

# **Quarterly Securities Report**

First Quarter of FY2019

(From April 1, 2019 To June 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>	July 29, 2019
<b>【Accounting Period】</b>	First Quarter of the 121st Fiscal Year (From April 1, 2019 To June 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>	Hiroto Saikawa, Representative Executive Officer, President and Chief Executive Officer
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<b>【Place Where Available for Public Inspection】</b>	Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

# Part I Information on the Company

## 1. Overview of the Company

### 1. Key financial data and trends

Fiscal year		120th Prior First Quarter	121st Current First Quarter	120th
Accounting period		(From April 1, 2018 To June 30, 2018)	(From April 1, 2019 To June 30, 2019)	(From April 1, 2018 To March 31, 2019)
Net sales	Millions of yen	2,716,592	2,372,422	11,574,247
Ordinary income	Millions of yen	158,902	35,328	546,498
Net income attributable to owners of parent	Millions of yen	115,829	6,377	319,138
Comprehensive income	Millions of yen	74,290	(46,527)	195,999
Net assets	Millions of yen	5,594,142	5,489,500	5,623,510
Total assets	Millions of yen	18,672,894	18,175,498	18,952,345
Basic earnings per share	Yen	29.62	1.63	81.59
Diluted earnings per share	Yen	29.62	1.63	81.59
Net assets as a percentage of total assets	%	28.4	28.2	28.0
Cash flows from operating activities	Millions of yen	322,279	275,780	1,450,888
Cash flows from investing activities	Millions of yen	(136,386)	(139,330)	(1,133,547)
Cash flows from financing activities	Millions of yen	(205,466)	(266,815)	(127,140)
Cash and cash equivalents at end of the period	Millions of yen	1,174,380	1,231,350	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 first quarter ended June 30, 2019. No changes were made to major subsidiaries and affiliates.

## 2. Business Overview

### 1. Business and other risks

During the first quarter ended June 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 June 30, 2019, the end of the current first quarter.

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

For the three months ended June 30, 2019 (the “current first quarter”), the Group’s net sales amounted to ¥2,372.4 billion, a decrease of ¥344.2 billion (12.7%) from the corresponding period of the last year (the “prior first quarter”). Operating income decreased by ¥107.5 billion (98.5%) to ¥1.6 billion on a consolidated basis.

Net non-operating income of ¥33.7 billion was recorded for the current first quarter, decreased by ¥16.1 billion from the prior first quarter. As a result, ordinary income decreased by ¥123.6 billion (77.8%) from the prior first quarter to ¥35.3 billion. Net special losses of ¥8.4 billion were recorded, deteriorating by ¥9.9 billion from the prior first quarter. Income before income taxes decreased by ¥133.5 billion (83.2%) to ¥26.9 billion compared with the prior first quarter. Finally, net income attributable to owners of parent of ¥6.4 billion was recorded for the current first quarter, a decrease of ¥109.4 billion (94.5%) from the prior first quarter.

#### (2) Cash flows

Cash and cash equivalents at June 30, 2019 decreased by ¥127.7 billion (9.4%) from the end of the prior fiscal year to ¥1,231.4 billion. This reflected ¥275.8 billion in net cash provided by operating activities, ¥139.3 billion in net cash used in investing activities and ¥266.8 billion in net cash used in financing activities, as well as a decrease of ¥3.4 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 (%)
	Prior first quarter	Current first quarter		
Japan	229,217	181,305	(47,912)	(20.9)
The United States of America	200,075	189,061	(11,014)	(5.5)
Mexico	179,134	156,513	(22,621)	(12.6)
The United Kingdom	126,422	83,016	(43,406)	(34.3)
Spain	29,136	18,852	(10,284)	(35.3)
Russia	13,604	14,165	561	4.1
Thailand	38,889	37,868	(1,021)	(2.6)
Indonesia	3,853	888	(2,965)	(77.0)
Philippines	1,047	1,237	190	18.1
India	42,956	37,710	(5,246)	(12.2)
South Africa	10,870	9,592	(1,278)	(11.8)
Brazil	27,294	26,736	(558)	(2.0)
Argentina	—	2,178	2,178	—
Egypt	4,325	3,350	(975)	(22.5)
Total	906,822	762,471	(144,351)	(15.9)

Note: The figures represent the production figures for the 3-month period from April 1 to June 30, 2019.

