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$1,000,000,000 7.500% Senior Notes due 2030
$750,000,000 7.750% Senior Notes due 2032
$1,250,000,000 8.125% Senior Notes due 2035

Nissan Motor Co., Ltd., a joint stock corporation incorporated with limited liability under the laws of Japan, is offering $1,000,000,000 aggregate principal amount of 7.500% senior notes due 2030 (the "2030 notes"), $750,000,000 aggregate principal amount of 7.750% senior notes due 2032 (the "2032 notes") and $1,250,000,000 aggregate principal amount of 8.125% senior notes due 2035 (the "2035 notes" and, together with the 2030 notes and the 2032 notes, the "notes"). We will pay interest on the notes on January 17 and July 17 of each year, beginning on January 17, 2026. The 2030 notes will mature on July 17, 2030, the 2032 notes will mature on July 17, 2032 and the 2035 notes will mature on July 17, 2035.

The notes will be our general unsecured senior obligations and will have the same rank in liquidation as all of our other unsecured and unsubordinated debt (except for statutorily preferred obligations) and without any preference among themselves. The notes will be issued only in registered form in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof.

We may redeem the notes, in whole or in part, at any time prior to June 17, 2030 with respect to the 2030 notes, May 17, 2032 with respect to the 2032 notes and April 17, 2035 with respect to the 2035 notes, at the applicable make-whole prices determined in the manner described herein. We may also redeem the notes, in whole or in part, at any time on or after June 17, 2030 with respect to the 2030 notes, May 17, 2032 with respect to the 2032 notes and April 17, 2035 with respect to the 2035 notes, at a price equal to 100% of the respective principal amounts being redeemed plus accrued and unpaid interest to, but excluding, the date of redemption. See "Description of the Notes—Optional Redemption." In addition, we may, at our option, redeem a series of the notes in whole, but not in part, upon the occurrence of certain changes in Japanese tax law. See "Description of the Notes—Optional Tax Redemption." The notes will not otherwise be redeemable prior to the stated maturity and will not be subject to any sinking fund.

We have made an application to the Luxembourg Stock Exchange to list the notes on the official list of the Luxembourg Stock Exchange and for such notes to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market. The Luxembourg Stock Exchange's Euro MTF Market is not a regulated market for the purposes of Directive 2014/65/EU. This offering circular constitutes a prospectus for purposes of Part IV of the Luxembourg law on prospectuses for securities dated July 16, 2019.

Investing in the notes involves risks that are described in the "Risk Factors" section beginning on page 13 of this offering circular.

Price per note:	**For the 2030 notes, 100.000% plus accrued interest, if any** **For the 2032 notes, 100.000% plus accrued interest, if any** **For the 2035 notes, 100.000% plus accrued interest, if any**
	Interest on the notes will accrue from July 17, 2025

The notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "Securities Act"). The notes may not be offered or sold within the United States, except to qualified institutional buyers ("QIBs"), as defined in, and in reliance on, the exemption from registration provided by Rule 144A under the Securities Act ("Rule 144A"), and to persons other than U.S. persons in offshore transactions as defined in, and in reliance on, Regulation S under the Securities Act ("Regulation S").

It is expected that delivery of the notes will be made through the book-entry facilities of The Depository Trust Company ("DTC"), and its participants, including Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"), on or about July 17, 2025.

Concurrently with the offering of the notes, we are planning to offer euro-denominated senior notes in a number of series (collectively, the "Euro notes"). No Euro notes are being offered hereby. The closing of the offering of the notes is not conditional upon the closing of the offering of the Euro notes and *vice versa*. See "Summary—The Offering—Concurrent Euro Notes Offering." Concurrently with the offering of the notes, we are planning to offer convertible bonds (the "convertible bonds"). No convertible bonds are being offered hereby. The closing of the offering of the notes is not conditional upon the closing of the offering of the convertible bonds and *vice versa*. See "Summary—The Offering—Concurrent Convertible Bonds Offering."

Joint Global Coordinators and Joint Bookrunners

Morgan Stanley **Mizuho**

Joint Bookrunners

Citigroup **BofA Securities** **HSBC**

Co-Managers

BNP PARIBAS **J.P. Morgan** **SMBC NIKKO** **Société Générale Corporate & Investment Banking**

US Bancorp **Wells Fargo Securities** **BBVA** **IMI – Intesa Sanpaolo** **Standard Chartered Bank**

Offering Circular dated July 10, 2025.

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No person has been authorized in connection with the offering to give any information or to make any representation not contained in this offering circular and, if given or made, such information or representation must not be relied upon as having been authorized by us, any initial purchaser or any affiliate of the initial purchasers. No action has been, or will be, taken to permit a public offering of the notes in any jurisdiction where action would be required for that purpose. Accordingly, the notes offered hereby may not be offered or sold, directly or indirectly, and this offering circular may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither delivery of this offering circular nor any sale made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date hereof.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF US AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE NOTES COVERED BY THIS OFFERING CIRCULAR HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE THE FOREGOING AUTHORITIES APPROVED THIS OFFERING CIRCULAR OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE UNDER THE LAWS OF THE UNITED STATES.

This offering circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire notes. Distribution of this offering circular to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized, and any disclosure of its contents without our prior written consent is prohibited. Each person receiving this offering circular acknowledges that (i) such person has not relied on any initial purchaser or any person affiliated with the initial purchasers in connection with its investigation of the accuracy of such information or its investment decision and (ii) no person has been authorized to give any information or to make any representation concerning us or the notes offered by this offering circular other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorized by us or any initial purchaser.

The notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "FIEA"), and are subject to the Act on Special Measures Concerning Taxation of Japan (Act No. 26 of 1957, as amended) (the "Special Taxation Measures Act"). The notes may not be offered or sold in Japan or to, or for the benefit of, any person resident in Japan, or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a person resident in Japan, for Japanese securities law purposes (including any corporation or other entity organized under the laws of Japan) except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines of Japan. In addition, the notes are not, as part of the initial distribution by the initial purchasers at any time, to be directly or indirectly offered or sold to, or for the benefit of, any person other than a Gross Recipient or to others for re-offering or resale, directly or indirectly, to, or for the benefit of, any person other than a Gross Recipient, except as specifically permitted under the Special Taxation Measures Act. A Gross Recipient for this purpose is (i) a beneficial owner that is, for Japanese tax purposes, neither an individual resident of Japan or a Japanese corporation, nor an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the issuer of the notes as described in Article 6, Paragraph (4) of the Special Taxation Measures Act (a "specially-related person"), (ii) a Japanese financial institution, designated in Article 3-2-2, Paragraph (29) of the Cabinet Order (Cabinet Order No. 43 of 1957, as amended) (the "Cabinet Order"), relating to the Special Taxation Measures Act that will hold notes for its own proprietary account or (iii) an individual resident of Japan or a Japanese corporation whose receipt of interest on the notes will be made through a payment handling agent in Japan as defined in Article 2-2, Paragraph (2) of the Cabinet Order. **BY SUBSCRIBING FOR THE NOTES, AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS A GROSS RECIPIENT.**

Interest payments on the notes generally will be subject to Japanese withholding tax unless it is established that the notes are held by or for the account of a beneficial owner that is (i) for Japanese tax purposes, neither an individual resident of Japan or a Japanese corporation, nor an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person, or (ii) a Japanese financial institution designated in Article 3-2-2, Paragraph (29) of the Cabinet Order which complies with the requirement for tax exemption under Article 6, Paragraph (11) of the Special Taxation Measures Act or (iii) a public corporation, a

financial institution or a financial instruments business operator, etc. described in Article 3-3, Paragraph (6) of the Special Taxation Measures Act which complies with the requirement for tax exemption under that paragraph.

Interest payments on the notes to an individual resident of Japan, to a Japanese corporation not described in the preceding paragraph, or to an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person will be subject to Japanese income tax.

The notes have not been and will not be registered under the Securities Act or with any securities authority of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The notes are being offered:

- in the United States only to QIBs, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A; or
- outside the United States to persons other than U.S. persons in offshore transactions as defined in, and in accordance with, Regulation S.

You are hereby notified that sellers of the notes may be relying on the exemption from the registration provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the notes and the distribution of this offering circular, see "Transfer Restrictions" and "Plan of Distribution."

Each prospective purchaser who places an order for the notes consents to the disclosure by the initial purchasers to us of the prospective purchaser's identity, the details of such order and the actual amount of notes subscribed, if any.

TABLE OF CONTENTS

	Page
Summary	1
The Offering	8
Risk Factors	13
Use of Proceeds	32
Capitalization and Indebtedness	33
Selected Financial and Other Data	34
Management's Discussion and Analysis of Financial Condition and Results of Operations	38
The Renault-Nissan-Mitsubishi Alliance	57
Business	60
Management	78
Subsidiaries and Affiliates	85
Supervision and Regulation	88
Description of the Notes	96
Taxation	116
Benefit Plan Investor Considerations	120
Transfer Restrictions	122
Plan of Distribution	124
Listing and General Information	132
Legal Matters	133
Independent Auditor	133
Index to Consolidated Financial Information of Nissan Motor Co., Ltd.	F-1

AVAILABLE INFORMATION

We have agreed, during any period that any of the notes are "restricted securities" (as defined in Rule 144 under the Securities Act) and we are neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting requirements pursuant to Rule 12g3-2(b) under the Exchange Act, to furnish to holders or designated prospective purchasers of the notes, in each case upon request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The notes may not be offered, sold or otherwise made available and will not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the "PRIIPs Regulation"), for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, the expression "retail investor" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018, as amended (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA"), and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of the domestic law of the UK, by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

No invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of the notes may be communicated or caused to be communicated except in circumstances in which Section 21(1) of the FSMA does not apply to us. All applicable provisions of the FSMA must be complied with in connection with anything done in relation to the notes in, from or otherwise involving the UK.

For a further description of restrictions on the offer and sale of the notes, see "Transfer Restrictions" and "Plan of Distribution."

ENFORCEMENT OF CIVIL LIABILITIES

Nissan Motor Co., Ltd. is a joint stock corporation incorporated with limited liability under the laws of Japan. Most of its directors and executive officers are non-residents of the United States. All or a substantial portion of the assets of Nissan Motor Co., Ltd. and the assets of such non-resident persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or those persons or to enforce court judgments predicated upon the civil liability provisions of the U.S. federal or state securities laws against us or those persons in the United States. We have been advised by our Japanese counsel, Mori Hamada & Matsumoto, that there is doubt as to the enforceability in Japan, in original actions or in actions for enforcement of judgments of U.S. courts brought before Japanese courts, of civil liabilities predicated solely upon the U.S. federal or state securities laws.

FORWARD-LOOKING STATEMENTS

This offering circular contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements appear in a number of places in this offering circular and include statements regarding the intent, belief or current expectations of our management with respect to our business, results of operations and financial condition. In many cases, but not all, we use such words as "aim", "anticipate", "believe", "estimate", "expect", "forecast", "intend", "may", "outlook", "plan", "potential", "predict", "probability", "project", "risk", "seek", "should", "target", "will", "would" and similar expressions in relation to us or our management to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results may vary materially from those we currently anticipate.

Forward-looking statements represent our estimates and assumptions only as of the date that they were made. We do not undertake any duty to update the forward-looking statements, or the estimates and assumptions associated with them, after the date of this offering circular, except to the extent required by law. All of the forward-looking statements are qualified in their entirety by reference to the factors discussed under the captions "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" and elsewhere in this offering circular that might cause the forward-looking statements not to be realized. These factors may not be exhaustive as we operate in a continually changing business environment with new risks emerging from time to time that we are unable to predict or that we currently do not expect to have a material adverse effect on our business. You should carefully read this offering circular in its entirety as it contains important information about our business and the risks we face.

GLOSSARY

Certain automotive industry terms and other terms are used in this offering circular to describe our business and financial performance. Some of the terms used in this offering circular may not correspond to common industry definitions for such terms.

The following is a list of defined terms used in this offering circular:

Term	Description
Alliance	Founded in March 1999, the Alliance is a cross-cultural strategic alliance among Nissan, Renault S.A. ("Renault") and Mitsubishi Motors Corporation ("Mitsubishi Motors"), which joined the Alliance in 2016.
ASSB	ASSB is an abbreviation of all-solid-state-batteries, which have the potential for higher energy densities compared to traditional lithium-ion batteries.
BEV	BEV stands for battery electric vehicles, which are fully electric vehicles that use rechargeable batteries and have no gasoline engine.
B-segment	Refers to the category of passenger vehicles known as "subcompact" cars.
China JV	Dongfeng Motor Co., Ltd., a joint venture with Dongfeng Motor Group in China, which was established on June 9, 2003.
connected vehicle	A connected vehicle is a vehicle that can communicate bi-directionally with other systems outside of the vehicle, allowing the vehicle to share internet access, and hence data, with other devices both inside and outside the vehicle.
C-segment	Refers to the category of passenger vehicles known as "compact cars" in the United States or "small family cars" in Europe.
e-POWER	e-POWER is our proprietary technology that offers the driving performance and benefits of an EV, yet eliminates the need for plug-in charging. e-POWER combines a fully electric motor drive with a petrol engine that charges the battery, providing instant, smooth acceleration and greater fuel efficiency.
EV	EV means electric vehicle, which is a vehicle that utilizes only an electric motor and must be plugged in for charging. EVs are typically charged from conventional power outlets or dedicated charging stations.
ICE	ICE is an abbreviation of internal combustion engine, the traditional engine type used in automobiles.
Kei car	A Japanese vehicle category that refers to the smallest class of vehicles that can be driven legally on highways in Japan.
LFP	LFP stands for lithium iron phosphate. LFP batteries are a type of rechargeable battery made with lithium-iron-phosphate cathodes and are known for their stability and safety.
NEV	NEV stands for new energy vehicle, a term used to describe all types of electric vehicles, from battery-powered fully electric vehicles to plug-in hybrid cars.
PHEV	PHEV means plug-in hybrid electric vehicle, which is a vehicle that utilizes rechargeable batteries that can be restored to full charge by plugging into an external electric power source. A PHEV shares the characteristics of both a conventional hybrid electric vehicle, having both electric motors and an internal combustion engine, and of an EV, having the ability to plug into an external electric power source to charge.

Term	Description
Re:Nissan	Our recovery plan announced on May 13, 2025, which consists of various measures that are being implemented or will be implemented to create a leaner, more resilient business that is capable of more quickly adapting to market changes and of sustaining profitability with less reliance on volume.
SDV	SDV is an abbreviation for Software-Defined Vehicle, which is a vehicle with features and functions that are primarily enabled through software. SDVs can be upgraded over time through regular software updates.
SUV	SUV means sport utility vehicle, which is a passenger vehicle usually equipped with four-wheel drive for on- or off-road capabilities. Some SUV models combine the towing capacity of a pickup truck with the passenger space of a minivan.
TIV	Total Industry Volume, a commonly used measure in the automotive industry to refer to the total number of vehicles sold in a specified area for a particular period. Where used in this offering circular, TIV is calculated as the automotive market's aggregate retail sales volumes for the applicable period (other than our retail sales volume and the retail sales volume of the China JV) based on information publicly disclosed by Japan Automobile Manufacturers Association, Inc. for the Japan market and other corresponding authorities for other markets (including data published by financial institutions and other third parties), plus our retail sales volume for the applicable period, plus 100% of the retail sales volume of the China JV (which has a December 31 fiscal year end).

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this offering circular, "we", "us", "our", "Nissan" and the "Nissan group" refer to Nissan Motor Co., Ltd. and its consolidated subsidiaries, or, as the context requires, Nissan Motor Co., Ltd. on a standalone basis. References to "we" or "our" shall also refer to any successor entity of us.

The financial data in this offering circular is presented in Japanese yen. In this offering circular, references to "euros" and "€" refer to the lawful currency of the European Union, references to "U.S. dollars", "dollars" and "$" refer to the lawful currency of the United States, references to "renminbi" refer to the lawful currency of the People's Republic of China and those to "yen" and "¥" refer to the lawful currency of Japan.

In this offering circular, amounts presented in millions or billions of yen or thousands or millions of dollars have been rounded to the nearest unit or tenth of a unit. All percentages have been rounded to the nearest percent or one-tenth of one percent, as the case may be. All other figures have been rounded to the nearest unit or one-tenth of a unit, as the case may be. Due to rounding and truncation, the total amounts presented in tables may not be equal to the sum of the individual figures shown.

Our audited consolidated financial statements as of and for the year ended March 31, 2025 and our audited consolidated financial statements as of and for the years ended March 31, 2024 and 2023, included elsewhere in this offering circular, have been prepared in accordance with accounting principles generally accepted in Japan, or Japanese GAAP.

Japanese GAAP differs in certain significant respects from accounting principles generally accepted in other countries, including accounting principles generally accepted in the United States, or U.S. GAAP, as well as International Financial Reporting Standards, or IFRS.

We have prepared the above consolidated financial statements without making reclassifications and rearrangements from the presentation of our Japanese-language consolidated financial statements that might be more familiar to investors outside Japan.

For purposes of consolidation, under Japanese GAAP, it is permitted to use a different reporting date between the parent and its consolidated subsidiaries provided the difference does not exceed three months. Adjustments are required only for significant differences relating to intra-group transactions that occur between the end of the reporting period of the parent and that of the consolidated subsidiaries.

In general, uniform accounting policies are required to be applied for the same transactions in the same circumstances. However, it is tentatively permitted to use U.S. GAAP or IFRS for foreign and specific domestic subsidiaries, except for certain line items, such as goodwill amortization, accounting for actuarial gains and losses regarding defined benefit plans, intangible assets arising from development phases, fair value measurement of investment properties, and the revaluation model for property, plant and equipment, and intangible assets and cumulative gains and losses on an investment in an equity instrument in the case where subsidiaries irrevocably elect to present changes in fair value of the equity instrument not held for trading in other comprehensive income.

In addition, there are other differences in the accounting of other items such as goodwill impairment testing, leases, financial instruments.

The following consolidated financial statements are included in this offering circular:

- Our audited consolidated financial statements as of and for the year ended March 31, 2025, and the related notes thereto; and
- Our audited consolidated financial statements as of and for the years ended March 31, 2024 and 2023 and the related notes thereto.

On June 9, 2003, we established Dongfeng Motor Co., Ltd. (the "China JV"), a joint venture with Dongfeng Motor Group in China. As of March 31, 2025, we held 50.0% of the voting rights of the China JV and, as a result, in accordance with Japanese GAAP, the China JV is one of our affiliates accounted for by the equity method and its results of operations are reflected only under equity in earnings of affiliates in our consolidated statements of income. The fiscal year end of the China JV is December 31 and therefore our financial statements

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for the fiscal year ended March 31 in the following year include the contribution of the China JV to equity in earnings of affiliates based on the China JV's financial results for the prior calendar year.

Unless otherwise indicated, all financial information included in this offering circular is presented on a consolidated basis. Our fiscal year end is March 31 of each year.

In addition to our reported financial results prepared under Japanese GAAP, we also use non-GAAP measures, including Free Cash Flow and Net Cash Position, as supplementary information to evaluate our performance and financial condition. The definitions of these non-GAAP measures are presented in Selected Financial and Other Data—Other Data. However, non-GAAP measures have a number of important limitations and should not be viewed as a substitute for financial information prepared in accordance with Japanese GAAP. It is important to note that these non-GAAP measures have no standardized meaning prescribed by Japanese GAAP and may not be comparable to the calculation of similar measures of other companies. Due to the limitations inherent in non-GAAP measures, investors should not rely solely on non-GAAP measures in assessing our performance and financial condition. A reconciliation of these non-GAAP measures to the closest GAAP measures is presented in "Selected Financial and Other Data—Other Data."

The disclosures in the forepart of this offering circular do not constitute "Other Information" within the meaning of the revised Auditing Standards Committee Statement (ASCS) 720, issued by the Japanese Institute of Certified Public Accountants on February 12, 2021, and as referenced in the independent auditor's report of Ernst & Young ShinNihon LLC.

INDUSTRY AND MARKET DATA

We make statements in this offering circular about the Japanese and global automotive industries and our competitive position therein. In addition, we include statistics relating to industry and general economic trends. We have made these statements on the basis of statistics and other information from third-party sources, such as governmental agencies, research institutes and industry or general publications that we believe are reliable. Although we have no reason to believe any of this information is inaccurate in any material respect, we have not independently verified and cannot assure the accuracy of the data provided by or derived from third-party sources.

SUMMARY

This summary highlights selected information contained elsewhere in this offering circular. You should read this summary together with the more detailed information, including "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "The Renault-Nissan-Mitsubishi Alliance", "Business" and our financial statements and related notes appearing elsewhere in this offering circular.

Overview

We are a leading Japanese automobile manufacturer with worldwide operations, selling our vehicles under the Nissan and Infiniti brands. In addition to the manufacturing and sale of our vehicles, we also provide financing services to our customers through our finance subsidiaries in Japan and in various international markets. We sold over 3.3 million vehicles (on a retail sales basis) during the fiscal year ended March 31, 2025, including nearly 1.3 million vehicles in North America and approximately 697,000, 461,000 and 351,000 vehicles in China (during the fiscal year ended December 31, 2024, and including sales by the China JV but excluding Dongfeng Automobile Co., Ltd., or DFAC), Japan and Europe, respectively. We had net sales of ¥12.6 trillion for the fiscal year ended March 31, 2025, including ¥7.2 trillion in North America, ¥4.9 trillion in Japan and ¥1.8 trillion in Europe, in each case including intersegment sales.

We have two business segments, Automobile and Sales Financing. Our Automobile segment includes the design, manufacture, assembly and sale of passenger vehicles as well as vehicles designed for commercial use, such as vans and trucks. We offer a full line-up of vehicle types designed to address the various needs and tastes of our customers across countries and regions.

As of March 31, 2025, we sold our vehicles in approximately 160 countries around the world. The primary markets for our automobiles are Japan, North America, China, Europe and Asia. During the fiscal year ended March 31, 2025 (other than China, which represents the fiscal year ended December 31, 2024), 14% of our automobile sales volume on a retail basis were in Japan, 39% were in North America, 10% were in Europe and 21% were in China (including the China JV, but excluding DFAC). The remaining 16% of retail unit sales were in other markets.

Our Sales Financing segment consists primarily of providing financing to dealers and retail customers for the purchase or lease of our vehicles.

For the fiscal year ended March 31, 2025, we had net sales of ¥12,633,214 million, operating income of ¥69,798 million and net loss attributable to owners of parent of ¥670,898 million.

Our Strengths

We have a passion for craftsmanship and a rich history spanning over 90 years of offering aspirational vehicles to customers around the world.

We are an innovative automaker with a passion for craftsmanship, as demonstrated by our track record of developing and launching iconic car models, such as the *GT-R*, a premium sports car with outstanding high-performance specifications, and the *Fairlady Z*, a sports car with a long history, the first generation of which was introduced into the Japanese and U.S. markets in 1969. In each of our core markets, we offer an extensive lineup of cars for the mass market, which includes well-known and best-selling models such as the *Note/Note AURA* and *Serena* in Japan, *Sylphy* and *Qashqai* in China, *Rogue* in North America, and *Qashqai* and *Juke* in Europe. Due to our skills and leadership in the automotive industry, several of our models have won industry and consumer awards. For example, the *Serena* was selected as "Car of the Year" for 2024 by the Automotive Researchers' and Journalists' Conference of Japan ("RJC"), our all-electric *Sakura* minivehicle was selected as "Car of the Year" for 2023 by the RJC, our *Note* model was selected as "Car of the Year" for 2022 by the RJC, our *Dayz* model was selected as "Car of the Year" for 2020 by the RJC. Further, the *X-Trail* SUV won the Technology Car of the Year award for 2022-2023 and our family EV *Leaf* was named "Best Used Small Electric Car 2023" by DrivingElectric.

We are a leader in automotive innovation and technology.

Our technological edge is one of the key strengths that enables us to provide attractive models to consumers. With advanced technologies becoming an increasingly important factor to compete in the industry,

we believe that our innovative culture and our technological prowess have positioned us as one of the leaders in the industry. In particular, we are leading the industry with proprietary advanced technologies such as electrification technologies, including e-Powertrain, and advanced autonomous driving technologies.

We have a proven track record in electrification technologies, with the introduction of the *LEAF* in 2010, which was followed by a series of EV and e-POWER model launches. As we continue to focus on innovation and technology, we introduced *Ariya*, an all-electric crossover SUV, in July 2020 and *Sakura*, an all-electric minivehicle, in May 2022. The *Sakura* is a 100% electric minivehicle with handling and dynamic performance surpassing that of conventional minivehicles and superior safety technology thanks to the 360° Safety Assist all-around driving support system, which provides driving support similar to the level of luxury cars.

In the field of autonomous driving, we own industry-leading technologies, as demonstrated by our proprietary ProPILOT 2.0 system, the world's first driver assistance system with intelligent navigated highway driving, including hands-off single-lane driving capabilities, for which the *Skyline* with ProPILOT 2.0 won the "2019-2020 Japan Car of the Year Innovation Award." More recently, in 2023, the *Ariya* with ProPILOT Assist has clinched a "Very Good" rating from the New Car Assessment Program (NCAP) in Europe. Our continuous development of the ProPILOT system, including by integrating active safety and generative AI technologies, and other autonomous driving technologies, signifies our commitment to our goal of zero traffic fatalities.

We are a member of the Renault-Nissan-Mitsubishi Alliance, a global automotive alliance, and also participate in various other growth-oriented partnerships through our "smart partnership" approach.

