To Shareholders

The 125th Ordinary General Meeting of Shareholders
Other matters provided electronically
(matters omitted from the delivery of the document)

May 28, 2024

NISSAN MOTOR CO., LTD.

Contents

The above matters are not included in the document delivered to shareholders who have requested delivery document (the document posting the matters provided electronically) in accordance with laws and regulations and Article 15 of the Articles of Incorporation of the Company.

1. "4. Status of Independent Auditors" of Business Report

(1) Name of independent auditors

Ernst & Young ShinNihon LLC

(2) Fees paid to the independent auditors regarding the current business year

i) Fees paid to the independent auditors regarding the current business year and the reason for the Audit Committee to have agreed to fees, etc. to the independent auditors

558 million yen

The Audit Committee has reached a conclusion that remuneration & etc. of the independent auditors was appropriate and thus, agreed as specified in Article 399, Paragraph 1 of the Companies Act. To reach the conclusion, the Audit Committee reviewed details of an audit plan prepared by the independent auditors, the status of their performance of duties in the previous fiscal year and calculation basis and logics for estimation of the remuneration by scrutinizing necessary documents and reports from relevant inside departments, the independent auditors and interviews with them.

ii) Fees for audits of the financial statements and other assurance services to be paid by the Company and subsidiaries to the independent auditors

976 million yen

Notes: 1. Because the audit engagement contract between the Company and the independent auditors does not separately specify the fees for i) audits required by the Companies Act and ii) audits required by the Financial Instruments and Exchange Act, the total fees for those audits have been disclosed.

2. The company paid the fees to the independent auditor for a comfort letter on issuance of bonds and so forth that are not the services defined in Article 2, Paragraph 1 of the Certified Public Accountants Law of Japan.

iii) All the overseas subsidiaries included in " (6) Principal Group Companies" in "1. Business Review of the Fiscal Year 2023" are audited by audit firms other than Ernst & Young ShinNihon LLC.

(3) Policy concerning the decision to dismiss or to deny reappointment of independent auditors

i) Policy for decision of dismissal

- The Audit Committee dismisses an independent auditor upon the unanimous consent of all members of the Audit Committee in the case where such independent auditor is recognized to fall under any of the Items in Article 340, Paragraph 1 of the Companies Act and the Audit Committee decides that the independent auditor in question should be promptly dismissed. In such a case, the members of the Audit Committee designated by the Audit Committee will report the dismissal of the independent auditor in question and the reason for such dismissal at the first general meeting of shareholders called after such dismissal.
- The Audit Committee determines the content of proposals regarding the dismissal of an independent auditor to be submitted to the general meeting of shareholders in the case where it is expected that implementation of appropriate audit may be seriously affected by independent Auditor’s actions; namely, where such independent Auditor is recognized to fall under any of the Items in Article 340, Paragraph 1 of the Companies Act and other matters that may affect the audit of financial statements or other items that may affect the audit of financial statements or other items.

ii) Policy for decision of non-reappointment

The Audit Committee determines the content of proposals regarding the non-reappointment of an independent auditor to be submitted to the general meeting of shareholders in the case where the Audit Committee, given the status of the independent auditor’s performance of duties, decides that it is reasonable to change the independent auditor to another independent auditor who is more capable, in terms of independence, expertise, quality review system and audit capability to cover the Company’s global business operation.

2. "5. Business Management Systems, Processes and Internal Controls" of Business Report

- Systems to ensure compliance of directors' activities to laws and articles of associations, and other systems to ensure proper and legitimate business activities

  The Board of Directors of Nissan determined Nissan's systems and policies to ensure appropriate management and execution of Nissan and its group companies' business, which is outlined below.

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

a. The Company chooses to be a company with three statutory committees as its legal organizational structure and its Board of Directors shall decide on basic management policies and important matters set forth under the law, articles of incorporation and the regulations of the Board of Directors.

b. The Company's Board of Directors delegates a great portion of its power to decide on business activities (excluding matters exclusive to the Board of Directors under law) to its Executive Officers, in order to carry out effective and flexible management.

c. The Company uses a proven system of an Executive Committee, in which Executive Officer President and Chief Executive Officer is a chair, where key issues such as business strategies, important transactions and investments are reviewed and discussed, as well as other committee meetings where operational business issues are reviewed and discussed.

d. For review and discussion of the regional and specific business area operations, the Company utilizes Management Committees.

e. One of the methods of the management is cross-functionality. Among others, Cross-functional teams – CFTs – address problems and challenge. CFTs are powerful management tools, developed within Nissan, that reach across the functions and organizations.

f. The Company implements an objective and transparent Delegation of Authority procedure which establishes the authority and responsibility of each Executive Officer and employee, for the purpose of speeding up and clarifying the decision-making processes as well as ensuring consistent decisions.

g. The Company ensures the efficient and effective management of its business by determining and sharing management policy and business direction through establishment of the mid-term management plan and the annual business plan.

ii) Systems to ensure compliance of Executive Officers' and employees' activities with Laws and articles of association

a. The Company implements the "Global Code of Conduct," which explains acceptable behaviors of all employees working at the group companies of the Company worldwide and promotes understanding of our rules of conduct.

b. In order to ensure rigorous and strict compliance with the code of conduct, the Company and its group companies offer educational programs such as an e-learning system.

c. With regard to members of the Board of Directors as well as Executive Officers, etc. of the Company, the Company shall establish "Guidance for Directors, Executive Officers, etc. ", which explains the acceptable behaviors of the members of the Board of Directors and Executive Officers.

d. The Company stands firm and take appropriate actions against anti-social forces or groups. If any Director, corporate officer or employee is approached by such forces or groups, the said individual shall promptly report such matter to his/her superiors and specific committee and shall follow their instructions.

e. All Directors, corporate officers and employees are encouraged to use good conduct, and to neither directly nor indirectly, be involved in any fraud blackmail or other improper or criminal conduct. In cases of becoming aware of any such impropriety or illegal activity, or the risk thereof, in addition to acting resolutely against it, he/she shall promptly report such matter to his/her respective superiors and specific committee and shall follow their instructions.

f. For the purpose of monitoring and ensuring compliance with the code of conduct, the Company establishes the Global Compliance Committee. The compliance topics detected by the Global Compliance Committee, which are related to Executive Officers of the Global Head Quarters and the chair of the Management Committee are directly reported to the Audit Committee.

g. The Company implements a hotline system with internal and external points of contact, by which the employees are able to submit their opinions, questions and requests, as well as report an act that may be suspected as a violation of compliance, freely and directly to the Company's management. The Company has established the system where, as for the matters with concerns of involvement of the management such as Executive Officers, etc., related Executive Officers, etc. are unable to obtain knowledge of the whistleblower or the details of the report by making the Audit Committee the reporting body.

h. The Company is committed to continually implementing relevant company rules. The Company continually offers education programs to employees as part of its program to promote the understanding and compliance with such corporate rules.

i. The Company is committed to improve and enhance the internal control systems to ensure accuracy and reliability of its financial reports in accordance with the Financial Instruments and Exchange Act together with its related rules and standards. This is accomplished through adherence to J-SOX testing, review, and reporting protocols (required under the Financial Instruments and Exchange Act). The Company designs and effectively operates processes. Further the Company addresses identified accounting and internal control findings.

j. The Board of Directors appoints Outside Directors that has independence (Independent director) for the majority of its members and for its chair and shall focus on supervising the status of execution of duties by Executive Officers by taking a number of measures such as periodically receive reports from Executive Officers, periodically hold meetings only with the Independent directors, establish a lead Independent director, enhance the secretariat’s personnel and function, and secure independency and further, shall receive assessment from a third party evaluation organization in respect to its functionality once every three years.

k. The Audit Committee appoints Independent director for a majority of its member and as its chair and also appoint adequately qualified and able Director and shall perform audit of Executive Officers’ status of business execution. In addition, the Audit Committee shall appropriately audit the effectiveness with regard to the monitoring function of the Board of Directors on an ongoing basis.

l. The Company shall establish a department under the Audit Committee specialized in internal audit for the purpose of regularly auditing group companies’ business and their observance of processes, policies, laws, and other matters as appropriate. Regional internal audit departments have been established to perform internal audits under the supervision of Nissan’s global internal audit department.

m. The Audit Committee shall, as necessary, cooperate with the Nomination Committee and the Compensation Committee.

n. Considering the possibilities of conflict of interest between Renault, other major shareholders or MITSUBISHI MOTORS CORPORATION, which is one of the other parties of the Alliance, and the Company, Representative Executive Officer must not concurrently serve as a Director, Executive Officer, or any other officer or other positions of Renault, other major shareholders or MITSUBISHI MOTORS CORPORATION and the subsidiaries and affiliates thereof. If an Executive Officer concurrently serves in such position upon assuming the office of Representative Executive Officer of the Company, he/she and the Company shall promptly take necessary measures to leave such position at the other company.

o. If a Director has held the position of Director, Executive Officer or other positions with a title at Renault, other shareholders or MITSUBISHI MOTORS CORPORATION or its subsidiaries and affiliates thereof, such Director shall not participate in the deliberation and resolution of an agenda raised at the Company’s meeting of Board of Directors that may cause a conflict of interest between the company in which the Director has held a position and the Company.

p. The Company’s activities relating to the Nissan-Renault-MITSUBISHI MOTORS CORPORATION Alliance are subject to direction, supervision and oversight by the Company’s Board of Directors, Executive Committee and relevant Executive Officers, etc. Decision-making occurs by the Company’s Board of Directors, Executive Officers or employees in accordance with the Company’s Delegation of Authority, and as otherwise necessary to comply with legal and regulatory requirements and also in consideration of the possibility of conflict of interest between the Company and Renault or the Company and MITSUBISHI MOTORS CORPORATION.

q. Upon newly establishing or changing the organization internally, the Company shall not adopt a structure where the authority is divided in a way which may possibly inhibit the check function of the legal, accounting, financial and other managerial departments.