Actual sales				
Sales to	Number of vehicles sold (on a consolidated basis: units)		Change (units)	Change (%)
	Prior first quarter	Current first quarter		
Japan	124,302	123,765	(537)	(0.4)
North America	432,611	368,922	(63,689)	(14.7)
(The United States of America included therein)	328,168	288,862	(39,306)	(12.0)
Europe	154,609	127,465	(27,144)	(17.6)
Asia	77,524	75,289	(2,235)	(2.9)
Other overseas countries	138,593	100,081	(38,512)	(27.8)
Total	927,639	795,522	(132,117)	(14.2)

Note: The figures in China and Taiwan, which are included in “Asia” represent the sales figures for the 3-month period from January 1 to March 31, 2019. Those sold in Japan, North America, Europe, Other overseas countries and Asia (excluding China and Taiwan) represent vehicles sold for the 3-month period from April 1 to June 30, 2019.

#### (4) Results of segments

##### (Business segments)

##### a. Automobiles

The Group’s worldwide automobile sales (on a retail basis) for the current first quarter decreased by 6.0% from the prior first quarter to 1,231 thousand units.

Net sales in automobile segment (including inter-segment sales) for the current first quarter decreased by ¥338.6 billion (13.7%) from the prior first quarter to ¥2,125.0 billion. Operating loss deteriorating by ¥95.5 billion to ¥57.5 billion from the prior first quarter. 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 current first quarter increased by ¥4.8 billion (1.6%) to ¥298.5 billion. Operating income for the current first quarter decreased by ¥6.7 billion (10.8%) from the prior first quarter to ¥56.4 billion.

##### (Geographic segments)

##### a. Japan

The overall demand for vehicles increased by 2.8% in the domestic market, while the number of vehicles sold in Japan decreased by 2.6%, resulting in 126 thousand units, accounting for a market share of 10.3%, as same points as the prior first quarter.

Net sales (including inter-segment sales) for the current first quarter decreased by ¥149.2 billion (13.5%) from the prior first quarter to ¥957.7 billion.

Operating income decreased by ¥39.5 billion (68.6%) from the prior first quarter to ¥18.1 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.

##### b. North America

The overall demand for vehicles in the United States of America decreased by 1.5%, and the number of vehicles sold in the United States of America decreased by 3.7% to 351 thousand units, accounting for a market share of 7.9%. The number of vehicles sold in North America, including Mexico and Canada, decreased by 6.3% to 452 thousand units.

Net sales (including inter-segment sales) for the current first quarter decreased by ¥156.5 billion (10.9%) to ¥1,279.6 billion.

Operating income decreased by ¥48.8 billion (98.6%) from the prior first quarter to ¥0.7 billion.

Major profit-decreasing factors were a decrease in the number of vehicles sold, increase in specification changes cost and increase in raw materials cost.

##### c. Europe

The overall demand for vehicles in Europe decreased by 2.3%, and the number of vehicles sold in Europe excluding Russia decreased by 15.3% to 117 thousand units, accounting for a market share of 2.4%. The number of vehicles sold in Russia decreased by 21.7% to 18 thousand units.

Net sales (including inter-segment sales) for the current first quarter decreased by ¥99.2 billion (22.1%) to ¥348.8 billion.

Operating loss of ¥11.4 billion was recorded, deteriorating by ¥6.7 billion from the prior first quarter.

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 5.5% to 57 thousand units. Net sales in Asia (including intersegment sales) for the current first quarter decreased by ¥42.4 billion (11.3%) from the prior first quarter to ¥332.3 billion.

Operating income for the current first quarter was ¥10.6 billion, a decrease of ¥7.2 billion (40.3%) from the prior first quarter.

The overall demand for vehicles in China decreased by 11.9%, while the number of vehicles sold in China increased by 2.3% to 344 thousand units, accounting for a market share of 5.7%. 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 16.3% to 117 thousand units.

Net sales (including inter-segment sales) for the current first quarter decreased by ¥103.3 billion (37.9%) from the prior first quarter to ¥169.0 billion.

Operating loss of ¥5.1 billion was recorded, deteriorating by ¥4.9 billion from the prior first quarter.

(5) Analysis of sources of capital and liquidity

a. Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities decreased by ¥46.5 billion to ¥275.8 billion in the current first quarter from ¥322.3 billion provided in the prior first quarter. This was mainly due to a decrease in income before income taxes and further decline in trade notes and accounts payable despite further decline in sales finance receivables.

