

# **Quarterly Securities Report**

Second Quarter of FY2019

(From July 1, 2019 To September 30, 2019)

(The English translation of the Quarterly Securities Report “Shihanki-Houkokusho”)

## **Nissan Motor Co., Ltd.**

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<b>【Document Submitted】</b>	Quarterly Securities Report (“Shihanki-Houkokusho”)
<b>【Article of the Applicable Law Requiring Submission of This Document】</b>	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Law
<b>【Filed to】</b>	Director, Kanto Local Finance Bureau
<b>【Date of Submission】</b>	November 14, 2019
<b>【Accounting Period】</b>	Second Quarter of the 121st Fiscal Year (From July 1, 2019 To September 30, 2019)
<b>【Company Name】</b>	Nissan Jidosha Kabushiki-Kaisha
<b>【Company Name (in English)】</b>	Nissan Motor Co., Ltd.
<b>【Position and Name of Representative】</b>	Yasuhiro Yamauchi, Representative Executive Officer, Acting President and Chief Executive Officer, Chief Operating Officer
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# Part I Information on the Company

## 1. Overview of the Company

### 1. Key financial data and trends

Fiscal year		120th Six months ended September 30, 2018	121st Six months ended September 30, 2019	120th
Accounting period		(From April 1, 2018 To September 30, 2018)	(From April 1, 2019 To September 30, 2019)	(From April 1, 2018 To March 31, 2019)
Net sales	Millions of yen	5,532,722	5,003,075	11,574,247
(Current Second Quarter)		(2,816,130)	(2,630,653)	
Ordinary income	Millions of yen	329,932	115,642	546,498
Net income attributable to owners of parent	Millions of yen	246,258	65,365	319,138
(Current Second Quarter)		(130,428)	(58,988)	
Comprehensive income	Millions of yen	249,724	(83,674)	195,999
Net assets	Millions of yen	5,776,714	5,452,232	5,623,510
Total assets	Millions of yen	19,130,603	18,052,901	18,952,345
Basic earnings per share	Yen	62.97	16.70	81.59
(Current Second Quarter)		(33.35)	(15.07)	
Diluted earnings per share	Yen	62.97	16.70	81.59
Net assets as a percentage of total assets	%	28.6	28.2	28.0
Cash flows from operating activities	Millions of yen	524,905	584,191	1,450,888
Cash flows from investing activities	Millions of yen	(406,559)	(296,531)	(1,133,547)
Cash flows from financing activities	Millions of yen	(111,644)	(280,788)	(127,140)
Cash and cash equivalents at end of the period	Millions of yen	1,206,153	1,348,156	1,359,058

Notes: 1. Non-consolidated financial data is not presented as Nissan Motor Co., Ltd. (the “Company”) prepares quarterly consolidated financial statements.

2. Net sales are presented exclusive of consumption tax.

### 2. Description of business

There have been no significant changes in the business in which the Company and its subsidiaries and affiliates (collectively, the “Group”) operate during the six months ended September 30, 2019. No changes were made to major subsidiaries and affiliates.

## 2. Business Overview

### 1. Business and other risks

During the six months ended September 30, 2019, there were no unusual fluctuations with regard to financial position, operating results and cash flows or important changes in the “Business and other risks,” which are described in the Securities Report of the prior fiscal year.

### 2. Management’s analysis of financial position, operating results and cash flows

Any future forecasts included in the following descriptions are based on the best estimates or judgment of the Group as of September 30, 2019, the end of the current second quarter.

#### (1) Financial position and operating results

For the six months ended September 30, 2019, the Group’s net sales amounted to ¥5,003.1 billion, a decrease of ¥529.6 billion (9.6%) from the corresponding period of the last year (the “last year”). Operating income decreased by ¥178.7 billion (85.0%) to ¥31.6 billion on a consolidated basis.

Net non-operating income of ¥84.0 billion was recorded for the six months ended September 30, 2019, decreased by ¥35.6 billion from the last year. As a result, ordinary income decreased by ¥214.3 billion (64.9%) from the last year to ¥115.6 billion. Net special losses of ¥10.9 billion were recorded, deteriorating by ¥4.9 billion from the last year. Income before income taxes decreased by ¥219.2 billion (67.7%) to ¥104.7 billion compared with the last year. Finally, net income attributable to owners of parent of ¥65.4 billion was recorded for the six months ended September 30, 2019, a decrease of ¥180.9 billion (73.5%) from the last year.

#### (2) Cash flows

Cash and cash equivalents at September 30, 2019 decreased by ¥10.9 billion (0.8%) from the end of the prior fiscal year to ¥1,348.2 billion. This reflected ¥584.2 billion in net cash provided by operating activities, ¥296.5 billion in net cash used in investing activities and ¥280.8 billion in net cash used in financing activities, as well as a decrease of ¥23.9 billion in the effects of exchange rate changes on cash and cash equivalents and a ¥6.1 billion increase attributable to a change in the scope of consolidation.

#### (3) Production and sales

##### Actual production

Location of manufacturers	Number of vehicles produced (units)		Change (units)	Change (%)
	Six months ended September 30, 2018	Six months ended September 30, 2019		
Japan	446,372	390,131	(56,241)	(12.6)
The United States of America	393,264	379,295	(13,969)	(3.6)
Mexico	363,645	308,399	(55,246)	(15.2)
The United Kingdom	212,927	161,608	(51,319)	(24.1)
Spain	47,326	32,288	(15,038)	(31.8)
Russia	25,931	28,406	2,475	9.5
Thailand	80,647	75,365	(5,282)	(6.5)
Indonesia	5,521	1,770	(3,751)	(67.9)
Philippines	2,223	2,737	514	23.1
India	90,665	93,152	2,487	2.7
South Africa	19,382	19,530	148	0.8
Brazil	58,314	55,288	(3,026)	(5.2)
Argentina	824	5,625	4,801	582.6
Egypt	9,020	7,705	(1,315)	(14.6)
Total	1,756,061	1,561,299	(194,762)	(11.1)

Note: The figures represent the production figures for the 6-month period from April 1 to September 30, 2019.

## Actual sales

Sales to	Number of vehicles sold (on a consolidated basis: units)		Change (units)	Change (%)
	Six months ended September 30, 2018	Six months ended September 30, 2019		
Japan	269,577	266,974	(2,603)	(1.0)
North America	859,213	782,721	(76,492)	(8.9)
(The United States of America included therein)	644,218	600,115	(44,103)	(6.8)
Europe	302,548	250,321	(52,227)	(17.3)
Asia	164,199	147,235	(16,964)	(10.3)
Other overseas countries	288,120	243,127	(44,993)	(15.6)
Total	1,883,657	1,690,378	(193,279)	(10.3)

Note: The figures in China and Taiwan, which are included in “Asia” represent the sales figures for the 6-month period from January 1 to June 30, 2019. Those sold in Japan, North America, Europe, Other overseas countries and Asia (excluding China and Taiwan) represent vehicles sold for the 6-month period from April 1 to September 30, 2019.

## (4) Results of segments

## (Business segments)

## a. Automobiles

The Group’s worldwide automobile sales (on a retail basis) for the six months ended September 30, 2019 decreased by 6.8% from the last year to 2,501 thousand units.

Net sales in automobile segment (including inter-segment sales) for the six months ended September 30, 2019 decreased by ¥513.6 billion (10.2%) from the last year to ¥4,519.9 billion. Operating loss deteriorated by ¥156.9 billion to ¥91.2 billion from the last year. A major profit-deteriorating factor was a decrease in the number of vehicles sold despite the favorable effect of a reduction in purchasing costs.

## b. Sales Finance

Net sales in the sales finance segment (including inter-segment sales) for the six months ended September 30, 2019 decreased by ¥7.9 billion (1.3%) from the last year to ¥586.6 billion. Operating income for the six months ended September 30, 2019 decreased by ¥11.4 billion (8.8%) from the last year to ¥118.0 billion.

## (Geographic segments)

## a. Japan

The overall demand for vehicles increased by 5.6% in the domestic market, while the number of vehicles sold in Japan decreased by 1.3% from the last year, resulting in 281 thousand units, accounting for a market share of 10.7%.

Net sales (including inter-segment sales) for the six months ended September 30, 2019 decreased by ¥246.6 billion (10.9%) from the last year to ¥2,016.8 billion.

Operating loss of ¥8.6 billion was recorded, deteriorating by ¥122.6 billion from the last year.

A major deteriorating factor was a decrease in the number of vehicles sold despite the favorable effect of a reduction in purchasing costs.

## b. North America

The overall demand for vehicles in the United States of America decreased by 0.4% from the last year, and the number of vehicles sold in the United States of America also decreased by 4.3% from the last year to 679 thousand units, accounting for a market share of 7.8%. The number of vehicles sold in North America, including Mexico and Canada, decreased by 6.9% from the last year to 877 thousand units.