We benefit from a stable, long-standing relationship with the members of the Renault-Nissan-Mitsubishi Alliance, and we believe that our ability to leverage the Alliance is a competitive advantage compared to other automobile manufacturers. Since its formation with Renault in 1999, the Alliance has grown into a pragmatic, flexible business tool that can expand to accommodate new projects for its members worldwide, and our membership in the Alliance provides us with significant cost savings through a number of measures such as commonizing platform and parts and sharing advanced technologies. Mitsubishi Motors joined the Alliance in 2016. In November 2023, we signed an agreement with Renault, which rebalanced the relationship of the Alliance. The relationship of the Alliance remains strong, and the rebalancing serves as the foundation for a new chapter for the Alliance. The new chapter will be based on a new governance structure that is balanced, fair and effective, and will maximize value creation for each Alliance member based on the long-standing partnership. See "The Renault-Nissan-Mitsubishi Alliance."

Further, we carefully select business partners as part of our "Smart partnership" approach in order to enable the EV transition and achieve medium- to long-term growth. We signed a memorandum of understanding in August 2024 to deepen our strategic partnership with Honda Motor, Co., Ltd., or Honda, to cooperate in five different areas, namely joint research in fundamental technologies for a next-generation SDV platform, e-Axle commonization, collaboration in domestic energy service and resource circulation, mutual complementization of vehicles and battery supplementation and supply.

Stable sales financing business

Our sales financing business, which we operate through our sales financing subsidiaries in our key markets, has historically (even during the COVID-19 pandemic) generated, and are expected to continue to generate, stable operating income. Despite the current uncertain economic environment and political landscape, our sales financing business benefits from its characteristically diverse funding sources. As of March 31, 2025, the funding for the sales financing segment was ¥9,512 billion in total, consisting of a balanced mix of asset backed securities (33%), bank loans (24%), commercial paper and other (14%), equity (18%) and bonds (11%). Further supporting the stability of our sales financing business is its global footprint, with a presence in key markets across the world in the Asia, North America and Latin America regions.

Strong financial liquidity position thanks to robust Net Cash Position in the automobile business and large amount of unused committed credit lines

We have financing plans that strengthen our financial position. Our Automobile & Eliminations segment has consistently maintained a robust Net Cash Position, even during the COVID-19 pandemic. In particular, we increased

cash and cash equivalents in this segment from ¥1,896 billion as of March 31, 2021 to ¥2,014 billion as of March 31, 2024, which further increased to ¥2,160 billion as of March 31, 2025. We also increased Net Cash Position in this segment from ¥636 billion as of March 31, 2021 to ¥1,546 billion as of March 31, 2024, although Net Cash Position decreased to ¥1,498 billion as of March 31, 2025. We continue to maintain sufficient liquidity to meet our cash needs during market uncertainties. Our liquidity position is bolstered by our ability to maintain ample funding raised from financial institutions, which we tend to keep at around ¥2 trillion. For example, we maintain committed credit facilities with major international banks and as of March 31, 2025, we had ¥2,113 billion in unused committed credit lines available combining the facilities held by our Automobile & Eliminations segment and Sales Financing segment, as compared to ¥1,910 billion as of March 31, 2022. We also maintain ample cash on hand and in banks, together with cash equivalents included in securities. We believe that our disciplined financial strategy will support the execution of our mid-to-long-term vision. See "Selected Financial and Other Data—Other Data."

Our Strategies

Rigorously pursue Re:Nissan, our recovery plan aimed at enhancing our performance and creating a more resilient business model

We are aware of challenges in our current business environment due to shifting market conditions, in particular in China and the United States. In China, the market for non-premium vehicles, which is the main battlefield for joint venture manufacturers, including the China JV, is shrinking due to the impact of the rapid expansion of Chinese local automotive companies such as BYD Company Limited. The shift to NEV from ICE vehicles and the shrinking of the market for non-premium vehicles in China is accelerating and price competition is intensifying. As Chinese automotive companies are also significantly increasing their exports outside of China, this is having a knock-on effect in other markets where we are doing business, such as Southeast Asia, the Middle East, and Latin America.

In the United States, where demand for HEV and PHEV is rapidly growing, we are facing challenges due to our lack of HEV and PHEV offerings in the United States. In addition, increase in sales incentives for our vehicles such as our core model *Rogue* and indemnification of our suppliers for not meeting production schedules have negatively impacted our profit margins. We believe that in the short term, switching our models such as the *Kicks*, *Armada* and *Murano* to new models is the key to improving our financial performance in the United States.

Amidst such a challenging business environment, we are aware of Nissan-specific issues, including difficulties in maintaining speedy decision-making, aging models due to a slow pace of new models, increases in our variable costs and higher fixed costs than our revenue can support.

To address these challenges, on April 1, 2025, we appointed a new results-oriented management team, consisting of Mr. Ivan Espinosa, our new Chief Executive Officer (CEO), Mr. Guillaume Cartier, our new Chief Performance Officer and Chairperson of the Management Committee for the Africa, Middle East, India, Europe and Oceania (AMIEO) region, Mr. Stephen Ma, Chairperson of the Management Committee for China, Mr. Jeremie Papin, our new Chief Financial Officer, Mr. Eiichi Akashi, our new Chief Technology Officer, Mr. Teiji Hirata, our new Chief Monozukuri Officer, as well as Mr. Mitsuro Antoku, Chief Quality Officer and Mr. Toru Ihara, Chief Human Resources Officer, who are continuing in their current roles. We believe this new management team will lead recovery efforts with speed, efficiency, and rigorous execution. For more information, see "Management."

Our new management team announced Re:Nissan on May 13, 2025, which is our comprehensive recovery plan consisting of efforts to enhance our performance and create a leaner, more resilient business able to quickly adapt to changing markets. This includes the overall target to achieve cost savings of ¥500 billion by the fiscal year ending March 31, 2027, as compared to the fiscal year ended March 31, 2025, which we aim to achieve through reducing variable costs by ¥250 billion and fixed costs by ¥250 billion, as described further below. The Re:Nissan Management Office, a new steering committee chaired by the CEO, will be in charge of leading such cost reduction efforts.

Reducing Variable Costs

To achieve our goal of reducing variable costs by approximately ¥250 billion by the fiscal year ending March 31, 2027, as compared to the fiscal year ended March 31, 2025, we have established a Rapid-Response

Team, a "sprint team" under our Chief of Total Delivered Cost Transformation that will report directly to our executive committee. The Rapid-Response Team will implement a new variable cost transformation program to realize maximum engineering and cost efficiencies, and will rethink our supply base to achieve a greater volume of automotive parts from fewer suppliers in order to increase cost efficiencies.

Such efforts to reduce variable costs span a wide range of our purchasing, development and manufacturing processes. Accordingly, our Rapid-Response Team is expected to consist of a 3,000 person team covering a wide range of activities (standards and specification updates, supplier parts standardization, consolidation of suppliers for parts, reducing parts and color diversity and reducing intermediate inventory, among other activities) and commodities (exterior, interior, seats, lamps, harnesses, powertrain (PWT) parts, tires, advanced driver assistance systems (ADAS), and more), with such variable cost reduction activities in turn being applied on specific vehicle projects as well.

Reducing Fixed Costs

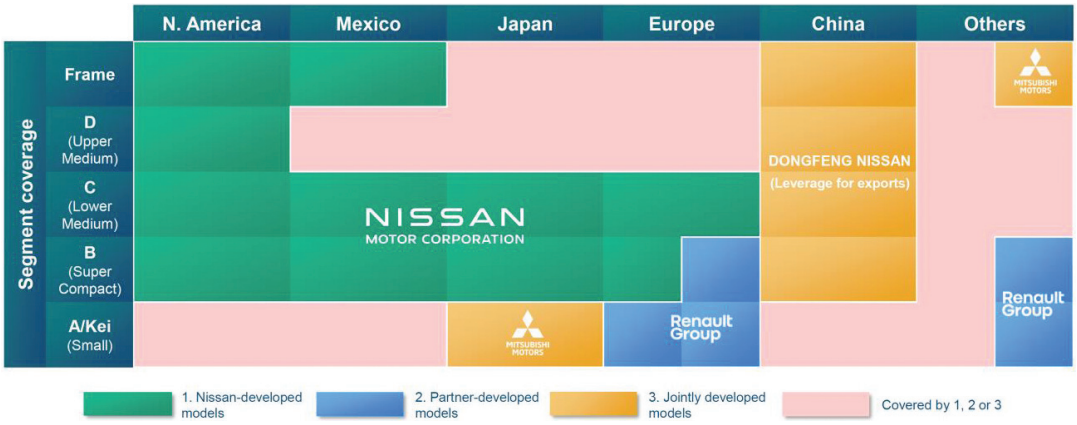
Our efforts to reduce fixed costs by ¥250 billion by the fiscal year ending March 31, 2027, as compared to the fiscal year ended March 31, 2025, consist of three interrelated activities: restructuring our manufacturing, reducing our workforce and expenditures, and revamping our development. With regard to the first activity, we plan to reduce the number of our manufacturing plants from 17 to 10 by the fiscal year ending March 31, 2028, which we believe will contribute to reducing fixed cost. Together with the reduction of manufacturing plants, we plan to increase production capacity utilization (excluding China) from approximately 70% for the fiscal year ended March 31, 2025 (with a production of approximately 3.5 million units) to approximately 100% (with a production of approximately 2.5 million units) by the fiscal year ending March 31, 2028, in part by relying on our partners' production plants and increasing production flexibility. The reduction of manufacturing plants will be paired with a consolidation of vehicle and powertrain plants, reforming jobs and job shifts, and reducing capital expenditures and increasing efficiencies. For example, as part of these efforts, we recently consolidated pickup vehicle production from our plant in Argentina to Mexico, reorganized operations in India with Renault, and we stopped investment in a lithium ferro phosphate (LFP) battery plant in Japan.

In addition, we plan to reduce our global workforce by approximately 20,000 (including the reduction of 9,000 global personnel that we announced on November 7, 2024) by the fiscal year ending March 31, 2028, with the majority (65%) of such reduction coming from our manufacturing workforce, as well as reductions in selling, general and administrative (18%) and research and development (17%) staff. Supporting this workforce reduction is our plan to increasingly transfer job functions to a shared service centers to reduce unit labor costs and expenses. Further, we believe we can further lower selling, general and administrative expenses by focusing more on fixed marketing investment efficiency, in particular by prioritizing global and regional marketing activity and sponsorships which offer the highest return on investment, and by transforming our planning and buying strategy for marketing media.

As part of our efforts to revamp our development, we aim to reduce the cost of engineering by 20% by the fiscal year ending March 31, 2028, as compared to the fiscal year ended March 31, 2025, by targeting a lower average workforce cost per hour, together with a rationalization of our research and development facilities and allocation of work to our most competitive locations, further boosting efficiency. Further, we aim to reduce parts complexity by 70% by the fiscal year ending March 31, 2028 compared to the fiscal year ended March 31, 2025. In order to reduce fixed costs for the long-term, we plan to implement a reduction of our global vehicle platforms from 13 in the fiscal year ended March 31, 2025 to 9 and 7 in the fiscal years ending March 31, 2033 and 2036, respectively. Lastly, we plan to reduce the development time for vehicle models to 37 months for lead models and 30 months for subsequent models, through implementing a "family development" strategy. This approach standardizes the parts of the upper body for different vehicle models developed as a family, while maintaining unique visual characteristics and attractiveness for each model, and has the potential to offer speedier and more efficient development.

Redefined market strategy accelerated by our complementary partnerships

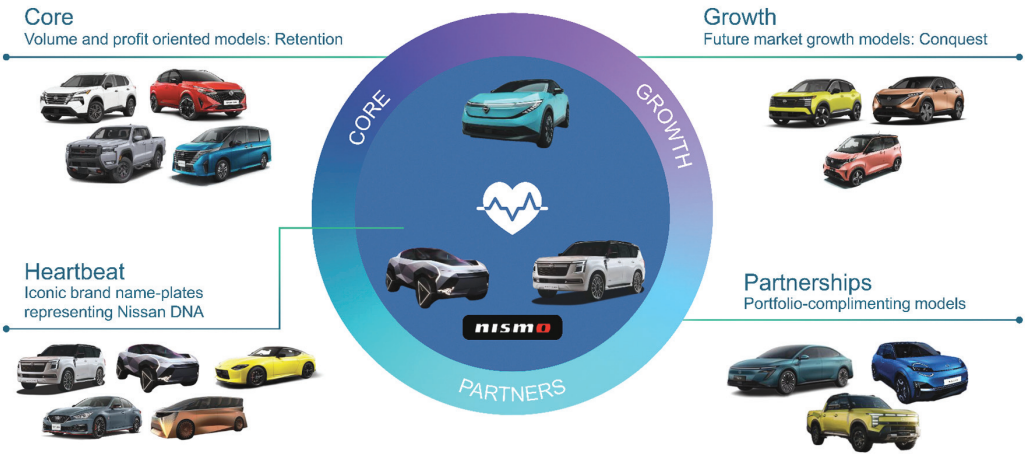
We believe that a sustainable recovery under Re:Nissan cannot solely rely on cost reductions and must also be supported by strong product offerings responsive to market demands. To this end, we aim to redefine our market strategy by focusing on core segments in key markets, supported by partners in other regions. The chart below shows the segments in which Nissan will develop vehicles and the segments in which we will rely on our partners. We will also strive to leverage models from one of these approaches to cover other markets.



We aim to prioritize certain markets and products to ensure we have the right models for the right markets at the right price point, aligning supply with demand. This involves establishing distinct strategic initiatives for each region. These include the following:

- *United States*. We aim to boost our revenue per unit in the United States by focusing on core models, while addressing rapidly expanding segments such as HEVs, as well as a revitalization of our Infiniti brand.
- *China*. We aim to accelerate exports from China to support diverse and global needs while working to enhance domestic performance of our NEVs.
- *Japan*. As our home market, Japan functions as our brand showcase. Therefore, we plan to reinforce the Nissan brand by expanding model coverage, focusing on larger-sized models and signature technologies.
- *Europe*. In Europe, we aim to focus on core models, specifically B and C segment SUVs, and we also work with Renault to further diversify our offerings.
- *India, South and Southeast Asia and Oceania*. For this region, we aim to improve sustainability by reviewing and minimizing investment, including by reviewing our product lineup and maximizing the synergies of the Alliance.
- *Middle East*. We aim to secure a profitable and competitive position in the Middle East by focusing on large SUVs while exploring products imported from China.
- *Mexico and Latin America*. We aim to continue to use Mexico and the Latin America region as an important export hub.

Finally, our product portfolio investment strategy under Re:Nissan will revolve around three key objectives, namely core, growth and partnership, in order to make the heart of our business beat stronger. First, we must retain our core business and current customers by providing products that they value. Second, we must focus on geographical and segment growth in order to attract new customers in targeted markets. Third, we must enhance our marketing and sales efforts for our iconic models, which represent the heartbeat of Nissan, to reignite customer passion for our brand. We believe such iconic models are not just defined by sales volume, but also by their iconic design, engineering ambition and, most importantly, such models reflect fully Nissan's values. Supporting these three objectives will be portfolio-complementing models developed through our business partnerships.



The discussion above includes forward-looking statements based on various assumptions and beliefs, including but not limited to the assumptions set forth above as well as the non-occurrence of the various risks set forth in "Risk Factors—Risks Relating to Our Business" and elsewhere in this offering circular. Many of these assumptions and beliefs relate to matters that are outside of our control, including factors affecting the business and economic environment. In addition, there can be no assurance as to our ability to implement our various strategic initiatives. As a result, we cannot and do not make any representation or assurance as to the achievability of our strategic objectives and goals or whether our underlying assumptions are appropriate. You should be aware that actual results may vary, potentially materially, from the above forward-looking statements. See "Forward-Looking Statements."

Company Information

Our principal executive office is located at 1-1, Takashima 1-chome, Nishi-ku, Yokohama, Kanagawa, Japan, and our telephone number is +81-45-523-5523. Our corporate website is https://www.nissan-global.com/. The information on our website does not constitute a part of this offering circular.

Summary Risk Factors

Investing in the notes involves a number of risks, and prospective investors are urged to carefully consider the matters discussed under "Risk Factors" prior to making an investment in the notes. Such risks include, but are not limited to:

- tariffs and other intensifying trade tensions, as well as more generally changes in the global economy and worsening economic conditions in the markets in which we operate;
- difficulties in implementing our recovery plan;
- our inability to derive expected benefits from our business alliances and partnerships;
- our significant investments in our equity method affiliates and other investment holdings;
- governance and compliance failures as well as misconduct by our management, employees or third parties;
- challenges associated with our international operations that are impacted by foreign laws, regulations and policies as well as geopolitical developments;
- fluctuations in the price and availability or challenges in maintaining the stable procurement of raw materials, components and energy;
- our inability to respond to rapid change and intense competition in the global automotive industry;
- our substantial debt and our inability to refinance our debt on favorable terms;
- any failure to implement our new product portfolio strategy and challenges in our interrelated research and development;
- any failure to maintain the quality of our products and services;

- our reliance on third-party suppliers for the provision of parts, components and raw materials;
- challenges associated with our sales financing business, which involves funding risks, credit risks and the risk of changes in residual values;
- challenges associated with climate change and increasing environmental regulation;
- governmental regulations and actions in the automotive industry;
- the legal proceedings which we are a party to;
- currency exchange rate fluctuations; and
- an inability to protect our intellectual property rights or to avoid infringement of those of third parties.

THE OFFERING

Securities Offered	$1,000,000,000 aggregate principal amount of 7.500% senior notes due 2030; $750,000,000 aggregate principal amount of 7.750% senior notes due 2032; and $1,250,000,000 aggregate principal amount of 8.125% senior notes due 2035
Offering Price	For the 2030 notes: 100.000%, For the 2032 notes: 100.000%, For the 2035 notes: 100.000%, plus, in each case, accrued interest, if any, from July 17, 2025
Maturity Date	The 2030 notes will mature on July 17, 2030 The 2032 notes will mature on July 17, 2032 The 2035 notes will mature on July 17, 2035
Status of the Notes/Ranking	Each series of the notes will be our direct, unsecured and unsubordinated general obligations and will have the same rank in liquidation as all of our other unsecured and unsubordinated debt (except for statutorily preferred obligations) and without any preference among themselves.
Minimum Denomination	Each series of the notes will be in denominations of $200,000 and integral multiples of $1,000 in excess thereof.
Payment of Principal and Interest on the Notes	The 2030 notes will bear interest at an annual rate of 7.500%, the 2032 notes will bear interest at an annual rate of 7.750% and the 2035 notes will bear interest at an annual rate of 8.125%. The notes will bear interest accruing from July 17, 2025, payable semi-annually in arrears on January 17 and July 17 of each year, with the first interest payment to be made on January 17, 2026. Interest on the notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. We will compute interest on the basis of a 360-day year consisting of twelve 30-day months. Principal will be repaid at a price of 100% of the principal amount of the notes on the applicable maturity date. If any date for payment of principal or interest (or additional amounts, if any) falls on a day that is not a business day, then payment of principal or interest (or additional amounts, if any) need not be made on such date but may be made on the next succeeding business day. Any payment made on such next succeeding business day in this situation shall have the same force and effect as if made on the original due date, and no additional interest shall accrue with respect to such payment for the period after such original due date. See "Description of the Notes—Principal and Maturity" and "Description of the Notes—Interest".
Additional Amounts	All payments of principal and interest on the notes will be made without withholding or deduction for or on account of withholding taxes imposed by or within Japan, unless such withholding or deduction is required by law. If the payments are subject to Japanese withholding tax, we will pay such Additional Amounts (subject to certain exceptions) in respect of Japanese taxes as will result in the

payment of amounts otherwise receivable absent any deduction or withholding on account of such Japanese taxes. See "Description of the Notes—Taxation and Additional Amounts."

References to principal or interest in respect of the notes shall be deemed to include any Additional Amounts which may be payable as set forth in the indenture.

Optional Redemption . . . . . The notes of each series may be redeemed, at our option and sole discretion, in whole or in part, at any time prior to June 17, 2030 (the "2030 par call date") in the case of the 2030 notes, May 17, 2032 (the "2032 par call date") in the case of the 2032 notes and April 17, 2035 (the "2035 par call date") in the case of the 2035 notes.

The redemption price for the notes of each series will be equal to the greater of

(i) 100% of the principal amount of the notes being redeemed; or

(ii) the sum of the present values of the principal and the remaining scheduled payments of interest on the notes being redeemed that would be due if such notes were redeemed on the applicable par call date for such notes, in each case discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in "Description of the Notes—Optional Redemption") plus 50 basis points for the 2030 notes, plus 50 basis points for the 2032 notes and plus 50 basis points for the 2035 notes less interest accrued to, but excluding, the date of redemption;

plus, in each case, accrued and unpaid interest on the principal amount of the notes being redeemed to, but excluding, the date of redemption.

The notes may also be redeemed, at our option and sole discretion, in whole or in part, at any time on or after the applicable par call date for such notes, at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued and unpaid interest on the principal amount of the notes being redeemed to, but excluding, the date of redemption. See "Description of the Notes—Optional Redemption".

Optional Tax Redemption . . . . . Each series of the notes may be redeemed at any time, at our option and sole discretion, in whole, but not in part, at a redemption price equal to 100% of the principal amount of the notes of such series together with interest accrued to, but excluding, the date of redemption and any Additional Amounts thereon, if we (or the successor entity) have been or will be obliged to pay any Additional Amounts with respect to such series as a result of (a) except as described in (b) immediately below, any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of the issuance of the notes or (b) in the case of any Succession Event (as defined in "Description of the Notes—Merger, Consolidation, Sale or Disposition) where the successor entity is not organized under the laws of Japan, any change in, or amendment to, the laws or regulations of the non-Japanese jurisdiction of organization or tax residence of the successor entity or any political subdivision or any authority thereof or therein having power to tax, or any change in application or official interpretation of such laws or regulations,

	which change or amendment becomes effective on or after the date of such Succession Event, and in either case such obligation cannot be avoided through the taking of reasonable measures available to us or the successor entity, as the case may be. See "Description of the Notes—Optional Tax Redemption."
Repurchase at the Option of Holders Upon a Change of Control	Upon the occurrence of a Change of Control Triggering Event (as defined in "Description of the Notes—Certain Definitions"), we will make an offer to repurchase all or any part of outstanding notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest and Additional Amounts, if any, on the notes repurchased to, but excluding, the date of repurchase. See "Description of the Notes—Repurchase at the Option of Holders Upon a Change of Control."
Certain Covenants	The indenture will contain covenants that limit our ability and the ability of our Manufacturing Subsidiaries to: • issue, incur, create, assume or guarantee any debt for borrowed money secured by a Mortgage upon any Principal Global Manufacturing Property or any Manufacturing Subsidiary; and • enter into certain Sale and Lease-Back Transactions with respect to any Principal Global Manufacturing Property. These covenants are subject to important exceptions and limitations and you should carefully review the information appearing under the headings "Risk Factors," "Description of the Notes—Certain Covenants" and "Description of the Notes—Certain Definitions."
Use of Proceeds	We intend to use the net proceeds from the sale of the notes for general corporate purposes, including refinancing outstanding debt.
Global Notes	Each series of the notes will be initially represented by one or more global notes in definitive, fully registered form without interest coupons. The global notes will be deposited upon issuance with the custodian for DTC and registered in the name of DTC or its nominee. Beneficial interests in the global notes may be held only through DTC (or any successor clearing system that holds global notes) and its participants, including Euroclear and Clearstream. Beneficial interests in the global notes will be shown on, and transfers thereof will be effected only through, records maintained by the depositaries and their participants. The sole holder of the notes represented by the global notes will at all times be DTC or its nominee (or a successor of DTC or its nominee), and voting and other consensual rights of holders of the notes will be exercisable by beneficial owners of the notes only indirectly through the rules and procedures of the depositaries from time to time in effect. Beneficial interests in the global notes may not be exchanged for definitive notes except in the limited circumstances described under "Description of the Notes—Book Entry, Delivery and Form—Exchange of Global Notes for Definitive Notes."
Security Numbers	The security numbers for the notes are: ***2030 notes:*** *For the notes sold under Regulation S:* *CUSIP No: J57160 CX9* *ISIN: USJ57160CX92* *Common Code: 299739279*

	For the notes sold under Rule 144A: *CUSIP No: 654922 AB9* *ISIN: US654922AB97* *Common Code: 299739210* ***2032 notes:*** *For the notes sold under Regulation S:* *CUSIP No: J57160 CY7* *ISIN: USJ57160CY75* *Common Code: 299739287* *For the notes sold under Rule 144A:* *CUSIP No: 654922 AC7* *ISIN: US654922AC70* *Common Code: 299739228* ***2035 notes:*** *For the notes sold under Regulation S:* *CUSIP No: J57160 CZ4* *ISIN: USJ57160CZ41* *Common Code: 299739309* *For the notes sold under Rule 144A:* *CUSIP No: 654922 AD5* *ISIN: US654922AD53* *Common Code: 299739236*
Governing Law	The indenture and the notes will be governed by and construed in accordance with the laws of the State of New York.
Ratings	It is expected that the notes will be rated Ba2 by Moody's Japan K.K. ("Moody's"), BB by S&P Global Ratings Japan Inc. ("S&P") and BB by Fitch Ratings Japan Limited ("Fitch"). A securities rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing and Trading	We have made an application to the Luxembourg Stock Exchange to list the notes on the official list of the Luxembourg Stock Exchange and for such notes to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market.
Trustee	U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association, as successor to MUFG Union Bank, N.A.)
Paying Agent, Transfer Agent and Notes Registrar	U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association, as successor to MUFG Union Bank, N.A.)
Concurrent Euro Notes Offering	On the day of the pricing of the notes, we are planning to price Euro notes in the following series: €800,000,000 aggregate principal amount of senior notes due 2029; and €500,000,000 aggregate principal amount of senior notes due 2033.

No Euro notes are being offered hereby. The closing of the offering of the notes is not conditional upon the closing of the offering of the Euro notes and *vice versa*.

Concurrent Convertible Bonds Offering . . . . . On July 9, 2025, we priced ¥200,000,000,000 of 1.0% convertible bonds due 2031. We expect that delivery of the convertible bonds will be made on or about July 25, 2025.

