

Financial Information as of March 31, 2015

(The English translation of the
“Yukashoken-Houkokusho” for
the year ended March 31, 2015)

Nissan Motor Co., Ltd.

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| 【Cover】 | |
| 【Document Submitted】 | Securities Report (“Yukashoken-Houkokusho”) |
| 【Article of the Applicable Law Requiring Submission of This Document】 | Article 24, Paragraph 1 of the Financial Instruments and Exchange Law |
| 【Filed to】 | Director, Kanto Local Finance Bureau |
| 【Date of Submission】 | June 25, 2015 |
| 【Business Year】 | 116th Fiscal Year (From April 1, 2014 To March 31, 2015) |
| 【Company Name】 | Nissan Jidosha Kabushiki-Kaisha |
| 【Company Name (in English)】 | Nissan Motor Co., Ltd. |
| 【Position and Name of Representative】 | Carlos Ghosn, President |
| 【Location of Head Office】 | 2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa |
| 【Phone No.】 | (045) 461- 7410 |
| 【Contact for Communications】 | Maki Kawai, Manager, Consolidation Accounting Group, Budget and Accounting Department |
| 【Nearest Contact】 | 1-1, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa |
| 【Phone No.】 | (045) 523-5523 (switchboard) |
| 【Contact for Communications】 | Maki Kawai, Manager, Consolidation Accounting Group, Budget and Accounting Department |
| 【Place Where Available for Public Inspection】 | Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo |

Part I Information on the Company

1. Overview of the Company

1. Key financial data and trends

(1) Consolidated financial data

| Fiscal year | | 112th | 113th | 114th | 115th | 116th |
|---------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| Year ended | | March 31, 2011 | March 31, 2012 | March 31, 2013 | March 31, 2014 | March 31, 2015 |
| Net sales | Millions of yen | 8,773,093 | 9,409,026 | 8,737,320 | 10,482,520 | 11,375,207 |
| Ordinary income | Millions of yen | 537,814 | 535,090 | 504,421 | 527,189 | 694,232 |
| Net income | Millions of yen | 319,221 | 341,433 | 341,117 | 389,034 | 457,574 |
| Comprehensive income | Millions of yen | 189,198 | 290,600 | 721,860 | 796,533 | 719,903 |
| Net assets | Millions of yen | 3,273,783 | 3,449,997 | 4,036,030 | 4,671,528 | 5,247,262 |
| Total assets | Millions of yen | 10,736,693 | 11,072,053 | 12,442,337 | 14,703,403 | 17,045,659 |
| Net assets per share | Yen | 703.16 | 750.77 | 890.38 | 1,035.06 | 1,152.83 |
| Basic net income per share | Yen | 76.44 | 81.67 | 81.39 | 92.82 | 109.15 |
| Diluted net income per share | Yen | — | — | — | 92.82 | 109.14 |
| Net assets as a percentage of total assets | % | 27.4 | 28.4 | 30.0 | 29.5 | 28.4 |
| Return on equity | % | 11.3 | 11.2 | 9.9 | 9.6 | 10.0 |
| Price earnings ratio | Times | 9.65 | 10.79 | 11.08 | 9.91 | 11.21 |
| Cash flows from operating activities | Millions of yen | 667,502 | 696,297 | 412,257 | 728,123 | 692,747 |
| Cash flows from investing activities | Millions of yen | (331,118) | (685,053) | (838,047) | (1,080,416) | (1,022,025) |
| Cash flows from financing activities | Millions of yen | 110,575 | (308,457) | 433,817 | 396,925 | 245,896 |
| Cash and cash equivalents at end of fiscal year | Millions of yen | 1,153,453 | 840,871 | 711,901 | 832,716 | 802,612 |
| Employees () represents the average number of part-time employees not included in the above numbers | Number | 155,099 (27,816) 159,398 (28,089) | 157,365 (34,775) 161,513 (35,099) | 130,274 (22,442) 136,625 (23,307) | 142,925 (21,750) 147,939 (22,642) | 149,388 (20,381) 151,710 (20,748) |

Notes: 1. Net sales are presented exclusive of consumption tax.

2. Effective from the 115th fiscal year, International Financial Reporting Standards (IFRS) 11 *Joint Arrangements*, which was released on May 12, 2011, and International Accounting Standards (IAS) 19 *Employee Benefits*, which was released on June 16, 2011, have been applied in some foreign subsidiaries and affiliates, and key financial data and trends for the 114th fiscal year are adjusted.

3. Diluted net income per share for the 112th fiscal year, 113th fiscal year and 114th fiscal year is not presented because the Company had no securities with dilutive effects.

4. Staff numbers, which are presented as the lower numbers in the “Employees” line, include those of unconsolidated subsidiaries accounted for by the equity method as reference data.

(2) Non-consolidated financial data

| Fiscal year | | 112th | 113th | 114th | 115th | 116th |
|---------------------------------------------------------------------------------------------------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Year ended | | March 31, 2011 | March 31, 2012 | March 31, 2013 | March 31, 2014 | March 31, 2015 |
| Net sales | Millions of yen | 3,432,989 | 3,734,336 | 3,526,252 | 3,737,844 | 3,516,415 |
| Ordinary income (loss) | Millions of yen | (6,919) | (62,424) | 111,526 | 457,281 | 540,154 |
| Net income (loss) | Millions of yen | (24,018) | (74,826) | 74,847 | 425,494 | 491,570 |
| Common stock | Millions of yen | 605,813 | 605,813 | 605,813 | 605,813 | 605,813 |
| Number of shares issued | Thousands | 4,520,715 | 4,520,715 | 4,520,715 | 4,520,715 | 4,520,715 |
| Net assets | Millions of yen | 1,952,080 | 1,815,674 | 1,790,353 | 2,144,281 | 2,472,951 |
| Total assets | Millions of yen | 4,241,367 | 4,214,783 | 4,060,408 | 4,726,430 | 4,993,336 |
| Net assets per share | Yen | 435.04 | 403.86 | 398.22 | 477.04 | 550.20 |
| Cash dividends per share (Interim cash dividends included herein) | Yen (Yen) | 10 (5) | 20 (10) | 25 (12.5) | 30 (15) | 33 (16.5) |
| Basic net income (loss) per share | Yen | (5.37) | (16.71) | 16.67 | 94.77 | 109.48 |
| Diluted net income per share | Yen | — | — | — | 94.77 | 109.48 |
| Net assets as a percentage of total assets | % | 46.0 | 43.0 | 44.0 | 45.3 | 49.5 |
| Return on equity | % | (1.3) | (4.0) | 4.2 | 21.7 | 21.3 |
| Price earnings ratio | Times | — | — | 54.29 | 9.71 | 11.18 |
| Cash dividends as a percentage of net income | % | — | — | 149.96 | 31.66 | 30.14 |
| Employees () represents the average number of part-time employees not included in the above numbers | Number | 28,403 (1,707) | 24,240 (2,943) | 23,605 (2,671) | 23,085 (2,858) | 22,614 (2,704) |

Notes: 1. Net sales are presented exclusive of consumption tax.

2. Diluted net income per share for the 112th fiscal year and 113th fiscal year is not presented because a net loss per share was recorded although potential securities existed. Diluted net income per share for the 114th fiscal year is not presented because the Company had no securities with dilutive effects.

3. Price earnings ratio and cash dividends as a percentage of net income for the 112th fiscal year and 113th fiscal year are not stated because a net loss per share was recorded.

2. History

| | |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| December 1933 | Jidosha Seizo Co., Ltd., predecessor of Nissan Motor Co., Ltd. was established with invested capital of ¥10 million in Takaracho, Kanagawa-ku, Yokohama-shi, through the joint capital investment of Nippon Sangyo K.K. and Tobata Imono K.K. |
| May 1934 | Construction of the Yokohama Plant was completed. |
| June 1934 | The Company changed its name to Nissan Motor Co., Ltd. |
| April 1935 | First vehicle was manufactured off the production line through the integrated production at the Yokohama Plant. |
| August 1943 | Construction of the Fuji Plant (formerly the Yoshiwara Plant) was completed. |
| September 1944 | The head office was moved to Nihonbashi, Tokyo, and the Company changed its name to Nissan Heavy Industries, Ltd. |
| January 1946 | The headquarters moved to Takaracho, Kanagawa-ku, Yokohama-shi. |
| August 1949 | The Company changed its name to Nissan Motor Co., Ltd. |
| January 1951 | The Company's stock was listed on the Tokyo Stock Exchange. |
| May 1951 | The Company acquired an interest in Shin-Nikkoku Kogyo Co., Ltd. (currently Nissan Shatai Co., Ltd.; a consolidated subsidiary). |
| May 1958 | Exportation of passenger cars to the United States of America was commenced. |
| September 1960 | Nissan Motor Corporation in U.S.A. was established. |
| September 1961 | Nissan Mexicana, S.A. de C.V. (currently a consolidated subsidiary), a joint venture with Marubeni-Iida Co., Ltd. (currently Marubeni Corporation) was established in Mexico City, Mexico. |
| March 1962 | Construction of the Oppama Plant was completed. |
| March 1965 | The Company acquired an interest in Aichi Machine Industry Co., Ltd. (currently a consolidated subsidiary). |
| May 1965 | Construction of the Zama Plant was completed. |
| August 1966 | The Company merged Prince Motor Company and, accordingly, the Murayama Plant and others became a part of the Company. |
| July 1967 | Construction of the Honmoku Wharf (a base for exporting) was completed. |
| January 1968 | The headquarters moved to the Company's new building in the Ginza area of Tokyo. |
| March 1971 | Construction of the Tochigi Plant was completed. |
| October 1973 | Construction of the Sagami-hara Parts Center was completed. |
| June 1977 | Construction of the Kyushu Plant was completed. |
| January 1980 | The Company acquired an interest in Motor Iberica, S.A. (currently Nissan Motor Iberica, S.A.; a consolidated subsidiary) in Spain. |
| July 1980 | Nissan Motor Manufacturing Corporation U.S.A. was established. |
| November 1981 | The Nissan Technical Center was completed. |
| November 1981 | Nissan Motor Acceptance Corporation (currently a consolidated subsidiary) was established. |
| November 1982 | Construction of the Aguascalientes plant of Nissan Mexicana, S.A. de C.V. was completed. |
| February 1984 | Nissan Motor Manufacturing (UK) Ltd. (currently a consolidated subsidiary) was established. |
| November 1984 | Construction of the Oppama Wharf was completed. |
| April 1989 | Nissan Europe N. V. was established in the Netherlands. |
| January 1990 | Former Nissan North America, Inc. was established in the United States of America. |
| May 1991 | Construction of Kanda Wharf was completed. |
| January 1994 | Construction of the Iwaki Plant was completed. |
| April 1994 | The business in the North America region was reorganized and Nissan North America, Inc. (currently a consolidated subsidiary) was newly established. |
| October 1994 | The Company established Nissan Middle East F.Z.E. (currently a consolidated subsidiary), a regional headquarter in Middle East. |
| March 1995 | Production of vehicles was discontinued at the Zama Plant. |
| December 1998 | Nissan North America, Inc. merged with Nissan Motor Corporation in U.S.A. |

| | |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| March 1999 | The Company and Renault (currently an affiliate accounted for by the equity method) signed an agreement for a global alliance, including equity participation. |
| July 1999 | The Company sold its business related to the Fuji Plant to TransTechnology Ltd., which merged with JATCO Co., Ltd. into JATCO TransTechnology (currently JATCO Ltd., a consolidated subsidiary). |
| April 2000 | Nissan North America, Inc. merged with Nissan Motor Manufacturing Corporation U.S.A. |
| March 2001 | Production of vehicles was discontinued at the Murayama Plant. |
| March 2002 | Renault increased its stake in the Company to 44.4%. |
| March 2002 | The Company acquired an interest in Renault through Nissan Finance Co., Ltd. (currently a consolidated subsidiary). |
| March 2002 | The Company established Renault Nissan BV, a management organization with Renault. |
| August 2002 | Nissan Europe SAS (currently a consolidated subsidiary) was established to reorganize business in Europe. |
| March 2003 | The Company liquidated Nissan Europe N.V. |
| May 2003 | Nissan North America, Inc. established a new plant in Canton, Mississippi. |
| July 2003 | Dongfeng Motor Co., Ltd. (currently an affiliate accounted for by the equity method) commenced its operations in China. |
| April 2004 | The Company made Siam Nissan Automobile (currently Nissan Motor (Thailand) Co., Ltd., a consolidated subsidiary) into a subsidiary through underwriting of third party allocation of new shares. |
| May 2004 | A plant of Dongfeng Motor Co., Ltd., was completed in Huadu, China. |
| January 2005 | The Company made Calsonic Kansei Corporation (currently a consolidated subsidiary) through underwriting of third party allocation of new shares. |
| December 2007 | Renault Nissan Automotive India Private Limited (currently a consolidated subsidiary) was established. |
| January 2008 | Nissan International SA (currently a consolidated subsidiary) began managing sales and manufacturing operations in Europe. |
| August 2009 | The Global Headquarters moved to Yokohama. |
| April 2010 | The Company entered into an agreement with Renault and Daimler AG on a strategic cooperative relationship including equity participation. |
| July 2011 | The Company established Nissan Motor Asia Pacific Co., Ltd. (currently a consolidated subsidiary), a regional headquarter in ASEAN. |
| August 2011 | Nissan Motor Kyushu Co., Ltd. (currently a consolidated subsidiary) was incorporated from the Kyushu Plant of the Company as its parent organization. |
| March 2013 | The Company acquired an interest in AVTOVAZ through Nissan International Holdings B.V. (currently a consolidated subsidiary) and Alliance Rostec Auto B.V. (currently an affiliate accounted for by the equity method). |
| November 2013 | Construction of the second plant of Nissan Mexicana, S.A. de C.V. (currently a consolidated subsidiary), was completed in Aguascalientes, Mexico. |
| April 2014 | Construction of a plant of Nissan Do Brasil Automóveis Ltda. (currently a consolidated subsidiary) was completed in Resende, Brazil. |
| May 2014 | Construction of the second plant of PT. Nissan Motor Indonesia (currently a consolidated subsidiary) was completed in Purwakarta, Indonesia. |

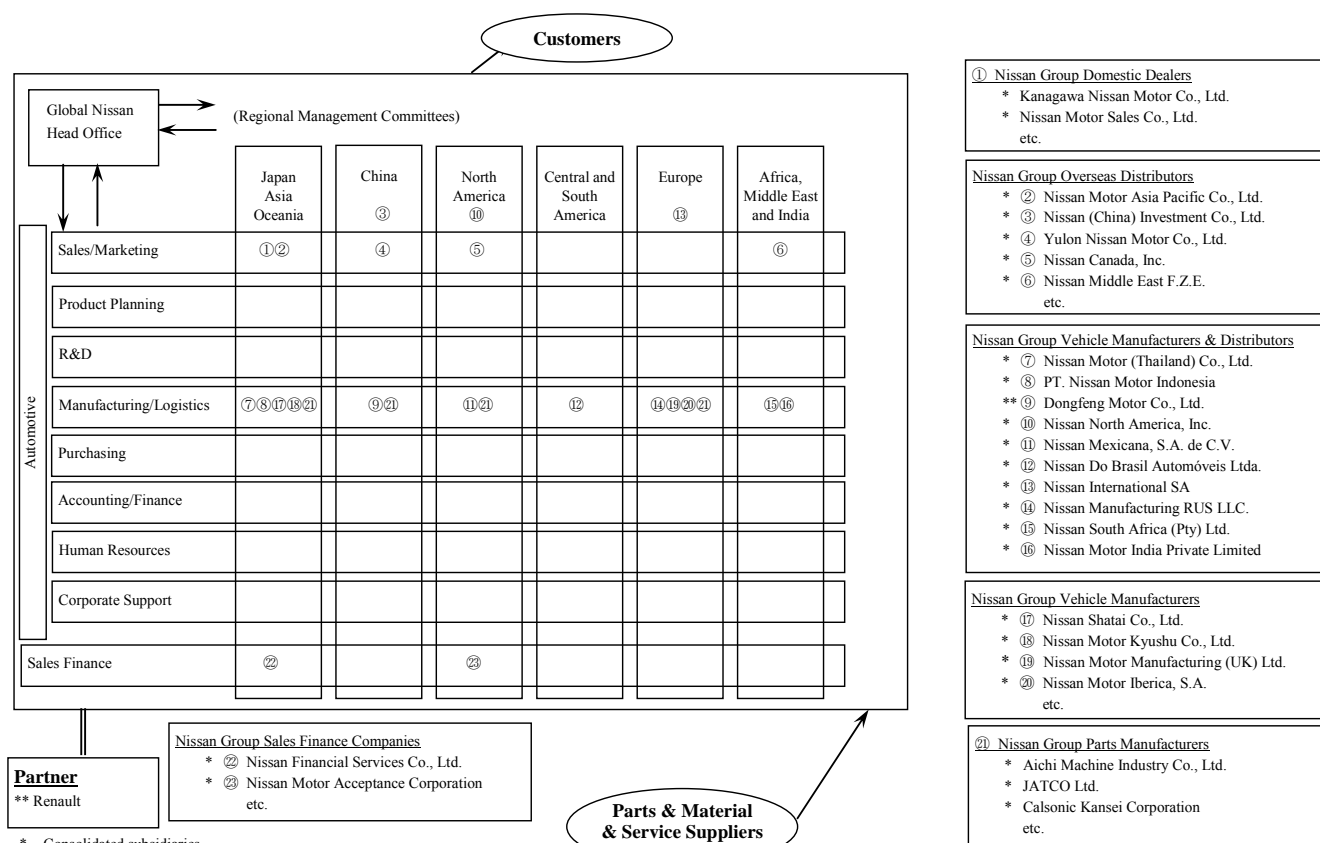
3. Description of business

The Nissan Group (the “Group” or “Nissan”) consists of Nissan Motor Co., Ltd. (“the Company” or “NML”), subsidiaries, affiliates, and other associated companies. Its main businesses include manufacturing and sales of vehicles, marine products and related parts. In addition, the Group provides sales finance services to support sales activities of the above businesses.

The Group has established the Global Nissan Head Office to function as its global headquarters. It decides group resource allocation to the above respective businesses and manages their business operations group-wide. Also it operates the Global Nissan Group through six Regional Management Committees and handles cross-regional matters such as research & development, purchasing, manufacturing, and so forth.

The Group’s structure is summarized as follows:

Global Nissan Group



* Consolidated subsidiaries

** Companies accounted for by the equity method

- In addition to the above companies, *Nissan Trading Co., Ltd., *Nissan Network Holdings Co., Ltd. and others are included in the Group.
- The Group’s consolidated subsidiaries listed on the domestic stock exchanges among above mentioned are as follows:
Nissan Shatai Co., Ltd. – Tokyo, and Calsonic Kansei Corporation – Tokyo

4. Information on subsidiaries and affiliates

(1) Consolidated subsidiaries

| Name of company | Location | Capital | Description of principal business | Percentage of voting rights held by NML | | Concurrent positions/offices held by directors | | | Relationship with NML | | |
|------------------------------------------|------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------|------------------------------------------------|------------|------------|----------------------------------|-------------------------------------------------|------------------------------------------------------------------------|
| | | | | Percentage | (Indirect holdings) | Transferred | Concurrent | Dispatched | Loans | Business transactions | Leasing of fixed assets |
| | | | | | | | | | | | |
| # ☆※ Nissan Shatai Co., Ltd. | Hiratsuka-shi, Kanagawa | Millions of yen 7,905 | Manufacturing and selling automobiles and parts | 45.79 | (0.00) | 4 | — | — | None | Manufacturing products on behalf of NML | Mutually leasing land and buildings with NML |
| Nissan Motor Kyushu Co., Ltd. | Kanda-machi, Miyako-gun, Fukuoka | 10 | Entrusted manufacturing automobiles and automotive parts | 100.00 | — | 1 | 2 | 3 | None | Manufacturing products on behalf of NML | Leasing of land, buildings and production facilities etc. owned by NML |
| Aichi Machine Industry Co., Ltd. | Atsuta-ku, Nagoya-shi | 8,518 | Manufacturing and selling automotive parts | 100.00 | — | 3 | 2 | — | None | Selling automotive parts to NML | None |
| JATCO Ltd. | Fuji-shi, Shizuoka | 29,935 | Manufacturing and selling automotive parts | 74.96 | — | 4 | 2 | — | None | Selling automotive parts to NML | Leasing of land, buildings and production facilities owned by NML |
| Nissan Kohki Co., Ltd. | Samukawa-machi, Koza-gun, Kanagawa | 2,020 | Manufacturing and selling automotive parts | 97.73 | — | 5 | — | — | None | Selling automotive parts to NML | Leasing of production facilities owned by NML |
| # ※ Calsonic Kansei Corporation | Kita-ku, Saitama-shi | 41,456 | Manufacturing and selling automotive parts | 41.59 | — | 5 | — | — | None | Selling automotive parts to NML | None |
| Automotive Energy Supply Corporation | Zama-shi, Kanagawa | 2,345 | Development, manufacturing and selling automotive parts | 51.00 | — | 1 | 4 | — | None | Selling automotive parts to NML | Leasing of land, buildings and production facilities owned by NML |
| Nissan Group Finance Co., Ltd. | Nishi-ku, Yokohama-shi | 90 | Finance to group companies | 100.00 | (100.00) | — | 5 | 1 | None | Extending loans to NML's domestic subsidiaries | Leasing of buildings owned by NML |
| Nissan Trading Co., Ltd. | Totsuka-ku, Yokohama-shi | 320 | Importing, exporting and selling automobiles, automotive parts and other | 100.00 | — | 1 | 1 | 2 | None | Importing automotive parts on behalf of NML | None |
| # Nissan Financial Services Co., Ltd. | Mihama-ku, Chiba-shi | 16,388 | Financing retail and wholesale of automobiles and automobile leases | 100.00 | — | 3 | 4 | — | 50,000 funded as working capital | Automobile leases | Leasing company vehicles to NML |
| Autech Japan, Inc. | Chigasaki-shi, Kanagawa | 480 | Developing, manufacturing and selling limited edition automobiles | 100.00 | — | 5 | 2 | — | None | Purchasing products manufactured by NML | Leasing of land and buildings owned by NML |
| Nissan Network Holdings Co., Ltd. | Nishi-ku, Yokohama-shi | 90 | Business management of the domestic sales network, as well as selling, purchasing, leasing and entrusted management of real estate | 100.00 | (7.68) | 4 | 4 | — | None | Leasing and entrusted management of real estate | Leasing land and buildings for employees' welfare facilities to NML |

| Name of company | Location | Capital | Description of principal business | Percentage of voting rights held by NML | | Relationship with NML | | | | | |
|------------------------------------------|------------------------|-----------------|--------------------------------------|-----------------------------------------|---------------------|------------------------------------------------|------------|------------|-----------------------------------|---------------------------------------------------------|-------------------------|
| | | | | Percentage | (Indirect holdings) | Concurrent positions/offices held by directors | | | Loans | Business transactions | Leasing of fixed assets |
| | | | | | | Transferred | Concurrent | Dispatched | | | |
| | | Millions of yen | | % | % | Number | Number | Number | Millions of yen | | |
| Nissan Finance Co., Ltd. | Nishi-ku, Yokohama-shi | 2,491 | Finance to group companies | 100.00 | — | — | 5 | 1 | 439,819 funded as working capital | Extending loans to NML's domestic subsidiaries | None |
| Kanagawa Nissan Motor Co., Ltd. | Nishi-ku, Yokohama-shi | 90 | Selling automobiles and parts | 100.00 | (100.00) | 4 | 1 | — | None | Purchasing products manufactured by NML | None |
| Nissan Motor Sales Co., Ltd. | Minato-ku, Tokyo | 480 | Selling automobiles and parts | 100.00 | — | 3 | 1 | 1 | None | Purchasing products manufactured by NML | None |
| Nissan Parts Chuo Sales Co., Ltd. | Ota-ku, Tokyo | 545 | Selling parts for automobile repairs | 80.61 | (34.37) | 7 | 1 | — | None | Purchasing parts for repairs from NML | None |
| Nissan Car Rental Solutions Co., Ltd. | Nishi-ku, Yokohama-shi | 90 | Car rentals | 100.00 | (100.00) | 1 | 3 | 1 | None | Purchasing automobiles for car rental business from NML | None |
| Other domestic consolidated subsidiaries | | 58 companies | | | | | | | | | |
| Total domestic consolidated subsidiaries | | 75 companies | | | | | | | | | |

| Name of company | Location | Capital | Description of principal business | Percentage of voting rights held by NML | | Relationship with NML | | | | | |
|-----------------------------------------|----------------------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------|------------------------------------------------|------------|------------|--------------------------------------|-------------------------------------------------|-------------------------|
| | | | | Percentage | (Indirect holdings) | Concurrent positions/offices held by directors | | | Loans | Business transactions | Leasing of fixed assets |
| | | | | | | Transferred | Concurrent | Dispatched | | | |
| | | | | % | % | Number | Number | Number | Millions of yen | | |
| ☆ Nissan Europe S.A.S. | Montigny-le-Bretonneux, Yvelines, France | Millions of Euro 1,626 | Holding company for European subsidiaries and pan-European operational support | 100.00 | (48.00) | — | — | 1 | None | None | None |
| ☆ Nissan International Holdings B.V. | Amsterdam, The Netherlands | Millions of Euro 1,932 | Holding company for subsidiaries | 100.00 | — | — | 3 | — | 22,839 funded as working capital | None | None |
| Nissan West Europe S.A.S. | Voisins-le-Bretonneux, Yvelines, France | Millions of Euro 6 | Selling automobiles and parts | 100.00 | (100.00) | — | — | — | None | Purchasing products manufactured by NML | None |
| Nissan Motor (GB) Ltd. | Rickmansworth, Hertfordshire, United Kingdom | Millions of £ stg 136 | Selling automobiles and parts | 100.00 | (100.00) | — | — | — | None | Purchasing products manufactured by NML | None |
| ☆ Nissan Holding (UK) Ltd. | Sunderland, Tyne & Wear, United Kingdom | Millions of Euro 871 | Holding company for British subsidiaries | 100.00 | (100.00) | — | — | — | None | None | None |
| Nissan Italia S.P.A. | Rome, Italy | Millions of Euro 6 | Selling automobiles and parts | 100.00 | (100.00) | — | — | — | None | Purchasing products manufactured by NML | None |
| Nissan Motor Manufacturing (UK) Ltd. | Sunderland, Tyne & Wear, United Kingdom | Millions of £ stg 250 | Manufacturing and selling automobiles and parts, as well as vehicle development, technical survey, evaluation and certification in Europe | 100.00 | (100.00) | — | 1 | — | None | Purchasing products manufactured by NML | None |
| Nissan International SA | Rolle, Vaud, Switzerland | Millions of Euro 37 | Managing sales and manufacturing operations in Europe | 100.00 | (100.00) | — | — | — | 77,878 funded as working capital | Purchasing products manufactured by NML | None |
| ☆ Nissan Motor Iberica, S.A. | Barcelona, Spain | Millions of Euro 726 | Manufacturing and selling automobiles and parts | 99.79 | (93.23) | — | 1 | — | None | Purchasing products manufactured by NML | None |
| Nissan Iberia, S.A. | Barcelona, Spain | Millions of Euro 12 | Selling automobiles and parts | 100.00 | (100.00) | — | — | — | None | Purchasing products manufactured by NML | None |
| Nissan Manufacturing RUS LLC. | Sankt-Petersburg, Russia | Millions of Rubles 5,300 | Manufacturing and selling automobiles and parts | 100.00 | (100.00) | — | — | — | None | Purchasing products manufactured by NML | None |
| ☆◎ Nissan North America, Inc. | Franklin, Tennessee, U.S.A. | Millions of US\$ 1,792 | Managing subsidiaries in North America and manufacturing and selling automobiles and parts | 100.00 | — | — | — | — | 72,102 funded as capital expenditure | Purchasing products manufactured by NML | None |
| Nissan Motor Acceptance Corporation | Franklin, Tennessee, U.S.A. | Millions of US\$ 500 | Financing retail and wholesale of automobiles and automobile leases | 100.00 | (100.00) | — | 2 | — | 538,128 funded as working capital | Financing sales of products manufactured by NML | None |

| Name of company | Location | Capital | Description of principal business | Percentage of voting rights held by NML | | Relationship with NML | | | | | |
|---------------------------------------------------|-----------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------|------------------------------------------------|------------|------------|--------------------------------------|--------------------------------------------------------------------------|-------------------------|
| | | | | Percentage | (Indirect holdings) | Concurrent positions/offices held by directors | | | Loans | Business transactions | Leasing of fixed assets |
| | | | | | | Transferred | Concurrent | Dispatched | | | |
| | | | | % | % | Number | Number | Number | Millions of yen | | |
| Nissan Global Reinsurance Ltd. | Hamilton, Bermuda | Thousands of US\$ 120 | Casualty insurance | 100.00 | (100.00) | — | 3 | — | None | Providing casualty insurance | None |
| Nissan Canada, Inc. | Mississauga, Ontario, Canada | Millions of Can\$ 72 | Selling automobiles and parts, financing retail and wholesale of automobiles and automobile leases | 100.00 | (75.12) | — | 1 | — | None | Purchasing products manufactured by NML | None |
| ☆ Nissan Mexicana, S.A. de C.V. | Mexico D.F., Mexico | Millions of MXPeso 17,049 | Manufacturing and selling automobiles and parts | 100.00 | (100.00) | — | 3 | — | 60,085 funded as capital expenditure | Purchasing products manufactured by NML | None |
| ☆ Nissan Do Brasil Automóveis Ltda. | Curitiba, Parana, Brazil | Millions of BRL 3,735 | Manufacturing and selling automobiles and parts | 100.00 | — | — | — | 5 | None | Purchasing products manufactured by NML | None |
| Nissan Motor Co. (Australia) Pty. Ltd. | Dandenong, Victoria, Australia | Millions of A\$ 290 | Selling automobiles and parts | 100.00 | (100.00) | — | — | — | None | Purchasing products manufactured by NML | None |
| Nissan Motor Egypt S.A.E. | 6th of October City, Egypt | Millions of EG £ (L.E) 399 | Manufacturing and selling automobiles and parts | 100.00 | (0.02) | — | — | 2 | None | Purchasing products manufactured by NML | None |
| Nissan South Africa (Pty) Ltd. | Rosslyn, South Africa | Millions of Rand 3 | Manufacturing and selling automobiles and parts | 100.00 | (100.00) | — | — | — | None | Purchasing products manufactured by NML | None |
| Nissan New Zealand Ltd. | Auckland, New Zealand | Millions of NZ\$ 51 | Selling automobiles and parts | 100.00 | — | — | — | — | None | Purchasing products manufactured by NML | None |
| Nissan Middle East F.Z.E. | Dubai, UAE | Millions of Dh. 2 | Managing in Middle East and selling automobiles and parts | 100.00 | — | — | 1 | 1 | None | Purchasing products manufactured by NML | None |
| Nissan Motor India Private Limited | Oragadam, Kanchipuram District, India | Millions of INR 10,300 | Selling automobiles and parts | 100.00 | (100.00) | — | 1 | 1 | 2,724 funded as capital expenditure | Purchasing products manufactured by NML | None |
| ☆ Renault Nissan Automotive India Private Limited | Oragadam, Kanchipuram District, India | Millions of INR 57,732 | Manufacturing and selling automobiles and parts | 70.00 | — | — | 1 | 1 | None | Purchasing products manufactured by NML | None |
| PT. Nissan Motor Indonesia | Kota Bukit Indah, Purwakarta, Indonesia | Millions of INR 974,600 | Manufacturing and selling automobiles and parts | 75.00 | — | — | — | 1 | 14,337 funded as working capital | Purchasing products manufactured by NML | None |
| Nissan Motor (Thailand) Co., Ltd. | Bangsaothong, Samutpraken, Thailand | Millions of THB 1,944 | Manufacturing and selling automobiles and parts | 75.00 | — | — | 3 | — | None | Purchasing products manufactured by NML and selling finished cars to NML | None |

| Name of company | Location | Capital | Description of principal business | Percentage of voting rights held by NML | | Relationship with NML | | | | | |
|------------------------------------------|--------------------------------------|--------------------------|------------------------------------------------------------------------------------|-----------------------------------------|---------------------|------------------------------------------------|-------------|-------------|-------------------------|-----------------------------------------|-------------------------|
| | | | | Percentage | (Indirect holdings) | Concurrent positions/offices held by directors | | | Loans | Business transactions | Leasing of fixed assets |
| | | | | | | Transferred | Concurrent | Dispatched | | | |
| ※ Yulon Nissan Motor Co., Ltd | Miaoli, Republic of China | Millions of TWD 3,000 | Selling automobiles and parts | 40.00 | — | Number — | Number 2 | Number 2 | Millions of yen None | Purchasing products manufactured by NML | None |
| ☆ Nissan (China) Investment Co., Ltd. | Beijing, China | Millions of CNY 8,476 | Managing business in China and selling automobiles | 100.00 | — | — | 5 | — | None | Purchasing products manufactured by NML | None |
| Nissan Motor Asia Pacific Co., Ltd. | Bangsaothong, Samutprakarn, Thailand | Millions of THB 225 | Management and operational support in ASEAN and selling automobiles and auto parts | 100.00 | — | — | 3 | 3 | None | Purchasing products manufactured by NML | None |
| Nissan Chile SpA | Santiago, Chile | Millions of CLP 24269 | Selling automobiles and parts | 100.00 | — | — | 3 | — | None | Purchasing products manufactured by NML | None |
| Other foreign consolidated subsidiaries | | 88 companies | | | | | | | | | |
| Total foreign consolidated subsidiaries | | 118 companies | | | | | | | | | |
| Total consolidated subsidiaries | | 193 companies | | | | | | | | | |

(2) Affiliates accounted for by the equity method

| Name of company | Location | Capital | Description of principal business | Percentage of voting rights held by NML | | Relationship with NML | | | | | |
|-----------------------------------------------------|-------------------------------|---------------------------|-------------------------------------------------|-----------------------------------------|---------------------|------------------------------------------------|------------|------------|-----------------|---------------------------------------------------------------|-------------------------|
| | | | | Percentage | (Indirect holdings) | Concurrent positions/offices held by directors | | | Loans | Business transactions | Leasing of fixed assets |
| | | | | | | Transferred | Concurrent | Dispatched | | | |
| | | | | % | % | Number | Number | Number | Millions of yen | | |
| # Nissan Tokyo Sales Holdings Co., Ltd. | Shinagawa-ku, Tokyo | Millions of yen 13,752 | Selling automobiles and parts | 34.17 | (34.17) | 3 | 1 | — | None | Purchasing products manufactured by NML | None |
| # (Note 5) Renault | Boulogne, Billancourt, France | Millions of Euro 1,127 | Manufacturing and selling automobiles and parts | 15.13 | (15.13) | — | 2 | — | None | Mutual production and joint development of vehicles and parts | None |
| Dongfeng Motor Co., Ltd. | Wuhan, Hubei, China | Millions of CNY 16,700 | Manufacturing and selling automobiles and parts | 50.00 | (50.00) | — | 4 | — | None | Purchasing products manufactured by NML | None |
| Other affiliates accounted for by the equity method | | 28 companies | | | | | | | | | |
| Total affiliates accounted for by the equity method | | 31 companies | | | | | | | | | |

Notes: 1. Companies marked ☆ are specified subsidiaries.

2. Companies marked # submit their securities registration statements or securities reports.

3. Net sales (excluding intercompany sales within the Group) of the company marked © (Nissan North America, Inc.) exceeded 10% of consolidated net sales for the year ended March 31, 2015. Therefore, the key financial data for Nissan North America, which consolidates the financial data for its 24 subsidiaries, are shown below.

| | |
|---------------------|--------------------|
| (1) Net sales | ¥4,831,719 million |
| (2) Ordinary income | ¥194,075 million |
| (3) Net income | ¥120,248 million |
| (4) Net assets | ¥917,434 million |
| (5) Total assets | ¥8,740,904 million |

4. Although the percentage of their voting rights held directly and indirectly by NML is equal to, or less than, 50%, the companies marked ※ have been consolidated because they are substantially controlled by NML.

5. Although the exercise of voting rights of the shares in Renault directly and indirectly held by the Company is restricted in accordance with the Commercial Code of France, the Company has accounted for its investment in Renault by the equity method as the Company exercises significant influence over Renault's financial and operating policies through its participation in a jointly and equally owned management company (Renault-Nissan BV) and through its Board members (comprising 50% of Renault-Nissan BV's Board of Directors). This joint venture company is treated as an affiliate because it has the power to decide business issues of importance to both Renault and Nissan based on the Articles of Incorporation of each company or on an agreement on business administration. And also Renault is treated as other associated company because it holds 43.7% of the voting rights of the Company.

5. Employees

(1) Consolidated companies

(As of March 31, 2015)

| Geographical segment | Number of employees | |
|----------------------------------------------------|---------------------|----------|
| Japan | 65,771 | (12,354) |
| North America | 37,185 | (2,871) |
| (the United States of America included therein) | 17,943 | (11) |
| Europe | 16,535 | (2,807) |
| Asia | 25,439 | (1,695) |
| Other overseas countries | 4,458 | (654) |
| Total | 149,388 | (20,381) |

Notes: 1. The number of employees presented above represents full-time employees. The figures in parentheses represent the average number of part-time employees during the year ended March 31, 2015, and are not included in the number of full-time employees.

2. The number of employees engaged in sales finance business was 2,661 (73).

(2) The Company

(As of March 31, 2015)

| Number of employees | Average age (Years) | Average years of service (Years) | Average annual salary (Yen) |
|---------------------|------------------------|-------------------------------------|--------------------------------|
| 22,614 (2,704) | 42.7 | 20.4 | 7,767,269 |

Notes: 1. The number of employees presented above represents full-time employees. The figures in parentheses represent the average number of part-time employees during the year ended March 31, 2015, and are not included in the number of full-time employees.

2. The average annual salary for employees includes bonuses and overtime pay.

3. All the figures above are for the automobile business.

(3) Trade union

Most of the Company's employees are affiliated with the ALL NISSAN MOTOR WORKERS' UNION, for which the governing body is the ALL NISSAN AND GENERAL WORKERS UNIONS, and the Japanese Trade Union Confederation (RENGO) through the CONFEDERATION OF JAPAN AUTOMOBILE WORKERS' UNIONS. The labor-management relations of the Company are stable, and the number of union members was 25,591 including those of Nissan Motor Kyushu Co., Ltd. as of March 31, 2015.

At most domestic Group companies, employees are affiliated with their respective trade unions on a company basis, and the governing body is the ALL NISSAN AND GENERAL WORKERS UNIONS.

At foreign Group companies, employees are affiliated with their respective trade unions. In Mexico, for example, workers are affiliated with a domestic trade union for which the governing body is the Confederation of Mexican Workers (CTM: Confederación de Trabajadores de México) or independent trade unions, whereas employees in the United Kingdom are affiliated with the Unite the Union, Nissan Motor Manufacturing (UK) Ltd. Branch. Local employees of other Group companies are affiliated with different types of trade unions according to the labor environment in each country.

2. Business Overview

1. Overview of business results

(1) Operating results

Net sales of the Group for the year ended March 31, 2015, totaled ¥11,375.2 billion, which represents an increase of ¥892.7 billion (8.5%) relative to net sales for the prior fiscal year. Operating income was ¥589.6 billion for the current fiscal year, an increase of ¥91.2 billion (18.3%) from the prior fiscal year.

Net non-operating income was ¥104.6 billion for the current fiscal year, increasing by ¥75.8 billion from the prior fiscal year. This result was primarily attributable to the improvement from an exchange loss for the prior fiscal year to an exchange gain for the current fiscal year and an increase of equity in earnings of affiliates. As a result, ordinary income increased by ¥167.0 billion (31.7%) to ¥694.2 billion compared with the prior fiscal year. Net special losses of ¥6.8 billion were recorded for the current fiscal year, deteriorating by ¥9.0 billion from the prior fiscal year. Income before income taxes and minority interests increased by ¥158.0 billion (29.9%) to ¥687.4 billion compared with the prior fiscal year. Finally, net income for the year ended March 31, 2015 was ¥457.6 billion, an increase of ¥68.6 billion (17.6%) from the prior fiscal year.

The operating results by reportable segments are summarized as follows:

① Automobiles

The Group's worldwide automobile sales (on a retail basis) for the year ended March 31, 2015, increased by 130 thousand units (2.5%) from the prior fiscal year to 5,318 thousand units. The number of vehicles sold in Japan decreased by 13.3% to 623 thousand units. Vehicles sold in China totaled 1,222 thousand units. Taking into account the impact of the partial transfer of the medium and heavy commercial vehicle-related business of Dongfeng Motor in calculating the vehicle units sold during the prior fiscal year, the Group's sales volume in China increased by 0.5% year on year. Those sold in North America including Mexico and Canada increased by 11.0% to 1,829 thousand units, those sold in Europe increased by 11.7% to 755 thousand units and those sold in other overseas countries increased by 1.1% to 889 thousand units.

Net sales in the automobile segment (including intersegment sales) for the current fiscal year increased by ¥803.0 billion (8.1%) from the prior fiscal year to ¥10,699.6 billion.

Operating income amounted to ¥374.8 billion for the year ended March 31, 2015, an increase of ¥57.0 billion (18.0%) from the prior fiscal year. This was mainly attributable to positive impacts of foreign exchange which mainly came from the correction of the yen appreciation against the U.S. dollar, purchasing cost-reduction efforts and volume and mix. Those positive impacts were partially offset by increase of marketing and selling expenses, cost increases due to product enrichment and raw materials, deterioration in US provision for residual value risk of leased vehicles, increase in manufacturing expenses, etc.

② Sales Finance

Net sales (including intersegment sales) for the current fiscal year increased by ¥127.5 billion (18.6%) to ¥811.3 billion. Operating income for the current fiscal year increased by ¥30.8 billion (18.7%) from that of the prior fiscal year to ¥195.5 billion.