Net sales (including inter-segment sales) for the six months ended September 30, 2019 decreased by ¥236.2 billion (8.2%) from the last year to ¥2,660.7 billion.

Operating income decreased by ¥48.9 billion (57.2%) from the last year to ¥36.5 billion.

A major profit-decreasing factor was a decrease in the number of vehicles sold despite the favorable effect of a reduction in purchasing costs.

## c. Europe

The overall demand for vehicles in Europe decreased by 0.4% from the last year, and the number of vehicles sold in Europe excluding Russia decreased by 20.2% from the last year to 223 thousand units, accounting for a market share of 2.4%. The number of vehicles sold in Russia decreased by 16.8% to 42 thousand units.

Net sales (including inter-segment sales) for the six months ended September 30, 2019 decreased by ¥175.0 billion (19.6%) to ¥718.4 billion.

Operating loss of ¥21.4 billion was recorded, deteriorating by ¥4.4 billion from the last year. A major deteriorating factor was a decrease in the number of vehicles sold despite the favorable effect of a reduction in purchasing costs.

d. Asia

Sales volume in Asia market, excluding China, decreased by 9.2% to 114 thousand units. Net sales in Asia (including intersegment sales) for the six months ended September 30, 2019 decreased by ¥80.7 billion (10.5%) from the last year to ¥687.4 billion.

Operating income for the six months ended September 30, 2019 was ¥21.8 billion, a decrease of ¥7.8 billion (26.1%) from the last year.

The overall demand for vehicles in China decreased by 12.8% from the last year, and the number of vehicles sold in China also decreased by 0.3% from the last year to 718 thousand units, accounting for a market share of 6.2%. The operating results of Chinese joint venture, Dongfeng Motor Co., Ltd., is reflected as a gain on the equity in earnings of affiliates in Non-operating income.

e. Other overseas countries

The number of vehicles sold in Oceania, Middle East, Africa, Central and South America excluding Mexico decreased by 12.5% from the last year to 246 thousand units.

Net sales (including inter-segment sales) for the six months ended September 30, 2019 decreased by ¥123.6 billion (22.9%) from the last year to ¥416.2 billion.

Operating loss of ¥4.0 billion was recorded, deteriorating by ¥4.1 billion from the last year.

(5) Analysis of sources of capital and liquidity

a. Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities increased by ¥59.3 billion to ¥584.2 billion in the six months ended September 30, 2019 from ¥524.9 billion provided in the last year. This was mainly due to a further decline in sales finance receivables despite a decrease in income before income taxes and a narrowing range of decline in trade notes and accounts receivable.

(Cash flows from investing activities)

Net cash used in investing activities decreased by ¥110.1 billion to ¥296.5 billion in the six months ended September 30, 2019 from ¥406.6 billion used in the last year. This was mainly due to a larger net decrease in restricted cash and a decrease in net payment (net difference between the payment for purchase and the proceeds from sales) of leased vehicles despite an increase in purchase of fixed assets.

(Cash flows from financing activities)

Net cash used in financing activities was ¥280.8 billion in the six months ended September 30, 2019, an increase in cash outflows of ¥169.2 billion compared with ¥111.6 billion used in the last year. This was mainly due to increases in repayments of long-term borrowings and redemption of bonds, and a decrease in proceeds from issuance of bonds despite an increase in proceeds from long-term borrowings.

Cash and cash equivalents at September 30, 2019 decreased by ¥10.9 billion (0.8%) from the end of the prior fiscal year to ¥1,348.2 billion, which included a decrease of ¥23.9 billion in the effects of exchange rate changes on cash and cash equivalents and a ¥6.1 billion increase attributable to a change in the scope of consolidation.

b. Financial policies

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 held, the Group believes that a level of liquidity is sufficient to meet the Group's funding requirements.

(6) Management policy and business strategies

Guided by the vision of Enriching people's lives, the Group aims to provide unique and innovative products and services that deliver superior measurable values to all stakeholders under the Alliance.

The Group announced on November 8, 2017, the new midterm plan "Nissan M.O.V.E. to 2022" designed to guide the company toward profitable growth over the next six years, and to prepare for further growth beyond the plan as the evolution continues. The new plan expresses that the Group will keep on moving and evolving toward the future, and it stands for the following drivers:

- Mobility
- Operational Excellence
- Value to Customers
- Electrification

The mission under "Nissan M.O.V.E. to 2022" is to be built on the strong business foundations of "Nissan Power 88", and leverage the benefits of our Alliance with Renault and MITSUBISHI MOTORS CORPORATION, in order to;

1. Achieve sustainable growth, while delivering healthy profitability and strong free cash flow
2. Lead the technology and business evolution in the automotive industry, backed by our technology DNA

On May 14, 2019, the Company announced a business transformation plan containing the following key pillars as a recovery plan for issues the Company is facing. US business recovery, operational and investment efficiency improvement and steady growth through new products, advanced technology and ‘Nissan Intelligent Mobility’ as a recovery plan for issues the Company is facing. Although the business transformation plan included a large change in the target operating margin from 8% to 6%, the aim of this revision is to shift corporate growth strategy from the previous “expansion strategy” to “sustainable growth.”

In March 2019, the Company, Renault and MITSUBISHI MOTORS CORPORATION announced the intention to create a new Alliance operating board (hereinafter the “alliance board”). The operating decisions made by the alliance board will be consensus-based, furthering the Alliance’s “win-win” approach. The alliance board will ask for the creation of specific projects to make recommendations for and drive the execution of new ways to create incremental value of the three auto companies. The creation of the alliance board is designed to help the Company, Renault and MITSUBISHI MOTORS CORPORATION become what they can be together – the top organization in the rapidly changing and highly competitive global auto market.

The Group will fulfill its mission by engaging in “Nissan M.O.V.E. to 2022” with in mind of the technology evolution coming in the next 10 to 15 years, as well as the significant changes in the market and evolving customer expectations.

(7) Operating and financial issues to be addressed

Operating and financial issues to be addressed by the Group occurring during the six months ended September 30, 2019 are as follows.

Since the discovery of nonconformities in the final vehicle inspection process (kanken) at its plants in Japan in 2017, Nissan Motor Co., Ltd. has been proactively carrying out comprehensive compliance checks of various parts of its operations. As part of a check of exhaust emissions and fuel economy measurement tests within the kanken, Nissan discovered that misconduct was carried out. Nissan complied and submitted to the Ministry of Land, Infrastructure, Transport and Tourism a report that comprises Nissan’s understanding of the facts, along with its countermeasures.

On December 19, 2018, the Company solemnly accepted the Ministry of Land, Infrastructure, Transport and Tourism’s process improvement directives related to the Company’s nonconformities in the final vehicle inspection process (kanken) at plants in Japan, and the Company reported the status of process improvement on May 17 and September 4, 2019. Although discovered internally, the Company finds it most regretful that nonconformities in the kanken process had continued. As a companywide exercise, the Company remains committed to safety, and will continue to carry out comprehensive checks of frameworks, organizations and processes related to regulatory compliance.

The former Representative Directors of the Company were indicted on suspicion of violating the Financial Instruments and Exchange Law (charged with submitting false Securities Reports) and a former Representative Director and Chairman was additionally indicted on suspicion of violating the Corporate Law (charged with aggravated breach of trust). In conjunction with these indictments, the Company itself was indicted on suspicion of violating the Financial Instruments and Exchange Law. The Company took this situation very seriously and formed a Special Committee for Improving Governance (SCIG) consisting of several independent third parties and independent Outside Directors of the Company. On March 27, 2019, Nissan’s board of directors received a report from the SCIG that summarizes the committee’s proposals for governance improvements and recommends a framework for the best governance as a foundation for Nissan business operations in the future. The Company has made the transition to a three statutory committee format.

On September 9, 2019, the board of directors of the Company received a report from the Audit Committee on the internal investigation into misconduct led by the Company’s former chairman and others. As stated in the timely disclosure released on September 9, 2019 “Nissan board receives report on misconduct led by former chairman and others”, the report confirmed specific instances of misconduct. Among these instances, Ghosn’s personal use of the company’s assets and improper payments of financial “incentives” to Nissan distributors instructed by Ghosn are as followings. Since September 9, 2019, there have been no changes made to the following contents at the time of submission of this Securities Report. In the future, if significant progress occurs in the following contents, we will disclose in accordance with relevant laws and regulations.