(Cash flows from investing activities)

Net cash used in investing activities increased by ¥2.9 billion to ¥139.3 billion in the current first quarter from ¥136.4 billion used in the prior first quarter. This was mainly due to an increase in purchase of fixed assets.

(Cash flows from financing activities)

Net cash used in financing activities was ¥266.8 billion in the current first quarter, an increase in cash outflows of ¥61.3 billion compared with ¥205.5 billion used in the prior first quarter. This was mainly due to an increase in repayments of long-term borrowings.

Cash and cash equivalents at June 30, 2019 decreased by ¥127.7 billion (9.4%) from the end of the prior fiscal year to ¥1,231.4 billion, which included a decrease of ¥3.4 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 current first quarter 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, 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 Director of the Company was 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. 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, and 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 ¥121.6 billion for the current first quarter.

### 3. Important business contracts

No important business contracts were determined or entered into during the current first 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 June 30, 2019	As of July 29, 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 April 1, 2019 To June 30, 2019	—	4,220,715	—	605,813	—	804,470

##### (5) Principal shareholders

There is nothing to mention as this quarter is the first quarterly accounting period.

(6) Status of voting rights

The “Status of voting rights” as of the end of the current first quarter is presented as of March 31, 2019, the most recent record date, because the number of beneficiary shareholders as of June 30, 2019 could not be ascertained.

① Shares issued

(As of March 31, 2019)

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 28,430,800	—	—
	(Crossholding stock) Common stock 196,100	—	—
Shares with full voting rights (Others)	Common stock 4,191,456,300	41,914,563	—
Stocks of less than a standard unit	Common stock 631,912	—	—
Total shares issued	4,220,715,112	—	—
Total voting rights held by all shareholders	—	41,914,563	—

Note: “Stocks of less than a standard unit” include 92 shares of treasury stock and 30 crossholding shares.

Crossholding stocks of less than a standard unit (As of March 31, 2019)

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

② Treasury stock, etc.

(As of March 31, 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	28,430,800	—	28,430,800	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	47,700	85,500	0.00
Kagawa Nissan Motor Co., Ltd.	1-1-8 Hanazono-cho, Takamatsu-shi, Kagawa	4,800	100	4,900	0.00
Total		28,579,000	47,900	28,626,900	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, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa). (Fractional numbers under 100 have been omitted.)

2. Members of the Board of Directors and Executive Officer

Not applicable

#### **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”). Pursuant to Article 5-2, Paragraph 2 of the Regulations for Quarterly Consolidated Financial Statements, the quarterly consolidated statements of cash flows are prepared.

2. Quarterly review report

The quarterly consolidated financial statements for the current first quarter (from April 1, 2019 to June 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 First Quarter (As of June 30, 2019)
<b>Assets</b>		
Current assets		
Cash on hand and in banks	1,219,588	1,112,610
Trade notes and accounts receivable	512,164	415,812
Sales finance receivables	7,665,603	7,230,016
Securities	139,470	118,740
Merchandise and finished goods	827,289	931,968
Work in process	64,386	82,151
Raw materials and supplies	366,248	366,152
Other	945,449	765,624
Allowance for doubtful accounts	(127,092)	(125,244)
Total current assets	11,613,105	10,897,829
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	590,717	659,267
Machinery, equipment and vehicles, net ※1	3,436,437	※1 3,320,298
Land	595,776	598,412
Construction in progress	233,070	221,929
Other, net	449,698	428,063
Total property, plant and equipment	5,305,698	5,227,969
Intangible fixed assets	134,471	125,264
Investments and other assets		
Investment securities	1,338,875	1,347,387
Other	562,554	579,297
Allowance for doubtful accounts	(2,358)	(2,248)
Total investments and other assets	1,899,071	1,924,436
Total fixed assets	7,339,240	7,277,669
Total assets	18,952,345	18,175,498

(Millions of yen)