No convertible bonds are being offered hereby. The closing of the offering of the notes is not conditional upon the closing of the offering of the convertible bonds and *vice versa*.

RISK FACTORS

Our business, financial condition and results of operations could be materially and adversely affected by any of these risks. Our ability to make payments of principal or interest under the notes or the trading price of the notes could decline due to any of these risks, and you may lose all or part of your investment. This offering circular also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this offering circular. See "Forward-Looking Statements."

Risks Relating to Our Business

We may be adversely affected by tariffs and other intensifying trade tensions, as well as more generally by changes in the global economy and worsening economic conditions in the markets in which we operate.

We are a global automotive manufacturer, and the vehicles and related products and services that we sell are directly impacted by economic conditions and trends, particularly in our core markets of North America, Japan, China, Europe, the Middle East and Mexico. Changes in business and market conditions, such as an economic slowdown, inflationary trends/environment and consumer sentiment in these or other markets could adversely affect demand for our products and services, and therefore adversely affect our results of operations.

Economic uncertainty in the markets in which we operate is intensifying. In recent months, the U.S. government has implemented, or announced the intention to implement, a wide range of tariffs on goods that are imported from many of the United States' trading partners or tied to particular industries as well as on certain commodities, and in certain cases, some of these trading partners have implemented retaliatory tariffs in response. In particular, a 25% tariff on automobile and automotive part imports into the United States took effect on May 3, 2025, which applies to the vehicles and parts that we import into the United States, including imports under the United States-Mexico-Canada Agreement, or USMCA. On March 12, 2025, the Trump administration also implemented a 25% tariff on steel and aluminum imports, which are critical raw materials for the manufacture of automobiles, and this tariff was subsequently increased to 50% on June 4, 2025. Since March 4, 2025, a 25% tariff also applies on almost all imports from Mexico and Canada (excluding certain energy-related imports from Canada) into the United States, which therefore applies to certain products that we manufacture in Mexico and import into the United States. The Trump administration also announced extensive "reciprocal" tariffs on a wide range of countries on April 2, 2025, including a 24% tariff on imports from Japan, together with a baseline 10% tariff on almost all countries. Such "reciprocal" tariffs were delayed for 90 days on April 9, 2025, pending discussions with trade partners, during which time the baseline 10% tariff continued to apply. Accordingly, unless otherwise agreed or announced by the Trump administration, such "reciprocal" tariffs would start to be implemented on July 9, 2025. There is also a possibility that such "reciprocal" tariffs could be implemented at a different and potentially higher rate, especially if the Trump administration is unable to obtain satisfactory results in negotiations with trade partners. In addition, on May 28, 2025, the "reciprocal" tariffs were briefly suspended by the United States Court of International Trade, although reinstated a day later by a federal appeals court pending further proceedings. Further, U.S. tariffs against China were increased to as much as 145% in the start of April 2025, followed by a reduction of such tariffs to 30% for 90 days pending discussions between the United States and China, although significant tension between the two countries remains, risking a re-escalation of such tariffs.

These U.S. tariffs and the retaliatory tariffs imposed by trade partners of the United States have and may continue to have a material adverse effect on our financial condition and results of operations in several ways, in particular due to our significant vehicle exports to the United States. In the fiscal year ended March 31, 2025, out of the 384,400 units that we exported from Japan, 138,485 units, or 36.0%, were exported to the United States. Tariffs applicable to imports into the United States effectively increase the cost of such products, and we may be unable to pass part or all of the increased costs onto consumers, which would put downward pressure on our profitability. Even if we pass on such additional costs by increasing the price of our products subject to tariffs, our products may be less attractive to consumers when compared to those of our competitors, such as U.S. domestic manufacturers, which may be subject to less price pressure from tariffs, which could adversely affect our sales and profitability. Further, the unpredictability of the U.S. tariff policies, in part due to uncertainty regarding U.S. trade policy under the Trump administration, is adding to general economic uncertainty, which in turn could adversely affect demand for our products. In particular, demand for our products is affected by consumer sentiment about the global economy and therefore impacts consumer decisions to purchase our vehicles. Likewise, such unpredictability is also impacting the ability of businesses to engage in long-term planning and capital investments, which could undermine general economic activity and contribute to an economic slowdown.

In light of the current environment, on May 13, 2025 we announced that we estimated that approximately 300,000 and 120,000 units exported by us into the United States from Mexico and Japan, respectively, would be exposed to tariffs during the fiscal year ending March 31, 2026, amounting to less than 45% of our anticipated total sales in the United States for the same period, and we estimated that the gross impact of U.S. tariffs on our operating profit for the fiscal year ending March 31, 2026, before the implementation on our part of any tariff mitigation measures, could result in a ¥450 billion negative impact on operating profit for the same period. Further, for the three-month period ended June 30, 2025, taking into consideration the potential impact of U.S. tariffs and the assumption that we would be able to mitigate such tariffs by approximately 30%, we forecasted net sales of ¥2,750 billion and operating loss of ¥200 billion, as compared to ¥2,998 billion in net sales and ¥995 million in operating income for the three-month period ended June 30, 2024, and we further forecasted an operating loss margin of negative 7.3% and Free Cash Flow in our Automobile & Eliminations segment of negative ¥550 billion. For more information, including our mitigation efforts, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Outlook for the Three-month Period Ended June 30, 2025 and the Fiscal Year Ending March 31, 2026".

The above forecast for the three-month period ended June 30, 2025 reflects the implementation of tariff mitigation measures that are expected to mitigate approximately 30% of the expected U.S. tariff impact. The tariff mitigation measures that we are expecting to implement include prioritizing U.S.-assembled models, leveraging our production capacity in the United States, allocating certain tariff-affected product models to other markets based on customer demand, collaborating with our suppliers to mitigate the impact of U.S. tariffs and considering further changes to our operating presence. For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Outlook for the Three-month Period Ended June 30, 2025 and the Fiscal Year Ending March 31, 2026." However, there can be no guarantee that we will be able to implement these measures fully or at all, or that such measures will be effective in mitigating the impact of U.S. tariffs, especially given the substantial uncertainty around the future direction of the trade policies of the Trump administration. Any inability or failure on our part to implement these mitigation measures could have an adverse effect on our results of operations. In addition, our above forecasts for the fiscal year ending March 31, 2026 and the three-month period ended June 30, 2025 are based on certain assumptions regarding future market conditions, tariff policies and other trade restrictions, which may not be correct, and such forecasts are therefore subject to many variables and risks, including those more generally described herein, many of which are outside of our control, and there can be no assurance that we will achieve such forecasts. Any new development affecting U.S. tariffs (including the announcement of new or increased tariffs or delays or pauses in the implementation of existing tariffs), our industry or the global economy could impact significantly our ability to achieve our forecasts and could require us to revise our forecasts. For example, in November 2024, February 2025 and April 2025, we revised downward our full-year outlook for the fiscal year ended March 31, 2025 to reflect adverse changes in our business performance and the recognition of impairment losses and restructuring charges.

In addition to tariffs, current economic conditions are impacted by political tensions between mainland China and Taiwan and between North Korea and South Korea, escalating military tensions in Europe as a result of Russia's invasion of Ukraine, and the various geopolitical risks and military conflicts in the Middle East, such as the conflicts between Israel and Hamas and between Israel and Iran, including the United States' participation in the latter, in addition to the recently developing conflict between India and Pakistan. Other factors impacting our markets include uncertainties around future interest rate policies by the Bank of Japan, the Federal Reserve, the European Central Bank and other central banks and fluctuations in exchange rates.

The discussion above includes forward-looking statements based on various assumptions and beliefs, including but not limited to the assumptions set forth above as well as the non-occurrence of the various risks set forth in "Risk Factors—Risks Relating to Our Business" and elsewhere in this offering circular. Many of these assumptions and beliefs relate to matters that are outside of our control, including factors affecting the business and economic environment. You should be aware that actual results may vary, potentially materially, from the above forward-looking statements. See "Forward-Looking Statements."

We may be unsuccessful in implementing our recovery efforts as part of Re:Nissan.

We are currently facing significant business headwinds, including a shrinking market for our products in China and increased competition in that market from local automotive companies, as well as challenges in meeting increased demand for HEVs and PHEVs in the United States, combined with an increase in variable costs and higher fixed costs than our revenue currently supports. To address these challenges, we appointed a new management team on April 1, 2025, including a new Chief Executive Officer and a new Chief Performance Officer, following earlier management appointments on January 1, 2025, including a new Chief Financial

Officer. With this renewed leadership, on May 13, 2025, we announced a recovery plan, called "Re:Nissan," as part of an effort to create a leaner, more resilient business that is capable of more quickly adapting to market changes and of sustaining profitability with less reliance on volume.

Re:Nissan follows our prior turnaround measures aimed at recovery that we had initially announced on November 7, 2024. With Re:Nissan, we aim to reduce our cost structure by reducing our variable and fixed costs, redefine and refocus our markets and product strategy, and reinforce our partnerships in specific markets and projects. For more information, see "Business—Our Strategies—Rigorously pursue Re:Nissan, our recovery plan aimed at enhancing our performance and creating a more resilient business model."

Our ability to implement Re:Nissan successfully, whether at all or on the timeline envisioned by us, is subject to various challenges and risks, which include the following:

- resistance by employees, labor unions, labor organizations, as well as local government and residents, with respect to the planned downsizing of our workforce, the planned closure of 7 of our 17 plants and adjustments to our employee work shifts;
- inflation, which could undermine our ability to cut costs;
- economic uncertainty, which could impact our ability to implement long-term strategies;
- potential disruptions or changes in relationships with suppliers, customers or other stakeholders;
- difficulties or unexpected expenses in scaling down plants, manufacturing lines and machinery;
- difficulties in reassigning personnel to achieve variable cost reductions;
- challenges in simplifying the design and reducing the manufacturing operational cost of our products;
- our inability to reduce the cost of engineering our vehicles and the complexity of parts;
- difficulties in implementing revisions to our marketing, development and key product strategies;
- challenges in implementing the measures under our recovery plan in line with our anticipated schedule;
- challenges to achieve complementary vehicle development in collaboration with our partners;
- challenges faced by our new management team in adjusting to their new roles and responsibilities;
- negative public media attention and harm to our brand image;
- legal disputes or other legal proceedings;
- increased costs, such as those due to contract termination fees, severance packages and higher compliance expenses;
- inability to retain management and other personnel necessary to facilitate Re:Nissan;
- supply chain disruptions; and
- changes in economic, trade and other government policies, including tariffs and other trade restrictions or tensions.

The implementation of and expected results from Re:Nissan may also be impacted by the rapidly fluctuating situation around tariffs, particularly in the United States, as well as retaliatory tariffs implemented by the United States' trade partners, and other trade tensions. In order to mitigate the impact of tariffs, we may be forced to shift production to other regions, and this could impact the progress under Re:Nissan or otherwise cause us to incur unexpected cost increases, for example, by increasing production costs in the regions in which we did not previously anticipate to be manufacturing our products. Such changes in production could in turn negatively impact our ability to reduce labor costs and expenses, which is a key part of our recovery efforts. See "—We may be adversely affected by tariffs and other intensifying trade tensions, as well as more generally by changes in the global economy and worsening economic conditions in the markets in which we operate." and "—We face risks associated with our international operations."

Further, while Re:Nissan is aimed at improving our profitability, we expect to temporarily incur additional expenses through increased restructuring costs as we implement these measures under the recovery plan, which will negatively impact our results of operation and financial position.

Even if we succeed in implementing Re:Nissan, we could nevertheless be subject to various negative consequences. For instance, our competitive position in the automotive industry relies in large part on our ability to launch and produce innovative models responsive to rapidly evolving market demand. While we believe Re:Nissan has the potential to "right-size" our business, there is a chance that it may ultimately hurt or disrupt our development and production capabilities, caused, for example, by reduced production lines and manufacturing scale, loss of human resources and talent, and constraints on our ability to innovate. This may harm our competitive position and our brand image, which could adversely impact our financial position and results of operations.

We have also historically engaged in various partnerships and business alliances, and these remain key elements of Re:Nissan as well as our overall medium to long-term business strategy. A perceived inability for us to successfully implement Re:Nissan may negatively impact our attractiveness as a business partner, as this could harm our brand image or the public's perception of our innovation and product quality. See "—We may not derive the expected benefits from our business alliances and partnerships." Furthermore, the reduction in global production capacity as part of Re:Nissan could result in increased claims for compensation by our third-party suppliers, which could negatively impact our results of operations and financial position. See "—We rely on third-party suppliers for the provision of parts, components and raw materials and are subject to changes in our relationships with our suppliers."

We may not derive the expected benefits from our business alliances and partnerships.

We work together with industry partners in order to develop new technologies and products and compete on a global scale. In particular, we are a member of the Alliance with Renault and Mitsubishi Motors, both of which are our equity method affiliates, through which we share common platforms and technologies such that each partner may focus on its customers' needs, best models and core markets, while also developing innovation at a lower cost. Through the Alliance, we also cooperate to achieve various strategic objectives in select regions, such as Latin America, Southeast Asia, East Asia, India and Europe. If we are unable to coordinate with Alliance partners to realize these objectives, we may fail to achieve the anticipated results of the Alliance, or the anticipated results of any other business alliances, and as a result we may suffer a material adverse effect on our competitive position and our results of operations.

The Alliance is characterized by cross shareholdings in Alliance partners and partners' group companies. In November 2023, we announced the completion of changes to the Alliance through a new alliance agreement. As part of these changes, Renault transferred 28.4% of its previous 43.4% share ownership of us to a French trust, where the entrusted shares will be voted neutrally, subject to limited exceptions. Since then, Renault has sold portions of the entrusted shares to us in several transactions and as a result, as of March 31, 2025 Renault held 17.1% of our issued and outstanding shares directly (excluding treasury stock), with 18.8% of our issued and outstanding shares remaining in the trust. As of March 31, 2025, we held 15.30% of the shares of Renault. Further, on November 8, 2024, we sold a portion of our stake in Mitsubishi Motors to them, as result of which we held 26.68% as of March 31, 2025. We subsequently announced on March 31, 2025 an amendment to the alliance agreement with Renault, which became effective by the end of May 2025, under which Nissan's and Renault's respective cross-shareholding undertakings were lowered from 15% to 10%. Following and in line with this change, we may consider a reduction in our stake in Renault, as reported in the media on June 16, 2025. Moreover, a change in our Alliance partners' management could impact our relationships with our Alliance members as well. For example, on June 15, 2025, Renault announced that its CEO, Luca de Meo, will resign on July 15, 2025. These changes and any similar future changes could impact our relationships with Renault and Mitsubishi Motors, including our collaboration with Renault and Mitsubishi Motors under the Alliance. See "The Renault-Nissan-Mitsubishi Alliance."

Further, we have entered and may enter from time to time into other strategic partnerships or alliances with industry partners, which we consider to be one of our core strategies. For example, in August 2024, we announced an agreement with Honda to conduct joint research in the area of software-defined vehicles. We separately announced in August 2024 a memorandum of understanding among us, Honda and Mitsubishi Motors to discuss a framework for further development of intelligence and electrification of automobiles, based on an earlier agreement between us and Honda in March 2024 to explore the feasibility of a strategic partnership in such fields. While such partnerships have the potential of allowing us to utilize our and our partners' strengths to develop competitive technologies, there is no guarantee that we will achieve the objectives of such partnerships, and any failure on our part to do so could have a material adverse effect on our competitiveness and our results of operations.

In particular, on December 23, 2024, we announced a memorandum of understanding with Honda pursuant to which we and Honda would consider a potential business integration and become subsidiaries of a joint holding company. Mitsubishi Motors also considered joining this proposed business integration. However, on February 13, 2025, we and Honda announced that we had terminated the memorandum of understanding and had abandoned these talks due to an inability to agree on a satisfactory transaction structure, although we continue to work with Honda as an important business partner. The proposed business integration had the potential to create one of the world's largest automotive companies and garnered significant attention from international media and our stakeholders, as did our decision to terminate the memorandum of understanding. While we continue to view Honda as an important business partner, the decision to terminate the memorandum of understanding and abandon the proposed business integration could negatively impact our relationship with Honda, including our efforts to conduct joint research and discuss intelligence and electrification of automobiles, as well as our relationship with Mitsubishi Motors. While we continue to actively pursue potential partnerships with third parties, the termination of the memorandum of understanding regarding the proposed business integration with Honda could adversely impact our reputation as a potential business partner for other parties, thus potentially limiting opportunities for strategic partnerships with such other parties.

Finally, we also consider China as one of our core strategic markets. Our operations in China, principally conducted through the China JV, led to the sale of approximately 697,000 vehicles (on a retail sales basis) in the fiscal year ended December 31, 2024, including sales of the China JV but excluding DFAC, which was deconsolidated from October 2022. Because we share ownership and management of the China JV with Dongfeng Motor Group, we do not have sole control over it and it must be operated for the equal benefit of all co-owners, rather than for our exclusive benefit. Any change to our joint venture arrangements, difficulties in coordinating business strategy with our joint venture partner or deterioration in our relationship could have a material adverse effect on our financial condition and results of operations.

We have risks associated with our significant investments in our equity method affiliates and other investment holdings.

We hold significant investments in our equity method affiliates, including the China JV and the partners in the Alliance, Renault and Mitsubishi Motors, the results of operations of which are recorded under equity in earnings of affiliates under non-operating income on our consolidated statements of income. Equity in earnings of affiliates was ¥171.3 billion, ¥113.5 billion and ¥91.3 billion in the fiscal years ended March 31, 2023, 2024 and 2025, respectively.

For strategic reasons and to maintain certain business relationships, as well as in the conduct of our cash management policy, we hold a variety of investment securities. Investment securities totaled ¥1,379.1 billion as of March 31, 2024 and ¥1,428.6 billion as of March 31, 2025, which included mainly unlisted foreign investment trusts and investments in securities of affiliates. The value of investments in our equity method affiliates is adjusted based on their operating results, which in turn could be impacted by their holdings of any shares of ours, including due to changes in accounting treatment, and the carrying values of such investments could be negatively impacted as a result. For other investment securities, fair value of publicly listed securities is based on the prices of such securities on the applicable public exchange, which is adjusted as of the end of each quarterly period. Accordingly, we are exposed to the risk of losses from fluctuations in the market value of such securities.

In addition, we may record special losses in the event we decide to reduce our equity investments in the Alliance partners or other business partners. For instance, on November 8, 2024, we sold a portion of our stake in Mitsubishi Motors to them, which resulted in our recording loss on sales of shares of subsidiaries and affiliates of ¥15.7 billion in the fiscal year ended March 31, 2025.

Reforms we have made in response to past governance and compliance failures may not fully prevent similar or other occurrences in the future, and misconduct by our management, employees or third parties could harm our business.

Over the course of 2018 and 2019, our former representative director and board chairman, Carlos Ghosn, and our former representative director, Greg Kelly, were charged with violating the FIEA for false disclosures in our annual securities report filed in Japan, and Carlos Ghosn was charged with violations of Japan's Companies Act. We were also charged with violations of the FIEA. In December 2019, we did not dispute the alleged facts and received an administrative monetary penalty from Japan's Financial Services Agency, or the FSA, of approximately ¥2.4 billion. On March 3, 2022, we received a guilty judgment together with a criminal penalty of ¥0.2 billion from the Tokyo District Court with respect to the FIEA violations, but the FSA subsequently reduced such penalty from the administrative monetary penalty, and we have since paid

approximately ¥2.2 billion administrative monetary penalty. In September 2019, we also paid a $15 million fine to settle civil fraud charges related to this matter brought by the United States Securities and Exchange Commission, or the SEC. On February 12, 2020, we filed a lawsuit against Carlos Ghosn in Japan, seeking recovery of damages. In May 2023, Carlos Ghosn filed a defamation lawsuit against us in Lebanon, seeking $1 billion in damages and compensation, and such proceedings are still ongoing. See "Business—Legal Proceedings."

Following these events, we implemented significant changes to our governance, including adopting a board structure with three statutory committees in June 2019. Establishing an effective compliance culture, however, necessitates creating a shared understanding of the importance of compliance among all of our directors, management team members and employees, both at the parent company level and throughout our large network of global subsidiaries and affiliates. Without investing in training and education to build such understanding, we may face challenges in completely eliminating compliance failures and misconduct. If we face additional compliance failures or misconduct by our directors, management team members or employees, our brand image and reputation from customers, subcontractors, business partners and other parties and stakeholders could be damaged, which could result in a material adverse effect on our financial condition and results of operations, in addition to legal proceedings, and regulatory investigations and penalties. We also face similar risks as a result of compliance failures or misconduct at third parties which do business with us, such as suppliers, subcontractors, distributors or customers, which may be associated with our brand even though we have little to no control over the compliance efforts at such parties.

In particular, in March 2024, we received a recommendation from the Japan Fair Trade Commission, or the JFTC, based on the Japanese Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, or the Subcontract Act. The recommendation was regarding past transactions between us and our suppliers to which the Subcontract Act applies. A portion of rebates, totaling approximately ¥3 billion from January 2021 through April 2023, received by us from 36 suppliers subject to the Subcontract Act were determined by the Japan Fair Trade Commission as not being in accordance with the Subcontract Act. In response, we refunded the equivalent amount of rebates to such suppliers and discontinued such rebates in transactions with those suppliers, and we submitted a corrective action report to the JFTC on March 5, 2025, outlining various improvement and corrective measures we are implementing. We also strengthened our compliance system by reinforcing periodical review of compliance with the Subcontract Act, improving training to executives and employees involved in subcontracting transactions, among other measures. However, there can be no guarantee that such measures, even if continued in the future, will ensure full compliance with the Subcontract Act or other laws and regulations, and future compliance failures could have a material adverse effect on our financial condition and results of operations. In particular, on February 18, 2025, the JFTC issued a formal recommendation that Aichi Machine Industry Co., Ltd., or Aichi Machine, a wholly owned subsidiary of ours located in Nagoya, improve its compliance with the Subcontract Act, as a result of investigations by the JFTC into practices by this subsidiary of storing molds for automotive parts at subcontractors' factories for no consideration in violation of the Subcontract Act. Aichi Machine has since refunded storage costs incurred by the subcontractors and is implementing measures to prevent reoccurrence and improve compliance.

We face risks associated with our international operations.

We produce vehicles in 13 different countries and sell them in approximately 160 countries as of March 31, 2025. We are therefore subject to risks involved in international business generally, including:

- risks related to foreign laws, regulations and policies, including with respect to capital and exchange controls and government subsidies and policies towards the automotive industry;
- difficulties in monitoring and coordinating operations in a large number and wide range of jurisdictions;
- uncertainty surrounding the potential impact of recent and ongoing geopolitical developments, including the ongoing conflict between Russia and Ukraine, as well as the developing conflict between Israel and Iran, including the United States' participation in the latter, the situation in Palestine, and various political tensions in Asia, including those surrounding Taiwan and North Korea;
- differences in, or conflicts among, the taxation regimes in the different jurisdictions in which we operate and the impact of international tax issues, such as transfer pricing;
- varying standards and practices in the legal, regulatory and business cultures in which we operate;

- risks related to political instability and uncertain business environments;
- acts of terrorism, war, epidemics and other sources of social disruption;
- strikes, work stoppages or other labor disputes; and
- difficulties associated with recruiting and managing local personnel.

The realization of any of the above or other risks associated with our international operations could have a material adverse effect on our business, results of operations and financial condition. For example, as a result of Russia's invasion of Ukraine in 2022, we transferred all shares of Nissan Manufacturing Russia LLC, or NMGR, to the Central Research and Development Automobile and Engine Institute and exited the Russian market in October 2022. As a result of the exit from the Russian market, for the fiscal year ended March 31, 2023 we recorded a significant increase in loss on sales of shares of subsidiaries and affiliates, loss on transfer of receivables and an increase in compensation for suppliers and others.

Our international operations, especially in the United States, China and Mexico, also expose us to the effects of tariffs. In particular, as part of our business strategy, we have located manufacturing capabilities in our key markets across the globe. Tariffs and other trade tensions may have a particular impact on our operations in certain markets, for example, by forcing us to shift production of certain models from one region to another in order to mitigate tariff impacts. This could result in operational inefficiencies, and such inefficiencies may be further driven by the uncertainty surrounding the future of tariffs, which could materially and adversely affect our business and results of operations. For more information, see "—We may be adversely affected by tariffs and other intensifying trade tensions, as well as more generally by changes in the global economy and worsening economic conditions in the markets in which we operate."

In addition, the U.S. legislation known as the "One Big Beautiful Bill Act," which was signed into law by President Trump on July 4, 2025, may increase our overall tax liability and would terminate, phase-out or otherwise significantly affect federal tax incentives related to green energy, such as tax credits for EV purchases, which could reduce demand for EVs in the U.S. market. Other potential developments include the relaxation of emissions standards, which could reduce the attractiveness of more environmentally friendly vehicles, policies favoring U.S. domestic car manufacturers, which in turn could undermine our competitiveness in the U.S. market and decreased investment in EV infrastructure, such as charging stations, which could reduce consumer demand for our EVs.

Fluctuations in the price and availability of raw materials, components and energy that are necessary to manufacture our vehicles may adversely affect our business, financial condition and results of operations.

We source a broad range of materials and components, including iron, aluminum, resin, as well as precious metals such as lithium, cobalt, nickel, rhodium and palladium, various chemicals and electronic components and semiconductors. We also require a reliable supply of energy for the manufacture and delivery of our vehicles. Increases in the price of raw materials and components that we use in our products or in energy costs we incur to produce and deliver our products could have a negative impact on our business and results of operations. While we strive to maintain a stable procurement system by working together with our suppliers and through considering alternative suppliers for securing raw materials, components and energy in our supply chain, unpredictable or rapid changes in market conditions could entail a greater-than-anticipated level of risk in the stable procurement on an ongoing basis, which could significantly affect our financial position and business performance. Additionally, higher material and commodity costs or energy costs around the world may offset our efforts to reduce our costs, and it is uncertain to what extent we would be able to pass on such increases in costs to our customers, if at all. As a result, higher material and commodity costs or energy costs, as well as any hedging of such costs during periods of decreasing prices, could result in declining margins to the extent we are unable to pass along the increased costs through increasing prices for our products.