Operating results by geographic segment are summarized as follows:

a. Japan

- Net sales (including intersegment sales) for the current fiscal year decreased by ¥308.1 billion (6.4%) from the prior fiscal year to ¥4,516.0 billion.
- Operating income decreased by ¥78.5 billion (24.4%) from the prior fiscal year to ¥244.1 billion. This was primarily due to sales volume decrease including export sales.

b. North America

- Net sales (including intersegment sales) for the current fiscal year increased by ¥785.3 billion (16.3%) to ¥5,615.3 billion.
- Operating income increased by ¥103.8 billion (54.1%) from the prior fiscal year to ¥295.7 billion. This was primarily attributable to a reduction in purchasing costs.

- c. Europe
- Net sales (including intersegment sales) for the current fiscal year were ¥1,926.6 billion, an increase of ¥44.9 billion (2.4%) from the prior fiscal year.
 - An operating loss of ¥25.8 billion was recorded for the current fiscal year, a ¥2.2 billion deterioration compared with the prior fiscal year.
- d. Asia
- Net sales (including intersegment sales) for the current fiscal year increased by ¥141.5 billion (8.9%) from the prior fiscal year to ¥1,735.4 billion.
 - Operating income for the current fiscal year was ¥55.7 billion, an increase of ¥2.4 billion (4.5%) from the prior fiscal year.
- e. Other overseas countries
- Net sales (including intersegment sales) for the current fiscal year increased by ¥158.7 billion (15.9%) from the prior fiscal year to ¥1,158.1 billion.
 - An operating loss of ¥18.9 billion was recorded for the current fiscal year, improving by ¥11.1 billion from the prior fiscal year.
- A major profit-improving factor was sales volume increase in the Middle East.

(2) Cash flows

Cash and cash equivalents at the end of the current fiscal year decreased by ¥30.1 billion (3.6%) from the end of the prior fiscal year to ¥802.6 billion. This reflected ¥692.7 billion in net cash provided by operating activities, ¥1,022.0 billion in net cash used in investing activities and ¥245.9 billion in net cash provided by financing activities, as well as an increase of ¥50.7 billion in the effects of exchange rate changes on cash and cash equivalents and a ¥2.6 billion increase attributable to a change in the scope of consolidation.

(Cash flows from operating activities)

Net cash provided by operating activities decreased by ¥35.4 billion to ¥692.7 billion in the current fiscal year from ¥728.1 billion provided in the prior fiscal year. This was mainly due to a decrease in trade notes and accounts payable and an increase in sales finance receivables despite an increase in proceeds from business operations.

(Cash flows from investing activities)

Net cash used in investing activities decreased by ¥58.4 billion to ¥1,022.0 billion in the current fiscal year from ¥1,080.4 billion used in the prior fiscal year. This was mainly attributable to an increase in proceeds from sales of leased vehicles.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥245.9 million in the current fiscal year, a decrease in cash inflows of ¥151.0 billion compared with ¥396.9 billion provided in the prior fiscal year. This was mainly due to a decrease in proceeds from long-term borrowings and a decrease in proceeds from issuance of bonds despite an increase in short-term borrowings.

2. Production, orders received and sales

(1) Actual production

| Location of manufacturers | Number of vehicles produced (units) | | Change (units) | Change (%) |
|------------------------------|-------------------------------------|---------------------|----------------|------------|
| | Prior fiscal year | Current fiscal year | | |
| Japan | 1,000,190 | 870,608 | (129,582) | (13.0) |
| The United States of America | 848,971 | 936,792 | 87,821 | 10.3 |
| Mexico | 708,851 | 807,145 | 98,294 | 13.9 |
| The United Kingdom | 516,488 | 481,180 | (35,308) | (6.8) |
| Spain | 140,145 | 130,166 | (9,979) | (7.1) |
| Russia | 26,243 | 27,751 | 1,508 | 5.7 |
| Thailand | 146,290 | 101,250 | (45,040) | (30.8) |
| Indonesia | 56,167 | 48,070 | (8,097) | (14.4) |
| Philippines | — | 1,268 | 1,268 | — |
| India | 230,570 | 210,271 | (20,299) | (8.8) |
| South Africa | 49,190 | 37,127 | (12,063) | (24.5) |
| Brazil | 23,455 | 42,580 | 19,125 | 81.5 |
| Egypt | 13,583 | 16,162 | 2,579 | 19.0 |
| Total | 3,760,143 | 3,710,370 | (49,773) | (1.3) |

Note: The figures represent the production figures for the 12-month period from April 1, 2014 to March 31, 2015.

(2) Orders received

Information on orders received has been omitted as the products manufactured after the related orders are received are immaterial to the Group.

(3) Actual sales

| Sales to | Number of vehicles sold (on a consolidated basis: units) | | Change (units) | Change (%) |
|-------------------------------------------------|----------------------------------------------------------|---------------------|----------------|------------|
| | Prior fiscal year | Current fiscal year | | |
| Japan | 696,790 | 590,432 | (106,358) | (15.3) |
| North America | 1,685,183 | 1,836,790 | 151,607 | 9.0 |
| (the United States of America included therein) | 1,312,186 | 1,412,321 | 100,135 | 7.6 |
| Europe | 739,675 | 770,838 | 31,163 | 4.2 |
| Asia | 330,735 | 321,386 | (9,349) | (2.8) |
| Other overseas countries | 606,068 | 593,482 | (12,586) | (2.1) |
| Total | 4,058,451 | 4,112,928 | 54,477 | 1.3 |

Note: The figures in China and Taiwan, which are included in "Asia," represent the sales figures for the 12-month period from January 1 to December 31, 2014. Those sold in Japan, North America, Europe, Other overseas countries and Asia (excluding China and Taiwan) represent vehicles sold for the 12-month period from April 1, 2014 to March 31, 2015.

3. Issues to be tackled

The Group is operating its business based on the mid-term plan, “NISSAN POWER 88” for the fiscal years 2011 through 2016.

“Power” derives its significance from the strengths and efforts we will apply to our brands and sales.

Our commitment is to focus on the overall customer experience from the stage considering the purchase until owning Nissan vehicle, enhancing Nissan’s brand power, and offering high quality of life with the vehicle for the customers who purchase Nissan vehicles.

The “88” indicates measurable returns by achieving our plan. Our target is to achieve a global market share of 8% from 5.8% in fiscal year 2010 as well as our corporate operating profit margin of 8% from 6.1% in fiscal year 2010 and sustaining the margin thereafter.

The Group aims at achieving “NISSAN POWER 88” by implementing six strategies as follows;

- (1) Strengthening brand power
- (2) Enhancing sales power
- (3) Improvement in quality
- (4) Zero-emission leadership
- (5) Business expansion
- (6) Cost leadership

Together with a stronger brand, investments in products, technologies and global capacity, The Group aims to achieve “Nissan Power 88” and grow further beyond.

4. Business and other risks

With regard to disclosure in the Business Overview, Financial Information and other parts of this Securities Report, the significant items which may affect the decisions of our investors can be grouped under the following risk factors.

Any future forecasts included in the following descriptions are based on the estimates or judgment of the Group as of June 25, 2015.

1. Rapid changes in the global economy and economic climate

(1) Economic factors

The demand for products and services provided by the Group is strongly affected by the economic conditions in each country or market in which they are offered for sale. Although the Group strives to predict change in economic climate and demands precisely and to take necessary measures in the major markets like as Japan, China, the United States of America, Mexico, Europe, Asia, Central and South America and Africa in case of greater-than-anticipated downturn such as global economic crisis it could have a significant effect on the Group's financial position and business performance.

(2) Situation regarding resources and energy

The demand for products and services provided by the Group largely varies depending on rapid changes in the situation surrounding various resources and energy as represented by the hike of crude oil prices. If gasoline prices continue to rise, consumer demand is forecast to shift to products with better fuel consumption and overall demand could decline in case of further hikes in gasoline prices. Any greater-than-anticipated fluctuations in such resources or the energy situation could have a significant effect on the Group's financial position and results of operations due to deterioration in operating performance and/or opportunity loss.

2. Rapid changes and moves in the automotive market

The automobile industry is currently experiencing intensified market competition worldwide. To win given such intense competition, the Group maximizes its efforts in all aspects of technology development, product development and marketing strategy to timely provide products that address customer needs. Nevertheless, the failure to timely address customer needs or improper responses to environmental and/or market changes could have a significant effect on the Group's financial position and business performance.

Demand might decrease or change due to the progress of negative factors such as a decline in population, the aging society and a dwindling birthrate in a mature market, whereas demand might considerably increase in emerging markets. These changes or trends might generate favorable results for the Group with a rise in business opportunities but could result in an adverse effect on the Group's financial position and results of operations due to an excessive dependency on certain products and/or regions unless appropriate forward-looking steps are undertaken.

3. Risks related to the financial market

(1) Fluctuations in foreign currency exchange rates

The Group's finished cars, are produced in 20 countries and regions, and are sold in more than 170 countries. The Group's procurement activities for raw materials, parts/components and services are conducted in many countries.

As the consolidated financial statements of the Group are calculated and presented in Japanese yen, the appreciation of the yen against other currencies adversely affects Group's financial results of operations, in general. In contrast, the depreciation of the yen against other currencies favorably affects Group's financial results of operations. Any sharp appreciation of the currencies of countries where the Group manufactures vehicles could lead to increases in production costs that would adversely affect the Group's competitiveness.

(2) Hedging of currency, interest rate and commodity price risks

The rise in market interest rates and/or in the cost of capital procurement due to the Company's decreased rating by credit rating agencies could have a significant effect on the Group's financial position and business performance.

The Group may utilize derivative transactions for the purpose of hedging its exposure to risks such as fluctuations in the foreign exchange rates of its receivables and payables denominated in foreign currencies, the interest rates of floating interest-bearing debt funded at variable interest rates and fluctuations in commodity prices. Although the Group can hedge against these risks by using derivatives transactions, the Group might miss potential gains that could result from seizing the market opportunities to profit from such fluctuation in exchange rates, interest rates and commodity prices.

(3) Marketable securities price risk

The Company may hold marketable securities for certain reasons including strategic holding, relationship management and cash management, and there is a price fluctuation risk for such securities. Therefore, price fluctuation in the stock and bond markets could adversely affect the Company's business performance and financial position.

(4) Liquidity risk

The Group endeavors to raise funds from various sources such as an accumulation of internal cash generation, loan commitment agreements with financial institutions and diversification of funding sources and geographies for fund-raising by formulating relevant internal rules so that the Group can ensure an appropriate level of liquidity even if environmental changes beyond normal expectation occur in the financial market. However, market environment could entail a greater-than-anticipated level of risk that might hinder the smooth execution of the initially planned financing, thereby having an adverse effect on the Group's financial position and business performance.

(5) Sales Financing business risk

Sales financing is an integral part of the Group's business. Global Sales Financing Business Unit provides strong support to its automotive sales, while maintaining high profitability and a sound and stable financial condition through strict risk management policies. However, the Sales Financing companies inevitably have high exposure to interest-rate risk, residual value risk and credit risk. Accordingly, these risk factors could entail a greater-than-anticipated level of risk, which could adversely affect the Group's financial position and business performance.

(6) Counterparty credit risk

The Group does business with a variety of local counterparties including sales companies, financial institutions and suppliers in many regions around the world. The Group is exposed to the risk that such counterparties could default on their obligations. The Group manages to mitigate its own counterparty credit risk by conducting a comprehensive ongoing assessment of these counterparties based on their financial information. Nonetheless, should unprecedented conditions such as bankruptcies of sales companies, financial institutions and suppliers be triggered by a global economic crisis, that could adversely affect the Group's financial position and business performance.

(7) Employee retirement benefit expenses and obligations

The amounts of retirement benefit obligation and related expenses of the Group, which are provided for retirement benefits of employees of the Group companies, are calculated using various actuarial assumptions including the discount rate applied, the long-term expected rates of return on plan assets and other factors. When the Group's actual results differ from those assumptions or when any of the assumptions change, the resulting effects will be accumulated and recognized regularly over future periods; therefore, the cumulative effect could adversely affect the recognition of expenses and liabilities recorded in future periods.

4. Risks related to business strategies and maintenance of competitive edge

(1) Risks involved in international activities and overseas expansion

The Group's products finished cars are produced in 20 countries and regions, and are sold in more than 170 countries. It is possible that the Group's global manufacturing and marketing activities will be extended in the future to other countries and regions mainly in the emerging nations. The Group forecasts and sufficiently evaluates a wide variety of risks inherent in conducting business in overseas markets including the factors noted below. Nevertheless, each of these factors could entail unpredictable risks or a greater-than-anticipated level of risk at any place in our overseas presence without achieving the planned rate of capacity utilization and/or profitability, which could have significant effects on the Group's financial position and business performance.

- Unfavorable political or economic factors
- Legal or regulatory changes
- Changes in corporate income tax, customs duties and/or other tax system
- Labor disputes including strikes
- Difficulties in recruiting and retaining talented human resources
- Social turmoil due to terrorism, war, coup, demonstrations, rebellion, large-scale natural disaster, epidemic disease or other destabilizing factors

(2) Research and development

The Group's technology must be useful, pragmatic and user friendly. To this end, the Group anticipates the nature and scope of the market demand and then prioritizes and invests in the development of new technologies. However, any sudden and greater-than-anticipated changes in its business environment or in customer preferences or a relative decline in its competitive edge in development could impact negatively on customer acceptance with these new technologies, which could have a significant effect on the Group's business performance.

(3) Collaboration with other corporations

The Group may collaborate with other corporations that have excellent technologies to effectively acquire higher competitiveness within the short term. However, the anticipated results might not be achieved depending on the market environment of the business field concerned and/or changes in technological trends and the progress of collaborative activities with allied partners, which could adversely affect the Group's business performance.

(4) Quality of products and services

To provide products and services of superior quality, the Group endeavors to ensure and enhance maximum quality through detailed management systems from the standpoint of research and development, manufacturing and services. However, the adoption of new technology to propose higher added value might cause unexpected quality-related issues such as product liability and recalls for products after sales of a product start even if it has been repeatedly tested prior to its launch with maximum care. Although the Group has insurance policies to assure the source of funding product liability claims to a certain extent, this does not necessarily mean that all damages are fully covered. If the recalls that the Group has implemented for the benefit of customers' safety become significant in volume and amount, the Group would not only incur significant additional expenses but also experience damage to its brand image, which could adversely affect its financial position and business performance.

(5) Environmental and safety-related restrictions and Corporate Social Responsibility (CSR)

The automobile industry worldwide is influenced by a broad spectrum of regulations governing the emission levels of exhaust fumes, CO₂/fuel economy guidelines, noise level limitations, recycling-related restrictions and safety standards. These regulations have become increasingly stringent. Indeed, compliance with such regulations is obvious to industrial corporations, and it is becoming common to comply with autonomous guidelines and stricter objectives are required in an increasing number of fields as part of CSR. Although the Company is actively committed inside and outside of the Group to several continuous environmental activities based on the NISSAN GREEN PROGRAM 2016, the medium-term environmental action plan, the burden of ongoing development and investments has been increasing to ensure and/or maintain an advantageous position against competitors. As a consequence, a further rise in these costs could have an impact on the Group's financial position and business performance.

Furthermore, even if the aforementioned initiatives are addressed by the Group, in case our stakeholders such as shareholders and customers do not evaluate that such initiatives provide a certain competitive edge for the Group, a negative impact on stock prices and/or sales might result, which could considerably affect the Group's financial position and business performance.

(6) Critical lawsuits and claims

It is possible that the Group could encounter a variety of claims or lawsuits with counterparties and/or third parties in the course of conducting business. With respect to various lawsuits and claims that the Company and the Group might encounter, the possibility exists that the Company's assertion may not be accepted or that the outcome may be significantly different from that anticipated. As a result, any such judgment verdict or settlement could adversely affect the Group's financial position and business performance.

(7) Intellectual property rights

The Group owns a wide variety of proprietary technologies and has the expertise to differentiate the Group's products making them unique from those of its competitors. These assets have proven their value in the growth of the Group's business and will continue to be of value in the future. The Group strives to protect its intellectual property assets. However, in certain markets, the Group may encounter difficulty in fully protecting the proprietary rights to its own technologies.

The Company established the Intellectual Property Rights Management Department to protect intellectual property rights in such markets, strengthen activities to protect Nissan's intellectual property rights, accumulate new intellectual property rights and perform various activities to protect and create the Brands. However, cases may arise where the Group finds itself unable to prohibit others from abusing or infringing on its intellectual property rights by imitating and manufacturing or selling similar vehicles.

(8) Recruitment and retaining of talented human resources

The Company considers human resources to be the most important corporate assets. The Company therefore focuses its efforts on recruiting talented people globally, enhancing the development of human resources and implementing fairer and more transparent performance evaluation systems. However, industrial competition to secure talented people is intense. Should appropriate recruitment and/or retaining of such desirable human resources not go according to plan, such an unsuccessful personnel development strategy could adversely affect and reduce the competitiveness of the Group on a long-term basis.

(9) Compliance and reputation

The Group always takes appropriate preventive measures and conducts regular audits with regard to compliance of laws and regulations including necessary information security measures for the protection of personal and confidential information. Furthermore, the Group has strived to streamline the relevant systems to rapidly cope with any possible detection of compliance-related incidents to prevent their adverse effects on trust in and/or the reputation of the Company. Nevertheless, in view of increasing expectations relative to CSR in contemporary society, even if the perpetrator of an improper act is its secondary or tertiary supplier, the Company could be criticized for social responsibility and delayed, insufficient and/or improper responses on compliance-related issues could adversely affect the confidence and/or reputation of the Group, thereby adversely affecting the Group's results of operations through, for example, a possible decline in sales resulting from a damaged reputation.

5. Continuation of business

(1) Large-scale natural disasters

The Group's corporate headquarters and many of its manufacturing facilities are located in Japan, where the statistically proven probability of earthquakes is higher than in many other countries. The Group has developed basic guidelines on earthquake risk management, and has organized a global task force, which is composed of major members of the Management Council, to direct disaster prevention and recovery activities. In addition, the Group has been strengthening its manufacturing facilities with anti-seismic reinforcement. However, if a severe earthquake were to hit one of the Group's key facilities causing a halt in production, this would adversely affect the Group's financial position and results of operations.

The Group addresses preventive measures and the improvement of emergency response systems to prepare for risks other than earthquakes, including fires, typhoons, floods and epidemics of new types of influenza. Nevertheless, if any of these risk factors occurs or spreads on an unprecedented scale, such risk could adversely affect the Group's financial position and business performance.

In the wake of the Great East Japan Earthquake that occurred in March 2011, various unforeseen risks emerged as listed below.

- The risk that plant operations could be restricted, to a significant extent, because a scheduled power failure is forcibly implemented or a long-term power shortage continues.
- The risk that plant employees and/or suppliers could not restore operations or operate facilities within areas of limited or no access, in which people cannot restore or operate facilities based on an evacuation directive to restrict or prohibit entry due to radioactive pollution from a nuclear power generation plant.
- The risk that the acceptance of parts and/or products could be rejected or postponed by customers because of radioactive pollution, as well as the risk of sluggish sales due to harmful rumors.
- The risk of tsunamis, for which damage projections (e.g., the height of a tsunami and the scope of the expected devastated areas) are now much more severe than previously anticipated, in the event of any significant earthquakes such as the "Nankai Trough Earthquake".

The Group is currently studying and addressing effective countermeasures to solve these problems. However, these risks often cannot be handled by the Company alone and may entail certain costs to implement actions, and therefore could have an impact on the Group's financial position and business performance.

(2) Purchase of raw materials and parts

The Group purchases raw materials, parts/components and services from many suppliers by reason of its business structure. In recent years, the use of rare metals, of which production volume is extremely small and production mines are limited to several restricted areas of a few countries, has been increasing, in association with the implementation of new technologies. The unpredictable fluctuation of market conditions resulting from a drastic change in the supply-demand balance or a radical change in the political situation of a production country could entail a greater-than-anticipated level of risk in the stable procurement of necessary raw materials, parts/components or services on an ongoing basis, which could adversely affect the Group's financial position and business performance.

(3) Dependency on specific suppliers

If procurement of higher technology or higher quality is pursued at more competitive pricing, actual orders might sometimes concentrate on only one or a small limited number of suppliers. Although the Company has reviewed its supply chains, including secondary and tertiary suppliers, and addressed their reinforcement measures, a possible suspension of supply due to any unforeseen accident or any delay or deficit in supply could lead to the forced suspension of the Nissan Group's production plants, thereby adversely affecting the Group's financial position and business performance.

(4) Computer information system

Almost all the Group's business activities depend on computerized information systems, and such information systems and networks have become increasingly complicated and sophisticated. Nowadays, it is impossible to process routine business operations without services available through these system networks. Given such circumstances, various incidents such as large-scale natural disasters, fires and electricity shutdowns could be risk factors that are detrimental to the Group's information systems. In addition, artificial threats have been rising rapidly, including computer virus infection and increasingly sophisticated cyber-attacks.

To cope with these risk factors, the Company has taken a variety of hardware-based and software-oriented measures, including the preparation of Business Continuity Plan ("BCP") and the improvement of security countermeasures. However, the possible occurrence of any greater-than-anticipated disaster, cyber-attack or infection from a computer virus could cause incidents such as the suspension of business operations due to system outage, the disappearance of important data, and theft or leakage of confidential information and/or private information. Consequently, such incidents could adversely affect the Group's financial position, as well as the Group's business performance and/or the reputation of reliability.

5. Important business contracts

| Company which entered into agreement | Counterparty | Country | Agreement | Date on which agreement entered into |
|-------------------------------------------------------------|-----------------------|-------------------|----------------------------------------------------------------------------------|--------------------------------------|
| Nissan Motor Co., Ltd. (Filer of this Securities Report) | Renault | France | Overall alliance in the automobile business including equity participation | March 27, 1999 |
| Nissan Motor Co., Ltd. (Filer of this Securities Report) | Daimler AG Renault | Germany France | Agreement on a strategic cooperative relationship including equity participation | April 7, 2010 |

6. Research and development activities

The Group has been proactively conducting research and development activities in diverse fields such as global environmental conservation and safety to realize the durable motorized society.

The research and development costs of the Group amounted to ¥506.1 billion for this fiscal year.

The Group's research and development organization and the results of its activities are summarized as follows:

(1) Research and development organization

The Group's domestic research and development activities are promoted by Nissan Shatai Co., Ltd., Nissan Techno Co., Ltd. and Nissan Motor Light Truck Co., Ltd. for vehicle development and by Aichi Machine Industry Co., Ltd., JATCO Ltd., etc. for unit development, under the designated delegation of roles and via close collaboration with the Company, for which the central R&D body is the Nissan Technical Center (in Atsugi-shi, Kanagawa).

In the Western countries, Nissan North America, Inc. in the United States of America, Nissan Mexicana, S.A. de C.V. in Mexico, Nissan Motor Manufacturing (UK) Ltd. with its development facilities in the United Kingdom and Nissan Motor Iberica, S.A. in Spain design and develop several vehicle models. The Nissan Research Center Silicon Valley (NRC-SV) office in the United States engages in the research of autonomous vehicles and our state-of-the-art Information and Communication Technology (ICT) development.

In Asia, Nissan (China) Investment Co., Ltd., Dongfeng Motor Co., Ltd., a joint venture in China with Dongfeng Motor Group Co., Ltd., Yulon Nissan Motor Co., Ltd., a joint venture in Taiwan with Yulon Motor Co., Ltd., Nissan Motor Asia Pacific Co., Ltd. in Thailand, Renault Nissan Technology and Business Centre India Private Limited and Nissan Ashok Leyland Technologies Ltd. in India design and develop several vehicle models.

Nissan Do Brasil Automóveis Ltda. in South America and Nissan South Africa (Pty) Ltd. in South Africa partially engage in the development of locally produced vehicles.

Nissan and Renault restructured their sharing of roles in the next-generation research domains to be undertaken by both in the pursuit of efficiency improvement of management resources. Both parties are accelerating the adoption of common vehicle platforms, the planning and implementation of the common powertrain strategy and more streamlined use of experimental facilities located globally. Meanwhile, as for the strategic cooperative relationship with Daimler AG, the Company is working on sharing powertrain and platform for common use. Furthermore, to accelerate the commercialization of Fuel Cell Electric Vehicle (FCEV) technology with Daimler and Ford, the parties are engaged in the joint development of common FCEV systems.

(2) New vehicles under development

In Europe and Japan, the Group launched the "e-NV200," NISSAN's first commercial electric vehicle. Overseas, the Group launched a new model of the "MURANO" in North America; a new model of the 5-door hatchback "Pulsar" in Europe; an entry-class model of the "R30" and the EV model "e30" under the "VENUCIA" brand in China; the DATSUN "GO+ Panca" a 5-door, 5+2MPV, in Indonesia; and a new model of the "NP300 Navara" a one-ton pickup truck, in Thailand.

(3) Development of new technologies

Regarding the environment, the Group's technology development is focused in five priority activities in action plans: "Penetration of Zero-Emission Vehicles," "Wider Application of Fuel-Efficient Vehicles," "Corporate Carbon Footprint Minimization," "New Natural Resource Usage Minimization" and "Environmental Management Enhancement." These priority activities aim to promote our initiatives in three priority domains: "Reduce carbon footprint," "Shift to renewable energies" and "Increase diversity of resources," which is set forth in the "NISSAN GREEN PROGRAM 2016," Nissan's medium-term environmental action program.

As for the "Penetration of Zero-Emission Vehicles," the Group launched the "Nissan LEAF" in Mexico, South Korea and other regions during the current fiscal year, expanding its sales to 46 markets. Cumulative sales totaled 150 thousand units as of November 2014. With annual sales of more than 60 thousand units for fiscal year 2014, cumulative total sales resulted to exceed 170 thousand units by the end of March 2015. At present, the "e-NV200," a second EV model of which sales started in June 2014 in the European market and in October 2014 in the Japanese market, has been launched in 26 markets including Japan, Europe and Hong Kong. Sales of another EV model, "e30," under the "VENUCIA" brand of Dongfeng Motor Co., Ltd. started in September 2014.

The Group now participates in the “Vehicle-to-Grid” project, which started at the Los Angeles Air Force Base under a cooperative effort between the U.S. Air Force and the California Energy Committee. Thirteen “Nissan LEAF” units have been introduced for this demonstrative experiment aimed at reducing electricity cost at base facilities to control electricity charging/discharging of EVs by establishing a power control system at the base.

As for “Wider Application of Fuel-Efficient Vehicles,” the Group is endeavoring to improve the fuel economy of Nissan vehicles sold in Japan, China, Europe and the United States of America. The “Lithium-ion batteries,” the “Intelligent dual clutch control hybrid system” and the “Xtronic CVT (continuously variable transmission)” are positioned as three core technologies in this domain. Optimum low fuel consumption technologies will be adopted to newly launched models by taking into account such factors as interior space, utility and price. In fiscal year 2014, the “MURANO” (*¹) launched in the United States of America achieved the top-class fuel economy.

The Group also focuses on reduction of car body weight to increase fuel efficiency. For the new “MURANO” model launched in North America in fiscal year 2014, the adoption ratio of high tensile strength steel, including the 1.2 gigapascals (Gpa) class, high-formability, high tensile strength steel (for cold press), which was onboard the “INFINITI Q50” (the “SKYLINE” model in Japan) for the first time in fiscal year 2013, increased considerably. This enables us to reduce the body weight by 66 kg for the whole car body, partly supported by other measures incorporated.

Regarding safety, the Group aimed to achieve the goal of reducing by half the number of Nissan-automobiles-related deaths and serious injuries (compared to 1995) by 2015 via the analysis of actual traffic accidents. This goal already has been achieved in Japan, the United States of America and the United Kingdom. At present, the Group has a goal of further reducing by half the above number of Nissan-automobiles-related deaths and serious injuries by 2020 toward zero fatalities and serious injuries as a supreme goal. To this end, with a perspective of reducing the number of traffic accidents, the Group has been promoting the development of a technology that allows the vehicle to support its passengers to stay away from danger based on “Safety Shield,” which is a sophisticated and positive approach to safety issues. The Group has realized the All-Around Driving Support System aimed at protecting the driver from risks for all directions with a 360-degree view around the vehicle including the world’s first “Predictive Forward Collision Warning (PFCW)” system adopted on the “INFINITI Q50” and “SKYLINE” models. The Group promotes the adoption of an “emergency braking system” to help the driver avoid a rear-end collision with the vehicle in front of the driver. The Group announced that it would complete adopting the system onboard almost all its categories of vehicles including EVs and commercial vehicles sold in Japan by the end of fiscal year 2015.

In Japan, the “SKYLINE,” “X-TRAIL” and “NOTE” models obtained the highest “Advanced Safety Vehicle Plus (ASV+)” evaluation under the preventive safety performance evaluation conducted by the Japan New Car Assessment Program (JNCAP). In the United States, the “INFINITI Q50” and “ALTIMA” models obtained the highest evaluation under the United States New Car Assessment Program (US-NCAP), whereas the “INFINITI Q50,” “INFINITI Q70” and “ROGUE” models obtained the highest evaluation from the Insurance Institute for Highway Safety (IIHS). In Europe, the “X-TRAIL,” “QASHQAI” and “Pulsar” models obtained the highest evaluation under the European New Car Assessment Program (Euro NCAP).

Moreover, the Group publicly released its marketing schedule for the autonomous driving technology that can be expected to significantly reduce the number of traffic accidents: the traffic jam pilot, in which cars will have the capability to drive autonomously on congested highways, by the end of 2016, followed in 2018 by the introduction of multi-lane controls, allowing cars to autonomously negotiate hazards and change lanes. In addition, the Group will introduce an autonomous function allowing vehicles to negotiate city intersections without driver intervention by the end of 2020. Furthermore, the Nissan Research Center in North America concluded a five-year partnership agreement on joint R&D with the National Aeronautics and Space Administration (NASA), aiming to develop an autonomous driving system and cultivate commercial applications for this technology.

The Nissan Group will always be actively involved in research and development activities designed to launch new and highly competitive products on the market and to pioneer advanced technologies for the future with the aim of achieving targets under the Nissan Power 88 plan.

*1: MURANO: 24 mpg for both 2WD and 4WD types (combination mode for city/highway driving; U.S. standards)

7. Analysis of financial position, operating results and cash flows

The following analysis and discussions of the Group's financial position and operating results are, in principle, based on the consolidated financial statements.

Any future forecasts included in the following descriptions are based on the best estimates or judgment of the Group as of June 25, 2015, the date of filing this Securities Report.

(1) Significant accounting policies and estimates

The Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Japan. The preparation of consolidated financial statements requires management to select and apply the accounting policies and to make certain estimates which affect the amounts of the assets, liabilities, revenues and expenses reported in the consolidated financial statements and accompanying notes. Although management believes that the estimates made reasonably reflect past experience as well as present circumstances, the actual results could differ substantially because of the uncertainty inherent in those estimates.

The significant accounting policies applied by the Group in the preparation of the consolidated financial statements are explained in "5. Financial Information [Significant accounting policies]." In management's opinion, the following significant accounting policies could materially affect the estimates made in the consolidated financial statements:

i) Allowance for doubtful accounts

Allowance for doubtful accounts is provided to cover losses on bad debts based on an estimate of the collectability of receivables. The Group may need to increase the allowance or incur losses on bad debts if the financial circumstances of its customers were to deteriorate and if their ability to pay their debts was thus impaired.

ii) Accrued warranty costs

Accrued warranty costs is 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 historical experience. The Group places a high priority on safety and does its best to enhance safety from the standpoint of research and development, manufacturing and sales. However, if the estimates of future warranty costs were significantly different from the actual costs incurred due to product defects and other variables, the Group could incur a loss on the provision of additional accrual for warranty costs.

iii) Retirement benefit expenses

The amounts of retirement benefit obligation and related expenses of the Group, which are provided for retirement benefits of employees of the Group companies, are calculated using various actuarial assumptions including the discount rate applied, the long-term expected rates of return on plan assets and other factors. When the Group's actual results differ from those assumptions or when any of the assumptions change, the resulting effects will be accumulated and recognized regularly over future periods. The cumulative effect could adversely affect the recognition of expenses and liabilities recorded in future periods.

(2) Analysis of operating results

(Sales)

The global total industrial volume (TIV) totaled 85.36 million units for the current fiscal year, an increase of 2.7% year on year. The Group's global sales for the year ended March 31, 2015 increased by 2.5% year on year to 5,318 thousand units, accounting for a global market share of 6.2% and remained at the same level as the prior fiscal year.

In Japan, TIV decreased by 6.9% year on year to 5,300 thousand units. Meanwhile, the Group's domestic sales volume decreased by 13.3% to 623 thousand units, accounting for a market share of 11.8%, decreased by 0.8 points year on year. Although difficult business conditions continued, sales of the "X-TRAIL" and the "DAYZ ROOX" were favorable.

In China, for which the fiscal year is accounted for on a calendar-year basis, TIV grew by 7.6% year on year to 22.34 million units. The Group's sales volume totaled 1,222 thousand units, market share is accounted for 5.5%, decreased by 0.4 points year on year. Taking into account the impact of the partial transfer of the medium and heavy commercial vehicle-related business of Dongfeng Motor in calculating the units sold during the prior fiscal year, the Group's sales volume in China increased by 0.5% year on year, sustained by vigorous sales of models including the "SYLPHY" series and the "X-TRAIL."

In the United States of America, TIV increased by 6.9% year on year to 16.73 million units, while the Group's sales volume increased by 8.9% to 1,400 thousand units, accounting for a market share of 8.4%, increased by 0.2 points year on year. Favorable sales of the "ALTIMA," the "ROGUE" and the "SENTRA," the mainstay models, contributed to this considerable sales volume increase.

In Canada, the Group's sales volume increased by 22.4% year on year, which exceeded the growth rate of TIV, to 118 thousand units, accounting for a market share of 6.3%. Favorable sales of the new "ROGUE" model contributed to this sales expansion.

In Mexico, the Group maintained the top branded position with a market share of 26.1% and sales volume of 310 thousand units, increased by 16.9% year on year.

In Europe including Russia, TIV increased by 1.7% year on year to 17.78 million units. The Group's sales volume increased by 11.7% year on year to 755 thousand units, accounting for a market share of 4.3%, increased by 0.4 points year on year. The "QASHQAI" and "JUKE" models, which pushed up NISSAN to the leader in the crossover segment, were the sales driver in these regions. In Russia, the Group's sales volume increased by more than 5% year on year to 173 thousand units, accounting for a market share of 7.6%, increased by 1.7 points year on year.

In other markets, TIV decreased by 2.6% year on year to 20.15 million units. The Group's sales volume increased by 1.1% year on year to 889 thousand units. In Asia and Oceania, the Group's sales volume was 363 thousand units and remained same level as prior year's level. The Group's sales volume decreased by 1.2% year on year in Central and South America to 184 thousand units. Meanwhile, the Group's sales volume increased by 4.7% to 237 thousand units in the Middle East, contributing to the sales volume increase in other markets total.

(Operating results)

i) Net sales

Consolidated net sales for the current fiscal year were ¥11,375.2 billion, an increase of ¥892.7 billion (8.5%) year on year. This increase in revenue is mainly attributable to sales volume increase and currency translation benefit on overseas revenue from the normalization of the yen.

ii) Operating income

Consolidated operating income totaled ¥589.6 billion, an increase of ¥91.2 billion (18.3%) from the prior fiscal year, and operating income as a percentage of net sales was 5.2% for the current fiscal year.

Major profit-increasing/declining factors in the change of consolidated operating income were mainly attributable to positive impacts of foreign exchange which mainly came from the correction of the yen appreciation against the U.S. dollar, purchasing cost-reduction efforts and volume and mix. Those positive impacts were partially offset by increase of marketing and selling expenses, cost increases due to product enrichment and raw materials, deterioration in US provision for residual value risk of leased vehicles, increase in manufacturing expenses, etc.

iii) Non-operating income and expenses

Net non-operating income amounted to ¥104.6 billion for the current fiscal year, increasing by ¥75.8 billion from net non-operating income of ¥28.8 billion for the prior fiscal year. This result was mainly attributable to the improvement from an exchange loss of ¥13.1 billion for the prior fiscal year to an exchange gain of ¥66.2 billion for the current fiscal year and an increase in equity in earnings of affiliates despite an increase of derivative loss.

iv) Special gains and losses

Net special losses of ¥6.8 billion were reported, deteriorating by ¥9.0 billion compared with net special gains of ¥2.2 billion for the prior fiscal year. This was mainly due to increases in loss on disposal of fixed assets and impairment loss despite increases in gain on sales of fixed assets and gain on contribution of securities to retirement benefit trust.

v) Income taxes

Income taxes for the current fiscal year increased by ¥82.2 billion from the prior fiscal year to ¥197.3 billion.

vi) Income attributable to minority interests

The income attributable to minority interests for the current fiscal year increased by ¥7.2 billion to ¥32.5 billion.

vii) Net income

Consolidated net income increased by ¥68.6 billion (17.6%) from ¥389.0 billion for the prior fiscal year to ¥457.6 billion for the current fiscal year.

viii) Net interest-bearing debt in the automobile business

As the cash and cash equivalents in the automobile business as of the end of the current fiscal year exceeded interest-bearing debt, the Group had net cash of ¥1,390.1 billion in the cash position.

ix) Free cash flows in the automobile business

The free cash flows in the automobile business for the current fiscal year were positive ¥365.8 billion.

(3) Analysis of sources of capital and liquidity

1. Cash flows

Cash and cash equivalents at the end of the current fiscal year decreased by ¥30.1 billion (3.6%) from the end of the prior fiscal year to ¥802.6 billion. This reflected ¥692.7 billion in net cash provided by operating activities, ¥1,022.0 billion in net cash used in investing activities and ¥245.9 billion in net cash provided by financing activities, as well as an increase of ¥50.7 billion in the effects of exchange rate changes on cash and cash equivalents and a ¥2.6 billion increase attributable to a change in the scope of consolidation.

(Cash flows from operating activities)

Net cash provided by operating activities decreased by ¥35.4 billion to ¥692.7 billion in the current fiscal year from ¥728.1 billion provided in the prior fiscal year. This was mainly due to a decrease in trade notes and accounts payable and an increase in sales finance receivables despite an increase in proceeds from business operations.

(Cash flows from investing activities)

Net cash used in investing activities decreased by ¥58.4 billion to ¥1,022.0 billion in the current fiscal year from ¥1,080.4 billion used in the prior fiscal year. This was mainly attributable to an increase in proceeds from sales of leased vehicles.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥245.9 million in the current fiscal year, a decrease in cash inflows of ¥151.0 billion compared with ¥396.9 billion provided in the prior fiscal year. This was mainly due to a decrease in proceeds from long-term borrowings and a decrease in proceeds from issuance of bonds despite an increase in short-term borrowings.

2. Financial policies

Financial activities within the Group are managed centrally by the Treasury Department of the Company, which functions as the global treasurer. Several activities are underway within the Group to improve funding efficiency through the implementation of a global cash management system.

The Group has developed a basic financial strategy under which the Group raises funds from appropriate sources and maintains an appropriate level of liquidity and a sound financial position so that the Group can make investments in research and development activities, capital expenditures and its finance business on a timely basis.

It is necessary to pay careful attention to the liquidity of funds in view of the drastic environmental changes in the financial markets and other relevant concerns. However, as the Group has entered into loan commitment agreements with major international banks in addition to the cash and cash equivalents as above, the Group believes that a level of liquidity sufficient to meet the Group's funding requirements is being maintained.

Whether or not the Group can raise funds without collateral and the related costs depends upon the credit rating of the Group. Currently, the Group's credit rating is investment grade; however, this favorable rating is not presented herein with the intention of inviting the purchase or holding of the Group's debt securities.

3. Equipment and Facilities

1. Overview of capital expenditures

The Group (the Company and its consolidated subsidiaries) invested ¥463.1 billion during this fiscal year, in particular, to accelerate the development of new products, safety and environmental technology and on efficiency improvement of the production system.

2. Major equipment and facilities

The Group's major equipment and facilities are summarized as follows:

Notes: 1. "Other" in net book value consists of tools, furniture and fixtures and construction in progress.

2. "Number of employees" indicates the number of full-time employees. The figures in parentheses represent the average number of part-time employees during the year ended March 31, 2015, and are not included in the number of full-time employees.

(1) The Company

(As of March 31, 2015)

| Location | Address | Description | Net book value | | | | | | Number of employees (Persons) |
|----------------------------------------------|----------------------------------------------------|----------------------------------------|---------------------------|-----------------------------|---------------------------------------------|-------------------------------------------|----------------------------|----------------------------|----------------------------------|
| | | | Land | | Buildings & structures (Millions of yen) | Machinery & vehicles (Millions of yen) | Other (Millions of yen) | Total (Millions of yen) | |
| | | | Area (m ²) | Amount (Millions of yen) | | | | | |
| Yokohama Plant | Kanagawa-ku and Tsurumi-ku, Yokohama-shi, Kanagawa | Automobile parts production facilities | 505,434 | 370 | 25,008 | 27,368 | 2,471 | 55,217 | 2,362 (520) |
| Oppama Plant (including the Research Center) | Yokosuka-shi, Kanagawa | Vehicle production facilities | 1,844,577 | 29,150 | 30,931 | 19,127 | 4,288 | 83,496 | 2,673 (162) |
| Tochigi Plant | Kaminokawa-cho, Tochigi | Vehicle production facilities | 2,912,774 | 4,289 | 19,985 | 33,339 | 10,347 | 67,960 | 4,113 (743) |
| Nissan Motor Kyushu Co., Ltd. (Note 1) | Kanda-machi, Fukuoka | Vehicle production facilities | 2,355,196 | 29,849 | 30,575 | 18,755 | 3,729 | 82,908 | 102 (21) |
| Iwaki Plant | Iwaki-shi, Fukushima | Automobile parts production facilities | 205,489 | 3,545 | 6,781 | 8,868 | 3,976 | 23,170 | 506 (96) |
| Head Office departments and other | Atsugi-shi and Isehara-shi, Kanagawa | R&D facilities | 1,356,489 | 25,426 | 75,022 | 45,579 | 14,818 | 160,845 | 8,973 (685) |
| | Nishi-ku, Yokohama-shi, Kanagawa | Head office | 10,000 | 6,455 | 20,819 | 738 | 2,482 | 30,494 | 1,715 (178) |

Notes: 1. All of the vehicle production facilities are lent to Nissan Motor Kyushu Co., Ltd., to which manufacturing of the Company's products is entrusted.

