



Financial Results for the Nine Months Ended December 31, 2021 (Japanese Accounting Standards) (Consolidated)

February 8, 2022

Company name : Nissan Motor Co., Ltd. <Tokyo Stock Exchange in Japan>
 Code no : 7201 (URL <https://www.nissan-global.com/EN/IR/>)
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 The additional materials of the Financial Results for the Third Quarter : Yes
 The briefing session of the Financial Results for the Third Quarter : Yes

(Amounts less than one million yen are rounded)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2021 (April 1, 2021 through December 31, 2021)

<1> Consolidated operating results

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine Months Ended								
December 31, 2021	6,154,031	15.7	191,287	—	256,032	—	201,335	—
December 31, 2020	5,317,447	(29.2)	(131,631)	—	(216,310)	—	(367,721)	—

Note : Comprehensive income : 361,066 million yen for the nine months ended December 31, 2021 , —%
 (331,315) million yen for the nine months ended December 31, 2020 , —%

	Basic earnings per share	Diluted earnings per share
Nine Months Ended	yen	yen
December 31, 2021	51.44	51.44
December 31, 2020	(93.98)	—

<2> Consolidated financial position

	Total assets	Net assets	Net assets as a percentage of total assets
	Millions of yen	Millions of yen	%
FY2021 3rd quarter	15,759,703	4,692,160	27.1
FY2020	16,452,068	4,339,826	24.0

Reference: Net assets excluding share subscription rights and non-controlling interests: 4,271,481 million yen as of December 31, 2021,
 3,944,593 million yen as of March 31, 2021

2. Dividends

	Annual cash dividends per share				
	at 1st quarter end	at 2nd quarter end	at 3rd quarter end	at fiscal year end	Total
	yen	yen	yen	yen	yen
FY2020	—	0.00	—	0.00	0.00
FY2021	—	0.00	—	—	—
FY2021 forecast	—	—	—	—	—

Note : FY2021 dividends forecast has not yet been determined.

3. Forecast of consolidated operating results for FY2021 (April 1, 2021 through March 31, 2022)

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

	Net sales		Operating income		Net income attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
FY2021	8,710,000	10.8	210,000	—	205,000	—	52.38

Note: Changes in forecast of consolidated operating results for FY2021 from the latest disclosure : Yes

※ Notes

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

<2> Adoption of specific accounting policies for quarterly consolidated financial statements : Applicable

Note: See attached page 10 "(4) Notes to quarterly consolidated financial statements - (Adoption of specific accounting policies for quarterly consolidated financial statements) "

<3> Changes in accounting policies, accounting estimation change and restatement

<3>-1 Changes in accounting policies due to the revision of the accounting standards. : Applicable

<3>-2 Changes in accounting policies except for those in <3>-1 : None

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

<3>-4 Restatement : None

Note: See attached page 10 "(4) Notes to quarterly consolidated financial statements - (Changes in accounting policies) "

<4> Number of shares issued

<4>-1 Number of shares issued at the end of the period (including treasury stocks)

FY2021 3rd quarter	4,220,715,112 shares	FY2020	4,220,715,112 shares
FY2021 3rd quarter	306,412,791 shares	FY2020	306,650,569 shares
FY2021 3rd quarter	3,913,981,990 shares	FY2020 3rd quarter	3,912,729,003 shares

<4>-2 Number of treasury stocks at the end of the period

<4>-3 The average number of shares issued during the nine months ended December 31

※ This Quarterly Financial Results report is out of scope of review by certified public accountants or an audit firm

※ Explanation regarding the appropriate use of forecast of operating results

The financial forecast of operating results is based on judgements and estimates that have been made using currently available information.

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

For other remarks, please refer to "2. Other Information" on page 18.