In addition, increasing trade tensions, in particular between the United States and China, have the potential to disturb the supply of materials and components that we procure for the manufacturing of our products. For example, on April 4, 2025, China implemented export restrictions on rare earth materials and metals in response to tariffs threatened or imposed by the Trump administration. These include restrictions on several rare earth elements and magnets that are crucial for the production of automobiles, and such restrictions have already resulted in production shutdowns in the automotive industry in certain regions. Such restrictions, which may be tightened further or implemented by other countries amidst intensifying trade conflicts, have the potential to impact the manufacture of our products by increasing cost or disrupting supply, notwithstanding any mitigation efforts by us, which could adversely affect our business and results of operations.

The global automotive industry is characterized by rapid change and intense competition, and we may not be able to respond effectively.

The global automotive industry is highly competitive and we face pressure to develop technologies and products to meet the evolving needs of consumers in a timely fashion. To the extent we are not able to do so, or fail to respond to changes in the operating environment or market preferences, our financial condition and results of operations could be adversely affected. For example, in some of our mature markets, such as Japan, demand is dropping due to factors such as a declining population and low birth rate, while in some developing markets there is potential for high increases in demand. As a result of this intense competition, many of our competitors are providing sales incentives, reducing their prices or providing subsidized financing or leasing programs to their customers. In order to appeal to customers, we have offered and may in the future be forced to offer similar incentives, which negatively affect our net sales. For example, our operating income decreased significantly for the fiscal year ended March 31, 2025 compared to the fiscal year ended March 31, 2024 partly due to incentives offered during this period. The negative impact of incentives on our profit margins could also require us to reduce the level of incentives or discontinue incentives, which could render some of our products less competitive than similar products offered by our competitors. If we are unable to align our product offerings and business strategies with these market shifts, our competitive position and results of operations could be adversely affected.

In addition, in our growth markets, such as China, the rise of local competitors, such as BYD Company Limited, and non-local competitors has led to a decline in our competitiveness. In particular, our retail volume of sales in China decreased by 24.1% year-on-year in the fiscal year ended March 31, 2024, and also decreased by 12.2% year-on-year in the fiscal year ended March 31, 2025, in large part due to intensifying competition from domestic Chinese competitors and a shift to NEVs in the Chinese market. For more information, see "Business—Our Business Operations—Competition."

In recent periods, the introduction of self-driving technologies has become a competitive factor in the industry and there is intense competition to develop safe and reliable autonomous driving technologies in order to capture future market opportunities. Such development efforts require close monitoring of regulatory developments regarding self-driving technologies, close coordination with companies developing sensors, software and other technologies, and considerable investment. EVs are also an important developing technology in the automotive manufacturing industry due in part to efforts toward achieving carbon neutrality and other objectives relating to combating climate change, which varies by market. Our ability to continue to improve our EV technology and introduce models that appeal to customers demanding EVs, while also providing an attractive lineup of non-EV models for other consumers, will affect our competitiveness with other automobile manufacturers, and this may lead to increases in development costs, production costs and regulatory costs. There can be no assurance that we will compete effectively in developing such technologies or that the benefits we achieve will outweigh the impact of increased costs. Further, the spread of electrified mobility and stricter regulations on greenhouse gas emissions in certain places around the world pushes car manufacturers to aim for carbon neutrality across the whole lifecycle of cars, and delays in our responses to these social and environmental requirements could negatively affect our competitive position and results of operations.

In addition, other developments in personal mobility, including car sharing, ride sharing and subscription schemes as well as autonomous-driving taxis and buses, could have a significant impact on the automotive industry's traditional business model of designing and manufacturing automobiles for individual customers. These developments could increase the importance and value of associated services and software to consumers in contrast to the underlying hardware. To the extent software becomes a differentiating factor, it could diminish the value of our knowhow as a designer and manufacturer of automotive hardware and increase the potential for competition from firms other than traditional automotive manufacturers. While we are striving to respond to such industry changes, if the industry and consumer demands change more quickly than we expect, or evolve in ways we do not anticipate, and we do not respond effectively, our competitive position may be adversely affected.

Our substantial debt could affect our ability to execute our strategy and grow our business, and we may be unable to refinance our debt on favorable terms

As of March 31, 2025, our short-term borrowings, current portion of long-term borrowings, commercial papers and current portion of bonds were ¥876,104 million, ¥1,881,691 million, ¥86,743 million and ¥771,205 million, respectively, and our bonds and long-term borrowings were ¥1,708,532 million and ¥2,661,356 million, respectively, and we may incur additional indebtedness in the future. Our level of indebtedness could have important consequences. For example, it could:

- divert cash flows away from the investments necessary to achieve the electrification and product offensive goals of our medium-term business strategy;

- limit our ability to perform investments, acquisitions, share repurchases, dividend payouts and expenditures related to our operations and future business opportunities as a result of debt service obligations;
- limit our ability to obtain additional financing from the capital markets or from commercial banks, including to replace existing indebtedness as it matures;
- make us more vulnerable to downturns in general economic conditions; or
- place us at a possible competitive disadvantage compared to less-leveraged competitors or those with better access to capital resources, and result in our inability to obtain financing on comparable terms.

Depending on a number of factors, including market conditions, we may not be able to secure financing to repay our debt on terms or within a timeframe that are most beneficial to our business, and this could have an adverse effect on our financial condition. While a significant portion of our borrowings, at least on a standalone basis, has fixed interest rates, increases in interest rates will increase our interest expense to the extent we refinance such debt or increase the amount of such debt to fund our operations or finance capital expenditures or acquisitions. In addition, any downgrades in our credit ratings resulting from the incurrence of additional indebtedness, an inability to repay existing indebtedness within an acceptable timeframe or otherwise could negatively affect our ability to finance on acceptable new terms that would otherwise advance our corporate strategy. Additionally, future indebtedness may be subject to various financial covenants, and the failure to comply with these covenants could result in, for example, the acceleration of the maturity of our outstanding indebtedness, which could materially and adversely affect our financial condition. Further, if we became subject to such covenants as a result of corporate bonds that we issue by way of a public offering, such terms could also be practically difficult to amend.

Our product portfolio and interrelated research and development strategies may not succeed.

A major element of our redefined market strategy under Re:Nissan is to achieve a product portfolio that focuses on core segments in specific markets, including volume and profit-oriented "core" models, models aimed at achieving market growth, iconic models representing the Nissan brand, as well as models developed together with our business partners. We also aim to expand and reinforce our offerings of pure EVs, vehicles utilizing our e-POWER system and PHEVs, and we will also incorporate autonomous driving technology and advanced driver assistance systems. Meeting customer demand by introducing the right vehicle models in the markets we target, while also reducing the amount of time required for product development, are important competitive factors for automotive manufacturers, and our success in doing so relies on our research and development activities. In some of our development programs, we are also relying on the contributions and expertise of the Alliance partners. For more information, see "Business—Our Strategies—Redefined market strategy accelerated by our complementary partnerships."

There is no assurance, however, that we will be successful in developing and launching a product portfolio that adequately responds to diverse and changing customer preferences and demands with respect to quality, safety, reliability, design, environmental friendliness and other features in a timely manner, or that we will be successful in achieving and maintaining a balanced portfolio of vehicle types that adequately responds to such preferences and demands. Additionally, our focus on EVs could reduce our ability to develop alternative types of vehicles or maintain the full range of models that existing customers may prefer. To the extent that our new product portfolio does not appeal to existing and potential customers, we face the risk that such customers may instead purchase vehicles from our competitors or hold off the purchase by using car-sharing. Any inability to develop and offer products that meet customers' preferences and demands could result in a lower market share and reduced sales volumes and margins, and may adversely affect our financial condition and results of operations.

For example, in recent years, our retail volume of sales for North America has increased but in varying degrees, in large part due to an inability to capture growing demand for certain vehicle types. We experienced a 3.3% year-on-year increase in North America retail volume of sales in the fiscal year ended March 31, 2025, which was down from an increase of 23.3% year-on-year in the fiscal year ended March 31, 2024. We believe that this slowed growth in retail volume of sales was caused by our inability to capture growing demand for HEV and PHEV in the United States due to a lack of attractive HEV and PHEV offerings. If we are unable to introduce new EVs, HEVs and PHEVs in the future despite our efforts to develop a more attractive portfolio to consumers, our results of operations could be materially and adversely affected.

Our product portfolio strategy is also based on the philosophy that customers will increasingly prefer EVs or hybrid models due to increased customer awareness of global environmental issues, as well as concerns about the pricing and future availability of gasoline. Accordingly, changes in the price of oil and energy can have a material impact on demand for our vehicles and services. Increasing gasoline prices may support demand for fuel-efficient vehicles, but even greater increases could depress market demand overall. Conversely, if unexpected developments in world oil markets were to result in a prolonged period of depressed oil prices, customers may become less interested in purchasing EVs or hybrid models. In addition, government subsidies also affect customer demand for EVs and hybrid models, and to the extent that government subsidies become less available in the future, customer demand for EVs or hybrid models may not develop as expected. Investment into EV infrastructure, such as charging stations, by the government or the private sector, also affects the attractiveness of EVs. If factors such as changing gasoline prices, due to market fluctuations, taxation or other reasons, or reduced availability of government subsidies for EVs or investments in EV infrastructure, impact market trends and consumer preferences in ways we do not anticipate, our product strategy may be misaligned with market needs, which may adversely affect our business, results of operations and financial condition.

Even if our product portfolio strategy adequately responded to customer preferences and demand, raw material and resource constraints may prevent us from achieving our product portfolio strategy. For example, a shortage of lithium may hinder our ability to produce a sufficient number of EVs equipped with lithium-ion batteries. Similarly, disruptions in our supply chain could likewise result in a shortage of raw materials or core components necessary for producing a sufficient number of EVs or other new models, which, if we are unable to resolve effectively, may also prevent us from achieving our product portfolio strategy.

Any failure to maintain the quality of our products and services could result in product recalls, regulatory action and damage our brand image.

In the highly competitive automotive industry, it is vital to provide safe, high-quality products that meet customer preferences and demand. We invest in our development, production, sales and service functions in order to deliver a high level of customer satisfaction. If, however, problems arise that require product recalls, due to the increasing complexity of our products or otherwise, we could incur significant expenses to remediate our affected products, be subject to regulatory action, and our brand image could be adversely affected. As self-driving technologies become more prevalent, it is also possible that manufacturers will bear an increased level of responsibility for vehicle safety. Product quality issues could lead to increased expenses associated with recalls, damage to our brand image, product liability claims and litigation, potentially adversely affecting our financial condition and results of operations. For example, beginning in 2008, automobile manufacturers recalled millions of vehicles due to defective airbag components produced by Takata Corporation, or Takata, which has resulted in significant remedial costs, harm to brand image as well as litigation for those manufacturers. We began to recall vehicles that were affected by these issues in 2010. These recalls have continued as other affected vehicles have been discovered, and we issued a “do not drive” warning in May 2024 for approximately 84,000 older models with Takata airbags produced from 2002 through 2006. In addition, on May 15, 2025, we announced a recall of approximately 79,000 *Frontier* and *Kicks* vehicles in the United States due to an issue with the models’ center information display unit, and on July 2, 2025, we announced a recall of approximately 440,000 vehicles in the United States, including the *Rogue*, *Altima*, *INFINITI QX50* and *INFINITI QX55* models, due to defects that could lead to engine failure. We expect that such recalls will require us to incur substantial remediation costs, and to the extent that we face or issue additional recalls, our business, financial condition and results of operations could be materially and adversely affected.

We rely on third-party suppliers for the provision of parts, components and raw materials and are subject to changes in our relationships with our suppliers.

Our supply chain is characterized by a large number of external suppliers located around the world, from whom we procure parts, components and raw materials. In connection with the introduction of new technologies, in some cases such parts, components or raw materials may only be available from specific countries or regions and may require the use of rare earth elements for their manufacture. Our ability to continue to obtain supplies from third parties in a timely and cost-effective manner is subject to a number of factors, some of which are not within our control. Sudden changes in demand, natural disasters, pandemics or political disturbances or human rights issues in producing countries could affect our ability to source supplies in a timely manner. If such supply chains are disrupted and we are unable to implement effective countermeasures, the cessation or delay of supplies could lead to production suspensions at our facilities and have an adverse effect on our financial condition and results of operations. For example, although the situation has improved recently, our vehicle production was negatively impacted by a shortage of semiconductors in the recent past, in particular during the COVID-19 pandemic.

In addition, for some supplies, we may rely on a single supplier or a limited number of suppliers, including for reasons such as quality or pricing, whose replacement with another supplier may be difficult. For example, Marelli Holdings Co., Ltd., or Marelli, is a core supplier of ours, in particular of interior parts, and filed for Chapter 11 bankruptcy protection in the United States on June 11, 2025. While such bankruptcy proceedings are ongoing, a possible suspension or delay, or a deficiency in, the supply from Marelli could occur, which could have a material adverse effect on our ability to manufacture our products in a timely fashion if we are unable to find a suitable supplier as replacement. Inability to obtain supplies from a single or limited source supplier may result in difficulty obtaining supplies and may restrict our own production. While we strive to secure second and third sources for components and materials where possible, there is no assurance adequate alternatives will be available in every case. A loss of any single or limited source supplier or inability to obtain supplies from suppliers in a timely and cost-effective manner could lead to increased costs or delays or suspensions in our production and deliveries, which could have an adverse effect on our financial condition and results of operations. Further, to the extent we reconsider our supply base to ensure more volume for fewer suppliers, for example as part of Re:Nissan, replacing suppliers may become increasingly more difficult. For more information, see "Business—Our Strategies—Rigorously pursue Re:Nissan, our recovery plan aimed at enhancing our performance and creating a more resilient business model."

Further, given the extensive network of third-party suppliers in our supply chain, our business is also impacted by the continuously evolving relationships we have with our suppliers, which in turn impact the terms on which we are able to conduct business with them. In particular, supplier relationships in the automotive industry are characterized by significant upfront investments made by suppliers to tailor their manufacturing capacity to requirements from automotive manufacturers and based on such manufacturers' planned production figures. As is common in the industry, many of our contractual arrangements with our suppliers provide that we compensate suppliers for investment costs they incur in the event we change our production targets, and in recent years, we have experienced an increase in such claims by suppliers as a result of reductions in our production targets. To the extent we reduce production further, for example as part of Re:Nissan, we may face additional claims of such nature, which could negatively impact our financial position and results of operations, as well as our reputation with our suppliers.

Our supply chain also relies on international logistics, in particular shipping, which is impacted by the current unpredictable tariff environment as well as the increased volatility in demand for shipping routes. Such events have the potential to adversely impact the transportation of our products to our markets as well as the steady supply of raw materials and components necessary for the manufacture of our products, and these could adversely impact our results of operations.

We face risks associated with our sales financing business.

Our sales financing business provides financial solutions to consumers, corporate customers and dealerships to support the sale and marketing of our vehicles. Engaging in this business exposes us to funding risks, credit risks and the risk of changes in residual values, which we manage in the course of our operations. Our sales financing business has been negatively impacted by rising interest costs as a result of recent changes in our credit ratings. In particular, on April 25, 2025, Fitch downgraded our credit rating from BB+ to BB and maintained its "negative" outlook, and on June 6, 2025, Moody's downgraded our credit rating from Ba1 to Ba2 and maintained its "negative" outlook. On January 14, 2025, S&P also revised our credit outlook from stable to negative and, on March 7, 2025, downgraded our credit rating from BB+ to BB. Other downgrades by credit rating agencies could similarly adversely impact our sales financing business. Although we have financial models and underwriting processes to mitigate these traditional risks, one-time, unpredictable changes in the macro-economy can subject our sales financing business to additional risk. Additionally, the financial services industry is highly competitive, and increased competition in automobile financing may lead to decreased margins. If we are unable to adequately respond to changes in market environment and competition in automobile financing, our sales financing operations may adversely affect our financial condition and results of operations.

We face challenges associated with climate change and increasing environmental regulation.

Under the framework of the Paris Agreement negotiated at the 2015 United Nations Climate Change Conference (COP 21), and accelerated by the 2018 special report of the Intergovernmental Panel on Climate Change, there is a global move to decrease emissions of carbon dioxide and other greenhouse gases which contribute to climate change and global warming and to aim for net zero emissions. In March 2024, we announced the Nissan Green Program 2030, as part of which we have established global goals and are taking

steps to reduce emissions in all areas of our business, including procurement, manufacturing and distributions, with an eventual goal of carbon neutrality. Emissions by the vehicles we produce are also significant, and in light of long-term goals of reducing automobile emissions, including in response to increasingly stringent emissions standards in markets such as China, Europe and the United States, we are increasing our EV and e-POWER vehicle models. We study various risk scenarios with respect to climate change. If societal response is inadequate, there could be increased pressure and more stringent regulation, such as the introduction of carbon pricing and carbon border taxes, to adapt our business and operations to meet climate change prevention targets. Moving to a decarbonized economy could result in additional research and development and production costs for us, changes in market demand and impact to our brand image. We would also be exposed to the general risks associated with increasingly severe weather events and rises in sea level. Associated increases in costs or reductions in sales of vehicles could adversely affect our financial condition and results of operations.

We believe that we are in compliance with all applicable environmental laws and regulations and we strive to conserve water supplies, decrease carbon dioxide emissions, prevent water pollution and recycle waste. However, accidents or other incidents resulting in contamination of the environment could occur or changes in laws and regulations could arise which require us to incur significant capital expenditures to comply, including by recalling existing models of our vehicles or making significant changes to the manufacturing of our vehicles, or which restrict our production capacity, and such events could harm our brand image and have a negative impact on our results of operations and financial condition. See "Supervision and Regulation."

The automotive industry is subject to various governmental regulations and actions.

The global automotive industry is subject to various laws and governmental regulations including those related to vehicle safety and environmental matters such as emission levels, fuel economy, noise and pollution, in addition to regulatory developments around new technologies such as artificial intelligence. In particular, we are required to implement measures such as recalls for vehicles that do not or may not comply with applicable safety standards or emission levels. Failure to comply with such regulations could also result in legal proceedings, negotiated remedial actions, fines, corrective orders, revocations of government approvals and the imposition of other government sanctions, restricted product offerings, compensatory payments or other adverse consequences, which could in turn harm our brand image and have an adverse effect on our results of operations and financial condition. Many governments also impose tariffs and other trade barriers, taxes and levies, or enact price or exchange controls.

Further, in North America, the USMCA may affect our production activities in Mexico, especially with regard to changes in the ability of employees in Mexico to organize and bargain collectively. The USMCA also contains provisions specifically applicable to passenger vehicles, light trucks and automobile parts, which may require that a certain portion of a vehicle be produced by higher-wage labor. Further, the Trump administration has indicated a desire to renegotiate the USMCA and its future remains uncertain. We incur significant costs in response to governmental regulations and actions, including costs relating to changes in global trade policies and regulations. Furthermore, new legislation or regulations or changes in existing legislation or regulations may also subject us to additional costs in the future. If we are required to incur significant costs to implement safety measures or to respond to laws, regulations and governmental actions, our financial condition and results of operations may be adversely affected.

We may be subject to various legal proceedings.

In the ordinary course of our operations, we may become a party to legal proceedings with business counterparties or other third parties. Such proceedings may include issues such as product liability, infringement of intellectual property claims, contractual disputes, or tax. We may also be subject to legal proceedings brought by our shareholders and governmental proceedings and investigations. A negative outcome in one or more such legal proceedings could adversely affect our brand image, financial condition and results of operations.

In particular, we are and have been subject to several lawsuits in connection with defective airbag components produced by Takata and, as described in the notes to our audited consolidated financial statements as of and for the years ended March 31, 2024 and 2023, included herein, we may incur liability due to such lawsuits, in addition to harm to our brand image. We are also subject to ongoing domestic and foreign lawsuits in connection with misstatements in our Japanese annual securities reports in connection with disclosure regarding Carlos Ghosn's compensation, which may likewise result in liability or harm to our brand image. See "—Reforms we have made in response to past governance and compliance failures may not fully prevent similar or other occurrences in the future, and misconduct by our management, employees or third parties could harm our business."

Further, on July 4, 2019, Al Dahana FZCO, or Al Dahana, filed a lawsuit against us in connection with a vehicle distribution agreement dispute, and we recorded a provision of ¥38,758 million under selling, general and administrative expenses in the fiscal year ended March 31, 2022, as a result of a lower court judgment in this dispute, although this decision was ultimately reversed and appeals were dismissed, as a result of which we reversed the previously recorded provisions. For more information, see "Business—Legal Proceedings." However, given the large number of our worldwide distributorship relationships, we may be involved in similar disputes in the future, and there can be no guarantee that such disputes will result in a favorable outcome, which could harm our results of operation, financial condition and brand image. It is also possible that an unfavorable ruling, even if later overturned, could have such negative effects.

For example, Nissan Middle East FZE, or NMEF, our group company in Dubai, is the defendant in a lawsuit filed in Iraq by a former distributor in February 2023, which claimed that NMEF unilaterally terminated a distribution agreement that appointed the former distributor as exclusive distributor in Iraq to market Nissan products, which caused losses to the former distributor. The lawsuit was subject to an unfavorable lower Iraqi court's ruling on April 1, 2024. The lower court's ruling included a $1 million monthly deterrent fine, but this ruling was subsequently overturned by the Iraqi Court of First Cassation on December 9, 2024. The case was subsequently taken to the Iraqi Court of Appeals for further review, and the Iraqi Court of Appeals decided in favor of Nissan on June 2, 2025. The former distributor subsequently filed an appeal in the Court of Cassation and legal proceedings are ongoing as of the date of this offering circular, and if the lower court's ruling is reinstated upon further review, it could have a material impact on NMEF's financial condition. While the proceedings are ongoing, we and this former distributor are engaged in arbitration proceedings relating to the same matter to resolve the matter favorably.

Our results of operations are affected by currency exchange rate fluctuations.

We operate globally and our results of operations are affected by fluctuations in exchange rates. The results of operation of our overseas subsidiaries are translated into Japanese yen for purposes of our consolidated financial statements, so a weakening yen may increase their contribution while a strengthening yen will have the opposite effect. In particular, the yen is currently undergoing historic levels of depreciation and volatility, driven in part by increased economic uncertainty. While a depreciation of the yen has a tendency to increase our net sales, a reversal of this trend could negatively affect our net sales. Further, due to the increased volatility in the yen's exchange rate against the other principal currencies in which we effect transactions, it is increasingly difficult for us to forecast trends in our net sales, profit margin or other financial metrics. As a result, we may fail to capitalize on any benefits brought about by a depreciating yen or fail to anticipate and prevent any associated negative effects.

To the extent that the currencies of the countries in which our major production facilities are located strengthen, that may also adversely affect the price competitiveness of our products. In addition, exchange rate fluctuations may affect the cost to import components and raw materials, which can in turn negatively impact the cost competitiveness of our products. Although our overall policy is to localize production and to procure components and raw materials in local currencies in order to limit our exchange rate exposure, we are exposed to transaction risk to the extent that the amounts and proportions of various currencies in which our costs and liabilities are denominated differ from the amounts and proportions of various currencies in which our sales and assets are denominated. Although from time to time we may enter into forward foreign exchange contracts and swap agreements with regards to certain foreign currencies in which we do business to mitigate such risks, unexpected or sudden changes in exchange rates could have a material adverse effect on our financial condition or results of operations.

Our hedging measures with respect to interest rates, exchange rates and commodity prices may not be effective.

We are exposed to risks from increases in commodity prices, interest rates, as well as foreign exchange risks with respect to obligations denominated in foreign currencies. For example, in addition to the price of crude oil, natural gas and renewable energy, unexpected increases or significant fluctuation in the price of traditional automobile materials, including iron, aluminum and resin, as well as precious metals, including lithium, cobalt, nickel, rhodium and palladium, could adversely impact our financial condition and results of operations. We use certain commodity futures contracts to limit our exposure to fluctuations in commodity prices and derivative financial instruments, including foreign exchange forward contracts and interest rate swaps, to limit interest rate and foreign exchange rate risks, but these hedging activities may not be as effective as we anticipate and, in any event, do not eliminate the risk of impact from long-term changes in commodity prices, interest rates and foreign exchange rates, which may adversely affect our financial condition and results of operations.

Impairment of certain non-financial assets may adversely affect our operating results and financial condition.

We have many non-financial assets, such as property, plant and equipment, goodwill, software and right-of-use assets. For example, property, plant and equipment was ¥4,332,060 million as of March 31, 2025. We make an assessment for any indication of impairment in non-financial assets after grouping such assets based on our business segments and regions, after which impairment losses are determined and measured based on estimates of future cash flows and net realizable value. As the assumptions used for such impairment tests may be impacted by significant and unexpected changes in market trends, the economic environment and our business plans, any such developments may cause us to revise such estimates and record impairment losses as a result. For example, we recorded ¥494,935 million in impairment loss in the fiscal year ended March 31, 2025, due mainly to recognizing an impairment of manufacturing-related fixed assets in North America, South America, Europe and Japan following a review of business assumptions in light of the current market environment and business challenges, based on which we expected lower sales, as explained further in Note 6 to "For consolidated statement of income" in our audited consolidated financial statements as of and for the year ended March 31, 2025, included elsewhere in this offering circular. Deterioration in our market environment or worsening business performance, among other factors, could result in us recognizing further impairment losses, which could negatively impact our results of operations and financial position.

A downturn in the financial markets could adversely affect our ability to raise capital.