A) Ghosn’s personal use of the company’s assets

The report confirms that Ghosn used the company’s assets for personal benefit, including:

- purchase of residences for exclusive personal use in Beirut and Rio de Janeiro using roughly 27 million U.S. dollars in investment funds from Zi-A Capital, a Nissan subsidiary established under the guise of investing in promising technology start-ups, and further misuse of other company funds to purchase or rent additional residences for personal use;
- payment of sums totaling more than 750,000 U.S. dollars to Ghosn’s sister on the basis of a fictitious consulting contract, starting in 2003 and extending for over 10 years with no evidence of any services having been rendered;
- personal use of the corporate jets by Ghosn and members of his family;



- improper use of expenses toward family vacations and gifts of a personal nature;
- instruction of donations totaling more than 2 million U.S. dollars of company funds to universities in Ghosn's ancestral home country of Lebanon with no legitimate business purpose;
- transfer to Nissan in 2008 of foreign exchange swap contracts bearing unrealized losses of roughly 1.85 billion yen, based on a deceptive explanation to the Company's board regarding the nature of the transaction (in 2009, the swap contracts were secretly transferred back to a company related to Ghosn after being flagged as improper by Japan's financial authorities);
- improper payments totaling roughly 7.8 million Euros to Ghosn from a joint venture established by Nissan and MITSUBISHI MOTORS CORPORATION, paid from April 2018 onward under the pretext of a salary and an employment contract with the joint venture, despite the fact that no contract had been approved by the joint venture's board of directors.

#### B) Improper payments of financial "incentives" to Nissan distributors instructed by Ghosn

Ghosn instructed a Nissan subsidiary to make payments totaling 14.7 million U.S. dollars to a distributor managed by an acquaintance outside Japan who had previously offered him personal financial support (a fact Ghosn withheld from Nissan's board of directors and the relevant departments within the company). Payments were made under the pretext of covering expenses for special business projects and were approved through Nissan's CEO Reserve, an emergency budget over which only Ghosn and a selected few direct subordinates had approval authority.

Ghosn also instructed a Nissan subsidiary to make payments totaling 32 million U.S. dollars to a distributor outside Japan, an employee of which transferred tens of millions of dollars to Ghosn and a company related to Ghosn (a fact Ghosn withheld from Nissan's board of directors and the relevant departments within the company). Payments were made under the pretext of granting financial incentives to the distributor in question and were approved through the CEO Reserve.

The Company have filed a provisional disposition order in the British Virgin Islands against Ghosn and related parties for a luxury yacht and have filed a lawsuit based on the order seeking damages, etc. Going forward, the Company will continue to take necessary measures based on the findings of the Company's internal investigation, including legal action to claim damages, in order to account for the responsibility of the former chairman and others.

The Nomination Committee has been active since June 25, 2019. On October 8, the appointment of new Representative Executive Officer President and Chief Executive Officer, new Representative Executive Officer Chief Operating Officer and new Executive Officer Vice-Chief Operating Officer have been decided by the Nomination Committee. As seen in the announcement of establishing a new management that allocates authorities among multiple executives, strengthening of supervisory function of internal audit, and so on, the Company is working on various countermeasures to prevent recurrence.

The Company continues to improve governance, reform its corporate culture, renew corporate ethics, disclose corporate information appropriately and enhance compliance-focused management.

#### (8) Research-and-development activities

The Group has been active in conducting research-and-development activities in the environment, safety and various other fields toward the realization of a sustainable, motorized society in the future.

The research-and-development costs of the Group amounted to ¥255.9 billion for the six months ended September 30, 2019.

### 3. Important business contracts

No important business contracts were determined or entered into during the current second quarter.

### 3. 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 September 30, 2019	As of November 14, 2019 (filing date of this Quarterly Securities Report)		
Common stock	4,220,715,112	4,220,715,112	First Section of the Tokyo Stock Exchange	The number of shares constituting a standard unit is 100
Total	4,220,715,112	4,220,715,112	—	—

##### (2) Status of the share subscription rights

###### ① Stock option plans

Not applicable

###### ② Other share subscription rights

Not applicable

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

Not applicable

##### (4) 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 legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
From July 1, 2019 To September 30, 2019	—	4,220,715	—	605,813	—	804,470

## (5) Principal shareholders

(As of September 30, 2019)

Name	Address	Number of shares held (Thousands)	Number of shares (excluding treasury stock) 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 BILLANCOURT, FRANCE (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	1,831,837	43.7
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	147,578	3.5
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 (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	142,301	3.4
Japan Trustee Services Bank, Ltd. (Trust account)	1-8-11 Harumi, Chuo-ku, Tokyo	109,956	2.6
Japan Trustee Services Bank, Ltd. (Trust account 9)	1-8-11 Harumi, Chuo-ku, Tokyo	65,852	1.6
Nippon Life Insurance Company (Standing agent: The Master Trust Bank of Japan, Ltd.)	1-6-6 Marunouchi, Chiyoda-ku, Tokyo (Nippon Life securities management portion) (2-11-3 Hamamatsu-cho, Minato-ku, Tokyo)	54,029	1.3
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	48,044	1.1
Japan Trustee Services Bank, Ltd. (Trust account 5)	1-8-11 Harumi, Chuo-ku, Tokyo	47,247	1.1
Japan Trustee Services Bank, Ltd. (Trust account 1)	1-8-11 Harumi, Chuo-ku, Tokyo	31,355	0.7
JP Morgan Chase Bank 385151 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	30,963	0.7
Total	—	2,509,162	59.9

Note: Daimspain, S.L., Daimspain DT, S.L. and Daimspain DAG, S.L. substantially holds 140,142 thousand shares of the Company, with an individual distribution of Daimspain, S.L. holding 100,505 thousand shares, Daimspain DAG, S.L. holding 25,808 thousand shares and Daimspain DT, S.L. holding 13,829 thousand shares although those shares are in custody of THE CHASE MANHATTAN BANK, N.A. LONDON SPECIAL ACCOUNT NO. 1 on the shareholders' register.

## (6) Status of voting rights

## ① Shares issued

(As of September 30, 2019)

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 28,432,400	—	—
	(Crossholding stock) Common stock 198,000	—	—
Shares with full voting rights (Others)	Common stock 4,191,419,400	41,914,194	—
Stocks of less than a standard unit	Common stock 665,312	—	—
Total shares issued	4,220,715,112	—	—
Total voting rights held by all shareholders	—	41,914,194	—

Note: “Stocks of less than a standard unit” include 4 shares of treasury stock and 30 crossholding shares.

## Crossholding stocks of less than a standard unit (As of September 30, 2019)

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

## ② Treasury stock, etc.

(As of September 30, 2019)

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	28,432,400	—	28,432,400	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	49,700	87,500	0.00
Kagawa Nissan Motor Co., Ltd.	1-1-8 Hanazono-cho, Takamatsu-shi, Kagawa	4,800	100	4,900	0.00
Total		28,580,600	49,800	28,630,400	0.68

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.)

## 2. Members of the Board of Directors and Executive Officers

Changes in Members of the Board of Directors and Executive Officers in the six months ended September 30, 2019 since the filing date of the securities report of the prior fiscal year are as follows.

### (1) Executive Officers

#### ① Executive Officer who resigned

Position	Name	Date of resignation
Representative Executive Officer, President and Chief Executive Officer	Hiroto Saikawa	September 16, 2019

#### ② Change of position

New Position	Old Position	Name	Effective date
Representative Executive Officer Acting President and Chief Executive Officer, Chief Operating Officer	Representative Executive Officer, Chief Operating Officer	Yasuhiro Yamauchi	September 16, 2019

### (2) Number by gender and female ratio of executives after change

15 males, 3 females (female ratio of 17%)

Changes in Members of the Board of Directors and Executive Officers after September 30, 2019 scheduled to take place are as follows.

#### ① New Executive Officers

Position	Name	Date of birth	Career profile		Number of shares owned (Thousands)	Date of appointment
Representative Executive Officer, President and Chief Executive Officer	Makoto Uchida	July 20, 1966	1991 April	Joined Nissho Iwai Corporation	2	December 1, 2019
			2003 October	Joined the Company		
			2014 April	Program Director of the Company		
			2016 November	Corporate Vice President of the Company		
			2018 April	Senior Vice President of the Company (Current position) President of Dongfeng Motor Co., Ltd. (Current position)		
Representative Executive Officer, Chief Operating Officer / Chief Performance Officer	Ashwani Gupta	September 15, 1970	2006 April	Joined Renault	—	December 1, 2019
				GM of Renault India		
			2008 May	Global Supplier Account Manager of Renault-Nissan Purchasing Organization		
			2009 September	Deputy General Manager of Renault-Nissan B.V.		
			2011 May	Global Program Director of the Company		
			2014 April	VP of Renault		
			2017 April	Alliance SVP of Renault-Nissan		
			2018 April	Alliance SVP of Renault-Nissan-Mitsubishi		
			2019 April	COO of MITSUBISHI MOTORS CORPORATION		
			2019 June	Representative Executive Officer, COO of MITSUBISHI MOTORS CORPORATION (Current position)		
Executive Officer, Vice-Chief Operating Officer	Jun Seki	May 9, 1961	1986 April	Joined the Company	7	December 1, 2019
			2006 April	Senior Manager of the Company		
			2012 April	Corporate Vice President of the Company		
			2013 April	Vice President of Dongfeng Motor Co., Ltd.		
			2014 January	Senior Vice President of the Company (Current position) President of Dongfeng Motor Co., Ltd.		

