

Quarterly Securities Report

Third Quarter of FY2021

(From October 1, 2021 To December 31, 2021)

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

Nissan Motor Co., Ltd.

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【Document Submitted】	Quarterly Securities Report (“Shihanki-Houkokusho”)
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Part I Information on the Company

1. Overview of the Company

1. Key financial data and trends

Fiscal year		122nd Nine months ended December 31, 2020	123rd Nine months ended December 31, 2021	122nd
Accounting period		(From April 1, 2020 To December 31, 2020)	(From April 1, 2021 To December 31, 2021)	(From April 1, 2020 To March 31, 2021)
Net sales	(Millions of yen)	5,317,447	6,154,031	7,862,572
[Current third quarter]		[2,224,760]	[2,207,034]	
Ordinary income (loss)	(Millions of yen)	(216,310)	256,032	(221,230)
Net income (loss) attributable to owners of parent	(Millions of yen)	(367,721)	201,335	(448,697)
[Current third quarter]		[(37,762)]	[32,689]	
Comprehensive income	(Millions of yen)	(331,315)	361,066	(41,928)
Net assets	(Millions of yen)	4,034,076	4,692,160	4,339,826
Total assets	(Millions of yen)	16,033,283	15,759,703	16,452,068
Basic earnings (loss) per share	(Yen)	(93.98)	51.44	(114.67)
[Current third quarter]		[(9.65)]	[8.35]	
Diluted earnings per share	(Yen)	—	51.44	—
Net assets as a percentage of total assets	(%)	22.9	27.1	24.0
Cash flows from operating activities	(Millions of yen)	963,028	610,241	1,322,789
Cash flows from investing activities	(Millions of yen)	(220,296)	(222,480)	(369,121)
Cash flows from financing activities	(Millions of yen)	(222,891)	(700,299)	(639,692)
Cash and cash equivalents at end of the period	(Millions of yen)	2,157,798	1,789,063	2,034,026

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

2. Diluted earnings per share for the nine months ended December 31, 2020 and the 122nd fiscal year is not presented because a net loss per share was recorded although potential dilutive stock existed.

3. “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) and other standards have been applied from the beginning of the first quarter of the current fiscal year. Key financial data, etc. concerning the nine months ended December 31, 2021 and the current third quarter is presented as figures after the adoption of these accounting standards, etc.

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 nine months ended December 31, 2021. No changes were made to major subsidiaries and affiliates.

2. Business Overview

1. Business and other risks

During the nine months ended December 31, 2021, 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 December 31, 2021, the end of the current third quarter.

“Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and related guidelines have been adopted from the beginning of the first quarter of the current fiscal year. For details, please refer to “4. Financial Information [Notes to Quarterly Consolidated Financial Statements] (Changes in accounting policies).”

(1) Financial position and operating results

The global industry volume totaled 57.86 million units for the nine months ended December 31, 2021, an increase of 5.7% from the corresponding period of the last year (the “last year”). Global sales of the Group for the nine months ended December 31, 2021 increased by 4.6% year on year to 2,906 thousand units and net sales of the Group for the nine months ended December 31, 2021, totaled ¥6,154.0 billion, which represents an increase of ¥836.6 billion (15.7%) relative to net sales for the last year. Operating income of ¥191.3 billion was recorded, improving by ¥322.9 billion from the last year.

Net non-operating income of ¥64.7 billion was recorded for the nine months ended December 31, 2021, improving by ¥149.4 billion from the last year. As a result, Ordinary income of ¥256.0 billion was recorded, improving by ¥472.3 billion compared with the last year. Net special income of ¥71.3 billion was recorded, improving by ¥180.2 billion from the last year. Income before income taxes of ¥327.3 billion was recorded, improving by ¥652.5 billion from the last year. Finally, Net income attributable to owners of parent for the nine months ended December 31, 2021 of ¥201.3 billion was recorded, an improvement of ¥569.0 billion from the last year.

(2) Cash flows

Cash and cash equivalents at December 31, 2021 decreased by ¥245.0 billion (12.0%) from the end of the prior fiscal year to ¥1,789.1 billion. This reflected ¥610.2 billion in net cash provided by operating activities, ¥222.5 billion in net cash used in investing activities and ¥700.3 billion in net cash used in financing activities, as well as an increase of ¥61.9 billion in the effects of foreign exchange rate movements on cash and cash equivalents and an increase of ¥5.7 billion due to change in the scope of consolidation.

(3) Production and sales

Actual production

Location of manufacturers	Number of vehicles produced (units)		Change (units)	Change (%)
	Nine months ended December 31, 2020	Nine months ended December 31, 2021		
Japan	336,506	316,039	(20,467)	(6.1)
The United States of America	292,436	315,067	22,631	7.7
Mexico	341,909	354,372	12,463	3.6
The United Kingdom	164,326	123,114	(41,212)	(25.1)
Spain	6,087	18,673	12,586	206.8
Russia	24,850	34,614	9,764	39.3
Thailand	80,174	86,243	6,069	7.6
Philippines	2,951	—	(2,951)	—
India	83,016	136,597	53,581	64.5
South Africa	11,044	16,136	5,092	46.1
Brazil	30,430	34,250	3,820	12.6
Argentina	9,092	18,693	9,601	105.6
Egypt	9,636	14,313	4,677	48.5
Total	1,392,457	1,468,111	75,654	5.4

Note: The figures represent the production figures for the nine month period from April 1 to December 31, 2021.

Actual sales

Sales to	Number of vehicles sold (on a consolidated basis: units)		Change (units)	Change (%)
	Nine months ended December 31, 2020	Nine months ended December 31, 2021		
Japan	308,228	297,195	(11,033)	(3.6)
North America	747,185	704,896	(42,289)	(5.7)
(The United States of America included therein)	561,867	536,280	(25,587)	(4.6)
Europe	235,242	218,508	(16,734)	(7.1)
Asia	131,607	166,435	34,828	26.5
Other overseas countries	199,875	303,012	103,137	51.6
Total	1,622,137	1,690,046	67,909	4.2

Note: The figures in China and Taiwan, which are included in “Asia,” represent the sales figures for the nine month period from January 1 to September 30, 2021. Those sold in Japan, North America, Europe, Other overseas countries and Asia (excluding China and Taiwan) represent vehicles sold for the nine month period from April 1 to December 31, 2021.

