounting Standards Board (FASB) on November 20, 2015) has been early applied from the fiscal year ended March 31, 2017 at overseas affiliated companies that apply US GAAP. Consequently, deferred tax assets and liabilities that were presented separately in the current and non-current categories of the consolidated balance sheets have been changed to be classified in the non-current category. The accounting standard has been applied prospectively from the fiscal year ended March 31, 2017 pursuant to the treatment stipulated in FASB Accounting Standards Codification Topic 740 "Income Taxes".

As a result, as of the end of the fiscal year ended March 31, 2017, deferred tax assets (current) decreased by ¥117,879 million, deferred tax assets (non-current) increased by ¥244 million, deferred tax liabilities (current) and deferred tax liabilities (non-current) decreased by ¥741 million and ¥116,894 million respectively, and total assets decreased by ¥117,635 million.

There is no impact on the consolidated statements of income and per share information for the fiscal year ended March 31, 2017.

(Segments of an enterprise and related information)

【Segment information】

1. General information about reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Executive Committee to make decision about resource allocation and to assess their performance.

Businesses of the Group are segmented into Automobile and Sales Financing based on feature of products and services. The Automobile business includes manufacturing and sales of vehicles and related parts. The Sales Financing business provides sales finance service and leasing to support sales activities of the above business.

2. Calculation method of net sales and profits or losses by reportable segments

The accounting method for the reportable segments is the same as basis of preparation for the consolidated financial statements. The segment profits are based on operating income. Inter-segment sales are based on the price in arms-lengths transaction.

3. Net sales and profits or losses by reportable segments

The Year Ended March 31, 2016 (From April 1, 2015 To March 31, 2016)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2016
	Automobile	Sales Financing	Total		
Net sales					
Sales to third parties	11,265,880	923,639	12,189,519	—	12,189,519
Inter-segment sales or transfers	115,222	41,235	156,457	(156,457)	—
Total	11,381,102	964,874	12,345,976	(156,457)	12,189,519
Segment profits	540,014	232,111	772,125	21,153	793,278

The Year Ended March 31, 2017 (From April 1, 2016 To March 31, 2017)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2017
	Automobile	Sales Financing	Total		
Net sales					
Sales to third parties	10,770,598	949,443	11,720,041	—	11,720,041
Inter-segment sales or transfers	134,639	33,788	168,427	(168,427)	—
Total	10,905,237	983,231	11,888,468	(168,427)	11,720,041
Segment profits	534,749	183,883	718,632	23,596	742,228

[Consolidated Financial Statements by Business Segments]

* Regarding summarized consolidated statements of income and summarized consolidated statements of cash flows, the Sales Financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR Finance Mexico S.A. de C.V. SOFOM ER (Mexico), other 8 companies and the sales finance operations of Nissan Canada Inc. (Canada).

* The financial data on the Automobile & Eliminations represent the differences between the consolidated figures and those for the Sales Financing segment.

1) Summarized consolidated statements of income by business segments

(in millions of yen)

	Automobile & Eliminations		Sales Financing		Consolidated total	
	FY2015 (From April 1, 2015 To March 31, 2016)	FY2016 (From April 1, 2016 To March 31, 2017)	FY2015 (From April 1, 2015 To March 31, 2016)	FY2016 (From April 1, 2016 To March 31, 2017)	FY2015 (From April 1, 2015 To March 31, 2016)	FY2016 (From April 1, 2016 To March 31, 2017)
Net sales	11,224,645	10,736,810	964,874	983,231	12,189,519	11,720,041
Cost of sales	9,181,145	8,769,239	615,853	653,312	9,796,998	9,422,551
Gross profit	2,043,500	1,967,571	349,021	329,919	2,392,521	2,297,490
Operating income as a percentage of net sales	5.0%	5.2%	24.1%	18.7%	6.5%	6.3%
Operating income	561,167	558,345	232,111	183,883	793,278	742,228
Financial income / expenses, net	7,532	11,075	95	81	7,627	11,156
Other non-operating income and expenses, net	62,522	110,149	(1,155)	1,200	61,367	111,349
Ordinary income	631,221	679,569	231,051	185,164	862,272	864,733
Income before income taxes	502,924	788,925	230,010	176,232	732,934	965,157
Net income attributable to owners of parent	373,413	570,500	150,428	92,999	523,841	663,499

2) Summarized consolidated statements of cash flows by business segments

(in millions of yen)