	Prior Fiscal Year (As of March 31, 2019)	Current First Quarter (As of June 30, 2019)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	1,580,452	1,464,585
Short-term borrowings	850,995	915,551
Current portion of long-term borrowings	1,630,771	1,389,648
Commercial papers	697,549	692,326
Current portion of bonds	583,457	621,343
Lease obligations	19,846	35,190
Accrued expenses	1,183,888	1,059,485
Accrued warranty costs	116,492	112,615
Other	1,067,081	970,774
Total current liabilities	7,730,531	7,261,517
Long-term liabilities		
Bonds	1,691,844	1,548,562
Long-term borrowings	2,539,186	2,479,195
Lease obligations	16,038	79,396
Accrued warranty costs	116,425	108,426
Net defined benefit liability	378,967	368,829
Other	855,844	840,073
Total long-term liabilities	5,598,304	5,424,481
Total liabilities	13,328,835	12,685,998
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	814,682	818,307
Retained earnings	4,961,980	4,842,481
Treasury stock	(139,457)	(139,347)
Total shareholders' equity	6,243,019	6,127,255
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	30,004	23,714
Unrealized gain and loss from hedging instruments	4,762	(2,738)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(30,882)	(25,142)
Translation adjustments	(790,131)	(845,910)
Remeasurements of defined benefit plans	(154,097)	(146,534)
Total accumulated other comprehensive income	(940,344)	(996,610)
Non-controlling interests	320,835	358,855
Total net assets	5,623,510	5,489,500
Total liabilities and net assets	18,952,345	18,175,498

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

	(Millions of yen)	
	Prior First Quarter (From April 1, 2018 To June 30, 2018)	Current First Quarter (From April 1, 2019 To June 30, 2019)
Net sales	2,716,592	2,372,422
Cost of sales	2,273,580	2,035,401
<b>Gross profit</b>	<b>443,012</b>	<b>337,021</b>
Selling, general and administrative expenses		
Advertising expenses	71,624	72,531
Provision for warranty costs	32,205	27,619
Other selling expenses	42,443	41,980
Salaries and wages	96,190	91,026
Retirement benefit expenses	4,767	5,841
Provision for doubtful accounts	15,282	25,128
Other	71,357	71,287
Total selling, general and administrative expenses	333,868	335,412
<b>Operating income</b>	<b>109,144</b>	<b>1,609</b>
Non-operating income		
Interest income	7,297	5,794
Dividends income	8,026	6,710
Equity in earnings of affiliates	44,406	33,124
Derivative gain	23,733	—
Miscellaneous income	6,926	2,440
Total non-operating income	90,388	48,068
Non-operating expenses		
Interest expense	3,149	2,835
Derivative loss	—	2,350
Exchange loss	31,673	428
Credit liquidation costs	3,609	2,938
Loss on revaluation of the accounts based on general price level accounting	—	3,711
Miscellaneous expenses	2,199	2,087
Total non-operating expenses	40,630	14,349
<b>Ordinary income</b>	<b>158,902</b>	<b>35,328</b>
Special gains		
Gain on sales of fixed assets	7,297	3,207
Other	137	178
Total special gains	7,434	3,385
Special losses		
Loss on sales of fixed assets	297	45
Loss on disposal of fixed assets	1,388	4,000
Special addition to retirement benefits	96	5,387
Other	4,148	2,406
Total special losses	5,929	11,838
Income before income taxes	160,407	26,875
Income taxes	38,949	16,635
Net income	121,458	10,240
Net income attributable to non-controlling interests	5,629	3,863
Net income attributable to owners of parent	115,829	6,377

Quarterly consolidated statements of comprehensive income

	(Millions of yen)	
	Prior First Quarter	Current First Quarter
	(From April 1, 2018 To June 30, 2018)	(From April 1, 2019 To June 30, 2019)
Net income	121,458	10,240
Other comprehensive income		
Unrealized holding gain and loss on securities	(22,163)	(5,432)
Unrealized gain and loss from hedging instruments	2,991	(7,466)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	—	5,718
Translation adjustments	(3,206)	(60,729)
Remeasurements of defined benefit plans	(443)	7,623
The amount for equity method company portion	(24,347)	3,519
Total other comprehensive income	(47,168)	(56,767)
Comprehensive income	74,290	(46,527)
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	72,089	(49,889)
Comprehensive income attributable to non-controlling interests	2,201	3,362

## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Prior First Quarter (From April 1, 2018 To June 30, 2018)	Current First Quarter (From April 1, 2019 To June 30, 2019)
<b>Cash flows from operating activities</b>		
Income before income taxes	160,407	26,875
Depreciation and amortization (for fixed assets excluding leased vehicles)	98,230	101,133
Depreciation and amortization (for long term prepaid expenses)	15,855	10,281
Depreciation and amortization (for leased vehicles)	124,576	114,594
Increase (decrease) in allowance for doubtful accounts	(1,965)	(37)
Interest and dividends income	(15,323)	(12,504)
Interest expense	48,659	53,603
Equity in losses (earnings) of affiliates	(44,406)	(33,124)
Loss (gain) on sales of fixed assets	(7,000)	(3,162)
Loss on disposal of fixed assets	1,388	4,000
Decrease (increase) in trade notes and accounts receivable	180,611	90,049
Decrease (increase) in sales finance receivables	91,680	311,425
Decrease (increase) in inventories	(157,158)	(139,634)
Increase (decrease) in trade notes and accounts payable	(133,954)	(197,046)
Retirement benefit expenses	6,692	8,748
Payments related to net defined benefit assets and liabilities	(5,691)	(6,903)
Other	942	9,595
<b>Subtotal</b>	<b>363,543</b>	<b>337,893</b>
Interest and dividends received	18,313	13,592
Proceeds from dividends income from affiliates accounted for by equity method	27,569	24,713
Interest paid	(45,047)	(50,988)
Income taxes paid	(42,099)	(49,430)
<b>Net cash provided by operating activities</b>	<b>322,279</b>	<b>275,780</b>
<b>Cash flows from investing activities</b>		
Net decrease (increase) in short-term investments	83	130
Purchase of fixed assets	(101,112)	(135,862)
Proceeds from sales of fixed assets	14,299	10,628
Purchase of leased vehicles	(308,450)	(311,900)
Proceeds from sales of leased vehicles	171,879	193,811
Payments of long-term loans receivable	(172)	(158)
Collection of long-term loans receivable	98	355
Purchase of investment securities	(11,237)	(7,960)
Net decrease (increase) in restricted cash	98,373	111,052
Other	(147)	574
<b>Net cash used in investing activities</b>	<b>(136,386)</b>	<b>(139,330)</b>

(Millions of yen)

	Prior First Quarter (From April 1, 2018 To June 30, 2018)	Current First Quarter (From April 1, 2019 To June 30, 2019)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	71,596	85,177
Proceeds from long-term borrowings	170,800	419,481
Proceeds from issuance of bonds	33,037	33,074
Repayments of long-term borrowings	(290,145)	(591,670)
Redemption of bonds	(77,604)	(102,535)
Proceeds from non-controlling shareholders	—	8,551
Purchase of treasury stock	(1)	(1)
Repayments of lease obligations	(8,546)	(7,442)
Cash dividends paid	(103,627)	(111,520)
Cash dividends paid to non-controlling interests	(976)	(4,941)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	5,011
Net cash provided by financing activities	(205,466)	(266,815)
Effects of exchange rate changes on cash and cash equivalents	(13,162)	(3,394)
Decrease in cash and cash equivalents	(32,735)	(133,759)
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 1,174,380	※1 1,231,350

## [Notes to Quarterly Consolidated Financial Statements]

(Changes in accounting policies)

Current First Quarter  
(From April 1, 2019  
To June 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 current first quarter.

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 current first quarter.

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 current first quarter 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 current first quarter 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 current first quarter.

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 current first quarter.

As a result, the balance of retained earnings at the beginning of the current first quarter decreased by ¥10,489 million. In addition, net income for the current first quarter increased by ¥10,489 million due to this revision.

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

Current First Quarter  
(From April 1, 2019  
To June 30, 2019)

(Calculation of tax expense)

Income taxes are determined based on the amount of income before income taxes for the current first quarter ended June 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 First Quarter (As of June 30, 2019)
Assets leased to others under lease agreements (lessor)	2,722,277	2,625,888

## 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 First Quarter (As of June 30, 2019)

### (1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	※26,591	Guarantees for employees' housing loans and others
22 foreign dealers	560	Guarantees for loans and others
Total	27,151	

※ 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

## 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)	
	Prior First Quarter (From April 1, 2018 To June 30, 2018)	Current First Quarter (From April 1, 2019 To June 30, 2019)
Cash on hand and in banks	1,068,481	1,112,610
Time deposits with maturities of more than three months	—	—
Cash equivalents included in securities (*)	105,899	118,740
Cash and cash equivalents	1,174,380	1,231,350

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

(For net assets)

Prior First Quarter (From April 1, 2018 To June 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 June 30, 2018, and the effective date of which was after June 30, 2018

There were no applicable items during the first quarter ended June 30, 2018.

Current First Quarter (From April 1, 2019 To June 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 June 30, 2019, and the effective date of which was after June 30, 2019

There were no applicable items during the first quarter ended June 30, 2019.