(4) Results of segments

(Business segments)

a. Automobiles

The Group’s worldwide automobile sales (on a retail basis) for the nine months ended December 31, 2021, increased by 127 thousand units (4.6%) from the last year to 2,906 thousand units. The number of vehicles sold in Japan decreased by 8.3% to 289 thousand units. Vehicles sold in China increased by 3.5% to 1,020 thousand units. Those sold in North America including Mexico and Canada increased by 8.1% to 914 thousand units, those sold in Europe decreased by 6.8% to 262 thousand units and those sold in other overseas countries increased by 19.5% to 421 thousand units.

Net sales in the automobile business (including intersegment sales) for the nine months ended December 31, 2021 increased by ¥783.4 billion (16.8%) from the last year to ¥5,435.1 billion. An operating loss of ¥131.8 billion was recorded, an improvement of ¥214.7 billion from the last year. Major profit-improving factors were an increase in the number of vehicles sold, net revenue improvement and various cost and expense reductions.

b. Sales finance

Net sales in the sales finance business (including intersegment sales) for the nine months ended December 31, 2021 increased by ¥14.8 billion (1.9%) from the last year to ¥788.5 billion. Operating income increased by ¥103.8 billion (52.0%) from the last year to ¥303.4 billion. Major profit-increasing factors were improvement in quality of asset portfolio and lower cost of funds.

(Geographic segments)

a. Japan

For the nine months ended December 31, 2021, in the Japan market, the total industry volume (“TIV”) decreased by 6.4% year on year to 3.02 million units. The Group’s sales (on a retail basis) decreased by 8.3% from the last year to 289 thousand units. The Group’s market share decreased to 9.6%, down 0.2 percentage points year on year.

Meanwhile, net sales in Japan (including intersegment sales) for the nine months ended December 31, 2021 increased by ¥109.0 billion (5.0%) from the last year to ¥2,279.1 billion. The Group recorded an operating loss of ¥169.0 billion, improving by ¥5.7 billion from the last year. Major profit-improving factors were the impact of foreign exchange effects and improvement of profitability in domestic subsidiaries.

b. North America

For the nine months ended December 31, 2021, in the North America market, including Mexico and Canada, TIV increased by 1.8% to 13.17 million units. The Group’s sales (on a retail basis) in North America increased by 8.1% to 914 thousand units.

As a result, net sales in North America (including intersegment sales) for the nine months ended December 31, 2021 increased by ¥494.1 billion (18.4%) to ¥3,176.6 billion. The Group recorded operating income of ¥271.9 billion, an increase of ¥238.3 billion (708.4%) from the last year. Major factors were net revenue improvement and various cost and expense reductions.

In the United States of America market, TIV increased by 0.8% to 11.15 million units. The Group sold (on a retail basis) 692 thousand units, up 7.9% from the last year. The Group’s market share increased by 0.4 percentage points to 6.2%.

- c. **Europe**
For the nine months ended December 31, 2021, in the Europe market, TIV increased by 0.5% to 11.92 million units. The Group sold (on a retail basis) 223 thousand units in the Europe market, excluding Russia, down 3.8% from the last year. The Group's market share decreased by 0.1 percentage points to 2.1%. In addition, the Group's sales (on a retail basis) in Russia decreased by 20.8% to 39 thousand units.
Net sales in Europe (including intersegment sales) for the nine months ended December 31, 2021 were ¥822.3 billion, an increase of ¥77.1 billion (10.4%) from the last year. An operating loss of ¥22.2 billion was recorded, deteriorating by ¥2.2 billion from the last year. This was mainly due to the impact of the decrease in number of vehicles sold, despite the net revenue improvement and various cost and expense reductions.
- d. **Asia**
For the nine months ended December 31, 2021, sales volume (on a retail basis) in the Asia market, excluding China, increased by 7.6% to 107 thousand units. Net sales in Asia (including intersegment sales) for the nine months ended December 31, 2021 increased by ¥161.9 billion (20.1%) from the last year to ¥967.7 billion. Operating income for the nine months ended December 31, 2021 was ¥61.7 billion, an increase of ¥25.6 billion (71.2%) from the last year.
For the nine months ended December 31, 2021, in the China market, TIV increased by 9.5% to 17.19 million units. The Group's sales (on a retail basis) in China increased by 3.5% from the last year to 1,020 thousand units, accounting for a market share of 5.9%, down 0.4 percentage points year on year. The operating results of Chinese joint venture, Dongfeng Motor Co., Ltd., are reflected as equity in earnings or losses of affiliates in non-operating income or expenses.
- e. **Other overseas countries**
For the nine months ended December 31, 2021, in other markets, consisting of Oceania, Middle East, South Africa, and Central and South America excluding Mexico, etc., the Group's sales (on a retail basis) volume increased by 24.2% to 314 thousand units.
As a result, net sales in other markets consisting of the aforementioned regions (including intersegment sales) for the nine months ended December 31, 2021 increased by ¥255.8 billion (66.9%) from the last year to ¥638.0 billion. Operating income of ¥37.6 billion was recorded, improving by ¥43.5 billion from the last year.

(5) Analysis of sources of capital and liquidity

a. Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities decreased by ¥352.8 billion to ¥610.2 billion in the nine months ended December 31, 2021 from ¥963.0 billion provided in the last year. This was mostly due to working capital deterioration mainly from semiconductor shortage and smaller sales finance portfolio decrease partially offset by the improved profitability.

(Cash flows from investing activities)

Net cash used in investing activities increased by ¥2.2 billion to ¥222.5 billion in the nine months ended December 31, 2021 from ¥220.3 billion used in the last year. This was mainly due to an increase in restricted cash in sales finance business related to the asset-backed securities activities partially offset by an increase in proceeds from sales of Daimler AG shares.

(Cash flows from financing activities)

Net cash used in financing activities increased by ¥477.4 billion to ¥700.3 billion in the nine months ended December 31, 2021, from ¥222.9 billion used in the last year. This was mainly due to a decrease in new funding and repayment of loans.