2. The above table has been prepared based on the location of the equipment.

3. The figures for each plant include those at adjoining facilities for employees' social welfare, warehouses and laboratories and the related full-time employees.

(2) Domestic subsidiaries

(As of March 31, 2015)

| Company | Location | Address | Description | Net book value | | | | | | Number of employees (Persons) |
|-----------------------------------|------------------------|------------------------------------|----------------------------------------|---------------------------|-----------------------------|---------------------------------------------|-------------------------------------------|----------------------------|----------------------------|----------------------------------|
| | | | | Land | | Buildings & structures (Millions of yen) | Machinery & vehicles (Millions of yen) | Other (Millions of yen) | Total (Millions of yen) | |
| | | | | Area (m ²) | Amount (Millions of yen) | | | | | |
| JATCO Ltd. | Fuji Office and other | Fuji-shi, Shizuoka, etc. | Automobile parts production facilities | 1,091,934 | 16,545 | 25,774 | 45,890 | 10,510 | 98,719 | 5,449 (930) |
| Nissan Shatai Co., Ltd. | Shonan Plant and other | Hiratsuka-shi, Kanagawa, etc. | Vehicle production facilities | 649,329 | 12,166 | 11,258 | 20,269 | 10,548 | 54,241 | 1,954 (286) |
| Aichi Machine Industry Co., Ltd. | Atsuta Plant and other | Atsuta-ku, Nagoya-shi, Aichi, etc. | Automobile parts production facilities | 396,654 | 26,618 | 9,246 | 17,678 | 4,112 | 57,654 | 1,733 (114) |
| Calsonic Kansei Corporation | Gunma Plant and other | Ora-cho, Gunma, etc. | Automobile parts production facilities | 608,677 | 14,966 | 13,924 | 11,035 | 3,378 | 43,303 | 3,642 (171) |
| Nissan Network Holdings Co., Ltd. | Head office and other | Yokohama-shi, Kanagawa, etc. | Facilities for automobile sales, etc. | 3,078,030 | 369,723 | 74,430 | 95 | 2,682 | 446,930 | 11 (-) |

(3) Foreign subsidiaries

(As of March 31, 2015)

| Company | Location | Address | Description | Net book value | | | | | | Number of employees (Persons) |
|-------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------|------------------------|--------------------------|------------------------------------------|----------------------------------------|-------------------------|-------------------------|-------------------------------|
| | | | | Land | | Buildings & structures (Millions of yen) | Machinery & vehicles (Millions of yen) | Other (Millions of yen) | Total (Millions of yen) | |
| | | | | Area (m ²) | Amount (Millions of yen) | | | | | |
| Nissan North America, Inc. | Production plant for vehicles and parts and other facilities | Smyrna, Tennessee, Canton, Mississippi, USA, etc. | Production facilities for vehicles, parts and others | 26,156,575 | 8,492 | 89,783 | 163,302 | 224,835 | 486,412 | 13,231 (6) |
| Nissan Mexicana, S.A. de C.V. | Production plant for vehicles and parts and other facilities | Morelos, Mexico, and Aguascalientes, Mexico | Production facilities for vehicles, parts and others | 7,069,527 | 10,333 | 28,589 | 48,619 | 96,299 | 183,840 | 12,053 (2,613) |
| Nissan Motor Iberica S.A. | Production plant for vehicles and parts | Barcelona, Madrid, Spain, etc. | Production facilities for vehicles and parts | 700,067 | 331 | 17,652 | 15,591 | 50,007 | 83,581 | 4,386 (886) |
| Nissan Motor Manufacturing (UK) Ltd. | Production plant for vehicles and parts | Sunderland, Tyne & Wear, United Kingdom | Production facilities for vehicles and parts | 2,861,491 | 1,927 | 18,544 | 30,269 | 72,481 | 123,221 | 5,875 (1,641) |
| Renault Nissan Automotive India Private Limited | Production plant for vehicles and parts | Oragadam, Kanchipuram District, India | Production facilities for vehicles and parts | 2,468,582 | 3,669 | 17,772 | 50,420 | 22,967 | 94,828 | 5,833 (-) |
| Nissan Motor (Thailand) Co., Ltd. | Production plant for vehicles and parts | Bangsaothong, Samutpraken, Thailand | Production facilities for vehicles and parts | 995,164 | 1,185 | 6,608 | 16,283 | 54,713 | 78,789 | 4,538 (34) |
| Nissan Manufacturing RUS LLC. | Production plant for vehicles and parts and other facilities | Sankt-Petersburg, Russia | Production facilities for vehicles and parts and others | 1,650,603 | 356 | 12,352 | 14,761 | 22,994 | 50,463 | 2,382 (92) |
| Nissan Do Brasil Automóveis Ltda. | Production plant for vehicles and parts and other facilities | Resende, Rio de Janeiro, Brazil | Production facilities for vehicles and parts and others | 2,738,167 | 4,357 | 24,812 | 1,574 | 28,488 | 59,231 | 1,582 (-) |
| PT. Nissan Motor Indonesia | Production plant for vehicles and parts | Kota Bukit Indah, Purwakarta, Indonesia | Production facilities for vehicles and parts | 233,327 | 913 | 2,648 | 6,894 | 13,602 | 24,057 | 1,283 (1,461) |

Note: In addition to the above, other major leased assets are presented as follows:

Major leased assets

| Company | Location | Address | Lessor | Description | Area (m ²) | Lease Fees (Thousands of yen/month) |
|---------------------------|---------------------------|----------------------|--------------------------------------------|-------------|------------------------|-------------------------------------|
| Nissan Motor Co., Ltd. | Information System Center | Atsugi-shi, Kanagawa | Fujitsu Limited | Building | 24,564 | 78,592 |
| Nissan Motor Iberica S.A. | Part of the plant site | Barcelona, Spain | Zona Franca Association of Industrial Area | Land | 518,000 | 18,245 |

Notes: 1. Lease fees are presented exclusive of consumption tax.

2. Employees working in or with the leased assets are included in "Major equipment and facilities" above.

Information by reportable segments

| Reportable segments | Net book value | | | | | | Number of employees (Persons) |
|---------------------|------------------------|--------------------------|------------------------------------------|----------------------------------------|-------------------------|-------------------------|-------------------------------|
| | Land | | Buildings & structures (Millions of yen) | Machinery & vehicles (Millions of yen) | Other (Millions of yen) | Total (Millions of yen) | |
| | Area (m ²) | Amount (Millions of yen) | | | | | |
| Sales finance | 16,535 | 0 | 104 | 2,259,089 | 75,376 | 2,334,569 | 2,661 (73) |

Note: There was no major idle equipment or facility at present.

3. Plans for new additions or disposals

(1) New additions and renovations

During fiscal year 2015 (From April 1, 2015 To March 31, 2016), the Group plans to invest ¥550.0 billion in capital expenditures, which will be financed out of its own funds.

(2) Disposals and sales

Except for disposals and sales conducted in the course of the Group's routine renewal of its equipment and facilities, there is no plan for significant disposals or sales.

4. Corporate Information

1. Information on the Company's shares

(1) Number of shares and other

① Number of shares

| Type | Number of shares authorized to be issued |
|--------------|------------------------------------------|
| Common stock | 6,000,000,000 |
| Total | 6,000,000,000 |

② Number of shares issued

| Type | Number of shares issued | | Stock exchanges on which the Company is listed | Description |
|--------------|-------------------------|-------------------------------------------------------------|------------------------------------------------|-------------------------------------------------|
| | As of March 31, 2015 | As of June 25, 2015 (filing date of this Securities Report) | | |
| Common stock | 4,520,715,112 | 4,520,715,112 | First Section of the Tokyo Stock Exchange | The number of shares constituting a unit is 100 |
| Total | 4,520,715,112 | 4,520,715,112 | — | — |

Note: The number of shares issued as of the filing date of the Securities Report does not include those issued upon the exercise of the share subscription rights during the period from June 1, 2015, through the filing date of this Securities Report.

(2) Status of the share subscription rights

The Company has issued share subscription rights in accordance with Articles 280-20 and 280-21 of the former Commercial Code of Japan revised in 2001.

Fourth share subscription rights (issued on May 8, 2006)

| | As of March 31, 2015 | As of May 31, 2015 |
|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Number of share subscription rights | 78,218 units | 78,218 units |
| Number of share subscription rights held by the Company included in the share subscription rights | — | — |
| Type of shares to be issued upon the exercise of the share subscription rights | Common stock: The number of shares constituting a unit is 100. | Common stock: The number of shares constituting a unit is 100. |
| Number of shares to be issued upon the exercise of the share subscription rights | 7,821,800 shares | 7,821,800 shares |
| Amount to be subscribed upon the exercise of the share subscription rights (Yen) | ¥152,600 (¥1,526 per share) | ¥152,600 (¥1,526 per share) |
| Exercise period | From May 9, 2008 To June 20, 2015 | From May 9, 2008 To June 20, 2015 |
| Upon the exercise of the share subscription rights, issue price and amount per share to be credited to common stock (Yen) | Issue price: ¥1,526 Amount per share to be credited to common stock: ¥763 | Issue price: ¥1,526 Amount per share to be credited to common stock: ¥763 |
| Conditions for the exercise of the share subscription rights | ※ | ※ |
| Transfer of the share subscription rights | Any and all transfers of share subscription rights must be approved by the Board of Directors of the Company. | Any and all transfers of share subscription rights must be approved by the Board of Directors of the Company. |
| Matters relating to subrogation payment | — | — |
| Matters relating to the issuance of share subscription rights as a result of organizational restructuring action | — | — |

- ※ ① Partial exercise of the share subscription rights is not allowed.
② Individuals to whom the share subscription rights are granted (the “Holders”) must continue their service with the Company or its subsidiaries or affiliates in the state of being employed or entrusted until the share subscription rights become exercisable.
③ The Company’s operating results must meet certain predetermined targets.
④ The Holders shall achieve their own predetermined performance targets.

The details concerning conditions ② to ④ above and certain other conditions shall be as set forth in the “Share Subscription Rights Allocation Agreement” executed and entered into by and between the Company and each Holder based on a resolution of the Board of Directors.

The Company has issued share subscription rights in accordance with Articles 236, 238 and 239 of the Corporate Law.

Fifth share subscription rights (issued on May 8, 2007)

| | As of March 31, 2015 | As of May 31, 2015 |
|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Number of share subscription rights | 6,500 units | 6,500 units |
| Number of share subscription rights held by the Company included in the share subscription rights | — | — |
| Type of shares to be issued upon the exercise of the share subscription rights | Common stock: The number of shares constituting a unit is 100. | Common stock: The number of shares constituting a unit is 100. |
| Number of shares to be issued upon the exercise of the share subscription rights | 650,000 shares | 650,000 shares |
| Amount to be subscribed upon the exercise of the share subscription rights (Yen) | ¥133,300 (¥1,333 per share) | ¥133,300 (¥1,333 per share) |
| Exercise period | From May 9, 2009 To June 26, 2016 | From May 9, 2009 To June 26, 2016 |
| Upon the exercise of the share subscription rights, issue price and amount per share to be credited to common stock (Yen) | Issue price: ¥1,333 Amount per share to be credited to common stock: ¥667 | Issue price: ¥1,333 Amount per share to be credited to common stock: ¥667 |
| Conditions for the exercise of the share subscription rights | ※ | ※ |
| Transfer of the share subscription rights | Any and all transfers of share subscription rights must be approved by the Board of Directors of the Company. | Any and all transfers of share subscription rights must be approved by the Board of Directors of the Company. |
| Matters relating to subrogation payment | — | — |
| Matters relating to the issuance of share subscription rights as a result of organizational restructuring action | — | — |

- ※ ① Partial exercise of the share subscription rights is not allowed.
- ② The Holders must continue their service with the Company or its subsidiaries or affiliates (“the Company, etc.”) in the state of being employed or entrusted.
- ③ The Company’s operating results must meet certain predetermined targets.
- ④ The Holders shall achieve their own predetermined performance targets.
- ⑤ A Holder shall be unable to exercise his/her share subscription rights if he/she violates any applicable laws or various internal rules of the Company, etc.
- ⑥ A Holder shall be unable to exercise his/her share subscription rights if he/she is subject to a disciplinary action equivalent to or more serious than a suspension of attendance, which is stipulated in the Working Regulations of the Company, etc.
- ⑦ A Holder shall be unable to exercise his/her share subscription rights if he/she abandons the share subscription rights.

The details concerning conditions ② to ⑦ above and certain other conditions shall be as set forth in the “Share subscription rights Allocation Agreement” executed and entered into by and between the Company and each Holder based on a resolution of the Board of Directors.

Sixth share subscription rights (issued on December 21, 2007)

| | As of March 31, 2015 | As of May 31, 2015 |
|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Number of share subscription rights | 3,600 units | 3,600 units |
| Number of share subscription rights held by the Company included in the share subscription rights | — | — |
| Type of shares to be issued upon the exercise of the share subscription rights | Common stock: The number of shares constituting a unit is 100. | Common stock: The number of shares constituting a unit is 100. |
| Number of shares to be issued upon the exercise of the share subscription rights | 360,000 shares | 360,000 shares |
| Amount to be subscribed upon the exercise of the share subscription rights (Yen) | ¥120,500 (¥1,205 per share) | ¥120,500 (¥1,205 per share) |
| Exercise period | From April 1, 2010 To June 19, 2017 | From April 1, 2010 To June 19, 2017 |
| Upon the exercise of the share subscription rights, issue price and amount per share to be credited to common stock (Yen) | Issue price: ¥1,205 Amount per share to be credited to common stock: ¥603 | Issue price: ¥1,205 Amount per share to be credited to common stock: ¥603 |
| Conditions for the exercise of the share subscription rights | ※ | ※ |
| Transfer of the share subscription rights | Any and all transfers of share subscription rights must be approved by the Board of Directors of the Company. | Any and all transfers of share subscription rights must be approved by the Board of Directors of the Company. |
| Matters relating to subrogation payment | — | — |
| Matters relating to the issuance of share subscription rights as a result of organizational restructuring action | — | — |

- ※ ① Partial exercise of the share subscription rights is not allowed.
- ② The Holders must continue their service with the Company or its subsidiaries or affiliates (“the Company, etc.”) in the state of being employed or entrusted.
- ③ The Company’s operating results must meet certain predetermined targets.
- ④ The Holders shall achieve their own predetermined performance targets.
- ⑤ A Holder shall be unable to exercise his/her share subscription rights if he/she violates any applicable laws or various internal rules of the Company, etc.
- ⑥ A Holder shall be unable to exercise his/her share subscription rights if he/she is subject to a disciplinary action equivalent to or more serious than a suspension of attendance, which is stipulated in the Working Regulations of the Company, etc.
- ⑦ A Holder shall be unable to exercise his/her share subscription rights if he/she abandons the share subscription rights.

The details concerning conditions ② to ⑦ above and certain other conditions shall be as set forth in the “Share subscription rights Allocation Agreement” executed and entered into by and between the Company and each Holder based on a resolution of the Board of Directors.

Seventh share subscription rights (issued on May 16, 2008)

| | As of March 31, 2015 | As of May 31, 2015 |
|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Number of share subscription rights | 23,212 units | 22,738 units |
| Number of share subscription rights held by the Company included in the share subscription rights | — | — |
| Type of shares to be issued upon the exercise of the share subscription rights | Common stock: The number of shares constituting a unit is 100. | Common stock: The number of shares constituting a unit is 100. |
| Number of shares to be issued upon the exercise of the share subscription rights | 2,321,200 shares | 2,273,800 shares |
| Amount to be subscribed upon the exercise of the share subscription rights (Yen) | ¥97,500 (¥975 per share) | ¥97,500 (¥975 per share) |
| Exercise period | From May 17, 2010 To April 23, 2018 | From May 17, 2010 To April 23, 2018 |
| Upon the exercise of the share subscription rights, issue price and amount per share to be credited to common stock (Yen) | Issue price: ¥975 Amount per share to be credited to common stock: ¥488 | Issue price: ¥975 Amount per share to be credited to common stock: ¥488 |
| Conditions for the exercise of the share subscription rights | ※ | ※ |
| Transfer of the share subscription rights | Any and all transfers of share subscription rights must be approved by the Board of Directors of the Company. | Any and all transfers of share subscription rights must be approved by the Board of Directors of the Company. |
| Matters relating to subrogation payment | — | — |
| Matters relating to the issuance of share subscription rights as a result of organizational restructuring action | — | — |

- ※ ① Partial exercise of the share subscription rights is not allowed.
- ② The Holders must continue their service with the Company or its subsidiaries or affiliates (“the Company, etc.”) in the state of being employed or entrusted.
- ③ The Holders shall achieve their own predetermined performance targets.
- ④ A Holder shall be unable to exercise his/her share subscription rights if he/she violates any applicable laws or various internal rules of the Company, etc.
- ⑤ A Holder shall be unable to exercise his/her share subscription rights if he/she is subject to a disciplinary action equivalent to or more serious than a suspension of attendance, which is stipulated in the Working Regulations of the Company, etc.
- ⑥ A Holder shall be unable to exercise his/her share subscription rights if he/she abandons the share subscription rights.

The details concerning conditions ② to ⑥ above and certain other conditions shall be as set forth in the “Share subscription rights Allocation Agreement” executed and entered into by and between the Company and each Holder based on a resolution of the Board of Directors.

(3) Exercise status of bonds with share subscription rights containing a clause for exercise price adjustment

Not applicable

(4) Right plans

Not applicable

(5) Changes in the number of shares issued and the amount of common stock and other

| Period | Changes in the number of shares issued (Thousands) | Balance of the number of shares issued (Thousands) | Changes in common stock (Millions of yen) | Balance of common stock (Millions of yen) | Changes in additional paid-in capital (Millions of yen) | Balance of additional paid-in capital (Millions of yen) |
|---------------------------------------------|----------------------------------------------------|----------------------------------------------------|-------------------------------------------|-------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
| From April 1, 2002 To March 31, 2003 (Note) | 3,670 | 4,520,715 | 1,257 | 605,813 | 1,257 | 804,470 |

Note: Increase due to conversion of convertible bonds.

(6) Details of shareholders

(As of March 31, 2015)

| Classification | Status of shares (1 unit = 100 shares) | | | | | | | | Shares under one unit |
|----------------------------------|----------------------------------------|------------------------|----------------------|--------------------|-----------------------------------------------|-----------------------------------------|-----------------------|------------|-----------------------|
| | National and local governments | Financial institutions | Securities companies | Other corporations | Foreign shareholders (other than individuals) | Foreign shareholders (individuals only) | Individuals and other | Total | |
| Number of shareholders (persons) | — | 159 | 43 | 1,199 | 802 | 199 | 205,653 | 208,055 | — |
| Number of shares held (units) | — | 6,908,546 | 690,218 | 781,385 | 33,519,736 | 34,022 | 3,267,574 | 45,201,481 | 567,012 |
| Shareholding Ratio (%) | — | 15.28 | 1.53 | 1.73 | 74.16 | 0.07 | 7.23 | 100.00 | — |

Note: Treasury stock of 30,227,407 shares are included in “Individuals and other” at 302,274 units, and in “Shares under one unit” at 7 shares.

(7) Principal shareholders

(As of March 31, 2015)

| Name | Address | Number of shares held (Thousands) | Number of shares held as a percentage of total shares issued (%) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------|
| Renault S.A. (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.) | 13-15 QUAI ALPHONSE LE GALLO 92100 BOULOGNE BILLAN COURT, FRANCE (4-16-13 Tsukishima, Chuo-ku, Tokyo) | 1,962,037 | 43.40 |
| THE CHASE MANHATTAN BANK, N.A., LONDON SPECIAL ACCOUNT NO. 1 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.) (Note) | WOOLGATE HOUSE, COLEMAN STREET, LONDON EC2P 2HD, ENGLAND (4-16-13 Tsukishima, Chuo-ku, Tokyo) | 144,736 | 3.20 |
| STATE STREET BANK AND TRUST COMPANY (Standing agent: Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited) | ONE LINCOLN STREET, BOSTON, MA U.S.A. 02111 (3-11-1 Nihonbashi, Chuo-ku, Tokyo) | 128,969 | 2.85 |
| Japan Trustee Services Bank Ltd. (Trust account) | 1-8-11 Harumi, Chuo-ku, Tokyo | 106,515 | 2.36 |
| The Master Trust Bank of Japan Ltd. (Trust account) | 2-11-3 Hamamatsu-cho, Minato-ku, Tokyo | 99,345 | 2.20 |
| JP Morgan Chase Bank 385632 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.) | 25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (4-16-13 Tsukishima, Chuo-ku, Tokyo) | 58,605 | 1.30 |
| STATE STREET BANK AND TRUST COMPANY 505223 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.) | P.O. BOX 351, BOSTON MASSACHUSETTS 02101 U.S.A. (4-16-13 Tsukishima, Chuo-ku, Tokyo) | 57,772 | 1.28 |
| Nippon Life Insurance Company | 1-6-6 Marunouchi, Chiyoda-ku, Tokyo (Nippon Life securities management portion) | 54,029 | 1.20 |
| Japan Trustee Services Bank Ltd. (Trust account 9) | 1-8-11 Harumi, Chuo-ku, Tokyo | 46,807 | 1.04 |
| Moxley & Co. LLC (Standing agent: Sumitomo Mitsui Banking Corporation) | 270 PARK AVENUE, NEW YORK, NY 10017-2070, U.S.A. (1-2-3 Otemachi, Chiyoda-ku, Tokyo) | 44,591 | 0.99 |
| Total | — | 2,703,406 | 59.80 |

Note: Daimspain, S.L., which is the Daimler AG's wholly-owned subsidiary, substantially holds 140,142 thousand shares of the Company although they are in custody of The Chase Manhattan Bank, N.A. London. Special Account No. 1 on the shareholders' register.

(8) Status of voting rights

① Shares issued

(As of March 31, 2015)

| Classification | Number of shares (Shares) | Number of voting rights (Units) | Description |
|----------------------------------------------------------|-------------------------------------------------|------------------------------------|-------------|
| Shares with full voting rights (Treasury stock, etc.) | (Treasury stock) Common stock 30,227,400 | — | — |
| | (Crossholding stock) Common stock 268,300 | — | — |
| Shares with full voting rights (Others) | Common stock 4,489,652,400 | 44,896,524 | — |
| Shares under one unit | Common stock 567,012 | — | — |
| Total shares issued | 4,520,715,112 | — | — |
| Total voting rights held by all shareholders | — | 44,896,524 | — |

Note: “Shares under one unit” include 7 shares of treasury stock and 30 crossholding shares.

Crossholding shares under one unit (As of March 31, 2015)

| Shareholder | Number of shares |
|----------------------------|------------------|
| Kai Nissan Motor Co., Ltd. | 30 |

② Treasury stock, etc.

(As of March 31, 2015)

| Shareholders | Addresses of shareholders | Number of shares held under own name | Number of shares held under the names of others | Total | % of interest |
|---------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------|----------------------------------------------------------|------------|------------------|
| | | Shares | Shares | Shares | % |
| Treasury stock: Nissan Motor Co., Ltd. | 2 Takara-cho, Kanagawa-ku, Yokohama-shi, Kanagawa | 30,227,400 | — | 30,227,400 | 0.67 |
| Crossholding stock: Kochi Nissan Prince Motor Sales Co., Ltd. | 2-21 Asahi-cho, Kochi-shi, Kochi | 105,600 | — | 105,600 | 0.00 |
| Kai Nissan Motor Co., Ltd. | 706 Kamiimai-cho, Kofu-shi, Yamanashi | 37,800 | 39,200 | 77,000 | 0.00 |
| Nissan Prince Kagawa Sales Co., Ltd. | 1037 Ikuno-cho, Zentsuji-shi, Kagawa | 35,200 | — | 35,200 | 0.00 |
| Kagawa Nissan Motor Co., Ltd. | 1-1-8 Hanazono-cho, Takamatsu-shi, Kagawa | 4,800 | 100 | 4,900 | 0.00 |
| NDC Sales Co., Ltd. | 2-39-1 Mimomi, Narashino-shi, Chiba | 45,600 | — | 45,600 | 0.00 |
| Total | | 30,456,400 | 39,300 | 30,495,700 | 0.67 |

Note: The shares included in “Number of shares held under the names of others” represents those held by Nissan’s crossholding share association (address: 1-1-1 Takashima, Nishi-ku, Yokohama-shi, Kanagawa). (Fractional numbers under 100 have been omitted.)

(9) Stock option plans

The Company has adopted a stock option plan (the “Plan”) under which share subscription rights are granted to directors and employees of the Company and its subsidiaries and affiliates in accordance with the former Commercial Code of Japan revised in 2001 and the Corporate Law.

The details of the Plan which were approved at the annual general meetings of the shareholders are summarized as follows:

The Plan under Articles 280-20 and 280-21 of the former Commercial Code of Japan revised in 2001

Resolution at 106th annual general meeting of the shareholders:

| | | | | | | | |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----|-----------------------------------------|----|-------|-----|
| Date for resolution | June 21, 2005 | | | | | | |
| Individuals covered by the Plan | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Employees of the Company</td> <td style="text-align: right;">456</td> </tr> <tr> <td>Directors of the Company’s subsidiaries</td> <td style="text-align: right;">72</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">528</td> </tr> </table> | Employees of the Company | 456 | Directors of the Company’s subsidiaries | 72 | Total | 528 |
| Employees of the Company | 456 | | | | | | |
| Directors of the Company’s subsidiaries | 72 | | | | | | |
| Total | 528 | | | | | | |
| Type of shares to be issued upon the exercise of the share subscription rights | Common stock: The number of shares constituting a unit is 100. | | | | | | |
| Number of share subscription rights | 130,750 units | | | | | | |
| Number of shares to be issued upon the exercise of the share subscription rights | 13,075,000 shares | | | | | | |
| Amount to be subscribed upon the exercise of the share subscription rights | ¥152,600 (¥1,526 per share) * | | | | | | |
| Exercise period | From May 9, 2008 To June 20, 2015 | | | | | | |
| Conditions for the exercise of the share subscription rights | <p>① Partial exercise of each share subscription right is not allowed.</p> <p>② Individuals to whom the share subscription rights are granted (the “Holders”) must continue their service with the Company or its subsidiaries or affiliates in the state of being employed or entrusted until the share subscription rights become exercisable.</p> <p>③ The Company’s operating results must meet certain predetermined targets.</p> <p>④ The Holders shall achieve their own predetermined performance targets.</p> <p>The details concerning conditions ② to ④ above and certain other conditions shall be as set forth in the “Share subscription rights Allocation Agreement” executed and entered into by and between the Company and each Holder based on a resolution of the Board of Directors.</p> | | | | | | |
| Transfer of share subscription rights | Any and all transfers of share subscription rights must be approved by the Board of Directors of the Company. | | | | | | |
| Matters relating to subrogation payment | — | | | | | | |
| Matters relating to the issuance of share subscription rights as a result of organizational restructuring action | — | | | | | | |

* If either of the cases 1) or 2) below takes place on or after the date for issuance, the exercise price shall be adjusted by applying the following formula (hereinafter the “Exercise Price Adjustment Formula”), respectively, with the resulting fractions less than ¥1 to be rounded up.

1) If the Company conducts a stock split or a reverse stock split for the Company shares of common stock:

$$\text{Adjusted exercise price} = \text{Exercise price before adjustment} \times \frac{1}{\text{Ratio of stock split/reverse stock split}}$$

2) If the Company issues shares of common stock or disposes of its treasury stock at prices less than the then-current market price (excluding cases of the exercise of share subscription rights and the exercise of warrants for the purchase of shares of common stock under the Commercial Code of Japan before the enforcement of the Law Regarding Partial Revision of the Commercial Code, etc. (Law No. 128, 2001)).

$$\text{Adjusted exercise price} = \text{Exercise price before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of shares to be issued} \times \text{Exercise price per share}}{\text{Market price per share}}}{\text{Number of shares already issued} + \text{Number of shares to be issued}}$$

The Plan under Articles 236, 238 and 239 of the Corporate Law

Resolution at 107th annual general meeting of the shareholders:

| | |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date for resolution | June 27, 2006 |
| Individuals covered by the Plan | Employees of the Company 23 |
| Type of shares to be issued upon the exercise of the share subscription rights | Common stock: The number of shares constituting a unit is 100. |
| Number of share subscription rights | 6,800 units |
| Number of shares to be issued upon the exercise of the share subscription rights | 680,000 shares |
| Amount to be subscribed upon the exercise of the share subscription rights | ¥133,300 (¥1,333 per share)* |
| Exercise period | From May 9, 2009 To June 26, 2016 |
| Conditions for the exercise of the share subscription rights | <p>① Partial exercise of each share subscription right is not allowed.</p> <p>② Individuals to whom the share subscription rights are granted (the “Holders”) must continue their service with the Company or its subsidiaries or affiliates in the state of being employed or entrusted until the share subscription rights become exercisable.</p> <p>③ The Company’s operating results must meet certain predetermined targets.</p> <p>④ The Holders shall achieve their own predetermined performance targets.</p> <p>⑤ A Holder shall not be able to exercise his/her share subscription rights in case he/she violates any applicable laws or various internal rules of the Company, etc.</p> <p>⑥ A Holder shall not be able to exercise his/her share subscription rights in case he/she is subject to a disciplinary action equivalent to or more serious than a suspension of attendance, which is stipulated in the Working Regulations of the Company, etc.</p> <p>⑦ A Holder shall not be able to exercise his/her share subscription rights in case he/she abandons the share subscription rights.</p> <p>The details concerning conditions ② to ⑦ above and certain other conditions shall be as set forth in the “Share subscription rights Allocation Agreement” executed and entered into by and between the Company and each Holder based on a resolution of the Board of Directors.</p> |
| Transfer of share subscription rights | Any and all transfers of share subscription rights must be approved by the Board of Directors of the Company. |
| Matters relating to subrogation payment | — |
| Matters relating to the issuance of share subscription rights as a result of organizational restructuring action | — |

* If either of the cases 1) or 2) below takes place on or after the date for issuance, the exercise price shall be adjusted by applying the following formula (hereinafter the “Exercise Price Adjustment Formula”), respectively, with the resulting fractions less than ¥1 to be rounded up.

1) If the Company conducts a stock split or a reverse stock split for the Company shares of common stock:

$$\text{Adjusted exercise price} = \text{Exercise price before adjustment} \times \frac{1}{\text{Ratio of stock split/reverse stock split}}$$

2) If the Company issues shares of common stock or disposes of its treasury stock at prices less than the then-current market price (excluding cases of i) the purchase of treasury stock of shares under Article 194 (Request from shareholders who own shares under one unit against the Company to sell shares so that such shareholder’s shares become one unit of shares) of the Corporate Law, ii) conversion of securities to be converted or convertible to the Company’s shares of common stock or iii) share subscription rights with which the holder can request issuance of the Company’s shares of common stock) (including those attached to the bonds with share subscription rights)).

$$\text{Adjusted exercise price} = \text{Exercise price before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of shares to be issued} \times \text{Exercise price per share}}{\text{Market price per share}}}{\text{Number of shares already issued} + \text{Number of shares to be issued}}$$

Resolution at 108th annual general meeting of the shareholders:

| | |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date for resolution | June 20, 2007 |
| Individuals covered by the Plan | Employees of the Company 12 |
| Type of shares to be issued upon the exercise of the share subscription rights | Common stock: The number of shares constituting a unit is 100. |
| Number of share subscription rights | 3,600 units |
| Number of shares to be issued upon the exercise of the share subscription rights | 360,000 shares |
| Amount to be subscribed upon the exercise of the share subscription rights | ¥120,500 (¥1,205 per share)* |
| Exercise period | From April 1, 2010 To June 19, 2017 |
| Conditions for the exercise of the share subscription rights | <p>① Partial exercise of each share subscription right is not allowed.</p> <p>② Individuals to whom the share subscription rights are granted (the “Holders”) must continue their service with the Company or its subsidiaries or affiliates in the state of being employed or entrusted until the share subscription rights become exercisable.</p> <p>③ The Company’s operating results must meet certain predetermined targets.</p> <p>④ The Holders shall achieve their own predetermined performance targets.</p> <p>⑤ A Holder shall not be able to exercise his/her share subscription rights in case he/she violates any applicable laws or various internal rules of the Company, etc.</p> <p>⑥ A Holder shall not be able to exercise his/her share subscription rights in case he/she is subject to a disciplinary action equivalent to or more serious than a suspension of attendance, which is stipulated in the Working Regulations of the Company, etc.</p> <p>⑦ A Holder shall not be able to exercise his/her share subscription rights in case he/she abandons the share subscription rights.</p> <p>The details concerning conditions ② to ⑦ above and certain other conditions shall be as set forth in the “Share subscription rights Allocation Agreement” executed and entered into by and between the Company and each Holder based on a resolution of the Board of Directors.</p> |
| Transfer of share subscription rights | Any and all transfers of share subscription rights must be approved by the Board of Directors of the Company. |
| Matters relating to subrogation payment | — |
| Matters relating to the issuance of share subscription rights as a result of organizational restructuring action | — |

* If either of the cases 1) or 2) below takes place on or after the date for issuance, the exercise price shall be adjusted by applying the following formula (hereinafter the “Exercise Price Adjustment Formula”), respectively, with the resulting fractions less than ¥1 to be rounded up.

1) If the Company conducts a stock split or a reverse stock split for the Company shares of common stock:

$$\text{Adjusted exercise price} = \text{Exercise price before adjustment} \times \frac{1}{\text{Ratio of stock split/reverse stock split}}$$

2) If the Company issues shares of common stock or disposes of its treasury stock at prices less than the then-current market price (excluding cases of i) the purchase of treasury stock of shares under Article 194 (Request from shareholders who own shares under one unit against the Company to sell shares so that such shareholder’s shares become one unit of shares) of the Corporate Law, ii) conversion of securities to be converted or convertible to the Company’s shares of common stock or iii) share subscription rights with which the holder can request issuance of the Company’s shares of common stock) (including those attached to the bonds with share subscription rights)).

$$\text{Adjusted exercise price} = \text{Exercise price before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of shares to be issued} \times \text{Exercise price per share}}{\text{Market price per share}}}{\text{Number of shares already issued} + \text{Number of shares to be issued}}$$

Resolution at 108th annual general meeting of the shareholders:

| | |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date for resolution | June 20, 2007 |
| Individuals covered by the Plan | Employees of the Company 121 |
| Type of shares to be issued upon the exercise of the share subscription rights | Common stock: The number of shares constituting a unit is 100. |
| Number of share subscription rights | 36,200 units |
| Number of shares to be issued upon the exercise of the share subscription rights | 3,620,000 shares |
| Amount to be subscribed upon the exercise of the share subscription rights | ¥97,500 (¥975 per share)* |
| Exercise period | From May 17, 2010 To April 23, 2018 |
| Conditions for the exercise of the share subscription rights | ① Partial exercise of each share subscription right is not allowed. ② Individuals to whom the share subscription rights are granted (the “Holders”) must continue their service with the Company or its subsidiaries or affiliates in the state of being employed or entrusted until the share subscription rights become exercisable. ③ The Holders shall achieve their own predetermined performance targets. ④ A Holder shall not be able to exercise his/her share subscription rights in case he/she violates any applicable laws or various internal rules of the Company, etc. ⑤ A Holder shall not be able to exercise his/her share subscription rights in case he/she is subject to a disciplinary action equivalent to or more serious than a suspension of attendance, which is stipulated in the Working Regulations of the Company, etc. ⑥ A Holder shall not be able to exercise his/her share subscription rights in case he/she abandons the share subscription rights. The details concerning conditions ② to ⑥ above and certain other conditions shall be as set forth in the “Share subscription rights Allocation Agreement” executed and entered into by and between the Company and each Holder based on a resolution of the Board of Directors. |
| Transfer of share subscription rights | Any and all transfers of share subscription rights must be approved by the Board of Directors of the Company. |
| Matters relating to subrogation payment | — |
| Matters relating to the issuance of share subscription rights as a result of organizational restructuring action | — |

* If either of the cases 1) or 2) below takes place on or after the date for issuance, the exercise price shall be adjusted by applying the following formula (hereinafter the “Exercise Price Adjustment Formula”), respectively, with the resulting fractions less than ¥1 to be rounded up.

1) If the Company conducts a stock split or a reverse stock split for the Company shares of common stock:

$$\text{Adjusted exercise price} = \text{Exercise price before adjustment} \times \frac{1}{\text{Ratio of stock split/reverse stock split}}$$

2) If the Company issues shares of common stock or disposes of its treasury stock at prices less than the then-current market price (excluding cases of i) the purchase of treasury stock of shares under Article 194 (Request from shareholders who own shares under one unit against the Company to sell shares so that such shareholder’s shares become one unit of shares) of the Corporate Law, ii) conversion of securities to be converted or convertible to the Company’s shares of common stock or iii) share subscription rights with which the holder can request issuance of the Company’s shares of common stock) (including those attached to the bonds with share subscription rights)).

$$\text{Adjusted exercise price} = \text{Exercise price before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of shares to be issued} \times \text{Exercise price per share}}{\text{Market price per share}}}{\text{Number of shares already issued} + \text{Number of shares to be issued}}$$

2. Acquisition of treasury stock

Type of shares: Acquisition of shares of common stock under Article 155, Item 7, of the Corporate Law

- (1) Acquisition of treasury stock based on a resolution approved at the annual general meeting of the shareholders
Not applicable
- (2) Acquisition of treasury stock based on a resolution approved by the Board of Directors
Not applicable
- (3) Acquisition of treasury stock not based on a resolution approved at the annual general meeting of the shareholders or on a resolution approved by the Board of Directors

| Classification | Number of shares (Thousands) | Total amount (Millions of yen) |
|-----------------------------------------------------------|---------------------------------|-----------------------------------|
| Treasury stock acquired during the current fiscal year | 50 | 61 |
| Treasury stock acquired during the period for acquisition | 12 | 14 |

Note: “Treasury stock acquired during the period for acquisition” does not include the number of shares less than one unit purchased during the period from June 1, 2015 to the filing date of this Securities Report.

(4) Current status of the disposition and holding of acquired treasury stock

| Classification | Current fiscal year | | Period for acquisition | |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------------------------|---------------------------------|-----------------------------------------------|
| | Number of shares (Thousands) | Total disposition amount (Millions of yen) | Number of shares (Thousands) | Total disposition amount (Millions of yen) |
| Acquired treasury stock for which subscribers were solicited | — | — | — | — |
| Acquired treasury stock that was disposed of | — | — | — | — |
| Acquired treasury stock for which transfer of shares was conducted in association with merger/stock exchange/corporate separation | — | — | — | — |
| Other (Acquired treasury stock that was disposed of instead of issuing shares due to the exercise of share subscription rights) | 635 | 644 | 47 | 48 |
| Number of shares of treasury stock held | 30,227 | — | 30,192 | — |

Note: “Number of shares” and “Total disposition amount” during the “Period for acquisition” do not include the number of shares of treasury stock acquired during the period from June 1, 2015 to the filing date of this Securities Report and the acquired treasury stock that was disposed of instead of issuing shares due to the exercise of share subscription rights.

3. Dividend policy

The Company positions the return of profits to shareholders as one of the most important management policies, and adherence to a globally competitive dividend standard is Nissan's strategy as well as a key that defines its relationship with shareholders.

The Company's basic policy on the distribution of dividends from surplus is twice annually, that is, an interim dividend and a year-end dividend, as the Company has determined in its Articles of Incorporation that the Company may distribute interim dividends as stipulated in Article 454, Paragraph 5, of the Corporate Law. The final decision-making organization is the Board of Directors for the interim dividend, and a general meeting of the shareholders for the year-end dividend.

As for the distribution of dividends from surplus for the year ended March 31, 2015, the Company's interim dividend was ¥16.5 per share and the year-end dividend was ¥16.5 per share. As a result, the Company's annual dividend was ¥33 per share.

The Company intends to apply its internal reserve to preparations for future business development and R&D costs.

Note: Dividends from surplus for which the record date belongs to the fiscal year ended March 31, 2015, are as follows:

| Date of resolution | Total dividend amount (Millions of yen) | Dividend per share (Yen) |
|------------------------------------------------------------------|--------------------------------------------|--------------------------|
| Board of Directors meeting held on November 4, 2014 | 69,177 | 16.5 |
| Annual general meeting of the shareholders held on June 23, 2015 | 69,195 | 16.5 |

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

4. Changes in the market price of the Company's shares

(1) Highest and lowest prices during the past five years

| | 112th fiscal year | 113th fiscal year | 114th fiscal year | 115th fiscal year | 116th fiscal year |
|---------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Year-end | March 2011 | March 2012 | March 2013 | March 2014 | March 2015 |
| Highest (Yen) | 894 | 898 | 1,034 | 1,250 | 1,303.5 |
| Lowest (Yen) | 600 | 614 | 639 | 824 | 856 |

Note: The above prices are those quoted on the First Section of the Tokyo Stock Exchange.

(2) Highest and lowest prices during the past six months

| Month | October 2014 | November | December | January 2015 | February | March |
|---------------|--------------|----------|----------|--------------|----------|---------|
| Highest (Yen) | 1,063.0 | 1,125.5 | 1,146.5 | 1,057.5 | 1,275.0 | 1,303.5 |
| Lowest (Yen) | 917.4 | 1,019.0 | 1,003.0 | 963.1 | 996.0 | 1,207.0 |

Note: The above prices are those quoted on the First Section of the Tokyo Stock Exchange.