【Table of Contents】

1.	Quarterly Consolidated Financial Statements	2
	(1) Quarterly consolidated balance sheet	2
	(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income ...	4
	【Nine month period ended December 31】	
	【Three month period ended December 31】	
	(3) Quarterly consolidated statement of cash flows	8
	(4) Notes to quarterly consolidated financial statements	10
	(Notes to events and conditions which indicate there could be substantial doubt about going concern assumption) ·	10
	(Note to significant changes in shareholders' equity)	10
	(Adoption of specific accounting policies for quarterly consolidated financial statements)	10
	(Changes in accounting policies)	10
	(Additional information)	11
	(Segment information)	12
2.	Other Information	18

1. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(in millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current third quarter (As of December 31, 2021)
Assets		
Current assets		
Cash on hand and in banks	1,871,794	1,508,781
Trade notes and accounts receivable	518,451	—
Trade notes and accounts receivable, and contract assets	—	297,403
Sales finance receivables	6,213,797	5,935,224
Securities	162,232	280,282
Merchandise and finished goods	647,583	585,627
Work in process	66,171	93,185
Raw materials and supplies	425,817	605,015
Other	624,347	695,402
Allowance for doubtful accounts	(180,533)	(132,057)
Total current assets	10,349,659	9,868,862
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	590,016	593,007
Machinery, equipment and vehicles, net	2,704,640	2,603,294
Land	589,613	584,577
Construction in progress	228,101	109,114
Other, net	266,184	363,327
Total property, plant and equipment	4,378,554	4,253,319
Intangible fixed assets	121,221	113,461
Investments and other assets		
Investment securities	1,129,007	1,042,749
Other	470,167	481,654
Allowance for doubtful accounts	(3,764)	(7,087)
Total investments and other assets	1,595,410	1,517,316
Total fixed assets	6,095,185	5,884,096
Deferred assets		
Bond issuance costs	7,224	6,745
Total deferred assets	7,224	6,745
Total assets	16,452,068	15,759,703

(in millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current third quarter (As of December 31, 2021)
Liabilities		
Current liabilities		
Trade notes and accounts payable	1,501,972	1,160,136
Short-term borrowings	1,016,504	958,628
Current portion of long-term borrowings	1,721,797	1,457,566
Commercial papers	6,749	178,037
Current portion of bonds	514,893	515,695
Lease obligations	43,542	39,855
Accrued expenses	1,034,305	841,108
Accrued warranty costs	101,624	92,390
Other	784,996	754,686
Total current liabilities	6,726,382	5,998,101
Long-term liabilities		
Bonds	2,046,620	2,263,728
Long-term borrowings	2,173,677	1,662,447
Lease obligations	75,450	75,755
Accrued warranty costs	102,303	100,833
Net defined benefit liability	257,521	233,086
Other	730,289	733,593
Total long-term liabilities	5,385,860	5,069,442
Total liabilities	12,112,242	11,067,543
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	817,071	816,472
Retained earnings	3,629,938	3,829,163
Treasury stock	(139,259)	(138,060)
Total shareholders' equity	4,913,564	5,113,389
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	61,902	3,119
Unrealized gain and loss from hedging instruments	(10,639)	(938)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(36,498)	(38,828)
Translation adjustments	(906,200)	(740,116)
Remeasurements of defined benefit plans	(77,536)	(65,145)
Total accumulated other comprehensive income	(968,971)	(841,908)
Non-controlling interests	395,233	420,679
Total net assets	4,339,826	4,692,160
Total liabilities and net assets	16,452,068	15,759,703

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Nine month period ended December 31
Quarterly consolidated statement of income