If there is a downturn in the financial markets and our credit ratings are downgraded by major credit agencies due to liquidity concerns, the availability of capital from financial institutions and investors via the financial markets could be significantly reduced. As a result, there is a risk that we may not be able to raise capital under acceptable terms or at all. For example, on April 25, 2025, Fitch downgraded our credit rating from BB+ to BB and maintained its "negative" outlook, and on June 6, 2025, Moody's downgraded our credit rating from Ba1 to Ba2 and maintained its "negative" outlook. On January 14, 2025, S&P also revised our credit outlook from stable to negative and, on March 7, 2025, downgraded our credit rating from BB+ to BB. Such credit ratings by Fitch, Moody's and S&P are below investment grade. While we constantly monitor and manage our capital resources and access to funding in order to maintain a prudent level of liquidity, if we are unable to raise necessary capital under acceptable terms on a timely basis, our financial condition and results of operations could be adversely affected. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition and Liquidity—Liquidity and Capital Resources—Credit Ratings."

We face counterparty risk in connection with third parties with which we conduct business.

In our global operations we conduct business with a variety of third parties, including financial institutions, distributors and suppliers. In particular, we purchase supplies, including parts, components and raw materials, from a number of external suppliers located around the world. We monitor the creditworthiness of such business counterparties, but if due to an economic downturn or other factors the financial condition of such counterparties worsened significantly or any of our counterparties go bankrupt, this could lead to production suspensions, delays, cuts, financial burdens or costs, and in turn adversely affect our financial condition and results of operations.

Changes in our pension assets or revisions in actuarial assumptions could adversely affect our pension obligations.

We may face losses relating to our pension plans from changes in the market value of plan assets, a decline in returns on our pension plan assets or changes in the assumptions and investment returns on which the calculation of projected pension benefit obligations is based. In the event that such losses occur, this could adversely affect our financial condition and results of operations.

We may be adversely affected by large-scale disasters and pandemics.

We are headquartered in Japan and consider risks relating to earthquakes, tsunami and flooding events as significant risks to our operations. We have established earthquake risk management policies and global disaster response framework, but in the event of serious damage from a greater than anticipated earthquake or other disaster, we may experience business suspension or interruption that could have a material adverse effect on our financial condition and results of operations. Similarly, in addition to the risk from earthquakes and tsunami, Japan has recently experienced an increase in severe weather events and large typhoons resulting in widespread flooding. Although we seek to implement preventative measures at our facilities, and also to enable

batteries in our electric vehicles to be used as emergency batteries in the event of power outages, severe weather events and flooding could also have a material adverse effect on our financial condition and results of operations.

As a result of the Great East Japan Earthquake and related tsunami in 2011, the Kumamoto earthquake in 2016 and the Noto Peninsula earthquake in January 2024, in addition to various extreme weather events, our business and operations were negatively affected, and we discovered potential vulnerabilities, including as follows:

- rotating power outages and long-term electricity shortages led to limitations on the operation of some of our manufacturing facilities;
- evacuation orders and no-entry zones caused by leakage of radioactive materials in Fukushima affected the operations of factories and suppliers in the relevant areas;
- contamination by radioactive materials restricted or delayed the supply of parts and materials, and rumors of contamination adversely affected public perceptions;
- the potential for much higher than previously anticipated tsunami as a result of a major earthquake in the fault zones of the Nankai Trough south of Honshu;
- the potential for significant damage to the production facilities of suppliers affected by liquefaction zones in Japan in the event of an earthquake; and
- the potential for widespread electricity outages due to landslides and other damage from typhoons and torrential rains.

While we are working to incorporate the lessons of these past events into our emergency response planning, there can be no assurance that we will be able to anticipate and address all of the associated risks, and we still face potential adverse effects to our financial condition and results of operations from the occurrence of such disasters.

In addition, during the COVID-19 pandemic, our business suffered various adverse effects, such as suspension and reduction of our automobile production, in addition to disruptions in the marketing and distribution of our products and in the operations of our dealers, distributors and third-party suppliers. If COVID-19 resurges in the future, or if another pandemic or major health emergency emerges, our business, financial condition and results of operations could be adversely impacted.

An inability to protect our intellectual property rights or to avoid infringement of those of third parties may harm our business.

Intellectual property rights and manufacturing knowhow are competitive factors because of the emphasis on innovation in the markets in which we operate. We rely on the technologies and know-how we have developed for our business, and we seek to protect such technologies and know-how through a combination of patents and other forms of intellectual property rights. However, there can be no assurance that we will always be successful in adequately protecting our technologies and know-how, including by securing patents or other intellectual property rights, and our ability to do so in some countries and regions may be limited.

We also take steps to operate without infringing upon the patents or other intellectual property rights of others. There can be no assurance that third parties will not assert infringement claims against us or that such claims will not be successful. Such infringement claims could result in payment of monetary damages, suspension of our operations involving the subject technologies, necessity to develop or acquire non-infringing technologies, a significant investment of time and effort on the part of our management, increased legal expenses, damage to our brand image and other costs which could negatively impact our results of operations.

Our operations rely on information technologies.

We depend on various information technology networks and systems, some of which are managed by third parties, to process, transmit and store electronic information, including sensitive data, and to manage or support all of our business processes and activities. While we have implemented a global program to strengthen our cybersecurity, our information technology networks and systems may still be vulnerable to damage, disruptions or shutdowns due to unauthorized access or attacks by hackers, computer viruses, breaches due to unauthorized use, errors or malfeasance by employees and others who have or gain access to our systems, errors by third parties such as software development or cloud computing vendors, power shortages and outages, and

utility failures or other catastrophic events like natural disasters. For example, in 2023, Nissan North America, Inc. and our subsidiaries in Australia and New Zealand experienced a cybersecurity incident that affected the personal information of some of our customers, staff and other stakeholders. Further, in December 2024, Kyusyu Tekko Center Co., Ltd., a subsidiary of Nissan Trading Co., Ltd., experienced a ransomware attack to its server which resulted in files being encrypted and inaccessible, although an investigation and analysis by an external company confirmed that business-related data stored on the server was not transmitted to external parties through the attack. While we were able to promptly correct the technical vulnerabilities in our information technology system and take appropriate measures in accordance with local regulations in both instances, including reporting to the relevant data protection authority, similar events, including cyberattacks, could materially disrupt business operations, result in sensitive or personal data being leaked, and give rise to legal claims or proceedings, liability or regulatory penalties under applicable laws, which could have an adverse effect on our brand image and financial condition and results of operations.

We depend on our ability to recruit and retain talented employees.

Attracting a skilled and diverse global workforce and training and incentivizing our employees in order to achieve our business goals is a key factor in our ability to compete successfully and execute our strategic initiatives. In particular, in order to respond to the rapid pace of technological change in our industry, we must hire and retain skilled employees with particular technical expertise. Our ability to operate our current businesses and to pursue technological innovation could be undermined by a failure to recruit or retain talented employees or the unexpected loss of experienced personnel. Moreover, we must appropriately manage the issues inherent in having a large number of employees in diverse cultural and geographic areas outside Japan. As part of Re:Nissan, we also plan to reduce global headcount in order to create a leaner and more resilient business structure. Such efforts have the potential to adversely impact employee morale as well as our attractiveness as an employer. Any inability to attract or retain key or qualified employees, due to competitive factors or otherwise, could have an adverse effect on our competitive position.

Our insurance coverage may not be sufficient or the applicable premiums may increase.

We maintain insurance coverage in relation to a number of risks associated with our business activities that are subject to standard exclusions, such as willful misconduct. However, we may suffer losses or claimants may bring claims against us that exceed the type and scope of our existing insurance coverage. Significant losses could lead to higher insurance premium payments. In addition, there are certain risks for which we do not maintain coverage based on our cost-benefit analysis, and therefore we have no insurance coverage against the occurrence of these events. If we sustain damage for which there is no insurance coverage or insufficient insurance coverage, or if we have to pay higher insurance premiums or encounter restrictions on insurance coverage, this could materially adversely affect our business, financial condition or results of operations.

Our ability to control production costs could be affected by labor relations.

Although the employees at our manufacturing facilities in the United States are not represented by a union, most of our other manufacturing facilities (including those in Japan, Thailand, Mexico, Brazil, the United Kingdom, Spain, India and South Africa) are staffed by employees that are represented by unions or work council and covered by collective bargaining agreements (our employees at our manufacturing facilities in China are represented by a labor union but are not covered by a collective bargaining agreement). Many of these collective bargaining agreements provide guaranteed wage and benefit levels throughout the contract term and some degree of income security, subject to certain conditions. As a practical matter, these agreements may restrict our ability to close plants, divest businesses and reduce headcount, and future negotiations with unions may result in adverse impacts on our ability to control production costs. As part of Re:Nissan, we plan to reduce the number of our plants and our global headcount in order to create a leaner and more resilient business structure, but such efforts are limited by collective bargaining agreements. Further, a substantial number of our employees are also represented by government councils and legislation or customs promoting retention of manufacturing or other employment in such regions, which may constrain our ability to sell or close manufacturing or other facilities or to otherwise adjust our labor costs. Additionally, government regulation or intergovernmental agreements may impact our ability to control production costs. For example, the USMCA contains provisions specifically applicable to passenger vehicles, light trucks and automobile parts, which may require that a certain portion of a vehicle's content be produced by high-wage labor. To the extent that labor organizations, collective bargaining agreements or government regulations or legal frameworks prevent us from adjusting our labor costs when necessary and appropriate or in accordance with our medium-term business plan, our business, results of operations and financial condition could be adversely affected.

Risks Relating to the Notes

The market for the notes offered by this offering circular may have limited liquidity.

Although we have made an application to the Luxembourg Stock Exchange to list the notes on the official list of the Luxembourg Stock Exchange and for such notes to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market, there can be no assurance that any liquid markets for the notes will ever develop or be maintained. The initial purchasers have advised us that they currently intend to make a market in the notes following the offering. However, the initial purchasers have no obligation to make a market in the notes and they may stop at any time. Furthermore, there can be no assurance as to the liquidity of any markets that may develop for the notes or the prices at which you will be able to sell your notes, if at all.

Future trading prices of the notes will depend on many factors, including:

- prevailing interest rates;
- our financial condition and results of operations;
- the then-current ratings assigned to the notes;
- the market for similar securities; and
- general economic conditions.

Any trading markets that develop would be affected by many factors independent of and in addition to the foregoing, including the outstanding amount of the notes and the level, direction and volatility of market interest rates generally.

In addition, in the event that our obligations in connection with maintaining the listing of the notes on the Luxembourg Stock Exchange become unduly burdensome, we may be entitled to, and may decide to, delist the notes from the Luxembourg Stock Exchange and seek an alternate listing for the notes on another securities exchange.

The ratings of the notes are subjective in nature and could be lowered.

It is expected that the notes will be assigned with a rating of Ba2 by Moody's, BB by Fitch and BB by S&P. In addition, other rating agencies may assign credit ratings to the notes without solicitation from or provision of information by us. Such ratings are limited in scope, and do not address all material risks relating to an investment in the notes, and reflect only the subjective view of the relevant rating agency at the time the rating is issued. There is no assurance that any credit ratings issued will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the relevant rating agency's judgment, circumstances so warrant. A downgrade or potential downgrade in these ratings or the assignment of new ratings that are lower than existing ratings could result in reclassification of the notes from investment grade, reduce the population of potential investors in the notes and adversely affect the price and liquidity of the notes. For example, on April 25, 2025, Fitch downgraded our credit rating from BB+ to BB and maintained its "negative" outlook, and on June 6, 2025, Moody's downgraded our credit rating from Ba1 to Ba2 and maintained its "negative" outlook. On January 14, 2025, S&P also revised our credit outlook from stable to negative and, on March 7, 2025, downgraded our credit rating from BB+ to BB. Such credit ratings by Fitch, Moody's and S&P are below investment grade. A credit rating is based upon information furnished by us or obtained by the rating agency from its own sources and is subject to revision, suspension or withdrawal by the rating agency at any time.

The notes are unsecured obligations.

The notes are unsecured obligations and repayment of the notes may be compromised if, among other things:

- we enter into bankruptcy, liquidation, rehabilitation or other winding-up proceedings;
- we default in payment of our secured indebtedness or other unsecured indebtedness; or
- any of our indebtedness is accelerated.

If any of these events occurs, then our assets may be insufficient to pay amounts due on the notes.

The negative covenants in the indenture provide limited protection to the holders of the notes and may not protect your investment, and the notes will be effectively subordinated to the creditors of our subsidiaries.

The indenture contains covenants limiting the ability of Nissan and its Manufacturing Subsidiaries to issue, incur, create, assume or guarantee any debt for borrowed money secured by a Mortgage upon any Principal Global Manufacturing Property or any Manufacturing Subsidiary, to enter into certain Sale and Lease-Back Transactions with respect to any Principal Global Manufacturing Property, and limiting Nissan's ability, but not the ability of its subsidiaries, to consolidate with or merge into, or convey, transfer or lease all or substantially all of its properties and assets to, any person unless certain conditions specified in the indenture are satisfied. (In each case, defined terms have the definitions assigned to them in "Description of the Notes.") The covenants contain significant exceptions and limitations and therefore may not protect your investment. For example, the covenants do not prohibit us or our subsidiaries from incurring additional unsecured debt, which would, in the case of our subsidiaries, effectively rank senior in right of payment of the notes.

Furthermore, the indenture does not prohibit us from engaging in many types of transactions, including certain acquisitions, refinancings, recapitalizations or other similar transactions that could increase the total amount of our indebtedness, adversely affect our capital structure or credit ratings or otherwise adversely affect the market value of the notes. In addition, the indenture does not:

- require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity and, accordingly, does not protect holders of the notes in the event that we experience significant adverse changes in our financial condition or results of operations;
- limit our subsidiaries' ability to incur indebtedness or other liabilities, which would effectively rank senior in right of payment to the notes;
- limit our ability to incur indebtedness that is equal in right of payment to the notes (other than certain secured indebtedness);
- restrict our subsidiaries' ability to issue securities or incur indebtedness and other liabilities that are senior in right of payment to our equity interests in our subsidiaries;
- restrict our ability to repurchase our equity securities or repay other indebtedness; or
- restrict our ability to make investments or pay dividends or make other payments in respect of our equity securities or other indebtedness.

Furthermore, claims of the creditors of our subsidiaries will generally have priority with respect to the assets of such subsidiaries over the claims of holders of the notes. Accordingly, the notes will be effectively subordinated to the creditors of our subsidiaries.

We may not have sufficient funds to repurchase the notes upon a Change of Control Triggering Event, and certain strategic transactions may not constitute a Change of Control.

The occurrence of a Change of Control Triggering Event (as defined in "Description of the Notes") will give the holders of the notes the right to require us to repurchase the notes at a purchase price equal to 101% of the aggregate principal amount of notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, on the notes repurchased to, but excluding, the date of repurchase. It is possible that we may not have sufficient funds upon a Change of Control Triggering Event to purchase the notes tendered pursuant to such an offer and any failure to do so within the required timeframe would be a default under the indenture and could result in cross defaults under our other financing agreements. See "Description of the Notes—Repurchase at the Option of Holders Upon a Change of Control." In addition, some of our financing agreements or other similar agreements to which we may become a party may contain restrictions on our ability to repurchase the notes, regardless of the occurrence of a Change of Control (as defined in "Description of the Notes").

We frequently evaluate and may in the future enter into strategic transactions. The change of control provisions contained in the notes and the indenture may not protect you in the event of highly leveraged transactions and other important corporate events, including reorganizations, recapitalizations, delistings, sale of important investments, restructurings or mergers that may adversely affect you, because these transactions may not involve a change in voting power or beneficial interest of the magnitude required to trigger the change of control provisions. A Change of Control would be triggered due to a change in beneficial ownership of our shares if, among other things, a person beneficially owned, directly or indirectly, more than 50% of our voting shares. A Change of Control would not be triggered if a person became our controlling shareholder, unless such other

person obtains more than 50% of our voting shares. Strategic transactions such as the foregoing could happen at any time and could be material to our business. Such transactions could significantly increase the amount of our indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings.

One of the ways a Change of Control can occur is upon a sale of all or substantially all of our properties or assets. With respect to the sale of assets referred to in the definition of Change of Control in the notes and the indenture, the meaning of the phrase "all or substantially all" as used in that definition varies according to the facts and circumstances of the subject transaction, has no clearly established meaning under the relevant law and is subject to judicial interpretation. Accordingly, in certain circumstances there may be a degree of uncertainty in ascertaining whether a particular transaction would involve a disposition of "all or substantially all" of the assets of a person and therefore it may be unclear whether a Change of Control has occurred and whether we are required to make a change of control offer to repurchase the notes.

The notes are subject to transfer restrictions.

The notes will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to QIBs in reliance on the exemption from the registration provided by Rule 144A of the Securities Act, or pursuant to another exemption from, or in another transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws. In addition, subject to the conditions set forth herein and in the indenture, the notes may be transferred only if the principal amount of the notes transferred is at least $200,000. For further discussion of the transfer restrictions applicable to the notes, see "Transfer Restrictions."

We may redeem the notes prior to maturity.

We may redeem the notes of each series, in whole or in part, at our option prior to the maturity date at any time and from time to time. In the case of such discretionary optional redemption, if made after the par call date for the relevant series of notes, we will not be required to pay any premium or other make-whole payments on the notes being redeemed. Moreover, upon the occurrence of certain changes in tax law, we will be permitted to redeem the notes at par. See "Description of the Notes—Optional Redemption" and "Description of the Notes—Optional Tax Redemption." In the event we choose to redeem the notes, the holders of such notes may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the notes.

USE OF PROCEEDS

We expect that the aggregate net proceeds from the offering of the notes, after deducting the initial purchasers' fees and other estimated expenses related to the offering, will be approximately $2,968.0 million.

We intend to use the net proceeds from the sale of the notes for general corporate purposes, including refinancing outstanding debt.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our consolidated capitalization and indebtedness as of March 31, 2025 on an actual basis and on an adjusted basis to give effect to (i) the offering and sale of the notes and (ii) the concurrent offering of the convertible bonds.

The information in the table below should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes included elsewhere in this offering circular.

	As of March 31, 2025	
	Actual	As adjusted
	(in millions of yen)	
Short-term debt:		
Short-term borrowings	¥ 876,104	¥ 876,104
Current portion of long-term borrowings	1,881,691	1,881,691
Commercial papers	86,743	86,743
Current portion of bonds	771,205	771,205
Total	3,615,743[1]	3,615,743
Long-term debt:		
Bonds	1,708,532	1,708,532
Long-term borrowings	2,661,356	2,661,356
Convertible bonds concurrently offered[1]	—	200,000
Notes offered hereby[2][3]	—	448,560
Total	4,369,888[2]	5,018,448
Total indebtedness	7,985,631[1][2]	8,634,191
Equity:		
Common stock	605,814	605,814
Authorized—6,000,000,000 shares Issued— 3,713,998,612 shares as of March 31, 2025		
Capital surplus	825,756	825,756
Retained earnings	3,415,475	3,415,475
Treasury stock	(88,284)	(88,284)
Total shareholders' equity	4,758,761	4,758,761
Accumulated other comprehensive income	199,483	199,483
Share subscription rights	299	299
Non-controlling interests	486,805	486,805
Total net assets	5,445,348	5,445,348
Total capitalization and indebtedness[4]	¥13,430,979	¥14,079,539

Notes:

(1) On July 9, 2025, we priced ¥200,000,000,000 of 1.0% convertible bonds due 2031. We expect that delivery of the convertible bonds will be made on or about July 25, 2025.

(2) Dollar amounts translated into yen have been translated at the rate of ¥149.52 = $1.00, the rate as of March 31, 2025.

(3) On the day of the pricing of the notes, we are planning to price the Euro notes. The total aggregate amount of the Euro notes will be determined at the time of pricing of the Euro notes and therefore the above does not reflect the offering of the Euro notes.

(4) Total capitalization and indebtedness is calculated by adding total indebtedness and total net assets.

Other than as described above, there has been no material change in our consolidated capitalization and indebtedness since March 31, 2025.

SELECTED FINANCIAL AND OTHER DATA

The following tables set forth our selected consolidated financial and other data. The data below should be read together with, and is qualified in its entirety by, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this offering circular. Our audited consolidated financial statements as of and for the year ended March 31, 2025 and our audited consolidated financial statements as of and for the years ended March 31, 2024 and 2023, included elsewhere in this offering circular, have been prepared in accordance with Japanese GAAP.

Japanese GAAP differs in certain significant respects from accounting principles generally accepted in other countries, including the United States, as well as IFRS. See "Presentation of Financial and Other Information."

The selected consolidated financial information as of and for the fiscal years ended March 31, 2023, 2024 and 2025 presented below is derived from and should be read together with our audited consolidated financial statements as of and for the same years included elsewhere in this offering circular. The selected consolidated financial information as of and for the fiscal years ended March 31, 2021 and 2022 is derived from our consolidated financial statements as of and for the same years, which are not included in this offering circular.

	For the fiscal year ended March 31,				
	2021	2022	2023	2024	2025
	(in millions of yen)				
Selected Statement of Income Data:					
Net sales:					
Automobile segment[1]	¥6,883,088	¥7,420,892	¥ 9,591,859	¥11,582,863	¥11,437,856
Sales Financing segment[1]	979,484	1,003,693	1,004,836	1,102,853	1,195,358
Total	7,862,572	8,424,585	10,596,695	12,685,716	12,633,214
Cost of sales	6,811,747	7,070,531	8,882,846	10,618,802	10,939,854
Gross profit	1,050,825	1,354,054	1,713,849	2,066,914	1,693,360
Selling, general and administrative expenses	1,201,476	1,106,747	1,336,740	1,498,196	1,623,562
Operating (loss) income:					
Automobile segment	(437,021)	(155,059)	42,952	221,574	(267,979)
Sales Financing segment	267,880	374,824	311,908	308,718	285,647
Adjustments[2]	18,490	27,542	22,249	38,426	52,130
Total	(150,651)	247,307	377,109	568,718	69,798
Non-operating income	81,480	148,052	280,590	319,941	299,166
Non-operating expenses	152,059	89,242	142,256	186,498	158,796
Ordinary (loss) income	(221,230)	306,117	515,443	702,161	210,168
Special gains	26,936	134,003	38,865	27,425	22,785
Special losses	145,040	55,910	151,872	130,361	646,571
(Loss) income before income taxes	(339,334)	384,210	402,436	599,225	(413,618)
Income taxes	92,595	145,440	161,237	149,673	246,467
Net (loss) income	(431,929)	238,770	241,199	449,552	(660,085)
Net income attributable to non-controlling interests	16,768	23,237	19,299	22,903	10,813
Net (loss) income attributable to owners of parent	¥ (448,697)	¥ 215,533	¥ 221,900	¥ 426,649	¥ (670,898)

Notes:
(1) Excluding inter-segment sales or transfers
(2) Adjustments consist of elimination of inter-segment transactions.

	As of March 31,				
	2021	2022	2023	2024	2025
	(in millions of yen)				
Selected Balance Sheet Data:					
Current assets	¥10,349,659	¥10,316,009	¥11,368,211	¥12,883,600	¥12,323,467
Fixed assets:					
Property, plant and equipment	4,378,554	4,365,953	4,369,281	4,763,510	4,332,060
Intangible fixed assets	121,221	119,187	172,477	186,469	216,554
Investments and other assets	1,595,410	1,563,935	1,682,863	2,017,009	2,148,870
Total fixed assets	6,095,185	6,049,075	6,224,621	6,966,988	6,697,484
Deferred assets	7,224	6,397	5,749	4,563	3,109
Total assets	16,452,068	16,371,481	17,598,581	19,855,151	19,024,060
Current liabilities	6,726,382	6,143,208	6,769,326	6,926,939	8,070,190
Long-term liabilities	5,385,860	5,198,689	5,214,115	6,457,669	5,508,522
Total liabilities	12,112,242	11,341,897	11,983,441	13,384,608	13,578,712
Shareholders' equity	4,913,564	5,127,704	5,328,721	5,606,096	4,758,761
Share subscription rights	—	—	273	304	299
Accumulated other comprehensive (loss) income	(968,971)	(547,103)	(194,072)	375,551	199,483
Non-controlling interests	395,233	448,983	480,218	488,592	486,805
Total net assets	4,339,826	5,029,584	5,615,140	6,470,543	5,445,348

	For the fiscal year ended March 31,				
	2021	2022	2023	2024	2025
	(in millions of yen)				
Selected Statement of Cash Flows Data:					
Net cash provided by operating activities	¥ 1,322,789	¥ 847,187	¥ 1,221,051	¥ 960,899	¥ 753,687
Net cash used in investing activities	(369,121)	(146,835)	(447,041)	(812,664)	(971,227)
Net cash (used in) provided by financing activities	(639,692)	(1,092,645)	(670,607)	(131,551)	263,251

Other Data

The following table shows our Free Cash Flow for the fiscal years ended March 31, 2021, 2022, 2023, 2024 and 2025. Free Cash Flow is not a financial measure as defined by Japanese GAAP but is a supplemental financial measure that we believe is useful to show how much cash we have at our disposal.

	For the fiscal year ended March 31,				
	2021	2022	2023	2024	2025
	(in millions of yen)				
Net cash provided by operating activities	¥ 1,322,789	¥ 847,187	¥ 1,221,051	¥ 960,899	¥ 753,687
Net cash used in investing activities	(369,121)	(146,835)	(447,041)	(812,664)	(971,227)
Free Cash Flow[(1)]	¥ 953,668	¥ 700,352	¥ 774,010	¥ 148,235	¥ (217,540)

Note:
(1) Free Cash Flow is calculated by subtracting net cash used in investing activities from net cash provided by operating activities.

The following table shows the calculation of Net Cash Position for "Automobile & Eliminations" as of March 31, 2021, 2022, 2023, 2024 and 2025. Net Cash Position is not a financial measure as defined by Japanese GAAP but is a supplemental financial measure that we believe is useful for investors to understand our financial health.