As the cash and cash equivalents in the automobile business as of December 31, 2021 exceeded interest-bearing debt, the Group had a net cash position of ¥646.0 billion, and the free cash flows in the automobile business for the nine months ended December 31, 2021 were negative ¥350.2 billion.

Information by segments is as follows:

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

	Automobile & Eliminations	Sales financing	Consolidated total
Cash flows from operating activities	(227,337)	1,190,365	963,028
Cash flows from investing activities	(238,623)	18,327	(220,296)
Cash flows from financing activities	971,233	(1,194,124)	(222,891)

(Millions of yen)

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

	Automobile & Eliminations	Sales financing	Consolidated total
Cash flows from operating activities	(277,260)	887,501	610,241
Cash flows from investing activities	(72,992)	(149,488)	(222,480)
Cash flows from financing activities	28,466	(728,765)	(700,299)

(Millions of yen)

Year-on-Year Comparison

	Automobile & Eliminations	Sales financing	Consolidated total
Cash flows from operating activities	(49,923)	(302,864)	(352,787)
Cash flows from investing activities	165,631	(167,815)	(2,184)
Cash flows from financing activities	(942,767)	465,359	(477,408)

(Millions of yen)

b. Financial policies

The Group had ¥1,637.2 billion of cash and cash equivalents in the automobile business and approximately ¥1.8 trillion of committed lines available for drawing as of December 31, 2021. In addition to securing funding in the normal course of its business, the Company and its subsidiaries secured additional funds to meet cash needs due to the impact of COVID-19 in an aggregate amount of ¥2,385.1 billion with multiple financial institutions after April 2020 including issuing USD and EUR denominated bonds, and ¥478.4 billion has been repaid. It is necessary to pay careful attention to the liquidity of the Group in view of the global semiconductor shortage and the recent cash usage in the automotive business. However, as the Group has entered into loan commitment agreements with major international banks in addition to the cash and cash equivalents as above, the Group believes that a level of liquidity sufficient to meet the Group's funding requirements is being maintained.

(6) Management policy and business strategies

The Group defined its corporate purpose as “Driving Innovation to Enrich People’s Lives”. This stated clearly the Company’s raison d’être, the question of why we exist and the role we play for the society, based on “Enriching People’s Lives” that has been a Nissan’s corporate vision for years, keeping the founder’s spirit of “Do what others don’t dare to do”. Meanwhile, the Group will strengthen its relationships with suppliers and dealers and work with them to bolster our business model.

As it develops as a Company through its full range of global activities, Nissan seeks to not only create economic value but also contribute solutions to society as a leading global automaker. Nissan is committed to all stakeholders—including customers, shareholders, employees and the communities where it does business—and to delivering valuable and sustainable mobility for all. Furthermore, we pursue the realization of a zero-emission, zero-fatality society by actively contributing to the sustainable development of society. To be specific, the Group has set the goal to achieve carbon neutrality across the Company’s operations and the life cycle of its products by 2050.

To achieve this goal, the Company announced on November 29, 2021, a long-term vision, Nissan Ambition 2030. With this vision, Nissan wants to deliver strategic value by empowering journeys offering confident, exciting, and more integrated experiences to customers. The outline is as follows:

- By placing electrification at the core of Nissan Ambition 2030, Nissan aims to accelerate the electrification of its vehicle lineup and rate of technology innovation with investments of 2 trillion yen over the next five years.
- Nissan will introduce 23 new electrified models, including 15 new EVs by fiscal year 2030 aiming for an electrification mix of more than 50% globally.
- Nissan aims to launch EV with its proprietary all-solid-state batteries (ASSB) by fiscal year 2028 and ready a pilot plant in Yokohama as early as fiscal year 2024. With the introduction of breakthrough ASSB, Nissan will be able to expand its EV offerings across segments and offer more dynamic performance.

The Company, Renault and MITSUBISHI MOTORS CORPORATION announced on January 27, 2022, a common roadmap towards 2030, Alliance 2030. The Alliance focuses on pure electric vehicles and connected mobility to make the difference for a new and global sustainable future.

The Company implemented a production line at its Tochigi Plant in Japan featuring the Nissan Intelligent Factory initiative, which would support the manufacture of next-generation vehicles using innovative technologies and started production of the all-new “Nissan ARIYA” crossover EV. In Europe, the Company unveiled the “EV36Zero”, an EV Hub creating a world-first EV manufacturing ecosystem. Also, under the “Electrify Japan = Blue Switch” action, the Group is making efforts to solve local issues and realize a sustainable society by using electric vehicles as mobile storage batteries in collaboration with local governments and companies across the country.

The Group announced on May 28, 2020, a four-year plan, NISSAN NEXT, to achieve sustainable growth, financial stability and profitability by the end of fiscal-year 2023.

Over the years, the Company expanded its business scale (production capacity) centered on emerging markets with the assumption that demand will increase. The Company adopted a stretched growth strategy that placed the highest priority on sales volume. While this strategy resulted in temporary success, it postponed necessary investments in products and technologies. As a result, the Company was forced to rely on excessive incentives for sales, thus resulting in a damaged brand. Promoting a sales expansion strategy without properly allocating management resources led to the current poor business performance.

In order for the Company to recover, it is necessary to fundamentally revise the way in which its conventional businesses proceed and many strict efforts are required. At the same time, it means that all employees must work together to devote themselves to creating a brand that fits Nissan’s name. By the end of fiscal year 2023, the Company’s major mission is to rebuild its business foundation to compete in the next decade and move the Company to a new stage.

The Company needs to be reformed to achieve this goal. The Company devised a powerful strategy to bring out its true strengths of potential, diversity and manufacturing. The Company will concentrate its efforts on building a solid financial foundation and globally competitive products. The Company will bring out its true value through major changes to recover a sustainable business. To that end, the Company is focusing on two priority areas.

The first is optimization. The Company is executing a solid plan aimed at structural reforms in the business, cost reduction and efficiency improvement. The Company is focusing on expanding profits, improving profitability and extending its strengths, regardless of scale and market share, to become leaner. As a concrete measure, the Company is optimizing its production capacity and organizing its global product lineup. Both of these involve tough decisions but they are important activities that enable significant reductions in fixed costs.