	(in millions of yen)	
	Nine months ended December 31, 2020 (From April 1, 2020 To December 31, 2020)	Nine months ended December 31, 2021 (From April 1, 2021 To December 31, 2021)
Net sales	5,317,447	6,154,031
Cost of sales	4,628,207	5,150,946
Gross profit	689,240	1,003,085
Selling, general and administrative expenses		
Advertising expenses	159,383	178,044
Provision for warranty costs	66,463	67,075
Other selling expenses	82,317	36,026
Salaries and wages	269,183	291,792
Retirement benefit expenses	12,556	6,077
Provision for doubtful accounts	27,613	(42,906)
Other	203,356	275,690
Total selling, general and administrative expenses	820,871	811,798
Operating income (loss)	(131,631)	191,287
Non-operating income		
Interest income	9,670	11,701
Dividends income	1,932	2,971
Equity in earnings of affiliates	—	90,855
Derivative gain	—	11,277
Exchange gain	45,027	—
Miscellaneous income	15,064	14,281
Total non-operating income	71,693	131,085
Non-operating expenses		
Interest expense	22,575	41,396
Equity in losses of affiliates	71,633	—
Derivative loss	41,699	—
Exchange loss	—	4,014
Miscellaneous expenses	20,465	20,930
Total non-operating expenses	156,372	66,340
Ordinary income (loss)	(216,310)	256,032
Special gains		
Gain on sales of fixed assets	13,250	13,390
Gain on sales of investment securities	—	76,115
Other	7,144	7,259
Total special gains	20,394	96,764
Special losses		
Loss on sales of fixed assets	882	3,453
Loss on disposal of fixed assets	5,870	6,597
Special addition to retirement benefits	57,622	9,111
Other	64,894	6,337
Total special losses	129,268	25,498
Income (loss) before income taxes	(325,184)	327,298
Income taxes	32,123	107,946
Net income (loss)	(357,307)	219,352
Net income attributable to non-controlling interests	10,414	18,017
Net income (loss) attributable to owners of parent	(367,721)	201,335

Quarterly consolidated statement of comprehensive income

	(in millions of yen)	
	Nine months ended December 31, 2020 (From April 1, 2020 To December 31, 2020)	Nine months ended December 31, 2021 (From April 1, 2021 To December 31, 2021)
Net income(loss)	(357,307)	219,352
Other comprehensive income		
Unrealized holding gain and loss on securities	52,741	(59,611)
Unrealized gain and loss from hedging instruments	3,224	9,314
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(897)	(680)
Translation adjustments	15,593	134,876
Remeasurements of defined benefit plans	(17,100)	7,364
The amount related to equity method companies	(27,569)	50,451
Total other comprehensive income	25,992	141,714
Comprehensive income	(331,315)	361,066
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	(343,314)	328,351
Comprehensive income attributable to non-controlling interests	11,999	32,715

Three month period ended December 31
Quarterly consolidated statement of income

	(in millions of yen)	
	Prior third quarter (From October 1, 2020 To December 31, 2020)	Current third quarter (From October 1, 2021 To December 31, 2021)
Net sales	2,224,760	2,207,034
Cost of sales	1,897,190	1,862,691
Gross profit	327,570	344,343
Selling, general and administrative expenses		
Advertising expenses	69,317	65,214
Provision for warranty costs	32,839	22,379
Other selling expenses	22,888	14,338
Salaries and wages	91,695	97,235
Retirement benefit expenses	4,269	2,197
Provision for doubtful accounts	10,373	(8,163)
Other	69,061	98,987
Total selling, general and administrative expenses	300,442	292,187
Operating income	27,128	52,156
Non-operating income		
Interest income	3,228	4,562
Equity in earnings of affiliates	6,407	27,755
Derivative gain	—	5,338
Exchange gain	21,253	—
Miscellaneous income	3,436	3,148
Total non-operating income	34,324	40,803
Non-operating expenses		
Interest expense	14,014	13,867
Derivative loss	22,420	—
Exchange loss	—	50
Miscellaneous expenses	9,490	7,537
Total non-operating expenses	45,924	21,454
Ordinary income	15,528	71,505
Special gains		
Gain on sales of fixed assets	2,483	4,965
Other	101	79
Total special gains	2,584	5,044
Special losses		
Loss on sales of fixed assets	439	591
Loss on disposal of fixed assets	3,233	3,182
Special addition to retirement benefits	3,637	4,856
Other	15,055	2,005
Total special losses	22,364	10,634
Income (loss) before income taxes	(4,252)	65,915
Income taxes	28,160	28,597
Net income (loss)	(32,412)	37,318
Net income attributable to non-controlling interests	5,350	4,629
Net income (loss) attributable to owners of parent	(37,762)	32,689