iii) Rules and systems for proper management of risk and loss

a. The Company minimizes the possibility of occurrences of risk and, if they occur, mitigates the magnitude of losses by sensing such risks as early as possible and implementing appropriate countermeasures. In order to achieve such objectives, the Company and its Group companies implement the "Global Risk Management Policy."

b. Management of material company-wide risks is assigned primarily to the members of the Risk Management Committee, who are responsible to implement necessary measures such as preparing relevant risk management manual.

c. Concerning the management of other specific business risks beyond those supervised directly by the Risk

Management Committee, they are handled by each manager in the business function who will evaluate, prepare and implement the necessary measures to minimize such risks.

d. The internal audit department of the Company on behalf of the Audit Committee shall conduct auditing activities pursuant to the relevant audit standards in order to provide assurance on the state of internal controls pursuant to a risk based methodology and consulting when appropriate.

iv) Systems to ensure accurate records and the retention of information of Executive Officers' execution of business

a. The Company preserves and appropriately manages the documents and other information relating to Executive Officers' execution of business.

b. Results of all corporate decisions made by various divisions and department pursuant to Delegation of Authority are preserved and retained either electronically or in writing.

c. While the departments in charge are responsible for proper and strict retention and management of such information, in particular, for materials related to important management councils, Directors and Executive Officers and other employees of the Company have access to any records within a reasonable range as required for the purpose of performing their business activities.

d. The Company has enacted a policy about the creation, use, management of information to enhance proper and strict retention and management of information and to prevent improper use of information and unintended disclosure of such information. Furthermore, the Company has established an Information Security Committee, which is engaged in overall management of information security in the Company and makes decisions on information security matters.

v) Systems to ensure proper and legitimate business activities of the group companies

(A) Systems to ensure the efficient execution and management of business activities by Directors of the group companies

a. The Company establishes various Management Committees which are trans-group organizations in order to ensure proper, efficient and consistent Group management.

b. In management committee meetings, the Company provides group companies with important information and shares with them management policies; this ensures that the business decisions of all group companies are made efficiently and effectively.

c. The group companies implement an objective and transparent Delegation of Authority procedures in cooperation with the Company.

(B) Systems to ensure compliance of activities of Directors and employees of the group companies to laws and regulations and articles of association

a. Group companies implement each company's code of conduct in line with the Global Code of Conduct, establish a compliance committee and ensure full compliance with all laws and our corporate code of conduct. The Global Compliance Committee regularly monitors these companies and works to ensure further strict compliance with laws, the articles of association and the corporate behavior. In addition, group companies implement a hotline system which ensures that employees are able to directly communicate to the group company or to the Company directly their opinions, questions and requests.

b. The internal audit department of the Company carries out audits on the business of group companies for the purpose of evaluating and improving the effectiveness of risk management control and governance processes.

c. The Company's Audit Committee and group companies' Statutory Auditors shall have periodic meetings to share information and exchange opinion for the purpose of ensuring effective auditing of the group companies.

d. In particular, the scope and frequency of internal audits and other monitoring activities on the business of the group companies may vary reasonably because of, for example, risk identified as well as the size, nature of the business, and materiality of such group companies.

(C) Rules and systems for proper management of risk and loss of the group companies

a. The group companies implement the Global Risk Management Policy.

b. Management of risks related to the group companies that might have an impact on the entire Group is assigned mainly to the members of the Risk Management Committee, who are responsible to implement specific measures.

c. Concerning the management of other risks related to the group companies, each group company is responsible to monitor, manage and implement the necessary measures to minimize such risks.

(D) Systems for Directors of the group companies to report business activities to the Company

The Company requests the group companies to report and endeavors to maintain certain important business matters of the group companies, through multiple routes, including, (i) the systems stated in (A) through (C) above and (ii) relations and cooperation between each function of the Company and the corresponding function of the other group companies.

vi) Directors and employees supporting the Company's Audit Committee, systems showing the Directors and employees' independence from the Company's Executive Officers, and systems to ensure effectiveness of the Company's Audit Committee's instruction to Directors and employees

a. The Company has Audit Committee secretariat as an organization to support the activities of the Company's Audit Committee. The required number of staff members shall be assigned to the Audit Committee secretariat and they carry out their duties under the direction of the Audit Committee member.

b. The evaluation of staff members in the Audit Committee secretariat shall be discussed among the Audit Committee members, and consent of the Audit Committee is necessary for personnel changes and disciplinary actions.

vii) Systems to report business issues to the Company's Audit Committee and systems to ensure to prevent disadvantageous treatment of those who made such report

(A) Systems for the Company's board members (excluding Audit Committee members), Executive Officers and employees to report business issues to the Company's Audit Committee

a. The Company's Audit Committee determine their annual audit plan and perform their audit activities in accordance with that plan. The annual audit plan includes schedules of reports by various divisions. Directors (excluding Audit Committee members), Executive Officers and employees make reports in accordance with the annual audit plan.

b. When the Company's Directors (excluding Audit Committee members), Executive Officers and employees detect any incident which could have a materially negative impact on Nissan's business performance or reputation or are believed to be non-compliant with the global code of conduct or other standard for conduct, they are required to report such incidents to Nissan's Audit Committee.

c. In addition, the Company's Directors (excluding Audit Committee members), Executive Officers and employees are required to make an ad-hoc report to the Company's Audit Committee regarding the situation of business activities when so requested.

d. The internal audit department reports on an on-going basis to the Company's Audit Committee matters such as its risk based internal audit plan and audit findings identified through the internal audits performed.

(B) Systems for Directors, Statutory Auditors, other officers and employees of the group companies and those who received a report from the group companies to report business issues to the Company's Audit Committee

a. The Company's Audit Committee shall have periodic meetings of group companies' statutory auditors to share information and exchange opinions for the purpose of ensuring effective auditing of group companies and group companies' Statutory Auditors report the matters which could affect the entire group and other matters to the Company's Audit Committee.

b. Directors and employees of the group companies shall promptly make a report to the Company's Audit Committee regarding the situation of business activities when so requested by the Company's Audit Committee.

c. The Company's Directors (excluding Audit Committee members), Executive Officers and employees (including, those in the internal audit department), as stated in (A) of this Section, shall report to the Company's Audit Committee the business activities of each group company reported through the systems mentioned in Section v) above.

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

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

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

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

ix) Systems to ensure effective and valid auditing by the Company's Audit Committee

a. The Company's Audit Committee enhances its independence by appointing Independent directors for the majority of its members and for its chair. Further, in order to ensure that the audit by the Audit Committee is being carried out effectively, the Audit Committee appoints one or more full-time member of the Audit Committee.

b. The Audit Committee shall, as necessary, cooperate with the internal audit department and accounting auditor upon conducting the Audit Committee's audits. The Audit Committee shall take charge of the department for internal audit and instruct the internal audit department with regard to auditing. The internal audit department obtains approval from the Audit Committee regarding basic policy of the internal audit and, annual plans, budgets and personnel plans for internal audits, and will report to the Audit Committee the status of the performance of duties and any findings therefrom on an ongoing basis. Approval of the Audit Committee shall be obtained for appointment/removal and performance assessment (including discipline) of persons responsible for the internal audit department.

c. The Audit Committee shall have meetings periodically or upon request from the Audit Committee with Executive Officers (including the President and Chief Executive Officer) and exchange views and opinions.

d. Audit Committee members may attend important meetings, etc. and state his/her opinions and further, may view documents giving approval and other important documents and may request, as necessary, explanations and reports from Executive Officers and employees.

e. The Audit Committee shall, as necessary, cooperate with the Nomination Committee and the Compensation Committee if necessary, such as by exchanging information and opinions mutually.

● Outline of operation status of systems to ensure proper and legitimate business activities

The outline of operation status of the aforementioned systems is stated as follows. The Board of Directors fully commits to continually monitor and review implementation of the systems and policies, update and improve them whenever necessary. For this purpose, the Board of Directors appoints a director or directors who are in charge of the internal control system, and internal control committee chaired by such director is held to continuously understand the execution and improvement status of the internal control system.

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

・The Board of Directors, consisting of ten members (including six outside directors), decides material business activities of the Company such as matters concerning basic policies for the management of the Group based on the Articles of incorporation and Regulations of the Board of Directors, and oversees the activities of executive officers. It held 19 meetings in the fiscal year. While the authority regarding business operations is delegated largely to executives, Board of Directors received reports from executive officers at the Board of Directors meeting (7 out of 19 meetings) held in the fiscal year to ensure appropriate monitoring of business operation.

・The Company has established Executive Committee and other committees where important matters and daily operations were reviewed and discussed, in order to ensure an efficient and effective management.

・Delegation of Authority procedure has been established for the purpose of speeding up and clarifying the decision making processes as well as ensuring consistent decisions. Such Delegation of Authority procedures are regularly and, as necessary, reviewed and updated in order to ensure transparent, prompt and effective decision making.

ii) Systems to ensure compliance of directors' and employees' activities with laws and articles of association

・Under the oversight of Global Compliance Committee, the Company has established regional compliance committees in each of the regions in which it operates to form a system for detecting and deterring illegal and unethical behaviors. The Company is working with all regions and bases of operation to ensure full awareness of compliance issues and engage in prevention of illegal activities. The regular Global Compliance Committees were held in July and December.

・To promote thorough understanding of compliance among all employees worldwide and to facilitate sound business practices, the Company has a globally integrated reporting system. The system, introduced under the name "SpeakUp", facilitates anonymous reporting and two-way confidential communication for employees and other stakeholders. Employees are encouraged to report violations of the Code of Conduct or other company rules and are protected from retaliation by Nissan's non-retaliation policy, which is a cornerstone of the Compliance Program.

・The Company provides global trainings to executives and employees to foster respects for compliance measures and the Code of Conduct.