(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 current first quarter. 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 current first quarter. The effects of these revisions on segment profits for the current first quarter 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 current first quarter 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 current first quarter 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 current first quarter.

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 current first quarter. In addition, there is no effect on the segment profits for the current first quarter.

As a result, the balance of retained earnings at the beginning of the current first quarter decreased by ¥10,489 million. In addition, net income attributable to owners of parent in Automobile & Eliminations for the current first quarter increased by ¥10,489 million due to this revision.

4. Net sales and profits or losses by reportable segments

Prior First Quarter (From April 1, 2018 To June 30, 2018)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Prior First Quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	2,434,801	281,791	2,716,592	—	2,716,592
Inter-segment sales or transfers	28,851	11,906	40,757	(40,757)	—
Total	2,463,652	293,697	2,757,349	(40,757)	2,716,592
Segment profits	37,993	63,138	101,131	8,013	109,144

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 First Quarter (As of June 30, 2018)		
	Automobile & Eliminations	Sales financing	Consolidated total
<b>Assets</b>			
I. Current assets			
Cash on hand and in banks	996,764	71,717	1,068,481
Trade notes and accounts receivable	552,862	2,014	554,876
Sales finance receivables	(103,227)	7,779,544	7,676,317
Inventories	1,398,547	45,997	1,444,544
Other current assets	519,494	198,143	717,637
Total current assets	3,364,440	8,097,415	11,461,855
II. Fixed assets			
Property, plant and equipment, net	2,551,071	2,723,992	5,275,063
Investment securities	1,228,504	2,107	1,230,611
Other fixed assets	582,904	122,461	705,365
Total fixed assets	4,362,479	2,848,560	7,211,039
Total assets	7,726,919	10,945,975	18,672,894
<b>Liabilities</b>			
I. Current liabilities			
Trade notes and accounts payable	1,539,665	33,301	1,572,966
Short-term borrowings	(513,303)	3,717,973	3,204,670
Lease obligations	20,851	—	20,851
Other current liabilities	1,859,718	462,635	2,322,353
Total current liabilities	2,906,931	4,213,909	7,120,840
II. Long-term liabilities			
Bonds	175,000	1,673,017	1,848,017
Long-term borrowings	(150,515)	2,884,802	2,734,287
Lease obligations	13,574	7	13,581
Other long-term liabilities	740,188	621,839	1,362,027
Total long-term liabilities	778,247	5,179,665	5,957,912
Total liabilities	3,685,178	9,393,574	13,078,752
<b>Net assets</b>			
I. Shareholders' equity			
Common stock	431,303	174,511	605,814
Capital surplus	641,841	172,769	814,610
Retained earnings	3,669,547	1,203,372	4,872,919
Treasury stock	(140,358)	—	(140,358)
Total shareholders' equity	4,602,333	1,550,652	6,152,985
II. Accumulated other comprehensive income			
Translation adjustments	(706,639)	(50,256)	(756,895)
Others	(102,056)	9,444	(92,612)
Total accumulated other comprehensive income	(808,695)	(40,812)	(849,507)
III. Non-controlling interests	248,103	42,561	290,664
Total net assets	4,041,741	1,552,401	5,594,142
Total liabilities and net assets	7,726,919	10,945,975	18,672,894

- 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 ¥1,153,400 million.

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

(Millions of yen)

Accounts	Prior First Quarter (From April 1, 2018 To June 30, 2018)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	2,422,895	293,697	2,716,592
Cost of sales	2,074,982	198,598	2,273,580
Gross profit	347,913	95,099	443,012
Operating income as a percentage of net sales	1.9%	21.5%	4.0%
Operating income	46,006	63,138	109,144
Financial income / expenses, net	12,181	(7)	12,174
Other non-operating income and expenses, net	37,968	(384)	37,584
Ordinary income	96,155	62,747	158,902
Income before income taxes	97,672	62,735	160,407
Net income attributable to owners of parent	78,165	37,664	115,829

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

(Millions of yen)