5. Members of the Board of Directors and Statutory Auditors

13 males, 0 females (female ratio of 0%), 9 Japanese, 4 Foreigners.

| Function | Position | Name (Date of birth) | Career profile | | Term of office (period) | Number of shares owned (Thousands) |
|----------------------------------------------------------|--------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------------------------------------|
| Representative Director, Director Chairman and President | CEO | Carlos Ghosn (March 9, 1954) | 1996 October 1996 December 1999 June 2000 June 2001 June 2003 June 2005 April 2008 June 2009 May | Joined Renault Executive Vice President of Renault Director and COO of the Company President and COO of the Company President and CEO of the Company Co-Chairman, President and CEO of the Company President and CEO of Renault President and Chairman of Renault Nissan BV (Current position) Chairman, President and CEO of the Company (Current position) Chairman, President and CEO of Renault (Current position) | Two years from June 2015 | 3,122 |
| Representative Director Vice Chairman | CCO | Hiroto Saikawa (November 14, 1953) | 1977 April 2000 October 2003 April 2005 April 2005 June 2006 May 2013 April 2014 April 2015 June | Joined the Company General Manager of Purchasing Strategy Dept. of the Company Senior Vice President of the Company Executive Vice President of the Company Director and Executive Vice President of the Company Director of Renault (Current position) Director, Executive Vice President and CCO of the Company Director and CCO of the Company Director, Vice Chairman and CCO of the Company (Current position) | Two years from June 2015 | 7 |
| Representative Director | | Greg Kelly (September 15, 1956) | 1988 March 1993 August 2000 April 2005 October 2008 April 2009 April 2012 June 2014 April 2015 February | Joined Nissan North America, Inc. Director of Personnel Dept., Nissan North America, Inc. Senior Director of Personnel Dept., Nissan North America, Inc. Vice President (in charge of personnel and organizational development) of Nissan North America, Inc. Corporate Vice President of the Company Senior Vice President of the Company Director and Senior Vice President of the Company Director and Alliance EVP, Senior Vice President of the Company Director of the Company (Current position) | Two years from June 2015 | 1 |
| Director | Executive Vice President | Hideyuki Sakamoto (April 15, 1956) | 1980 April 2005 April 2008 April 2012 April 2014 April 2014 June | Joined the Company Project Manager of Vehicle Design Engineering Dept. No.3 of the Company Corporate Vice President of the Company Senior Vice President of the Company Executive Vice President of the Company Director and Executive Vice President of the Company (Current position) | Two years from June 2015 | 17 |
| Director | Executive Vice President | Fumiaki Matsumoto (December 8, 1958) | 1981 April 2002 April 2003 April 2010 April 2014 April 2014 June | Joined the Company Project Manager of NPW Promotion Dept., Production Business Div. of the Company General Manager of NPW Promotion Dept., Production Business Div. of the Company Vice President of Dongfeng Motor Co., Ltd. Executive Vice President of the Company Director and Executive Vice President of the Company (Current position) | Two years from June 2015 | 7 |

| Function | Position | Name (Date of birth) | Career profile | | Term of office (period) | Number of shares owned (Thousands) |
|------------------------|--------------------------|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------|
| Director | Executive Vice President | Kimiyasu Nakamura (April 11, 1955) | 1980 April 2003 April 2004 April 2008 April 2014 January 2015 June | Joined the Company General Manager of Vehicle Development Headquarters No. 2 of the Company and General Manager of Vehicle Component Engineering Division Senior Vice President of the Company President of Dongfeng Motor Co., Ltd. Executive Vice President of the Company Director and Executive Vice President of the Company (Current position) | Two years from June 2015 | 7 |
| Director Vice Chairman | | Toshiyuki Shiga (September 16, 1953) | 1976 April 1999 July 2000 April 2005 April 2005 June 2013 November | Joined the Company General Manager of Corporate Planning Dept. and Alliance Coordination Office of the Company Senior Vice President of the Company COO of the Company Director and COO of the Company Director and Vice Chairman of the Company (Current position) | Two years from June 2015 | 100 |
| Director | | Jean-Baptiste Duzan (September 7, 1946) | 1982 September 1992 January 2009 June | Joined Renault Senior Vice President of Renault Director of the Company (Current position) | Two years from June 2015 | 1 |
| Director | | Bernard Rey (September 6, 1946) | 1988 1998 1999 April 2000 April 2007 April 2011 November 2014 June | Project Director of Renault Officer in charge of International Dept. of Renault Vice President of the Company Senior Vice President of the Company Senior Vice President of Renault Retired from Renault Director of the Company (Current position) | Two years from June 2015 | 0 |
| Statutory Auditor | Standing | Hidetoshi Imazu (May 15, 1949) | 1972 April 1998 April 2002 April 2007 April 2007 June 2014 April 2014 June | Joined the Company General Manager, Chassis Engineering Div. of the Company Senior Vice President of the Company Executive Vice President of the Company Director and Executive Vice President of the Company Director of the Company Statutory Auditor of the Company (Current position) | Four years from June 2014 | 60 |
| Statutory Auditor | Standing | Toshiyuki Nakamura (July 26, 1951) | 1974 April 1998 June 2002 April 2003 April 2004 June 2005 June 2006 April 2006 June | Joined The Bank of Yokohama, Ltd. General Manager (Finance Dept.) of The Bank of Yokohama, Ltd. Executive Officer and General Manager, Kawasaki Branch of The Bank of Yokohama, Ltd. Managing Executive Officer, General Manager, Kawasaki Branch and General Manager, Sales Division at the Kawasaki and Yokohama-kita Block of The Bank of Yokohama, Ltd. Representative Director and COO of The Bank of Yokohama, Ltd. Representative Director and General Manager, Sales Promotion Dept. and CS Promotion Dept., of The Bank of Yokohama, Ltd. Director of The Bank of Yokohama, Ltd. Statutory Auditor of the Company (Current position) | Four years from June 2014 | 23 |

| Function | Position | Name (Date of birth) | Career profile | | Term of office (period) | Number of shares owned (Thousands) |
|-------------------|-----------|--------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------|
| Statutory Auditor | Standing | Motoo Nagai (March 4, 1954) | 1977 April 1999 December | Joined Industrial Bank of Japan, Limited Deputy General Manager of Integration Risk Management Dept., Industrial Bank of Japan, Limited | Four years from June 2014 | 1 |
| | | | 2002 April | General Manager of Integration Risk Management Dept., Mizuho Corporate Bank, Ltd. | | |
| | | | 2007 April | Managing Executive Officer of Mizuho Corporate Bank, Ltd. | | |
| | | | 2011 April | Deputy President (Executive Officer) of Mizuho Trust & Banking Co., Ltd. | | |
| | | | 2011 June | Deputy President (Executive Officer and Director) of Mizuho Trust & Banking Co., Ltd. | | |
| | | | 2014 June | Statutory Auditor of the Company (Current position) | | |
| Statutory Auditor | Part-time | Shigetoshi Andoh (March 30, 1942) | 1964 April 1990 June 1993 December 1996 June | Joined The Sanwa Bank, Limited Director of The Sanwa Bank, Limited Managing Director of The Sanwa Bank, Limited Senior Managing Director of The Sanwa Bank, Limited | Four years from June 2012 | 8 |
| | | | 1999 July | Director and President of TOYO KOGYO Co., Ltd. | | |
| | | | 2001 June | Director and Executive Vice President of Nippon Shinpan Co., Ltd. | | |
| | | | 2002 November | Chairman of Nippon Shinpan Co., Ltd. | | |
| | | | 2004 June | Chairman of Hitachi Zosen Corporation | | |
| | | | 2010 June | Counselor of Hitachi Zosen Corporation | | |
| | | | 2012 June | Statutory Auditor of the Company (Current position) | | |
| Total | | | | | | 3,354 |

- Notes:
1. Jean-Baptiste Duzan is outside director of the Company.
 2. Toshiyuki Nakamura, Motoo Nagai and Shigetoshi Andoh are outside statutory auditors.
 3. The Company sets up a Corporate Officer system in order to revitalize the Board of Directors by segregating decision-making and control functions from the executive functions and to enable capable individuals to be appointed based solely on their ability.
The number of Corporate Officers is 51, consisting of 31 Japanese and 20 foreigners, of which one is a woman (female ratio of 2% of the corporate officers), and including the 6 directors listed above (Carlos Ghosn, Hiroto Saikawa, Hideyuki Sakamoto, Fumiaki Matsumoto, and Kimiyasu Nakamura, Toshiyuki Shiga). The 45 other members are as follows: Joseph G. Peter (CFO); Trevor Mann (CPO); Philippe Klein (CPLO); Takao Katagiri, Jose Munoz, Tsuyoshi Yamaguchi and Shohei Kimura (Executive Vice Presidents); Shiro Nakamura, Hitoshi Kawaguchi, Yasuhiro Yamauchi, Takao Asami, Jun Seki, Jose Luis Valls, Takashi Hata, Paul Willcox, Roland Krueger, Arun Bajaj, Asako Hoshino, Rakesh Kochhar, Hari Nada and Christian Mardrus (Senior Vice Presidents); Celso Guiotoko, Joji Tagawa, Atsushi Hirose, Shunichi Toyomasu, Vincent Cobee, Yusuke Takahashi, Hiroshi Karube, Toru Hasegawa, Keno Kato, Noboru Tateishi, Roel De Vries, Tony Laydon, Kunio Nakaguro, Mitsuro Antoku, Naoya Fujimoto, Toshihiro Hirai, Hiroshi Nagaoka, Akihiro Otomo, Atul Pasricha, Nobuya Uranishi, Philippe Guerin-Boutaud, Allan Rushforth and Kent O'Hara (Corporate Vice Presidents); and Haruyoshi Kumura (Fellow).

6. Corporate governance

(1) Status of corporate governance

Basic corporate governance policy

Corporate governance is one of the important responsibilities of the Company's management, and its most important role is to clarify the duties and responsibilities of the members of the management team. At the Company, clear management objectives and policies are published for the benefit of the shareholders and investors, and achievements and results are announced early and with as much transparency as possible. The enhancement of corporate governance by full and fair disclosure is the responsibility of management.

a) Corporate governance system

(1) Summary of the Company's corporate governance system and the reason for adopting this system

The Company adopts a corporate governance system, under which oversight by the Board of Directors and audits by the Statutory Auditors shall be executed, and a Corporate Officer system for the purpose of pursuing transparency and improving of flexibility, clarifying managerial responsibility and ensuring appropriate supervision to and audits of Directors' execution of duties.

The Company's Board of Directors makes decisions on important business operations and supervises the execution of duties by the respective Directors. The number of Directors is nine (9), of which one (1) is an Outside Director. The structure of the Board of Directors is simplified in the pursuit of more efficient and flexible management, and the authority for business execution is clearly delegated as much as possible to corporate officers and employees. Furthermore, several conference bodies have been established to deliberate and discuss important corporate matters and the execution of daily business affairs.

The Company has established the Board of Statutory Auditors, which consists of four (4) Statutory Auditors including three (3) Outside Statutory Auditors, to properly audit the execution of Directors' duties. Three (3) of the four (4) Statutory Auditors are full-time Statutory Auditors. Two (2) of them are highly independent.

(2) Status of the Company's internal control systems

The Company focuses on highly transparent management internally and externally, and aims to conduct consistent and efficient management to firmly achieve its specific commitments. Under this basic policy, the Company's Board of Directors has resolved "systems to ensure proper and appropriate corporate operations of the Company and its group companies" in accordance with the Corporate Law and the Corporate Law Enforcement Regulations, and appointed a Director or Directors who are in charge of internal control system. The summary and status of such systems are as follows.

i) Systems to ensure efficient and management of business activities by the Directors

- a. The Company has a Board of Directors, which decides material business activities of the Company and oversees the activities of the individual Directors. In addition, Statutory Auditors who comprise the Board of Auditors audit the activities of the Directors.
- b. The Company'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.
- c. The Company uses a proven system of an Executive Committee where key issues such as business strategies, important transactions and investments are reviewed and discussed, as well as other committee meetings where operational business issues are reviewed and discussed.
- d. For review and discussion of the regional and specific business area operations, the Company utilizes Management Committees.
- e. In order to promote cross functional activities, cross functional teams - CFTs - are organized. CFTs detect problems and challenge and propose solutions to line organizations.
- f. The Company 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.
- g. The Company ensures the 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.

ii) Systems to ensure compliance of Directors' and employees' activities with Laws and Articles of Incorporation

- a. The Company implements the "Global Code of Conduct", which explains acceptable behaviors of all employees working at the group companies of the Company worldwide and promotes understanding of our rules of conduct.
- b. In order to ensure rigorous and strict compliance with the code of conduct, the Company and its group companies offer educational programs such as an e-learning system.
- c. With regard to members of the Board of Directors as well as corporate officers of the Company, the Company 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.

- d. The Company stands firm and take appropriate actions against anti-social forces or groups. If any Director, corporate 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.
 - e. All Directors, corporate officers and employees are encouraged to use good conduct, and to neither directly nor indirectly, be involved in any fraud blackmail or other improper or criminal conduct. In cases of becoming aware of any such impropriety or illegal activity, or the risk thereof, in addition to acting resolutely against it, he/she shall promptly report such matter to his/her respective superiors and specific committee, and shall follow their instructions.
 - f. For the purpose of monitoring and ensuring compliance with the code of conduct, the Company establishes the Global Compliance Committee.
 - g. The Company implements an internal whistle-blowing system with internal and external points of contact, by which the employees are able to submit their opinions, questions and requests, as well as report an act that may be suspected as a violation of compliance, freely and directly to the Company's management.
 - h. The Company is committed to continually implementing relevant company rules, including, for example, the "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.
 - i. The Company 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.
 - j. The Company establishes a department specialized in internal audit for the purpose of regularly monitoring the Company and Group companies' businesses and their compliance with laws, their respective Articles of Incorporation and the codes of corporate conduct.
 - k. Diverse activities related to the Renault-Nissan alliance including those regarding the jointly operated functions are conducted under the direction and oversight of the Board of Directors, the Executive Committee and the relevant Corporate Officers of the Company. The relevant decision making is conducted based on the "Delegation of Authority" procedures by the Board of Directors, the relevant Corporate Officers or employees of the Company in accordance with the applicable laws and regulations.
- iii) Rules and systems for proper management of risk and loss
- a. The Company minimizes the possibility of occurrences of risk and, if they occur, mitigates the magnitude of losses by sensing such risks as early as possible and implementing appropriate countermeasures. In order to achieve such objectives, the Company and its Group companies implement the "Global Risk Management Policy."
 - b. Management of material company-wide risks are assigned primarily to the members of the Risk Management Committee, who are responsible to implement necessary measures such as preparing relevant risk management manual.
 - c. Concerning the management of other specific business risks beyond those supervised directly by the Risk Management Committee, they are handled by each manager in the business function who will evaluate, prepare and implement the necessary measures to minimize such risks.
- iv) Systems to ensure accurate records and the retention of information of Directors' execution of business
- a. The Company prepares full and accurate minutes of meetings of the Board of Directors of the Company in accordance with laws and the board regulations and ensures they are retained and managed in a secure environment.
 - b. In performing business activities by various divisions and departments, matters to be decided pursuant to the "Delegation of Authority" are decided by either electronic system or written documents, and are retained and managed either electronically or in writing.
 - c. While the departments in charge are responsible for proper and strict retention and management of such information, Directors, Statutory Auditors and others of the Company have access to any records as required for the purpose of performing their business activities.
 - d. The Company works to streamline the "Information Security Policy" and a "Global Information Management Policy," enhance proper and strict retention and management of information and prevent improper use of information and unintended disclosure of such information. Furthermore, the Company has an Information Security Committee which is engaged in overall management of information security in the Company and makes decisions on information security matters.

- v) Systems to ensure proper and legitimate business activities of the group companies
 - (A) Systems to ensure the efficient execution and management of business activities by Directors of the group companies
 - a. The Company establishes various Management Committees which are trans-group organizations in order to ensure proper, efficient and consistent Group management.
 - b. In management committee meetings, the Company 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.
 - c. The group companies implement an objective and transparent Delegation of Authority procedures.
 - (B) Systems to ensure compliance of activities of Directors and employees of the group companies to laws and regulations and articles of association
 - a. Group company implements each company's code of conduct in line with the Global Code of Conduct, establishes a compliance committee and ensures 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, the articles of association and the corporate behavior. In addition, group companies implement a hotline system which ensures that employees are able to directly communicate to the group company or to the Company directly their opinions, questions and requests.
 - b. The internal audit department of the Company 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 establish their own internal audit departments and perform internal audits under the supervision of the Company's internal audit department.
 - c. The Company's Statutory Auditors and group companies' Statutory Auditors have periodic meetings to share information and exchange opinion for the purpose of ensuring effective auditing of the group companies.
 - d. In particular, the scope and frequency of internal audits and other monitoring activities on the business of the group companies may vary reasonably because of, for example the size, nature of the business, and materiality of such group companies.
 - (C) Rules and systems for proper management of risk and loss of the group companies
 - a. The group companies implement the Global Risk Management Policy.
 - b. Management of risks related to the group companies that might have an impact on the entire Group is assigned mainly to the members of the Risk Management Committee, who are responsible to implement specific measures.
 - c. Concerning the management of other risks related to the group companies, each group company is responsible to monitor, manage and implement necessary measures.
 - (D) Systems for Directors of the group companies to report business activities to the Company

The Company requests the group companies to report and endeavors to maintain certain important business matters of the group companies, through multiple routes, including, (i) the systems stated in (a) through (C) above and (ii) relations and cooperation between each function of the Company and the corresponding function of the other group companies.
- vi) Organization of employee(s) supporting the Company's Statutory Auditors, systems showing their independence from the Company's Directors, and systems to ensure effectiveness of the Company's Statutory Auditors' instruction to them
 - a. The Company has the Auditors' Office to support the activities of the Company's Statutory Auditors. Dedicated manager(s) is assigned and performs his/her duties under the supervision and responsibility of the Statutory Auditors.
 - b. 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 Statutory Auditors.
- vii) Systems for the Company's Directors and employees to report business issues to the Company's Statutory Auditors
 - (A) Systems for the Company's Directors and employees to report business issues to the Company's Statutory Auditors
 - a. The Company's 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.
 - b. When the Company's Directors detect any incident which could have a materially negative impact on the Company, they are required to immediately report such incidents to the Company's Statutory Auditors.
 - c. In addition, the Company's Directors and employees are required to make an ad-hoc report to the Company's Statutory Auditors regarding the situation of business activities when so requested.
 - d. The internal audit department periodically reports to the Company's Statutory Auditors its internal audit plan and the results of the internal audits performed.

- (B) Systems for Directors, Statutory Auditors and employees of the group companies and those who received a report from the group companies to report business issues to the Company's Statutory Auditors
- a. The Company's Statutory Auditors and group companies' Statutory Auditors have periodic meetings to share information and exchange opinions for the purpose of ensuring effective auditing of group companies and group companies' Statutory Auditors report the matters which could affect the entire group and other matters to the Company's Statutory Auditors.
 - b. Directors and employees of the group companies promptly make a report to the Company's Statutory Auditors regarding the situation of business activities when so requested by the Company's Statutory Auditors.
 - c. The Company's Directors and employees (including, those in the internal audit department), as stated in (A) of this Section, report to the Company's statutory auditors business activities of each group company reported through the systems mentioned in Section v) above.

- (C) Systems to ensure to prevent disadvantageous treatment of those who made a report as stated in (A) and (B) above on the basis of making such report

The Company prohibits disadvantageous treatment of those who made a report as stated in i) and ii) above on the basis of making such report. The Company takes the necessary measures to protect those who made such report and takes strict actions, including, disciplinary actions, against directors and employees of the Company and its group companies who gave disadvantageous treatment to those who made such report.

- viii) Policy for payment of expenses or debt with respect to the Company's statutory auditors' execution of their duties, including the procedures of advancement or reimbursement of expenses

In accordance with Corporate Law, the Company promptly makes advance payment of expenses or makes payment of debt with regard to the Company's statutory auditors' execution of their duties if so requested by the statutory auditors except where it proves that the expense or debt relating to such request is not necessary for the execution of the duties of the statutory auditors. Every year the Company establishes a budget with regard to the Company's statutory auditors' execution of their duties for the amounts deemed necessary.

- ix) Systems to ensure effective and valid auditing by the Company's Statutory Auditors

- a. At least 50% of the Company's Statutory Auditors are Outside Statutory 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.
- b. The Statutory Auditors have periodical meetings with Representative Directors (including the President) and exchange views and opinions.

- (3) Outline of the limited liability contract (Agreement set forth in Article 427, Paragraph 1, of the Corporate Law)

The Company's Articles of Incorporation stipulates that the Company may enter into the agreement with Directors (excluding Executive Directors and the like) and Statutory Auditors limiting their liability as prescribed in Article 423, Paragraph 1 of the Corporate Law and, pursuant to the said agreement, the liability limit shall be 5 million yen or the statutory minimum, whichever is higher. According to this Article, the Company entered into the said agreement with one Director (excluding Executive Directors and the like) and four Statutory Auditors.

- b) Internal audits and corporate audits by the Statutory Auditors

The Company has the global internal audit function (13 persons in the Company and 80 persons globally), an independent group, to handle internal auditing tasks. Under the control of the Chief Internal Audit Officer, audit teams set up in each region carry out efficient, effective auditing of the Company's activities on a group-wide and global basis.

Audits are conducted based on the audit plans, which have been approved by the Chief Competitive Officer Meeting, and the audit results are reported to the relevant corporate officers related to the audits. The audit results are regularly reported to the Statutory Auditors.

Each Statutory Auditor oversees the execution of duties of the respective Directors in compliance with the Company's audit standard and guidelines as stipulated by the Board of Statutory Auditors. In addition, the Company has set up the Statutory Auditors' Office, the staff of which assists the Statutory Auditors in conducting their duties. The Statutory Auditors oversee the execution of the Directors' duties by attending the Board of Directors' meetings and other significant meetings and hearing from the Directors on their business reports regularly and whenever necessary. The Statutory Auditors also meet regularly with the Representative Directors to exchange opinions on wide range of issues.

The Board of Statutory Auditors endeavors to enhance audit efficiency by sharing information among the Statutory Auditors. The Statutory Auditors also receive regular reports on the results of inspections and audit plans from, and exchange opinions with, the internal audit department. Such information is taken into consideration for statutory audit. In addition, the Statutory Auditors receive similar reports from the independent auditors, as well as detailed explanations on the status of the quality control of internal audits, to confirm whether their oversight is at a suitable level. There is no difference or distinction between Outside Statutory Auditors and other Statutory Auditors with regard to the auditing system of Statutory Auditors and their mutual collaboration with relevant internal control departments and the independent Auditors.

c) Outside Directors and Outside Statutory Auditors

The Company has one (1) Outside Director and three (3) Outside Statutory Auditors.

Jean-Baptiste Duzan once served as Senior Vice President of Renault. There are no special relations of interest between him and the Company for the fiscal year ended March 31, 2015. There is an agreement entered into by and between Renault and the Company with regard to an overall alliance in the automobile business including equity participation. At the end of the year under review, Renault held 43.4% of the Company's shares (number of shares held as a percentage of total shares issued) and the Company held 15.0% of Renault's shares (number of shares held as a percentage of total shares issued, including those under indirect shareholdings). In addition, two incumbent board members concurrently serve as Directors at the Company and Renault, and two ex-officer of Renault serves as Director of the Company. Although the Company and Renault had transactions such as selling and purchasing automotive parts for the fiscal year ended March 31, 2015, the disclosure of a summary is omitted because such transactions may be judged to have no impact on the judgment of shareholders and investors in view of the transaction scale thereof. There are no other relations of interest between Renault and the Company.

The Company has appointed him as Outside Director assuming that he would give valuable advice on the Company's businesses based on the synergies created through the collaboration with Renault and the broad and sophisticated perspective from his abundant experience as a manager and his wide-ranging insight.

There are no special relations of interest between each Outside Statutory Auditor and the Company.

Outside Statutory Auditor Toshiyuki Nakamura was once a Representative Director of The Bank of Yokohama, Ltd. Although The Bank of Yokohama, Ltd. and the Company had transactions such as cash in banks or borrowings for the fiscal year ended March 31, 2015, the disclosure of a summary is omitted because such transactions may be judged to have no impact on the judgment of shareholders and investors in view of the transaction scale thereof. There are no other relations of interest between The Bank of Yokohama, Ltd. and the Company.

Outside Statutory Auditor Motoo Nagai is currently an Outside Audit of ORGANO CORPORATION, and was once the Managing Executive Officer of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.), and the Deputy President (Executive Officer and Director) of Mizuho Trust & Banking Co., Ltd. Although ORGANO CORPORATION and the Company had transactions for the fiscal year ended March 31, 2015, the disclosure of a summary is omitted because such transactions may be judged to have no impact on the judgment of shareholders and investors in view of the transaction scale thereof. Although Mizuho Bank, Ltd., and the Company had transactions such as cash in banks or borrowings for the fiscal year ended March 31, 2015, the disclosure of a summary is omitted because such transactions may be judged to have no impact on the judgment of shareholders and investors in view of the transaction scale thereof. Although Mizuho Trust & Banking Co., Ltd., and the Company had transactions such as cash in banks and others. for the fiscal year ended March 31, 2015, the disclosure of a summary is omitted because such transactions may be judged to have no impact on the judgment of shareholders and investors in view of the transaction scale thereof. There are no other relations of interest between ORGANO CORPORATION, Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd., and the Company.

Outside Statutory Auditor Shigetoshi Andoh was once the Chairman of Hitachi Zosen Corporation. There are no relations of interest between Hitachi Zosen Corporation and the Company.

The Company has appointed them as Outside Statutory Auditors judging that they will perform their duties based on a broad and sophisticated perspective given their abundant experience and wide-ranging insight as managers.

The number of the Company's shares owned by each of the Outside Director and Statutory Auditors is stated in "5. Members of the Board of Directors and Statutory Auditors".

The Company endeavors to appoint and ensure highly independent Outside Directors and Statutory Auditors who would have no conflicts of interest with ordinary shareholders with reference to the standards regarding the independency of independent directors and auditors at the Tokyo Stock Exchange (the standards set forth in III 5. (3)-2 in the "Guidelines on Listing Management, etc."), although the Company has not specifically stipulated standards or guidelines regarding independency from the Company for the purpose of designating Outside Directors and Statutory Auditors.

d) Compensation paid to Directors and Statutory Auditors

Compensation paid to the Company's Directors consists of an amount of remuneration in cash and share appreciation rights (SARs) as resolved at the 104th annual shareholders' meeting held on June 19, 2003. The cash remuneration is limited to a maximum of ¥2,990 million per annum as resolved at the 109th annual shareholders' meeting held on June 25, 2008. The amount to be paid to each Director is determined in function of the Director's contributions to Company performance and in reference to a regular benchmarking of executive pay of a peer group of large multi-national companies conducted by the Company's compensation consultant, Towers Watson.

Directors are eligible to earn SARs as an incentive to boost in a sustainable way the profitable growth of the Company. To earn the SARs for which they are eligible Directors must achieve objectives that are directly related to achievement of the Company's business plan. This incentive is limited to the equivalent of up to 6 million shares of the Company's common stock per annum as resolved at the 114th annual shareholders' meeting held on June 25, 2013..

The remuneration paid to the Statutory Auditors is limited to a yearly amount of ¥120 million as resolved at the 106th annual shareholders' meeting held on June 21, 2005. This compensation is designed within this limit to promote stable and transparent auditing.

For the current fiscal year, the amounts disbursed to the Directors and the Statutory Auditors were as follows:

<Total remuneration by each position>

(Millions of yen)

| Category | Total Remuneration | Basic Remuneration | SAR | Numbers |
|----------------------------------------------------------------|--------------------|--------------------|-----|---------|
| Directors (except for Outside Directors) | 1,635 | 1,459 | 176 | 10 |
| Statutory Auditors (except for Outside Statutory Auditors) | 28 | 28 | — | 2 |
| Outside Directors and Outside Statutory Auditors | 72 | 72 | — | 5 |

<Individuals whose remuneration exceeds ¥100 million>

(Millions of yen)

| Name | Position | Category | Total Remuneration | Basic Remuneration | SAR |
|----------------|----------|-------------|--------------------|--------------------|-----|
| Carlos Ghosn | Director | The Company | 1,035 | 1,035 | — |
| Hiroto Saikawa | Director | The Company | 155 | 140 | 15 |

Note: The above mentioned amount of share appreciation rights (SAR) is the expense recorded based on the fair value, calculated by using the share price as of March 31, 2015. Payment is not fixed with the fair value.

<The procedures to determine the amount of remuneration>

The chairman of the Board of the Company in consultation with the representative directors and taking into account existing contracts determined the compensation of each director after reviewing the director's performance and the results of the benchmarking of executive pay survey conducted by the Company's compensation consultant.

e) Status of stocks held

i) Stocks for investment held for any purposes other than investment purpose

Number of stocks: 38

Total of the amounts recorded in the balance sheet: ¥199,394 million

ii) Holding classification, stocks, number of shares held, amount recorded in the balance sheet and holding purpose of the stocks for investment held for any purposes other than pure investment purposes

(Prior fiscal year)

Specific stocks for investment

| Stocks | Number of shares held by the Company | Amount recorded in the balance sheet (Millions of yen) | Holding Purpose |
|---------------------------------|--------------------------------------|--------------------------------------------------------|----------------------------------------------------|
| Daimler AG | 16,448,378 | 160,321 | Maintain a strategic cooperative relationship |
| Renesas Electronics Corporation | 25,000,000 | 19,675 | Maintain a relationship in automotive parts supply |
| Tan Chong Motor Holdings Berhad | 37,333,324 | 6,550 | Maintain a relationship in manufacturing and sales |
| Star Flyer Inc. | 60,000 | 113 | Maintain the trade relations |
| MITSUBA Corporation | 729 | 1 | Maintain a relationship in automotive parts supply |

Note: There are five (5) applicable specific stocks for investment inclusive of those for which the amount recorded in the balance sheet is less than one-hundredth (1/100) of common stock.

“Amount recorded in the balance sheet” of Star Flyer Inc. and the following one (1) company is less than one-hundredth (1/100) of common stock.

Stocks subject to deemed holding

| Stocks | Number of shares held by the Company | Amount recorded in the balance sheet (Millions of yen) | Holding purpose |
|------------------------------|--------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------|
| IBJ Leasing Company, Limited | 1,750,000 | 4,555 | Contribute to retirement benefit trust, Reserve the voting rights by instruction |
| MITSUBA Corporation | 1,742,000 | 2,950 | Contribute to retirement benefit trust, Reserve the voting rights by instruction |
| UNIPRES CORPORATION | 31,700 | 58 | Contribute to retirement benefit trust, Reserve the voting rights by instruction |

(Current fiscal year)

Specific stocks for investment

| Stocks | Number of shares held by the Company | Amount recorded in the balance sheet (Millions of yen) | Holding Purpose |
|---------------------------------|--------------------------------------|--------------------------------------------------------|----------------------------------------------------|
| Daimler AG | 16,448,378 | 192,476 | Maintain a strategic cooperative relationship |
| Tan Chong Motor Holdings Berhad | 37,333,324 | 3,667 | Maintain a relationship in manufacturing and sales |
| Star Flyer Inc. | 60,000 | 124 | Maintain the trade relations |
| MITSUBA Corporation | 729 | 1 | Maintain a relationship in automotive parts supply |

Note: There are four (4) applicable specific stocks for investment inclusive of those for which the amount recorded in the balance sheet is less than one-hundredth (1/100) of common stock.

“Amount recorded in the balance sheet” of Tan Chong Motor Holdings Berhad and the following two (2) companies is less than one-hundredth (1/100) of common stock.

Stocks subject to deemed holding

| Stocks | Number of shares held by the Company | Amount recorded in the balance sheet (Millions of yen) | Holding purpose |
|---------------------------------|--------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------|
| Renesas Electronics Corporation | 25,000,000 | 22,325 | Contribute to retirement benefit trust, Reserve the voting rights by instruction |
| MITSUBA Corporation | 1,742,000 | 4,626 | Contribute to retirement benefit trust, Reserve the voting rights by instruction |
| IBJ Leasing Company, Limited | 1,750,000 | 4,348 | Contribute to retirement benefit trust, Reserve the voting rights by instruction |

iii) Stocks for investment held solely for investment purpose
Not applicable

f) Audit of financial statements

The Company appoints Ernst & Young ShinNihon LLC as its independent auditors. The Certified Public Accountants engaged in the audit of financial statements are as follows:

| The name of the Certified Public Accountants engaged in the financial statement audit | |
|---------------------------------------------------------------------------------------|-------------------|
| Designated Liability-Limited and Engagement Partner | Yoji Murohashi |
| Designated Liability-Limited and Engagement Partner | Takeshi Hori |
| Designated Liability-Limited and Engagement Partner | Koki Ito |
| Designated Liability-Limited and Engagement Partner | Masayuki Nakamura |

※As the years of continuous service in audit are less than seven years for all the Certified Public Accountants, the relevant statement is omitted.

※Ernst & Young ShinNihon LLC has taken its own autonomous measures so that each Engagement Partner is not involved in the audit of the Company's financial statements for a period over a predetermined tenure.

Assistants to the audit of the financial statements were 35 Certified Public Accountants and 55 others, including junior accountants, successful applicants who have passed the Certified Public Accountants examination and system specialists.

g) Requisite number of Directors

The Company stipulates in its Articles of Incorporation that not less than six (6) Directors shall be elected.

h) Requirement of a resolution for electing Directors

The Company stipulates in its Articles of Incorporation that a resolution for the election of Directors shall be adopted by a majority vote of shareholders present holding not less than one-third (1/3) of the shares with voting rights held by shareholders entitled to exercise their voting rights, with regard to the requirement of a resolution for electing Directors.

i) Decision-making organization for payment of interim dividends

The Company has determined in its Articles of Incorporation that the Company may, upon resolution by the Board of Directors, distribute interim dividends so that the Company may flexibly distribute profits to shareholders.

j) Decision-making organization for acquisition of the Company's shares

The Company has determined in its Articles of Incorporation that the Company may acquire its own shares through market transactions by a resolution of the Board of Directors as stipulated in Article 165, Paragraph 2, of the Corporate Law, so that the Company can conduct flexible and agile capital policies.

k) Exemption from liabilities of the Directors and the Statutory Auditors

The Company has determined in its Articles of Incorporation, as stipulated in Article 426, Paragraph 1 of the Corporate Law, that the Company may, by a resolution of the Board of Directors, release Directors (including ex-Directors) and Statutory Auditors (including ex-Statutory Auditors) from liabilities as stipulated in Article 423, Paragraph 1, of the Corporate Law, to the extent permitted by laws and regulations, so that they can fully demonstrate their roles expected in executing their duties.

(2) Content of audit fee

a) Content of the remuneration to the Certified Public Accountants engaged in the financial statements audit

(Millions of yen)

| Category | Prior fiscal year | | Current fiscal year | |
|---------------------------|------------------------------------------------------|------------------------------------------------|------------------------------------------------------|------------------------------------------------|
| | Remuneration to be paid for auditing and attestation | Remuneration to be paid for non-audit services | Remuneration to be paid for auditing and attestation | Remuneration to be paid for non-audit services |
| The Company | 475 | 45 | 481 | 23 |
| Consolidated subsidiaries | 440 | 43 | 415 | 37 |
| Total | 915 | 88 | 896 | 60 |

b) Content of other important remuneration

(Prior fiscal year)

Several overseas consolidated subsidiaries paid a total of ¥1,789 million as the remuneration to be paid for auditing and attestation and ¥204 million as the remuneration to be paid for non-audit services to respective Ernst & Young auditing firms that belong to the global Ernst & Young network, of which Ernst & Young ShinNihon LLC is a group member.

(Current fiscal year)

Several overseas consolidated subsidiaries paid a total of ¥2,171 million as the remuneration to be paid for auditing and attestation and ¥153 million as the remuneration to be paid for non-audit services to respective Ernst & Young auditing firms that belong to the global Ernst & Young network, of which Ernst & Young ShinNihon LLC is a group member.

c) Content of the non-audit services provided by the Certified Public Accountants engaged in the financial statement audit to the submitter of this Securities Report (the Company)

(Prior fiscal year)

The Company pays remuneration for the non-audit services provided by the Certified Public Accountants regarding their advice on IFRS and internal control and so forth.

(Current fiscal year)

The Company pays remuneration for the non-audit services provided by the Certified Public Accountants regarding their advice on IFRS and internal control and so forth.

d) Policy on determining the audit fee

Audit fee is appropriately determined with due consideration for audit plan, audit scope, the time needed to audit and so forth, having the Board of Statutory Auditors' consent, not to spoil the independency of the Certified Public Accountants engaged in the financial statements audit.

5. Financial Information

1. Basis of preparation of the consolidated financial statements and the non-consolidated financial statements
 - (1) The consolidated financial statements of the Company are prepared in accordance with the Ministry of Finance Ordinance No. 28, 1976 “Regulations Concerning the Terminology, Forms and Preparation Methods of Consolidated Financial Statements” (hereinafter the “Regulations for Consolidated Financial Statements”).
 - (2) The non-consolidated financial statements of the Company are prepared in accordance with the Ministry of Finance Ordinance No. 59, 1963 “Regulations Concerning the Terminology, Forms and Preparation Methods of Non-Consolidated Financial Statements” (hereinafter the “Regulations for Non-Consolidated Financial Statements”).

As the Company falls under the category of a company filing financial statements prepared in accordance with special provisions, the non-consolidated financial statements of the Company are prepared in accordance with Article 127 of the Regulations for Non-Consolidated Financial Statements.

2. Auditing and attestation

The consolidated and the non-consolidated financial statements for the fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015) were audited by Ernst & Young ShinNihon LLC, in accordance with Article 193-2, Paragraph 1, of the Financial Instruments and Exchange Law.

3. Particular efforts to secure the appropriateness of the consolidated financial statements

- (1) To ensure correct understanding of accounting standards, etc., and to correspond appropriately to any changes in these standards, etc., the Company gathers information by acquiring membership in the Financial Accounting Standards Foundation and other means.
- (2) To properly prepare consolidated financial statements and other documents according to the accounting standards generally accepted as fair and reasonable in Japan, the Company improves its internal regulations and ensures that these regulations are disseminated and observed.
- (3) To prepare financial reports in accordance with the International Financial Reporting Standards (IFRSs), the Company has developed unified accounting standards for the Company Group for circulation among its consolidated companies and supplements these standards by providing information on important accounting matters that require particular attention. This information is accessible to said companies whenever necessary as a guide for preparing their financial reports. Currently, the Company’s consolidated companies prepare their financial reports for consolidation in accordance with the IFRSs as part of the reports submitted to the Company. These reports are reviewed through analytical and other methods by the Company’s accounting managers, who have specialized expertise on the IFRSs, and any reports found imperfect must be corrected and resubmitted. The Group’s unified accounting standards are regularly updated to reflect any relevant revisions to the IFRSs. In addition, the Company ensures that its consolidated companies are kept informed of such updates and, regarding particularly important revisions, prepares accounting instructions and educates the accounting personnel of the consolidated companies as needed. As a part of the activities, the accounting personnel participates IFRSs seminars organized by audit firms and other organizations, thereby accumulating specialized expertise within the Company.

The Company responds to the invitation for public comments on exposure drafts conducted by the International Accounting Standards Board, thereby keeping on top of forthcoming revisions to the IFRSs. The Company’s opinion from the viewpoint of a preparer of financial statements has contributed to the preparation, revision and global expansion of the IFRSs.