- The Company has been making efforts to prevent recurrences related to the Company's nonconformities in the final vehicle inspection processes (kanken) at its plants in Japan.
  By April 2020, the implementation of all 93 planned recurrence prevention measures were completed and their operations continues. In particular, the Company has been continuously striving to strengthen the compliance by implementing measures to prevent the weathering of final vehicle inspection issues, such as creating open working environment by factory visit of executive committee members and raising compliance awareness by holding compliance events and conducting compliance education.
- The Company continues to improve and enhance our internal control systems to ensure financial reporting accuracy in accordance with the Financial Instruments and Exchange Act. This is accomplished through testing, reviews and reporting under J-SOX standards (required under the Financial Instruments and Exchange Act). Key control processes are well-documented so internal control effectiveness can be evaluated and thoroughly understood. The Company addresses all findings, both within J-SOX and other audit scope, that are identified by both internal and external auditors. The Central Global Controller's team reviews remediation progress and efforts with the regional accounting and finance teams on a regular basis. Quarterly, Steering Committees, chaired by the CVP-Control, are held with all regions that have open internal control issues. Additionally, the CFO also rotationally attends one Steering Committee session per quarter. This allows our global teams to understand issues faced elsewhere and be aware of any potential risks to their areas. This data sharing is one way the Company does not only focus on addressing known issues, but also takes proactive steps to prevent future problems from occurring. This activity is presented to the Chair of the Audit Committee.
- The Company has the global internal audit department, as an independent group to conduct internal auditing tasks under the Audit Committee. Regional audit teams are in each regional headquarters, and for sales finance, IT and monozukuri auditing which requires a higher level of expertise, global specialty audit leadership was set up to conduct related audits across the regions. Under the control of the Chief Internal Audit Officer (CIAO), all audits are carried out efficiently and consistently on a global basis. Audits are conducted based on the audit plans which were approved by the Audit Committee. Audit results are regularly reported to the Audit Committee and reported to the relevant department and corporate officers in a timely manner.
- The Company established the Board of Directors Office, where information is collected smoothly and appropriately so that directors can effectively fulfill their roles and responsibilities, and not only the Board of Directors meetings but also including independent directors meetings, necessary activities are carried out in order for directors to discuss a wide range of issues related to the Company's corporate governance and business matters from the viewpoint of supervising the execution. The Company conducted Board effectiveness evaluation utilizing external experts in order to ensure objectivity and transparency for a part of the evaluation process for this fiscal year and the overview of the evaluation results will be disclosed in the Corporate Governance Report. The Audit Committee audits the effectiveness of the Board of Directors appropriately and reports the results to the Board of Directors.

iii) Rules and systems for proper management of risk and loss

- Based on Global Risk Management Policy, the Company carries out activities on a comprehensive, group wide basis. In order to respond to changes in its business environment, the Company has reviewed the risk management process as well as a department in charge of risk management carries out annual interviews of corporate officers/ each region's leader, each function which is in charge of risk management and alignment with Corporate Strategy Department. Carefully assessing various potential risks by reflecting region's feedback. The Company's "risk map" is revised by evaluating those risks' impact, likelihood, and control level quantitatively and qualitatively. The Corporate Risk Management Committee chaired by CEO makes decisions on risk issues that must be handled at the corporate level and designate "risk owners" to manage the risks. Under the leadership of these owners, the Company designs appropriate countermeasures. The Risk Management Committee was held two times in the fiscal year. The effectiveness of the process is confirmed by utilizing the expertise of internal audit.
  In addition, we have enhanced our system to take comprehensive, prompt and coordinated responses when a crisis occurs by creating new team in crisis management office for large scale earthquake.
- The group companies in Japan and overseas are strengthening communication in order to share basic processes and tools for risk management, as well as related information, throughout the group.

iv) Systems to ensure accurate records and the retention of information of directors' execution of business

- The Company shares its Information Security Policy with the group companies worldwide as a basis for reinforced information security, implementing via the Information Security Committee measures enhanced through the PDCA cycle. The Company reliably addresses issues by identifying internal and external information leaks as they occur worldwide and reinforces information security on a timely basis. To thoroughly educate and motivate employees to adhere to relevant policy, the Company institutes regular in-house educational programs. The Information Security Committee was held 3 times in the fiscal year.

v) Systems to ensure proper and legitimate business activities of the group companies

・The Company receives reports from the group companies on certain important business matters of the group companies, through multiple routes such as various management committees, Global Compliance Committee, Internal audit activities on the business of the group companies, and monitoring of governing status through interactive communication with representative officers of each group company, and meetings between the Company's statutory auditors and group companies' statutory auditors, and relations/ cooperation between each function of the Company and the corresponding function of the other group companies.

vi) Directors and employees supporting Nissan's Audit Committee, systems showing the directors and employees' independence from Nissan's executive officers, and systems to ensure effectiveness of Nissan's Audit Committee's instruction to directors and employees

・Nissan has an Audit Committee secretariat as an organization to support the activities of the Audit Committee. The required number of dedicated staff members is assigned to the Audit Committee secretariat and they carry out their duties under the direction of the Audit Committee member.

・The evaluation of staff members in the Audit Committee secretariat is discussed among the Audit Committee members, and consent of the Audit Committee is necessary for personnel changes and disciplinary actions.

vii) Systems to report business issues to Nissan's Audit Committee and systems to ensure to prevent disadvantageous treatment of those who made such report

・As a part of audits on business execution including the organization and operation of Nissan's internal control systems, the Audit Committee receives reports from executive officers, corporate officers, and employees on their business execution for Nissan and its group companies, in accordance with the Audit Committee's annual audit plan and on an ad-hoc basis as necessary.

・The Audit Committee periodically receives reports from the internal audit department on audit results regarding business execution of Nissan and its group companies.

・The Audit Committee receives reports from directors and executive officers of the group companies regarding business execution at the on-site audit periodically implemented by the Audit Committee. During such audit, the Audit Committee has a meeting with group companies' statutory auditors to share information and exchange opinions. In addition, the Audit Committee has been making efforts to strengthen Nissan's group governance by holding periodic meetings with group companies' statutory auditors to share information and exchange opinions, where group companies' statutory auditors report to Nissan's Audit Committee their annual audit plan and progress of key audit matters, etc., which facilitates mutual cooperation among the Audit Committee and group companies' statutory auditors. (Such meetings were held twice in this fiscal year.)

・The Global Code of Conducts and Global whistleblowing policy stipulate that employees who suspect that a violation of the Code of Conduct has occurred are obligated to report it as soon as possible and that employees are protected from retaliation, which is thoroughly informed among the employees.

viii) Policy for payment of expenses or debt with respect to Nissan's Audit Committee members' execution of their duties, including the procedures of advancement or reimbursement of expenses

・In accordance with Companies Act, Nissan promptly makes advance payment of expenses or makes payment of debt with regard to Nissan's Audit Committee members' execution of their duties if so requested by the Audit Committee members, except where it proves that the expense or debt relating to such request is not necessary for the execution of the duties of the Audit Committee member. Every year Nissan establishes a budget with regard to Nissan's Audit Committee members' execution of their duties for the amounts deemed necessary.

ix) System to ensure effective and valid auditing by Nissan's Audit Committee

・The Audit Committee enhances its independence by appointing an independent director for the majority of its members and for its chair. Further, in order to ensure that the audit by the Audit Committee is being carried out effectively, the Audit Committee appoints one full-time member of the Audit Committee.

・The Audit Committee, in conducting its audits, cooperates with the internal audit department and the accounting auditor in an appropriate manner. The Audit Committee supervises the internal audit department and gives them instruction regarding internal audit, while the internal audit department obtains approval from the Audit Committee regarding basic policy of the internal audit and, annual plans, budgets and personnel plans for internal audits, and reports to the Audit Committee the status of the performance of duties and any findings therefrom on an ongoing basis. Approval of the Audit Committee is obtained for appointment/removal and performance assessment (incl. discipline) of persons responsible for the internal audit department.

・Mr. Motoo Nagai, the Chair of the Audit Committee, has meetings with executive officers including the President and Chief Executive Officer periodically and exchanges opinions in various areas. Further, Mr. Nagai states his opinions at important meetings he attends, and reviews internal approval documents and other important documents and, when necessary, requests explanations or reports from executive officers and employees. Mr. Nagai shares his collected information with other members of the Audit Committee in a timely manner.

・The Audit Committee, as necessary, cooperates with the Nomination Committee and the Compensation Committee, among other things, by exchanging information and opinions mutually.

3. Consolidated Statement of Changes in Net Assets

(From April 1, 2023 To March 31, 2024)

(in millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments
Balance at the beginning of current period	605,814	811,209	4,047,870	(136,172)	5,328,721	2,893	(3,346)
Changes of items during the period							
Cash dividends paid			(58,760)		(58,760)		
Net income attributable to owners of parent			426,649		426,649		
Purchase of treasury stock				(121,294)	(121,294)		
Disposal of treasury stock		(8)	(1,505)	17,343	15,830		
Cancellation of treasury stock			(128,746)	128,746			
Changes in interests by sales of subsidiaries' shares		10,790			10,790		
Changes in affiliated companies' interests in its subsidiaries		4,160			4,160		
Net changes of items other than those in shareholders' equity						607	16,505
Total changes of items during the period		14,942	237,638	24,795	277,375	607	16,505
Balance at the end of current period	605,814	826,151	4,285,508	(111,377)	5,606,096	3,500	13,159

	Accumulated other comprehensive income				Share subscription rights	Non-controlling interests	Total net assets
	Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	(51,079)	(111,694)	(30,846)	(194,072)	273	480,218	5,615,140
Changes of items during the period							
Cash dividends paid							(58,760)
Net income attributable to owners of parent							426,649
Purchase of treasury stock							(121,294)
Disposal of treasury stock							15,830
Cancellation of treasury stock							—
Changes in interests by sales of subsidiaries' shares							10,790
Changes in affiliated companies' interests in its subsidiaries							4,160
Net changes of items other than those in shareholders' equity	(52,056)	534,577	69,990	569,623	31	8,374	578,028
Total changes of items during the period	(52,056)	534,577	69,990	569,623	31	8,374	855,403
Balance at the end of current period	(103,135)	422,883	39,144	375,551	304	488,592	6,470,543