Accounts	Prior First Quarter (From April 1, 2018 To June 30, 2018)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	97,672	62,735	160,407
Depreciation and amortization	107,620	131,041	238,661
Decrease in sales finance receivables	89,377	2,303	91,680
Others	(141,396)	(27,073)	(168,469)
Net cash provided by operating activities	153,273	169,006	322,279
II. Cash flows from investing activities			
Purchases of investment securities	(11,237)	—	(11,237)
Purchases of fixed assets	(98,070)	(3,042)	(101,112)
Proceeds from sales of fixed assets	7,657	6,642	14,299
Purchases of leased vehicles	—	(308,450)	(308,450)
Proceeds from sales of leased vehicles	—	171,879	171,879
Others	(83,141)	181,376	98,235
Net cash provided by (used in) investing activities	(184,791)	48,405	(136,386)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	173,476	(101,880)	71,596
Net change in long-term borrowings and redemption of bonds	11,030	(207,979)	(196,949)
Proceeds from issuance of bonds	—	33,037	33,037
Others	(183,569)	70,419	(113,150)
Net cash provided by (used in) financing activities	937	(206,403)	(205,466)
IV. Effect of exchange rate changes on cash and cash equivalents	(12,886)	(276)	(13,162)
V. Increase (decrease) in cash and cash equivalents	(43,467)	10,732	(32,735)
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	1,098,269	76,111	1,174,380

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥25,395 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 ¥25,547 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

Prior First Quarter (From April 1, 2018 To June 30, 2018)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	522,807	1,307,956	373,203	244,678	267,948	2,716,592	—	2,716,592
(2) Inter-segment sales	584,079	128,100	74,782	130,059	4,429	921,449	(921,449)	—
Total	1,106,886	1,436,056	447,985	374,737	272,377	3,638,041	(921,449)	2,716,592
Operating income (loss)	57,636	49,472	(4,713)	17,826	(141)	120,080	(10,936)	109,144

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

Current First Quarter (From April 1, 2019 To June 30, 2019)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Current First Quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	2,086,744	285,678	2,372,422	—	2,372,422
Inter-segment sales or transfers	38,299	12,795	51,094	(51,094)	—
Total	2,125,043	298,473	2,423,516	(51,094)	2,372,422
Segment profits (loss)	(57,438)	56,350	(1,088)	2,697	1,609

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 First Quarter (As of June 30, 2019)		
	Automobile & Eliminations	Sales financing	Consolidated total
<b>Assets</b>			
I. Current assets			
Cash on hand and in banks	1,076,186	36,424	1,112,610
Trade notes and accounts receivable	414,110	1,702	415,812
Sales finance receivables	(107,480)	7,337,496	7,230,016
Inventories	1,330,740	49,531	1,380,271
Other current assets	535,969	223,151	759,120
Total current assets	3,249,525	7,648,304	10,897,829
II. Fixed assets			
Property, plant and equipment, net	2,632,051	2,595,918	5,227,969
Investment securities	1,342,421	4,966	1,347,387
Other fixed assets	583,760	118,553	702,313
Total fixed assets	4,558,232	2,719,437	7,277,669
Total assets	7,807,757	10,367,741	18,175,498
<b>Liabilities</b>			
I. Current liabilities			
Trade notes and accounts payable	1,428,145	36,440	1,464,585
Short-term borrowings	(13,770)	3,632,638	3,618,868
Lease obligations	34,715	475	35,190
Other current liabilities	1,692,809	450,065	2,142,874
Total current liabilities	3,141,899	4,119,618	7,261,517
II. Long-term liabilities			
Bonds	145,000	1,403,562	1,548,562
Long-term borrowings	(51,460)	2,530,655	2,479,195
Lease obligations	78,051	1,345	79,396
Other long-term liabilities	700,113	617,215	1,317,328
Total long-term liabilities	871,704	4,552,777	5,424,481
Total liabilities	4,013,603	8,672,395	12,685,998
<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	3,522,050	1,320,431	4,842,481
Treasury stock	(139,347)	—	(139,347)
Total shareholders' equity	4,414,212	1,713,043	6,127,255
II. Accumulated other comprehensive income			
Translation adjustments	(726,142)	(119,768)	(845,910)
Others	(143,390)	(7,310)	(150,700)
Total accumulated other comprehensive income	(869,532)	(127,078)	(996,610)
III. Non-controlling interests	249,474	109,381	358,855
Total net assets	3,794,154	1,695,346	5,489,500
Total liabilities and net assets	7,807,757	10,367,741	18,175,498

- 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 ¥648,834 million.