The second is priority and focus. The Company is refocusing its efforts on core competencies in priority markets, main products and priority technologies while leveraging the power of the Alliance. Through creation of products that change the perspective of customers, the Company will establish a business foundation that allows it to challenge the competition more strongly than ever.

By implementing the plan, Nissan aims to achieve a 5% operating profit margin and a sustainable global market share of 6% by the end of fiscal year 2023, including proportionate contributions from its 50% equity joint venture in China. Our transformation plan aims to ensure steady growth instead of excessive sales expansion. We are now concentrating on our core competencies and enhancing the quality of our business, while maintaining financial discipline and focusing on net revenue per unit to achieve profitability. This coincides with the restoration of a culture defined by “Nissan-ness” for a new era.

The road to recovery is not easy but the Company will put forth its entire power to overcome it. Although the automobile industry has reached a major turning point, the Company aims to become a company of great value, which is needed by society, by fulfilling its role while maximizing its strengths toward the realization of a future mobility society.

The Company, Renault and MITSUBISHI MOTORS CORPORATION (hereinafter the “member companies”), the members of one of the world’s leading automotive alliances, announced on May 27, 2020, several initiatives as part of a new cooperation business model to enhance the competitiveness and profitability of the member companies. The member companies plan to build on existing Alliance benefits in areas such as joint purchasing by leveraging their respective leadership positions and geographic strengths to support their partners’ business development. This new business model will enable member companies to bring out the most of their expertise and competitiveness to reinforce the Alliance as a whole in a radically changing global automotive environment.

Nissan will recover by the end of FY2023 and generate healthy free cash flows in the automobile segment. Nissan must deliver value for customers around the world. To do this, we must make breakthroughs in the products, technologies and markets where we are competitive. This is Nissan’s DNA. In this new era, Nissan remains people-focused, to deliver technologies for all people and to continue addressing challenges as only Nissan can.

(7) FY2021 business environment and major Key Performance Indicators

The automotive industry for the nine months ended December 31, 2021, saw an ongoing adverse impact from supply-chain volatility caused by the spread of COVID-19 and global semiconductor shortage. Consequently, the Company could not produce as much as planned, but the Company continues to improve quality of sales.

Based on the latest visibility, the Company revised its FY2021 forecast that was previously announced on November 9, 2021. The Company anticipated the Group's net sales of ¥8.71 trillion, a decline of 1.0% from the previous forecast. On the other hand, the Company revised up operating income to ¥210.0 billion and net income attributable to owners of parent to ¥205.0 billion. This revision is due to positive impact from updated assumptions of foreign exchange and raw materials prices, and its performance improvement including the enhancement in quality of sales as well as cost optimization. The sales volume forecast of 3,800 thousand units remains unchanged.

NISSAN NEXT, the four-year plan to achieve sustainable growth, financial stability and profitability by the end of fiscal-year 2023 is in progress as planned.

(8) Operating and financial issues to be addressed

Operating and financial issues to be addressed by the Group occurring during the nine months ended December 31, 2021, are as follows.

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 Quarterly Securities Report. In the future, if significant progress occurs in the following contents, we will disclose in accordance with relevant laws and regulations.

A) Ghosn's personal use of the Company's assets

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

- purchase of residences for exclusive personal use in Beirut and Rio de Janeiro using roughly 27 million U.S. dollars in investment funds from Zi-A Capital, a Nissan subsidiary established under the guise of investing in promising technology start-ups, and further misuse of other company funds to purchase or rent additional residences for personal use;
- payment of sums totaling more than 750,000 U.S. dollars to Ghosn's sister on the basis of a fictitious consulting contract, starting in 2003 and extending for over 10 years with no evidence of any services having been rendered;
- personal use of the corporate jets by Ghosn and members of his family;
- improper use of expenses toward family vacations and gifts of a personal nature;
- instruction of donations totaling more than 2 million U.S. dollars of company funds to universities in Ghosn's ancestral home country of Lebanon with no legitimate business purpose;
- transfer to Nissan in 2008 of foreign exchange swap contracts bearing unrealized losses of roughly 1.85 billion yen, based on a deceptive explanation to the Company's board regarding the nature of the transaction (in 2009, the swap contracts were secretly transferred back to a company related to Ghosn after being flagged as improper by Japan's financial authorities);
- improper payments totaling roughly 7.8 million Euros to Ghosn from 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.

(9) 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 ¥346.8 billion for the nine months ended December 31, 2021.

(10) Major equipment and facilities

During fiscal year 2021 (From April 2021 to March 2022), the Group revised the capital investment plan from the one described in the Securities Report of the prior fiscal year to invest ¥400.0 billion in capital expenditures, which will be financed out of its own funds.

3. Important business contracts

No important business contracts were determined or entered into during the current third 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 December 31, 2021	As of February 10, 2022 (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 October 1, 2021 To December 31, 2021	—	4,220,715	—	605,813	—	804,470

(5) Principal shareholders

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

(6) Status of voting rights

The “Status of voting rights” as of the end of the current third quarter is presented as of September 30, 2021, the most recent record date, because the number of beneficiary shareholders as of December 31, 2021 could not be ascertained.

1) Shares issued

(As of September 30, 2021)

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 27,261,900	—	—
	(Crossholding stock) Common stock 201,100	—	—
Shares with full voting rights (Others)	Common stock 4,192,423,400	41,924,234	—
Stocks of less than a standard unit	Common stock 828,712	—	—
Total shares issued	4,220,715,112	—	—
Total voting rights held by all shareholders	—	41,924,234	—

Note: “Stocks of less than a standard unit” include 27 shares of treasury stock and 30 crossholding shares.

Crossholding stocks of less than a standard unit (As of September 30, 2021)

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

2) Treasury stock, etc.