(Reference information) Consolidated Statement of Comprehensive Income

(From April 1, 2023 To March 31, 2024)

(in millions of yen)

Accounts	Amount
Net income	449,552
Other comprehensive income	
Unrealized holding gain and loss on securities	(701)
Unrealized gain and loss from hedging instruments	24,436
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(46,890)
Translation adjustments	459,520
Remeasurements of defined benefit plans	69,445
The amount related to equity method companies	86,862
Total other comprehensive income	592,672
Comprehensive income	1,042,224
(Breakdown of comprehensive income)	
Comprehensive income attributable to owners of parent	996,272
Comprehensive income attributable to non-controlling interests	45,952

4. Notes to Consolidated Financial Statements

Basis of Consolidated Financial Statements

1. Number of consolidated subsidiaries and companies accounted for by the equity method

(1) Consolidated subsidiaries; 233 companies (Domestic 95, Overseas 138)

Domestic Car Dealers and Parts Distributors

Kanagawa Nissan Motor Co., Ltd., Nissan Motor Sales Co., Ltd., Nissan Buhin Chuo Hanbai Co., Ltd. and 38 other companies

Domestic Vehicles and Parts Manufacturers

Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., Jatco Ltd. and 8 other companies

Domestic Logistics and Services Companies

Nissan Trading Co., Ltd., Nissan Financial Services Co., Ltd., Nissan Motorsports & Customizing Co., Ltd. and 40 other companies

Overseas subsidiaries

Nissan North America, Inc., Nissan Automotive Europe, Nissan Motor Manufacturing (UK) Ltd., Nissan Mexicana, S.A. de C.V. and 134 other companies

Unconsolidated subsidiaries; 3 companies (Domestic 1, Overseas 2)

Domestic NC Service Co., Ltd.

Overseas Nissan Manufacturing Tanger Mediterranean and 1 other company

These unconsolidated subsidiaries are immaterial in terms of their total assets, sales, net income or loss, retained earnings and others, and do not have a significant impact on the consolidated financial statements.

(2) Companies accounted for by the equity method; 39 companies

Affiliates; 39 companies (Domestic 23, Overseas 16)

Renault S.A., Dongfeng Motor Co., Ltd., Mitsubishi Motors Corporation, Nissan Tokyo Sales Holdings Co., Ltd. and 35 other companies

Companies not accounted for by the equity method; 6 companies

Subsidiaries; 3 companies

Nissan Manufacturing Tanger Mediterranean and 2 other companies

Affiliates; 3 companies

Sun Co., Ltd. and 2 other companies

These companies are not accounted for by the equity method, as their impact is not significant on the consolidated net income or loss, consolidated retained earnings or others.

(3) Change in the scope of consolidation and equity method

- Number of companies newly included in the scope of consolidation; 1 company (Nissan Global Management S.A.)
- Number of companies excluded from the scope of consolidation; 7 companies (Fukuoka Nissan Motor Co., Ltd. and 6 other companies)
- Number of companies ceased to be accounted for by the equity method; 1 company (Rose Kiln Retail Ltd.)

The increase in the number of consolidated subsidiaries was mainly due to establishment of a new company. The decreases were mainly due to liquidation and merger.

2. Fiscal period of consolidated subsidiaries

(1) The fiscal year of the following consolidated subsidiaries is different from that of the Company (March 31)

January 31 year end company: Yokohama Marinos Ltd.

September 30 year end company: Nissan Formula E Team S.A.S.

December 31 year end companies: Nissan Mexicana, S.A. de C.V., Nissan (China) Investment Co., Ltd. and 36 other overseas subsidiaries

(2) With respect to Nissan Formula E Team S.A.S. whose fiscal year end is September 30, and Nissan Mexicana, S.A. de C.V. and 23 other companies whose fiscal year end is December 31, they close their books of account at March 31 for consolidation reporting purpose. With respect to Yokohama Marinos Ltd. whose fiscal year end is January 31, and Nissan (China) Investment Co., Ltd. and 13 other companies whose fiscal year end is December 31, the necessary adjustments were made in consolidation to reflect any significant transactions from February 1 to March 31 and January 1 to March 31.

3. Significant accounting policies

(1) Valuation methods for assets

①Securities

Held-to-maturity securities:

Held-to-maturity securities are stated at amortized cost.

Other securities:

Marketable securities:

Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in net assets. Costs of securities sold is calculated by the moving average method.

Non-marketable securities:

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

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

②Derivative financial instruments

Derivative financial instruments are stated at fair value.

③Inventories

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

(2) Depreciation of property, plant and equipment

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

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

(3) Basis for significant reserves

①Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on past experience for normal receivables and on an estimate of the collectability of receivables from companies in financial difficulty. Some foreign subsidiaries and affiliates have adopted IFRS 9 and Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 326, and recognized impairment losses on financial assets using the expected credit loss model.

②Accrued warranty costs

Accrued warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts and based on past experience.

(4) Accounting for retirement benefits

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

Past service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees (principally 4 to 15 years).

Actuarial gain and loss are amortized in the year following the year in which actuarial gain and loss are recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees (principally 7 to 25 years). Some foreign subsidiaries have adopted the corridor approach for actuarial gain and loss, and amortize them over the average remaining years of services of the eligible employees or the average life expectancy of the eligible employees.

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

(5) Reporting of significant revenue and expenses

Businesses of the Group are segmented into Automobile and Sales financing based on the features of products and services.

The Automobile business includes manufacturing and sales of vehicles and parts. The Sales financing business provides sales finance services and leasing to support the sales activities of the Automobile business.

Regarding the sales of vehicles and parts in the Automobile business, the Group usually recognizes revenue when products are delivered to customers, as control over products is considered to be transferred to customers when they can use and/or sell products at their own discretion. Transactions in which services are provided over a certain period of time primarily include paid extended warranties and maintenance services. Revenue is recognized over time in accordance with the progress of the performance obligation satisfied. Revenue is measured based on transaction price specified in a contract with customers, excluding the amounts collected on behalf of third parties such as tax authorities.

The Group provides incentives primarily to dealers, and these incentives are calculated based on total vehicle volume or vehicle unit sales of certain models sold by dealers during a specified period of time. The Group accrues these amounts as incentives upon the sale of vehicles using the “most likely amount method” and deducts them from revenue.

Payments for products received by customers are collected in accordance with the terms and conditions of relevant sales agreements and amounts of financing component included in the payments are not material.

In addition, product sales contracts with customers include warranty clauses to cover free replacement or repair needed to correct defects in materials or workmanship of all parts and components and the Group recognizes provisions for product warranties to meet these guarantees. The provisions for such warranty costs are booked as described above in (3) Basis for significant reserves.

Interest income from sales finance products in the Sales financing business is recognized at an amount equivalent to interest over the contractual period. Interest income from finance lease transactions is recognized over the lease term. Revenue from operating lease transactions is recognized by allocating the total of the lease payments over the lease term based on the contract.

(6) Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and differences arising from the translation are recognized as gain or loss.

Assets and liabilities of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date, and revenue and expense accounts are translated at the average rates of exchange in effect during the year. Differences arising from the translation are presented as translation adjustments and non-controlling interests in the net assets section.

(7) Hedge accounting method

①Hedge accounting method

In principle, deferred hedge accounting is applied for derivative instruments under JGAAP.

If qualifies for specific conditions, the following exceptional hedge treatments can be applied.

- Hedged items for foreign currency denominated transactions can be booked directly using the forward contract rate, except for accounts receivables to which deferred hedge accounting is applied.
- For interest rate swap, if interest paid or received can be netted against the interest of underlying hedged interest bearing debt, there is no need for fair value evaluation.

Foreign subsidiaries and affiliates apply hedge accounting based on the risk of hedged items in accordance with IFRS or US GAAP.

②Hedging instruments and hedged items

- Hedging instruments.....Derivative transactions
- Hedged items...............Mainly receivables and payables denominated in foreign currencies and others

③Hedging policy

Based on the internal risk management rules and authority regarding derivative transactions, expected risks such as fluctuations in foreign currency and interest rate are hedged within certain extent.

④Assessment of hedge effectiveness

An assessment of hedge effectiveness is required for foreign subsidiaries and affiliates reporting under IFRS or US GAAP, however, this can be omitted under JGAAP when the terms of hedged items are substantially same as those of hedging instruments.

(8) Amortization of goodwill

Goodwill is amortized over periods not exceeding 20 years determined based on their expected life.

However, immaterial differences are recognized as gain or loss in the year of acquisition.

Negative goodwill in consolidated subsidiaries and in companies accounted for by the equity method which had occurred after April 1, 2010 has been recorded as gain in the year of acquisition.

(9) Adoption of group tax sharing system and consolidated taxation system

The Company and some of its domestic consolidated subsidiaries have adopted the group tax sharing system.

In addition, some of its foreign consolidated subsidiaries have adopted the consolidated taxation system.

4. Changes in presentations

(Consolidated Statement of Income)

"Gain on net monetary position", which was included in "Miscellaneous income" under "Non-operating income" in the prior fiscal year, has been separately presented in the current fiscal year due to its increased financial materiality.

"Compensation for suppliers and others", which was presented as a separate account under "Special losses" in the prior fiscal year, has been included in "Other" in the current fiscal year due to its decreased financial materiality.

5. Accounting estimates

(1) Impairment loss on fixed assets

After grouping fixed assets based on business segments (automobiles and sales financing) and regional classification, which are mutually complementary with each other, the Group determines whether there is any indication of impairment on business-use assets and then recognizes and measures impairment losses. The Group reasonably estimates future cash flows and net realizable value in recognizing and measuring impairment losses, and discount rates in measuring impairment losses.