1. Consolidated Financial Statements

(1) Consolidated financial statements

① Consolidated balance sheets

(Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|--------------------------------------------------|---------------------------------------------|-----------------------------------------------|
| Assets | | |
| Current assets | | |
| Cash on hand and in banks | 822,863 | 761,074 |
| Trade notes and accounts receivable | 785,954 | 888,814 |
| Sales finance receivables ※3,※6 | 5,033,558 | ※3,※6 6,312,874 |
| Securities | 13,470 | 41,651 |
| Merchandise and finished goods | 769,676 | 853,962 |
| Work in process | 94,386 | 90,811 |
| Raw materials and supplies | 287,789 | 365,224 |
| Deferred tax assets | 210,395 | 226,891 |
| Other ※6 | 650,143 | ※6 851,168 |
| Allowance for doubtful accounts | (58,956) | (75,124) |
| Total current assets | 8,609,278 | 10,317,345 |
| Fixed assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 615,127 | 661,979 |
| Machinery, equipment and vehicles, net ※2 | 2,658,776 | ※2 3,121,627 |
| Land | 642,932 | 643,940 |
| Construction in progress | 337,635 | 265,119 |
| Other, net | 503,568 | 573,574 |
| Total property, plant and equipment ※1,※3 | 4,758,038 | ※1,※3 5,266,239 |
| Intangible fixed assets ※3,※4 | 92,334 | ※3,※4 114,456 |
| Investments and other assets | | |
| Investment securities ※5 | 930,293 | ※5 988,733 |
| Long-term loans receivable | 13,529 | 14,569 |
| Net defined benefit assets | 7,262 | 10,078 |
| Deferred tax assets | 117,437 | 140,669 |
| Other | 177,785 | 195,927 |
| Allowance for doubtful accounts | (2,553) | (2,357) |
| Total investments and other assets | 1,243,753 | 1,347,619 |
| Total fixed assets | 6,094,125 | 6,728,314 |
| Total assets | 14,703,403 | 17,045,659 |

(Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------|
| Liabilities | | |
| Current liabilities | | |
| Trade notes and accounts payable | 1,511,910 | 1,554,399 |
| Short-term borrowings | ※3 706,576 | ※3 1,022,613 |
| Current portion of long-term borrowings | ※3 910,546 | ※3 1,376,780 |
| Commercial papers | 151,175 | 200,692 |
| Current portion of bonds | 226,590 | 216,942 |
| Lease obligations | 32,838 | 23,043 |
| Accrued expenses | 693,438 | 908,909 |
| Deferred tax liabilities | 316 | 64 |
| Accrued warranty costs | 93,151 | 112,989 |
| Other | 860,709 | 1,001,064 |
| Total current liabilities | 5,187,249 | 6,417,495 |
| Long-term liabilities | | |
| Bonds | 918,783 | 1,095,518 |
| Long-term borrowings | ※3 2,682,381 | ※3 2,717,478 |
| Lease obligations | 23,580 | 18,167 |
| Deferred tax liabilities | 605,140 | 673,521 |
| Accrued warranty costs | 105,884 | 129,365 |
| Net defined benefit liability | 216,583 | 336,261 |
| Other | ※7 292,275 | ※7 410,592 |
| Total long-term liabilities | 4,844,626 | 5,380,902 |
| Total liabilities | 10,031,875 | 11,798,397 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 605,814 | 605,814 |
| Capital surplus | 804,485 | 804,567 |
| Retained earnings | 3,526,646 | 3,811,848 |
| Treasury stock | (149,315) | (148,239) |
| Total shareholders' equity | 4,787,630 | 5,073,990 |
| Accumulated other comprehensive income | | |
| Unrealized holding gain and loss on securities | 81,630 | 95,600 |
| Unrealized gain and loss from hedging instruments | (7,015) | 7,185 |
| Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting | (13,945) | (13,945) |
| Translation adjustments | (469,202) | (246,776) |
| Remeasurements of defined benefit plans | (40,444) | (81,638) |
| Total accumulated other comprehensive income | (448,976) | (239,574) |
| Share subscription rights | 2,401 | 2,294 |
| Minority interests | 330,473 | 410,552 |
| Total net assets | 4,671,528 | 5,247,262 |
| Total liabilities and net assets | 14,703,403 | 17,045,659 |

② Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
|-----------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| Net sales | 10,482,520 | 11,375,207 |
| Cost of sales | ※1,※2 8,636,063 | ※1,※2 9,241,341 |
| Gross profit | 1,846,457 | 2,133,866 |
| Selling, general and administrative expenses | | |
| Advertising expenses | 289,098 | 336,792 |
| Service costs | 100,255 | 93,606 |
| Provision for warranty costs | 107,480 | 133,567 |
| Other selling expenses | 204,953 | 255,044 |
| Salaries and wages | 354,908 | 392,969 |
| Retirement benefit expenses | 25,174 | 17,511 |
| Supplies | 3,637 | 4,222 |
| Depreciation and amortization | 43,515 | 44,826 |
| Provision for doubtful accounts | 31,869 | 52,079 |
| Amortization of goodwill | 1,814 | 1,837 |
| Other | 185,389 | 211,852 |
| Total selling, general and administrative expenses | ※1 1,348,092 | ※1 1,544,305 |
| Operating income | 498,365 | 589,561 |
| Non-operating income | | |
| Interest income | 17,064 | 25,323 |
| Dividends income | 6,013 | 6,425 |
| Equity in earnings of affiliates | 78,815 | 106,513 |
| Exchange gain | — | 66,185 |
| Miscellaneous income | 9,254 | 17,813 |
| Total non-operating income | 111,146 | 222,259 |
| Non-operating expenses | | |
| Interest expense | 28,677 | 29,167 |
| Derivative loss | 18,166 | 58,379 |
| Exchange loss | 13,063 | — |
| Amortization of net retirement benefit obligation at transition | 9,075 | 9,098 |
| Miscellaneous expenses | 13,341 | 20,944 |
| Total non-operating expenses | 82,322 | 117,588 |
| Ordinary income | 527,189 | 694,232 |

(Millions of yen)

| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | | Current fiscal year (From April 1, 2014 To March 31, 2015) | |
|----------------------------------------------------------------|----------------------------------------------------------------|----------------|------------------------------------------------------------------|----------------|
| Special gains | | | | |
| Gain on sales of fixed assets | ※3 | 9,168 | ※3 | 20,008 |
| Gain on contribution of securities to retirement benefit trust | | 12,175 | | 17,725 |
| Other | | 5,785 | | 6,169 |
| Total special gains | | 27,128 | | 43,902 |
| Special losses | | | | |
| Loss on sales of fixed assets | ※4 | 1,694 | ※4 | 3,299 |
| Loss on disposal of fixed assets | | 11,456 | | 17,069 |
| Impairment loss | ※5 | 2,130 | ※5 | 16,103 |
| Other | | 9,659 | | 14,242 |
| Total special losses | | 24,939 | | 50,713 |
| Income before income taxes and minority interests | | 529,378 | | 687,421 |
| Income taxes-current | | 131,990 | | 224,010 |
| Income taxes-deferred | | (16,939) | | (26,686) |
| Total income taxes | | 115,051 | | 197,324 |
| Income before minority interests | | 414,327 | | 490,097 |
| Income attributable to minority interests | | 25,293 | | 32,523 |
| Net income | | 389,034 | | 457,574 |

Consolidated statements of comprehensive income

(Millions of yen)

| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
|---------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| Income before minority interests | 414,327 | 490,097 |
| Other comprehensive income | | |
| Unrealized holding gain and loss on securities | 52,417 | 12,621 |
| Unrealized gain and loss from hedging instruments | 790 | 14,194 |
| Translation adjustments | 205,966 | 203,822 |
| Remeasurements of defined benefit plans | — | (42,559) |
| The amount for equity method company portion | 123,033 | 41,728 |
| Total other comprehensive income | ※1 382,206 | ※1 229,806 |
| Comprehensive income | 796,533 | 719,903 |
| (Breakdown of comprehensive income) | | |
| Parent company portion of comprehensive income | 762,268 | 666,976 |
| Minority interest portion of comprehensive income | 34,265 | 52,927 |

③ Consolidated statements of changes in net assets
 Prior fiscal year (From April 1, 2013 To March 31, 2014)

(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 | 804,470 | 3,252,876 | (149,549) | 4,513,611 | 20,897 | (8,578) |
| Cumulative effect of changes in accounting policies | | | | | | | |
| Restated balance | 605,814 | 804,470 | 3,252,876 | (149,549) | 4,513,611 | 20,897 | (8,578) |
| Changes of items during the period | | | | | | | |
| Cash dividends paid | | | (115,265) | | (115,265) | | |
| Net income | | | 389,034 | | 389,034 | | |
| Purchase of treasury stock | | | | (11) | (11) | | |
| Disposal of treasury stock | | 15 | | 245 | 260 | | |
| Changes in the scope of consolidation | | | | | | | |
| Net changes of items other than those in shareholders' equity | | | | | | 60,733 | 1,563 |
| Total changes of items during the period | | 15 | 273,770 | 234 | 274,019 | 60,733 | 1,563 |
| Balance at the end of current period | 605,814 | 804,485 | 3,526,646 | (149,315) | 4,787,630 | 81,630 | (7,015) |

| | Accumulated other comprehensive income | | | | Share subscription rights | Minority 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) | (780,137) | — | (781,763) | 2,415 | 301,767 | 4,036,030 |
| Cumulative effect of changes in accounting policies | | | | | | | |
| Restated balance | (13,945) | (780,137) | — | (781,763) | 2,415 | 301,767 | 4,036,030 |
| Changes of items during the period | | | | | | | |
| Cash dividends paid | | | | | | | (115,265) |
| Net income | | | | | | | 389,034 |
| Purchase of treasury stock | | | | | | | (11) |
| Disposal of treasury stock | | | | | | | 260 |
| Changes in the scope of consolidation | | | | | | | |
| Net changes of items other than those in shareholders' equity | | 310,935 | (40,444) | 332,787 | (14) | 28,706 | 361,479 |
| Total changes of items during the period | | 310,935 | (40,444) | 332,787 | (14) | 28,706 | 635,498 |
| Balance at the end of current period | (13,945) | (469,202) | (40,444) | (448,976) | 2,401 | 330,473 | 4,671,528 |

Current fiscal year (From April 1, 2014 To March 31, 2015)

(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 | 804,485 | 3,526,646 | (149,315) | 4,787,630 | 81,630 | (7,015) |
| Cumulative effect of changes in accounting policies | | | (40,132) | | (40,132) | | |
| Restated balance | 605,814 | 804,485 | 3,486,514 | (149,315) | 4,747,498 | 81,630 | (7,015) |
| Changes of items during the period | | | | | | | |
| Cash dividends paid | | | (132,054) | | (132,054) | | |
| Net income | | | 457,574 | | 457,574 | | |
| Purchase of treasury stock | | | | (208) | (208) | | |
| Disposal of treasury stock | | 82 | | 1,284 | 1,366 | | |
| Changes in the scope of consolidation | | | (186) | | (186) | | |
| Net changes of items other than those in shareholders' equity | | | | | | 13,970 | 14,200 |
| Total changes of items during the period | | 82 | 325,334 | 1,076 | 326,492 | 13,970 | 14,200 |
| Balance at the end of current period | 605,814 | 804,567 | 3,811,848 | (148,239) | 5,073,990 | 95,600 | 7,185 |

| | Accumulated other comprehensive income | | | | Share subscription rights | Minority 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) | (469,202) | (40,444) | (448,976) | 2,401 | 330,473 | 4,671,528 |
| Cumulative effect of changes in accounting policies | | | | | | 192 | (39,940) |
| Restated balance | (13,945) | (469,202) | (40,444) | (448,976) | 2,401 | 330,665 | 4,631,588 |
| Changes of items during the period | | | | | | | |
| Cash dividends paid | | | | | | | (132,054) |
| Net income | | | | | | | 457,574 |
| Purchase of treasury stock | | | | | | | (208) |
| Disposal of treasury stock | | | | | | | 1,366 |
| Changes in the scope of consolidation | | | | | | | (186) |
| Net changes of items other than those in shareholders' equity | | 222,426 | (41,194) | 209,402 | (107) | 79,887 | 289,182 |
| Total changes of items during the period | | 222,426 | (41,194) | 209,402 | (107) | 79,887 | 615,674 |
| Balance at the end of current period | (13,945) | (246,776) | (81,638) | (239,574) | 2,294 | 410,552 | 5,247,262 |

④ Consolidated statements of cash flows

(Millions of yen)

| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| Cash flows from operating activities | | |
| Income before income taxes and minority interests | 529,378 | 687,421 |
| Depreciation and amortization (for fixed assets excluding leased vehicles) | 364,926 | 398,982 |
| Depreciation and amortization (for long term prepaid expenses) | 24,086 | 28,003 |
| Depreciation and amortization (for leased vehicles) | 288,276 | 355,292 |
| Impairment loss | 2,130 | 16,103 |
| Gain on contribution of securities to retirement benefit trust | (12,175) | (17,725) |
| Increase (decrease) in allowance for doubtful receivables | 12,160 | 13,471 |
| Loss (gain) for residual value risk of leased vehicles | 11,633 | 41,911 |
| Interest and dividend income | (23,077) | (31,748) |
| Interest expense | 101,451 | 112,823 |
| Equity in losses (earnings) of affiliates | (78,815) | (106,513) |
| Loss (gain) on sales of fixed assets | (7,474) | (16,709) |
| Loss on disposal of fixed assets | 11,456 | 17,069 |
| Decrease (increase) in trade notes and accounts receivable | (173,228) | (64,118) |
| Decrease (increase) in sales finance receivables | (587,060) | (707,321) |
| Decrease (increase) in inventories | (38,057) | (82,435) |
| Increase (decrease) in trade notes and accounts payable | 334,367 | 125,840 |
| Amortization of net retirement benefit obligation at transition | 9,075 | 9,098 |
| Retirement benefit expenses | 37,701 | 26,789 |
| Payments related to net defined benefit assets and liability | (36,658) | (25,815) |
| Other | 34,749 | 53,350 |
| Subtotal | 804,844 | 833,768 |
| Interest and dividends received | 20,654 | 25,793 |
| Proceeds from dividends income from affiliates accounted for by equity method | 98,907 | 145,780 |
| Interest paid | (99,861) | (114,695) |
| Income taxes paid | (96,421) | (197,899) |
| Net cash provided by operating activities | 728,123 | 692,747 |
| Cash flows from investing activities | | |
| Net decrease (increase) in short-term investments | (3,360) | 3,405 |
| Purchase of fixed assets | (551,808) | (513,268) |
| Proceeds from sales of fixed assets | 79,578 | 88,318 |
| Purchase of leased vehicles | (1,004,141) | (1,070,654) |
| Proceeds from sales of leased vehicles | 465,501 | 537,721 |
| Payments of long-term loans receivable | (1,292) | (534) |
| Collection of long-term loans receivable | 254 | 310 |
| Purchase of investment securities | (37,617) | (25,591) |
| Proceeds from sales of investment securities | 2,223 | 6,104 |
| Proceeds from (payments for) sales of subsidiaries' shares resulting in changes in the scope of consolidation | (1,321) | (156) |
| Proceeds from (payments for) purchase of subsidiaries' shares resulting in changes in the scope of consolidation | 972 | — |
| Net decrease (increase) in restricted cash | (8,628) | (36,258) |
| Other | (20,777) | (11,422) |
| Net cash used in investing activities | (1,080,416) | (1,022,025) |

(Millions of yen)

| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
|---------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (19,920) | 445,170 |
| Proceeds from long-term borrowings | 1,373,644 | 981,970 |
| Proceeds from issuance of bonds | 444,666 | 325,513 |
| Repayments of long-term borrowings | (1,058,838) | (1,094,942) |
| Redemption of bonds | (181,628) | (238,124) |
| Proceeds from minority shareholders | 9,599 | 6,242 |
| Purchase of treasury stock | (11) | (61) |
| Proceeds from sales of treasury stock | 127 | 618 |
| Repayments of lease obligations | (44,312) | (34,047) |
| Cash dividends paid | (115,265) | (132,054) |
| Cash dividends paid to minority shareholders | (11,137) | (14,389) |
| Net cash provided by financing activities | 396,925 | 245,896 |
| Effects of exchange rate changes on cash and cash equivalents | 74,850 | 50,660 |
| Increase (decrease) in cash and cash equivalents | 119,482 | (32,722) |
| Cash and cash equivalents at beginning of the period | 711,901 | 832,716 |
| Increase due to inclusion in consolidation | 1,333 | 2,618 |
| Cash and cash equivalents at end of the period | ※1 832,716 | ※1 802,612 |

[Notes to Consolidated Financial Statements]

(Basis of consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated companies: 193

- Domestic companies: 75
- Foreign companies: 118

The names of principal consolidated companies are omitted here because they are provided in “4. Information on subsidiaries and affiliates” under “1. Overview of the Company.”

Nissan Chile SpA and four other companies have been newly established and included in the scope of consolidation in the current fiscal year. Nissan Trading (Thailand) Co., Ltd. and four other companies, which were unconsolidated subsidiaries accounted for by the equity method in the prior fiscal year, and Nissan Motor Philippines, Inc. and three other companies, which were unconsolidated subsidiaries not accounted for by the equity method in the prior fiscal year, have been included in the scope of consolidation in the current fiscal year because their importance has increased. Meanwhile, companies that have been excluded from the scope of consolidation in the current fiscal year are Kitami Nissan Motor Co., Ltd., for which the shares held by the Company have been sold, and Nissan Extended Service Inc., which has been dissolved due to a merger.

(2) Number of unconsolidated subsidiaries: 101

- Domestic companies: 65
Nissan Marine Co., Ltd. and others
- Foreign companies: 36
Calsonic Kansei Spain, S.A. and others

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. Equity method

(1) Number of companies accounted for by the equity method: 52

- Unconsolidated subsidiaries: 21 (14 domestic and 7 foreign companies)
Nissan Marine Co., Ltd., Calsonic Kansei Spain, S.A. and others

Rose Kiln Retail Ltd. has been newly established and included in the scope of the equity method in the current fiscal year. Nissan Trading (Thailand) Co., Ltd. and four other companies, which were unconsolidated subsidiaries accounted for by the equity method in the prior fiscal year, have been included in the scope of consolidation in the current fiscal year because their importance has increased.

Alliance Inspection Management Holdings, Inc., which was an unconsolidated subsidiary accounted for by the equity method in the prior fiscal year, has become an affiliate accounted for by the equity method in the current fiscal year because a part of its shares held by the Company was sold, and based on this factor, Alliance Inspection Management and four other companies have been excluded from the scope of the equity method as well.

- Affiliates: 31 (19 domestic and 12 foreign companies)
Renault, Dongfeng Motor Co., Ltd., Nissan Tokyo Sales Holdings Co., Ltd. and others

NRG EV Services, LLC has been newly established and become an affiliate accounted for by the equity method in the current fiscal year. Alliance Inspection Management Holdings, which was an unconsolidated subsidiary accounted for by the equity method in the prior fiscal year, has become an affiliate accounted for by the equity method in the current fiscal year because part of its shares held by the Company were sold.

(2) Number of companies not accounted for by the equity method: 110

- Unconsolidated subsidiaries: 80
Nissan Shatai Computer Service Co., Ltd. and others
- Affiliates: 30
Taiwan Calsonic Co., Ltd. and others

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 and others.

(3) No adjustments are made to the financial statements of the companies accounted for by the equity method even if their accounting period is different from that of the Company.

3. Accounting period of consolidated subsidiaries

(1) The following consolidated companies close their books of account at:

December 31:

Nissan Mexicana, S.A. de C.A.
NR Finance Mexico S.A. de C.V, SOFOM E.N.R.
NR Finance Service, S.A. de C.V.
Aprite (GB) Ltd.
Nissan Manufacturing RUS LLC.
Nissan Motor Ukraine Ltd.
Nissan Do Brasil Automóveis Ltda.
JATCO Mexico, S.A. De C.V.
Yulon Nissan Motor Co., Ltd.
Nissan (China) Investment Co., Ltd.
Dongfeng Nissan Auto Finance Co., Ltd.
Nissan Shanghai Co., Ltd.
Calsonic Kansei Mexicana, S.A. de R.L. de C.V.
Calsonic Kansei (China) Holding Corp.
Calsonic Kansei (Guangzhou) Corp.
Calsonic Kansei (Wuxi) Corp.
Calsonic Kansei (Xiangyang) Corp.
Calsonic Kansei Components (Wuxi) Corp.
Calsonic Kansei (Guangzhou) Components Corp.
CK KS Engineering (Guangzhou) Tooling Center Corp.
Calsonic Kansei (Shanghai) Automotive Technology R&D Co. Limited.
Nissan Trading (Thailand) Co., Ltd.
Nissan Chile SpA

Siam Calsonic Co., Ltd. has changed its fiscal year end from December 31 to March 31, and the current fiscal year includes 15 months from January 1, 2014 to March 31, 2015.

(2) Of these 23 companies, Nissan Mexicana, S.A. de C.A. and 8 other subsidiaries are consolidated by using their financial statements as of the parent fiscal year end which are prepared solely for consolidation purposes. Yulon Nissan Motor Co., Ltd. and 13 other subsidiaries are consolidated by using their financial statements as of their respective fiscal year end, and necessary adjustments are made to their financial statements to reflect any significant transactions from January 1 to March 31.

4. Significant accounting policies

(1) Valuation methods for assets

① Securities

Held-to-maturity securities:

Held-to maturity securities are stated at amortized cost.

Other securities:

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.

Non-marketable securities:

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

Investments in limited liability partnerships and similar investments, defined as securities by Article 2, Section 2 of the Financial Instruments and Exchange Law, are recognized at the net amount corresponding to the owning portion under the equity method based on the latest available financial statements of the partnerships.

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 self-owned property, plant and equipment is calculated principally by the straight-line method based on the estimated useful lives and the estimated residual value determined by the Company. Depreciation of leased assets is calculated by the straight-line method based on either the estimated useful lives or the lease terms and the estimated residual value determined by the Company.

(3) Basis for significant reserves

① Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on past experience for normal receivables and on an estimate of the collectability of receivables from companies in financial difficulty.

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.

(4) Accounting for retirement benefits

For calculating the retirement benefit obligation, the benefit formula basis has been adopted for attributing projected benefits to periods.

The net retirement benefit obligation at transition is primarily being amortized over a period of 15 years by the straight-line method.

Past 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 (Principally 6 to 15 years). Actuarial gain and loss are amortized in the year following the year in which actuarial gain and loss are recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees (Principally 12 to 27 years). Certain foreign consolidated subsidiaries have adopted the corridor approach for actuarial gain and loss, and amortize them over the average remaining years of services of the eligible employees or the average life expectancy of the eligible employees.

Actuarial gain and loss and past service cost and net retirement benefit obligation at transition that are yet to be recognized as gain or loss are recorded as remeasurements of defined benefit plans presented in accumulated other comprehensive income of the net assets section, after being adjusted for tax effects.

(5) Reporting of significant revenue and expenses

Reporting of revenue from finance lease transactions

Interest income is recognized over the fiscal years concerned.

(6) 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 rates of exchange in effect during the year. Differences arising from the translation are presented as translation adjustments and minority interests in the net assets section.

(7) Hedge accounting method

① Hedge accounting method

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.

(8) Amortization of 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 has been recorded as profit in the year of acquisition.

(9) Cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents consist of cash on hand, cash in banks which can be withdrawn at any time and short-term investments with a maturity of three months or less when purchased which can easily be converted to cash and are subject to little risk of change in value.

(10) Accounting for consumption taxes

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

(11) Adoption of consolidated taxation system

The Company and some of its subsidiaries have been adopted the consolidated taxation system.

(Changes in accounting policies)

ASBJ Statement No. 26, “*Accounting Standard for Retirement Benefits*” and ASBJ Guidance No.25, “*Guidance on Accounting Standard for Retirement Benefits*”

The Company, domestic subsidiaries and affiliates have applied ASBJ Statement No. 26, “*Accounting Standard for Retirement Benefits*” (released on May 17, 2012, hereinafter the “Standard”) and ASBJ Guidance No. 25, “*Guidance on Accounting Standard for Retirement Benefits*” (released on March 26, 2015, hereinafter the “Guidance”) effective from the beginning of the fiscal year ended March 31, 2015, in accordance with the provisions stated in Paragraph 35 of the Standard and Paragraph 67 of the Guidance. As a result, the methods for calculating retirement benefit obligation and service cost have been revised in the following respects: The method for attributing projected benefits to periods has been changed from the straight-line basis to the benefit formula basis, and the method for determining the discount rate has been changed to use a single weighted-average discount rate that reflects the periods until the expected payment of retirement benefits and the amount of projected benefits every such period.

According to the transitional treatment provided in Paragraph 37 of the Standard, the effect of changing the method for calculating retirement benefit obligation and service cost was recognized by adjusting retained earnings at the beginning of the fiscal year ended March 31, 2015.

As a result, net defined benefit liability increased by ¥61,659 million, net defined benefit assets increased by ¥1,345 million and retained earnings decreased by ¥40,132 million at the beginning of the fiscal year ended March 31, 2015. The effect of this change on consolidated operating income, ordinary income and income before income taxes and minority interests for the fiscal year ended March 31, 2015, is immaterial.

The effect of this change on the amount per share is explained in the applicable notes.

(Accounting standards to be adopted)

1. Domestic subsidiaries and affiliates

- (1) *“Accounting Standard for Business Combinations”* (ASBJ Statement No. 21)
- “Accounting Standard for Consolidated Financial Statements”* (ASBJ Statement No. 22)
- “Accounting Standard for Business Divestitures”* (ASBJ Statement No. 7)
- “Accounting Standard for Earnings Per Share”* (ASBJ Statement No. 2)
- “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures”* (ASBJ Guidance No. 10) and
- “Guidance on Accounting Standard for Earnings Per Share”* (ASBJ Guidance No. 4)

① Overview

The aforementioned standards and guidelines were released on September 13, 2013, mainly amending the accounting treatment in the following area: the recognition of a change in a parent company’s equity interest in its subsidiaries that continue to be under its control, the recognition of acquisition-related expense, a change in presentation of net income and from minority interests to non-controlling interests, and the provisional account treatment.

② Scheduled date of adoption

April 1, 2015

② Effect of adoption

The effect of adoption of the aforementioned standards and guidance on the Company’s consolidated financial statements is not yet fixed.

2. Foreign subsidiaries and affiliates

- (1) IFRS 15, *“Revenue from Contracts with Customers”* and FASB Accounting Standards Update (ASU) 2014-09, *“Revenue from Contracts with Customers”*

① Overview

The aforementioned standards were released on May 28, 2014, that requires an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Compared with the current standards, the new standards require more steps of judgments and estimates. Those judgments and estimates include an identification of performance obligation in contracts, an estimation of variable consideration included in transaction price and an allocation of the transaction price to each performance obligation.

② Scheduled date of adoption

Currently under consideration

③ Effect of adoption

The effect of adoption of the aforementioned standards on the Company’s consolidated financial statements is under evaluation.

(Changes in presentation)

1. Consolidated balance sheets

“Net defined benefit assets,” which was included in “Other” under “Investments and other assets” in the prior fiscal year, has been separately presented in the current fiscal year due to its increased financial materiality. To reflect this change, ¥7,262 million of “Other” under “Investments and other assets” in the prior fiscal year has been reclassified into “Net defined benefit assets” in the consolidated balance sheets for the prior fiscal year provided herein.

2. Consolidated statements of income

(1) “Gain on sales of investment securities,” which was presented as separate accounts under “Special gains” in the prior fiscal year, has been included in “Other” in the current fiscal year due to its decreased financial materiality.

To reflect this change, ¥3,774 million of “Gain on sales of investment securities” separately stated under “Special gains” in the prior fiscal year has been reclassified into “Other” in the consolidated statements of income for the prior fiscal year provided herein.

(2) “Special addition to retirement benefits,” which was presented as separate accounts under “Special losses” in the prior fiscal year, has been included in “Other” in the current fiscal year due to its decreased financial materiality.

To reflect this change, ¥4,774 million of “Special addition to retirement benefits” separately stated under “Special losses” in the prior fiscal year has been reclassified into “Other” in the consolidated statements of income for the prior fiscal year provided herein.

3. Consolidated statements of cash flows

“Loss (gain) on sales of investment securities,” which was presented as a separate account under “Cash flows from operating activities” in the prior fiscal year, has been included in “Other” in the current fiscal year due to its decreased financial materiality.

To reflect this change, ¥ (3,774) million of “Loss (gain) on sales of investments securities” separately stated under “Cash flows from operating activities” in the prior fiscal year has been reclassified into “Other” in the consolidated statements of cash flows for the prior fiscal year provided herein.

(For consolidated balance sheets)

1 ※1 Accumulated depreciation of property, plant and equipment (Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|-----------------------------------------------------------|---------------------------------------------|-----------------------------------------------|
| Accumulated depreciation of property, plant and equipment | 4,765,030 | 5,253,841 |
| (Accumulated depreciation of leased assets included) | 132,528 | 126,903 |

2 ※2 “Machinery, equipment and vehicles, net” included the following assets leased to others under lease agreements.

(Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|------------------------------------------------|---------------------------------------------|-----------------------------------------------|
| Assets leased to others under lease agreements | 1,877,356 | 2,269,682 |

3 ※3 Assets pledged as collateral and liabilities secured by the collateral

(1) Assets pledged as collateral

(Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|-------------------------------|---------------------------------------------|-----------------------------------------------|
| Sales finance receivables | 1,774,677 | 2,163,577 |
| | (1,643,853) | (2,163,577) |
| Property, plant and equipment | 606,073 | 697,233 |
| | (491,295) | (582,494) |
| Intangible fixed assets | 83 | 39 |
| Total | 2,380,833 | 2,860,849 |

(2) Liabilities secured by the above collateral

(Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|---------------------------------------------------------|---------------------------------------------|-----------------------------------------------|
| Short-term borrowings | 426,116 | 720,453 |
| | (426,116) | (720,453) |
| Long-term borrowings (including the current portion) | 1,441,349 | 1,582,381 |
| | (1,225,844) | (1,484,520) |
| Total | 1,867,465 | 2,302,834 |

The above figures in parentheses represent the values of assets pledged as collateral and liabilities secured by the collateral that correspond to nonrecourse debts.

4 Guarantees and others

Prior fiscal year (As of March 31, 2014)

(1) Guarantees

| Guarantees | Balance of liabilities guaranteed (Millions of yen) | Description of liabilities guaranteed |
|-------------------|--------------------------------------------------------|----------------------------------------------------|
| Employees | ※66,673 | Guarantees for employees' housing loans and others |
| 9 foreign dealers | 427 | Guarantees for loans and others |
| Total | 67,100 | |

※ Allowance for doubtful accounts is provided for these loans mainly based on past experience.

(2) Commitments to provide guarantees

| Guarantees | Balance of commitments to provide guarantees (Millions of yen) | Description of liabilities guaranteed |
|----------------------------------|----------------------------------------------------------------------|---------------------------------------------|
| Hibikinada Development Co., Ltd. | 134 | Commitments to provide guarantees for loans |

Current fiscal year (As of March 31, 2015)

(1) Guarantees

| Guarantees | Balance of liabilities guaranteed (Millions of yen) | Description of liabilities guaranteed |
|--------------------|--------------------------------------------------------|----------------------------------------------------|
| Employees | ※56,428 | Guarantees for employees' housing loans and others |
| 15 foreign dealers | 1,010 | Guarantees for loans and others |
| Total | 57,438 | |

※ Allowance for doubtful accounts is provided for these loans mainly based on past experience.

(2) Commitments to provide guarantees

| Guarantees | Balance of commitments to provide guarantees (Millions of yen) | Description of liabilities guaranteed |
|----------------------------------|----------------------------------------------------------------------|---------------------------------------------|
| Hibikinada Development Co., Ltd. | 110 | Commitments to provide guarantees for loans |

5 Discounted notes receivables (Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|------------------------------|---------------------------------------------|-----------------------------------------------|
| Discounted notes receivables | 279 | 218 |

6 ※4 "Intangible fixed assets" include goodwill. (Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|----------|---------------------------------------------|-----------------------------------------------|
| Goodwill | 19,231 | 17,381 |

7 ※5 Investments in unconsolidated subsidiaries and affiliates (Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|--------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------|
| Investments in stock of unconsolidated subsidiaries and affiliates | 738,851 | 779,178 |
| (Investments in stock of joint ventures included) | 376,247 | 436,126 |

8 ※6 "Sales finance receivables" and "Other current assets" include lease receivables and lease investment assets.

(Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|-------------------------|---------------------------------------------|-----------------------------------------------|
| Lease receivables | 32,369 | 43,578 |
| Lease investment assets | 53,192 | 60,038 |

9 The amount of unused balances of overdrafts and loan commitment agreements entered into by consolidated subsidiaries are as follows.

(Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|--------------------------------------------|---------------------------------------------|-----------------------------------------------|
| Total credit lines of overdrafts and loans | 189,520 | 196,331 |
| Loans receivable outstanding | 96,558 | 101,594 |
| Unused credit lines | 92,962 | 94,737 |

Since many of these facilities expire without being utilized and the related borrowings are sometimes subject to a review of the borrowers' credibility, any unused amount will not necessarily be utilized at the full amount.

10 ※7 "Other" of Long-term liabilities includes updated amount of retirement benefits for directors and statutory auditors in the books of the Company covered under the resolution approved at the general shareholders meeting held on June 20, 2007.

(For consolidated statements of income)

1 ※1 Total research and development costs (Millions of yen)

| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| Research and development costs included in manufacturing costs and selling, general and administrative expenses | 500,595 | 506,147 |

2 ※2 The ending inventory balance represents after write-down of book value when their carrying amounts become unrecoverable, and the write-down (after offsetting the reversal of the prior fiscal year's write-down) are as follows.

| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
|---------------|----------------------------------------------------------------|------------------------------------------------------------------|
| Cost of sales | 196 | 3,433 |

3 ※3 Gain on sales of fixed assets

Prior fiscal year (From April 1, 2013 To March 31, 2014)

Gain on sales of fixed assets primarily consisted of a gain on the sale of land and buildings of ¥7,184 million.

Current fiscal year (From April 1, 2014 To March 31, 2015)

Gain on sales of fixed assets primarily consisted of a gain on the sale of land and buildings of ¥18,750 million.

4 ※4 Loss on sales of fixed assets

Prior fiscal year (From April 1, 2013 To March 31, 2014)

Loss on sales of fixed assets primarily consisted of a loss on the sale of land and buildings of ¥673 million, a loss on the sale of machinery and equipment of ¥608 million and a loss on the sale of vehicles of ¥338 million.

Current fiscal year (From April 1, 2014 To March 31, 2015)

Loss on sales of fixed assets primarily consisted of a loss on the sale of land and buildings of ¥2,844 million.

5 ※5 Impairment loss

Prior fiscal year (From April 1, 2013 To March 31, 2014)

The following loss on impairment of fixed assets was recorded.

| Usage | Type | Location | Amount (Millions of yen) |
|--------------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------|
| Idle assets | Land, Buildings and structures, Machinery, equipment and vehicles and others | Japan and other overseas regions (11 locations) | 603 |
| Assets to be sold | Buildings and structures | Japan region (2 locations) | 222 |
| Assets to be disposed of | Land, Buildings and structures, Machinery, equipment and vehicles and others | Japan, North America and other overseas regions (23 locations) | 1,305 |

The Group bases its grouping for assessing the impairment loss on fixed assets on its business segments (automobiles and sales finance) and the regional segments that are mutually complementary with each other. However, the Group determines whether an asset is impaired on an individual asset basis if the asset is considered idle or if it is to be disposed of.

The Company and some of its consolidated subsidiaries have recognized an impairment loss on idle assets and assets to be disposed of due to a significant decline in their market value by reducing their net book value to the respective recoverable value of each asset. Such loss amounted to ¥2,130 million has been recorded as a special loss in the accompanying consolidated statements of income. This impairment loss consisted of losses of ¥603 million on idle assets (land - ¥36 million, buildings and structures - ¥144 million, machinery, equipment and vehicles - ¥7 million and others - ¥416 million), losses of ¥222 million on assets to be sold (buildings and structures - ¥222 million) and losses of ¥1,305 million on assets to be disposed of (land - ¥23 million, buildings and structures - ¥390 million, machinery, equipment and vehicles - ¥207 million and others - ¥685 million).

The recoverable value of these assets was measured with their net sale value, which was estimated based on an appraisal value for the idle assets and those to be disposed of, or a sales contract for the assets to be sold.

Current fiscal year (From April 1, 2014 To March 31, 2015)

The following loss on impairment of fixed assets was recorded.

| Usage | Type | Location | Amount (Millions of yen) |
|--------------------------|------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------|
| Idle assets | Land, Buildings and structures, Machinery, equipment and vehicles and others | Japan, Europe and Asia regions (16 locations) | 12,874 |
| Assets to be sold | Land and Buildings and structures | Japan region (5 locations) | 1,023 |
| Assets to be disposed of | Land, Buildings and structures, Machinery, equipment and vehicles and others | Japan and Europe regions (7 locations) | 2,206 |

The Group bases its grouping for assessing the impairment loss on fixed assets on its business segments (automobiles and sales finance) and the regional segments that are mutually complementary with each other. However, the Group determines whether an asset is impaired on an individual asset basis if the asset is considered idle or if it is to be disposed of.

The Company and some of its consolidated subsidiaries have recognized an impairment loss on idle assets and assets to be disposed of due to a significant decline in their market value by reducing their net book value to the respective recoverable value of each asset. Such loss amounted to ¥16,103 million has been recorded as a special loss in the accompanying consolidated statements of income. This impairment loss consisted of losses of ¥12,874 million on idle assets (land - ¥56 million, buildings and structures - ¥432 million, machinery, equipment and vehicles - ¥11,793 million and others - ¥593 million), losses of ¥1,023 million on assets to be sold (land - ¥977 million and buildings and structures - ¥46 million) and losses of ¥2,206 million on assets to be disposed of (land - ¥348 million, buildings and structures - ¥1,247 million, machinery, equipment and vehicles - ¥148 million and others - ¥463 million).

The recoverable value of these assets was measured with their net sale value, which was estimated based on an appraisal value for the idle assets and those to be disposed of, or a sales contract for the assets to be sold.

(For consolidated statements of comprehensive income)

※1 Reclassification adjustments and tax effects concerning other comprehensive income

| | (Millions of yen) | |
|--------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
| Unrealized holding gain and loss on securities: | | |
| Amount arising during the period | 93,778 | 30,621 |
| Reclassification adjustments for gains and losses realized in net income | (12,627) | (17,588) |
| Before tax-effect adjustment | 81,151 | 13,033 |
| Amount of tax effects | (28,734) | (412) |
| Unrealized holding gain and loss on securities | 52,417 | 12,621 |
| Unrealized gain and loss from hedging instruments: | | |
| Amount arising during the period | 4,103 | 20,077 |
| Reclassification adjustments for gains and losses realized in net income | (1,527) | (397) |
| Adjustments of acquisition cost for assets | (39) | 307 |
| Before tax-effect adjustment | 2,537 | 19,987 |
| Amount of tax effects | (1,747) | (5,793) |
| Unrealized gain and loss from hedging instruments | 790 | 14,194 |
| Translation adjustments: | | |
| Amount arising during the period | 205,676 | 203,822 |
| Reclassification adjustments for gains and losses realized in net income | 290 | — |
| Before tax-effect adjustment | 205,966 | 203,822 |
| Amount of tax effects | — | — |
| Translation adjustments | 205,966 | 203,822 |
| Remeasurements of defined benefit plans: | | |
| Amount arising during the period | — | (72,720) |
| Reclassification adjustments for gains and losses realized in net income | — | 14,958 |
| Before tax-effect adjustment | — | (57,762) |
| Amount of tax effects | — | 15,203 |
| Remeasurements of defined benefit plans | — | (42,559) |
| The amount for equity method company portion: | | |
| Amount arising during the period | 122,593 | 40,445 |
| Reclassification adjustments for gains and losses realized in net income | 440 | 1,283 |
| Before tax-effect adjustment | 123,033 | 41,728 |
| Amount of tax effects | — | — |
| The amount for equity method company portion | 123,033 | 41,728 |
| Total other comprehensive income | 382,206 | 229,806 |

(For consolidated statements of changes in net assets)

Prior fiscal year (From April 1, 2013 To March 31, 2014)

1. Shares issued and outstanding / Treasury stock

(Thousands of shares)

| Types of share | At the beginning of current fiscal year | Increase | Decrease | At the end of current fiscal year |
|---------------------------------|-----------------------------------------|----------|----------|-----------------------------------|
| Shares issued: Common stock | 4,520,715 | — | — | 4,520,715 |
| Treasury stock: Common stock | 329,428 | 11 | (411) | 329,028 |

Note: Details of the increase are as follows: (Thousands of shares)

Increase due to the purchase of stocks of less than a standard unit 10

Increase in stocks held by affiliates accounted for by the equity method 1

Details of the decrease are as follows:

Decrease in stocks held by affiliates accounted for by the equity method 286

Decrease due to the exercise of share subscription rights 125

2. Share subscription rights

| Company | Description | Type of shares to be issued | Number of shares to be issued (in thousands) | | | | Balance at the end of current fiscal year (Millions of yen) |
|----------------|--------------------------------------|-----------------------------|----------------------------------------------|----------|----------|-----------------------------------|-------------------------------------------------------------|
| | | | At the beginning of current fiscal year | Increase | Decrease | At the end of current fiscal year | |
| Parent company | Subscription rights as stock options | | | — | | | 2,401 |
| Total | | | | — | | | 2,401 |

3. Dividends

(1) Dividends paid

| Resolution | Type of shares | Total dividends (Millions of yen) | Dividends per share (Yen) | Cutoff date | Effective date |
|-------------------------------------------------------------|----------------|-----------------------------------|---------------------------|--------------------|-------------------|
| Annual general meeting of the shareholders on June 25, 2013 | Common stock | 52,392 | 12.5 | March 31, 2013 | June 26, 2013 |
| Meeting of the Board of Directors on November 1, 2013 | Common stock | 62,873 | 15 | September 30, 2013 | November 26, 2013 |

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

(2) Dividends, which the cutoff date was in the year ended March 31, 2014 and the effective date of which is in the year ending March 31, 2015

| Resolution | Type of shares | Total dividends (Millions of yen) | Source of dividends | Dividends per share (Yen) | Cutoff date | Effective date |
|-------------------------------------------------------------|----------------|-----------------------------------|---------------------|---------------------------|----------------|----------------|
| Annual general meeting of the shareholders on June 24, 2014 | Common stock | 62,877 | Retained earnings | 15 | March 31, 2014 | June 25, 2014 |

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

Current fiscal year (From April 1, 2014 To March 31, 2015)

1. Shares issued and outstanding / Treasury stock

| (Thousands of shares) | | | | |
|---------------------------------|-----------------------------------------|----------|----------|-----------------------------------|
| Types of share | At the beginning of current fiscal year | Increase | Decrease | At the end of current fiscal year |
| Shares issued: Common stock | 4,520,715 | — | — | 4,520,715 |
| Treasury stock: Common stock | 329,028 | 51 | (1,883) | 327,196 |

Note: Details of the increase are as follows: (Thousands of shares)

Increase due to the purchase of stocks of less than a standard unit 50

Increase in stocks held by affiliates accounted for by the equity method 1

Details of the decrease are as follows:

Decrease in stocks held by affiliates accounted for by the equity method 1,248

Decrease due to the exercise of share subscription rights 635

2. Share subscription rights

| Company | Description | Type of shares to be issued | Number of shares to be issued (in thousands) | | | | Balance at the end of current fiscal year (Millions of yen) |
|----------------|--------------------------------------|-----------------------------|----------------------------------------------|----------|----------|-----------------------------------|-------------------------------------------------------------|
| | | | At the beginning of current fiscal year | Increase | Decrease | At the end of current fiscal year | |
| Parent company | Subscription rights as stock options | | | — | | | 2,294 |
| Total | | | | — | | | 2,294 |

3. Dividends

(1) Dividends paid

| Resolution | Type of shares | Total dividends (Millions of yen) | Dividends per share (Yen) | Cutoff date | Effective date |
|-------------------------------------------------------------|----------------|-----------------------------------|---------------------------|--------------------|-------------------|
| Annual general meeting of the shareholders on June 24, 2014 | Common stock | 62,877 | 15 | March 31, 2014 | June 25, 2014 |
| Meeting of the Board of Directors on November 4, 2014 | Common stock | 69,177 | 16.5 | September 30, 2014 | November 26, 2014 |

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

(2) Dividends, which the cutoff date was in the year ended March 31, 2015 and the effective date of which is in the year ending March 31, 2016

| Resolution | Type of shares | Total dividends (Millions of yen) | Source of dividends | Dividends per share (Yen) | Cutoff date | Effective date |
|-------------------------------------------------------------|----------------|-----------------------------------|---------------------|---------------------------|----------------|----------------|
| Annual general meeting of the shareholders on June 23, 2015 | Common stock | 69,195 | Retained earnings | 16.5 | March 31, 2015 | June 24, 2015 |

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

(For consolidated statements of cash flows)

※1 Cash and cash equivalents as of the year end are reconciled to the accounts reported in the consolidated balance sheets as follows.

| | (Millions of yen) | |
|---------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
| Cash on hand and in banks | 822,863 | 761,074 |
| Time deposits with maturities of more than three months | (3,617) | (113) |
| Cash equivalents included in securities(*) | 13,470 | 41,651 |
| Cash and cash equivalents | 832,716 | 802,612 |

*These represent short-term, highly liquid investments readily convertible into cash held by foreign subsidiaries.