Position	Name	Date of birth	Career profile		Number of shares owned (Thousands)	Date of appointment
Executive Officer, Chief Financial Officer	Stephen Ma	November 6, 1970	1996 June 2003 June 2006 December 2012 April 2018 September	Joined Nissan North America Inc. General Manager of Dongfeng Motor Co., Ltd. Senior Manager of the Company CFO of Dongfeng Motor Co., Ltd. Corporate Vice President of the Company (Current position)	—	December 1, 2019
Executive Officer, Executive Vice President	Jose Luis Valls	May 13, 1967	1996 August 2002 June 2011 April 2012 January 2014 January	Joined Daimler Chrysler Argentina S.A. Joined General Motors VP of Nissan Mexicana, S.A. de C.V. President of Nissan Mexicana, S.A. de C.V. Senior Vice President of the Company (Current position)	—	December 1, 2019

Note: Numbers of shares owned are as of October 31, 2019.

② Executive Officer who resigned

Position	Name	Date of resignation
Representative Executive Officer Acting President and Chief Executive Officer, Chief Operating Officer	Yasuhiro Yamauchi	December 1, 2019
Executive Officer, Chief Planning Officer	Philippe Klein	December 1, 2019
Executive Officer, Chief Financial Officer	Hiroshi Karube	December 1, 2019
Executive Officer, Executive Vice President	Hitoshi Kawaguchi	December 1, 2019

③ Change of position

New Position	Old Position	Name	Effective date
Executive Officer, Chief Quality Officer / Vice-Chief Performance Officer	Executive Officer, Vice-Chief Operating Officer / Chief Quality Officer	Christian Vandenhende	December 1, 2019

#### **4. Financial Information**

##### **1. Basis of preparation of the quarterly consolidated financial statements**

The quarterly consolidated financial statements of the Company are prepared in accordance with the Ministry of Finance Ordinance No. 64, 2007 “Regulations Concerning the Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements” (“Regulations for Quarterly Consolidated Financial Statements”). The quarterly consolidated statements of income and the quarterly consolidated statements of comprehensive income are prepared pursuant to Article 64, Paragraph 3 and Article 83-2, Paragraph 3 of the Regulations for Quarterly Consolidated Financial Statements.

##### **2. Quarterly review report**

The quarterly consolidated financial statements for the current second quarter (from July 1, 2019 to September 30, 2019) and for the six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019) were reviewed by Ernst & Young ShinNihon LLC, pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law.

## 1. Quarterly Consolidated Financial Statements

### (1) Quarterly consolidated balance sheets

(Millions of yen)

	Prior Fiscal Year (As of March 31, 2019)	Current Second Quarter (As of September 30, 2019)
<b>Assets</b>		
Current assets		
Cash on hand and in banks	1,219,588	1,090,845
Trade notes and accounts receivable	512,164	478,196
Sales finance receivables	7,665,603	7,080,876
Securities	139,470	257,311
Merchandise and finished goods	827,289	917,529
Work in process	64,386	79,607
Raw materials and supplies	366,248	386,010
Other	945,449	723,181
Allowance for doubtful accounts	(127,092)	(123,054)
Total current assets	11,613,105	10,890,501
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	590,717	650,696
Machinery, equipment and vehicles, net	※1 3,436,437	※1 3,285,764
Land	595,776	591,651
Construction in progress	233,070	225,097
Other, net	449,698	415,814
Total property, plant and equipment	5,305,698	5,169,022
Intangible fixed assets	134,471	121,830
Investments and other assets		
Investment securities	1,338,875	1,300,231
Other	562,554	573,480
Allowance for doubtful accounts	(2,358)	(2,163)
Total investments and other assets	1,899,071	1,871,548
Total fixed assets	7,339,240	7,162,400
Total assets	18,952,345	18,052,901



(Millions of yen)

	Prior Fiscal Year (As of March 31, 2019)	Current Second Quarter (As of September 30, 2019)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	1,580,452	1,536,856
Short-term borrowings	850,995	851,010
Current portion of long-term borrowings	1,630,771	1,503,354
Commercial papers	697,549	769,429
Current portion of bonds	583,457	733,756
Lease obligations	19,846	33,124
Accrued expenses	1,183,888	1,018,177
Accrued warranty costs	116,492	108,068
Other	1,067,081	919,660
Total current liabilities	7,730,531	7,473,434
Long-term liabilities		
Bonds	1,691,844	1,359,211
Long-term borrowings	2,539,186	2,397,555
Lease obligations	16,038	82,399
Accrued warranty costs	116,425	108,699
Net defined benefit liability	378,967	362,478
Other	855,844	816,893
Total long-term liabilities	5,598,304	5,127,235
Total liabilities	13,328,835	12,600,669
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	814,682	818,307
Retained earnings	4,961,980	4,901,462
Treasury stock	(139,457)	(139,275)
Total shareholders' equity	6,243,019	6,186,308
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	30,004	14,718
Unrealized gain and loss from hedging instruments	4,762	(6,926)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(30,882)	(36,240)
Translation adjustments	(790,131)	(918,487)
Remeasurements of defined benefit plans	(154,097)	(143,917)
Total accumulated other comprehensive income	(940,344)	(1,090,852)
Non-controlling interests	320,835	356,776
Total net assets	5,623,510	5,452,232
Total liabilities and net assets	18,952,345	18,052,901

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income  
The Six-Month Period Ended September 30  
Quarterly consolidated statements of income

	(Millions of yen)	
	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)
Net sales	5,532,722	5,003,075
Cost of sales	4,620,691	4,234,883
Gross profit	912,031	768,192
Selling, general and administrative expenses		
Advertising expenses	147,114	143,054
Provision for warranty costs	59,479	59,544
Other selling expenses	92,611	92,715
Salaries and wages	200,412	191,917
Retirement benefit expenses	9,200	10,520
Provision for doubtful accounts	26,755	44,503
Other	166,125	194,331
Total selling, general and administrative expenses	701,696	736,584
Operating income	210,335	31,608
Non-operating income		
Interest income	14,882	11,961
Dividends income	8,049	6,748
Equity in earnings of affiliates	113,219	84,266
Miscellaneous income	10,845	4,791
Total non-operating income	146,995	107,766
Non-operating expenses		
Interest expense	5,747	5,692
Derivative loss	3,639	573
Exchange loss	5,733	6,013
Credit liquidation costs	6,757	5,384
Miscellaneous expenses	5,522	6,070
Total non-operating expenses	27,398	23,732
Ordinary income	329,932	115,642
Special gains		
Gain on sales of fixed assets	10,223	6,818
Other	202	3,187
Total special gains	10,425	10,005
Special losses		
Loss on sales of fixed assets	424	3,237
Loss on disposal of fixed assets	4,414	6,141
Special addition to retirement benefits	4,721	6,129
Other	6,899	5,421
Total special losses	16,458	20,928
Income before income taxes	323,899	104,719
Income taxes	66,669	31,219
Net income	257,230	73,500
Net income attributable to non-controlling interests	10,972	8,135
Net income attributable to owners of parent	246,258	65,365

Quarterly consolidated statements of comprehensive income

	(Millions of yen)	
	Six Months Ended September 30, 2018  (From April 1, 2018 To September 30, 2018)	Six Months Ended September 30, 2019  (From April 1, 2019 To September 30, 2019)
Net income	257,230	73,500
Other comprehensive income		
Unrealized holding gain and loss on securities	(20,550)	(12,495)
Unrealized gain and loss from hedging instruments	2,109	(11,381)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(18,508)	(5,408)
Translation adjustments	73,135	(112,522)
Remeasurements of defined benefit plans	(2,146)	12,533
The amount for equity method company portion	(41,546)	(27,901)
Total other comprehensive income	(7,506)	(157,174)
Comprehensive income	249,724	(83,674)
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	241,316	(85,143)
Comprehensive income attributable to non-controlling interests	8,408	1,469

The Three-Month Period Ended September 30  
Quarterly consolidated statements of income

(Millions of yen)

	Prior Second Quarter (From July 1, 2018 To September 30, 2018)	Current Second Quarter (From July 1, 2019 To September 30, 2019)
Net sales	2,816,130	2,630,653
Cost of sales	2,347,111	2,199,482
Gross profit	469,019	431,171
Selling, general and administrative expenses		
Advertising expenses	75,491	70,523
Provision for warranty costs	27,274	31,925
Other selling expenses	50,168	50,736
Salaries and wages	104,222	100,890
Retirement benefit expenses	4,433	4,679
Provision for doubtful accounts	11,472	19,374
Other	94,768	123,045
Total selling, general and administrative expenses	367,828	401,172
Operating income	101,191	29,999
Non-operating income		
Interest income	7,585	6,167
Dividends income	23	38
Equity in earnings of affiliates	68,813	51,144
Derivative gain	—	1,778
Exchange gain	25,940	—
Miscellaneous income	3,919	4,439
Total non-operating income	106,280	63,566
Non-operating expenses		
Interest expense	2,598	2,857
Derivative loss	27,372	—
Exchange loss	—	5,585
Miscellaneous expenses	6,471	4,809
Total non-operating expenses	36,441	13,251
Ordinary income	171,030	80,314
Special gains		
Gain on sales of fixed assets	2,926	3,611
Other	64	3,009
Total special gains	2,990	6,620
Special losses		
Loss on sales of fixed assets	127	3,193
Loss on disposal of fixed assets	3,027	2,141
Loss on disaster	—	2,250
Other	7,374	1,506
Total special losses	10,528	9,090
Income before income taxes	163,492	77,844
Income taxes	27,720	14,584
Net income	135,772	63,260
Net income attributable to non-controlling interests	5,344	4,272
Net income attributable to owners of parent	130,428	58,988