The assumptions used to estimate future cash flows are based on the Company's business plan which is approved by the Management meeting. Future cash flows are estimated considering historical market share conditions and profit margins, regional market growth rates with reference to a third-party TIV forecast, relevant market trends including foreign exchange rates, and expected changes in the business environment. Net realizable value is

calculated based on the real estate appraisal value etc. and other publicly available information. The discount rate is calculated based on the weighted average cost of capital, taking into account country risk and other factors in each country.
The balance of business-use assets of the automobile business in the consolidated financial statements for the fiscal year 2023 is ¥2,669,425 million. As a result of impairment testing in the current fiscal year for an asset group for which there was an indication of impairment due to conditions such as continuous operating losses, impairment loss of ¥53,644 million and ¥5,328 million was recognized on business-use assets of the automobile business for Asia and on idle and other assets, respectively.
If market trends, economic environment or preconditions for business plans change significantly in relation to the asset group, and the Company revises its estimates of future cash flows and net realizable value, then business-use assets may be impaired.

(2) Deferred tax assets

In assessing the recoverability of deferred tax assets, future taxable income is reasonably estimated based on the Company's business plan which is approved by the aforementioned Management meeting for any future deductible temporary differences that remain after taking into account the reversal of future taxable temporary differences and feasible tax planning strategies. The net amount of deferred tax assets recorded in the consolidated financial statements for the fiscal year 2023 is ¥188,411 million.
If the aforementioned market trends, economic environment or preconditions for business plans change significantly, and the Company revises its estimates of future taxable income, then this may affect to the valuation of deferred tax assets.

(3) Allowance for doubtful accounts

An allowance for doubtful accounts is provided to recognize bad debt losses for sales finance receivables and automotive trade receivables, etc. based on an estimate of their collectability calculated based on past experience. When estimating the collectability of receivables, the Group evaluates the credit risk of customers and the value of assets pledged as collateral. In addition, if the credit risk of receivables changes due to changes in the external environment, such as the expectation of a significant deterioration in economic indicators, the Company will additionally take into consideration the relevant factors, if necessary. For example, the Group may need to increase the allowance or incur bad debt losses if estimates based on past experience differ materially from market value forecasts, perceived individual credit risk, or a deterioration in the value of pledged collateral.
Certain foreign subsidiaries and affiliates which apply International Financial Reporting Standards (IFRS) 9 and Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 326 recognize allowances for doubtful accounts based on financial asset impairment losses calculated using the expected credit loss model.
Under IFRS 9, expected credit loss is calculated after classifying financial assets into stages according to their credit risk, while under ASC 326, expected credit loss over the remaining life is calculated for all financial receivables without classifying the stages. It is required to measure credit losses from future projected default events at the present value. Allowances under IFRS and ASC can increase or decrease based on the changes in assumptions that drive credit risk assessments, such as past experience, used car prices, and forecasts of macroeconomic factors, such as unemployment rates or inflation.
The allowance for doubtful accounts of the sales finance business recorded in the consolidated financial statements for the fiscal year 2023 is ¥135,722 million.

(4) Provision for residual value risk of leased vehicles

Subsidiaries, primarily in North America, estimate provisions for the residual value risk of leased vehicles to cover losses that arise when proceeds from leased vehicles that have been returned fall below the net book values of these assets at lease-end. Provision for loss on residual value of leased vehicles recorded in the machinery and equipment (net amount) of the consolidated financial statements for the fiscal year 2023 is ¥113,573 million.
Such provisions for residual value risk of leased vehicles are recognized as a change in estimate and their ending book value is further changed, leading to higher or lower depreciation amounts. The estimate of residual value is updated mainly based on the expected sale price of the leased vehicle and the expected return rate. Assessment of updated vehicle residual values is affected by many factors, including, but not limited to sales results for used cars, trends in returns of leased vehicles, new vehicle sales trends, supplies of used cars, customer preferences, marketing strategies, and general economic conditions. Leased vehicles may be impaired if used car market price falls and impairment indicator exist and their recoverable amount is less than book value.

(5) Expenses for market measures such as recalls

The amount of estimated expenses for market measures is recognized as accrued expenses other than accrued warranty costs when market measures based on notifications to government authorities are deemed to be necessary. In estimating expenses, the estimated accrual is calculated based on the number of applicable model on the markets, the expected implementation rates of market measures, the cost of market measures and other cost per unit. The expected implementation rates of market measures are estimated based on historical results by sales region, brand, and age of product portfolio. Service cost recorded in the consolidated financial statements for the fiscal year 2023 is ¥69,052 million.
The Company checks trends in market measures every quarter, and additional accrued expenses may be recorded or reversed if actual accruals differ from estimates due to unexpected increase or decrease in number of market measures.

6. Additional information

(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 had recorded the amount of judgment plus interest totaling ¥38,758 million under "Selling, general and administrative expenses" considering the ruling in the second quarter of the fiscal year ended March 31, 2022.

On June 8, 2022, the Dubai Court of Appeal reversed the judgment of the Dubai Court of First Instance. The Company, Nissan Middle East FZE, and Al Dahana filed further appeals to the Dubai Court of Cassation, but on September 14, 2022, the Dubai Court of Cassation overturned the Dubai Court of Appeal's June judgment and remitted the case back to the Dubai Court of Appeal for a new judgement upon further review. On November 29, 2022, the Dubai Court of Appeal reversed the judgment of the Dubai Court of First Instance. On January 25, 2023, Al Dahana filed an appeal to the Court of Cassation. On January 27, 2023, the Company and Nissan Middle East FZE also filed an appeal to the Court of Cassation.

On and effective April 30, 2024, the Dubai Court of Cassation, dismissed all the appeals before it, with the effect that previous Dubai Court of Appeal decision to reverse the Dubai Court of First instance decision stands. The Company reversed the previously recorded provision amount of ¥38,758 million and the related foreign exchange loss of ¥15,715 million within "Selling, general and administrative expenses" and "Exchange loss", respectively.

Notes to Consolidated Balance Sheet

1. Assets pledged as collateral

(1) Assets pledged as collateral

	(in millions of yen)
Sales finance receivables	2,530,298
Machinery, equipment and vehicles, net	1,206,548
Other in Investments and other assets	174
Total	3,737,020

(2) Liabilities secured by the above collateral

	(in millions of yen)
Short-term borrowings	636,859
Long-term borrowings (including the current portion)	1,498,427
Total	2,135,286

2. Accumulated depreciation of property, plant and equipment

(in millions of yen)

6,459,541

(The above amount includes depreciation of leased assets in the amount of ¥148,534 million.)

3. Guarantees and others

	(in millions of yen)
As guarantor of employees' housing loans from banks and others	10,138
	(9,797 for employees, 341 for others)

4. Contingent liabilities

・Lawsuits related to Takata's airbag inflators

For ongoing lawsuits related to Takata's airbag inflators, 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.

・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.

Notes to Consolidated Statement of Changes in Net Assets

1. Shares issued and outstanding

Common stock	4,009,715 thousand shares

2. Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (in millions of yen)	Dividends per share (yen)	Record date	Effective date
Annual general meeting of the shareholders on June 27, 2023	Common stock	39,174	10	March 31, 2023	June 28, 2023
Meeting of the Board of Directors on November 9, 2023	Common stock	19,586	5	September 30, 2023	November 29, 2023

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

(2) Dividends, which the Record date was in the year ended March 31, 2024 and the effective date of which is in the year ending March 31, 2024

Type of shares	Common stock
Source of dividends	Retained earnings
Total dividends	¥56,104 million (Dividends per share: ¥15)
Record date of dividends	March 31, 2024
Expected effective date	June 26, 2024

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

Notes to Financial Instruments

1. Overview of financial instruments

The Group's cash is managed mainly through short-term deposits and short-term investments with insignificant risk for the purpose of efficient cash management at appropriate risk.

The financing has been diversified, such as bank loans, bond issues, commercial paper issues and securitization of assets, to reduce the exposure to liquidity risk.

The Group holds trade notes and accounts receivables from sales of products and collects such receivables in accordance with the terms and conditions of relevant sales agreements. The Group also holds trade payables with various payment dates based on the payment conditions from purchasing diverse parts, materials and services, required for development and manufacture of products.

The Group utilizes derivative financial instruments based on the internal "Policies and Procedures for Risk Management" mainly for the purposes of hedging its exposure to adverse fluctuations in foreign currency exchange rates on receivables and payables denominated in foreign currencies, interest rates on interest-bearing debt and market prices on commodity, but does not enter into such transactions for speculative purposes.

The sales finance business provides financial services to retail customers, such as auto loans and leases, and inventory financing, working capital loans, etc. to our dealers. Strict credit underwriting policies are followed before loans are advanced to the customers and dealers.

2. Fair Value of Financial Instruments

The following table indicates the carrying value in the consolidated balance sheets, the fair value and the unrealized gain (loss) as of March 31, 2024.

(in millions of yen)

	Amount recorded in the consolidated balance sheets	Fair value	Difference
(1) Sales finance receivables (*2)	7,380,061		
Allowance for doubtful accounts (*3)	(137,304)		
Subtotal (*4)	7,242,757	7,115,098	(127,659)
(2) Investment securities (*5)	727,594	623,190	(104,404)
(3) Long-term loans receivable	12,229		
Allowance for doubtful accounts (*3)	(2,568)		
Subtotal	9,661	9,761	100
Total assets	7,980,012	7,748,049	(231,963)
(1) Bonds (*6)	2,590,248	2,489,106	101,142
(2) Long-term borrowings (*6)	4,143,367	4,146,764	(3,397)
(3) Lease obligations (*6)	137,250	136,143	1,107
Total liabilities	6,870,865	6,772,013	98,852
Derivative transactions (*7)	30,522	30,522	—

(*1) Cash on hand and in banks, trade notes and accounts receivable, and contract assets, securities, trade notes and accounts payable, short term borrowings and commercial papers are omitted because they are cash or are settled within a short time and the fair value is almost equal to the book value.

(*2) The amount recorded in the consolidated balance sheets for sales finance receivables is presented with the amount after deducting ¥38,139 million of deferred installments income and others.

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

(*4) The difference between amount recorded in the consolidated balance sheets and fair value is mainly due to the discount rate.