(As of September 30, 2021)

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	27,261,900	—	27,261,900	0.65
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	52,700	90,500	0.00
Kagawa Nissan Motor Co., Ltd.	1-1-8 Hanazono-cho, Takamatsu-shi, Kagawa	4,800	100	4,900	0.00
Total		27,410,100	52,900	27,463,000	0.65

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

2. Members of the Board of Directors and Executive Officers

Changes in Members of the Board of Directors and Executive Officers since the filing date of the securities report of the prior fiscal year are as follows:

(1) Executive Officers

1) Executive Officer who retired

Position	Name	Date of retirement
Executive Officer, Chief Quality Officer / Vice-Chief Performance Officer	Christian Vandenhende	August 1, 2021

2) Change of position

New position	Former position	Name	Date of change
Representative Executive Officer, Chief Operating Officer	Representative Executive Officer, Chief Operating Officer / Chief Performance Officer	Ashwani Gupta	August 1, 2021

(2) Number of male and female Members of the Board of Directors and Executive Officers and female ratio

12 males and 3 females (female ratio of 20%), 8 Japanese and 7 foreigners.

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 64, Paragraph 4 and Article 83-2, Paragraph 3 of the Regulations for Quarterly Consolidated Financial Statements, the quarterly consolidated statement of income and the quarterly consolidated statement of comprehensive income are prepared.

Pursuant to Article 5-2, Paragraph 3 of the Regulations for Quarterly Consolidated Financial Statements, the quarterly consolidated statement of cash flows is prepared.

2. Quarterly review report

The quarterly consolidated financial statements for the current third quarter (from October 1, 2021 to December 31, 2021) and for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021) were reviewed by Ernst & Young ShinNihon LLC, pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

1. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(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 ※1	2,704,640	※1 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

(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

	(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

	(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

(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

(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 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

(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 change in 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)

	(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 the end of the period	※1	2,157,798	※1	1,789,063

[Notes to Quarterly Consolidated Financial Statements]

(Changes in accounting policies)

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

(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. Also, information about the breakdown of revenue from contracts with customers for the nine months ended December 31, 2020, and the third quarter of the prior fiscal year has not been presented in accordance with the transitional treatment set forth in Article 28-15 of “*Accounting Standard for Quarterly Financial Reporting*” (ASBJ Statement No. 12, March 31, 2020).

(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.

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

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

(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.

(Additional information)

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

(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).

(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 ¥38,758 million under “Selling, general and administrative expenses” considering the ruling.

(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, 2021)	Current third quarter (As of December 31, 2021)
Assets leased to others under lease agreements (lessor)	2,163,875	2,023,391

2 Guarantees and others

Prior fiscal year (As of March 31, 2021)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	(*1) 19,154	Guarantees for employees' housing loans and others
1 foreign rental car company	(*2) 624	Guarantees for loans and others
Total	19,778	

(*1) Allowance for doubtful accounts is provided for these loans mainly based on past experience.

(*2) The guarantee balance of ¥624 million is the guarantees made by a foreign subsidiary to a financial institution that financed vehicles sold to a foreign rental car company. If the foreign rental car company defaults on its obligations, the foreign subsidiary needs to compensate the financial institution for the contractual repurchase price and take possession of the vehicles. The amount stated does not consider monetary amounts the foreign subsidiary could potentially recover from subsequently selling the repossessed vehicles.

(2) Commitments to provide guarantees

Guarantees	Balance of commitments to provide guarantees (Millions of yen)	Description of liabilities guaranteed
Hibikinada Development Co., Ltd.	15	Commitments to provide guarantees for loans

Current third quarter (As of December 31, 2021)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	(*1) 16,390	Guarantees for employees' housing loans and others
1 foreign rental car company	(*2) 763	Guarantees for loans and others
	17,153	

(*1) Allowance for doubtful accounts is provided for these loans mainly based on past experience.

(*2) The guarantee balance of ¥763 million is the guarantees made by a foreign subsidiary to a financial institution that financed vehicles sold to a foreign rental car company. If the foreign rental car company defaults on its obligations, the foreign subsidiary needs to compensate the financial institution for the contractual repurchase price and take possession of the vehicles. The amount stated does not consider monetary amounts the foreign subsidiary could potentially recover from subsequently selling the repossessed vehicles.

(2) Commitments to provide guarantees

Guarantees	Balance of commitments to provide guarantees (Millions of yen)	Description of liabilities guaranteed
Hibikinada Development Co., Ltd.	10	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, and in February 2018, the court granted final approval to the proposed settlement. The settlement of \$87.9 million has been fully paid off. Although there are some ongoing 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.

- Lawsuits related to misstatements in Annual Securities Reports (“Yukashoken-Houkokusho”)

As a consequence of misstatements in Annual Securities Reports for each fiscal year in the past, there are some ongoing domestic and foreign lawsuits.

The consolidated financial results may be affected by the progress of legal proceedings.

(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)	
	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 on hand and in banks	1,933,833	1,508,781
Time deposits with maturities of more than three months	(28)	—
Cash equivalents included in securities (*)	223,993	280,282
Cash and cash equivalents	2,157,798	1,789,063

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

(For net assets)

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

1. Dividends paid

Not applicable.

2. Dividends for which the record date fell in the period from April 1 to December 31, 2020, and the effective date was after December 31, 2020

Not applicable.

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

1. Dividends paid

Not applicable.

2. Dividends for which the record date fell in the period from April 1 to December 31, 2021, and the effective date was after December 31, 2021

Not applicable.

(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 decisions about resource allocation and to assess their performance.

Businesses of the Group are segmented into Automobile and Sales financing based on features 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 the 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-length transactions.

3. Changes to reportable segments and others

(1) Accounting Standards Board of Japan (ASBJ) Statement No. 29 “*Accounting Standard for Revenue Recognition*”

As stated in “Changes in accounting policies,” the “*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.

As a result, the retained earnings in the summarized quarterly consolidated balance sheets by business segments at the beginning of the nine months ended December 31, 2021 decreased by ¥8,155 million in Automobile & Eliminations and ¥673 million in Sales financing, respectively. In Automobile & Eliminations, for the nine months ended December 31, 2021, net sales decreased by ¥6,882 million, cost of sales decreased by ¥14,314 million, and income before income taxes increased by ¥7,534 million. For the current third quarter, net sales decreased by ¥298 million, cost of sales decreased by ¥2,812 million, and income before income taxes increased by ¥2,712 million. The effects of this change on the summarized consolidated income statement for the Sales finance are immaterial.

As a result of the adoption of the Revenue Recognition Standard, “Trade notes and accounts receivable,” which was presented in “Current assets” of the summarized 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*”

As stated in “Changes in accounting policies,” “*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.