Quarterly consolidated statements of comprehensive income

	(Millions of yen)	
	Prior Second Quarter	Current Second Quarter
	(From July 1, 2018 To September 30, 2018)	(From July 1, 2019 To September 30, 2019)
Net income	135,772	63,260
Other comprehensive income		
Unrealized holding gain and loss on securities	1,613	(7,063)
Unrealized gain and loss from hedging instruments	(882)	(3,915)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(18,508)	(11,126)
Translation adjustments	76,341	(51,793)
Remeasurements of defined benefit plans	(1,703)	4,910
The amount for equity method company portion	(17,199)	(31,420)
Total other comprehensive income	39,662	(100,407)
Comprehensive income	175,434	(37,147)
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	169,227	(35,254)
Comprehensive income attributable to non-controlling interests	6,207	(1,893)

## (3) Quarterly consolidated statements of cash flows

	(Millions of yen)	
	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)
<b>Cash flows from operating activities</b>		
Income before income taxes	323,899	104,719
Depreciation and amortization (for fixed assets excluding leased vehicles)	190,377	187,357
Depreciation and amortization (for long term prepaid expenses)	13,984	22,099
Depreciation and amortization (for leased vehicles)	245,227	224,161
Increase (decrease) in allowance for doubtful accounts	(6,142)	(2,917)
Interest and dividends income	(22,931)	(18,709)
Interest expense	98,245	104,334
Equity in losses (earnings) of affiliates	(113,219)	(84,266)
Loss (gain) on sales of fixed assets	(9,799)	(3,581)
Loss on disposal of fixed assets	4,414	6,141
Decrease (increase) in trade notes and accounts receivable	249,928	25,044
Decrease (increase) in sales finance receivables	43,318	399,664
Decrease (increase) in inventories	(212,813)	(155,740)
Increase (decrease) in trade notes and accounts payable	(209,222)	(132,310)
Retirement benefit expenses	13,364	15,726
Payments related to net defined benefit assets and liabilities	(14,525)	(13,875)
Other	5,042	5,413
Subtotal	599,147	683,260
Interest and dividends received	26,218	17,158
Proceeds from dividends income from affiliates accounted for by equity method	70,613	81,339
Interest paid	(97,154)	(103,714)
Income taxes paid	(73,919)	(93,852)
Net cash provided by (used in) operating activities	524,905	584,191
<b>Cash flows from investing activities</b>		
Net decrease (increase) in short-term investments	295	269
Purchase of fixed assets	(199,714)	(244,080)
Proceeds from sales of fixed assets	23,824	27,448
Purchase of leased vehicles	(640,040)	(602,189)
Proceeds from sales of leased vehicles	355,426	379,898
Payments of long-term loans receivable	(214)	(260)
Collection of long-term loans receivable	164	541
Purchase of investment securities	(20,378)	(8,419)
Proceeds from (payments for) sales of subsidiaries' shares resulting in changes in the scope of consolidation	—	1,746
Net decrease (increase) in restricted cash	73,228	148,499
Other	850	16
Net cash provided by (used in) investing activities	(406,559)	(296,531)

(Millions of yen)

	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	153,322	103,384
Proceeds from long-term borrowings	298,005	835,969
Proceeds from issuance of bonds	255,081	97,544
Repayments of long-term borrowings	(573,317)	(954,036)
Redemption of bonds	(111,177)	(231,906)
Proceeds from non-controlling shareholders	—	8,551
Purchase of treasury stock	(3)	(1)
Repayments of lease obligations	(15,016)	(17,686)
Cash dividends paid	(103,627)	(111,520)
Cash dividends paid to non-controlling interests	(14,912)	(16,098)
Proceeds from (payments for) changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	5,011
Net cash provided by (used in) financing activities	(111,644)	(280,788)
Effects of exchange rate changes on cash and cash equivalents	(7,664)	(23,825)
Increase (decrease) in cash and cash equivalents	(962)	(16,953)
Cash and cash equivalents at beginning of the period	1,206,000	1,359,058
Increase due to inclusion in consolidation	1,115	6,051
Cash and cash equivalents at end of the period	※1 1,206,153	※1 1,348,156

## [Notes to Quarterly Consolidated Financial Statements]

(Changes in accounting policies)

Six Months Ended September 30, 2019  
(From April 1, 2019 To September 30, 2019)

(1) International Financial Reporting Standards (IFRS) 16, “Leases” and Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02, “Leases”

At foreign subsidiaries and affiliates, IFRS 16, “Leases” (January 13, 2016) and ASU 2016-02 “Leases” (February 25, 2016) have been adopted from the beginning of the first quarter of the fiscal year ending March 31, 2020.

In line with this adoption, the Company generally recognizes all leases as a lessee as assets or liabilities on the consolidated balance sheet.

In adopting the accounting standards, in accordance with the transitional treatment, the Company recognizes the cumulative effect of initially applying the accounting standards at the date of initial application as an adjustment to the balance of retained earnings at the beginning of the six months ended September 30, 2019.

As a result, mainly, the balance of property, plant and equipment, lease obligations included in current liabilities, and lease obligations included in long-term liabilities at the beginning of the six months ended September 30, 2019 increased by ¥77,412 million, ¥12,319 million, and ¥72,158 million, respectively, while retained earnings decreased by ¥3,864 million.

The effects of these revisions on the quarterly consolidated statements of income for the six months and the three months ended September 30, 2019 are immaterial.

(2) International Financial Reporting Interpretations Committee (IFRIC) 23, “Uncertainty over Income Tax Treatments”

At some foreign subsidiaries and affiliates, IFRIC 23 “Uncertainty over Income Tax Treatments” (June 7, 2017) has been adopted from the beginning of the first quarter of the fiscal year ending March 31, 2020.

In line with this adoption, if the Company concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the Company reflects the effect of uncertainty in income taxes.

In adopting the accounting standard, in accordance with the transitional treatment, the Company recognizes the cumulative effect of initially applying the accounting standards at the date of initial application as an adjustment to the balance of retained earnings at the beginning of the six months ended September 30, 2019.

As a result, the balance of retained earnings at the beginning of the six months ended September 30, 2019 decreased by ¥10,489 million. In addition, net income for the six months ended September 30, 2019 increased by ¥9,992 million and net income for the three months ended September 30, 2019 decreased by ¥497 million due to this revision.

(Specific accounting policies adopted in preparing quarterly consolidated financial statements)

Six Months Ended September 30, 2019  
(From April 1, 2019 To September 30, 2019)

(Calculation of tax expense)

Income taxes are determined based on the amount of income before income taxes for the current second quarter ended September 30, 2019 multiplied by the effective tax rate, after adoption of tax-effect accounting, estimated for the entire fiscal year ending March 31, 2020.

Deferred income taxes are included in income taxes.



(For quarterly consolidated balance sheets)

1 ※1 “Machinery, equipment and vehicles, net” includes the following assets leased to others under lease agreements.

(Millions of yen)

	Prior Fiscal Year (As of March 31, 2019)	Current Second Quarter (As of September 30, 2019)
Assets leased to others under lease agreements (lessor)	2,722,277	2,589,835

## 2 Guarantees and others

Prior Fiscal Year (As of March 31, 2019)

### (1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	※27,688	Guarantees for employees' housing loans and others
33 foreign dealers	449	Guarantees for loans and others
Total	28,137	

※ 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.	38	Commitments to provide guarantees for loans

Current Second Quarter (As of September 30, 2019)

### (1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	※25,306	Guarantees for employees' housing loans and others
20 foreign dealers	1,018	Guarantees for loans and others
Total	26,324	

※ 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.	32	Commitments to provide guarantees for loans

## 3 Contingent Liabilities

### • Lawsuits related to Takata's airbag inflators

Mainly in the United States (“U.S.”) and Canada various putative class action lawsuits, civil lawsuits and lawsuits by states related to Takata's airbag inflator have been filed against the Company, consolidated subsidiaries and other Original Equipment Manufacturers. The lawsuits allege that the subject airbag inflators did not function properly, and seek, among others, damages for economic losses, incurred costs, decline in the value of vehicles, and, in certain cases, personal injury as well as punitive damages. Most of the class action lawsuits in the U.S. were transferred to the U.S. District Court for the Southern District of Florida and consolidated into a multi-district litigation (“MDL”). The Company and Nissan North America, Inc. (“NNA”) have agreed to a proposed settlement that would resolve the US class actions that are pending against them in the MDL, through a number of customer-focused programs. In September 2017, the court in the MDL granted preliminary approval to the proposed settlement. The total payment amount for the settlement will be \$87.9 million to be paid over four years. In February 2018, the court in MDL granted final approval to the proposed settlement. Regarding the lawsuits other than the above, management has not recognized a provision for loss contingencies because as of the date of this report it is not possible to reasonably estimate the amount, if any, of any potential future losses because there are some uncertainties, such as these lawsuits are still in progress.