(*5) Unlisted stocks and investments in limited liability partnerships are not included in (2) Investment securities. The amounts of financial instruments recorded in the consolidated balance sheets are as follows:

(in millions of yen)

Classification	Current fiscal year
Unlisted stocks	648,115
Investments in limited liability partnerships	3,369

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

(*7) Net receivables and payables, which were derived from derivative transactions, are presented in this footnote as netted amounts, and any item for which the total becomes a net liability is indicated in parentheses.

3. Fair Value of Financial Instruments by levels

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1: Fair value derived from quoted prices in active markets for identical assets or liabilities.
Level 2: Fair value derived from observable inputs that are not included in Level 1 inputs.
Level 3: Fair value derived from unobservable inputs.

When multiple inputs that have a significant impact on the fair value calculation are used, the fair value is classified at lower level category.

(1) Financial instruments that are measured at fair value

(in millions of yen)

Classification	Fair Value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Stock	1,770	—	—	1,770
Total assets	1,770	—	—	1,770
Derivative transactions (*1)	—	30,522	—	30,522

(*1) Net receivables and payables, which were derived from derivative transactions, are presented in net amounts, and any item for which the total becomes a net liability is indicated in parentheses.

(2) Financial instruments other than those measured at fair value

(in millions of yen)

Classification	Fair Value			
	Level 1	Level 2	Level 3	Total
(1) Sales finance receivables	—	—	7,115,098	7,115,098
(2) Investment securities				
Held-to-maturity securities	—	12,768	—	12,768
Other securities				
Stock	608,652	—	—	608,652
(3) Long-term loans receivable	—	—	9,761	9,761
Total assets	608,652	12,768	7,124,859	7,746,279
(1) Bonds	—	2,489,106	—	2,489,106
(2) Long-term borrowings	—	4,146,764	—	4,146,764
(3) Lease obligations	—	136,143	—	136,143
Total liabilities	—	6,772,013	—	6,772,013

(Notes) Valuation techniques and inputs are as follows:

Investment securities
Fair value of listed stocks is based on prices on the stock exchange. They are classified in Level 1, because they are traded in an active market. Fair value of held-to-maturity securities are classified in Level 2, because they are not frequently traded in the market and are not considered quoted prices in an active market.

Derivative transactions
Calculation of fair value is based on quoted prices obtained from third parties or based on discounted cash flows with observable inputs such as interest rates and foreign exchange rates and is classified as Level 2 fair value. Fair value of interest rate swaps is included in that of corresponding hedged long-term borrowings, as those interest rate swaps are treated as underlying transactions of hedged items.

Sales finance receivables
Fair value is calculated based on the discounted cash flows by collection period, using discount rates reflecting maturity and credit risk and is classified as Level 3 fair value.

Long-term loans receivable
Fair value is calculated based on the discounted cash flows of each individual loan, using discount rate which would be applicable for similar new loans and is classified as Level 3 fair value.

Bonds
Fair value of marketable bonds is based on the market prices, and that of non-marketable bonds is based on the present value estimated by discounting the total principal and interest, using discount rates reflecting the remaining term and credit risk observable in the market and is classified as Level 2 fair value.

Long-term borrowings and Lease obligations
Fair value is calculated based on the present value estimated by discounting the total principal and interest, using discount rates which would be applicable for similar new borrowings or lease transactions based on the observable inputs in the market and is classified as Level 2 fair value.

Notes to Investment and Rental Property

1. The status of investment and rental property

The Company and certain consolidated subsidiaries own rental properties, mainly for vehicle and parts dealers, in Japan and overseas countries.

2. Fair value of investment and rental property

(in millions of yen)

Carrying value	Fair Value
99,854	114,211

(Note 1) Carrying value deducted accumulated depreciation and impairment loss from acquisition cost of fixed assets.

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

Notes to Revenue Recognition

1. Information about breakdown of revenue from contracts with customers

(in millions of yen)

	Reportable segments		Total
	Automobile	Sales financing	
Japan	1,815,870	36,249	1,852,119
North America	5,725,819	83,295	5,809,114
of which USA	4,476,337	1,122	4,477,459
Europe	1,645,791	—	1,645,791
Asia	732,997	2,213	735,210
Other overseas countries	1,647,861	5,349	1,653,210
Revenue from contracts with customers	11,568,338	127,106	11,695,444
Revenue from the other sources	14,525	975,747	990,272
Sales to third parties	11,582,863	1,102,853	12,685,716

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.

2. Basic information to understand revenue from contracts with customers

For details, please refer to "Notes to Consolidated Financial Statements 3. Significant accounting policies (5) Reporting of significant revenue and expenses".

3. Information to understand the amount of revenue in the current and subsequent fiscal years

(1) Contract assets and contract liabilities

Receivables from contracts with customers (in millions of yen)

	Beginning of the current fiscal year	Ending of the current fiscal year
Trade notes	61,149	62,239
Accounts receivable	522,339	571,298
	583,488	633,537

Receivables from contracts with customers are included in "Trade notes and accounts receivable, and contract assets".

In addition, the balances of contract assets are immaterial.

Contract Liabilities (in millions of yen)

	Beginning of the current fiscal year	Ending of the current fiscal year
Contract Liabilities	288,991	321,641

Contract liabilities are included in "Other" in "Current liabilities" and "Long-term liabilities". Contract liabilities mainly include advances for vehicles, paid extended warranties and maintenance services, which are reversed upon revenue recognition.

The amount of revenue recognized in the current fiscal year that was included in the contract liabilities balance at the beginning of the year is ¥142,586 million.

In addition, the amounts of revenue recognized in the current fiscal year from performance obligations satisfied (or partially satisfied) in previous years are immaterial.

(2) Transaction price allocated to the remaining performance obligations

The remaining performance obligations primarily consist of sales for vehicles and parts, and provision of paid extended warranties and maintenance services. The Group has excluded unsatisfied performance obligations for sales including vehicles and parts related to contracts that have an original expected duration of one year or less from this disclosure. The revenue expected to be recognized for each period is as follows:

(in millions of yen)

	Current fiscal year
Due within one year	98,264
Due after one year but within five years	187,314
Due after five years	9,543
Total	295,121

Notes to Amounts Per Share

Net assets excluding share subscription rights and non-controlling interests per share	1,599.28 yen
Basic earnings per share	110.47 yen

Notes to Significant Subsequent Events

(Acquisition and cancellation of treasury shares)

The Company announced that the Board of Directors on March 27, 2024 resolved and implemented the following matters relating to the acquisition of treasury shares and the method of acquisition pursuant to Article 156 of the Companies Act as applied pursuant to Article 165(3) of the Companies Act, and the cancellation of treasury shares pursuant to Article 178 of the Companies Act.

1. Reasons for acquisition and cancellation of treasury shares

   The Company received a notice from Renault offering to sell 280,690,000 Nissan shares (the "Offered Shares") which are held in a French trust, and decided to acquire 100,242,900 shares by making use of its right of first offer as agreed with Renault under the New Alliance Agreement. The Company decided to cancel all the acquired shares. Renault has the option to sell the rest of the Offered Shares deducting the number of Nissan shares sold by Renault in this treasury share acquisition, within an orderly process pursuant to the New Alliance Agreement.

   The transaction was funded using the Company's net cash position. This decision is in line with the Company's commitment to enhancing shareholder returns and capital efficiency whilst maintaining the necessary financial resources to deliver the Company's ambitious business plans.

2. Contents of matters relating to the acquisition of treasury shares

(1) Class of shares to be acquired	Common stock
(2) Total number of shares to be acquired	100,242,900 shares
(3) Total amount of share acquisition cost	¥59,484 million
(4) Date of contract	March 28, 2024
(5) Date of acquisition	April 1, 2024
(6) Method of acquisition	Purchase through off-auction own share repurchase trading system (ToSTNeT-3) of the Tokyo Stock Exchange

3. Contents of matters relating to the cancellation of treasury shares

(1) Class of shares to be cancelled	Common stock
(2) Total number of shares to be cancelled	100,242,900 shares
(3) Scheduled date of cancellation	April 3, 2024

(Lawsuit against a Mitsubishi Motors Corporation's consolidated subsidiary)

As of May 6, 2024, Mitsubishi Motors North America, Inc. (hereinafter "MMNA"), a North American, wholly-owned subsidiary of Mitsubishi Motors Corporation (an equity method affiliate of the Company), received a judgment before the Philadelphia Court of Common Pleas in the United States, resulting from the product liability lawsuit, ordering MMNA to pay the damages in the amount of USD 1,010 million. MMNA plans to appeal to the higher court.

Depending on the progress of the legal proceeding, this case may have a material impact on the Group's profits/losses from equity method companies.

Other

Not applicable.

Amounts less than one million yen are rounded off.

5. Non-Consolidated Statement of Changes in Net Assets
(From April 1, 2023 To March 31, 2024)

(in millions of yen)

	Shareholders' equity							
		Capital surplus		Retained earnings				
					Other retained earnings			
	Common stock	Legal capital surplus	Total capital surplus	Legal reserve	Reserve for reduction of replacement cost of specified properties	Reserve for special depreciation	Unappropriated retained earnings	Total retained earnings
Balance at the beginning of current period	605,813	804,470	804,470	53,838	53,367	3	547,265	654,475
Changes of items during the period								
Cash dividends paid							(62,949)	(62,949)
Reversal of reserve for reduction of replacement cost of specified properties					(355)		355	—
Provision of reserve for special depreciation						2	(2)	—
Reversal of reserve for special depreciation						(1)	1	—
Net income							417,843	417,843
Purchases of treasury stock								
Disposal of treasury stock							(1,505)	(1,505)
Cancellation of treasury stock							(128,745)	(128,745)
Net changes of items other than those in shareholders' equity								
Total changes of items during the period					(355)	0	224,997	224,642
Balance at the end of current period	605,813	804,470	804,470	53,838	53,012	4	772,262	879,117

	Shareholders' equity		Valuation, translation adjustments and others			Total net assets
	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments	Total valuation, translation adjustments and others	
Balance at the beginning of current period	(25,373)	2,039,385	3,148	(24,411)	(21,263)	2,018,121
Changes of items during the period						
Cash dividends paid		(62,949)				(62,949)
Reversal of reserve for reduction of replacement cost of specified properties						—
Provision of reserve for special depreciation						—
Reversal of reserve for special depreciation						—
Net income		417,843				417,843
Purchases of treasury stock	(119,955)	(119,955)				(119,955)
Disposal of treasury stock	3,201	1,696				1,696
Cancellation of treasury stock	128,745	—				—
Net changes of items other than those in shareholders' equity			(754)	24,365	23,610	23,610
Total changes of items during the period	11,991	236,634	(754)	24,365	23,610	260,244
Balance at the end of current period	(13,382)	2,276,019	2,393	(46)	2,346	2,278,366

6. Notes to Non-Consolidated Financial Statements

Significant Accounting Policies

1. Valuation methods for assets

(1) Securities

Held-to-maturity securities

Held-to-maturity securities are stated at amortized cost (straight-line method).