	As of March 31,				
	2021	2022	2023	2024	2025
	(in millions of yen)				
Automobile & Eliminations Segment:					
Cash and Cash equivalents at the end of the period	¥ 1,896,134	¥ 1,700,990	¥ 1,900,184	¥ 2,014,343	¥ 2,159,780
Subtract: Short-term borrowings[(1)]	(215,960)	(512,052)	(987,821)	(1,397,853)	(558,644)
Subtract: Lease obligations (Current liabilities)	42,843	47,591	49,788	46,477	44,030
Subtract: Lease obligations (Long-term liabilities)	74,158	85,433	84,345	88,997	68,539
Subtract: Bonds	1,245,390	1,312,446	1,317,525	1,460,025	879,160
Subtract: Long-term borrowings	113,710	39,539	223,146	270,651	228,267
Net Cash Position	¥ 635,993	¥ 728,033	¥ 1,213,201	¥ 1,546,046	¥ 1,498,428

Note:
(1) Short-term borrowings include eliminations for intersegment borrowings and therefore may result in a negative value.

The following table shows our operating (loss) income margin for the fiscal years ended March 31, 2021, 2022, 2023, 2024 and 2025. We believe operating (loss) income margin is useful for investors to understand the profitability of our business.

	For the fiscal year ended March 31,				
	2021	2022	2023	2024	2025
	(in millions of yen and percentages)				
Net Sales	¥7,862,572	¥8,424,585	¥10,596,695	¥12,685,716	¥12,633,214
Operating (loss) income	(150,651)	247,307	377,109	568,718	69,798
Operating (loss) income margin(1)	(1.9)%	2.9%	3.6%	4.5%	0.6%

Note:
(1) Operating (loss) income margin is calculated by dividing the operating (loss) income by net sales.

Additional Segment Data

The following tables show certain additional data for our segments, including net sales, operating (loss) income, ordinary (loss) income, (loss) income before income taxes, net (loss) income attributable to owners of parent and cash flows for the fiscal years ended March 31, 2021, 2022, 2023, 2024 and 2025.

The financial data presented in such tables for "Automobile & Eliminations" represents the difference between consolidated figures as shown in our financial statements for the relevant periods and figures we have calculated for the Sales Financing segment. Net sales for the Sales Financing segment include net sales that are attributable to intersegment sales or transfers, and operating (loss) income, ordinary (loss) income, (loss) income before income taxes and net (loss) income attributable to owners of parent are presented before elimination of intersegment transaction. As a result, the following financial data for "Automobile & Eliminations" reflects all adjustments that are made in preparing our consolidated financial statements, including elimination of intersegment transactions, regardless of whether they were attributable to the Automobile segment or the Sales Financing segment.

	For the fiscal year ended March 31,				
	2021	2022	2023	2024	2025
	(in millions of yen)				
Automobile & Eliminations:					
Net sales	¥6,842,548	¥7,392,856	¥9,572,870	¥11,523,938	¥11,371,133
Operating (loss) income	(418,531)	(127,517)	65,201	260,000	(215,849)
Ordinary (loss) income	(491,579)	(77,939)	218,457	393,925	(77,800)
(Loss) income before income taxes	(614,720)	(9,728)	95,676	340,988	(684,135)
Net (loss) income attributable to owners of parent	(636,943)	(46,917)	27,241	256,422	(861,200)
Net cash (used in) provided by operating activities	(76,490)	(182,183)	492,095	698,060	157,456
Net cash used in investing activities	(314,530)	(112,560)	(305,347)	(375,028)	(400,272)
Free Cash Flow(1)	(391,020)	(294,743)	186,748	323,032	(242,816)

Note:
(1) Free Cash Flow for "Automobile & Eliminations" is calculated by subtracting net cash used in investing activities for "Automobile & Eliminations" from net cash provided by (used in) operating activities for "Automobile & Eliminations." Free Cash Flow for "Automobile & Eliminations" is not a financial measure as defined by Japanese GAAP but is a supplemental financial measure that we believe is useful for investors to understand how much cash we have at our disposal.

	As of and for the fiscal year ended March 31,				
	2021	2022	2023	2024	2025
	(in millions of yen)				
Sales Financing:					
Net sales	¥1,020,024	¥1,031,729	¥1,023,825	¥ 1,161,778	¥ 1,262,081
Operating income	267,880	374,824	311,908	308,718	285,647
Ordinary income	270,349	384,056	296,986	308,236	287,968
Income before income taxes	275,386	393,938	306,760	258,237	270,517
Net income attributable to owners of parent	188,246	262,450	194,659	170,227	190,302
Total assets	8,879,340	8,810,870	9,019,801	10,375,882	10,145,588

	For the fiscal year ended March 31,				
	2021	2022	2023	2024	2025
	(in millions of yen)				
Automobile & Eliminations:					
Net cash (used in) provided by operating activities	¥ (76,490)	¥ (182,183)	¥ 492,095	¥ 698,060	¥ 157,456
Net cash used in investing activities	(314,530)	(112,560)	(305,347)	(375,028)	(400,272)
Net cash provided by (used in) financing activities	733,152	(40,069)	(104,199)	(298,193)	365,016
Effect of exchange rate changes on cash and cash equivalents	59,385	133,742	110,788	89,320	23,237
Increase (decrease) in cash and cash equivalents	401,517	(201,070)	193,337	114,159	145,437
Cash and cash equivalents at the beginning of the period	1,494,550	1,896,134	1,700,990	1,900,184	2,014,343
Increase due to inclusion in consolidation	67	5,926	5,857	—	—
Cash and cash equivalents at the end of the period	¥1,896,134	¥1,700,990	¥1,900,184	¥2,014,343	¥2,159,780

	For the fiscal year ended March 31,				
	2021	2022	2023	2024	2025
	(in millions of yen)				
Sales Financing:					
Net cash provided by operating activities	¥ 1,399,279	¥ 1,029,370	¥ 728,956	¥ 262,839	¥ 596,231
Net cash used in investing activities	(54,591)	(34,275)	(141,694)	(437,636)	(570,955)
Net cash (used in) provided by financing activities	(1,372,844)	(1,052,576)	(566,408)	166,642	(101,765)
Effect of exchange rate changes on cash and cash equivalents	17,549	11,291	1,647	5,815	2,359
(Decrease) increase in cash and cash equivalents	(10,607)	(46,190)	22,501	(2,340)	(74,130)
Cash and cash equivalents at the beginning of the period	148,431	137,892	91,702	114,203	111,863
Increase due to inclusion in consolidation	68	—	—	—	—
Cash and cash equivalents at the end of the period	¥ 137,892	¥ 91,702	¥ 114,203	¥ 111,863	¥ 37,733

The following tables show the changes in working capital for the three-month periods ended June 30, 2021 through March 31, 2025, which consists of the aggregate changes in accounts receivable, accounts payable and inventory of the Automobile & Eliminations segment. Such data for the Automobile & Eliminations segment represents the difference between our consolidated figures and those of the Sales Financing segment.

	For the three-month period ended							
	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
	(in billions of yen)							
Change in Working Capital in Automobile & Eliminations	¥(272)	¥(222)	¥ 45	¥ 59	¥(190)	¥130	¥12	¥154

	For the three-month period ended							
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
	(in billions of yen)							
Change in Working Capital in Automobile & Eliminations	¥ 64	¥ (51)	¥(84)	¥163	¥(146)	¥ (38)	¥ (8)	¥489

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this offering circular. Our audited consolidated financial statements as of and for the year ended March 31, 2025 and our audited consolidated financial statements as of and for the years ended March 31, 2024 and 2023, included elsewhere in this offering circular, have been prepared in accordance with Japanese GAAP.

Japanese GAAP differs in certain significant respects from accounting principles generally accepted in other countries, including the United States, as well as IFRS. See "Presentation of Financial and Other Information."

The presentation in this section contains forward-looking statements that involve risks, uncertainties and assumptions, and are subject to the qualifications set forth under "Forward-Looking Statements". Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including but not limited to those set forth under "Risk Factors" and elsewhere in this offering circular. Unless otherwise noted, financial and operating data for Asia exclude the results of the China JV.

Overview

We are a leading Japanese automobile manufacturer with worldwide operations, selling our vehicles under the Nissan and Infiniti brands. In addition to the manufacturing and sale of our vehicles, we also provide financing services to our customers through our finance subsidiaries in Japan and in various international markets. We sold over 3.3 million vehicles (on a retail sales basis) during the fiscal year ended March 31, 2025, including nearly 1.3 million vehicles in North America and approximately 697,000, 461,000 and 351,000 vehicles in China (during the fiscal year ended December 31, 2024, and including sales by the China JV but excluding DFAC), Japan and Europe, respectively. We had net sales of ¥12.6 trillion for the fiscal year ended March 31, 2025, including ¥7.2 trillion in North America, ¥4.9 trillion in Japan and ¥1.8 trillion in Europe, in each case including intersegment sales.

We have two business segments, Automobile and Sales Financing. Our Automobile segment includes the design, manufacture, assembly and sale of passenger vehicles as well as vehicles designed for commercial use, such as vans and trucks. We offer a full line-up of vehicle types designed to address the various needs and tastes of our customers across countries and regions.

As of March 31, 2025, we sold our vehicles in approximately 160 countries around the world. The primary markets for our automobiles are Japan, North America, China, Europe and Asia. During the fiscal year ended March 31, 2025 (other than China, which represents the fiscal year ended December 31, 2024), 14% of our automobile sales volume on a retail basis were in Japan, 39% were in North America, 10% were in Europe and 21% were in China (including the China JV, but excluding DFAC). The remaining 16% of retail unit sales were in other markets.

Our Sales Financing segment consists primarily of providing financing to dealers and retail customers for the purchase or lease of our vehicles.

For the fiscal year ended March 31, 2025, we had net sales of ¥12,633,214 million, operating income of ¥69,798 million and net loss attributable to owners of parent of ¥670,898 million.

Financial Interests in Alliance Partners and Other Affiliates

We have significant investments in affiliates, including the Alliance partners and the China JV, from which we record equity in earnings of affiliates under non-operating income on our consolidated statement of income. Our primary affiliates accounted for by the equity method are as follows:

- We hold 50.0% of the voting rights in the China JV. As we do not possess full control over the operations of the China JV, it is not a consolidated subsidiary of ours. The results of operations of the China JV are recorded only under equity in earnings of affiliates in our consolidated statement of income and are not reflected in any other line items in our

consolidated financial statements. The fiscal year end of the China JV is December 31 and therefore our financial statements for the fiscal year ended March 31 in the following year include the contribution of the China JV to equity in earnings of affiliates based on the China JV's financial results for the prior calendar year.

- As of March 31, 2025, we held a 15.30% and 26.68% equity interest in Renault and Mitsubishi Motors, respectively, each of which is a primary partner in the Alliance. The fiscal year end of Renault is December 31 and therefore our financial statements for the fiscal year ended March 31 in the following year include the contribution of Renault to equity in earnings of affiliates based on Renault's financial results for the prior calendar year. See "The Renault-Nissan-Mitsubishi Alliance."

Equity in earnings of affiliates was ¥171.3 billion, ¥113.5 billion and ¥91.3 billion in the fiscal years ended March 31, 2023, 2024 and 2025, respectively.

Re:Nissan and New Management Team

On November 7, 2024, we announced various turnaround measures aimed to address the significant business headwinds that we faced, including a shrinking market for our products in China and increased competition in that market from local automotive companies, as well as challenges in meeting increased demand for HEVs and PHEVs in the United States, combined with an in increase in our variable costs and higher fixed costs than our revenue supports. Such turnaround measures consisted of plans to maintain profitability at a lower level of annual sales through reducing our fixed and variable costs, as well as maintaining sufficient cash generation.

We subsequently appointed a new management team on April 1, 2025, including a new Chief Executive Officer, following earlier management appointments on December 1, 2024, including a new Chief Performance Officer, and on January 1, 2025, including a new Chief Financial Officer. With this renewed leadership, on May 13, 2025, we announced a recovery plan, called "Re:Nissan," as part of an effort to create a leaner, more resilient business that is capable of more quickly adapting to market changes and of sustaining profitability with less reliance on volume. Re:Nissan follows up from the earlier turnaround measures that we had announced on November 7, 2024. With Re:Nissan, we aim to reduce our cost structure by reducing our variable and fixed costs, redefine and refocus our markets and product strategy, and reinforce our partnerships in specific markets and projects. For more information, see "Business—Our Strategies—Rigorously pursue Re:Nissan, our recovery plan aimed at enhancing our performance and creating a more resilient business model."

Outlook for the Three-month Period Ended June 30, 2025 and the Fiscal Year Ending March 31, 2026

On May 13, 2025, concurrently with the announcement of our results of operations for the fiscal year ended March 31, 2025, we announced our outlook for the fiscal year ending March 31, 2026. Based on this forecast, which excludes potential impacts from higher U.S. tariffs, our estimated net sales for the fiscal year ending March 31, 2026 is ¥12.5 trillion, a decrease of ¥133.2 billion, or 1.1%, from ¥12.6 trillion for the fiscal year ended March 31, 2025. Further, we expect operating profit to break even for fiscal year ending March 31, 2026 when excluding the potential impact from U.S. tariffs. The above outlook for the fiscal year ending March 31, 2026 assumes exchange rates of $1/¥145 and €1/¥159. As of the date of this offering circular, we have not announced our outlook for the fiscal year ending March 31, 2026 that includes the potential impact from U.S. tariffs.

For the three-month period ended June 30, 2025, taking into consideration the potential impact of U.S. tariffs and the assumption that we would be able to mitigate such tariffs by approximately 30% through mitigation efforts described below, we forecasted net sales of ¥2.75 trillion, operating loss of ¥200 billion, an operating loss margin of negative 7.3% and Free Cash Flow in our Automobile & Eliminations segment of negative ¥550 billion. The above outlook for the three-month period ended June 30, 2025 assumes exchange rates of $1/¥145 and €1/¥159 and is also based on certain assumptions regarding future market conditions, tariff policies and other trade restrictions, which may not be correct. We are expecting the three-month period ended June 30, 2025 to be our most challenging quarter in the fiscal year ending March 31, 2026 and expect to see steady improvement driven by a refreshed product portfolio and the impact of the implementation of effective cost reduction strategies under Re:Nissan as the fiscal year progresses. See "Business—Our Strategies."

In terms of our exposure to U.S. tariffs, our exports from Mexico and Japan account for roughly less than 45% of our total U.S. sales. We estimated that the total negative gross impact of U.S. tariffs on operating

profit for the fiscal year ending March 31, 2026, excluding the impact of any mitigation measures that we would implement, could reach ¥450 billion. We aim to mitigate the impact of U.S. tariffs on operating profit for the fiscal year ending March 31, 2026 through various measures, which include: a prioritization of retail sales of our U.S.-assembled models; further leveraging of our production capacity in the United States; allocating certain U.S. tariff-affected vehicle models to other markets based on customer demand; close collaboration with our suppliers to mitigate the impact of U.S. tariffs; and considering further changes to our presence in certain markets. By implementing these mitigation measures, we are expecting to mitigate approximately 30% of the expected tariff impact in the three-month period ended June 30, 2025, as mentioned above.

When excluding potential impacts from U.S. tariffs, we forecasted 3,250 thousand units in overall retail sales for the fiscal year ending March 31, 2026, a decrease of 96,000 units, or 2.9%, from 3,346 thousand units for the fiscal year ended March 31, 2025. This expected decrease is due mainly to an estimated 18.2% decline in retail sales in China for the fiscal year ending March 31, 2026, partially offset by an estimated 1.1% increase in global retail sales (excluding China) for the fiscal year ending March 31, 2026, which is driven by expected growth in countries such as Brazil and India. Similarly, based on our forecast, when excluding potential impacts from U.S. tariffs, our global production volume for the fiscal year ending March 31, 2026 is 3,000 thousand units, a decrease of 101 thousand units, or 3.3%, from 3,101 thousand units for the fiscal year ended March 31, 2025. We adjusted our forecast for production volume to our reduced retail sales volume outlook to manage inventories.

The discussion above includes forward-looking statements based on various assumptions and beliefs, including but not limited to the assumptions set forth above as well as the non-occurrence of the various risks set forth in "Risk Factors—Risks Relating to Our Business" and elsewhere in this offering circular. Many of these assumptions and beliefs relate to matters that are outside of our control, including factors affecting the business and economic environment. You should be aware that actual results may vary, potentially materially, from the above forward-looking statements. See "Forward-Looking Statements."

Ernst & Young ShinNihon LLC, independent auditor, has not compiled, reviewed, examined, performed any other assurance procedures, or expressed any form of assurance with respect to the prospective financial information above and included elsewhere in this offering circular. The report of Ernst & Young ShinNihon LLC included in this offering circular relates to the Nissan's historical audited financial statements and does not extend to the unaudited prospective financial information and should not be read to do so.

Factors Affecting our Results of Operations

Net Sales

Automobile Segment

Net sales from our Automobile segment are derived from the sale of vehicles, parts and accessories. The amount of net sales is affected mainly by the global automotive market environment, which affects demand, the competitiveness of our products compared with other companies' products, and our success in meeting customer demand through our production volume. The global automotive market is highly competitive and increasingly fragmented as a result of a shift toward electrification of automobiles. Factors affecting demand for passenger vehicles in the global automotive market include general economic conditions, pricing and the cost of purchasing and operating automobiles, including the availability and cost of credit, which is affected by prevailing interest rates, and fuel price as well as the availability of subsidies and other government incentives, including those based on environmental policies or economic incentives, in a given market. We also apply various discounting and sales incentives, which reduces our net sales, in a manner we believe is efficient for us to maintain a certain level of sales volume while retaining an acceptable margin. Additionally, our product mix in a given market can also affect demand, as customer tastes and needs can differ across regions.

The competitiveness of our products compared with other companies' products is influenced by many factors, including price, quality, design, reliability, safety, overall value, brand image, environmental impact and fuel efficiency. Another increasingly important factor is vehicle type, as consumers in the markets in which we do business have preferences in various degrees for EVs, HEVs, PHEVs, NEVs, ICE and other vehicle types. The timely introduction of new or modified vehicle models or types that are competitive with respect to these factors is important.

General economic conditions have a significant effect on customer demand. Recently, the global economy is undergoing increased uncertainty due to the tariff policies of the United States and other increased

trade tensions. The U.S. government has implemented, or announced the intention to implement, a wide range of tariffs on various countries, industries and commodities, and in certain cases, other countries have implemented tariffs or other trade restrictions in response. Tariffs applicable to imports into the United States effectively increase the cost of such products, and we may be unable to pass such increased costs onto the consumer, which could put downward pressure on our profitability. Further, price is a key factor impacting the demand for, and therefore net sales of, our products, and even if we pass on higher costs due to tariffs by increasing price, our products may be less attractive to consumers when compared to those of our competitors, such as U.S. domestic manufacturers, which may be subject to less price pressure from tariffs, which could adversely affect our sales. See "Risk Factors—"We may be adversely affected by tariffs and other intensifying trade tensions, as well as more generally by changes in the global economy and worsening economic conditions in the markets in which we operate."

In addition to tariffs and other trade barriers, other factors contribute to the uncertain outlook for the economy, including political tensions between mainland China and Taiwan and between North Korea and South Korea, escalating military tensions in Europe as a result of Russia's invasion of Ukraine, and the various geopolitical risks and military conflicts in the Middle East, such as the conflicts between Israel and Hamas and between Israel and Iran, including the United States' participation in the latter. Adding to this uncertainty were inflationary pressures caused by rebounding demand after the disruptions caused by the COVID-19 pandemic, uncertainty around future interest rate policies by central banks, fluctuations in currency exchange rates and surging logistics costs.

Further, changes in laws, regulations and other governmental actions, such as those that relate to environmental matters, vehicle safety, fuel economy and economic stimulus, can increase the cost of vehicle production and, as a result, vehicle price, in addition to the effects of tariffs and trade barriers described above. Many governments also regulate local content and enact price or exchange controls. Changes in these laws and regulations and other governmental actions could have an adverse effect on net sales due to a decline in demand as a result of increased pricing, withdrawals from regional markets and other factors. Even if net sales are not affected, profitability could decline if the competitive environment in automotive markets prevents us from increasing prices when our production costs increase as a result of governmental actions. In North America, the USMCA may affect our production activities in Mexico, especially with regard to change in the ability of Mexican workers to organize and bargain collectively. The USMCA also contains provisions specifically applicable to passenger vehicles, light trucks and automobile parts, which may require that a certain portion of a vehicle's content be produced by high-wage labor. In addition, the Trump administration has indicated a desire to renegotiate the USMCA, and therefore the future of this trade framework is uncertain.

Net sales in the Automobile segment are also impacted by the number of vehicles we produce and are able to sell. For instance, our net sales could decrease if we are unable to meet customer demand due to insufficient production. In particular, as part of Re:Nissan, we aim to achieve a global reduction in production capacity as part of our efforts to reduce our fixed costs. While we believe such efforts have the potential to improve our profitability, a lower production volume could thus negatively impact our net sales. For more information regarding our production volume, see "Business—Our Business Operations—Production," and for more information regarding our global production reduction initiatives, see "Business—Our Strategies—Rigorously pursue Re:Nissan, our recovery plan aimed at enhancing our performance and creating a more resilient business model—Reducing Fixed Costs."

For additional details regarding the distribution of unit sales of our vehicles by geographic area for the fiscal year ended March 31, 2025 and previous periods and regarding market share, see "Business—Our Business Operations—Automobile Segment—Markets and Sales."

Sales Financing Segment

Almost all of the net sales of our sales financing segment are derived from the interest received on loans offered for the financing of our vehicles by our United States, Mexico, Canada, Japan, Australia and China financing subsidiaries, with a smaller portion of our net sales being derived from car leases offered to individual and corporate customers. While our customers in markets other than the United States, Mexico, Canada, Japan, Australia and China are also able to finance their vehicle purchases, such financing is generally provided by third-party finance companies, and thus we are not subject to any credit risks related to such customers.

Net sales of our sales financing segment are principally affected by demand for our vehicles as well as competition for alternative sources of financing for our vehicles, including commercial banks. The primary

appeal of our sales financing services is the integrated, one-stop nature and efficiency of allowing customers to quickly obtain financing and purchase their desired vehicle without additional procedures and paperwork. To the extent that our sales financing process is easy and quick for customers to complete, we believe that customers are more likely to use our sales financing services, even if certain competing financing services may offer better rates to customers.

Cost of Sales

Automobile Segment

Cost of sales for the Automobile Segment includes mainly material costs, parts purchasing costs, labor costs, depreciation and amortization of production equipment, logistics costs, certain research and development costs and certain quality related expenses. Cost of sales, in particular material costs and parts purchasing costs, may increase as a result of the imposition of tariffs or similar trade barriers. Further, our labor cost may increase to the extent we shift production to the United States in order to avoid tariffs. See also "—Net Sales—Automobile Segment" and "Risk Factors—We face risks associated with our international operations." and "Risk Factors—Fluctuations in the price and availability of raw materials, components and energy that are necessary to manufacture our vehicles may adversely affect our business, financial condition and results of operations." Furthermore, inflation may contribute to an increase in cost of sales in the Automobile Segment due to the upward pressure it puts on the cost of raw materials, components, labor and logistics.

Sales Financing Segment

Expenses in the sales financing segment consist mainly of funding costs. Funding costs are affected by a number of factors which are not in our control, including prevailing interest rates and credit spreads. See "Risk Factors—We face risks associated with our sales financing business."

Research and development

Research and development costs are components of both manufacturing costs and selling, general and administrative expenses, with the former being fundamental research and other early-stage research and development activities while the latter includes expenses related to later stage development costs related to specific products. Research and development costs were ¥522.2 billion, ¥609.9 billion and ¥619.0 billion for the fiscal years ended March 31, 2023, 2024 and 2025, respectively.

Selling, general and administrative expenses

In addition to research and development, our selling, general and administrative expenses mainly consist of the following:

- *Salaries and wages*. This consists of the salaries, bonuses, incentives and retirement benefits to our employees. Inflationary pressures may cause us to increase our salaries and wages, which could in turn increase our selling, general and administrative expenses.
- *Service costs*. This mainly consists of the expenses in connection with a product recall, which are recognized as accrued expenses on our balance sheet. In estimating expenses for corrective actions, the estimated accrual is calculated based on the number of applicable models of vehicles in the market, the expected implementation rates of corrective actions, the cost of corrective actions and other costs per unit. We monitor trends in corrective actions every quarter, and additional accrued expenses may be recorded or reversed if actual accruals differ from estimates.
- *Other selling expenses*. Other selling expenses mainly consist of outsourcing expenses, lease expenses and promotion expenses.
- *Provision for warranty costs*. We generally warrant our products against certain manufacturing and other defects. We record provision for warranty costs on our balance sheet for the expected cost of warranty claims at the time of sale of a vehicle, and incur a corresponding charge to cost of sales, based on estimates that rely on historical warranty claim experience. Actual warranty claims may be higher than these estimates, in which case we might incur an additional charge. Provision for warranty costs related to our vehicles were ¥146.5 billion and ¥130.5 billion for the fiscal years ended March 31, 2024 and 2025, respectively.

- *Advertising expenses*. Advertising expenses consist of expenses in connection with advertising our products, including television commercials, digital advertising and traditional print and other advertising campaigns.
- *Depreciation and amortization*. Depreciation and amortization of offices and related equipment.

Further, as part of Re:Nissan, we aim to reduce selling, general and administrative expenses. While we mainly aim to achieve this through reducing and re-assigning global headcount, such efforts also put pressure on us to control expenses in general, including salaries and wages, service costs, and other selling expenses discussed above. See "Business—Our Strategies—Rigorously pursue Re:Nissan, our recovery plan aimed at enhancing our performance and creating a more resilient business model."