4. Net sales and profits or losses by reportable segments

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

(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 (losses)	(346,467)	199,574	(146,893)	15,262	(131,631)

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

(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 (losses)	(42,089)	62,942	20,853	6,275	27,128

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. (Mexico), Dongfeng Nissan Auto Finance Co., Ltd. (China), 11 other companies and the sales finance operations of Nissan Canada, Inc. (Canada).
- The financial data on Automobile & Eliminations represents 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 third quarter (As of December 31, 2020)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	1,796,965	136,868	1,933,833
Trade notes and accounts receivable	368,056	1,502	369,558
Sales finance receivables	(102,498)	6,075,724	5,973,226
Inventories	1,175,885	44,191	1,220,076
Other current assets	576,529	63,173	639,702
Total current assets	3,814,937	6,321,458	10,136,395
II. Fixed assets			
Property, plant and equipment, net	2,133,192	2,089,500	4,222,692
Investment securities	1,062,298	3,569	1,065,867
Other fixed assets	459,135	141,658	600,793
Total fixed assets	3,654,625	2,234,727	5,889,352
III. Deferred assets			
Bond issuance costs	7,536	—	7,536
Total deferred assets	7,536	—	7,536
Total assets	7,477,098	8,556,185	16,033,283
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	1,330,636	29,548	1,360,184
Short-term borrowings	42,794	3,251,559	3,294,353
Lease obligations	43,686	463	44,149
Other current liabilities	1,355,254	430,210	1,785,464
Total current liabilities	2,772,370	3,711,780	6,484,150
II. Long-term liabilities			
Bonds	1,191,383	669,935	1,861,318
Long-term borrowings	105,631	2,281,078	2,386,709
Lease obligations	74,809	1,566	76,375
Other long-term liabilities	734,881	455,774	1,190,655
Total long-term liabilities	2,106,704	3,408,353	5,515,057
Total liabilities	4,879,074	7,120,133	11,999,207
Net assets			
I. Shareholders' equity			
Common stock	380,713	225,101	605,814
Capital surplus	644,316	172,756	817,072
Retained earnings	2,646,386	1,064,761	3,711,147
Treasury stock	(139,295)	—	(139,295)
Total shareholders' equity	3,532,120	1,462,618	4,994,738
II. Accumulated other comprehensive income			
Translation adjustments	(924,271)	(137,090)	(1,061,361)
Others	(238,646)	(20,948)	(259,594)
Total accumulated other comprehensive income	(1,162,917)	(158,038)	(1,320,955)
III. Non-controlling interests	228,821	131,472	360,293
Total net assets	2,598,024	1,436,052	4,034,076
Total liabilities and net assets	7,477,098	8,556,185	16,033,283

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 ¥797,050 million.

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

(Millions of yen)

Accounts	Nine months ended December 31, 2020 (From April 1, 2020 To December 31, 2020)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	4,543,755	773,692	5,317,447
Cost of sales	4,128,942	499,265	4,628,207
Gross profit	414,813	274,427	689,240
Operating income as a percentage of net sales	(7.3%)	25.8%	(2.5%)
Operating income (loss)	(331,205)	199,574	(131,631)
Financial income / expenses, net	(11,057)	84	(10,973)
Other non-operating income and expenses, net	(74,837)	1,131	(73,706)
Ordinary income (loss)	(417,099)	200,789	(216,310)
Income (loss) before income taxes	(528,848)	203,664	(325,184)
Net income (loss) attributable to owners of parent	(505,748)	138,027	(367,721)

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

(Millions of yen)

Accounts	Nine months ended December 31, 2020 (From April 1, 2020 To December 31, 2020)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income (loss) before income taxes	(528,848)	203,664	(325,184)
Depreciation and amortization	197,684	333,654	531,338
Decrease (increase) in sales finance receivables	(11,080)	742,258	731,178
Others	114,907	(89,211)	25,696
Net cash provided by (used in) operating activities	(227,337)	1,190,365	963,028
II. Cash flows from investing activities			
Proceeds from sales of investment securities	1,615	—	1,615
Proceeds from sales of subsidiaries resulting in change in scope of consolidation	8,988	—	8,988
Purchase of fixed assets	(274,233)	(696)	(274,929)
Proceeds from sales of fixed assets	25,031	11,835	36,866
Purchase of leased vehicles	—	(585,938)	(585,938)
Proceeds from sales of leased vehicles	—	535,635	535,635
Others	(24)	57,491	57,467
Net cash provided by (used in) investing activities	(238,623)	18,327	(220,296)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(403,932)	(707,246)	(1,111,178)
Net change in long-term borrowings and redemption of bonds	253,390	(490,238)	(236,848)
Proceeds from issuance of bonds	1,151,563	22,912	1,174,475
Others	(29,788)	(19,552)	(49,340)
Net cash provided by (used in) financing activities	971,233	(1,194,124)	(222,891)
IV. Effect of exchange rate changes on cash and cash equivalents	(16,096)	10,955	(5,141)
V. Increase (decrease) in cash and cash equivalents	489,177	25,523	514,700
VI. Cash and cash equivalents at the beginning of the period	1,494,550	148,431	1,642,981
VII. Increase due to inclusion in consolidation	49	68	117
VII. Cash and cash equivalents at the end of the period	1,983,776	174,022	2,157,798

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥409,298 million eliminated for a net increase in internal loans receivable from the Sales financing segment.

2. The net change in long-term borrowings and redemption of bonds of Automobile & Eliminations includes the amount of ¥54,962 million eliminated for a net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

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

(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)

(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)

(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 (losses)	(131,830)	303,445	171,615	19,672	191,287

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

(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 (losses)	(41,618)	87,743	46,125	6,031	52,156

Note 1: Quarterly consolidated financial statements by business segments

- 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 on Automobile & Eliminations represents the differences between the consolidated figures and those for the Sales financing segment.