Equity securities issued by subsidiaries and affiliates

Equity securities issued by subsidiaries and affiliates are carried at cost determined by the moving average method.

Other securities

①Marketable securities:

Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in net assets. Cost of securities sold is calculated by the moving average method.

②Non-marketable securities:

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

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

(2) Derivative financial instruments

Derivative financial instruments are carried at fair value.

(3) Inventories

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

2. Depreciation and amortization of fixed assets

(1) Property, plant and equipment

Depreciation of property, plant and equipment is calculated by the straight-line method based on the estimated useful lives and the estimated residual value determined by the Company.

(2) Intangible fixed assets

Amortization of intangible fixed assets is calculated by the straight-line method.

Amortization of software for internal use is calculated by the straight-line method over the estimated useful life (5 years).

(3) Leased assets

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

3. Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and differences arising from the translation are recognized as gain or loss.

4. Basis for reserves

(1) Allowance for doubtful accounts

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

(2) Accrued warranty costs

Accrued warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts and based on past experience.

(3) Accrued retirement benefits

Accrued retirement benefits or prepaid pension costs are recorded at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year. For calculating the retirement benefit obligation, the benefit formula basis has been adopted for attributing projected benefits to periods.

Past service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.

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

(4) Provision for loss on business of subsidiaries and affiliates

Provision for loss on business of subsidiaries and affiliates is recorded in consideration of the financial condition of subsidiaries and affiliated companies.

5. Reporting of significant revenue and expenses

The Company's revenues are primarily from the sale of vehicles and parts. In addition, the Company recognizes royalty income from trademarks and technical know-how licensed to others for the manufacture and sale of products. The Company generally recognizes revenue from the sale of vehicles and parts when the products are delivered based on terms agreed upon in contracts with customers. This is when legal title and the risk and rewards of ownership are transferred allowing the customer to dispose of the goods and the Company to request payment from the customer and is deemed to be the point at which control of the goods is transferred to the customer.

For domestic sales, vehicle sales are recognized when the vehicles are delivered to the destination agreed between the customers. Parts sales are recognized when the parts are shipped from the Company based on the application of alternative treatment allowed under paragraph 98 of "*Implementation Guidance on Accounting Standard for Revenue Recognition*".

The Company provides incentives primarily to dealers, and these incentives are calculated based on the total number of vehicles sold or the number of specific models sold by dealers during a specified period. The Company accrues these amounts as incentives upon the sale of vehicles using the "most likely amount method" and deducts them from revenue.

For export sales, revenues are primarily recognized when goods are loaded on the vessel.

Royalty income is primarily recognized based on the amount of the licensee's (majorly Company's subsidiaries and affiliates) revenue and at the time their revenue is recognized.

Revenue is measured based on the transaction price specified in contracts with customers, excluding the amounts collected on behalf of third parties such as tax authorities.

Payments for products received by customers are collected in accordance with the terms and conditions of the relevant sales agreements and the amount of financing component included in the payment is not material.

In addition, product sales contracts with customers include warranty clauses to cover free replacement or repair needed to correct defects in materials or workmanship of all parts and components and the Company recognizes provisions for product warranties to meet these guarantees. The provisions for such warranty costs are booked as described above in 4. Basis for reserves.

6. Other significant accounting policies

(1) Hedge accounting method

①Hedge accounting

In principle, deferred hedge accounting is applied for derivative instruments.

If qualifies for specific conditions under JGAAP, the following exceptional hedge treatments can be applied.

- Hedged items for foreign currency denominated transactions can be booked directly using the forward contract rate, except for accounts receivables to which deferred hedge accounting is applied.
- For interest rate swap, if interest paid or received can be netted against the interest of underlying hedged interest bearing debt, there is no need for fair value evaluation.

②Hedging instruments and hedged items

- Hedging instruments.....Derivative transactions
- Hedged items...............Mainly receivables and payables denominated in foreign currencies and others

③Hedging policy

Based on the internal risk management rules and authority regarding derivative transactions, expected risks such as fluctuations in foreign exchange and interest rate are hedged within certain extent.

④Assessment of hedge effectiveness

The assessment of hedge effectiveness is omitted when the terms of hedged items are substantially same as those of hedging instruments.

(2) Accounting for retirement benefit

The accounting methods of unrecognized actuarial gain and loss and unrecognized past service cost are different from those of the consolidated financial statements.

(3) Adoption of group tax sharing system

The Company adopts the group tax sharing system.

7. Changes in presentations

(Non-consolidated statement of income)

"Compensation for suppliers and others", which was presented as a separate account under "Special losses" in the prior fiscal year, is included in "Other" in the current fiscal year due to its decreased financial materiality.

8. Accounting estimates

(1) Impairment loss on fixed assets

Comments are omitted, since the same contents are already described in the notes to the consolidated financial statements (5. Accounting estimates, (1) Impairment loss on fixed assets). In assessing whether to recognize impairment, the Company determined that it was not necessary to recognize impairment loss on fixed assets for business-use except for those that are idle. The total of property, plant and equipment and intangible fixed assets recorded in the Non-consolidated Financial Statements for the current fiscal year is ¥839,914 million.

(2) Deferred tax assets

Comments are omitted since the same contents are already described in the notes to consolidated financial statements (5. Accounting estimates, (2) Deferred tax assets).

Deferred tax assets of ¥296,962 million is recorded in the current year's financial statements.

(3) Expenses for market measures such as recalls

Comments are omitted, since the same contents are already described in the notes to consolidated financial statements (5. Accounting estimates (5) Expenses for market measures such as recalls).

Service costs of ¥49,748 million is recorded in the current year's financial statements.

9. Additional information

(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 had recorded the amount of judgment plus interest totaling ¥38,758 million under "Selling, general and administrative expenses" considering the ruling in the second quarter of the fiscal year ended March 31, 2022.

On June 8, 2022, the Dubai Court of Appeal reversed the judgment of the Dubai Court of First Instance. The Company, Nissan Middle East FZE, and Al Dahana filed further appeals to the Dubai Court of Cassation, but on September 14, 2022, the Dubai Court of Cassation overturned the Dubai Court of Appeal's June judgment and remitted the case back to the Dubai Court of Appeal for a new judgement upon further review. On November 29, 2022, the Dubai Court of Appeal reversed the judgment of the Dubai Court of First Instance. On January 25, 2023, Al Dahana filed an appeal to the Court of Cassation. On January 27, 2023, the Company and Nissan Middle East FZE also filed an appeal to the Court of Cassation.

On and effective April 30, 2024, the Dubai Court of Cassation, dismissed all the appeals before it, with the effect that previous Dubai Court of Appeal decision to reverse the Dubai Court of First instance decision stands. The Company reversed the previously recorded provision amount of ¥38,758 million and the related foreign exchange loss of ¥15,715 million within "Selling, general and administrative expenses" and "Exchange loss", respectively.

Notes to Non-Consolidated Balance Sheet

1. Accumulated depreciation of property, plant and equipment amounted to ¥1,470,199 million.
(The above amount includes depreciation of leased assets in the amount of ¥74,207 million.)

2. Guarantees and others

(1) Guarantees (in millions of yen)

Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed
Nissan Motor Manufacturing (UK) Ltd.	123,145	Guarantees for loans to invest in plant facilities etc.
Nissan Motor Acceptance Corporation LLC	151,410	Guarantees for loans for sales financing
Employees	* 9,312	Guarantees for employees' housing loans
Total	283,867	

*Allowance for doubtful accounts is provided based on past experience.

(2) Keepwell Agreements

In addition to the above, the Company entered into keepwell agreements with the following financial subsidiaries and others to enhance their credit worthiness.
Their balances of liabilities at the end of March 2024 were as follows. (in millions of yen)

Company name	Balance of liabilities
Nissan Motor Acceptance Corporation LLC	3,592,099
Nissan Financial Services Co., Ltd.	651,700
Nissan Financial Services Australia Pty Ltd.	348,435
Nissan Canada, Inc.	283,955
Nissan Leasing (Thailand) Co., Ltd.	50,172
Nissan Financial Services New Zealand Pty Ltd.	20,362
Total	4,946,726

3. Monetary receivables from and payables to subsidiaries and affiliates (except for separately disclosed)

	(in millions of yen)
Short-term monetary receivables:	436,746
Short-term monetary payables:	603,557
Long-term monetary payables:	7,038

4. Contingent Liabilities

・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 lawsuits.
The Non-consolidated financial results may be affected by the progress of legal proceedings.

Notes to Non-Consolidated Statement of Income

Transactions with subsidiaries and affiliates

Operating transactions with subsidiaries and affiliates	(in millions of yen)
Sales:	3,662,084
Operating expenses:	1,599,613
Transactions with subsidiaries and affiliates other than operating transactions:	443,963

Notes to Non-Consolidated Statement of Changes in Net Assets

Treasury stock (as of March 31, 2024)	Common stock	21,932 thousand shares

Notes to Deferred Tax Assets and Liabilities

Deferred tax assets mainly consist of those deriving from carry forward foreign tax credit, etc., research and development expenses, loss on valuation of investment securities, accrued expenses, and warranty provision. Deferred tax liabilities mainly consist of those deriving from reserves under the Act on Special Measures Concerning Taxation.
The valuation allowance provided against deferred tax assets amounted to ¥222,558 million.