Quarterly consolidated statement of comprehensive income

	(in millions of yen)	
	Prior third quarter	Current third quarter
	(From October 1, 2020 To December 31, 2020)	(From October 1, 2021 To December 31, 2021)
Net income (loss)	(32,412)	37,318
Other comprehensive income		
Unrealized holding gain and loss on securities	18,879	308
Unrealized gain and loss from hedging instruments	2,451	4,243
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(875)	(446)
Translation adjustments	45,971	64,383
Remeasurements of defined benefit plans	(5,406)	9,691
The amount related to equity method companies	12,202	4,574
Total other comprehensive income	73,222	82,753
Comprehensive income	40,810	120,071
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	31,047	111,029
Comprehensive income attributable to non-controlling interests	9,763	9,042

(3) Quarterly consolidated statement of cash flows

	(in millions of yen)	
	Nine months ended December 31, 2020 (From April 1, 2020 To December 31, 2020)	Nine months ended December 31, 2021 (From April 1, 2021 To December 31, 2021)
Cash flows from operating activities		
Income (loss) before income taxes	(325,184)	327,298
Depreciation and amortization (for fixed assets excluding leased vehicles)	189,584	217,499
Depreciation and amortization (for long term prepaid expenses)	35,680	30,194
Depreciation and amortization (for leased vehicles)	306,074	264,860
Increase (decrease) in allowance for doubtful accounts	(26,408)	(49,940)
Interest and dividends income	(11,602)	(14,672)
Interest expense	134,039	131,801
Equity in losses (earnings) of affiliates	71,633	(90,855)
Loss (gain) on sales of fixed assets	(12,368)	(9,937)
Loss on disposal of fixed assets	5,870	6,597
Loss (gain) on sales of investment securities	—	(76,115)
Decrease (increase) in trade notes and accounts receivable	(15,646)	—
Decrease (increase) in trade notes and accounts receivable, and contract assets	—	232,225
Decrease (increase) in sales finance receivables	731,178	461,083
Decrease (increase) in inventories	144,785	2,401
Increase (decrease) in trade notes and accounts payable	(135,711)	(580,911)
Retirement benefit expenses	23,759	(8,615)
Payments related to net defined benefit assets and liabilities	(21,476)	(18,660)
Other	(42,585)	(71,539)
Subtotal	1,051,622	752,714
Interest and dividends received	14,892	14,340
Proceeds from dividends income from affiliates accounted for by equity method	47,346	39,482
Interest paid	(119,921)	(118,571)
Income taxes paid	(30,911)	(77,724)
Net cash provided by (used in) operating activities	963,028	610,241
Cash flows from investing activities		
Net decrease (increase) in short-term investments	(20)	2,337
Purchase of fixed assets	(274,929)	(237,538)
Proceeds from sales of fixed assets	36,866	27,764
Purchase of leased vehicles	(585,938)	(634,900)
Proceeds from sales of leased vehicles	535,635	551,556
Payments of long-term loans receivable	(76)	(4,745)
Collection of long-term loans receivable	726	390
Purchase of investment securities	(134)	(6,504)
Proceeds from sales of investment securities	1,615	150,491
Proceeds from sales of subsidiaries resulting in changes in the scope of consolidation	8,988	154
Net decrease (increase) in restricted cash	57,441	(73,948)
Other	(470)	2,463
Net cash provided by (used in) investing activities	(220,296)	(222,480)

	(in millions of yen)	
	Nine months ended December 31, 2020 (From April 1, 2020 To December 31, 2020)	Nine months ended December 31, 2021 (From April 1, 2021 To December 31, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,111,178)	68,722
Proceeds from long-term borrowings	1,738,957	756,505
Proceeds from issuance of bonds	1,174,475	478,425
Repayments of long-term borrowings	(1,493,344)	(1,611,623)
Redemption of bonds	(482,461)	(347,219)
Proceeds from non-controlling shareholders	2,877	5,311
Purchase of treasury stock	(0)	(1)
Repayments of lease obligations	(36,359)	(36,180)
Cash dividends paid to non-controlling interests	(14,894)	(14,239)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(964)	—
Net cash provided by (used in) financing activities	(222,891)	(700,299)
Effects of exchange rate changes on cash and cash equivalents	(5,141)	61,864
Increase (decrease) in cash and cash equivalents	514,700	(250,674)
Cash and cash equivalents at beginning of the period	1,642,981	2,034,026
Increase due to inclusion in consolidation	117	5,711
Cash and cash equivalents at end of the period	2,157,798	1,789,063