(For lease transactions)

1. Finance lease transactions

(Lessees' accounting)

(1) Leased assets

Leased assets primarily consist of dies and buildings.

(2) Depreciation method for leased assets

Described in "4 (2) Depreciation of property, plant and equipment" under Basis of consolidated financial statements.

(Lessors' accounting)

(1) Breakdown of lease investment assets

(Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|----------------------------|---------------------------------------------|-----------------------------------------------|
| Lease income receivable | 53,703 | 60,071 |
| Estimated residual value | 3,120 | 3,165 |
| Interest income equivalent | (3,631) | (3,198) |
| Lease investment assets | 53,192 | 60,038 |

(2) Expected amounts of collection from lease income receivable concerning lease receivables and lease investment assets after the balance sheet date

Prior fiscal year (As of March 31, 2014)

(Millions of yen)

| | Lease receivables | Lease investment assets |
|------------------------------------------------|-------------------|-------------------------|
| Due within one year | 16,902 | 13,302 |
| Due after one year but within two years | 14,236 | 16,185 |
| Due after two years but within three years | 783 | 8,066 |
| Due after three years but within four years | 259 | 4,212 |
| Due after four years but within five years | 146 | 2,191 |
| Due after five years | 43 | 9,747 |

Current fiscal year (As of March 31, 2015)

(Millions of yen)

| | Lease receivables | Lease investment assets |
|------------------------------------------------|-------------------|-------------------------|
| Due within one year | 25,178 | 18,209 |
| Due after one year but within two years | 18,162 | 13,651 |
| Due after two years but within three years | 95 | 7,047 |
| Due after three years but within four years | 75 | 4,076 |
| Due after four years but within five years | 46 | 2,113 |
| Due after five years | 82 | 14,975 |

2. Operating lease transactions

(Lessees' accounting)

Future minimum lease payments subsequent to March 31, 2014 and March 31, 2015 are summarized as follows.

(Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|-------------------------|---------------------------------------------|-----------------------------------------------|
| Due in one year or less | 7,943 | 9,411 |
| Due after one year | 36,613 | 41,307 |
| Total | 44,556 | 50,718 |

(Lessors' accounting)

Future minimum lease income subsequent to March 31, 2014 and March 31, 2015 are summarized as follows.

(Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|-------------------------|---------------------------------------------|-----------------------------------------------|
| Due in one year or less | 326,902 | 396,236 |
| Due after one year | 196,304 | 245,396 |
| Total | 523,206 | 641,632 |

(For financial instruments)

1. Financial Instruments

(1) Policies on financial instruments

The Group's cash is managed through short-term deposits and appropriate repurchase agreement transactions for the purpose of efficient cash management at appropriate risk. Investment in equity/bond-related products is also authorized. With regard to such investment with price fluctuation risk, a strict risk management is implemented, consisting of regular monitoring of mark-to-market and internal reporting.

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 utilizes derivative financial instruments based on the internal "Policies and Procedures for Risk Management" mainly for the purposes 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 provides 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) Description of financial instruments and related risks

① Trade notes and accounts receivable

The Group holds trade notes and accounts receivable as consideration for sales of products and collects such receivables in accordance with the terms and conditions of relevant sales agreements. The relevant trade notes and accounts receivable are exposed to the credit risk of the respective customers. Those denominated in foreign currencies are exposed to fluctuations in foreign currency exchange rates.

② Sales finance receivables

Sales financing is an integral part of the Group's core business. The Group provides auto loans and leases to customers who purchase the Group's products and also inventory financing and working capital loans to dealers. Sales finance receivables are exposed to the credit risk of the respective customers as is the case with trade notes and accounts receivable.

③ Securities and investment securities

Securities and investment securities held by the Group are mainly unlisted foreign investment trusts and investment securities in affiliates. Investment securities in affiliates are exposed to the risk of fluctuations in their market prices.

④ Trade notes and accounts payable

The Group holds trade notes and accounts payable as liabilities with various payment dates based on the payment conditions from purchasing diverse parts, materials and services, required for development, manufacture and sale of products. As its procurement activities are operated in various regions and countries, the relevant trade notes and accounts payable are exposed to fluctuations in foreign currency exchange rates.

⑤ Borrowings, bonds and lease obligations

The Group conducts diverse financing activities for the purpose of fund procurements for working capital, investments in equipment and businesses, sales financing and so forth. As part of such financing uses floating-rates, the relevant borrowings, bonds and lease obligations are exposed to the risk of interest rate fluctuations. The Group is also exposed to liquidity risk in that the necessary funds for business operations may not be ensured with rapid changes in the procurement environment.

⑥ Derivative transactions

(1) Forward foreign exchange contracts

Forward foreign exchange contracts are used to hedge against the adverse impact of fluctuations in foreign currency exchange rates on foreign currency denominated receivables and payables arising from importing and exporting products and others.

(2) Currency options

In the same manner as forward foreign exchange contracts, currency options are used to hedge against the adverse impact of fluctuations in foreign currency exchange rates on foreign currency denominated receivables and payables.

(3) Interest rate swaps

Interest rate swaps are used primarily to hedge against the adverse impact of fluctuations in interest rates on interest-bearing debt.

(4) Currency swaps

Currency swaps are used to hedge against the adverse impact of fluctuations in foreign currency exchange rates and interest rates on foreign currency denominated receivables and payables.

(5) Interest rate options

Interest rate options are used primarily to hedge against the adverse impact of fluctuations in interest rates on interest-bearing debt.

(6) Commodity futures contracts

Commodity futures contracts are used primarily to hedge against the adverse impact of fluctuations in the market prices of precious metals (used as the catalyst for the emission gas purifier of automobiles) and base metals (raw materials for automobile productions).

For hedging instruments, hedged items, hedging policy and assessment of hedge effectiveness, refer to "(7) Hedge accounting method" under "4. Significant accounting policies".

(3) Risks relating to financial instruments and the management system thereof

① Management of market risk

Although derivative transactions are used for the purpose of hedging risks on the assets and liabilities recorded in the consolidated balance sheets, there remains the risk of foreign currency exchange fluctuations on currency transactions, the risk of interest rate fluctuations on interest rate transactions and the risk of market price fluctuations on commodity transactions. All the derivative transactions of the Group are carried out pursuant to the internal risk management rules, which stipulate the Group's basic policies for derivative transactions, management policies, management items, trading procedures, criteria for the selection of counterparties, the reporting system and so forth. The Group's financial market risk is controlled by the Company in a centralized manner, and it is stipulated that no individual subsidiary can initiate a hedge transaction such as derivative transactions without the prior approval of and regular reporting back to the Company.

The basic policy on the acquisition of derivative transactions is subject to the approval of the Hedge Policy Meeting, which is attended by the Chief Financial Officer and the staff in charge. The execution and management of all transactions are to be conducted in accordance with the aforementioned risk management rules pursuant to the decisions made at those meetings. Derivative transactions are conducted by a special section of the Finance Department, and the verification of the relevant trade agreements and the monitoring of position balances are the responsibility of the Accounting Section and the Risk Management Section. Commodity futures contracts are conducted by the Finance Department in accordance with the acquisition policy determined by the corporate officer in charge of the Purchasing Department and the Chief Financial Officer.

The status of derivative transactions is reported on a daily basis to the Chief Financial Officer and on an annual basis to the Board of Directors.

② Management of credit risk

The Group does business with a variety of local counterparties including sales companies in many regions around the world. The Group has established transaction terms and conditions for operating receivables in Japan and overseas based on credit assessment criteria to take appropriate and effective measures for the protection of such receivables, using bank letters of credit and transactions with advance payments.

As for financial transactions including bank deposits, short term investments and derivatives, the Group is exposed to the risk that counterparty could default on their obligations and jeopardize future profits. We believe that this risk is insignificant as the Group enters into such transactions only with financial institutions that have a sound credit profile. Therefore, we believe that the risk to incur losses from counterparty financial institution's default is low. Credit risk is managed by using its own evaluation methods based on external credit ratings and other analyses. The Finance Department sets a maximum upper limit on positions with each of the counterparties and monitors the balances of open positions.

The Group enters into derivative transactions with Renault Finance S.A. ("RF"), a specialized financial subsidiary of the Renault Group. RF enters into derivative transactions to cover such derivative transactions with the Group only with financial institutions of the highest caliber carefully selected by RF based on its own rating techniques.

③ Management of liquidity risk related to financing

The Company endeavors to raise funds from appropriate sources with reinforced measures such as an accumulation of cash reserves and the conclusion of loan commitment agreements so that the Group can ensure an appropriate level of liquidity even if any significant environmental change takes place in the financial market. However, this factor could entail a greater-than-anticipated level of risk that might hinder the smooth execution of the initially planned financing, thereby having a significant effect on the Group's financial position and business performance. The Group secures the appropriate liquidity of funds in its automobile business in accordance with the management rule on liquidity risk by taking into account the future repayment schedule of borrowings, the future demand for working capital and other fund requirements. Meanwhile, in the sales financing business, the Group minimizes the liquidity risk by focusing on thorough Assets Liability Management, especially in major markets, and matching assets and liabilities.

(4) Supplemental explanation on the fair value of financial instruments

① The fair value and unrealized gain or loss on derivative transactions are estimates that are considered appropriate based on the market at the balance sheet date and, thus, the fair value is not necessarily indicative of the actual amounts that might be realized or settled in the future.

② The notional amounts of the swaps are not a direct measure of the Company's risk exposure in connection with its swap transactions.

2. Fair Value of Financial Instruments

The following tables indicate the amount recorded in the consolidated balance sheets, the fair value and the difference as of March 31, 2014 and March 31, 2015 for various financial instruments. Assets and liabilities for which it is deemed difficult to measure the fair value are not included in the tables below. (Refer to Note 2.)

Prior fiscal year (As of March 31, 2014)

(Millions of yen)

| | Amount recorded in the consolidated balance sheets | Fair value | Difference |
|--------------------------------------------------------------------------------|----------------------------------------------------|------------------|-----------------|
| (1) Cash on hand and in banks | 822,863 | 822,863 | — |
| (2) Trade notes and accounts receivable Allowance for doubtful accounts(*1) | 785,954 (8,803) | | |
| | 777,151 | 777,151 | — |
| (3) Sales finance receivables(*2) Allowance for doubtful accounts(*1) | 4,978,603 (41,836) | | |
| | 4,936,767 | 5,036,306 | 99,539 |
| (4) Securities and investment securities | 428,180 | 585,559 | 157,379 |
| (5) Long-term loans receivable Allowance for doubtful accounts(*1) | 13,529 (766) | | |
| | 12,763 | 12,583 | (180) |
| Total assets | 6,977,724 | 7,234,462 | 256,738 |
| (1) Trade notes and accounts payable | 1,511,910 | 1,511,910 | — |
| (2) Short-term borrowings | 706,576 | 706,576 | — |
| (3) Commercial papers | 151,175 | 151,175 | — |
| (4) Bonds(*3) | 1,145,373 | 1,160,829 | (15,456) |
| (5) Long-term borrowings(*3) | 3,592,927 | 3,616,470 | (23,543) |
| (6) Lease obligations(*3) | 56,418 | 56,488 | (70) |
| Total liabilities | 7,164,379 | 7,203,448 | (39,069) |
| Derivative transactions(*4) | (7,769) | (7,769) | — |

(*1) The allowance for doubtful accounts, which is individually reported as part of trade notes and accounts receivable, sales finance receivables and long-term loans receivable, is deducted.

(*2) The amount recorded in the consolidated balance sheets for sales finance receivables is presented with the amount after deducting ¥54,955 million of deferred installments income and others.

(*3) Bonds, long-term borrowings and lease obligations include the current portion of bonds, the current portion of long-term borrowings and lease obligations under current liabilities, respectively.

(*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.

Current fiscal year (As of March 31, 2015)

(Millions of yen)

| | Amount recorded in the consolidated balance sheets | Fair value | Difference |
|--------------------------------------------------------------------------------|----------------------------------------------------|------------------|-----------------|
| (1) Cash on hand and in banks | 761,074 | 761,074 | — |
| (2) Trade notes and accounts receivable Allowance for doubtful accounts(*1) | 888,814 (10,078) | | |
| | 878,736 | 878,736 | — |
| (3) Sales finance receivables(*2) Allowance for doubtful accounts(*1) | 6,264,410 (51,072) | | |
| | 6,213,338 | 6,333,525 | 120,187 |
| (4) Securities and investment securities | 463,576 | 639,550 | 175,974 |
| (5) Long-term loans receivable Allowance for doubtful accounts(*1) | 14,569 (715) | | |
| | 13,854 | 14,196 | 342 |
| Total assets | 8,330,578 | 8,627,081 | 296,503 |
| (1) Trade notes and accounts payable | 1,554,399 | 1,554,399 | — |
| (2) Short-term borrowings | 1,022,613 | 1,022,613 | — |
| (3) Commercial papers | 200,692 | 200,692 | — |
| (4) Bonds(*3) | 1,312,460 | 1,327,821 | (15,361) |
| (5) Long-term borrowings(*3) | 4,094,258 | 4,125,668 | (31,410) |
| (6) Lease obligations(*3) | 41,210 | 41,510 | (300) |
| Total liabilities | 8,225,632 | 8,272,703 | (47,071) |
| Derivative transactions(*4) | (5,318) | (5,318) | — |

(*1) The allowance for doubtful accounts, which is individually reported as part of trade notes and accounts receivable, sales finance receivables and long-term loans receivable, is deducted.

(*2) The amount recorded in the consolidated balance sheets for sales finance receivables is presented with the amount after deducting ¥48,464 million of deferred installments income and others.

(*3) Bonds, long-term borrowings and lease obligations include the current portion of bonds, the current portion of long-term borrowings and lease obligations under current liabilities, respectively.

(*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.

Refer to the Notes to "For securities" with regard to the noteworthy matters provided for each type of securities, classified by holding purpose.

(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:

Refer to the notes in "For derivative transactions."

(Note 2) The amounts of financial instruments recorded in the consolidated balance sheets for which it is deemed difficult to measure the fair value

(Millions of yen)

| Classification | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|-----------------|---------------------------------------------|-----------------------------------------------|
| Unlisted stocks | 515,583 | 566,808 |

Unlisted stocks 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 cannot be estimated.

(Note 3) Redemption schedule after the balance sheet date for monetary receivables and securities with maturity dates

Prior fiscal year (As of March 31, 2014)

(Millions of yen)

| | Due within one year | Due after one year but within five years | Due after five years but within ten years | Due after ten years |
|-------------------------------------|---------------------|------------------------------------------|-------------------------------------------|---------------------|
| Cash on hand and in banks | 822,863 | — | — | — |
| Trade notes and accounts receivable | 785,954 | — | — | — |
| Sales finance receivables(*1) | 2,045,002 | 2,796,313 | 135,572 | 1,716 |
| Long-term loans receivable | 187 | 12,130 | 647 | 565 |
| Total | 3,654,006 | 2,808,443 | 136,219 | 2,281 |

(*1) The amount of sales finance receivables is presented with the amount after deducting ¥54,955 million of deferred installment income and others.

Current fiscal year (As of March 31, 2015)

(Millions of yen)

| | Due within one year | Due after one year but within five years | Due after five years but within ten years | Due after ten years |
|-------------------------------------|---------------------|------------------------------------------|-------------------------------------------|---------------------|
| Cash on hand and in banks | 761,074 | — | — | — |
| Trade notes and accounts receivable | 888,814 | — | — | — |
| Sales finance receivables(*1) | 2,464,305 | 3,641,978 | 157,558 | 569 |
| Long-term loans receivable | 490 | 12,847 | 968 | 264 |
| Total | 4,114,683 | 3,654,825 | 158,526 | 833 |

(*1) The amount of sales finance receivables is presented with the amount after deducting ¥48,464 million of deferred installment income and others.

(Note 4) Redemption schedule after the balance sheet date for bonds, long-term borrowings, lease obligations and other interest-bearing debt

Prior fiscal year (As of March 31, 2014)

(Millions of yen)

| | Due within one year | Due after one year but within two years | Due after two years but within three years | Due after three years but within four years | Due after four years but within five years | Due after five years |
|-----------------------|---------------------|-----------------------------------------|--------------------------------------------|---------------------------------------------|--------------------------------------------|----------------------|
| Short-term borrowings | 706,576 | — | — | — | — | — |
| Commercial papers | 151,175 | — | — | — | — | — |
| Bonds | 226,590 | 201,641 | 326,275 | 258,586 | 102,281 | 30,000 |
| Long-term borrowings | 910,546 | 1,060,361 | 873,684 | 453,453 | 229,836 | 65,047 |
| Lease obligations | 32,838 | 13,457 | 4,316 | 3,323 | 1,707 | 777 |
| Total | 2,027,725 | 1,275,459 | 1,204,275 | 715,362 | 333,824 | 95,824 |

Current fiscal year (As of March 31, 2015)

(Millions of yen)

| | Due within one year | Due after one year but within two years | Due after two years but within three years | Due after three years but within four years | Due after four years but within five years | Due after five years |
|-----------------------|---------------------|-----------------------------------------|--------------------------------------------|---------------------------------------------|--------------------------------------------|----------------------|
| Short-term borrowings | 1,022,613 | — | — | — | — | — |
| Commercial papers | 200,692 | — | — | — | — | — |
| Bonds | 216,942 | 372,949 | 361,061 | 216,482 | 95,026 | 50,000 |
| Long-term borrowings | 1,376,780 | 1,179,482 | 861,014 | 398,328 | 186,115 | 92,539 |
| Lease obligations | 23,043 | 9,003 | 4,909 | 2,629 | 918 | 708 |
| Total | 2,840,070 | 1,561,434 | 1,226,984 | 617,439 | 282,059 | 143,247 |

(For securities)

1. Other securities

Prior fiscal year (As of March 31, 2014) (Millions of yen)

| Types of securities | Carrying value | Acquisition cost | Difference |
|--------------------------------------------------------------------------|----------------|------------------|------------|
| (Securities whose carrying value exceeds their acquisition cost) | | | |
| Stock | 187,664 | 77,218 | 110,446 |
| Subtotal | 187,664 | 77,218 | 110,446 |
| (Securities whose carrying value does not exceed their acquisition cost) | | | |
| Stock | 78 | 90 | (12) |
| Others | 13,470 | 13,470 | — |
| Subtotal | 13,548 | 13,560 | (12) |
| Total | 201,212 | 90,778 | 110,434 |

Current fiscal year (As of March 31, 2015) (Millions of yen)

| Types of securities | Carrying value | Acquisition cost | Difference |
|--------------------------------------------------------------------------|----------------|------------------|------------|
| (Securities whose carrying value exceeds their acquisition cost) | | | |
| Stock | 197,711 | 74,302 | 123,409 |
| Others | 935 | 794 | 141 |
| Subtotal | 198,646 | 75,096 | 123,550 |
| (Securities whose carrying value does not exceed their acquisition cost) | | | |
| Stock | 10,909 | 10,917 | (8) |
| Others | 41,651 | 41,651 | — |
| Subtotal | 52,560 | 52,568 | (8) |
| Total | 251,206 | 127,664 | 123,542 |

2. Other securities sold during the fiscal year

Prior fiscal year (From April 1, 2013 To March 31, 2014) (Millions of yen)

| Type of securities | Sales proceeds | Total gain | Total loss |
|--------------------|----------------|------------|------------|
| Stock | 803 | 452 | — |
| Total | 803 | 452 | — |

Current fiscal year (From April 1, 2014 To March 31, 2015) (Millions of yen)

| Type of securities | Sales proceeds | Total gain | Total loss |
|--------------------|----------------|------------|------------|
| Stock | 57 | 36 | (174) |
| Total | 57 | 36 | (174) |

3. Securities for which an impairment loss was recognized

Prior fiscal year (From April 1, 2013 To March 31, 2014)

Not applicable.

Current fiscal year (From April 1, 2014 To March 31, 2015)

For the current fiscal year, an impairment loss of ¥2,460 million (stock of unconsolidated subsidiaries: ¥2,460 million) was recognized.

(For derivative transactions)

1. Derivative transactions for which hedge accounting is not adopted

(1) Currency-related transactions

Prior fiscal year (As of March 31, 2014)

(Millions of yen)

| Classification | Type | Notional amounts | Portion due after one year included herein | Fair value | Valuation gain or loss |
|-------------------------|-------------------------------------|------------------|--------------------------------------------|------------|------------------------|
| Non-market transactions | Forward foreign exchange contracts: | | | | |
| | Sell: | | | | |
| | KRW | 10,173 | — | (172) | (172) |
| | THB | 6,489 | — | (24) | (24) |
| | Buy: | | | | |
| | USD | 112 | — | (1) | (1) |
| | EUR | 115 | — | 0 | 0 |
| | Swaps: | | | | |
| | EUR | 26,232 | 6,482 | 644 | 644 |
| | USD | 199,436 | 21,608 | (7,302) | (7,302) |
| | GBP | 16,360 | — | (121) | (121) |
| | CAD | 29,465 | 29,465 | 1,208 | 1,208 |
| | BRL | 61,287 | 46,985 | (405) | (405) |
| | CNY | 10,949 | 10,949 | 607 | 607 |
| KRW | 853 | — | (140) | (140) | |
| INR | 11,500 | 11,500 | (436) | (436) | |
| HKD | 475 | — | (33) | (33) | |
| MXN | 6,936 | 6,936 | (287) | (287) | |
| | Total | — | — | (6,462) | (6,462) |

Note: Calculation of fair value is based on the discounted cash flows and others.

Current fiscal year (As of March 31, 2015)

(Millions of yen)

| Classification | Type | Notional amounts | Portion due after one year included herein | Fair value | Valuation gain or loss |
|-------------------------|-------------------------------------|------------------|--------------------------------------------|------------|------------------------|
| Non-market transactions | Forward foreign exchange contracts: | | | | |
| | Sell: | | | | |
| | KRW | 11,175 | — | (190) | (190) |
| | USD | 24 | — | 0 | 0 |
| | Buy: | | | | |
| | USD | 24 | — | (0) | (0) |
| | Swaps: | | | | |
| | EUR | 122,713 | 6,679 | (24) | (24) |
| | USD | 603,286 | 245,341 | (44,679) | (44,679) |
| | CAD | 34,403 | 34,403 | 5,542 | 5,542 |
| | GBP | 16,382 | — | (102) | (102) |
| | MXN | 7,043 | 7,043 | (171) | (171) |
| | INR | 2,253 | 2,253 | (518) | (518) |
| | HKD | 572 | — | (19) | (19) |
| BRL | 169 | — | 29 | 29 | |
| | Total | — | — | (40,132) | (40,132) |

Note: Calculation of fair value is based on the discounted cash flows and others.

(2) Interest-related transactions

Prior fiscal year (As of March 31, 2014)

(Millions of yen)

| Classification | Type | Notional amounts | Portion due after one year included herein | Fair value | Valuation gain or loss |
|-------------------------|----------------------------|------------------|--------------------------------------------|------------|------------------------|
| Non-market transactions | Swaps: | | | | |
| | Receive floating/pay fixed | 197,005 | 136,122 | (123) | (123) |
| | Receive fixed/pay floating | 79,824 | 50,512 | 25 | 25 |
| | Options | | | | |
| | Caps sold (Premium) | 554,356 (—) | 181,937 (—) | 631 | 631 |
| | Caps purchased (Premium) | 554,356 (—) | 181,937 (—) | (631) | (631) |
| Total | | — | — | (98) | (98) |

Note: Calculation of fair value is based on the discounted cash flows and others.

Current fiscal year (As of March 31, 2015)

(Millions of yen)

| Classification | Type | Notional amounts | Portion due after one year included herein | Fair value | Valuation gain or loss |
|-------------------------|----------------------------|------------------|--------------------------------------------|------------|------------------------|
| Non-market transactions | Swaps: | | | | |
| | Receive floating/pay fixed | 181,493 | 158,088 | (1,853) | (1,853) |
| | Receive fixed/pay floating | 162,444 | 162,444 | 1,518 | 1,518 |
| | Options | | | | |
| | Caps sold (Premium) | 942,286 (—) | 274,403 (—) | 615 | 615 |
| | Caps purchased (Premium) | 942,286 (—) | 274,403 (—) | (615) | (615) |
| Total | | — | — | (335) | (335) |

Note: Calculation of fair value is based on the discounted cash flows and others.

(3) Commodity-related transactions

Prior fiscal year (As of March 31, 2014)

Not applicable.

Current fiscal year (As of March 31, 2015)

Not applicable.

2. Derivative transactions for which hedge accounting is adopted

(1) Currency-related transactions

Prior fiscal year (As of March 31, 2014)

(Millions of yen)

| Method of hedge accounting | Type of transactions | Major hedged items | Notional amounts | Portion due after one year included herein | Fair value |
|----------------------------|-------------------------------------|--------------------------------|------------------|--------------------------------------------|------------|
| Deferral hedge accounting | Swaps: | | | | |
| | EUR | | 56,124 | 56,124 | 803 |
| | USD | Long-term borrowings and bonds | 144,682 | 127,936 | 3,971 |
| | AUD | | 110,947 | — | (269) |
| | SGD | | 2,099 | — | (51) |
| | THB | Short-term borrowings | 49,477 | — | (236) |
| Appropriation treatment | Forward foreign exchange contracts: | | | | |
| | Sell: | | | | |
| | RUB | Sales finance receivables | 5,768 | — | (40) |
| | Buy: | | | | |
| | USD | Long-term borrowings | 10,000 | 10,000 | 2,959 |
| Total | | | — | — | 7,137 |

Note: Calculation of fair value is based on discounted cash flows and others.

Current fiscal year (As of March 31, 2015)

(Millions of yen)

| Method of hedge accounting | Type of transactions | Major hedged items | Notional amounts | Portion due after one year included herein | Fair value |
|----------------------------|-------------------------------------|-------------------------------------|------------------|--------------------------------------------|------------|
| Deferral hedge accounting | Swaps: | | | | |
| | USD | Short-term and long-term borrowings | 275,152 | 206,138 | 39,902 |
| | IDR | | 3,207 | 2,205 | (161) |
| | Forward foreign exchange contracts: | | | | |
| | Sell: | | | | |
| | NZD | Short-term borrowings | 4,241 | — | (309) |
| | Buy: | | | | |
| | AUD | | 60,076 | — | 1,730 |
| | USD | Short-term borrowings | 14,420 | — | 1,092 |
| | EUR | | 30,305 | — | 281 |
| | SGD | | 2,238 | — | 54 |
| Appropriation treatment | Forward foreign exchange contracts: | | | | |
| | Buy: | | | | |
| | USD | Long-term borrowings | 10,000 | — | 5,102 |
| Total | | | — | — | 47,691 |

Note: Calculation of fair value is based on discounted cash flows and others.

(2) Interest-related transactions

Prior fiscal year (As of March 31, 2014)

(Millions of yen)

| Method of hedge accounting | Type of transactions | Major hedged items | Notional amounts | Portion due after one year included herein | Fair value |
|----------------------------|--------------------------------------|--------------------------------|------------------|--------------------------------------------|------------|
| Special treatment | Swaps: Receive floating/pay fixed | Long-term borrowings | 289,500 | 189,000 | Note 2 |
| Deferral hedge accounting | Swaps: Receive floating/pay fixed | Long-term borrowings and bonds | 780,130 | 724,832 | (8,093) |
| Total | | | — | — | (8,093) |

Notes: 1. Calculation of fair value is based on discounted cash flows and others.

2. The fair value of interest rate swaps which are accounted using special treatment is included in that of corresponding hedged long-term borrowings in “2. Fair Value of Financial Instruments” under “For financial instruments” as those interest rate swaps are recorded as an adjustment to interest expense of hedged instruments under the special treatment.

Current fiscal year (As of March 31, 2015)

(Millions of yen)

| Method of hedge accounting | Type of transactions | Major hedged items | Notional amounts | Portion due after one year included herein | Fair value |
|----------------------------|--------------------------------------|----------------------|------------------|--------------------------------------------|------------|
| Special treatment | Swaps: Receive floating/pay fixed | Long-term borrowings | 220,500 | 132,400 | Note 2 |
| Deferral hedge accounting | Swaps: Receive floating/pay fixed | Long-term borrowings | 1,438,076 | 603,779 | (7,352) |
| Total | | | — | — | (7,352) |

Notes: 1. Calculation of fair value is based on discounted cash flows and others.

2. The fair value of interest rate swaps which are accounted using special treatment is included in that of corresponding hedged long-term borrowings in “2. Fair Value of Financial Instruments” under “For financial instruments” as those interest rate swaps are recorded as an adjustment to interest expense of hedged instruments under the special treatment.

(3) Commodity-related transactions

Prior fiscal year (As of March 31, 2014)

(Millions of yen)

| Method of hedge accounting | Type of transactions | Major hedged items | Notional amounts | Portion due after one year included herein | Fair value |
|----------------------------|----------------------------|--------------------|------------------|--------------------------------------------|------------|
| Deferral hedge accounting | Forward contracts: Buy: | Copper | 5,959 | — | (177) |
| | | Aluminum | 2,500 | — | (45) |
| | | Platinum | 1,862 | — | (31) |
| | | Total | — | — | (253) |

Note: Calculation of fair value is based on discounted cash flows and others.

Current fiscal year (As of March 31, 2015)

(Millions of yen)

| Method of hedge accounting | Type of transactions | Major hedged items | Notional amounts | Portion due after one year included herein | Fair value |
|----------------------------|----------------------------|--------------------|------------------|--------------------------------------------|------------|
| Deferral hedge accounting | Forward contracts: Buy: | Copper | 3,674 | — | (16) |
| | | Aluminum | 1,467 | — | (40) |
| | | Palladium | 1,644 | — | (32) |
| | | Total | — | — | (88) |

Note: Calculation of fair value is based on discounted cash flows and others.

(For retirement benefits)

1. Description of retirement benefit plans

The Group (consisting of the Company and its consolidated subsidiaries) has several defined-benefit and defined-contribution pension plans. The Company and certain consolidated subsidiaries have adopted both defined-benefit and defined-contribution pension plans, whereas certain other consolidated subsidiaries have either defined-benefit or defined-contribution pension plans. The defined-benefit pension plans adopted by the Company and certain domestic subsidiaries include lump-sum payment plans, defined-benefit corporate pension plans and welfare pension fund plans. Certain employees may be entitled to additional special retirement benefits, depending on the conditions for the termination of their employment. Certain consolidated subsidiaries apply a simplified method for calculation of net defined benefit liability, net defined benefit assets and retirement benefit expenses.

2. Defined-benefit pension plan

(1) Adjustments between the beginning and ending balances of retirement benefit obligation (excluding those listed in (3) below)

| | (Millions of yen) | |
|------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
| Retirement benefit obligation at the beginning of the year | 1,174,527 | 1,233,154 |
| Cumulative effect of changes in accounting policies | — | 63,004 |
| Restated balance | 1,174,527 | 1,296,158 |
| Service cost | 28,933 | 32,138 |
| Interest cost | 38,544 | 36,900 |
| Actuarial gain and loss generated | 9,358 | 133,214 |
| Past service cost generated | (11,947) | 8 |
| Retirement benefits paid | (66,641) | (70,784) |
| Effect of foreign exchange translation | 61,752 | 53,581 |
| Other | (1,372) | 1,961 |
| Retirement benefit obligation at the end of the year | 1,233,154 | 1,483,176 |

(2) Adjustments between the beginning and ending balances of plan assets (excluding those listed in (3) below)

| | (Millions of yen) | |
|------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
| Plan assets at the beginning of the year | 902,641 | 1,024,073 |
| Expected return on plan assets | 40,821 | 50,413 |
| Actuarial gain and loss generated (Note) | 51,581 | 68,953 |
| Contribution from employers | 32,785 | 20,473 |
| Contribution to retirement benefit trust | 13,235 | 20,725 |
| Retirement benefits paid | (62,899) | (65,719) |
| Effect of foreign exchange translation | 46,187 | 35,755 |
| Other | (278) | 2,925 |
| Plan assets at the end of the year | 1,024,073 | 1,157,598 |

Note: Interest from plan assets of net interest from net defined liability of consolidated foreign subsidiaries which adopt IFRS has been included.

(3) Adjustments between the beginning and ending balances of net defined benefit liability and net defined benefit assets for plans using a simplified method

| | (Millions of yen) | |
|-------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
| Net defined benefit liability and net defined benefit assets at the beginning of the year | 320 | 240 |
| Retirement benefit expenses | 51 | 340 |
| Retirement benefits paid | (17) | (49) |
| Contribution to plans | (114) | (228) |
| Effect of change in the scope of consolidation | — | 302 |
| Net defined benefit liability and net defined benefit assets at the end of the year | 240 | 605 |

(4) Adjustments between the ending balances of retirement benefit obligation and plan assets and the net defined benefit liability and net defined benefit assets reported on the balance sheets

| | (Millions of yen) | |
|------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
| Retirement benefit obligation for funded plans | 1,172,659 | 1,408,717 |
| Plan assets | (1,024,792) | (1,158,500) |
| | 147,867 | 250,217 |
| Retirement benefit obligation for unfunded plans | 61,454 | 75,966 |
| Net defined liability and assets reported on the consolidated balance sheets | 209,321 | 326,183 |
| Net defined benefit liability | 216,583 | 336,261 |
| Net defined benefit assets | (7,262) | (10,078) |
| Net defined liability and assets reported on the consolidated balance sheets | 209,321 | 326,183 |

(5) Breakdown of retirement benefit expenses

| | (Millions of yen) | |
|-----------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
| Service cost (Note 1) | 28,984 | 32,479 |
| Interest cost | 38,544 | 36,900 |
| Expected return on plan assets | (40,821) | (50,413) |
| Amortization of actuarial gain and loss | 15,184 | 13,145 |
| Amortization of past service cost | (4,190) | (5,322) |
| Amortization of net retirement benefit obligation at transition | 9,075 | 9,098 |
| Other | 1,238 | 737 |
| Retirement benefit expenses for defined benefit plans | 48,014 | 36,624 |

Notes: 1. The retirement benefit expenses of consolidated subsidiaries adopting the simplified method are included in "Service cost."

Service cost does not include the amounts contributed by employees with respect to welfare pension fund plans.

2. In addition to the retirement benefit expenses referred to above, additional retirement expenses of ¥4,744 million for the prior fiscal year and ¥2,063 million for the current fiscal year were accounted for as "Other," under "Special losses" in the consolidated statements of income.

(6) Remeasurements of defined benefit plans

Remeasurements of defined benefit plans (reported under "Other comprehensive income" in the statements of comprehensive income) consist of the following (before tax effects).

| | (Millions of yen) | |
|-------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
| Past service cost | — | (2,193) |
| Actuarial gain and loss | — | (64,667) |
| Net retirement benefit obligation at transition | — | 9,098 |
| Total | — | (57,762) |

(7) Remeasurements of defined benefit plans

Remeasurements of defined benefit plans (reported under "Accumulated other comprehensive income" in the net assets section in the consolidated balance sheets) consist of the following (before tax effects).

| | (Millions of yen) | |
|--------------------------------------------------------------|------------------------------------------------|--------------------------------------------------|
| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
| Unrecognized past service cost | 31,985 | 29,792 |
| Unrecognized actuarial gain and loss | (69,929) | (134,596) |
| Unrecognized net retirement benefit obligation at transition | (9,098) | — |
| Total | (47,042) | (104,804) |

(8) Matters regarding plan assets

① Major components of plan assets

Plan assets consist of the following.

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|-------------------------------|------------------------------------------------|--------------------------------------------------|
| Stocks | 37% | 43% |
| Bonds | 40% | 36% |
| Cash and deposits | 2% | 1% |
| Real estate (including REITs) | 6% | 6% |
| Other | 15% | 14% |
| Total | 100% | 100% |

Notes: 1. Securities contributed to the retirement benefit trust included in the total plan assets were 2.3% for the prior year and 3.3% for the current fiscal year.

2. "Other" includes components for which it is difficult to categorize into specific types of plan assets, such as stocks and bonds, and to identify the percentage and the amount by types of assets.

② Method for determining the long-term expected return on plan assets

To determine the long-term expected return on plan assets, the portfolio and past performance of the plan assets held, long-term investment policies and market trends, among others, are considered.

(9) Assumptions used in actuarial calculations

Major assumptions used in actuarial calculations

Domestic companies

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|---------------------------------------------------|------------------------------------------------|--------------------------------------------------|
| Discount rates | 0.9%–2.3% | 0.3%–1.5% |
| Long-term expected rates of return on plan assets | Mainly 3.0% | Mainly 4.0% |
| Expected future salary increase | 2.7%–3.4% | 2.7%–3.4% |

Foreign companies

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|----------------------------------------------------------------------------------------|------------------------------------------------|--------------------------------------------------|
| Discount rates | 1.8%–5.4% | 1.3%–4.5% |
| Long-term expected rates of return on plan assets (US GAAP adoption companies only) | 7.5%–8.8% | 7.5%–8.5% |
| Expected future salary increase | 3.0%–3.8% | 2.7%–3.7% |

3. Defined-contribution pension plans

The required amounts of contribution to the Group's defined-contribution pension plans were ¥13,807 million for the prior fiscal year and ¥16,547 million for the current fiscal year.

(For share-based payments)

1. The account and the amount of stock options charged as expenses

| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
|--------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| Salaries and wages in Selling, general and administrative expenses | — | — |

2. The amount of stock options charged as income due to their forfeiture resulting from nonuse

| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
|---------------|----------------------------------------------------------------|------------------------------------------------------------------|
| Special gains | — | — |

3. Description of stock options/Changes in the size of stock options

(1) Description of stock options

| Company name | The Company 2005 Stock Options | The Company 2006 Stock Options | The Company 2007 Stock Options [1st] |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Category and number of people to whom stock options are granted | The Company's employees: 620 Directors of the Company's subsidiaries: 88 Employees of the Company's subsidiaries: 4 Total: 712 | The Company's employees: 456 Directors of the Company's subsidiaries: 72 Total: 528 | The Company's employees: 23 |
| Type and number of shares | Common stock 13,150,000 shares | Common stock 13,075,000 shares | Common stock 680,000 shares |
| Grant date | April 25, 2005 | May 8, 2006 | May 8, 2007 |
| Vesting conditions | (1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The Company must achieve its targeted results. (3) The holders must achieve their respective targets. | (1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The Company must achieve its targeted results. (3) The holders must achieve their respective targets. | (1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The Company must achieve its targeted results. (3) The holders must achieve their respective targets. |
| Vesting period | From April 25, 2005 To April 25, 2007 | From May 8, 2006 To May 8, 2008 | From May 8, 2007 To May 8, 2009 |
| Exercise period | From April 26, 2007 To June 23, 2014 | From May 9, 2008 To June 20, 2015 | From May 9, 2009 To June 26, 2016 |

| Company name | The Company 2007 Stock Options [2nd] | The Company 2008 Stock Options |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Category and number of people to whom stock options are granted | The Company's employees: 12 | The Company's employees: 121 |
| Type and number of shares | Common stock 360,000 shares | Common stock 3,620,000 shares |
| Grant date | December 21, 2007 | May 16, 2008 |
| Vesting conditions | (1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The Company must achieve its targeted results. (3) The holders must achieve their respective targets. | (1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries or affiliates until the beginning of the exercise period. (2) The holders must achieve their respective targets. |
| Vesting period | From December 21, 2007 To March 31, 2010 | From May 16, 2008 To May 16, 2010 |
| Exercise period | From April 1, 2010 To June 19, 2017 | From May 17, 2010 To April 23, 2018 |

(2) Changes in the size of stock options

The following describes changes in the size of stock options that existed during the year ended March 31, 2015. The number of stock options is translated into the number of shares.