(For quarterly consolidated statements of cash flows)

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

(Millions of yen)

	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)
Cash on hand and in banks	1,086,910	1,090,845
Time deposits with maturities of more than three months	—	—
Cash equivalents included in securities (*)	119,243	257,311
Cash and cash equivalents	1,206,153	1,348,156

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

(For net assets)

The Six-Month Period Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)

1. Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Annual general meeting of the shareholders on June 26, 2018	Common stock	103,627	26.5	March 31, 2018	June 27, 2018	Retained earnings

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

2. Dividends which the record date fell in the period from April 1 to September 30, 2018, and the effective date of which was after September 30, 2018

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Meeting of the Board of Directors on November 8, 2018	Common stock	111,474	28.5	September 30, 2018	November 28, 2018	Retained earnings

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

The Six-Month Period Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)

1. Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Annual general meeting of the shareholders on June 25, 2019	Common stock	111,520	28.5	March 31, 2019	June 26, 2019	Retained earnings

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

2. Dividends which the record date fell in the period from April 1 to September 30, 2019, and the effective date of which was after September 30, 2019

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Meeting of the Board of Directors on November 12, 2019	Common stock	39,132	10.0	September 30, 2019	November 27, 2019	Retained earnings

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

(Segments of an enterprise and related information)

Segment information

1. General information about reportable segments

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

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

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

In principle, the accounting method for the reportable segments is the same as basis of preparation for the quarterly consolidated financial statements.

The segment profits are based on operating income. Inter-segment sales are based on the price in arms-lengths transaction.

3. Changes to reportable segments and others

(1) International Financial Reporting Standards (IFRS) 16, “Leases” and Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02, “Leases”

As stated in “Changes in accounting policies,” at foreign subsidiaries and affiliates, IFRS 16, “Leases” (January 13, 2016) and ASU 2016-02 “Leases” (February 25, 2016) have been adopted from the beginning of the first quarter of the fiscal year ending March 31, 2020.

In line with this adoption, the Company generally recognizes all leases as a lessee as assets or liabilities on the consolidated balance sheet.

In adopting the accounting standards, in accordance with the transitional treatment, the Company recognizes the cumulative effect of initially applying the accounting standards at the date of initial application as an adjustment to the balance of retained earnings at the beginning of the six months ended September 30, 2019. The effects of these revisions on segment profits for the six months and the three months ended September 30, 2019 are immaterial.

As a result, on the summarized quarterly consolidated balance sheets by business segments, mainly, property, plant and equipment, lease obligations included in current liabilities, and lease obligations included in long-term liabilities at the beginning of the six months ended September 30, 2019 increased by ¥75,826 million, ¥11,829 million, and ¥70,648 million, respectively, while retained earnings decreased by ¥3,450 million in Automobile & Eliminations. Further, mainly, property, plant and equipment, lease obligations included in current liabilities, and lease obligations included in long-term liabilities at the beginning of the six months ended September 30, 2019 increased by ¥1,586 million, ¥490 million, and ¥1,510 million, respectively, while retained earnings decreased by ¥414 million in Sales financing.

(2) International Financial Reporting Interpretations Committee (IFRIC) 23, “Uncertainty over Income Tax Treatments”

As stated in “Changes in accounting policies,” at some foreign subsidiaries and affiliates, IFRIC 23 “Uncertainty over Income Tax Treatments” (June 7, 2017) has been adopted from the beginning of the first quarter of the fiscal year ending March 31, 2020.

In line with this adoption, if the Company concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the Company reflects the effect of uncertainty in income taxes.

In adopting the accounting standard, in accordance with the transitional treatment, the Company recognizes the cumulative effect of initially applying the accounting standards at the date of initial application as an adjustment to the balance of retained earnings at the beginning of the six months ended September 30, 2019. In addition, there is no effect on the segment profits for the six months and the three months ended September 30, 2019.

As a result, in Automobile & Eliminations, the balance of retained earnings at the beginning of the six months ended September 30, 2019 decreased by ¥10,489 million. In addition, net income attributable to owners of parent for the six months ended September 30, 2019 increased by ¥9,992 million in Automobile & Eliminations and net income for the three months ended September 30, 2019 decreased by ¥497 million in Automobile & Eliminations due to this revision.

#### 4. Net sales and profits or losses by reportable segments

The Six-Month Period Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Six Months Ended September 30, 2018
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	4,962,465	570,257	5,532,722	—	5,532,722
Inter-segment sales or transfers	71,007	24,291	95,298	(95,298)	—
Total	5,033,472	594,548	5,628,020	(95,298)	5,532,722
Segment profits	65,667	129,408	195,075	15,260	210,335

Prior Second Quarter (From July 1, 2018 To September 30, 2018)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Prior Second Quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	2,527,664	288,466	2,816,130	—	2,816,130
Inter-segment sales or transfers	42,155	12,385	54,540	(54,540)	—
Total	2,569,819	300,851	2,870,670	(54,540)	2,816,130
Segment profits	27,675	66,269	93,944	7,247	101,191

Note 1: Quarterly consolidated financial statements by business segments

- The Sales financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR FINANCE MEXICO, S.A. de C.V., SOFOM, E.R. (Mexico), other 10 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 quarterly consolidated balance sheets by business segments

(Millions of yen)

Accounts	Prior Second Quarter (As of September 30, 2018)		
	Automobile & Eliminations	Sales financing	Consolidated total
<b>Assets</b>			
I. Current assets			
Cash on hand and in banks	1,041,823	45,087	1,086,910
Trade notes and accounts receivable	493,120	1,375	494,495
Sales finance receivables	(121,474)	8,029,018	7,907,544
Inventories	1,479,916	54,301	1,534,217
Other current assets	495,640	225,838	721,478
Total current assets	3,389,025	8,355,619	11,744,644
II. Fixed assets			
Property, plant and equipment, net	2,578,663	2,818,281	5,396,944
Investment securities	1,293,227	4,484	1,297,711
Other fixed assets	581,206	110,098	691,304
Total fixed assets	4,453,096	2,932,863	7,385,959
Total assets	7,842,121	11,288,482	19,130,603
<b>Liabilities</b>			
I. Current liabilities			
Trade notes and accounts payable	1,559,053	32,383	1,591,436
Short-term borrowings	(417,236)	3,955,284	3,538,048
Lease obligations	18,766	—	18,766
Other current liabilities	1,816,154	461,391	2,277,545
Total current liabilities	2,976,737	4,449,058	7,425,795
II. Long-term liabilities			
Bonds	175,000	1,796,862	1,971,862
Long-term borrowings	(195,683)	2,744,805	2,549,122
Lease obligations	12,562	7	12,569
Other long-term liabilities	743,145	651,396	1,394,541
Total long-term liabilities	735,024	5,193,070	5,928,094
Total liabilities	3,711,761	9,642,128	13,353,889
<b>Net assets</b>			
I. Shareholders' equity			
Common stock	431,303	174,511	605,814
Capital surplus	642,645	172,769	815,414
Retained earnings	3,748,999	1,250,652	4,999,651
Treasury stock	(139,991)	—	(139,991)
Total shareholders' equity	4,682,956	1,597,932	6,280,888
II. Accumulated other comprehensive income			
Translation adjustments	(681,458)	(5,826)	(687,284)
Others	(123,828)	7,753	(116,075)
Total accumulated other comprehensive income	(805,286)	1,927	(803,359)
III. Non-controlling interests	252,690	46,495	299,185
Total net assets	4,130,360	1,646,354	5,776,714
Total liabilities and net assets	7,842,121	11,288,482	19,130,603

- 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 ¥1,215,520 million.