(4) Notes to quarterly consolidated financial statements

(Notes to events and conditions which indicate there could be substantial doubt about going concern assumption)

None

(Note to significant changes in shareholders' equity)

None

(Adoption of specific accounting policies for quarterly consolidated financial statements)

Calculation of tax expense

Income taxes are determined based on the amount of income before income taxes for the current third quarter ended December 31, 2021 multiplied by the effective tax rate, after adoption of tax-effect accounting, estimated for the entire fiscal year ending March 31, 2022.

Deferred income taxes are included in income taxes.

(Changes in accounting policies)

(1) Accounting Standards Board of Japan (ASBJ) Statement No. 29 “*Accounting Standard for Revenue Recognition*” “*Accounting Standard for Revenue Recognition*” (ASBJ Statement No. 29, March 31, 2020. Hereinafter “Revenue Recognition Standard”) and related guidelines have been adopted from the beginning of the first quarter of the fiscal year ending March 31, 2022. In line with this adoption, revenue is recognized upon the transfer of control of the promised goods or services to customers in an amount that reflects the consideration to which they expect to be entitled in exchange for those goods or services.

The main effects of the adoption of the Revenue Recognition Standard are as follows: the timing of revenue recognition for retail sales of vehicles at domestic sales subsidiaries was changed from the time of registration to the time of delivery to customers, and the transactions in which domestic subsidiaries act as agents, revenue was previously recognized at the total amount of consideration received from the customer, but has changed to recognizing revenue at the net amount received from the customer less the amount paid to the supplier.

In adopting the Revenue Recognition Standard, in accordance with the transitional treatment set forth in the proviso of Article 84 of the Revenue Recognition Standard, the cumulative effect of retrospective application of the standards prior to the beginning of the first quarter was added to or subtracted from retained earnings at the beginning of the first quarter of the current fiscal year.

As a result, for the nine months ended December 31, 2021, net sales and cost of sales decreased by ¥7,119 million and ¥14,594 million, respectively, and income before income taxes increased by ¥7,577 million. For the current third quarter, net sales and cost of sales decreased by ¥373 million and ¥2,901 million, respectively, and income before income taxes increased by ¥2,726 million. In addition, the balance of retained earnings at the beginning of the nine months ended December 31, 2021 decreased by ¥8,828 million.

As a result of the adoption of the Revenue Recognition Standard, “Trade notes and accounts receivable” which was presented in “Current assets” of the consolidated balance sheet for the previous fiscal year, is included in “Trade notes and accounts receivable, and contract assets” from the first quarter of the current fiscal year. In accordance with the transitional treatment set forth in Article 89-2 of the Revenue Recognition Standard, consolidated financial statements for past periods have not been reclassified using the new presentation method.

(2) Accounting Standards Board of Japan (ASBJ) Statement No. 30 “*Accounting Standard for Fair Value Measurement*” “*Accounting Standard for Fair Value Measurement*” (ASBJ Statement No. 30, July 4, 2019) and other standards have been adopted from the beginning of the first quarter of the fiscal year ending March 31, 2022, and in accordance with the transitional treatment set forth in Article 19 of “*Accounting Standard for Fair Value Measurement*” and Article 44-2 of “*Accounting Standard for Financial Instruments*” (ASBJ Statement No. 10, July 4, 2019), the Company will continue to apply new accounting policies prescribed by “*Accounting Standard for Fair Value Measurement*” and other standards into the future. The effects of this adoption on the quarterly consolidated financial statements are immaterial.

(Additional information)

(1) Adoption of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

The Company and some of its domestic subsidiaries have adopted “*Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System*” (PITF No. 39, March 31, 2020) and deferred tax assets and liabilities are based on tax law provisions in place prior to the revision prescribing transition from the consolidated taxation system to the group tax sharing system (Act No. 8 of 2020).