① Number of stock options

| Company name | The Company 2005 Stock Options | The Company 2006 Stock Options | The Company 2007 Stock Options [1st] |
|--------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------------|
| Share subscription rights which are not yet vested (shares): | | | |
| As of March 31, 2014 | — | — | — |
| Granted | — | — | — |
| Forfeited | — | — | — |
| Vested | — | — | — |
| Balance of options not vested | — | — | — |
| Share subscription rights which have already been vested (shares): | | | |
| As of March 31, 2014 | 7,798,400 | 7,821,800 | 650,000 |
| Vested | — | — | — |
| Exercised | — | — | — |
| Forfeited | 7,798,400 | — | — |
| Balance of options not exercised | — | 7,821,800 | 650,000 |

| Company name | The Company 2007 Stock Options [2nd] | The Company 2008 Stock Options |
|--------------------------------------------------------------------|-----------------------------------------|-----------------------------------|
| Share subscription rights which are not yet vested (shares): | | |
| As of March 31, 2014 | — | — |
| Granted | — | — |
| Forfeited | — | — |
| Vested | — | — |
| Balance of options not vested | — | — |
| Share subscription rights which have already been vested (shares): | | |
| As of March 31, 2014 | 360,000 | 2,955,800 |
| Vested | — | — |
| Exercised | — | 634,600 |
| Forfeited | — | — |
| Balance of options not exercised | 360,000 | 2,321,200 |

② Per share prices

| Company name | The Company 2005 Stock Options | The Company 2006 Stock Options | The Company 2007 Stock Options [1st] | The Company 2007 Stock Options [2nd] | The Company 2008 Stock Options |
|---------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------|
| Exercise price (Yen) | 1,119 | 1,526 | 1,333 | 1,205 | 975 |
| Average price per share upon exercise (Yen) | — | — | — | — | 1,206 |
| Fair value per share at grant date (Yen) | — | 222.30 | 136.29 | 205.43 | 168.99 |

4. Method for estimating the per share fair value of stock options

During the fiscal year ended March 31, 2015, there were no stock options that were granted or for which the fair value per share had been changed due to the alteration of conditions.

5. Estimation of the number of stock options vested

Because it is difficult to reasonably estimate the number of options that will expire in the future, historical data is reflected for the options that have not yet been vested, and the number of options that have actually forfeited is reflected for the options that have already been vested.

(For tax-effect accounting)

1. Significant components of deferred tax assets and liabilities

| | (Millions of yen) | |
|----------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------|
| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
| Deferred tax assets: | | |
| Net operating loss carry forwards | 119,055 | 109,367 |
| Net defined benefit liability | 71,163 | 108,405 |
| Accrued warranty costs | 65,283 | 79,867 |
| Loss for residual value risk of leased vehicles | 37,117 | 58,799 |
| Sales incentives | 27,999 | 42,521 |
| Research and development expenses | 35,172 | 37,647 |
| Allowance for doubtful accounts | 23,452 | 32,908 |
| Other | 409,703 | 400,205 |
| Total gross deferred tax assets | 788,944 | 869,719 |
| Valuation allowance | (139,234) | (100,449) |
| Total deferred tax assets | 649,710 | 769,270 |
| Deferred tax liabilities: | | |
| Reserves under Special Taxation Measures Law, etc. | (681,409) | (823,624) |
| Difference between cost of investments and their underlying net equity at fair value on land | (53,215) | (54,995) |
| Unrealized holding gain on securities | (39,416) | (39,654) |
| Other | (153,294) | (157,022) |
| Total deferred tax liabilities | (927,334) | (1,075,295) |
| Net deferred tax assets | (277,624) | (306,025) |

Note: Net deferred tax assets as of March 31, 2014 and 2015 are reflected in the following accounts in the consolidated balance sheets:

| | (Millions of yen) | |
|------------------------------------------------|---------------------------------------------|-----------------------------------------------|
| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
| Current assets—deferred tax assets | 210,395 | 226,891 |
| Fixed assets—deferred tax assets | 117,437 | 140,669 |
| Current liabilities—deferred tax liabilities | 316 | 64 |
| Long-term liabilities—deferred tax liabilities | 605,140 | 673,521 |

2. The reconciliation between the effective tax rates reflected in the consolidated financial statements and the statutory tax rate is summarized as follows:

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|--------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------|
| Statutory tax rate of the Company | 38.0% | 35.6% |
| (Reconciliation) | | |
| • Different tax rates applied to foreign consolidated subsidiaries | (2.7%) | (1.7%) |
| • Tax credits | (7.6%) | (3.9%) |
| • Change in valuation allowance | (2.3%) | 0.5% |
| • Equity in gain and loss of affiliates | (5.7%) | (5.5%) |
| • Dividend income from foreign consolidated subsidiaries | 1.4% | 1.5% |
| • Reduction in year-end deferred tax assets due to tax rate change | 1.6% | 1.6% |
| • Other | (1.0%) | 0.6% |
| Effective tax rates after adoption of tax-effect accounting | 21.7% | 28.7% |

3. Amendments to deferred tax assets and deferred tax liabilities due to a change in the rate of corporation tax

In accordance with the Act for Partial Amendment of the Income Tax Act (Act No. 9, 2015) and the Act for Partial Amendment of the Local Tax Act (Act No. 2, 2015) promulgated on March 31, 2015, the reduction of corporation tax rates and other amendments will take effect from the fiscal year beginning on or after April 1, 2015. Accordingly, the statutory tax rate used for calculating deferred tax assets and liabilities has been changed from 35.6% for the prior fiscal year to 33.0% for the temporary differences to be reversed in the fiscal year beginning on April 1, 2015, or 32.2% for the temporary differences to be reversed in the fiscal year beginning on or after April 1, 2016.

These tax rate changes resulted in a decrease of ¥4,503 million in deferred tax assets (after deducting deferred tax liabilities); an increase of ¥10,708 million in income taxes-deferred, an increase of ¥4,234 million in unrealized holding gain and loss on securities, an increase of ¥1,976 million in remeasurements of defined benefit plans and a decrease of ¥5 million in unrealized gain and loss from hedging instruments in the current fiscal year.

(For assets retirement obligations)

Prior fiscal year (As of March 31, 2014)

This information is not provided due to its low materiality.

Current fiscal year (As of March 31, 2015)

This information is not provided due to its low materiality.

(For investment and rental property)

The Company and some of its subsidiaries have rental property in Japan (Tokyo, Kanagawa, Osaka and others) and overseas, which is mainly used for vehicle and parts dealers.

For the fiscal year ended March 31, 2014, net income from rental property amounted to ¥5,308 million and net gain on sales of rental property amounted to ¥3,890 million, whereas an impairment loss on rental property amounted to ¥16 million.

For the fiscal year ended March 31, 2015, net income from rental property amounted to ¥5,247 million and net gain on sales of rental property amounted to ¥15,631 million, whereas an impairment loss on rental property amounted to ¥1,597 million.

The carrying value, increase/decrease thereof and fair value of rental property are as follows.

(Millions of yen)

| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
|--------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| Carrying value | | |
| Balance at the beginning of the year | 130,835 | 127,727 |
| Increase/Decrease during the year | (3,108) | (3,625) |
| Balance at the end of the year | 127,727 | 124,102 |
| Fair value at the end of the year | 123,143 | 119,892 |

Notes: 1. The carrying value shown here is calculated by deducting the relevant accumulated depreciation and impairment loss from the property's acquisition cost.

2. The fair value was mainly based on real-estate appraisal value which was calculated by external real-estate appraisers.

(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, marine products 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, profits or losses, assets and other items 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. The segment assets are based on total assets.

3. Matters regarding changes in reportable segments

As stated in “Changes in accounting policies”, the methods for calculating retirement benefit obligation and service cost have been changed from the beginning of the fiscal year ended March 31, 2015. Accordingly, retirement benefit obligation and service cost of the reportable segments have been changed.

The effect of this change on segment profits for the fiscal year ended March 31, 2015 is immaterial, whereas, on the Summarized consolidated balance sheets by business segments, retained earnings decreased by ¥40,140 million in Automobile & Eliminations and increased by ¥8 million in Sales financing segment respectively at the beginning of the fiscal year ended March 31, 2015.

4. Net sales, profits or losses, assets and other items by reportable segments

Prior fiscal year (From April 1, 2013 To March 31, 2014)

| | Reportable segments | | | Elimination of inter-segment transactions | (Millions of yen) The year ended March 31, 2014 |
|--------------------------------------------------------------|---------------------|-----------------|------------|-------------------------------------------|----------------------------------------------------|
| | Automobile | Sales financing | Total | | |
| Net sales | | | | | |
| Sales to third parties | 9,825,507 | 657,013 | 10,482,520 | — | 10,482,520 |
| Inter-segment sales or transfers | 71,057 | 26,839 | 97,896 | (97,896) | — |
| Total | 9,896,564 | 683,852 | 10,580,416 | (97,896) | 10,482,520 |
| Segment profits | 317,762 | 164,706 | 482,468 | 15,897 | 498,365 |
| Segment assets | 9,039,084 | 7,682,085 | 16,721,169 | (2,017,766) | 14,703,403 |
| Other items | | | | | |
| Depreciation and amortization expense | 372,093 | 305,195 | 677,288 | — | 677,288 |
| Amortization of goodwill | 1,814 | — | 1,814 | — | 1,814 |
| Interest expense (Cost of sales) | 158 | 93,235 | 93,393 | (20,619) | 72,774 |
| Investment amounts to equity method companies | 660,552 | 9,431 | 669,983 | — | 669,983 |
| Increase amounts of fixed assets and intangible fixed assets | 568,986 | 1,031,784 | 1,600,770 | — | 1,600,770 |

Note 1: Consolidated financial statements by business segments

- The Sales financing segment for the summarized consolidated balance sheets, summarized consolidated statements of income and summarized consolidated statement of cash flows consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR Finance Mexico S.A. de C.V. SOFOM E.N.R (Mexico), other 6 companies and the sales finance operations of Nissan Canada Inc. (Canada).
- The financial data on Automobile & Eliminations represent the differences between the consolidated figures and those for the Sales financing segment.

(1) Summarized consolidated balance sheets by business segments

(Millions of yen)

| Accounts | Prior fiscal year (As of March 31, 2014) | | |
|----------------------------------------------|------------------------------------------|-----------------|--------------------|
| | Automobile & Eliminations | Sales financing | Consolidated total |
| Assets | | | |
| I. Current assets | | | |
| Cash on hand and in banks | 708,028 | 114,835 | 822,863 |
| Trade notes and accounts receivable | 785,367 | 587 | 785,954 |
| Sales finance receivables | (27,375) | 5,060,933 | 5,033,558 |
| Inventories | 1,110,249 | 41,602 | 1,151,851 |
| Other current assets | 520,710 | 294,342 | 815,052 |
| Total current assets | 3,096,979 | 5,512,299 | 8,609,278 |
| II. Fixed assets | | | |
| Property, plant and equipment, net | 2,834,665 | 1,923,373 | 4,758,038 |
| Investment securities | 911,494 | 18,799 | 930,293 |
| Other fixed assets | 178,180 | 227,614 | 405,794 |
| Total fixed assets | 3,924,339 | 2,169,786 | 6,094,125 |
| Total assets | 7,021,318 | 7,682,085 | 14,703,403 |
| Liabilities | | | |
| I. Current liabilities | | | |
| Trade notes and accounts payable | 1,462,439 | 49,471 | 1,511,910 |
| Short-term borrowings | (1,060,735) | 3,055,622 | 1,994,887 |
| Lease obligations | 32,789 | 49 | 32,838 |
| Other current liabilities | 1,369,772 | 277,842 | 1,647,614 |
| Total current liabilities | 1,804,265 | 3,382,984 | 5,187,249 |
| II. Long-term liabilities | | | |
| Bonds | 280,000 | 638,783 | 918,783 |
| Long-term borrowings | 350,347 | 2,332,034 | 2,682,381 |
| Lease obligations | 23,570 | 10 | 23,580 |
| Other long-term liabilities | 523,374 | 696,508 | 1,219,882 |
| Total long-term liabilities | 1,177,291 | 3,667,335 | 4,844,626 |
| Total liabilities | 2,981,556 | 7,050,319 | 10,031,875 |
| Net assets | | | |
| I. Shareholders' equity | | | |
| Common stock | 468,636 | 137,178 | 605,814 |
| Capital surplus | 771,105 | 33,380 | 804,485 |
| Retained earnings | 3,052,028 | 474,618 | 3,526,646 |
| Treasury stock | (149,315) | — | (149,315) |
| Total shareholders' equity | 4,142,454 | 645,176 | 4,787,630 |
| II. Accumulated other comprehensive income | | | |
| Translation adjustments | (451,197) | (18,005) | (469,202) |
| Others | 27,797 | (7,571) | 20,226 |
| Total accumulated other comprehensive income | (423,400) | (25,576) | (448,976) |
| III. Share subscription rights | 2,401 | — | 2,401 |
| IV. Minority interests | 318,307 | 12,166 | 330,473 |
| Total net assets | 4,039,762 | 631,766 | 4,671,528 |
| Total liabilities and net assets | 7,021,318 | 7,682,085 | 14,703,403 |

- Notes: 1. The sales finance receivables of Automobile & Eliminations represent the amount eliminated for intercompany transactions related to wholesale finance made by the Sales financing segment.
2. The borrowings of Automobile & Eliminations represent the amount after deducting internal loans receivable from the Sales financing segment amounting to ¥1,585,430 million.

(2) Summarized consolidated statements of income by business segments

(Millions of yen)

| Accounts | Prior fiscal year (From April 1, 2013 To March 31, 2014) | | |
|---------------------------------------------------|-------------------------------------------------------------|-----------------|--------------------|
| | Automobile & Eliminations | Sales financing | Consolidated total |
| Net sales | 9,798,668 | 683,852 | 10,482,520 |
| Cost of sales | 8,190,846 | 445,217 | 8,636,063 |
| Gross profit | 1,607,822 | 238,635 | 1,846,457 |
| Operating income as a percentage of net sales | 3.4% | 24.1% | 4.8% |
| Operating income | 333,659 | 164,706 | 498,365 |
| Financial income / expenses, net | (5,422) | (178) | (5,600) |
| Other non-operating income and expenses, net | 35,199 | (775) | 34,424 |
| Ordinary income | 363,436 | 163,753 | 527,189 |
| Income before income taxes and minority interests | 365,047 | 164,331 | 529,378 |
| Net income | 284,746 | 104,288 | 389,034 |

(3) Summarized consolidated statements of cash flows by business segments

(Millions of yen)

| Accounts | Prior fiscal year (From April 1, 2013 To March 31, 2014) | | |
|------------------------------------------------------------------|-------------------------------------------------------------|-----------------|--------------------|
| | Automobile & Eliminations | Sales financing | Consolidated total |
| I. Cash flows from operating activities | | | |
| Income before income taxes and minority interests | 365,047 | 164,331 | 529,378 |
| Depreciation and amortization | 372,093 | 305,195 | 677,288 |
| Decrease (increase) in sales finance receivables | (98,334) | (488,726) | (587,060) |
| Others | 86,184 | 22,333 | 108,517 |
| Net cash provided by operating activities | 724,990 | 3,133 | 728,123 |
| II. Cash flows from investing activities | | | |
| Proceeds from sales of investment securities | 902 | — | 902 |
| Purchases of fixed assets | (501,441) | (50,367) | (551,808) |
| Proceeds from sales of fixed assets | 32,941 | 46,637 | 79,578 |
| Purchases of leased vehicles | (4,834) | (999,307) | (1,004,141) |
| Proceeds from sales of leased vehicles | 154 | 465,347 | 465,501 |
| Others | (53,058) | (17,390) | (70,448) |
| Net cash used in investing activities | (525,336) | (555,080) | (1,080,416) |
| III. Cash flows from financing activities | | | |
| Net increase (decrease) in short-term borrowings | 12,497 | (32,417) | (19,920) |
| Net change in long-term borrowings and redemption of bonds | (225,507) | 358,685 | 133,178 |
| Proceeds from issuance of bonds | 109,787 | 334,879 | 444,666 |
| Others | (135,069) | (25,930) | (160,999) |
| Net cash provided by (used in) financing activities | (238,292) | 635,217 | 396,925 |
| IV. Effect of exchange rate changes on cash and cash equivalents | 70,136 | 4,714 | 74,850 |
| V. Increase in cash and cash equivalents | 31,498 | 87,984 | 119,482 |
| VI. Cash and cash equivalents at the beginning of the period | 684,548 | 27,353 | 711,901 |
| VII. Increase due to inclusion in consolidation | 1,333 | — | 1,333 |
| VIII. Cash and cash equivalents at the end of the period | 717,379 | 115,337 | 832,716 |

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥51,057 million eliminated for net increase in internal loans receivable from the Sales financing segment.

2. The net change in long-term borrowings and redemption of bonds of Automobile & Eliminations includes the amount of ¥127,566 million eliminated for net increase in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

Prior fiscal year (From April 1, 2013 To March 31, 2014)

(Millions of yen)

| | Japan | North America | Europe | Asia | Other overseas countries | Total | Eliminations | Consolidated |
|----------------------------|-----------|---------------|-----------|-----------|--------------------------|------------|--------------|--------------|
| Net sales | | | | | | | | |
| (1) Sales to third parties | 2,348,283 | 4,488,316 | 1,660,041 | 996,056 | 989,824 | 10,482,520 | — | 10,482,520 |
| (2) Inter-segment sales | 2,475,765 | 341,659 | 221,706 | 597,823 | 9,616 | 3,646,569 | (3,646,569) | — |
| Total | 4,824,048 | 4,829,975 | 1,881,747 | 1,593,879 | 999,440 | 14,129,089 | (3,646,569) | 10,482,520 |
| Operating income (loss) | 322,647 | 191,930 | (23,611) | 53,268 | (29,996) | 514,238 | (15,873) | 498,365 |

Notes: 1. Regions are representing 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

Current fiscal year (From April 1, 2014 To March 31, 2015)

(Millions of yen)

| | Reportable segments | | | Elimination of inter-segment transactions | The year ended March 31, 2015 |
|--------------------------------------------------------------|---------------------|-----------------|------------|-------------------------------------------|-------------------------------|
| | Automobile | Sales financing | Total | | |
| Net sales | | | | | |
| Sales to third parties | 10,594,206 | 781,001 | 11,375,207 | — | 11,375,207 |
| Inter-segment sales or transfers | 105,425 | 30,329 | 135,754 | (135,754) | — |
| Total | 10,699,631 | 811,330 | 11,510,961 | (135,754) | 11,375,207 |
| Segment profits | 374,847 | 195,497 | 570,344 | 19,217 | 589,561 |
| Segment assets | 9,666,338 | 9,281,313 | 18,947,651 | (1,901,992) | 17,045,659 |
| Other items | | | | | |
| Depreciation and amortization expense | 419,126 | 363,151 | 782,277 | — | 782,277 |
| Amortization of goodwill | 1,837 | — | 1,837 | — | 1,837 |
| Interest expense (Cost of sales) | — | 112,399 | 112,399 | (28,743) | 83,656 |
| Investment amounts to equity method companies | 705,403 | 10,271 | 715,674 | — | 715,674 |
| Increase amounts of fixed assets and intangible fixed assets | 469,858 | 1,121,134 | 1,590,992 | — | 1,590,992 |

Note 1: Consolidated financial statements by business segments

- The Sales financing segment for the summarized consolidated balance sheets, summarized consolidated statements of income and summarized consolidated statements of cash flows consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR Finance Mexico S.A. de C.V. SOFOM E.N.R (Mexico), other 7 companies and the sales finance operations of Nissan Canada Inc. (Canada).
- The financial data on Automobile & Eliminations represent the differences between the consolidated figures and those for the Sales financing segment.

(1) Summarized consolidated balance sheets by business segments

(Millions of yen)

| Accounts | Current fiscal year (As of March 31, 2015) | | |
|----------------------------------------------|--------------------------------------------|-----------------|--------------------|
| | Automobile & Eliminations | Sales financing | Consolidated total |
| Assets | | | |
| I. Current assets | | | |
| Cash on hand and in banks | 708,478 | 52,596 | 761,074 |
| Trade notes and accounts receivable | 887,060 | 1,754 | 888,814 |
| Sales finance receivables | (29,407) | 6,342,281 | 6,312,874 |
| Inventories | 1,265,853 | 44,144 | 1,309,997 |
| Other current assets | 683,976 | 360,610 | 1,044,586 |
| Total current assets | 3,515,960 | 6,801,385 | 10,317,345 |
| II. Fixed assets | | | |
| Property, plant and equipment, net | 2,931,670 | 2,334,569 | 5,266,239 |
| Investment securities | 967,076 | 21,657 | 988,733 |
| Other fixed assets | 349,640 | 123,702 | 473,342 |
| Total fixed assets | 4,248,386 | 2,479,928 | 6,728,314 |
| Total assets | 7,764,346 | 9,281,313 | 17,045,659 |
| Liabilities | | | |
| I. Current liabilities | | | |
| Trade notes and accounts payable | 1,513,324 | 41,075 | 1,554,399 |
| Short-term borrowings | (989,910) | 3,806,937 | 2,817,027 |
| Lease obligations | 23,042 | 1 | 23,043 |
| Other current liabilities | 1,705,645 | 317,381 | 2,023,026 |
| Total current liabilities | 2,252,101 | 4,165,394 | 6,417,495 |
| II. Long-term liabilities | | | |
| Bonds | 350,000 | 745,518 | 1,095,518 |
| Long-term borrowings | (56,837) | 2,774,315 | 2,717,478 |
| Lease obligations | 18,157 | 10 | 18,167 |
| Other long-term liabilities | 807,682 | 742,057 | 1,549,739 |
| Total long-term liabilities | 1,119,002 | 4,261,900 | 5,380,902 |
| Total liabilities | 3,371,103 | 8,427,294 | 11,798,397 |
| Net assets | | | |
| I. Shareholders' equity | | | |
| Common stock | 454,823 | 150,991 | 605,814 |
| Capital surplus | 771,187 | 33,380 | 804,567 |
| Retained earnings | 3,210,448 | 601,400 | 3,811,848 |
| Treasury stock | (148,239) | — | (148,239) |
| Total shareholders' equity | 4,288,219 | 785,771 | 5,073,990 |
| II. Accumulated other comprehensive income | | | |
| Translation adjustments | (290,960) | 44,184 | (246,776) |
| Others | 2,339 | 4,863 | 7,202 |
| Total accumulated other comprehensive income | (288,621) | 49,047 | (239,574) |
| III. Share subscription rights | 2,294 | — | 2,294 |
| IV. Minority interests | 391,351 | 19,201 | 410,552 |
| Total net assets | 4,393,243 | 854,019 | 5,247,262 |
| Total liabilities and net assets | 7,764,346 | 9,281,313 | 17,045,659 |

Notes: 1. The sales finance receivables of Automobile & Eliminations represent the amount eliminated for intercompany transactions related to wholesale finance made by the Sales financing segment.

2. The borrowings of Automobile & Eliminations represent the amount after deducting internal loans receivable from the Sales financing segment amounting to ¥1,706,288 million.

(2) Summarized consolidated statements of income by business segments

(Millions of yen)

| Accounts | Current fiscal year (From April 1, 2014 To March 31, 2015) | | |
|---------------------------------------------------|---------------------------------------------------------------|-----------------|--------------------|
| | Automobile & Eliminations | Sales financing | Consolidated total |
| Net sales | 10,563,877 | 811,330 | 11,375,207 |
| Cost of sales | 8,717,387 | 523,954 | 9,241,341 |
| Gross profit | 1,846,490 | 287,376 | 2,133,866 |
| Operating income as a percentage of net sales | 3.7% | 24.1% | 5.2% |
| Operating income | 394,064 | 195,497 | 589,561 |
| Financial income / expenses, net | 2,448 | 133 | 2,581 |
| Other non-operating income and expenses, net | 99,454 | 2,636 | 102,090 |
| Ordinary income | 495,966 | 198,266 | 694,232 |
| Income before income taxes and minority interests | 487,397 | 200,024 | 687,421 |
| Net income | 330,550 | 127,024 | 457,574 |

(3) Summarized consolidated statements of cash flows by business segments

(Millions of yen)

| Accounts | Current fiscal year (From April 1, 2014 To March 31, 2015) | | |
|------------------------------------------------------------------|---------------------------------------------------------------|-----------------|--------------------|
| | Automobile & Eliminations | Sales financing | Consolidated total |
| I. Cash flows from operating activities | | | |
| Income before income taxes and minority interests | 487,397 | 200,024 | 687,421 |
| Depreciation and amortization | 419,126 | 363,151 | 782,277 |
| Decrease (increase) in finance receivables | 2,072 | (709,393) | (707,321) |
| Others | (101,030) | 31,400 | (69,630) |
| Net cash provided by (used in) operating activities | 807,565 | (114,818) | 692,747 |
| II. Cash flows from investing activities | | | |
| Proceeds from sales of investment securities | 3,691 | 2,257 | 5,948 |
| Purchases of fixed assets | (453,281) | (59,987) | (513,268) |
| Proceeds from sales of fixed assets | 42,149 | 46,169 | 88,318 |
| Purchases of leased vehicles | (142) | (1,070,512) | (1,070,654) |
| Proceeds from sales of leased vehicles | 64 | 537,657 | 537,721 |
| Others | (34,218) | (35,872) | (70,090) |
| Net cash used in investing activities | (441,737) | (580,288) | (1,022,025) |
| III. Cash flows from financing activities | | | |
| Net increase (decrease) in short-term borrowings | 201,448 | 243,722 | 445,170 |
| Net change in long-term borrowings and redemption of bonds | (520,522) | 169,426 | (351,096) |
| Proceeds from issuance of bonds | 119,739 | 205,774 | 325,513 |
| Others | (184,386) | 10,695 | (173,691) |
| Net cash provided by (used in) financing activities | (383,721) | 629,617 | 245,896 |
| IV. Effect of exchange rate changes on cash and cash equivalents | 47,383 | 3,277 | 50,660 |
| V. Increase (decrease) in cash and cash equivalents | 29,490 | (62,212) | (32,722) |
| VI. Cash and cash equivalents at the beginning of the period | 717,379 | 115,337 | 832,716 |
| VII. Increase due to inclusion in consolidation | 1,548 | 1,070 | 2,618 |
| VIII. Cash and cash equivalents at the end of the period | 748,417 | 54,195 | 802,612 |

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥267,575 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

2. The net change in long-term borrowings and redemption of bonds of Automobile & Eliminations includes the amount of ¥229,711 million eliminated for net increase in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

Current fiscal year (From April 1, 2014 To March 31, 2015)

(Millions of yen)

| | Japan | North America | Europe | Asia | Other overseas countries | Total | Eliminations | Consolidated |
|----------------------------|-----------|---------------|-----------|-----------|--------------------------|------------|--------------|--------------|
| Net sales | | | | | | | | |
| (1) Sales to third parties | 2,173,459 | 5,235,620 | 1,706,675 | 1,109,832 | 1,149,621 | 11,375,207 | — | 11,375,207 |
| (2) Inter-segment sales | 2,342,538 | 379,669 | 219,918 | 625,566 | 8,449 | 3,576,140 | (3,576,140) | — |
| Total | 4,515,997 | 5,615,289 | 1,926,593 | 1,735,398 | 1,158,070 | 14,951,347 | (3,576,140) | 11,375,207 |
| Operating income (loss) | 244,068 | 295,729 | (25,792) | 55,676 | (18,930) | 550,751 | 38,810 | 589,561 |

Notes: 1. Regions are representing 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

Prior fiscal year (From April 1, 2013 To March 31, 2014)

1. Information by product and service

This information is not provided here because it is the same as the information provided under “Segment information.”

2. Information by geographical area

(1) Net sales

(Millions of yen)

| Japan | North America | | Europe | Asia | Other overseas countries | Total |
|-----------|---------------|-----------|-----------|-----------|--------------------------|------------|
| | | U.S.A. | | | | |
| 2,077,135 | 4,337,127 | 3,601,147 | 1,666,307 | 1,215,769 | 1,186,182 | 10,482,520 |

Notes: 1. Regions are representing customers' location.

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, South Africa, etc.

(2) Property, plant and equipment

(Millions of yen)

| Japan | North America | | Europe | Asia | Other overseas countries | Total |
|-----------|---------------|-----------|---------|---------|--------------------------|-----------|
| | | U.S.A. | | | | |
| 1,590,173 | 2,501,107 | 2,084,468 | 289,270 | 283,465 | 94,023 | 4,758,038 |

Notes: 1. Regions are representing 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

3. Information by major customer

This information is not provided because there were no customers that accounted for 10% or more of the net sales to third parties recorded in the consolidated statements of income.

Current fiscal year (From April 1, 2014 To March 31, 2015)

1. Information by product and service

This information is not provided here because it is the same as the information provided under “Segment information.”

2. Information by geographical area

(1) Net sales

(Millions of yen)

| Japan | North America | | Europe | Asia | Other overseas countries | Total |
|-----------|---------------|-----------|-----------|-----------|--------------------------|------------|
| | | U.S.A. | | | | |
| 1,853,000 | 5,063,298 | 4,191,022 | 1,745,837 | 1,374,551 | 1,338,521 | 11,375,207 |

Notes: 1. Regions are representing customers' location.

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, South Africa, etc.

(2) Property, plant and equipment

(Millions of yen)

| Japan | North America | | Europe | Asia | Other overseas countries | Total |
|-----------|---------------|-----------|---------|---------|--------------------------|-----------|
| | | U.S.A. | | | | |
| 1,552,554 | 3,002,760 | 2,531,017 | 294,209 | 335,449 | 81,267 | 5,266,239 |

Notes: 1. Regions are representing 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

3. Information by major customer

This information is not provided because there were no customers that accounted for 10% or more of the net sales to third parties recorded in the consolidated statements of income.

Information about the impairment loss on fixed assets by reportable segments

Prior fiscal year (From April 1, 2013 To March 31, 2014)

(Millions of yen)

| | Reportable segments | | | Elimination of inter-segment transactions | Total |
|-----------------|---------------------|-----------------|-------|-------------------------------------------|-------|
| | Automobile | Sales financing | Total | | |
| Impairment loss | 2,130 | — | 2,130 | — | 2,130 |

Current fiscal year (From April 1, 2014 To March 31, 2015)

(Millions of yen)

| | Reportable segments | | | Elimination of inter-segment transactions | Total |
|-----------------|---------------------|-----------------|--------|-------------------------------------------|--------|
| | Automobile | Sales financing | Total | | |
| Impairment loss | 16,103 | — | 16,103 | — | 16,103 |

Information about the amortization of goodwill and unamortized balance by reportable segments

Prior fiscal year (From April 1, 2013 To March 31, 2014)

(Millions of yen)

| | Reportable segments | | | Elimination of inter-segment transactions | Total |
|--------------------------------|---------------------|-----------------|--------|-------------------------------------------|--------|
| | Automobile | Sales financing | Total | | |
| Amortization of goodwill | 1,814 | — | 1,814 | — | 1,814 |
| Balance at the end of the year | 19,231 | — | 19,231 | — | 19,231 |

Current fiscal year (From April 1, 2014 To March 31, 2015)

(Millions of yen)

| | Reportable segments | | | Elimination of inter-segment transactions | Total |
|--------------------------------|---------------------|-----------------|--------|-------------------------------------------|--------|
| | Automobile | Sales financing | Total | | |
| Amortization of goodwill | 1,837 | — | 1,837 | — | 1,837 |
| Balance at the end of the year | 17,381 | — | 17,381 | — | 17,381 |

Information about the gain recognized on negative goodwill by reportable segments

Prior fiscal year (From April 1, 2013 To March 31, 2014)

This information is not provided due to its low materiality.

Current fiscal year (From April 1, 2014 To March 31, 2015)

This information is not provided due to its low materiality.

(Information of related parties)

1. Transactions with related parties

Prior fiscal year (From April 1, 2013 To March 31, 2014)

There are no significant transactions to be disclosed.

Current fiscal year (From April 1, 2014 To March 31, 2015)

There are no significant transactions to be disclosed.

2. Notes on the parent company and significant affiliates

Condensed financial information of significant affiliates:

Prior fiscal year (From April 1, 2013 To March 31, 2014)

Combined and condensed financial information (from January 1, 2013, to December 31, 2013) of Renault and Dongfeng Motor Co., Ltd., which are defined as significant affiliates for the current fiscal year, is as follows.

| | |
|-----------------------------|--------------------|
| Total current assets | ¥7,304,090 million |
| Total fixed assets | ¥5,371,525 million |
| Total current liabilities | ¥6,832,982 million |
| Total long-term liabilities | ¥1,650,386 million |
| Total net assets | ¥4,192,247 million |
| Net sales | ¥7,590,837 million |
| Income before income taxes | ¥443,042 million |
| Net income | ¥274,895 million |

Current fiscal year (From April 1, 2014 To March 31, 2015)

Combined and condensed financial information (from January 1, 2014, to December 31, 2014) of Renault and Dongfeng Motor Co., Ltd., which are defined as significant affiliates for the current fiscal year, is as follows.

| | |
|-----------------------------|--------------------|
| Total current assets | ¥8,134,972 million |
| Total fixed assets | ¥5,876,353 million |
| Total current liabilities | ¥7,603,008 million |
| Total long-term liabilities | ¥1,795,171 million |
| Total net assets | ¥4,613,146 million |
| Net sales | ¥8,088,403 million |
| Income before income taxes | ¥609,531 million |
| Net income | ¥478,427 million |

(Amounts per share)

(Yen)

| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
|------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| Net assets per share | 1,035.06 | 1,152.83 |
| Basic net income per share | 92.82 | 109.15 |
| Diluted net income per share | 92.82 | 109.14 |

Notes: 1. The basis for calculation of the basic net income per share and the diluted net income per share is as follows.

| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Basic net income per share: | | |
| Net income (Millions of yen) | 389,034 | 457,574 |
| Net income attributable to shares of common stock (Millions of yen) | 389,034 | 457,574 |
| Average number of shares of common stock during the fiscal year (Thousands of shares) | 4,191,414 | 4,192,309 |
| Diluted net income per share: | | |
| Increase in shares of common stock (Thousands of shares) | 21 | 120 |
| (Exercise of warrants (Thousands of shares)) | — | — |
| (Exercise of share subscription rights (Thousands of shares)) | 21 | 120 |
| Securities excluded from the computation of diluted net income per share because they do not have dilutive effects. | 3rd share subscription rights (the number of share subscription rights is 77,984 units) 4th share subscription rights (the number of share subscription rights is 78,218 units) 5th share subscription rights (the number of share subscription rights is 6,500 units) 6th share subscription rights (the number of share subscription rights is 3,600 units) Refer to “Status of share subscription rights” for a summary. | 4th share subscription rights (the number of share subscription rights is 78,218 units) 5th share subscription rights (the number of share subscription rights is 6,500 units) 6th share subscription rights (the number of share subscription rights is 3,600 units) Refer to “Status of share subscription rights” for a summary. |

2. The basis for calculation of the net assets per share is as follows.

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------|
| Total net assets (Millions of yen) | 4,671,528 | 5,247,262 |
| Amounts deducted from total net assets (Millions of yen) | 332,874 | 412,846 |
| (Share subscription rights (Millions of yen)) | 2,401 | 2,294 |
| (Minority interests (Millions of yen)) | 330,473 | 410,552 |
| Net assets attributable to shares of common stock at year end (Millions of yen) | 4,338,654 | 4,834,416 |
| The year-end number of shares of common stock used for the calculation of net assets per share (Thousands of shares) | 4,191,687 | 4,193,519 |

3. As stated in “Changes in accounting policies,” the Company has applied the Accounting Standard for Retirement Benefits and the Guidance on Accounting Standard for Retirement Benefits, and has followed the transitional treatment provided for in Paragraph 37 of the Accounting Standard for Retirement Benefits for application thereof.

This application resulted in a decrease of ¥9.57 in net assets per share for the current fiscal year and the effect on basic net income per share and diluted net income per share for the current fiscal year is immaterial.

(Significant subsequent events)

Not applicable.

⑤ Consolidated supplemental schedules

Schedule of bonds payable

| Company | Description | Date of Issuance | Balance at the beginning of current fiscal year (Millions of yen) | Balance at the end of current fiscal year (Millions of yen) | Interest rate (%) | Collateral | Maturity |
|----------------|---------------------------------------|--------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------|-------------------|------------|--------------------|
| *1 | 47th unsecured bonds | June 19, 2007 | 35,000 | — | 1.95 | None | June 20, 2014 |
| *1 | 49th unsecured bonds | September 17, 2009 | 35,000 | — | 1.931 | " | September 19, 2014 |
| *1 | 51st unsecured bonds (Note 2) | April 28, 2010 | 50,000 | (50,000) 50,000 | 0.813 | " | April 28, 2015 |
| *1 | 52nd unsecured bonds | April 28, 2010 | 30,000 | 30,000 | 1.17 | " | April 28, 2017 |
| *1 | 53rd unsecured bonds | April 28, 2010 | 20,000 | 20,000 | 1.744 | " | April 28, 2020 |
| *1 | 54th unsecured bonds | April 28, 2011 | 70,000 | 70,000 | 0.871 | " | April 28, 2016 |
| *1 | 55th unsecured bonds | April 25, 2013 | 100,000 | 100,000 | 0.415 | " | March 20, 2018 |
| *1 | 56th unsecured bonds | April 25, 2013 | 10,000 | 10,000 | 0.554 | " | March 19, 2020 |
| *1 | 57th unsecured bonds | April 25, 2014 | — | 100,000 | 0.314 | " | March 20, 2019 |
| *1 | 58th unsecured bonds | April 25, 2014 | — | 20,000 | 0.779 | " | March 19, 2024 |
| *2 | Bonds issued by subsidiaries (Note 2) | 2010 - 2014 | 255,000 | (90,000) 295,000 | 0.1 - 0.7 | " | 2015 - 2021 |
| *3 | Bonds issued by subsidiaries (Note 2) | 2010 - 2015 | 462,873 [\$4,497,413 thousand] | (72,102) [\$600,000 thousand] 576,862 [\$4,800,451 thousand] | 0.5 - 2.7 | " | 2016 - 2020 |
| *3 | Bonds issued by subsidiaries | 2013 | 63,040 [MXN 8,000,000 thousand] | 23,640 [MXN 3,000,000 thousand] | 3.6 - 4.1 | " | 2016 |
| *3 | Bonds issued by subsidiaries (Note 2) | 2011 - 2013 | 14,460 [THB 4,561,396 thousand] | (4,840) [THB 1,308,112 thousand] 16,958 [THB 4,578,392 thousand] | 0.5 - 0.7 | " | 2015 - 2016 |
| Total (Note 2) | | — | 1,145,373 | (216,942) 1,312,460 | — | | — |

Notes: 1. *1 The Company *2 Domestic subsidiaries *3 Foreign subsidiaries

2. The amounts in parentheses presented under “Balance at the end of current fiscal year” represent the amounts scheduled to be redeemed within one year.

3. The redemption schedule of bonds for 5 years subsequent to March 31, 2015 is summarized as follows:

(Millions of yen)

| Due within one year | Due after one year but within two years | Due after two years but within three years | Due after three years but within four years | Due after four years but within five years |
|---------------------|-----------------------------------------|--------------------------------------------|---------------------------------------------|--------------------------------------------|
| 216,942 | 372,949 | 361,061 | 216,482 | 95,026 |

Schedule of borrowings

(Millions of yen)

| Category | Balance at the beginning of current fiscal year | Balance at the end of current fiscal year | Average interest rate (%) | Maturity |
|--------------------------------------------------------------|-------------------------------------------------|-------------------------------------------|---------------------------|-----------------------------|
| Short-term borrowings | 280,460 | 302,160 | 3.88 | — |
| Nonrecourse short-term borrowings | 426,116 | 720,453 | 0.50 | — |
| Current portion of long-term borrowings | 400,643 | 605,271 | 1.02 | — |
| Current portion of nonrecourse long-term borrowings | 509,903 | 771,509 | 0.68 | — |
| Commercial papers | 151,175 | 200,692 | 0.69 | — |
| Current portion of lease obligations | 32,838 | 23,043 | 2.08 | — |
| Long-term borrowings (excluding current portion) | 1,966,440 | 2,004,467 | 1.49 | April 2016 to December 2034 |
| Nonrecourse long-term borrowings (excluding current portion) | 715,941 | 713,011 | 1.48 | April 2016 to June 2021 |
| Lease obligations (excluding current portion) | 23,580 | 18,167 | 2.25 | April 2016 to November 2024 |
| Total | 4,507,096 | 5,358,773 | — | — |

Notes: 1. The average interest rate represents the weighted-average rate applicable to the year-end balance.

2. The following table shows the aggregate annual maturities of long-term borrowings (excluding the current portion), nonrecourse long-term borrowings (excluding the current portion) and lease obligations (excluding the current portion) for 5 years subsequent to March 31, 2015.

(Millions of yen)

| | Due after one year but within two years | Due after two years but within three years | Due after three years but within four years | Due after four years but within five years |
|----------------------------------|-----------------------------------------|--------------------------------------------|---------------------------------------------|--------------------------------------------|
| Long-term borrowings | 775,252 | 598,120 | 355,123 | 183,892 |
| Nonrecourse long-term borrowings | 404,230 | 262,894 | 43,205 | 2,223 |
| Lease obligations | 9,003 | 4,909 | 2,629 | 918 |

Schedule of asset retirement obligations

The schedule of asset retirement obligations is not provided because the amounts of asset retirement obligations at the beginning and the end of the fiscal year ended March 31, 2015 were less than one hundredth (1%) of the amounts of total liabilities and net assets at the beginning and the end of the fiscal year ended March 31, 2015.