## (2) Summarized quarterly consolidated statements of income by business segments

(Millions of yen)

Accounts	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	4,938,174	594,548	5,532,722
Cost of sales	4,216,818	403,873	4,620,691
Gross profit	721,356	190,675	912,031
Operating income as a percentage of net sales	1.6%	21.8%	3.8%
Operating income	80,927	129,408	210,335
Financial income / expenses, net	17,225	(41)	17,184
Other non-operating income and expenses, net	101,516	897	102,413
Ordinary income	199,668	130,264	329,932
Income before income taxes	193,349	130,550	323,899
Net income attributable to owners of parent	161,315	84,943	246,258

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

(Millions of yen)

Accounts	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	193,349	130,550	323,899
Depreciation and amortization	184,634	264,954	449,588
Decrease (increase) in sales finance receivables	107,221	(63,903)	43,318
Others	(242,538)	(49,362)	(291,900)
Net cash provided by (used in) operating activities	242,666	282,239	524,905
II. Cash flows from investing activities			
Purchases of investment securities	(20,378)	—	(20,378)
Purchases of fixed assets	(187,740)	(11,974)	(199,714)
Proceeds from sales of fixed assets	11,044	12,780	23,824
Purchases of leased vehicles	—	(640,040)	(640,040)
Proceeds from sales of leased vehicles	—	355,426	355,426
Others	(81,982)	156,305	74,323
Net cash provided by (used in) investing activities	(279,056)	(127,503)	(406,559)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	287,193	(133,871)	153,322
Net change in long-term borrowings and redemption of bonds	(24,212)	(362,277)	(386,489)
Proceeds from issuance of bonds	—	255,081	255,081
Others	(203,976)	70,418	(133,558)
Net cash provided by (used in) financing activities	59,005	(170,649)	(111,644)
IV. Effect of exchange rate changes on cash and cash equivalents	(7,423)	(241)	(7,664)
V. Increase (decrease) in cash and cash equivalents	15,192	(16,154)	(962)
VI. Cash and cash equivalents at the beginning of the period	1,140,621	65,379	1,206,000
VII. Increase due to inclusion in consolidation	1,115	—	1,115
VIII. Cash and cash equivalents at the end of the period	1,156,928	49,225	1,206,153

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥33,544 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 ¥12,979 million eliminated for net increase in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

The Six-Month Period Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,111,796	2,643,265	747,189	504,359	526,113	5,532,722	—	5,532,722
(2) Inter-segment sales	1,151,669	253,590	146,186	263,706	13,722	1,828,873	(1,828,873)	—
Total	2,263,465	2,896,855	893,375	768,065	539,835	7,361,595	(1,828,873)	5,532,722
Operating income (loss)	114,014	85,434	(16,960)	29,550	80	212,118	(1,783)	210,335

Prior Second Quarter (From July 1, 2018 To September 30, 2018)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	588,989	1,335,309	373,986	259,681	258,165	2,816,130	—	2,816,130
(2) Inter-segment sales	567,590	125,490	71,404	133,647	9,293	907,424	(907,424)	—
Total	1,156,579	1,460,799	445,390	393,328	267,458	3,723,554	(907,424)	2,816,130
Operating income (loss)	56,378	35,962	(12,247)	11,724	221	92,038	9,153	101,191

Notes: 1. Regions represent the location of the Company and its group companies.

2. Areas are segmented based on their geographical proximity and their mutual operational relationship.

3. Major countries and areas which belong to segments other than Japan are as follows:

- (1) North America : The United States of America, Canada and Mexico
- (2) Europe : France, The United Kingdom, Spain, Russia and other European countries
- (3) Asia : China, Thailand, India and other Asian countries
- (4) Other overseas countries: Oceania, Middle East, South Africa, and Central & South America excluding Mexico

The Six-Month Period Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Six Months Ended September 30, 2019
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	4,442,237	560,838	5,003,075	—	5,003,075
Inter-segment sales or transfers	77,625	25,805	103,430	(103,430)	—
Total	4,519,862	586,643	5,106,505	(103,430)	5,003,075
Segment profits (loss)	(91,206)	118,018	26,812	4,796	31,608

Current Second Quarter (From July 1, 2019 To September 30, 2019)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Current Second Quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	2,355,493	275,160	2,630,653	—	2,630,653
Inter-segment sales or transfers	39,325	13,011	52,336	(52,336)	—
Total	2,394,818	288,171	2,682,989	(52,336)	2,630,653
Segment profits (loss)	(33,769)	61,667	27,898	2,101	29,999



Note 1: Quarterly consolidated financial statements by business segments

- The Sales financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR FINANCE MEXICO, S.A. de C.V., SOFOM, E.R. (Mexico), other 10 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 quarterly consolidated balance sheets by business segments

(Millions of yen)

Accounts	Current Second Quarter (As of September 30, 2019)		
	Automobile & Eliminations	Sales financing	Consolidated total
<b>Assets</b>			
I. Current assets			
Cash on hand and in banks	1,035,258	55,587	1,090,845
Trade notes and accounts receivable	477,023	1,173	478,196
Sales finance receivables	(122,464)	7,203,340	7,080,876
Inventories	1,334,092	49,054	1,383,146
Other current assets	671,277	186,161	857,438
Total current assets	3,395,186	7,495,315	10,890,501
II. Fixed assets			
Property, plant and equipment, net	2,614,985	2,554,037	5,169,022
Investment securities	1,294,566	5,665	1,300,231
Other fixed assets	574,166	118,981	693,147
Total fixed assets	4,483,717	2,678,683	7,162,400
Total assets	7,878,903	10,173,998	18,052,901
<b>Liabilities</b>			
I. Current liabilities			
Trade notes and accounts payable	1,493,518	43,338	1,536,856
Short-term borrowings	(80,157)	3,937,706	3,857,549
Lease obligations	32,649	475	33,124
Other current liabilities	1,597,684	448,221	2,045,905
Total current liabilities	3,043,694	4,429,740	7,473,434
II. Long-term liabilities			
Bonds	145,000	1,214,211	1,359,211
Long-term borrowings	(32,269)	2,429,824	2,397,555
Lease obligations	81,168	1,231	82,399
Other long-term liabilities	693,168	594,902	1,288,070
Total long-term liabilities	887,067	4,240,168	5,127,235
Total liabilities	3,930,761	8,669,908	12,600,669
<b>Net assets</b>			
I. Shareholders' equity			
Common stock	385,958	219,856	605,814
Capital surplus	645,551	172,756	818,307
Retained earnings	3,751,602	1,149,860	4,901,462
Treasury stock	(139,275)	—	(139,275)
Total shareholders' equity	4,643,836	1,542,472	6,186,308
II. Accumulated other comprehensive income			
Translation adjustments	(783,360)	(135,127)	(918,487)
Others	(161,076)	(11,289)	(172,365)
Total accumulated other comprehensive income	(944,436)	(146,416)	(1,090,852)
III. Non-controlling interests	248,742	108,034	356,776
Total net assets	3,948,142	1,504,090	5,452,232
Total liabilities and net assets	7,878,903	10,173,998	18,052,901

- 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 ¥724,074 million.

## (2) Summarized quarterly consolidated statements of income by business segments

(Millions of yen)

Accounts	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	4,416,432	586,643	5,003,075
Cost of sales	3,844,002	390,881	4,234,883
Gross profit	572,430	195,762	768,192
Operating income as a percentage of net sales	(2.0%)	20.1%	0.6%
Operating income (loss)	(86,410)	118,018	31,608
Financial income / expenses, net	13,033	(16)	13,017
Other non-operating income and expenses, net	71,481	(464)	71,017
Ordinary income (loss)	(1,896)	117,538	115,642
Income (loss) before income taxes	(10,635)	115,354	104,719
Net income (loss) attributable to owners of parent	(16,579)	81,944	65,365

## 3) Summarized quarterly consolidated statements of cash flows by business segments

(Millions of yen)

Accounts	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	(10,635)	115,354	104,719
Depreciation and amortization	180,743	252,874	433,617
Decrease (increase) in sales finance receivables	(13,525)	413,189	399,664
Others	(343,659)	(10,150)	(353,809)
Net cash provided by (used in) operating activities	(187,076)	771,267	584,191
II. Cash flows from investing activities			
Purchase of investment securities	(8,419)	—	(8,419)
Proceeds from (payments for) sales of subsidiaries' shares resulting in changes in the scope of consolidation	1,746	—	1,746
Purchases of fixed assets	(239,186)	(4,894)	(244,080)
Proceeds from sales of fixed assets	17,463	9,985	27,448
Purchases of leased vehicles	—	(602,189)	(602,189)
Proceeds from sales of leased vehicles	—	379,898	379,898
Others	559	148,506	149,065
Net cash provided by (used in) investing activities	(227,837)	(68,694)	(296,531)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	208,007	(104,623)	103,384
Net change in long-term borrowings and redemption of bonds	97,214	(447,187)	(349,973)
Proceeds from issuance of bonds	—	97,544	97,544
Others	103,897	(235,640)	(131,743)
Net cash provided by (used in) financing activities	409,118	(689,906)	(280,788)
IV. Effect of exchange rate changes on cash and cash equivalents	(21,650)	(2,175)	(23,825)
V. Increase (decrease) in cash and cash equivalents	(27,445)	10,492	(16,953)
VI. Cash and cash equivalents at the beginning of the period	1,309,580	49,478	1,359,058
VII. Increase due to inclusion in consolidation	6,051	—	6,051
VIII. Cash and cash equivalents at the end of the period	1,288,186	59,970	1,348,156

Notes:1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥776 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 ¥110,086 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

The Six-Month Period Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,106,991	2,432,619	616,344	447,099	400,022	5,003,075	—	5,003,075
(2) Inter-segment sales	909,844	228,034	102,060	240,254	16,227	1,496,419	(1,496,419)	—
Total	2,016,835	2,660,653	718,404	687,353	416,249	6,499,494	(1,496,419)	5,003,075
Operating income (loss)	(8,648)	36,538	(21,438)	21,824	(3,994)	24,282	7,326	31,608

Current Second Quarter (From July 1, 2019 To September 30, 2019)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	589,546	1,265,917	312,486	226,902	235,802	2,630,653	—	2,630,653
(2) Inter-segment sales	469,597	115,179	57,134	128,116	11,371	781,397	(781,397)	—
Total	1,059,143	1,381,096	369,620	355,018	247,173	3,412,050	(781,397)	2,630,653
Operating income (loss)	(26,718)	35,850	(10,040)	11,179	1,126	11,397	18,602	29,999

Notes: 1. Regions represent the location of the Company and its group companies.