(2) Litigation for damages related to vehicle distribution agreement dispute

On July 4, 2019, Al Dahana filed a lawsuit against the Company, its consolidated subsidiary, Nissan Middle East FZE and its equity-method affiliate, Nissan Gulf FZCO, in the Dubai Court of First Instance in relation to a vehicle distribution agreement dispute. On September 29, 2021, the Dubai Court of First Instance ruled that the Company and Nissan Middle East FZE must pay AED 1,159,777,806.50 plus interest.

Although the Company maintains that it has fully complied with its contractual obligations and has filed an appeal against this court judgment, the Company has recorded the amount of judgment plus interest totaling to ¥38,758 million under "Selling, general and administrative expenses" considering the ruling.

(Segment information)

【Current third quarter segment information】

[Net sales and profits or losses by reportable segments]

Nine month period ended December 31, 2020 (From April 1, 2020 To December 31, 2020)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Nine months ended December 31, 2020
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	4,575,272	742,175	5,317,447	—	5,317,447
Inter-segment sales or transfers	76,436	31,517	107,953	(107,953)	—
Total	4,651,708	773,692	5,425,400	(107,953)	5,317,447
Segment profits (loss)	(346,467)	199,574	(146,893)	15,262	(131,631)

Prior third quarter (From October 1, 2020 To December 31, 2020)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Prior third quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	1,982,383	242,377	2,224,760	—	2,224,760
Inter-segment sales or transfers	18,723	10,244	28,967	(28,967)	—
Total	2,001,106	252,621	2,253,727	(28,967)	2,224,760
Segment profits (loss)	(42,089)	62,942	20,853	6,275	27,128

Notes: 1. Main products of each business segment

- (1) Automobile : passenger cars, commercial vehicles, manufacturing parts for overseas production, etc.
- (2) Sales financing : credit, lease, etc.

2. 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.

Nine month period ended December 31, 2021 (From April 1, 2021 To December 31, 2021)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Nine months ended December 31, 2021
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	5,390,115	763,916	6,154,031	—	6,154,031
Inter-segment sales or transfers	45,003	24,535	69,538	(69,538)	—
Total	5,435,118	788,451	6,223,569	(69,538)	6,154,031
Segment profits (loss)	(131,830)	303,445	171,615	19,672	191,287

Current third quarter (From October 1, 2021 To December 31, 2021)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Current third quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	1,958,622	248,412	2,207,034	—	2,207,034
Inter-segment sales or transfers	13,853	8,134	21,987	(21,987)	—
Total	1,972,475	256,546	2,229,021	(21,987)	2,207,034
Segment profits (loss)	(41,618)	87,743	46,125	6,031	52,156

Notes: 1. Main products of each business segment

- (1) Automobile : passenger cars, commercial vehicles, manufacturing parts for overseas production, etc.
- (2) Sales financing : credit, lease, etc.

2. 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.

[Consolidated financial statements by business segments]

*Regarding summarized quarterly consolidated statements of income and summarized quarterly consolidated statements of cash flows for the prior fiscal year, 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. (Mexico), Dongfeng Nissan Auto Finance Co., Ltd. (China), 11 other companies and the sales finance operations of Nissan Canada, Inc. (Canada).

*Regarding summarized quarterly consolidated statements of income and summarized quarterly consolidated statements of cash flows for the current fiscal year, the Sales financing segment consists of NISSAN FINANCIAL SERVICES CO., LTD. (Japan), Nissan Motor Acceptance Company LLC (U.S.A.), NR FINANCE MEXICO, S.A. de C.V. (Mexico), Dongfeng Nissan Auto Finance Co., Ltd. (China), 10 other companies and the sales finance operations of Nissan Canada, Inc. (Canada).