(1) Summarized quarterly consolidated balance sheets by business segments

Accounts	(Millions of yen)		
	Current third quarter (As of December 31, 2021)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	1,358,984	149,797	1,508,781
Trade notes and accounts receivable, and contract assets	293,371	4,032	297,403
Sales finance receivables	(84,803)	6,020,027	5,935,224
Inventories	1,269,007	14,820	1,283,827
Other current assets	656,240	187,387	843,627
Total current assets	3,492,799	6,376,063	9,868,862
II. Fixed assets			
Property, plant and equipment, net	2,212,076	2,041,243	4,253,319
Investment securities	1,037,721	5,028	1,042,749
Other fixed assets	441,599	146,429	588,028
Total fixed assets	3,691,396	2,192,700	5,884,096
III. Deferred assets			
Bond issuance costs	6,266	479	6,745
Total deferred assets	6,266	479	6,745
Total assets	7,190,461	8,569,242	15,759,703
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	1,130,682	29,454	1,160,136
Short-term borrowings	(443,263)	3,553,189	3,109,926
Lease obligations	39,135	720	39,855
Other current liabilities	1,311,382	376,802	1,688,184
Total current liabilities	2,037,936	3,960,165	5,998,101
II. Long-term liabilities			
Bonds	1,275,687	988,041	2,263,728
Long-term borrowings	44,857	1,617,590	1,662,447
Lease obligations	74,869	886	75,755
Other long-term liabilities	583,364	484,148	1,067,512
Total long-term liabilities	1,978,777	3,090,665	5,069,442
Total liabilities	4,016,713	7,050,830	11,067,543
Net assets			
I. Shareholders' equity			
Common stock	381,926	223,888	605,814
Capital surplus	637,081	179,391	816,472
Retained earnings	2,865,699	963,464	3,829,163
Treasury stock	(138,060)	—	(138,060)
Total shareholders' equity	3,746,646	1,366,743	5,113,389
II. Accumulated other comprehensive income			
Translation adjustments	(726,403)	(13,713)	(740,116)
Others	(97,473)	(4,319)	(101,792)
Total accumulated other comprehensive income	(823,876)	(18,032)	(841,908)
III. Non-controlling interests	250,978	169,701	420,679
Total net assets	3,173,748	1,518,412	4,692,160
Total liabilities and net assets	7,190,461	8,569,242	15,759,703

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 ¥799,926 million.

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

(Millions of yen)

Accounts	Nine months ended December 31, 2021 (From April 1, 2021 To December 31, 2021)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	5,365,580	788,451	6,154,031
Cost of sales	4,650,616	500,330	5,150,946
Gross profit	714,964	288,121	1,003,085
Operating income as a percentage of net sales	(2.1%)	38.5%	3.1%
Operating income (loss)	(112,158)	303,445	191,287
Financial income / expenses, net	(26,474)	(250)	(26,724)
Other non-operating income and expenses, net	84,231	7,238	91,469
Ordinary income (loss)	(54,401)	310,433	256,032
Income before income taxes	8,342	318,956	327,298
Net income (loss) attributable to owners of parent	(12,819)	214,154	201,335

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

(Millions of yen)

Accounts	Nine months ended December 31, 2021 (From April 1, 2021 To December 31, 2021)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	8,342	318,956	327,298
Depreciation and amortization	211,752	300,801	512,553
Decrease (increase) in sales finance receivables	(23,702)	484,785	461,083
Others	(473,652)	(217,041)	(690,693)
Net cash provided by (used in) operating activities	(277,260)	887,501	610,241
II. Cash flows from investing activities			
Proceeds from sales of investment securities	150,491	—	150,491
Purchase of fixed assets	(235,025)	(2,513)	(237,538)
Proceeds from sales of fixed assets	14,781	12,983	27,764
Purchase of leased vehicles	—	(634,900)	(634,900)
Proceeds from sales of leased vehicles	—	551,556	551,556
Others	(3,239)	(76,614)	(79,853)
Net cash provided by (used in) investing activities	(72,992)	(149,488)	(222,480)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(71,570)	140,292	68,722
Net change in long-term borrowings and redemption of bonds	(204,189)	(998,148)	(1,202,337)
Proceeds from issuance of bonds	(13)	478,438	478,425
Others	304,238	(349,347)	(45,109)
Net cash provided by (used in) financing activities	28,466	(728,765)	(700,299)
IV. Effect of exchange rate changes on cash and cash equivalents	57,145	4,719	61,864
V. Increase (decrease) in cash and cash equivalents	(264,641)	13,967	(250,674)
VI. Cash and cash equivalents at the beginning of the period	1,896,134	137,892	2,034,026
VII. Increase due to inclusion in consolidation	5,711	—	5,711
VIII. Cash and cash equivalents at the end of the period	1,637,204	151,859	1,789,063

Notes:1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥94,279 million eliminated for a 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 ¥41,874 million eliminated for a net increase in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

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

(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)

(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

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

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

There were no significant impairment losses on fixed assets in the reportable segments for the nine months ended December 31, 2020.

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

There were no significant impairment losses on fixed assets in the reportable segments for the nine months ended December 31, 2021.

6. Information about goodwill by reportable segments

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

There were no significant changes in the reported amounts of goodwill in the reportable segments for the nine months ended December 31, 2020.

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

There were no significant changes in the reported amounts of goodwill in the reportable segments for the nine months ended December 31, 2021.

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

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

There were no significant gains recognized on negative goodwill in the reportable segments for the nine months ended December 31, 2020.

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

There were no significant gains recognized on negative goodwill in the reportable segments for the nine months ended December 31, 2021.

8. Information about geographical areas

Net sales

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

(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)

(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)

(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)

(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.