(2) Other

Quarterly financial information for the fiscal year ended March 31, 2015

(Millions of yen)

| Cumulative period | 1st Quarter (Three months ended June 30, 2014) | 2nd Quarter (Six months ended September 30, 2014) | 3rd Quarter (Nine months ended December 31, 2014) | 4th Quarter (Fiscal year ended March 31, 2015) |
|---------------------------------------------------------|------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------|
| Net sales | 2,465,635 | 5,144,629 | 8,088,506 | 11,375,207 |
| Income before income taxes and minority interests | 147,288 | 324,290 | 490,416 | 687,421 |
| Net income | 112,134 | 237,003 | 338,812 | 457,574 |
| Net income per share (Yen) | 26.75 | 56.54 | 80.82 | 109.15 |

| Each quarter | 1st Quarter (From April 1, 2014 To June 30, 2014) | 2nd Quarter (From July 1, 2014 To September 30, 2014) | 3rd Quarter (From October 1, 2014 To December 31, 2014) | 4th Quarter (From January 1, 2015 To March 31, 2015) |
|-------------------------------|---------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------|
| Net income per share (Yen) | 26.75 | 29.79 | 24.28 | 28.32 |

2. Non-Consolidated Financial Statements

(1) Non-consolidated financial statements

① Non-consolidated balance sheets

(Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|--------------------------------------------------------------|---------------------------------------------|-----------------------------------------------|
| Assets | | |
| Current assets | | |
| Cash on hand and in banks | 65,500 | 24,365 |
| Trade accounts receivable | ※1 512,367 | ※1 522,904 |
| Finished goods | 51,001 | 61,396 |
| Work in process | 23,923 | 26,072 |
| Raw materials and supplies | 72,326 | 86,379 |
| Prepaid expenses | 24,931 | 19,729 |
| Deferred tax assets | 93,086 | 98,209 |
| Short-term loans receivable from subsidiaries and affiliates | 561,213 | 535,902 |
| Other | ※1 162,442 | ※1 166,600 |
| Allowance for doubtful accounts | (13,166) | (19,043) |
| Total current assets | 1,553,627 | 1,522,517 |
| Fixed assets | | |
| Property, plant and equipment | | |
| Buildings | 220,096 | 214,572 |
| Structures | 32,438 | 31,276 |
| Machinery and equipment | 149,771 | 136,860 |
| Vehicles | 24,382 | 29,034 |
| Tools, furniture and fixtures | 92,115 | 79,507 |
| Land | 134,459 | 132,889 |
| Construction in progress | 6,464 | 12,994 |
| Total property, plant and equipment | 659,729 | 637,136 |
| Intangible fixed assets | 55,539 | 56,000 |
| Investments and other assets | | |
| Investment securities | 189,547 | 199,394 |
| Investments in subsidiaries and affiliates | 1,554,663 | 1,708,651 |
| Long-term loans receivable from subsidiaries and affiliates | 689,932 | 846,315 |
| Other | 23,669 | 23,518 |
| Allowance for doubtful accounts | (278) | (198) |
| Total investments and other assets | 2,457,534 | 2,777,681 |
| Total fixed assets | 3,172,803 | 3,470,818 |
| Total assets | 4,726,430 | 4,993,336 |

(Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | | Current fiscal year (As of March 31, 2015) | |
|--------------------------------------------------------|---------------------------------------------|-----------|-----------------------------------------------|-----------|
| Liabilities | | | | |
| Current liabilities | | | | |
| Trade notes payable | | 297 | | 7,023 |
| Electronically recorded obligations - operating | | — | ※1 | 255,383 |
| Trade accounts payable | ※1 | 651,521 | ※1 | 428,670 |
| Short-term borrowings | ※1 | 384,117 | ※1 | 309,033 |
| Current portion of long-term borrowings | | 166,350 | | 76,350 |
| Current portion of bonds | | 69,999 | | 50,000 |
| Lease obligations | ※1 | 25,324 | ※1 | 18,551 |
| Accounts payable-other | ※1 | 19,917 | ※1 | 28,927 |
| Accrued expenses | ※1 | 262,724 | ※1 | 308,724 |
| Income taxes payable | | 30,583 | | 53,712 |
| Deposits received | ※1 | 88,198 | ※1 | 79,638 |
| Accrued warranty costs | | 23,054 | | 24,507 |
| Other | | 1,954 | | 663 |
| Total current liabilities | | 1,724,043 | | 1,641,184 |
| Long-term liabilities | | | | |
| Bonds | | 280,000 | | 350,000 |
| Long-term borrowings | | 360,837 | | 303,462 |
| Long-term loans payable to subsidiaries and affiliates | | 11,012 | | — |
| Lease obligations | ※1 | 27,196 | ※1 | 22,529 |
| Deferred tax liabilities | | 85,342 | | 52,685 |
| Accrued warranty costs | | 46,282 | | 51,064 |
| Accrued retirement benefits | | 31,922 | | 77,705 |
| Other | ※1, ※2 | 15,512 | ※1, ※2 | 21,755 |
| Total long-term liabilities | | 858,105 | | 879,200 |
| Total liabilities | | 2,582,149 | | 2,520,384 |

(Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|----------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------|
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 605,813 | 605,813 |
| Capital surplus | | |
| Legal capital surplus | 804,470 | 804,470 |
| Other capital surplus | 15 | 96 |
| Total capital surplus | 804,485 | 804,566 |
| Retained earnings | | |
| Legal reserve | 53,838 | 53,838 |
| Other retained earnings | | |
| Reserve for reduction of replacement cost of specified properties | 59,418 | 58,274 |
| Reserve for special depreciation | 67 | 30 |
| Unappropriated retained earnings | 578,999 | 895,741 |
| Total retained earnings | 692,324 | 1,007,884 |
| Treasury stock | (31,285) | (30,702) |
| Total shareholders' equity | 2,071,337 | 2,387,562 |
| Valuation, translation adjustments and others | | |
| Unrealized holding gain and loss on securities | 70,707 | 83,210 |
| Unrealized gain and loss from hedging instruments | (163) | (115) |
| Total valuation, translation adjustments and others | 70,543 | 83,094 |
| Share subscription rights | 2,400 | 2,293 |
| Total net assets | 2,144,281 | 2,472,951 |
| Total liabilities and net assets | 4,726,430 | 4,993,336 |

② Non-consolidated statements of income

(Millions of yen)

| | Prior fiscal year | | Current fiscal year | |
|-----------------------------------------------------------------|-------------------------------------------|-----------|-------------------------------------------|-----------|
| | (From April 1, 2013 To March 31, 2014) | | (From April 1, 2014 To March 31, 2015) | |
| Net sales | ※1 | 3,737,844 | ※1 | 3,516,415 |
| Cost of sales | ※1 | 3,225,698 | ※1 | 3,041,024 |
| Gross profit | | 512,146 | | 475,390 |
| Selling, general and administrative expenses | ※1, ※2 | 324,888 | ※1, ※2 | 334,787 |
| Operating income | | 187,258 | | 140,602 |
| Non-operating income | | | | |
| Interest income | ※1 | 12,198 | ※1 | 12,117 |
| Dividends income | ※1 | 257,194 | ※1 | 380,016 |
| Exchange gain | | 14,901 | | 20,658 |
| Other | ※1 | 16,219 | ※1 | 17,261 |
| Total non-operating income | | 300,514 | | 430,053 |
| Non-operating expenses | | | | |
| Interest expense | ※1 | 12,533 | ※1 | 10,050 |
| Amortization of net retirement benefit obligation at transition | | 8,054 | | 8,048 |
| Derivative loss | | 5,234 | | 8,563 |
| Other | ※1 | 4,669 | ※1 | 3,840 |
| Total non-operating expenses | | 30,491 | | 30,502 |
| Ordinary income | | 457,281 | | 540,154 |
| Special gains | | | | |
| Gain on sales of fixed assets | | 147 | | 600 |
| Gain on contribution of securities to retirement benefit trust | | 12,175 | | 17,725 |
| Other | | 945 | | 373 |
| Total special gains | | 13,268 | | 18,698 |
| Special losses | | | | |
| Loss on sales of fixed assets | | 447 | | 791 |
| Loss on disposal of fixed assets | | 4,110 | | 4,463 |
| Impairment loss | | — | | 1,713 |
| Loss on valuation of shares of subsidiaries and affiliates | | — | | 9,492 |
| Other | | 327 | | 4,393 |
| Total special losses | | 4,885 | | 20,854 |
| Income before income taxes | | 465,664 | | 537,997 |
| Income taxes-current | | 16,145 | | 65,458 |
| Income taxes-deferred | | 24,023 | | (19,031) |
| Total income taxes | | 40,169 | | 46,427 |
| Net income | | 425,494 | | 491,570 |

③ Non-consolidated statements of changes in net assets

Prior fiscal year (From April 1, 2013 To March 31, 2014)

(Millions of yen)

| | Shareholders' equity | | | | | | | | |
|-----------------------------------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-------------------------------------------------------------------|----------------------------------|----------------------------------|-----------|-------------------------|
| | Common stock | Capital surplus | | | Legal reserve | Retained earnings | | | |
| | | Legal capital surplus | Other capital surplus | Total capital surplus | | Other retained earnings | | | Total retained earnings |
| | | | | | Reserve for reduction of replacement cost of specified properties | Reserve for special depreciation | Unappropriated retained earnings | | |
| Balance at the beginning of current period | 605,813 | 804,470 | — | 804,470 | 53,838 | 64,820 | 143 | 271,497 | 390,300 |
| Cumulative effect of changes in accounting policies | | | | | | | | | |
| Restated balance | 605,813 | 804,470 | — | 804,470 | 53,838 | 64,820 | 143 | 271,497 | 390,300 |
| Changes of items during the period | | | | | | | | | |
| Cash dividends paid | | | | | | | | (123,470) | (123,470) |
| Provision of reserve for reduction entry of replaced properties | | | | | | 17 | | (17) | — |
| Reversal of reserve for reduction entry of replaced properties | | | | | | (5,419) | | 5,419 | — |
| Provision of reserve for special depreciation | | | | | | | 4 | (4) | — |
| Reversal of reserve for special depreciation | | | | | | | (80) | 80 | — |
| Net income | | | | | | | | 425,494 | 425,494 |
| Purchases of treasury stock | | | | | | | | | |
| Disposal of treasury stock | | | 15 | 15 | | | | | |
| Net changes of items other than those in shareholders' equity | | | | | | | | | |
| Total changes of items during the period | | | 15 | 15 | | (5,402) | (75) | 307,501 | 302,023 |
| Balance at the end of current period | 605,813 | 804,470 | 15 | 804,485 | 53,838 | 59,418 | 67 | 578,999 | 692,324 |

| | Shareholders' equity | | Valuation, translation adjustments and others | | | Share subscription rights | Total net assets |
|-----------------------------------------------------------------|----------------------|----------------------------|------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|---------------------------|------------------|
| | Treasury stock | Total shareholders' equity | Unrealized holding gain and loss on securities | Unrealized gain and loss from hedging instruments | Total valuation, translation adjustments and others | | |
| Balance at the beginning of current period | (31,402) | 1,769,181 | 18,761 | (5) | 18,756 | 2,415 | 1,790,353 |
| Cumulative effect of changes in accounting policies | | | | | | | |
| Restated balance | (31,402) | 1,769,181 | 18,761 | (5) | 18,756 | 2,415 | 1,790,353 |
| Changes of items during the period | | | | | | | |
| Cash dividends paid | | (123,470) | | | | | (123,470) |
| Provision of reserve for reduction entry of replaced properties | | | | | | | |
| Reversal of reserve for reduction entry of replaced properties | | | | | | | |
| Provision of reserve for special depreciation | | | | | | | |
| Reversal of reserve for special depreciation | | | | | | | |
| Net income | | 425,494 | | | | | 425,494 |
| Purchases of treasury stock | (9) | (9) | | | | | (9) |
| Disposal of treasury stock | 126 | 141 | | | | | 141 |
| Net changes of items other than those in shareholders' equity | | | 51,945 | (158) | 51,787 | (14) | 51,772 |
| Total changes of items during the period | 116 | 302,155 | 51,945 | (158) | 51,787 | (14) | 353,928 |
| Balance at the end of current period | (31,285) | 2,071,337 | 70,707 | (163) | 70,543 | 2,400 | 2,144,281 |

Current fiscal year (From April 1, 2014 To March 31, 2015)

(Millions of yen)

| | Shareholders' equity | | | | | | | | |
|-----------------------------------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|---------------|-------------------------------------------------------------------|----------------------------------|----------------------------------|-------------------------|
| | Common stock | Capital surplus | | | Legal reserve | Retained earnings | | | |
| | | Legal capital surplus | Other capital surplus | Total capital surplus | | Other retained earnings | | | Total retained earnings |
| | | | | | | Reserve for reduction of replacement cost of specified properties | Reserve for special depreciation | Unappropriated retained earnings | |
| Balance at the beginning of current period | 605,813 | 804,470 | 15 | 804,485 | 53,838 | 59,418 | 67 | 578,999 | 692,324 |
| Cumulative effect of changes in accounting policies | | | | | | | | (34,578) | (34,578) |
| Restated balance | 605,813 | 804,470 | 15 | 804,485 | 53,838 | 59,418 | 67 | 544,421 | 657,746 |
| Changes of items during the period | | | | | | | | | |
| Cash dividends paid | | | | | | | | (141,432) | (141,432) |
| Provision of reserve for reduction entry of replaced properties | | | | | | 2,910 | | (2,910) | — |
| Reversal of reserve for reduction entry of replaced properties | | | | | | (4,054) | | 4,054 | — |
| Provision of reserve for special depreciation | | | | | | | 5 | (5) | — |
| Reversal of reserve for special depreciation | | | | | | | (43) | 43 | — |
| Net income | | | | | | | | 491,570 | 491,570 |
| Purchases of treasury stock | | | | | | | | | |
| Disposal of treasury stock | | | 81 | 81 | | | | | |
| Net changes of items other than those in shareholders' equity | | | | | | | | | |
| Total changes of items during the period | | | 81 | 81 | | (1,143) | (37) | 351,320 | 350,138 |
| Balance at the end of current period | 605,813 | 804,470 | 96 | 804,566 | 53,838 | 58,274 | 30 | 895,741 | 1,007,884 |

| | Shareholders' equity | | Valuation, translation adjustments and others | | | Share subscription rights | Total net assets |
|-----------------------------------------------------------------|----------------------|----------------------------|------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|---------------------------|------------------|
| | Treasury stock | Total shareholders' equity | Unrealized holding gain and loss on securities | Unrealized gain and loss from hedging instruments | Total valuation, translation adjustments and others | | |
| Balance at the beginning of current period | (31,285) | 2,071,337 | 70,707 | (163) | 70,543 | 2,400 | 2,144,281 |
| Cumulative effect of changes in accounting policies | | (34,578) | | | | | (34,578) |
| Restated balance | (31,285) | 2,036,759 | 70,707 | (163) | 70,543 | 2,400 | 2,109,703 |
| Changes of items during the period | | | | | | | |
| Cash dividends paid | | (141,432) | | | | | (141,432) |
| Provision of reserve for reduction entry of replaced properties | | | | | | | |
| Reversal of reserve for reduction entry of replaced properties | | | | | | | |
| Provision of reserve for special depreciation | | | | | | | |
| Reversal of reserve for special depreciation | | | | | | | |
| Net income | | 491,570 | | | | | 491,570 |
| Purchases of treasury stock | (61) | (61) | | | | | (61) |
| Disposal of treasury stock | 644 | 725 | | | | | 725 |
| Net changes of items other than those in shareholders' equity | | | 12,503 | 48 | 12,551 | (107) | 12,444 |
| Total changes of items during the period | 583 | 350,803 | 12,503 | 48 | 12,551 | (107) | 363,247 |
| Balance at the end of current period | (30,702) | 2,387,562 | 83,210 | (115) | 83,094 | 2,293 | 2,472,951 |

[Notes to Non-consolidated Financial Statements]
(Significant accounting policies)

1. Valuation methods for securities

(1) Held-to-maturity securities

Held-to-maturity 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

① 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. Cost of securities sold is calculated by the moving average method.

② Non-marketable securities:

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

Investments in limited liability partnerships and similar investments, defined as securities by Article 2, Section 2 of the Financial Instruments and Exchange Law, are recognized at the net amount corresponding to the owning portion under the equity method based on the latest available financial statements of the partnerships.

2. Valuation methods for derivative financial instruments

Derivative financial instruments are carried at fair value.

3. Valuation methods for inventories

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

4. 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 the estimated residual value determined by the Company.

(2) Intangible fixed assets

Amortization of intangible fixed 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 life (5 years).

(3) Leased assets

Depreciation of leased assets is calculated by the straight-line method based on either the estimated useful lives or the lease terms and the estimated residual value determined by the Company.

5. 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.

6. Basis for reserves

(1) Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on past experience for normal receivables and on an estimate of the collectibility of receivables from companies in financial difficulty.

(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 the pension plan assets at the end of the current fiscal year.

For calculating the retirement benefit obligation, the benefit formula basis has been adopted for attributing projected benefits to periods.

The net retirement benefit obligation at transition is being amortized over a period of 15 years by the straight-line method.

Past 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 and loss are amortized from the year following the year in which the gain and loss are recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.

7. Hedge accounting

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.

8. Other significant accounting policies

(1) Accounting for retirement benefit

The accounting methods of unrecognized actuarial gain and loss, unrecognized past service cost and unrecognized net retirement benefit obligation at transition are different from those of the consolidated financial statements.

(2) Accounting for the consumption taxes

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

(3) Adoption of consolidated taxation system

The Company adopts the consolidated taxation system.

(Changes in accounting policies)

The Company has applied ASBJ Statement No. 26, “*Accounting Standard for Retirement Benefits*” (released on May 17, 2012, hereinafter the “Standard”) and ASBJ Guidance No. 25, “*Guidance on Accounting Standard for Retirement Benefits*” (released on March 26, 2015, hereinafter the “Guidance”) effective from the beginning of the fiscal year ended March 31, 2015, in accordance with the provisions stated in Paragraph 35 of the Standard and Paragraph 67 of the Guidance. As a result, the methods for calculating retirement benefit obligation and service cost have been revised in the following respects: The method for attributing projected benefits to periods has been changed from the straight-line basis to the benefit formula basis, and the method for determining the discount rate has been changed to use a single weighted-average discount rate that reflects the periods until the expected payment of retirement benefits and the amount of projected benefits every such period.

According to the transitional treatment provided in Paragraph 37 of the Standard, the effect of changing the method for calculating retirement benefit obligation and service cost was recognized by adjusting unappropriated retained earnings at the beginning of the fiscal year ended March 31, 2015.

As a result, the accrued retirement benefit increased by ¥53,693 million and unappropriated retained earnings decreased by ¥34,578 million at the beginning of the fiscal year ended March 31, 2015. The effect of this change on operating income, ordinary income and income before income taxes for the fiscal year ended March 31, 2015, is immaterial.

Net assets per share for the current fiscal year decreased by ¥7.70, and the effect on basic net income per share and diluted net income per share for the current fiscal year is immaterial.

(Changes in presentation)

“Advances received” which was presented as a separate account under “Current liabilities” in the prior fiscal year, has been included in “Other” in the current fiscal year due to its decreased financial materiality.

(For non-consolidated balance sheets)

1 ※1 Monetary receivables from and payables to subsidiaries and affiliates (except for separately disclosed)

(Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|---------------------------------|---------------------------------------------|-----------------------------------------------|
| Short-term monetary receivables | 531,496 | 499,403 |
| Short-term monetary payables | 700,940 | 671,370 |
| Long-term monetary payables | 9,835 | 13,101 |

2 Guarantees and others

Prior fiscal year (As of March 31, 2014)

(1) Guarantees

| Guarantees | Balance of liabilities guaranteed (Millions of yen) | Description of liabilities guaranteed |
|-----------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------|
| Employees | ※ 61,825 | Guarantees for employees' housing loans |
| Automotive Energy Supply Corporation | 11,912 | Guarantees for loans to purchase fixed assets |
| Nissan Motor Manufacturing (UK) Limited | 4,967 | Guarantees for loans to purchase fixed assets |
| Nissan South Africa (Pty) Ltd. | 3,011 | Guarantees for loans for working capital |
| Nissan North America, Inc. | 804 | Guarantees for loans to purchase fixed assets |
| 18 domestic dealers | 5,487 | Guarantees for loans for working capital |
| Total | 88,009 | ※ Allowance for doubtful accounts is provided based on past experience. |

(2) Commitments to provide guarantees

| Guarantees | Balance of commitments to provide guarantees (Millions of yen) | Description of liabilities guaranteed |
|----------------------------------|-------------------------------------------------------------------|---------------------------------------------|
| Hibikinada Development Co., Ltd. | 134 | Commitments to provide guarantees for loans |

(3) Letters of awareness

The Company issued letters of awareness regarding borrowings from financial institutions made by the following subsidiaries.

| Company name | Balance of liabilities (Millions of yen) |
|-----------------------------------------|------------------------------------------|
| Nissan Motor Manufacturing (UK) Limited | 39,662 |
| Nissan Motor Iberica, S.A. | 28,330 |
| Total | 67,992 |

(4) Keepwell Agreements

In addition to the above, the Company entered into keepwell agreements with the following financial subsidiaries and others to enhance their credit worthiness.

Their balances of liabilities at the end of March 2014 were as follows.

| Company name | Balance of liabilities (Millions of yen) |
|----------------------------------------------|------------------------------------------|
| Nissan Motor Acceptance Corporation | 3,048,075 |
| Nissan Financial Services Co., Ltd. | 537,600 |
| Nissan Financial Services Australia Pty Ltd. | 232,263 |
| Nissan Leasing (Thailand) Co., Ltd. | 101,214 |
| Nissan Canada Financial Services, Inc. | 98,065 |
| Nissan North America, Inc. | 63,604 |
| Nissan Canada, Inc. | 49,050 |
| Total | 4,129,873 |

Current fiscal year (As of March 31, 2015)

(1) Guarantees

| Guarantees | Balance of liabilities guaranteed (Millions of yen) | Description of liabilities guaranteed |
|-----------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------|
| Employees | ※ 52,389 | Guarantees for employees' housing loans |
| Nissan Motor Manufacturing (UK) Limited | 8,030 | Guarantees for loans to purchase fixed assets |
| Automotive Energy Supply Corporation | 7,330 | Guarantees for loans to purchase fixed assets |
| Nissan South Africa (Pty) Ltd. | 2,391 | Guarantees for loans for working capital |
| Nissan North America, Inc. | 814 | Guarantees for loans to purchase fixed assets |
| 17 domestic subsidiaries | 4,400 | Guarantees for loans for working capital |
| Total | 75,357 | ※ Allowance for doubtful accounts is provided based on past experience. |

(2) Commitments to provide guarantees

| Guarantees | Balance of commitments to provide guarantees (Millions of yen) | Description of liabilities guaranteed |
|----------------------------------|----------------------------------------------------------------|---------------------------------------------|
| Hibikinada Development Co., Ltd. | 110 | Commitments to provide guarantees for loans |

(3) Letters of awareness

The Company issued letters of awareness regarding borrowings from financial institutions made by the following subsidiary.

| Company name | Balance of liabilities (Millions of yen) |
|-----------------------------------------|------------------------------------------|
| Nissan Motor Manufacturing (UK) Limited | 10,425 |

(4) Keepwell Agreements

In addition to the above, the Company entered into keepwell agreements with the following financial subsidiaries and others to enhance their credit worthiness.

Their balances of liabilities at the end of March 2015 were as follows.

| Company name | Balance of liabilities (Millions of yen) |
|------------------------------------------------|------------------------------------------|
| Nissan Motor Acceptance Corporation | 4,017,719 |
| Nissan Financial Services Co., Ltd. | 555,100 |
| Nissan Financial Services Australia Pty Ltd. | 278,267 |
| Nissan Leasing (Thailand) Co., Ltd. | 162,720 |
| Nissan Canada, Inc. | 96,595 |
| Nissan North America, Inc. | 67,054 |
| Nissan Canada Financial Services, Inc. | 57,531 |
| Nissan Financial Services New Zealand Pty Ltd. | 4,512 |
| Total | 5,239,501 |

- 3 ※2 "Other" of Long-term liabilities includes updated amount of retirement benefits for directors and statutory auditors covered under the resolution approved at the general shareholders meeting held on June 20, 2007.

(For non-consolidated statements of income)

| 1 ※1 Transactions with subsidiaries and affiliates | (Millions of yen) | |
|----------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
| Operating transactions: | | |
| Sales | 3,193,861 | 3,028,382 |
| Operating expenses | 1,356,611 | 1,337,848 |
| Non-operating transactions | 288,837 | 412,892 |

2 ※2 Major components of selling, general and administrative expenses are as follows. (Millions of yen)

| | Prior fiscal year (From April 1, 2013 To March 31, 2014) | Current fiscal year (From April 1, 2014 To March 31, 2015) |
|--------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| Service costs | 56,709 | 55,151 |
| Provision for accrued warranty costs | 31,169 | 25,180 |
| Other selling expenses | 42,337 | 43,184 |
| Salaries and wages | 70,249 | 82,305 |
| Retirement benefit expenses | 5,978 | 2,578 |
| Outsourcing expenses | 31,640 | 35,311 |
| Depreciation and amortization | 15,906 | 15,279 |
| Provision for doubtful accounts | 8 | 5,593 |

Selling expenses account for approximately 50% of the selling, general and administrative expenses in the prior fiscal year, and selling expenses account for approximately 40% of the selling, general and administrative expenses in the current fiscal year,

(For securities)

Investments in subsidiaries and affiliates

Prior fiscal year (As of March 31, 2014)

(Millions of yen)

| | Carrying value | Estimated fair value | Difference |
|------------------------|----------------|----------------------|------------|
| ① Subsidiaries' shares | 24,002 | 327,372 | 303,369 |
| ② Affiliates' shares | 0 | 0 | 0 |
| Total | 24,002 | 327,372 | 303,369 |

Current fiscal year (As of March 31, 2015)

(Millions of yen)

| | Carrying value | Estimated fair value | Difference |
|------------------------|----------------|----------------------|------------|
| ① Subsidiaries' shares | 24,002 | 332,722 | 308,719 |
| ② Affiliates' shares | 0 | 0 | 0 |
| Total | 24,002 | 332,722 | 308,720 |

Note: The amounts of investments in subsidiaries and affiliates recorded in the non-consolidated balance sheet for which it is deemed difficult to measure the fair value.

(Millions of yen)

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|------------------------|---------------------------------------------|-----------------------------------------------|
| ① Subsidiaries' shares | 1,512,199 | 1,670,902 |
| ② Affiliates' shares | 18,461 | 13,746 |

These shares are not included in "Investments in subsidiaries and affiliates" because they do not have a market value and their fair value is not easily determinable.

(For tax-effect accounting)

1. Significant components of deferred tax assets and liabilities

| | (Millions of yen) | |
|----------------------------------------------|---------------------------------------------|-----------------------------------------------|
| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
| Deferred tax assets: | | |
| Loss on valuation of securities | 51,557 | 49,626 |
| Research and development expenses | 35,172 | 37,647 |
| Accrued retirement benefits | 21,110 | 37,215 |
| Accrued expenses | 22,161 | 29,430 |
| Accrued warranty costs | 24,681 | 24,538 |
| Deferred assets for tax purposes | 14,940 | 16,192 |
| Other | 65,734 | 53,586 |
| Total gross deferred tax assets | 235,358 | 248,237 |
| Valuation allowance | (70,238) | (59,328) |
| Total deferred tax assets | 165,120 | 188,908 |
| Deferred tax liabilities: | | |
| Loss on valuation of securities | (81,731) | (72,959) |
| Unrealized holding gain on securities | (39,095) | (39,418) |
| Reserves under Special Taxation Measures Law | (32,879) | (27,709) |
| Other | (3,670) | (3,297) |
| Total deferred tax liabilities | (157,375) | (143,384) |
| Net deferred tax assets | 7,744 | 45,524 |

2. The reconciliation between the effective tax rates reflected in the non-consolidated financial statements and the statutory tax rate is summarized as follows:

| | Prior fiscal year (As of March 31, 2014) | Current fiscal year (As of March 31, 2015) |
|---------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------|
| Statutory tax rate of the Company | 38.0% | 35.6% |
| (Reconciliation) | | |
| Items not permanently qualifying for deduction | 0.2% | 0.1% |
| Dividend income excluded from gross revenue | (19.5%) | (23.3%) |
| Reduction of deferred tax assets at year-end due to tax rate change | 1.1% | 1.3% |
| Tax credits | (8.1%) | (4.9%) |
| Other | (3.1%) | (0.2%) |
| Effective tax rate after adoption of tax-effect accounting | 8.6% | 8.6% |

3. Amendments to deferred tax assets and deferred tax liabilities due to a change in the rate of corporation tax

In accordance with the Act for Partial Amendment of the Income Tax Act (Act No. 9, 2015) and the Act for Partial Amendment of the Local Tax Act (Act No. 2, 2015) promulgated on March 31, 2015, the reduction of income tax rates and other amendments will take effect from the fiscal year beginning on or after April 1, 2015. Accordingly, the statutory tax rate used for calculating deferred tax assets and liabilities has been changed from 35.6% in prior fiscal year to 33.0% for the temporary differences to be reversed in the fiscal year beginning on April 1, 2015, or 32.2% for the temporary differences to be reversed in the fiscal year beginning on and after April 1, 2016.

These tax rate changes resulted in a decrease of ¥2,771 million in deferred tax assets (after deducting deferred tax liabilities); an increase of ¥6,968 million in income taxes-deferred; an increase of ¥4,202 million in unrealized holding gain on securities and a decrease of ¥5 million in unrealized gain and loss from hedging instruments in the current fiscal year.

(Significant subsequent events)

Not applicable.

④ Non-consolidated supplemental schedules

Detailed schedule of fixed assets

(Millions of yen)

| Category | Type of assets | Balance at the beginning of the current fiscal year | Increase in the current fiscal year | Decrease in the current fiscal year | Depreciation or amortization for the current fiscal year | Balance at the end of the current fiscal year | Accumulated depreciation or amortization |
|-------------------------------|-------------------------------|-----------------------------------------------------|-------------------------------------|-------------------------------------|----------------------------------------------------------|-----------------------------------------------|------------------------------------------|
| Property, plant and equipment | Buildings | 220,096 | 5,319 | 1,616 (790) | 9,226 | 214,572 | 286,696 |
| | Structures | 32,438 | 1,249 | 364 (287) | 2,046 | 31,276 | 74,929 |
| | Machinery and equipment | 149,771 | 24,225 | 1,720 (29) | 35,415 | 136,860 | 770,914 |
| | Vehicles | 24,382 | 10,916 | 860 | 5,404 | 29,034 | 33,550 |
| | Tools, furniture and fixtures | 92,115 | 25,118 | 3,441 (2) | 34,285 | 79,507 | 292,246 |
| | Land | 134,459 | — | 1,570 (599) | — | 132,889 | — |
| | Construction in progress | 6,464 | 14,399 | 7,869 | — | 12,994 | — |
| | Total | 659,729 | 81,228 | 17,443 (1,709) | 86,378 | 637,136 | 1,458,337 |
| Intangible fixed assets | | 55,539 | 21,108 | 4,224 (4) | 16,423 | 56,000 | 179,174 |

Note: The figures in parentheses in the “Decrease in the current fiscal year” column represent the amounts of impairment loss included.

Detailed schedule of allowances

(Millions of yen)

| Account | Balance at the beginning of the current fiscal year | Increase in the current fiscal year | Decrease in the current fiscal year | Balance at the end of the current fiscal year |
|---------------------------------|-----------------------------------------------------|-------------------------------------|-------------------------------------|-----------------------------------------------|
| Allowance for doubtful accounts | 13,444 | 6,482 | 685 | 19,241 |
| Accrued warranty costs | 69,336 | 31,611 | 25,376 | 75,571 |

(2) Details of major assets and liabilities

This information is omitted because the Company prepares consolidated financial statements.

(3) Other

Not applicable.

6. Information on Transfer and Repurchase of the Company's Stock

| | |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fiscal year | From April 1 To March 31 |
| General meeting of shareholders | June |
| Cut-off date for dividend | March 31 |
| Cut-off dates for dividend of surplus | September 30 and March 31 |
| Number of shares per unit of the Company's stock | 100 shares |
| Repurchase of shares less than one unit | |
| Address where repurchases are processed | (Special account) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited. |
| Administrator of shareholders' register | (Special account) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited. |
| Offices available for repurchase | — |
| Charges for repurchase | Handling charges as set by the securities companies designated by the Company for the repurchase plus the related consumption tax |
| Method of public notice | Public notice of the Company shall be given by electronic means; provided, however, that in the event accidents or other unavoidable reasons prevent public notice by electronic means, the notice can be given in the <i>Nihon Keizai Shimbun</i> . The electronic public notice is presented on the Company's Web site at http://www.nissan-global.com/EN/IR/ |
| Special benefits to shareholders | None |

Note: According to the Company's Articles of Incorporation where the rights of shareholders holding less shares than one unit are prescribed, the holder of shares less than one unit shall not be entitled to exercise the rights of shareholders in connection with such below-unit shares other than those rights listed below:

- (1) The rights stipulated in each item of Article 189, Paragraph 2, of the Corporate Law;
- (2) The right to make a claim in accordance with Article 166, Paragraph 1, of the Corporate Law; and
- (3) The right to subscribe for new shares or new share subscription rights in proportion to the number of the shares owned by said shareholder.

7. Reference Information on the Company

1. Information on the parent company or equivalent of the Company

The Company has no parent company or equivalent as prescribed in Article 24, Paragraph 7, Item 1, of the Financial Instruments and Exchange Law.

2. Other reference information

The Company filed the following documents between the beginning of the fiscal year ended March 31, 2015 and the date when this Securities Report (*Yukashoken-Hokokusho*) was filed.

| | | | | |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------------------|-----------------------------------------------------------------------------------|
| (1) | Securities Report and Accompanying Documents and Confirmation Note | Fiscal Year (the 115th) | From April 1, 2013 To March 31, 2014 | Submitted to the director of the Kanto Local Finance Bureau on June 26, 2014. |
| (2) | Internal Control Report | Fiscal Year (the 115th) | From April 1, 2013 To March 31, 2014 | Submitted to the director of the Kanto Local Finance Bureau on June 26, 2014. |
| (3) | Quarterly Securities Reports and Confirmation Notes | (The 1st quarter of 116th period) | From April 1, 2014 To June 30, 2014 | Submitted to the director of the Kanto Local Finance Bureau on July 30, 2014. |
| | | (The 2nd quarter of 116th period) | From July 1, 2014 To September 30, 2014 | Submitted to the director of the Kanto Local Finance Bureau on November 6, 2014. |
| | | (The 3rd quarter of 116th period) | From October 1, 2014 To December 31, 2014 | Submitted to the director of the Kanto Local Finance Bureau on February 12, 2015. |
| (4) | Extraordinary Report An extraordinary report according to the provision of Article 19, Paragraph 2, Item 9-2 (Matters to be resolved at the general meeting of shareholders), of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc. | | | Submitted to the director of the Kanto Local Finance Bureau on June 26, 2014. |

Part II Information on Guarantors for the Company

Not applicable

(For Translation Purposes Only)
Independent Auditor's Report

June 24, 2015

The Board of Directors
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon LLC

| | |
|------------------------------------------------------------------|-------------------|
| Designated and Engagement Partner Certified Public Accountant | Yoji Murohashi |
| Designated and Engagement Partner Certified Public Accountant | Takeshi Hori |
| Designated and Engagement Partner Certified Public Accountant | Koki Ito |
| Designated and Engagement Partner Certified Public Accountant | Masayuki Nakamura |

<Financial statements audit>

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Law of Japan, we have audited the accompanying consolidated financial statements of Nissan Motor Co., Ltd. included in "Financial Information" for the fiscal year from April 1, 2014 to March 31, 2015, which comprise the consolidated balance sheet, the consolidated statements of income, comprehensive income, changes in net assets and cash flows, the significant accounting policies, the other related notes, and the consolidated supplemental schedules.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nissan Motor Co., Ltd. and consolidated subsidiaries as at March 31, 2015, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

<Internal control audit>

Pursuant to Article 193-2, Section 2, of the Financial Instruments and Exchange Law of Japan, we also have audited the accompanying Management's Report on Internal Control Over Financial Reporting for the consolidated financial statements as at March 31, 2015 of Nissan Motor Co., Ltd. (the "Management's Report").

Management's Responsibility for the Management's Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of the Management's Report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Internal control over financial reporting may not prevent or detect misstatements.

Auditor's Responsibility

Our responsibility is to express an opinion on the Management's Report based on our internal control audit. We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Management's Report is free from material misstatement.

An internal control audit involves performing procedures to obtain audit evidence about the result of management's assessment on internal control over financial reporting in the Management's Report. The procedures selected depend on the auditor's judgment, including the materiality of effect on the reliability of financial reporting. An internal control audit also includes evaluating the overall presentation of the Management's Report, including disclosures on scope, procedures and conclusions of management's assessment of internal control over financial reporting.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Management's Report referred to above, which represents that the internal control over financial reporting as at March 31, 2015 of Nissan Motor Co., Ltd. is effective, present fairly, in all material respects, the result of management's assessment on internal control over financial reporting in conformity with standards for assessment of internal control over financial reporting generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Notes:

1. The above is a digitization of the text contained in the original copy of the Independent Auditors' Report on Financial Statements and Internal Controls, which is in the custody of the Company—the submitter of this Securities Report.
2. The XBRL data is not included in the range of Audit.

(For Translation Purposes Only)
Independent Auditor's Report

June 24, 2015

The Board of Directors
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon LLC

| | |
|------------------------------------------------------------------|-------------------|
| Designated and Engagement Partner Certified Public Accountant | Yoji Murohashi |
| Designated and Engagement Partner Certified Public Accountant | Takeshi Hori |
| Designated and Engagement Partner Certified Public Accountant | Koki Ito |
| Designated and Engagement Partner Certified Public Accountant | Masayuki Nakamura |

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Law of Japan, we have audited the accompanying non-consolidated financial statements of Nissan Motor Co., Ltd. included in "Financial Information" for the 116th fiscal year from April 1, 2014 to March 31, 2015, which comprise the non-consolidated balance sheet, the non-consolidated statements of income and changes in net assets, the significant accounting policies, the other related notes, and the non-consolidated supplemental schedules.

Management's Responsibility for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. The purpose of an audit of the non-consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of Nissan Motor Co., Ltd. as at March 31, 2015, and its non-consolidated financial performance for the year then ended in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Notes:

1. The above is a digitization of the text contained in the original copy of the Independent Auditors' Report on Financial Statements and Internal Controls, which is in the custody of the Company—the submitter of this Securities Report.
2. The XBRL data is not included in the range of Audit.

| | |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| 【Cover】 | |
| 【Document Submitted】 | Internal Control Report (“Naibutousei-Houkokusho”) |
| 【Article of the Applicable Law Requiring Submission of This Document】 | Article 24-4-4, Paragraph 1, of the Financial Instruments and Exchange Law |
| 【Filed to】 | Director, Kanto Local Finance Bureau |
| 【Date of Submission】 | June 25, 2015 |
| 【Company Name】 | Nissan Jidosha Kabushiki-Kaisha |
| 【Company Name (in English)】 | Nissan Motor Co., Ltd. |
| 【Position and Name of Representative】 | Carlos Ghosn, President |
| 【Position and Name of Chief Financial Officer】 | Joseph G. Peter, Chief Financial Officer |
| 【Location of Head Office】 | 2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa |
| 【Place Where Available for Public Inspection】 | Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo |

1. Basic Framework of Internal Control Over Financial Reporting

Carlos Ghosn, President of Nissan Motor Co., Ltd. (the “Company”) and Joseph G. Peter, Chief Financial Officer, having the responsibility to design and operate internal control over financial reporting of the Company, designs and operates such internal control of the Company in accordance with the basic framework set forth in “On the Setting of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)” published by the Business Accounting Council.

Note that internal control aims at achieving its objectives to a reasonable extent given that all individual components of internal control are integrated, and function as a whole. Thus, internal control over financial reporting may not be able to completely prevent or detect misstatement in financial reporting.

2. Scope of Assessment, Assessment Date and Assessment Procedure

Assessment of internal control over financial reporting was performed as of March 31, 2015 (i.e., the last day of this fiscal year) in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In this assessment, the management first assessed company-level control which would have a material impact on the reliability of overall financial reporting on a consolidated basis, and based on such result, the management then selected the business processes to be assessed. In the process-level control assessment, the management assessed the effectiveness of internal control by analyzing the business processes in scope, identifying key controls that would have a material impact on the reliability of the financial reporting, and assessing the design and operation of such key controls.

Management determined the scope of assessment of internal control over financial reporting, by selecting the Company, consolidated subsidiaries and companies accounted for by the equity method based on their materiality of impacts on the reliability of financial reporting. The materiality of the impacts on the reliability of financial reporting was determined in consideration of both quantitative and qualitative aspects, and the management reasonably determined the scope of assessment of process-level control based on the result of the company-level control assessment.

For the purpose of determining the scope of process-level control assessment, business locations were selected as “Significant Business Locations”, which comprises the Company and its consolidated subsidiaries selected in descending order based on their previous fiscal year’s consolidated net sales (after elimination) and contributed approximately two-thirds of the Company’s consolidated net sales in the aggregate. In such Significant Business Locations, all business processes related to the accounts that are closely associated with the Company’s business objectives, such as sales, accounts receivable, and inventory were included in the scope of assessment.

Furthermore, regardless of the Significant Business Locations, certain business processes related to significant accounts involving estimates and management’s judgment, or related to a business or operation dealing with high-risk transactions were added to the scope of assessment as “business processes with material impacts on financial reporting.”

3. Assessment Result

Based on the above mentioned assessment results, the management concluded that the internal control over financial reporting at the end of this fiscal year was effective.

4. Supplementary Information

Not applicable

5. Special Affairs

Not applicable

【Cover】

【Document Submitted】 Confirmation Note

【Article of the Applicable Law Requiring Submission of This Document】 Article 24-4-2, Paragraph 1, of the Financial Instruments and Exchange Law

【Filed to】 Director, Kanto Local Finance Bureau

【Date of Submission】 June 25, 2015

【Company Name】 Nissan Jidosha Kabushiki-Kaisha

【Company Name (in English)】 Nissan Motor Co., Ltd.

【Position and Name of Representative】 Carlos Ghosn, President

【Position and Name of Chief Financial Officer】 Joseph G. Peter, Chief Financial Officer

【Location of Head Office】 2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa

【Place Where Available for Public Inspection】 Tokyo Stock Exchange, Inc.
2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

1. Accuracy of the Descriptions in This Securities Report

Carlos Ghosn, President of Nissan Motor Co., Ltd., and Joseph G. Peter, Chief Financial Officer have confirmed that this Securities Report “Yukashoken-Houkokusho (from April 1, 2014 to March 31, 2015) ” of the 116th Fiscal Term is reasonably and fairly described in accordance with the Financial Instruments and Exchange Law.

2. Special Affairs

There are no noteworthy matters that are pertinent to this securities report.