Foreign Exchange Rates

Because of the international nature of our business, we are exposed to both translation and transaction risk stemming from currency exchange rate fluctuations. Translation risk is the risk relating to the consolidation of foreign currency denominated financial statements of overseas subsidiaries. Fluctuations in exchange rates affect the financial statements of overseas subsidiaries when translated into yen. Although such fluctuations could be substantial and significantly impact comparisons with prior periods and among various geographic markets, translation risk is a reporting consideration and does not reflect our underlying results of operations.

Transaction risk is the risk resulting from differences in the currency structure of our sales and costs. We are subject to transaction risk due mainly to fluctuations in the value of the U.S. dollar and euro. Additionally, we diversify our operations in order to mitigate transaction risk by maintaining multiple manufacturing facilities globally, with our primary production facilities located in Japan, the United States, Mexico and the United Kingdom. We also procure components and supplies on a global basis.

In general, increases in the value of the U.S. dollar, euro and, to a lesser extent, renminbi against the yen have a positive impact on our results of operations and vice versa. We enter into forward exchange contracts and currency swaps to hedge some portions of our transactional risk with respect to the aforementioned currencies against the yen for specified periods. However, we remain exposed to the effects of foreign exchange fluctuations related to these and other currencies. As of March 31, 2025, we had swap agreements with respect to Pound sterling, U.S. dollars, Canadian dollars, Australian dollars, South African rand and Philippine pesos, with notional amounts as of March 31, 2025 under such swap agreements of ¥76,945 million, ¥442,318 million, ¥73,554 million, ¥23,999 million, ¥50,706 million and ¥12,042 million, respectively.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with Japanese GAAP, but some of our international subsidiaries prepare their non-consolidated financial statements in accordance with IFRS or U.S. GAAP, which can be consolidated under Japanese GAAP after giving effect to certain adjustments. The preparation of our consolidated financial statements requires our management to select and apply the accounting policies and to make certain estimates which affect the amounts of the assets, liabilities, sales and expenses reported in the consolidated financial statements and accompanying notes. Although our management believes that the estimates made reasonably reflect past experience as well as present circumstances, actual results could differ substantially because of the uncertainty inherent in such estimates.

The critical accounting policies described below are those that, in our management's opinion, could materially affect the estimates made in our consolidated financial statements.

Allowance for doubtful accounts

An allowance for doubtful accounts is provided to recognize bad debt losses on receivable amounts including sales finance receivables and automotive trade receivables based on an estimate of their collectability calculated based on past experience. When estimating the collectability of receivables, we evaluate 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, we will adjust the estimate to include these factors if necessary. For example, we 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 classify financial assets into stages according to their credit risk and recognize allowances for doubtful accounts based on financial asset impairment losses calculated using the expected credit loss model in accordance with IFRS 9. IFRS 9 requires a majority of assets to be measured as the present value of credit losses from default events projected within the next twelve months. However, if an asset experiences a significant increase in credit risk, the allowance is measured as the present value of credit losses expected over the entire life of the asset. The allowance is measured as the present value of credit losses expected over the entire life of the asset at foreign subsidiaries and affiliates that apply U.S. GAAP. Therefore, allowances under IFRS and U.S. GAAP can increase 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.

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, we determine whether there is any indication of impairment and then recognize and measure impairment losses. We estimate 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 our business plan, which is approved by our management considering historical market share conditions, profit margins, and third-party forecast data. Such assumptions include estimates regarding the impact of U.S. tariffs for the three-month period ended June 30, 2025, although the future of the U.S. tariff policy remains highly uncertain. Regional market growth rates, relevant market trends, and expected changes in the business environment are also considered. Net realizable value is calculated based on the real estate appraisal value 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. If market trends, operating conditions or business plans related to the asset group change and we revise our estimates of future cash flows, net realizable value or discount rates, then we may recognize or record new or additional impairment losses on fixed assets.

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. Such provisions for residual value risk of leased vehicles are recognized as a change in estimate and their ending book value is updated, leading to higher or lower depreciation amounts. Assessment of updated vehicle residual values are based on 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 impairment indicators exist and their recoverable amount is less than book value.

Deferred tax assets

In assessing the recoverability of deferred tax assets, future taxable income is reasonably estimated based on our business plan, which is approved by our management, for any future deductible temporary differences that remain after taking into account the reversal of future taxable temporary differences and feasible tax planning strategies. Additional tax expenses may be recognized when changes are made to estimated future taxable income following changes in the economic environment, such as market trends and exchange rate fluctuations, or changes in our business plans.

Provision for warranty costs

Provision for warranty costs is recorded to cover the cost of all services relating to sold products anticipated to be incurred. The amount of such costs is estimated in accordance with warranty contracts based on forecasts of cost incurring patterns within warranty periods in consideration of past experience against the total amount of costs incurred during the entire warranty period for each group of products that have similar cost characteristics. However, if the estimates of future warranty costs differ significantly from the pattern of actual costs incurred due to product defects or other variables, we could incur a loss on the provision of additional accrual for warranty costs.

Expenses for corrective actions, such as recalls

The amount of estimated expenses for corrective actions, such as recalls, is recognized as accrued expenses separately from accrued warranty costs when corrective actions based on notifications to government authorities are deemed to be necessary, expenditure on corrective actions is likely to be incurred, and the amount of such expenditure can be reasonably estimated. In estimating expenses, the estimated accrual is calculated based on the number of applicable models in the market, the expected implementation rates of corrective actions, the cost of corrective actions and other cost per unit. We check trends in corrective actions every quarter, and additional accrued expenses may be recorded or reversed if actual accruals differ from estimates.

Retirement benefit expenses

The amounts of our retirement benefit obligations and related expenses, which provides retirement benefits for our employees, are calculated using various actuarial assumptions including discount rates, retirement rates, and mortality rates, as well as the long-term expected rates of return on plan assets, and other factors. For foreign subsidiaries that apply IFRS, the same index as the actuarial discount rate is used as net interest and not the expected rate of return on plan assets. When our actual results differ from assumptions or when assumptions change, the resulting effects are accumulated and recognized ratably over future periods. This could cause additional expenses and liabilities to be recorded in future periods.

Results of Operations

The following table shows our consolidated statement of income data for the fiscal years ended March 31, 2022, 2023, 2024 and 2025.

	For the fiscal year ended March 31,			
	2022	2023	2024	2025
	(in millions of yen)			
Net sales:				
Automobile segment[1]	¥7,420,892	¥ 9,591,859	¥11,582,863	¥11,437,856
Sales Financing segment[1]	1,003,693	1,004,836	1,102,853	1,195,358
Total	8,424,585	10,596,695	12,685,716	12,633,214
Cost of sales	7,070,531	8,882,846	10,618,802	10,939,854
Gross profit	1,354,054	1,713,849	2,066,914	1,693,360
Selling, general and administrative expenses	1,106,747	1,336,740	1,498,196	1,623,562
Operating (loss) income:				
Automobile segment	(155,059)	42,952	221,574	(267,979)
Sales Financing segment	374,824	311,908	308,718	285,647
Adjustments[2]	27,542	22,249	38,426	52,130
Total	247,307	377,109	568,718	69,798
Non-operating income	148,052	280,590	319,941	299,166
Equity in earnings of affiliates	94,302	171,275	113,487	91,299
Non-operating expenses	89,242	142,256	186,498	158,796
Ordinary income	306,117	515,443	702,161	210,168
Special gains	134,003	38,865	27,425	22,785
Special losses	55,910	151,872	130,361	646,571
Income (loss) before income taxes	384,210	402,436	599,225	(413,618)
Income taxes	145,440	161,237	149,673	246,467
Net income (loss)	238,770	241,199	449,552	(660,085)
Net income attributable to non-controlling interests	23,237	19,299	22,903	10,813
Net income (loss) attributable to owners of parent	¥ 215,533	¥ 221,900	¥ 426,649	¥ (670,898)

Notes:
(1) Excluding inter-segment sales or transfers.
(2) Adjustments consists of elimination of inter-segment transactions.

The following table shows a breakdown of net sales and operating (loss) income by geographic region for the fiscal years ended March 31, 2022, 2023, 2024 and 2025.

	For the fiscal year ended March 31,			
	2022	2023	2024	2025
	(in millions of yen)			
Net sales:				
Japan[1]	¥ 1,785,246	¥ 1,888,240	¥ 2,002,217	¥ 2,018,910
North America[1]	4,021,733	5,547,730	6,881,033	6,805,389
Europe[1]	955,548	1,204,658	1,562,557	1,499,393
Asia[1]	808,271	804,119	746,684	786,135
Other overseas countries [1]	853,787	1,151,948	1,493,225	1,523,387
Total	¥8,424,585	¥10,596,695	¥12,685,716	¥12,633,214
Operating (loss) income:				
Japan	¥ (229,766)	¥ (150,269)	¥ 108,112	¥ 133,714
North America	330,695	356,024	334,488	(38,318)
Europe	(28,395)	(4,601)	(17,326)	(98,770)
Asia	94,424	85,937	109,206	57,268
Other overseas countries	55,681	84,457	27,285	2,463
Total	222,639	371,548	561,765	56,357
Adjustments[2]	24,668	5,561	6,953	13,441
Total	¥ 247,307	¥ 377,109	¥ 568,718	¥ 69,798

Notes:
(1) Excluding inter-segment sales or transfers.
(2) Adjustments consists of elimination of inter-segment transactions.

The following tables show a breakdown of net sales, segment profits, segment assets, depreciation and amortization expense, amortization of goodwill, impairment loss on fixed assets, interest expense (cost of sales), investment amounts to equity method companies and increase amounts of fixed assets and intangible fixed assets, by segment for the fiscal years ended March 31, 2025, 2024, 2023 and 2022.

	For the fiscal year ended March 31, 2025				
	Automobile Segment	Sales Financing Segment	Total	Elimination of inter-segment transactions	Consolidated
	(in millions of yen)				
Net sales:					
Sales to third parties	¥11,437,856	¥ 1,195,358	¥12,633,214	—	¥12,633,214
Inter-segment sales or transfers	207,622	66,723	274,345	¥ (274,345)	—
Total	¥11,645,478	¥ 1,262,081	¥12,907,559	¥ (274,345)	¥12,633,214
Segment losses (profits)	¥ (267,979)	¥ 285,647	¥ 17,668	¥ 52,130	¥ 69,798
Segment assets	10,412,875	10,145,588	20,558,463	(1,534,403)	19,024,060
Other items:					
Depreciation and amortization expense	348,680	348,331	697,011	—	697,011
Amortization of goodwill	1,031	—	1,031	—	1,031
Impairment loss on fixed assets	491,239	3,696	494,935	—	494,935
Interest expense (cost of sales)	—	339,299	339,299	(58,145)	281,154
Investment amounts to equity method companies	1,370,228	3,260	1,373,488	—	1,373,488
Increase amounts of fixed assets and intangible fixed assets	580,150	1,337,184	1,917,334	—	1,917,334

	For the fiscal year ended March 31, 2024				
	Automobile Segment	Sales Financing Segment	Total	Elimination of inter-segment transactions	Consolidated
	(in millions of yen)				
Net sales:					
Sales to third parties	¥ 11,582,863	¥ 1,102,853	¥ 12,685,716	—	¥ 12,685,716
Inter-segment sales or transfers	199,653	58,925	258,578	¥ (258,578)	—
Total	¥ 11,782,516	¥ 1,161,778	¥ 12,944,294	¥ (258,578)	¥ 12,685,716
Segment profits	¥ 221,574	¥ 308,718	¥ 530,292	¥ 38,426	¥ 568,718
Segment assets	11,282,240	10,375,882	21,658,122	(1,802,971)	19,855,151
Other items:					
Depreciation and amortization expense	353,895	324,058	677,953	—	677,953
Amortization of goodwill	1,242	—	1,242	—	1,242
Impairment loss on fixed assets	58,972	—	58,972	—	58,972
Interest expense (cost of sales)	—	279,944	279,944	(59,639)	220,305
Investment amounts to equity method companies	1,304,837	11,304	1,316,141	—	1,316,141
Increase amounts of fixed assets and intangible fixed assets	424,116	1,222,876	1,646,992	—	1,646,992

	For the fiscal year ended March 31, 2023				
	Automobile Segment	Sales Financing Segment	Total	Elimination of inter-segment transactions	Consolidated
	(in millions of yen)				
Net sales:					
Sales to third parties	¥ 9,591,859	¥1,004,836	¥10,596,695	—	¥10,596,695
Inter-segment sales or transfers	94,983	18,989	113,972	(113,972)	—
Total	¥ 9,686,842	¥ 1,023,825	¥ 10,710,667	¥ (113,972)	¥ 10,596,695
Segment profits	¥ 42,952	¥ 311,908	¥ 354,860	¥ 22,249	¥ 377,109
Segment assets	10,258,231	9,019,801	19,278,032	(1,679,451)	17,598,581
Other items:					
Depreciation and amortization expense	349,831	343,909	693,740	—	693,740
Amortization of goodwill	1,320	—	1,320	—	1,320
Impairment loss on fixed assets	8,615	—	8,615	—	8,615
Interest expense (cost of sales)	—	172,394	172,394	(29,157)	143,237
Investment amounts to equity method companies	1,129,127	5,288	1,134,415	—	1,134,415
Increase amounts of fixed assets and intangible fixed assets	370,839	813,881	1,184,720	—	1,184,720

	For the fiscal year ended March 31, 2022				
	Automobile Segment	Sales Financing Segment	Total	Elimination of inter-segment transactions	Consolidated
	(in millions of yen)				
Net sales:					
Sales to third parties	¥7,420,892	¥1,003,693	¥ 8,424,585	—	¥ 8,424,585
Inter-segment sales or transfers	54,756	28,036	82,792	(82,792)	—
Total	¥7,475,648	¥1,031,729	¥ 8,507,377	¥ (82,792)	¥ 8,424,585
Segment profits (losses)	¥ (155,059)	¥ 374,824	¥ 219,765	¥ 27,542	¥ 247,307
Segment assets	8,673,649	8,810,870	17,484,519	(1,113,038)	16,371,481
Other items:					
Depreciation and amortization expense	294,065	394,938	689,003	—	689,003
Amortization and goodwill	1,022	—	1,022	—	1,022
Impairment loss on fixed assets	16,973	—	16,973	—	16,973
Interest expense (cost of sales)	—	127,755	127,755	(9,510)	118,245
Investment amounts to equity method companies	975,919	11,423	987,342	—	987,342
Increase amounts of fixed assets and intangible fixed assets	361,613	800,448	1,162,061	—	1,162,061

Comparison of the Fiscal Year Ended March 31, 2025 with the Fiscal Year Ended March 31, 2024

Net sales

Net sales for the fiscal year ended March 31, 2025 were ¥12,633,214 million, a decrease of ¥52,502 million, or 0.4%, compared to net sales of ¥12,685,716 million for the fiscal year ended March 31, 2024. This decrease was due mainly to a decrease in sales volume, and an increase in sales incentives.

Net sales by business segment

Automobile Segment

Net sales of the Automobile segment (excluding intersegment transactions) were ¥11,437,856 million for the fiscal year ended March 31, 2025, a decrease of ¥145,007 million, or 1.3%,

from ¥11,582,863 million for the fiscal year ended March 31, 2024. This decrease was due mainly to a decrease in sales volume in Japan and Europe and an increase in sales incentives in the United States.

Sales Financing Segment

Net sales of the Sales Financing segment (excluding intersegment transactions) were ¥1,195,358 million for the fiscal year ended March 31, 2025, an increase of ¥92,505 million, or 8.4%, from ¥1,102,853 million for the fiscal year ended March 31, 2024. This increase was due mainly to favorable foreign exchange rate and business growth in the United States, partially offset by lower retail sales in China.

Cost of sales

Cost of sales for the fiscal year period ended March 31, 2025 was ¥10,939,854 million, an increase of ¥321,052 million, or 3.0%, from cost of sales of ¥10,618,802 million for the fiscal year ended March 31, 2024. This increase was due mainly to increased prices of raw materials and components used to manufacture our products.

Gross profit

As a result of the foregoing, gross profit for the fiscal year ended March 31, 2025 was ¥1,693,360 million, a decrease of ¥373,554 million, or 18.1%, from gross profit of ¥2,066,914 million for the fiscal year ended March 31, 2024.

Selling, general and administrative expenses

Selling, general and administrative expenses for the fiscal year ended March 31, 2025 were ¥1,623,562 million, an increase of ¥125,366 million, or 8.4%, from selling, general and administrative expenses of ¥1,498,196 million for the fiscal year ended March 31, 2024.

The table below sets forth a breakdown of our selling, general and administrative expenses for the fiscal years ended March 31, 2024 and 2025:

	For the fiscal year ended March 31,	
	2024	2025
	(in millions of yen)	
Selling, general and administrative expenses:		
Advertising expenses	¥ 321,758	¥ 347,482
Provision for warranty costs	146,538	130,518
Other selling expenses	156,258	217,212
Salaries and wages	470,606	492,207
Retirement benefit expenses	27,935	24,392
Provision for doubtful accounts	44,269	69,448
Other	330,832	342,303
Total	¥ 1,498,196	¥ 1,623,562

This increase in selling, general and administrative expenses was due mainly to increase in other selling expenses reflecting remarketing expenses related to disposing owned vehicles, such as lease vehicles, and increased advertising expenses, mainly as a result of the introduction of new models in the United States, as well as an increase in provision for doubtful accounts.

Operating income

As a result of the foregoing, we recorded an operating income of ¥69,798 million for the fiscal year ended March 31, 2025, a decrease of ¥498,920 million, or 87.7%, from ¥568,718 million of operating income for the fiscal year ended March 31, 2024.

Operating income (loss) by business segment

Automobile Segment

Operating loss of the Automobile segment (before elimination of intersegment transactions) was ¥215,849 million for the fiscal year ended March 31, 2025, a decrease of ¥475,849 million from

operating income of ¥260,000 million for the fiscal year ended March 31,2024. This decrease was due mainly to a decrease in sales volume, an increase in sales incentives, an increase in marketing expenses to support new model launches and inflation, which increased the cost of raw materials and components as well as put upward pressure on employee wages.

Sales Financing Segment

Operating income of the Sales Financing segment (before elimination of intersegment transactions) was ¥285,647 million for the fiscal year ended March 31, 2025, a decrease of ¥23,071 million, or 7.5%, from ¥308,718 million for the fiscal year ended March 31, 2024. This decrease was due mainly to a one-time accounting adjustment in connection with intersegment lease transactions in the fiscal year ended March 31, 2024 and normalization of credit losses and higher funding costs, which offset foreign exchange benefits.

Non-operating income

Non-operating income for the fiscal year ended March 31, 2025 decreased from ¥319,941 million for the fiscal year ended March 31, 2024 by ¥20,775 million, or 6.5%, to ¥299,166 million. This decrease resulted mainly from decreases in gain on net monetary positions, equity in earnings of affiliates and interest income, which were offset in part by increases in derivative gain and miscellaneous income.

Non-operating expenses

Non-operating expenses for the fiscal year ended March 31, 2025 decreased from ¥186,498 million for the fiscal year ended March 31, 2024 by ¥27,702 million, or 14.9%, to ¥158,796 million. This decrease was due mainly to decreases in exchange loss and miscellaneous expenses.

Ordinary income

As a result of the foregoing, ordinary income for the fiscal year ended March 31, 2025 was ¥210,168 million, a decrease of ¥491,993 million, or 70.1%, from ordinary income of ¥702,161 million for the fiscal year ended March 31, 2024.

Special gains

Special gains for the fiscal year ended March 31, 2025 was ¥22,785 million, a decrease of ¥4,640 million, or 16.9%, from ¥27,425 million for the fiscal year ended March 31, 2024, due mainly to a decrease in gain on sales of fixed assets.

Special losses

Special losses for the fiscal year ended March 31, 2025 was ¥646,571 million, an increase of ¥516,210 million, or 396.0%, from ¥130,361 million for the fiscal year ended March 31, 2024. This increase was due mainly to impairment loss of ¥494,935 million, mainly in manufacturing-related fixed assets in North America, South America, Europe and Japan, and restructuring costs of close to ¥60 billion.

Income (loss) before income tax

As a result of the foregoing, we recorded loss before income taxes of ¥413,618 million for the fiscal year ended March 31, 2025 as compared to income before income taxes of ¥599,225 million for the fiscal year ended March 31, 2024.

Income taxes

For the fiscal year ended March 31, 2025, we recorded income taxes of ¥246,467 million, an increase of ¥96,794 million, or 64.7%, from ¥149,673 million for the fiscal year ended March 31, 2024.

Net income (loss)

As a result of the foregoing, we recorded net loss of ¥660,085 million for the fiscal year ended March 31, 2025, a decrease of ¥1,109,637 million from net income of ¥449,552 million for the fiscal year ended March 31, 2024.

Comparison of the Fiscal Year Ended March 31, 2024 with the Fiscal Year Ended March 31, 2023

Net sales

Net sales for the fiscal year ended March 31, 2024 were ¥12,685,716 million, an increase of ¥2,089,021 million, or 19.7%, compared to net sales of ¥10,596,695 million for the fiscal year ended March 31, 2023. This increase was due primarily to an increase in sales volume, improved net sales per unit and favorable foreign exchange rates.

Net Sales by business segment

Automobile Segment

Net sales of the Automobile segment (excluding intersegment transactions) were ¥11,582,863 million for the fiscal year ended March 31, 2024, an increase of ¥1,991,004 million, or 20.8%, from ¥9,591,859 million for the fiscal year ended March 31, 2023. This increase was due primarily to an increase in sales volume, which increased in Japan, North America and Europe and improved net sales per unit.

Sales Financing Segment

Net sales of the Sales Financing segment (excluding intersegment transactions) were ¥1,102,853 million for the fiscal year ended March 31, 2024, an increase of ¥98,017 million, or 9.8%, from ¥1,004,836 million for the fiscal year ended March 31, 2023. This increase was due mainly to an increase in net sales as a result of asset portfolio growth and favorable exchange rates.

Cost of sales

Cost of sales for the fiscal year ended March 31, 2024 was ¥10,618,802 million, an increase of ¥1,735,956 million, or 19.5%, from cost of sales of ¥8,882,846 million for the fiscal year ended March 31, 2023. This increase was due mainly to an increase in sales volume and increased prices of raw materials and components used to manufacture our products.

Gross profit

As a result of the foregoing, gross profit for the fiscal year ended March 31, 2024 was ¥2,066,914 million, an increase of ¥353,065 million, or 20.6%, from gross profit of ¥1,713,849 million for the fiscal year ended March 31, 2023.

Selling, general and administrative expenses

Selling, general and administrative expenses for the fiscal year ended March 31, 2024 were ¥1,498,196 million, an increase of ¥161,456 million, or 12.1%, from selling, general and administrative expenses of ¥1,336,740 million for the fiscal year ended March 31, 2023.

The table below sets forth a breakdown of our selling, general and administrative expenses for the fiscal years ended March 31, 2023 and 2024:

	For the fiscal year ended March 31,	
	2023	2024
	(in millions of yen)	
Selling, general and administrative expenses:		
Advertising expenses	¥ 283,505	¥ 321,758
Service costs	94,364	69,052
Provision for warranty costs	119,269	146,538
Other selling expenses	92,602	156,258
Salaries and wages	436,403	470,606
Retirement benefit expenses	12,247	27,935
Supplies	1,955	2,046
Depreciation and amortization	58,348	63,013
Provision for doubtful accounts	6,023	44,269
Amortization of goodwill	1,320	1,242
Other	230,704	195,479
Total	¥ 1,336,740	¥ 1,498,196

This increase in selling, general and administrative expenses was due mainly to increases in other selling expenses reflecting remarketing expenses related to disposing owned vehicles, such as lease vehicles, and expenses related to sales promotions, advertising expenses, provisions for warranty costs and provisions for doubtful accounts.

Operating income

As a result of the foregoing, operating income for the fiscal year ended March 31, 2024 was ¥568,718 million, an increase of ¥191,609 million, or 50.8%, from ¥377,109 million for the fiscal year ended March 31, 2023. This increase was due mainly to an increase in sales volume, supported by a strong product mix, decreases in raw material costs, especially steel and aluminum and favorable foreign exchange rates, offsetting an increase in manufacturing costs, including cost relief for suppliers and increasing inflation, logistics and regulatory costs. Operating income also increased due to a reversal of provisions related to legal proceedings as a result of a favorable ruling in connection with a vehicle distribution agreement dispute in Dubai.

Operating income by business segment

Automobile Segment

Operating income of the Automobile segment (before elimination of intersegment transactions) for the fiscal year ended March 31, 2024 was ¥221,574 million, an increase of ¥178,622 million, or 415.9%, from ¥42,952 million for the fiscal year ended March 31, 2023. This increase was due mainly to significantly improved net sales per unit as well as an improved sales volume and management of fixed costs described above.

Sales Financing Segment

Operating income of the Sales Financing segment (before elimination of intersegment transactions) for the fiscal year ended March 31, 2024 was ¥308,718 million, a decrease of ¥3,190 million, or 1.0%, from ¥311,908 million for the fiscal year ended March 31, 2023. This decrease was due mainly to an increase in funding costs caused by higher interest rates and an increase in credit loss provisions resulting from the gradual normalization of the market, offsetting the positive effects of an increase in net sales and favorable exchange rates.

Non-operating income

Non-operating income for the fiscal year ended March 31, 2024 was ¥319,941 million, an increase of ¥39,351 million, or 14.0%, from ¥280,590 million for the fiscal year ended March 31, 2023. This increase resulted mainly from gain on net monetary position and an increase in interest income, offsetting a decrease in equity in earnings of affiliates. See "—Overview—Financial Interests in Alliance Partners and Other Affiliates."