The Company applies the group tax sharing system and accounts for and discloses corporate and local corporate income taxes, or tax-effect accounting in accordance with *"Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System"* (PITF No. 42, August 12, 2021).

Notes to Revenue Recognition

For basic information to understand revenue recognition, refer to Notes to Non-Consolidated Financial Statements, Significant Accounting Policies 5. Reporting of significant revenue and expenses.

Notes to Related Party Transactions

1. Subsidiaries, affiliates and others (in millions of yen)

Attribute	Name	Percentage of voting right held by the company	Relation	Nature of transactions	Amount of the transactions	Account	Balance at the end of fiscal year
Subsidiary	Nissan North America, Inc.	Ownership Directly 100%	･Purchasing products manufactured by the Company ･Concurrent positions held by directors	Sales Lending	1,179,796 533,966	Trade accounts receivable Short-term loans receivable from subsidiaries and affiliates	81,681 408,807
Subsidiary	Nissan Assurance Holding Company N.V.	Ownership Directly 100%	･Holding investments in subsidiaries and affiliates	Dividend income	41,128	—	—
Subsidiary	Nissan (China) Investment Co., Ltd.	Ownership Directly 100%	･Purchasing products manufactured by the Company ･Concurrent positions held by directors	Dividend income	262,782	—	—
Subsidiary	Nissan Middle East FZE	Ownership Directly 100%	･Purchasing products manufactured by the Company	Dividend income	38,280	—	—
Subsidiary	Nissan Finance Co., Ltd.	Ownership Directly 100%	･Lending and borrowing for the group loan provided for domestic subsidiaries	Borrowing Lending	112,435 6,000	Short-term borrowings Short-term loans receivable from subsidiaries and affiliates	171,158 195,000
Subsidiary	Nissan International Holding B.V.	Ownership Directly 100%	･Holding investments in subsidiaries and affiliates	Lending	54,423	Long-term loans receivable from subsidiaries and affiliates	187,831
Subsidiary	NR Finance Mexico, S.A. de C.V.	Ownership Indirectly 100%	Lending for sales finance services for vehicles manufactured by the Company	Lending	69,052	Short-term loans receivable from subsidiaries and affiliates	—
Subsidiary	Nissan Global Reinsurance, Ltd.	Ownership Indirectly 100%	･Reinsurance recipient of non-life insurance	Borrowing	62,861	Short-term borrowings	7,770
Subsidiary	Nissan Motor Manufacturing (UK) Ltd.	Ownership Indirectly 100%	･Guarantees for borrowings related to capital expenditures	Guarantees provided	123,145	—	—
Subsidiary	Nissan Motor Acceptance Company LLC	Ownership Indirectly 100%	･Providing guarantees for sales finance services for vehicles manufactured by the Company	Lending Guarantees provided and others (Keepwell Agreements)	119,637 3,592,099	Short-term loans receivable from subsidiaries and affiliates	—
Subsidiary	Nissan Financial Services Co., Ltd.	Ownership Directly 100%	･Sales of trade accounts receivables and providing guarantees for sales finance services for vehicles manufactured by the Company	Sales of trade accounts receivable Guarantees provided and others (Keepwell Agreements)	1,437,135 651,700	—	—
Subsidiary	Nissan Financial Services Australia Pty. Ltd.	Ownership Indirectly 100%	･Providing guarantees for sales finance services for vehicles manufactured by the Company	Lending Guarantees provided and others (Keepwell Agreements)	84,105 348,435	Short-term loans receivable from subsidiaries and affiliates	78,374

(in millions of yen)

Attribute	Name	Percentage of voting right held by the company	Relation	Nature of transactions	Amount of the transactions	Account	Balance at the end of fiscal year
Subsidiary	Nissan Canada, Inc.	Ownership Directly 90.91% Indirectly 9.09%	・Providing guarantees for sales finance services for vehicles manufactured by the Company	Guarantees provided and others (Keepwell Agreements)	283,955	—	—
Affiliate	Mitsubishi Motors Corporation	Ownership Directly 34.01%	・Consignment manufacturer ・Concurrent positions held by directors	Purchase	6,384	Trade accounts payable	48,166
						Electronically recorded obligations - operating	49,148
						Other (Advance payments - trade)	187
						Accounts receivable - other	30,022
						Accrued expenses	30

Terms and conditions of transactions and policies for deciding terms and conditions

(1) Sales of products and parts are decided considering market prices and total costs.

(2) Purchase of products is decided after investigation and negotiation considering bidding prices, existing prices and market prices of our products.
Parts provided to subcontractors are offset against the purchase costs, and after negotiation, the amount is decided based on the price calculated using the cost.

(3) The Company borrows from and lends to its group companies, and the interest rate is determined with reference to market rates.

(4) Dividend income from subsidiaries in which the Company holds all voting rights is decided considering its financial condition.

(5) The discount rate for sales of trade accounts receivables is determined with reference to market rates and the usance period of each dealer.

Others

(1) Borrowings from Nissan Finance Co., Ltd. are related to the CMS (Cash Management System). The amount of the transactions represents the average balance during the period.

(2) The Company provides guarantees for the borrowings of its subsidiaries.
In addition, the Company provides keepwell agreements as a part of these guarantees in order to supplement their credit.
Nissan Motor Acceptance Company LLC guarantee amount includes ¥151,410 million of guarantee.

2. Directors and individual major shareholders (in millions of yen)

Attribute	Name	Percentage of voting right held by Directors and individual major shareholders	Relation	Nature of transactions	Amount of the transactions	Account	Balance at the end of fiscal year
Director	Makoto Uchida	Directly 0.007%	Representative Executive Officer, President and Chief Executive Officer	Disposition of Treasury Stock as renumeration in kind (*)	111	—	—
Officer	Stephen Ma	Directly 0.005%	Executive Officer, Chief Financial Officer	Disposition of Treasury Stock as renumeration in kind (*)	46	—	—
Director	Hideyuki Sakamoto	Directly 0.003%	Executive Officer, Executive Vice President	Disposition of Treasury Stock as renumeration in kind (*)	31	—	—
Officer	Kunio Nakaguro	Directly 0.000%	Executive Officer, Executive Vice President	Disposition of Treasury Stock as renumeration in kind (*)	27	—	—
Officer	Asako Hoshino	Directly 0.003%	Executive Officer, Executive Vice President	Disposition of Treasury Stock as renumeration in kind (*)	27	—	—
Officer equivalent	Jeremie Papin	Directly 0.001%	Senior Vice President	Disposition of Treasury Stock as renumeration in kind (*)	23	—	—
Officer equivalent	Atul Pasricha	Directly 0.000%	Senior Vice President	Disposition of Treasury Stock as renumeration in kind (*)	21	—	—
Officer equivalent	Rakesh Kochhar	Directly 0.001%	Senior Vice President	Disposition of Treasury Stock as renumeration in kind (*)	21	—	—
Officer equivalent	Guillaume Cartier	Directly 0.000%	Senior Vice President	Disposition of Treasury Stock as renumeration in kind (*)	20	—	—
Officer equivalent	Alfonso Albaisa	Directly 0.000%	Senior Vice President	Disposition of Treasury Stock as renumeration in kind (*)	19	—	—
Officer equivalent	Ivan Espinosa	Directly 0.000%	Senior Vice President	Disposition of Treasury Stock as renumeration in kind (*)	19	—	—
Officer equivalent	Leon Dorssers	Directly 0.001%	Senior Vice President	Disposition of Treasury Stock as renumeration in kind (*)	18	—	—
Officer equivalent	Takashi Hata	Directly 0.002%	Senior Vice President	Disposition of Treasury Stock as renumeration in kind (*)	16	—	—
Officer equivalent	Jose Roman	Directly 0.000%	Senior Vice President	Disposition of Treasury Stock as renumeration in kind (*)	14	—	—
Officer equivalent	Junichi Endo	Directly 0.001%	Senior Vice President	Disposition of Treasury Stock as renumeration in kind (*)	14	—	—
Officer equivalent	Joji Tagawa	Directly 0.003%	Senior Vice President	Disposition of Treasury Stock as renumeration in kind (*)	13	—	—

(in millions of yen)

Attribute	Name	Percentage of voting right held by Directors and individual major shareholders	Relation	Nature of transactions	Amount of the transactions	Account	Balance at the end of fiscal year
Officer equivalent	Hideaki Watanabe	Directly 0.001%	Senior Vice President	Disposition of Treasury Stock as renumeration in kind (*)	13	—	—
Officer equivalent	Takao Asami	Directly 0.000%	Senior Vice President	Disposition of Treasury Stock as renumeration in kind (*)	12	—	—
Officer equivalent	Noboru Tateishi	Directly 0.000%	Senior Vice President	Disposition of Treasury Stock as renumeration in kind (*)	11	—	—
Officer equivalent	Shohei Yamazaki	Directly 0.000%	Senior Vice President	Disposition of Treasury Stock as renumeration in kind (*)	11	—	—
Officer equivalent	Toshihiro Hirai	Directly 0.001%	Senior Vice President	Disposition of Treasury Stock as renumeration in kind (*)	11	—	—

(*) The disposition of the treasury stock is performed as renumeration in kind under the Restricted Stock Unit system.
The stock price for the disposition of the treasury stock is determined based on the ending stock price as of June 26, 2023 (one business day before the resolution made by the Board Meeting for the disposition of the treasury stock) on the Tokyo Stock Exchange.

Notes to Amounts Per Share

Net assets per share	571.34 yen
Basic earnings per share	101.11 yen

Notes to Significant Subsequent Events

Comments are omitted since the same contents are already described in the notes to the consolidated financial statements (Notes to Significant Subsequent Events).

Other

Not applicable.

Amounts less than one million yen are omitted.