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

1) Summarized quarterly consolidated statements of income by business segments

(in millions of yen)

	Automobile & Eliminations		Sales financing		Consolidated total	
	Nine months ended December 31, 2020 (From April 1, 2020 To December 31, 2020)	Nine months ended December 31, 2021 (From April 1, 2021 To December 31, 2021)	Nine months ended December 31, 2020 (From April 1, 2020 To December 31, 2020)	Nine months ended December 31, 2021 (From April 1, 2021 To December 31, 2021)	Nine months ended December 31, 2020 (From April 1, 2020 To December 31, 2020)	Nine months ended December 31, 2021 (From April 1, 2021 To December 31, 2021)
Net sales	4,543,755	5,365,580	773,692	788,451	5,317,447	6,154,031
Cost of sales	4,128,942	4,650,616	499,265	500,330	4,628,207	5,150,946
Gross profit	414,813	714,964	274,427	288,121	689,240	1,003,085
Operating income as a percentage of net sales	(7.3%)	(2.1%)	25.8%	38.5%	(2.5%)	3.1%
Operating income (loss)	(331,205)	(112,158)	199,574	303,445	(131,631)	191,287
Financial income / expenses, net	(11,057)	(26,474)	84	(250)	(10,973)	(26,724)
Other non-operating income and expenses, net	(74,837)	84,231	1,131	7,238	(73,706)	91,469
Ordinary income (loss)	(417,099)	(54,401)	200,789	310,433	(216,310)	256,032
Income (loss) before income taxes	(528,848)	8,342	203,664	318,956	(325,184)	327,298
Net income (loss) attributable to owners of parent	(505,748)	(12,819)	138,027	214,154	(367,721)	201,335

2) Summarized quarterly consolidated statements of cash flows by business segments

(in millions of yen)

	Automobile & Eliminations		Sales financing		Consolidated total	
	Nine months ended December 31, 2020 (From April 1, 2020 To December 31, 2020)	Nine months ended December 31, 2021 (From April 1, 2021 To December 31, 2021)	Nine months ended December 31, 2020 (From April 1, 2020 To December 31, 2020)	Nine months ended December 31, 2021 (From April 1, 2021 To December 31, 2021)	Nine months ended December 31, 2020 (From April 1, 2020 To December 31, 2020)	Nine months ended December 31, 2021 (From April 1, 2021 To December 31, 2021)
Cash flows from operating activities	(227,337)	(277,260)	1,190,365	887,501	963,028	610,241
Cash flows from investing activities	(238,623)	(72,992)	18,327	(149,488)	(220,296)	(222,480)
(Free Cash flow)	(465,960)	(350,252)	1,208,692	738,013	742,732	387,761
Cash flows from financing activities	971,233	28,466	(1,194,124)	(728,765)	(222,891)	(700,299)
Effects of exchange rate changes on cash and cash equivalents	(16,096)	57,145	10,955	4,719	(5,141)	61,864
Increase (decrease) in cash and cash equivalents	489,177	(264,641)	25,523	13,967	514,700	(250,674)
Cash and cash equivalents at beginning of the period	1,494,550	1,896,134	148,431	137,892	1,642,981	2,034,026
Increase due to inclusion in consolidation	49	5,711	68	—	117	5,711
Cash and cash equivalents at the end of the period	1,983,776	1,637,204	174,022	151,859	2,157,798	1,789,063

[Net sales and profits or losses by region]

Nine month period ended December 31, 2020 (From April 1, 2020 To December 31, 2020)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,291,991	2,479,065	623,799	547,724	374,868	5,317,447	—	5,317,447
(2) Inter-segment sales	878,137	203,453	121,353	258,081	7,360	1,468,384	(1,468,384)	—
Total	2,170,128	2,682,518	745,152	805,805	382,228	6,785,831	(1,468,384)	5,317,447
Operating income (loss)	(174,658)	33,632	(19,984)	36,049	(5,920)	(130,881)	(750)	(131,631)

Prior third quarter (From October 1, 2020 To December 31, 2020)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	480,881	1,053,828	281,286	221,806	186,959	2,224,760	—	2,224,760
(2) Inter-segment sales	475,451	89,504	60,940	114,889	3,962	744,746	(744,746)	—
Total	956,332	1,143,332	342,226	336,695	190,921	2,969,506	(744,746)	2,224,760
Operating income (loss)	(4,999)	14,545	3,070	15,645	4,199	32,460	(5,332)	27,128