	Automobile & Eliminations		Sales Financing		Consolidated total	
	FY2015 (From April 1, 2015 To March 31, 2016)	FY2016 (From April 1, 2016 To March 31, 2017)	FY2015 (From April 1, 2015 To March 31, 2016)	FY2016 (From April 1, 2016 To March 31, 2017)	FY2015 (From April 1, 2015 To March 31, 2016)	FY2016 (From April 1, 2016 To March 31, 2017)
Cash flows from operating activities	891,265	1,238,029	35,748	97,444	927,013	1,335,473
Cash flows from investing activities	(410,044)	(560,901)	(819,236)	(816,725)	(1,229,280)	(1,377,626)
(Free Cash flow)	481,221	677,128	(783,488)	(719,281)	(302,267)	(42,153)
Cash flows from financing activities	(244,934)	(403,195)	775,540	723,805	530,606	320,610
Effects of exchange rate changes on cash and cash equivalents	(40,493)	(33,617)	(4,614)	(1,258)	(45,107)	(34,875)
Increase (decrease) in cash and cash equivalents	195,794	240,316	(12,562)	3,266	183,232	243,582
Cash and cash equivalents at beginning of the period	748,417	944,212	54,195	47,883	802,612	992,095
Increase due to inclusion in consolidation	1	5,447	6,250	—	6,251	5,447
Cash and cash equivalents at end of the period	944,212	1,189,975	47,883	51,149	992,095	1,241,124

[Net sales and profits or losses by region]

The Year Ended March 31, 2016 (From April 1, 2015 To March 31, 2016)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	2,201,323	6,032,468	1,678,133	1,116,640	1,160,955	12,189,519	—	12,189,519
(2) Inter-segment sales	2,302,967	467,967	237,329	670,814	7,779	3,686,856	(3,686,856)	—
Total	4,504,290	6,500,435	1,915,462	1,787,454	1,168,734	15,876,375	(3,686,856)	12,189,519
Operating income (loss)	303,596	399,084	(14,222)	87,456	5,977	781,891	11,387	793,278

- Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain, Russia and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, Central and South America excluding Mexico and South Africa

The Year Ended March 31, 2017 (From April 1, 2016 To March 31, 2017)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	2,173,881	5,924,032	1,605,613	1,007,105	1,009,410	11,720,041	—	11,720,041
(2) Inter-segment sales	2,544,563	427,699	315,030	602,477	13,451	3,903,220	(3,903,220)	—
Total	4,718,444	6,351,731	1,920,643	1,609,582	1,022,861	15,623,261	(3,903,220)	11,720,041
Operating income (loss)	410,114	287,712	(25,193)	61,919	(15,822)	718,730	23,498	742,228

- Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain, Russia and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, Central and South America excluding Mexico and South Africa

【Related information】

[Information about net sales by geographical area]

The Year Ended March 31, 2016 (From April 1, 2015 To March 31, 2016) (in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,799,650	5,861,732	4,862,037	1,748,122	1,443,889	1,336,126	12,189,519

- Notes:
- Regions represent customers' location.
 - Areas are segmented based on their geographical proximity and their mutual operational relationship.
 - Major countries and areas which belong to segments other than Japan are as follows:
 - North America : The United States of America, Canada and Mexico
 - Europe : France, The United Kingdom, Spain, Russia and other European countries
 - Asia : China, Thailand, India and other Asian countries
 - Other overseas countries : Oceania, Middle East, Central and South America excluding Mexico, South Africa, etc.

The Year Ended March 31, 2017 (From April 1, 2016 To March 31, 2017) (in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,827,937	5,807,622	4,812,984	1,670,283	1,260,964	1,153,235	11,720,041

- Notes:
- Regions represent customers' location.
 - Areas are segmented based on their geographical proximity and their mutual operational relationship.
 - Major countries and areas which belong to segments other than Japan are as follows:
 - North America : The United States of America, Canada and Mexico
 - Europe : France, The United Kingdom, Spain, Russia and other European countries
 - Asia : China, Thailand, India and other Asian countries
 - Other overseas countries : Oceania, Middle East, Central and South America excluding Mexico, South Africa, etc.

(Amount per share)

(yen)

	FY2015 (From April 1, 2015 To March 31, 2016)	FY2016 (From April 1, 2016 To March 31, 2017)
Net assets per share	1,132.61	1,242.90
Basic earnings per share	125.00	165.94
Diluted earnings per share	124.99	165.94

Note: The bases for calculation of basic earnings per share and diluted earnings per share are as follows:

	FY2015 (From April 1, 2015 To March 31, 2016)	FY2016 (From April 1, 2016 To March 31, 2017)
Basic earnings per share		
Net income attributable to owners of parent (Millions of yen)	523,841	663,499
Net income attributable to owners of parent relating to common stock (Millions of yen)	523,841	663,499
Average number of shares of common stock during the fiscal year (Thousand of shares)	4,190,789	3,998,385
Diluted earnings per share		
Increase in shares of common stock (Thousand of shares)	361	140
(Exercise of share subscription rights (Thousand of shares))	361	140

(Significant subsequent events)

Not applicable.