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

(Millions of yen)

Accounts	Current First Quarter (From April 1, 2019 To June 30, 2019)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	2,073,949	298,473	2,372,422
Cost of sales	1,835,160	200,241	2,035,401
Gross profit	238,789	98,232	337,021
Operating income as a percentage of net sales	(2.6%)	18.9%	0.1%
Operating income (loss)	(54,741)	56,350	1,609
Financial income / expenses, net	9,680	(11)	9,669
Other non-operating income and expenses, net	24,343	(293)	24,050
Ordinary income (loss)	(20,718)	56,046	35,328
Income (loss) before income taxes	(28,619)	55,494	26,875
Net income (loss) attributable to owners of parent	(31,235)	37,612	6,377

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

(Millions of yen)

Accounts	Current First Quarter (From April 1, 2019 To June 30, 2019)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	(28,619)	55,494	26,875
Depreciation and amortization	99,028	126,980	226,008
Decrease (increase) in sales finance receivables	(28,501)	339,926	311,425
Others	(294,179)	5,651	(288,528)
Net cash provided by (used in) operating activities	(252,271)	528,051	275,780
II. Cash flows from investing activities			
Purchase of investment securities	(7,960)	—	(7,960)
Purchases of fixed assets	(132,011)	(3,851)	(135,862)
Proceeds from sales of fixed assets	5,921	4,707	10,628
Purchases of leased vehicles	—	(311,900)	(311,900)
Proceeds from sales of leased vehicles	—	193,811	193,811
Others	886	111,067	111,953
Net cash provided by (used in) investing activities	(133,164)	(6,166)	(139,330)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	342,617	(257,440)	85,177
Net change in long-term borrowings and redemption of bonds	14,637	(289,361)	(274,724)
Proceeds from issuance of bonds	—	33,074	33,074
Others	(89,720)	(20,622)	(110,342)
Net cash provided by (used in) financing activities	267,534	(534,349)	(266,815)
IV. Effect of exchange rate changes on cash and cash equivalents	(3,423)	29	(3,394)
V. Increase (decrease) in cash and cash equivalents	(121,324)	(12,435)	(133,759)
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	1,194,307	37,043	1,231,350

Notes:1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥173,565 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 ¥20,001 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

Current First Quarter (From April 1, 2019 To June 30, 2019)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	517,445	1,166,702	303,858	220,197	164,220	2,372,422	—	2,372,422
(2) Inter-segment sales	440,247	112,855	44,926	112,138	4,856	715,022	(715,022)	—
Total	957,692	1,279,557	348,784	332,335	169,076	3,087,444	(715,022)	2,372,422
Operating income (loss)	18,069	688	(11,398)	10,646	(5,120)	12,885	(11,276)	1,609

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

Prior First Quarter (From April 1, 2018 To June 30, 2018)

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

Current First Quarter (From April 1, 2019 To June 30, 2019)

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

6. Information about goodwill by reportable segments

Prior First Quarter (From April 1, 2018 To June 30, 2018)

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

Current First Quarter (From April 1, 2019 To June 30, 2019)

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

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

Prior First Quarter (From April 1, 2018 To June 30, 2018)

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

Current First Quarter (From April 1, 2019 To June 30, 2019)

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

## 8. Information about geographical area

### Net sales

Prior First Quarter (From April 1, 2018 To June 30, 2018)

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
429,459	1,277,505	1,043,971	388,756	320,852	300,020	2,716,592

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.

Current First Quarter (From April 1, 2019 To June 30, 2019)

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
412,888	1,137,667	957,910	344,740	284,047	193,080	2,372,422

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.

	Prior First Quarter (From April 1, 2018 To June 30, 2018)	Current First Quarter (From April 1, 2019 To June 30, 2019)
(1) Basic earnings per share	¥29.62	¥1.63
(Basis for calculation)		
Net income attributable to owners of parent (Millions of yen)	115,829	6,377
Net income attributable to owners of parent relating to common stock (Millions of yen)	115,829	6,377
Average number of shares of common stock during the period (Thousands of shares)	3,910,588	3,912,954
(2) Diluted earnings per share	¥29.62	¥1.63
(Basis for calculation)		
Adjustment in net income attributable to owners of parent (Millions of yen)	—	—
Increase in shares of common stock (Thousands of shares)	16	—
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**

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

July 26, 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 June 30, 2019, the quarterly consolidated statement of income, quarterly consolidated statement of comprehensive income, quarterly consolidated statement of cash flows for the three-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 June 30, 2019, and the consolidated results of their operations and their cash flows for the three-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>	July 29, 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>	Hiroto Saikawa, Representative Executive Officer, President and Chief Executive 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**

Hiroto Saikawa, Representative Executive Officer, President and Chief Executive 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 first quarter (from April 1, 2019 to June 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.