2. Areas are segmented based on their geographical proximity and their mutual operational relationship.

3. Major countries and areas which belong to segments other than Japan are as follows:

- (1) North America : The United States of America, Canada and Mexico
- (2) Europe : France, The United Kingdom, Spain, Russia and other European countries
- (3) Asia : China, Thailand, India and other Asian countries
- (4) Other overseas countries: Oceania, Middle East, South Africa, and Central & South America excluding Mexico

5. Information about the impairment loss on fixed assets by reportable segments

The Six-Month Period Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)

There were no significant impairment losses on fixed assets in the reportable segments for the six months ended September 30, 2018.

The Six-Month Period Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)

There were no significant impairment losses on fixed assets in the reportable segments for the six months ended September 30, 2019.

6. Information about goodwill by reportable segments

The Six-Month Period Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)

There were no significant changes in the reported amounts of goodwill in the reportable segments for the six months ended September 30, 2018.

The Six-Month Period Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)

There were no significant changes in the reported amounts of goodwill in the reportable segments for the six months ended September 30, 2019.

7. Information about the gain recognized on negative goodwill by reportable segments

The Six-Month Period Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)

There were no significant gains recognized on negative goodwill in the reportable segments for the six months ended September 30, 2018.

The Six-Month Period Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)

There were no significant gains recognized on negative goodwill in the reportable segments for the six months ended September 30, 2019.

## 8. Information about geographical area

### Net sales

The Six-Month Period Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
908,929	2,575,303	2,096,151	780,261	660,258	607,971	5,532,722

Prior Second Quarter (From July 1, 2018 To September 30, 2018)

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
479,470	1,297,798	1,052,180	391,505	339,406	307,951	2,816,130

Notes: 1. Regions represent 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, South Africa, Central & South America excluding Mexico, etc.

The Six-Month Period Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
885,170	2,378,407	1,958,898	695,448	571,051	472,999	5,003,075

Current Second Quarter (From July 1, 2019 To September 30, 2019)

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
472,282	1,240,740	1,000,988	350,708	287,004	279,919	2,630,653

Notes: 1. Regions represent 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, South Africa, Central & South America excluding Mexico, etc.

(Amounts per share)

Basic earnings per share, diluted earnings per share and the basis for calculation thereof are as follows.

	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)
(1) Basic earnings per share	¥62.97	¥16.70
(Basis for calculation)		
Net income attributable to owners of parent (Millions of yen)	246,258	65,365
Net income attributable to owners of parent relating to common stock (Millions of yen)	246,258	65,365
Average number of shares of common stock during the period (Thousands of shares)	3,910,887	3,913,019
(2) Diluted earnings per share	¥62.97	¥16.70
(Basis for calculation)		
Adjustment in net income attributable to owners of parent (Millions of yen)	—	—
Increase in shares of common stock (Thousands of shares)	8	—
Any significant changes from the prior fiscal year- end in potential securities excluded from the computation of diluted earnings per share because they do not have dilutive effects	—	—

(Significant subsequent events)

Not applicable

## 2. Other

Interim dividends for the fiscal year ending March 31, 2020 were approved on November 12, 2019 by resolution of the meeting of the Board of Directors as follows:

According to its Articles of Incorporation, the Company plans to pay the following cash dividends to shareholders of record on September 30, 2019.

(1) Total interim dividends:	¥39,132 million
(2) Dividends per share:	¥10
(3) Entitlement date and commencement date of the payment	November 27, 2019

Note: Total dividends were obtained by deducting the amount corresponding to the equity of Renault shares held by the Company. Total amount of dividends before deducting the amount corresponding to the equity of Renault shares held by the Company was ¥41,923 million.

### Significant lawsuits, etc. relating to operating and other matters

Mainly in the United States (“U.S.”) and Canada various putative class action lawsuits, civil lawsuits and lawsuits by states related to Takata’s airbag inflator have been filed against the Company, consolidated subsidiaries and other Original Equipment Manufacturers. Most of the class action lawsuits in the U.S. were transferred to the U.S. District Court for the Southern District of Florida and consolidated into a multi-district litigation (“MDL”). The Company and Nissan North America, Inc. (“NNA”) have agreed to a proposed settlement that would resolve the US class actions that are pending against them in the MDL, through a number of customer-focused programs. In September 2017, the court in the MDL granted preliminary approval to the proposed settlement. The total payment amount for the settlement will be \$87.9 million to be paid over four years. In February 2018, the court in MDL granted final approval to the proposed settlement. At present, the lawsuits other than the above are still in progress.

## **Part II Information on Guarantors for the Company**

Not applicable



(For Translation Purposes Only)

## Independent Auditor's Quarterly Review Report

November 13, 2019

The Board of Directors  
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon LLC

Designated and Engagement Partner Certified Public Accountant	Koki Ito
Designated and Engagement Partner Certified Public Accountant	Takeshi Hori
Designated and Engagement Partner Certified Public Accountant	Koji Fujima
Designated and Engagement Partner Certified Public Accountant	Masao Yamamoto

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Law of Japan, we have reviewed the accompanying quarterly consolidated financial statements of Nissan Motor Co., Ltd. (the "Company") and its consolidated subsidiaries, which comprise the quarterly consolidated balance sheet as of September 30, 2019, the quarterly consolidated statements of income, quarterly consolidated statements of comprehensive income for the three-month and six-month periods then ended, the quarterly consolidated statement of cash flows for the six-month period then ended, and the related notes included in "Financial Information".

### Management's Responsibility for the Quarterly Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these quarterly consolidated financial statements in conformity with the accounting principles for quarterly consolidated financial statements 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 quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion independently on these quarterly consolidated financial statements based on our review. We conducted our review in accordance with the review standards for quarterly financial statements generally accepted in Japan.

A review of quarterly consolidated financial statements consists of making inquiries, primarily of management and persons responsible for financial and accounting matters, and applying analytical and other quarterly review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.

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

### Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying quarterly consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Nissan Motor Co., Ltd. and its consolidated subsidiaries at September 30, 2019, and the consolidated results of their operations for the three-month and six-month periods then ended and their cash flows for the six-month period then ended in conformity with the accounting principles for quarterly consolidated financial statements generally accepted in Japan.

### Other Matter

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

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### Notes:

1. The above is a digitization of the text contained in the original copy of the Quarterly Review Report of Independent Auditors, which is in the custody of the Company—the submitter of this Quarterly Securities Report.
2. The XBRL data is not included in the scope of Quarterly Review.

**【Cover】**

<b>【Document Submitted】</b>	Confirmation Note
<b>【Article of the Applicable Law Requiring Submission of This Document】</b>	Article 24-4-8, Paragraph 1 of the Financial Instruments and Exchange Law
<b>【Filed to】</b>	Director, Kanto Local Finance Bureau
<b>【Date of Submission】</b>	November 14, 2019
<b>【Company Name】</b>	Nissan Jidosha Kabushiki-Kaisha
<b>【Company Name (in English)】</b>	Nissan Motor Co., Ltd.
<b>【Position and Name of Representative】</b>	Yasuhiro Yamauchi, Representative Executive Officer, Acting President and Chief Executive Officer, Chief Operating Officer
<b>【Position and Name of Chief Financial Officer】</b>	Hiroshi Karube, Executive Officer, Chief Financial Officer
<b>【Location of Head Office】</b>	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
<b>【Place Where Available for Public Inspection】</b>	Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

## **1. Accuracy of the Descriptions in This Quarterly Securities Report**

Yasuhiro Yamauchi, Representative Executive Officer, Acting President and Chief Executive Officer, Chief Operating Officer of Nissan Motor Co., Ltd., and Hiroshi Karube, Executive Officer, Chief Financial Officer have confirmed that this Quarterly Securities Report “Shihanki-Houkokusho” for the second quarter (from July 1, 2019 to September 30, 2019) of the 121th 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 Quarterly Securities Report.