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

Nine month period ended December 31, 2021 (From April 1, 2021 To December 31, 2021)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,292,467	2,926,112	709,488	598,780	627,184	6,154,031	—	6,154,031
(2) Inter-segment sales	986,623	250,521	112,852	368,861	10,790	1,729,647	(1,729,647)	—
Total	2,279,090	3,176,633	822,340	967,641	637,974	7,883,678	(1,729,647)	6,154,031
Operating income (loss)	(168,951)	271,892	(22,248)	61,731	37,602	180,026	11,261	191,287

Current third quarter (From October 1, 2021 To December 31, 2021)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	434,069	1,075,049	273,760	205,978	218,178	2,207,034	—	2,207,034
(2) Inter-segment sales	314,556	92,208	33,423	134,734	2,617	577,538	(577,538)	—
Total	748,625	1,167,257	307,183	340,712	220,795	2,784,572	(577,538)	2,207,034
Operating income (loss)	(76,530)	85,096	2,044	22,539	14,108	47,257	4,899	52,156

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

[Information about geographical areas]

(Net sales)

Nine month period ended December 31, 2020 (From April 1, 2020 To December 31, 2020)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,062,767	2,443,072	2,012,901	699,549	689,991	422,068	5,317,447

Prior third quarter (From October 1, 2020 To December 31, 2020)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
395,015	1,033,011	855,794	313,937	270,750	212,047	2,224,760

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.

Nine month period ended December 31, 2021 (From April 1, 2021 To December 31, 2021)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,103,016	2,830,210	2,267,502	782,086	713,805	724,914	6,154,031

Current third quarter (From October 1, 2021 To December 31, 2021)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
371,898	1,044,131	850,077	296,451	245,159	249,395	2,207,034

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.

2. Other Information

The former Representative Directors of the Company were indicted on suspicion of violating the Financial Instruments and Exchange Act (charged with submitting false Securities Reports) and a former Representative Director and Chairman was additionally indicted on suspicion of violating the Companies Act (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 Act. 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 follows. Since September 9, 2019, there have been no changes made to the following contents at the time of submission of this 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 Nissan-Mitsubishi B.V. ("NMBV"), which is 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 NMBV, despite the fact that no contract had been approved by the NMBV's board of directors.

In an unfair dismissal lawsuit filed in the Amsterdam District Court by Ghosn against NMBV and another Nissan subsidiary, NMBV brought a counterclaim against Ghosn for repayment of the sums Ghosn appropriated unlawfully from NMBV. On May 20, 2021, the Amsterdam District Court dismissed Ghosn's claims and ordered Ghosn to return roughly 5 million Euros. On August 20, 2021, Ghosn submitted the statement of appeal to the Amsterdam Court of Appeal.

One of the residences purchased for personal use as a result of misuse of company funds by Ghosn has been sold.

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 has filed a provisional disposition order in the British Virgin Islands against Ghosn and related parties for a luxury yacht and has filed a lawsuit based on the order seeking damages, etc. Also, on February 12, 2020, the Company has filed a lawsuit against Carlos Ghosn in Japan, seeking recovery of damages. 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 Company has received a written notice of commencement of trial procedures dated December 13, 2019, from the Commissioner of the FSA. In response to this written notice, on December 23, 2019, the Company has submitted a written answer not disputing the alleged facts and the amount of the administrative monetary penalty. After that, the Company has received the administrative monetary penalty payment order, dated February 27, 2020, of 2,424,895,000 yen from the Commissioner of the FSA. In accordance with the administrative monetary penalty payment order and payment notice, the Company has made the penalty payment of 1,406,250,000 yen, which became due.

In December 2019, new management has been established, whose members have been selected by the Nomination Committee. As demonstrated by the establishment of new management, strengthening of the supervisory function of internal audit, and so on, the Company is working on various countermeasures to prevent recurrence.

The Company continues its efforts to improve its governance, including ongoing implementation of the improvement measures stated in the Improvement Measures Status Report submitted to Tokyo Stock Exchange on January 16, 2020, as well as reviewing necessary improvements from time to time going forward. The Company also continues to reform its corporate culture, renew corporate ethics, disclose corporate information appropriately and enhance compliance-focused management.