(Revenue recognition)

Information about breakdown of revenue from contracts with customers

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

(Millions of yen)

	Reportable segments		Total
	Automobile	Sales financing	
Japan	1,011,673	28,475	1,040,148
North America	2,244,419	69,633	2,314,052
of which U.S.A.	1,865,101	723	1,865,824
Europe	779,444	—	779,444
Asia	637,533	1,689	639,222
Other overseas countries	700,670	2,728	703,398
Revenue from contracts with customers	5,373,739	102,525	5,476,264
Revenue from the other sources	16,376	661,391	677,767
Sales to third parties	5,390,115	763,916	6,154,031

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

(Millions of yen)

	Reportable segments		Total
	Automobile	Sales financing	
Japan	341,937	9,154	351,091
North America	854,541	22,444	876,985
of which U.S.A.	721,287	157	721,444
Europe	295,751	—	295,751
Asia	219,824	530	220,354
Other overseas countries	241,481	911	242,392
Revenue from contracts with customers	1,953,534	33,039	1,986,573
Revenue from the other sources	5,088	215,373	220,461
Sales to third parties	1,958,622	248,412	2,207,034

Note: Revenue from the other sources consists mainly of proceeds from interest, etc. based on Accounting Standards Board of Japan (ASBJ) Statement No. 10 "Accounting Standard for Financial Instruments" and lease revenue based on ASBJ Statement No. 13 "Accounting Standard for Lease Transactions." These include revenue recognized under International Financial Reporting Standards (IFRS) 9 "Financial Instruments" and IFRS 16 "Leases" as well as standards for financial instruments such as Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 310 "Receivables" and ASC 842 "Leases" that are adopted by foreign subsidiaries and affiliates.

(Amounts per share)

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

	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)
(1) Basic earnings (loss) per share	(¥93.98)	¥51.44
(Basis for calculation)		
Net income (loss) attributable to owners of parent (Millions of yen)	(367,721)	201,335
Net income (loss) attributable to owners of parent relating to common stock (Millions of yen)	(367,721)	201,335
Average number of shares of common stock during the period (Thousands of shares)	3,912,729	3,913,982
(2) Diluted earnings per share	—	¥51.44
(Basis for calculation)		
Adjustment in net income attributable to owners of parent (Millions of yen)	—	—
Increase in shares of common stock (Thousands of shares)	—	—
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	—	—

Note: The information on “Diluted earnings per share” for the nine months ended December 31, 2020, is not presented because a net loss per share was recorded although potential dilutive stock existed.

(Significant subsequent events)

Not applicable

2. Other

Significant lawsuits, etc. relating to operations and other matters

- 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, and in February 2018, the court granted final approval to the proposed settlement. The settlement of \$87.9 million has been fully paid off. At present, there are some ongoing lawsuits other than the above.

- Lawsuits related to misstatements in Annual Securities Reports ("Yukashoken-Houkokusho")

As a consequence of misstatements in Annual Securities Reports for each fiscal year in the past, there are some ongoing domestic and foreign lawsuits.

- 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.

The Company maintains that it has fully complied with its contractual obligations and has filed an appeal against this court judgment.

Part II Information on Guarantors for the Company

Not applicable

(For Translation Purposes Only)

Independent Auditor's Quarterly Review Report

February 9, 2022

The Board of Directors
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Designated and Engagement Partner Certified Public Accountant	Koki Ito
Designated and Engagement Partner Certified Public Accountant	Masanori Enomoto
Designated and Engagement Partner Certified Public Accountant	Takayuki Ando
Designated and Engagement Partner Certified Public Accountant	Masao Yamamoto

Auditor's Conclusion

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Act of Japan, we have reviewed the accompanying quarterly consolidated financial statements of Nissan Motor Co., Ltd. and its consolidated subsidiaries (the "Group"), which comprise the quarterly consolidated balance sheet as of December 31, 2021, the quarterly consolidated statements of income, comprehensive income, and cash flows for the three-month and nine-month periods then ended, and the related notes included in "Financial Information".

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 the Group at December 31, 2021, and the consolidated results of their operations for the three-month and nine-month periods then ended and their cash flows for the nine-month period then ended in accordance with accounting principles for quarterly consolidated financial statements generally accepted in Japan.

Basis for Auditor's Conclusion

We conducted our review in accordance with review standards for quarterly financial statements generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Review of the Quarterly Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our review of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have obtained evidence to provide a basis for our conclusion.

Management's and the Audit Committee's Responsibilities for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these quarterly consolidated financial statements in accordance with 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.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles for quarterly consolidated financial statements generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for monitoring the performance of duties of executive officers and directors in implementing and maintaining the Group's financial reporting process.

Auditor's Responsibilities for the Review of the Quarterly Consolidated Financial Statements

Our objective is to issue an auditor's quarterly review report that includes our conclusion from an independent standpoint.

As part of a review in accordance with review standards for quarterly financial statements generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the quarterly review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply 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.
- If we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, then we conclude, based on the evidence obtained, on whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements are not presented fairly in accordance with accounting principles for quarterly consolidated financial statements generally accepted in Japan. Additionally, if we conclude that a material uncertainty exists, we are required to draw attention in our auditor's quarterly review report to the related disclosures in the quarterly consolidated financial statements or, if such disclosures are inadequate, to express a qualified conclusion or adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor's quarterly review report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the quarterly consolidated financial statements, including the disclosures, and whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements do not represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles for quarterly consolidated financial statements generally accepted in Japan.
- Obtain evidence regarding the financial information of the entities or business activities within the Group to express a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and performance of the review of the quarterly consolidated financial statements. We remain solely responsible for our conclusion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the quarterly review and significant review findings.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our review of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes:

1. The original copy of the above Independent Auditor's Quarterly Review Report 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】

【Document Submitted】	Confirmation Note
【Article of the Applicable Law Requiring Submission of This Document】	Article 24-4-8, Paragraph 1 of the Financial Instruments and Exchange Act
【Filed to】	Director, Kanto Local Finance Bureau
【Date of Submission】	February 10, 2022
【Company Name】	Nissan Jidosha Kabushiki-Kaisha
【Company Name (in English)】	Nissan Motor Co., Ltd.
【Position and Name of Representative】	Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer
【Position and Name of Chief Financial Officer】	Stephen Ma, Executive Officer, Chief Financial Officer
【Location of Head Office】	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
【Place Where Available for Public Inspection】	Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

1. Accuracy of the Descriptions in This Quarterly Securities Report

Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer of Nissan Motor Co., Ltd., and Stephen Ma, Executive Officer, Chief Financial Officer have confirmed that this Quarterly Securities Report “Shihanki-Houkokusho” for the third quarter (from October 1, 2021 to December 31, 2021) of the 123rd Fiscal Term is reasonably and fairly described in accordance with the Financial Instruments and Exchange Act.

2. Special Affairs

There are no noteworthy matters that are pertinent to this Quarterly Securities Report.