Non-operating expenses

Non-operating expenses for the fiscal year ended March 31, 2024 was ¥186,498 million, an increase of ¥44,242 million, or 31.1%, from ¥142,256 million for the fiscal year ended March 31, 2023. This increase was due mainly to an increase in interest expense as a result of an overall increase in liabilities and exchange losses arising from fluctuating exchange rates.

Ordinary income

As a result of the foregoing, ordinary income for the fiscal year ended March 31, 2024 was ¥702,161 million, an increase of ¥186,718 million, or 36.2%, from ordinary income of ¥515,443 million for the fiscal year ended March 31, 2023.

Special gains

Special gains for the fiscal year ended March 31, 2024 was ¥27,425 million, a decrease of ¥11,440 million, or 29.4%, from ¥38,865 million for the fiscal year ended March 31, 2023. This decrease was due mainly to a decrease in gain on the sale of fixed assets and absence of other gains in the fiscal year ended March 31, 2024, despite gains relating to compensation income.

Special losses

Special losses for the fiscal year ended March 31, 2024 was ¥130,361 million, a decrease of ¥21,511 million, or 14.2%, from ¥151,872 million for the fiscal year ended March 31, 2023. This decrease was due mainly to loss recorded in the fiscal year ended March 31, 2023 related to our exit from the Russian market, partially offset by a one-time loss related to litigation and impairment loss recorded in the fiscal year ended March 31, 2024.

Income before income tax

As a result of the foregoing, income before income taxes for the fiscal year ended March 31, 2024 was ¥599,225 million, an increase of ¥196,789 million, or 48.9%, from ¥402,436 million for the fiscal year ended March 31, 2023.

Income taxes

Income taxes for the fiscal year ended March 31, 2024 were ¥149,673 million, a decrease of ¥11,564 million, or 7.2%, from ¥161,237 million for the fiscal year ended March 31, 2023.

Net income

As a result of the foregoing, net income for the fiscal year ended March 31, 2024 was ¥449,552 million, an increase of ¥208,353 million, or 86.4%, from ¥241,199 million for the fiscal year ended March 31, 2023.

Financial Condition and Liquidity

Total assets as of March 31, 2025 decreased to ¥19,024.1 billion from ¥19,855.2 billion as of March 31, 2024. This decrease was due mainly to decreases in merchandise and finished goods of ¥274.8 billion, sales finance receivables of ¥179.1 billion and machinery, equipment and vehicles, net of ¥208.0 billion.

Total assets as of March 31, 2024 increased to ¥19,855.2 billion from ¥17,598.6 billion as of March 31, 2023. This increase was due mainly to increases in sales finance receivables of ¥937.6 billion, merchandise and finished goods of ¥337.3 billion, machinery, equipment and vehicles, net of ¥320.1 billion, and in investment securities of ¥202.2 billion.

Total liabilities as of March 31, 2025 increased to ¥13,578.7 billion from ¥13,384.6 billion as of March 31, 2024. This increase was due mainly to increases in the current portion of long-term borrowings of ¥660.0 billion and current portion of bonds of ¥532.2 billion, partially offset by a decrease in bonds of ¥642.7 billion and long-term borrowings of ¥260.3 billion.

Total liabilities as of March 31, 2024 increased to ¥13,384.6 billion from ¥11,983.4 billion as of March 31, 2023. This increase was due mainly to increases in trade notes and accounts payable of ¥317.1 billion, current portion of long-term borrowings of ¥136.5 billion, accrued expenses of ¥139.7 billion, other current liabilities of ¥121.2 billion, bonds of ¥293.1 billion, and in long-term borrowings of ¥908.4 billion, together offsetting decreases in short-term borrowings of ¥264.7 billion, and in current portion of bonds of ¥317.3 billion.

Consolidated Cash Flows

The following table shows our consolidated cash flow data for the fiscal years ended March 31, 2023, 2024 and 2025:

	For the fiscal year ended March 31,		
	2023	2024	2025
	(in millions of yen)		
Net cash provided by operating activities	¥1,221,051	¥ 960,899	¥ 753,687
Net cash used in investing activities	(447,041)	(812,664)	(971,227)
Net cash (used in) provided by financing activities	(670,607)	(131,551)	263,251
Effect of exchange rate changes on cash and cash equivalents	112,435	95,135	25,596
Increase in cash and cash equivalents	215,838	111,819	71,307
Cash and cash equivalents at the beginning of the period	1,792,692	2,014,387	2,126,206
Increase due to inclusion in consolidation	5,857	—	—
Cash and cash equivalents at the end of the period	¥2,014,387	¥2,126,206	¥2,197,513

Comparison of Fiscal Year Ended March 31, 2025 with the Fiscal Year Ended March 31, 2024

Cash and cash equivalents at the end of the fiscal year ended March 31, 2025 was ¥2,197,513 million, an increase of ¥71,307 million, or 3.4%, from ¥2,126,206 million at the end of the fiscal year ended March 31, 2024. Cash flow conditions and their major factors for the fiscal year ended March 31, 2025 are as follows:

Cash Flows from Operating Activities

Net cash provided by operating activities for the fiscal year ended March 31, 2025 was ¥753,687 million, a decrease of ¥207,212 million, or 21.6%, from net cash provided by operating activities of ¥960,899 million for the fiscal year ended March 31, 2024. The decrease was due mainly to a decrease in income (loss) before income taxes and decrease in trade notes and accounts payable compared to increase in trade notes and accounts payable in the prior year. These changes were offset in part by decrease in inventories compared to increase in inventories in the same period of the prior year and a decline in increase in sales finance receivables.

Cash Flows from Investing Activities

Net cash used in investing activities for the fiscal year ended March 31, 2025 was ¥971,227 million, an increase of ¥158,563 million, or 19.5%, from net cash used in investing activities of ¥812,664 million for the fiscal year ended March 31, 2024. The increase was due mainly to an increase in capital expenditure, reflected in increases in purchase of leased vehicles and purchase of fixed assets.

Cash Flows from Financing Activities

Net cash provided by financing activities for the fiscal year ended March 31, 2025 was ¥263,251 million, an increase of ¥394,802 million as compared to net cash used in financing activities of ¥131,551 million for the fiscal year ended March 31, 2024. The increase was due mainly to an increase in funding from short-term borrowings as a result of temporary cash needs and due to a decrease in bond redemptions, partially offset by a slight decrease in proceeds from issuance of bonds.

Comparison of the Fiscal Year Ended March 31, 2024 with the Fiscal Year Ended March 31, 2023

Cash and cash equivalents at the end of the fiscal year ended March 31, 2024 were ¥2,126,206 million, an increase of ¥111,819 million, or 5.6% from ¥2,014,387 million at the end of the fiscal year ended March 31, 2023. Cash flow conditions and their major factors for the fiscal year ended March 31, 2024 are as follows:

Cash Flows from Operating Activities

Net cash provided by operating activities for the fiscal year ended March 31, 2024 was ¥960,899 million, a decrease of ¥260,152 million, or 21.3%, from ¥1,221,051 million for the fiscal year ended March 31, 2023. The decrease was due mainly to a rise in sales finance receivables as a result from business growth and a decline in increase in trade notes and accounts payable, which were partially offset by higher income before income taxes as a result of improved profit.

Cash Flows from Investing Activities

Net cash used in investing activities for the fiscal year ended March 31, 2024 was ¥812,664 million, an increase of ¥365,623 million, or 81.8%, from ¥447,041 million for the fiscal year ended March 31, 2023. The increase was due mainly to increases in the purchase of leased vehicles of ¥448,728 million, mainly in the sales financing segment, and increases in capital expenditure.

Cash Flows from Financing Activities

Net cash used in financing activities for the fiscal year ended March 31, 2024 was ¥131,551 million, a decrease of ¥539,056 million, or 80.4%, from ¥670,607 million for fiscal year ended March 31, 2023, due mainly to an increase in proceeds from long-term borrowings of ¥737,597 million, mainly in the Sales Financing segment, as well as the issuance of bonds, partially offset by a decrease of ¥120.0 billion as a result of the purchase of treasury stock.

Liquidity and Capital Resources

We undertake liquidity management to ensure sufficient cash to meet both normal and unanticipated funding needs. We invest our excess cash mainly in short-term deposits, money market funds and appropriate

repurchase agreement transactions for the purpose of efficient cash management at appropriate risk. We also invest in equity and bond-related products as we deem appropriate. With regard to such investments with price fluctuation risk, a strict risk management policy is implemented, consisting of regular monitoring of mark-to-market and internal reporting.

Our financing sources are diversified, consisting of funds raised through bank loans, bond issues, asset-backed securities and commercial paper issues to reduce our exposure to liquidity risk. We also utilize derivative financial instruments based on our internal risk management processes mainly for the purposes of hedging 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 commodities, but we do not enter into such transactions for speculative purposes.

Our Sales Financing segment provides financial services to retail customers, such as auto loans and leases, and inventory financing and working capital loans to dealers of our automobiles. We have in place strict credit underwriting policies before loans are advanced to our customers and dealers.

Cash requirements

We require cash on an ongoing basis to finance our regular operations in both of our business segments. Our cash outlays for operating expenses include principally manufacturing costs, interest expenses on our borrowings and general and administrative expenses, including salaries and wages, rent and other items. Income tax payments also require significant cash outlays. We also require cash to fund acquisitions and other strategic investments. In our Automobile segment, we make significant investments in research and development activities and capital expenditures each fiscal year.

Research and development

We believe that our long-term success depends on our ability to offer vehicles with increasingly higher degrees of technological sophistication, including developments related to EV, autonomous driving and connected vehicles. In the fiscal years ended March 31, 2024 and 2025, we recorded ¥609.9 billion and ¥619.0 billion, respectively, in research and development costs. For more information regarding our research and development activities, see "Business—Our Business Operations—Automobile Segment—Research and Development."

Capital expenditures

In the fiscal years ended March 31, 2024 and 2025, we had ¥486.1 billion and ¥577.3 billion in capital expenditures, respectively.

Debt service and repayments; other contractual obligations

As of March 31, 2025, our total borrowings (including bonds) were ¥5,620,124 million, details of which are provided below. The weighted average interest rates of our short-term borrowings and our long-term borrowings (excluding current portion) were 4.71% and 4.70%, respectively.

Schedule of borrowings

The table sets forth the amounts and applicable average interest rates for our borrowings as of March 31, 2025:

	As of March 31, 2025	
	Amount	Average interest rate[1]
	(in millions of yen and percentages)	
Short-term borrowings	¥ 159,799	4.71%
Nonrecourse short-term borrowings	716,305	4.89%
Current portion of long-term borrowings	877,351	5.48%
Current portion of nonrecourse long-term borrowings	1,004,340	4.66%
Commercial papers	86,743	2.07%
Current portion of lease obligations	44,400	2.55%
Long-term borrowings (excluding current portion)	1,634,215	4.70%
Nonrecourse long-term borrowings (excluding current portion)	1,027,141	4.83%
Lease obligations (excluding current portion)	69,830	4.68%
Total	¥5,620,124	

Note:
(1) The average interest rate represents the weighted-average rate applicable to the year-end balance.

Schedule of bonds

The following table shows the Nissan group's outstanding bonds as of March 31, 2025:

Issuer Name	Type	Maturity Date	Interest rate	As of March 31, 2025
				(in millions of yen)
Nissan Motor Co., Ltd.	61st unsecured bonds	March 19, 2026	0.33%	¥ 20,000
Nissan Motor Co., Ltd.	65th unsecured bonds	June 20, 2025	1.90%	11,000
Nissan Motor Co., Ltd.	EUR denominated bonds	2026 - 2028	2.65–3.20%	243,120
Nissan Motor Co., Ltd.	USD denominated bonds	2025 - 2030	3.52–4.81%	971,880
Nissan Motor Co., Ltd.	66th unsecured bonds	January 20, 2026	1.02%	140,000
Nissan Motor Co., Ltd.	67th unsecured bonds	January 20, 2026	1.02%	50,000
Nissan Motor Co., Ltd.	68th unsecured bonds	January 20, 2028	1.45%	10,000
Subsidiaries.	Corporate bonds	2024 - 2029	0.17–1.03%	200,000
Foreign subsidiaries	Corporate bonds	2024 - 2029	1.13–7.05%	731,677
Foreign subsidiaries	Corporate bonds	September 22, 2025	2.10%	52,260
Foreign subsidiaries	Corporate bonds	2024 - 2026	2.80–3.72%	49,800
Total				¥ 2,479,737

Maturity schedule of financial liabilities

The tables below set forth the maturity schedules for our outstanding financial liabilities as of March 31, 2025:

	As of March 31, 2025					
	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
			(in millions of yen)			
Short-term borrowings	¥ 876,104	¥ —	¥ —	¥ —	¥ —	¥ —
Commercial papers	86,743	—	—	—	—	—
Bonds	771,205	393,315	578,135	318,474	44,808	373,800
Long-term borrowings	1,881,691	1,341,616	866,121	355,568	96,362	1,689
Lease obligations	44,400	26,679	15,016	9,524	6,102	12,509
Total	¥3,660,143	¥1,761,610	¥1,459,272	¥683,566	¥147,272	¥387,998

Credit Ratings

Our long-term unsecured debt ratings from Moody's, S&P, Fitch and Rating and Investment Information, Inc., a Japanese credit rating agency, were Ba2, BB, BB and A-, respectively, as of the date of this offering circular. S&P, Moody's and Fitch and Rating and Investment Information, Inc. have given us a "negative" outlook.

Credit ratings are not a recommendation to buy, sell or hold securities. Ratings may be subject to revision or withdrawal by the rating agencies at any time. As rating agencies may have different criteria in evaluating the risks associated with a company, you should evaluate each rating independently of other ratings.

THE RENAULT-NISSAN-MITSUBISHI ALLIANCE

Overview

Founded in March 1999, the Alliance with Renault is a cross-cultural strategic alliance among major carmakers. Mitsubishi Motors joined the Alliance and became our equity method affiliate in 2016. The goal of the Alliance is to promote the growth and performance of its members. The Alliance members offer vehicles under several brands including Nissan, Infiniti, Venucia, Renault, Renault Samsung, Mitsubishi, Dacia, Lada and Alpine. The Alliance is a partnership that operates as a pragmatic, flexible business tool that can expand to accommodate new projects for its partners worldwide.

Beginning in April 2014, the Alliance took steps to combine four core business functions: engineering, manufacturing and supply chain management, purchasing and human resources. This convergence of core functions has allowed the Alliance to realize synergies and reduce operating costs. For example, with respect to engineering, the Alliance utilizes a common module family, a modular architectural system that separates a vehicle into five fundamental zones. By using this modular architecture system, the Alliance allows us to build a wider range of vehicles from a smaller pool of parts, and the Alliance maintains shared parts warehouses in Europe, Japan and Australia.

In March 2019, the Alliance announced the creation of an Alliance operating board as the sole body overseeing the operations and governance in the Alliance. The Alliance operating board is composed of the Chairman of Renault, who acts as Chairman of the Alliance operating board, and the CEOs of Nissan, Renault and Mitsubishi Motors. The operating decisions taken by the Alliance operating board are consensus-based, furthering the Alliance's "win-win" approach.

In May 2020, the Alliance announced a new cooperation business model to support the competitiveness and profitability of the member companies, also called the "Leader-Follower" model. Based on this model, the Alliance members planned to build on existing Alliance benefits in areas such as joint purchasing, by leveraging their respective leadership positions and geographic strengths to support their partners' business development. Through this model, the leaders of the three members of the Alliance agreed to cooperate to:

- push the Alliance's standardization strategy further, from platforms to upper bodies;
- per product segment, focus on one mother vehicle (leader car) and sister vehicles engineered by the leading company, with the support of the followers' teams;
- ensure that leader and follower vehicles for each brand are produced using the most competitive setup, including grouping production where appropriate; and
- continue to build on product sharing in light commercial vehicles, where the leader-follower model is already applied.

Recent Alliance Developments

In February 2023, the Alliance announced new initiatives aimed at taking the Alliance to the next level. In particular, these initiatives included the establishment of high-value-creation operational projects in Latin America, India and Europe, an enhanced strategic agility with new initiatives that partners can join and a rebalanced shareholding structure between us and Renault, reinforcing Alliance governance.

In November 2023, Renault and Nissan announced the completion of agreements framing the foundations of a new chapter of the Alliance. Through a new alliance agreement between us and Renault, Renault retains the flexibility to sell shares of Nissan held in a trust, within a coordinated and orderly process with Nissan. In particular, as a result of these changes, Renault transferred 28.4% its previous 43.4% share ownership of us to a French trust, where the entrusted shares are voted neutrally, subject to limited exceptions. The cross-shareholdings of Renault and Nissan have a lower limit of 15% (which were lowered to 10% subsequently, as explained below) with lock-up and standstill obligations. Renault continues to benefit from the economic rights from the entrusted Nissan shares and may instruct the trustee to sell such shares, in which we would benefit from a right of first offer. Under the new alliance agreement, Renault is also entitled to nominate two representatives to our board of directors, while we are entitled to nominate two representatives on Renault's board of directors.

Since then, Renault has sold portions of the entrusted shares in several transactions. In some cases, we bought back all or a portion of the shares offered by Renault, and in those cases, such shares were subsequently cancelled by us. As a result, as of March 31, 2025, Renault held 17.1% of our shares directly (excluding treasury stock), with 18.8% of our shares remaining in the trust. As of March 31, 2025, we held 15.30% of the shares of

Renault. In connection with offers by Renault to sell our shares, we consider the financial resources necessary to achieve our strategic initiatives while also keeping in mind financial performance and maintaining financial flexibility for future growth.

As part of this restructuring of the Alliance, the Alliance Purchasing Organization, or APO, which since 2018 had been responsible for the Alliance's purchasing strategy and for selecting suppliers for its parts, services and equipment, was disbanded by agreement of the Alliance partners, reflecting the more independent business operations of the Alliance partners following the change in shareholdings. Similarly, following the change in Renault's shareholding in Nissan, we changed the Alliance Operating Board's role to be a non-decision making forum for reporting on joint projects and progress of the reorganization of the Alliance.

Further, on November 8, 2024, we sold a portion of our stake in Mitsubishi Motors to them**,** as result of which we held 26.68% as of March 31, 2025.

On March 31, 2025, we announced an amendment to the new alliance agreement with Renault, which became effective by the end of May 2025. The amendment increased the flexibility of each party with respect to its cross-shareholdings, by setting the lock-up undertaking of both Nissan and Renault at 10%, down from the previous 15%, allowing each of Nissan and Renault to reduce their respective cross-shareholdings to a minimum of 10%. This did not impact the shares of Nissan held by Renault in the French trust. We also announced that Nissan was released from its commitment to invest up to €600 million in Ampere, Renault's pure EV subsidiary. Following and in line with this change, we may consider a reduction in our stake in Renault, as reported in the media on June 16, 2025, and it is possible that Renault may likewise reduce its stake in us.

Alliance Ventures

In addition to increasing the efficiency of existing operations through synergies with the Alliance partners, the Alliance is also focused on future innovation and launched Alliance Ventures in January 2018. As of March 31, 2025, we and Renault each held a 40% equity interest of Alliance Ventures, while Mitsubishi Motors held the remaining 20% equity interest.

Alliance Ventures is a strategic venture capital fund operated by the Alliance to make strategic investments in key areas that we believe are important for the future of the automotive industry, such as mobility, autonomous driving, connected services, EV and energy.

The Road to 2030

In January 2022, the Alliance announced the Road to 2030, or the 2030 roadmap, consisting of various medium- to long-term strategic initiatives aimed at further reinforcing and accelerating the Alliance's unique "Leader-Follower" model. As part of this, each Alliance partner will share more of its common platforms and technologies, allowing further deepening of the focus by each Alliance partner on their customer's needs, best models and core markets, while extending innovations at a lower cost.

The 2030 roadmap is also focused on accelerating investment in EV while aiming to achieve optimal cost-sharing, making use of the strong position the Alliance partners have been able to achieve in the development of EV. In particular, this includes efforts to increase the number of EV models available in the medium term, with the aim to have a significant portion of such models be based on common EV platforms shared within the Alliance and covering most markets in all major regions.

Further, the 2030 roadmap includes initiatives to develop higher-performing battery technology through a common battery strategy. Under such common strategy, Nissan and Renault have selected a common battery supplier for their core markets, and the Alliance partners work with common partners to achieve scale and affordability, thus reducing the cost of batteries. In addition, the Alliance shares a common vision for ASSB technology. Based on its expertise and experience as a pioneer in battery technology, Nissan is leading this effort, which we expect will benefit all Alliance members.

The Alliance is also cooperating with other industry players to develop greater public-charging solutions for customers. In particular, the Alliance entered into an agreement with Ionity GmbH, or Ionity, to allow customers to access Ionity's quick charging network in Europe at preferential pricing, and for business customers, the Alliance partnered with Mobilize Power Solutions, which offers end-to-end charging solutions for fleets and professional leads.

Alliance partners are also cooperating to innovate in the field of driver assist and vehicle intelligence technologies, aiming to reduce accidents and to improve the driver's experience. Under leadership by Renault, the Alliance is developing a common centralized electrical and electronic architecture converging electronics hardware and software applications to offer maximum benefits and an optimal level of performance. To ensure that the complexity of future vehicle systems remains manageable while delivering even more advanced features to customers, the Alliance aims to implement this common hardware and software foundation into all its vehicle platforms.

BUSINESS

Overview

We are a leading Japanese automobile manufacturer with worldwide operations, selling our vehicles under the Nissan and Infiniti brands. In addition to the manufacturing and sale of our vehicles, we also provide financing services to our customers through our finance subsidiaries in Japan and in various international markets. We sold over 3.3 million vehicles (on a retail sales basis) during the fiscal year ended March 31, 2025, including nearly 1.3 million vehicles in North America and approximately 697,000, 461,000 and 351,000 vehicles in China (during the fiscal year ended December 31, 2024, and including sales by the China JV but excluding DFAC), Japan and Europe, respectively. We had net sales of ¥12.6 trillion for the fiscal year ended March 31, 2025, including ¥7.2 trillion in North America, ¥4.9 trillion in Japan and ¥1.8 trillion in Europe, in each case including intersegment sales.

We have two business segments, Automobile and Sales Financing. Our Automobile segment includes the design, manufacture, assembly and sale of passenger vehicles as well as vehicles designed for commercial use, such as vans and trucks. We offer a full line-up of vehicle types designed to address the various needs and tastes of our customers across countries and regions.

As of March 31, 2025, we sold our vehicles in approximately 160 countries around the world. The primary markets for our automobiles are Japan, North America, China, Europe and Asia. During the fiscal year ended March 31, 2025 (other than China, which represents the fiscal year ended December 31, 2024), 14% of our automobile sales volume on a retail basis were in Japan, 39% were in North America, 10% were in Europe and 21% were in China (including the China JV, but excluding DFAC). The remaining 16% of retail unit sales were in other markets.

Our Sales Financing segment consists primarily of providing financing to dealers and retail customers for the purchase or lease of our vehicles.

For the fiscal year ended March 31, 2025, we had net sales of ¥12,633,214 million, operating income of ¥69,798 million and net loss attributable to owners of parent of ¥670,898 million.

Re:Nissan and New Management Team

On November 7, 2024, we announced various turnaround measures aimed to address the significant business headwinds that we faced, including a shrinking market for our products in China and increased competition in that market from local automotive companies, as well as challenges in meeting increased demand for HEVs and PHEVs in the United States, combined with an in increase in our variable costs and higher fixed costs than our revenue supports. Such turnaround measures consisted of plans to maintain profitability at a lower level of annual sales through reducing our fixed and variable costs, as well as maintaining sufficient cash generation.

We subsequently appointed a new management team on April 1, 2025, including a new Chief Executive Officer, following earlier management appointments on December 1, 2024, including a new Chief Performance Officer, and on January 1, 2025, including a new Chief Financial Officer. With this renewed leadership, on May 13, 2025, we announced a recovery plan, called "Re:Nissan," as part of an effort to create a leaner, more resilient business that is capable of more quickly adapting to market changes and of sustaining profitability with less reliance on volume. Re:Nissan follows up from the earlier turnaround measures that we had announced on November 7, 2024. With Re:Nissan, we aim to reduce our cost structure by reducing our variable and fixed costs, redefine and refocus our markets and product strategy, and reinforce our partnerships in specific markets and projects. For more information, see "Business—Our Strategies—Rigorously pursue Re:Nissan, our recovery plan aimed at enhancing our performance and creating a more resilient business model."

History

We were established in December 1933 under the name Jidosha Seizo Co., Ltd. Our original automobile manufacturing plant was completed in Yokohama, Japan in May 1934, and our name was changed to Nissan Motor Co., Ltd. in June 1934. Our stock was listed on the First Section (currently, the Prime Market) of the Tokyo Stock Exchange in January 1951, and we began to export vehicles for sale in the United States in May 1958. In August 2009 we moved our global headquarters to Yokohama, Japan. Today, we have manufacturing

plants located around the world, including Japan, the United States, Mexico, Brazil, the United Kingdom, China and India. In China, we have invested in the China JV (currently an affiliate accounted for by the equity method).

Our modern operating history has been significantly influenced by the alliances that we have formed with other major carmakers. In March 1999, we entered into the Alliance with Renault. In 2002, Renault increased its equity interest in our company to 44.4% and we acquired a 15.0% non-voting equity interest in Renault. In October 2016, Mitsubishi Motors joined the Alliance, resulting in the current Alliance. In March 2019, the Alliance created an alliance operating board to oversee the operations and governance of the Alliance.

In November 2023, we implemented a new alliance agreement with Renault, replacing the former agreement. As a result, Renault and Nissan would hold an approximate 15% voting right interest in each other, with the remainder of Renault's interest in us being transferred to a French trust, continuing to benefit from the economic rights of the entrusted Nissan shares until such shares are sold. Subsequently, on March 31, 2025, we announced an amendment to the new alliance agreement, which became effective by the end of May 2025, which reduced the lock-up undertaking of both Nissan and Renault to 10%, down from the previous 15%, allowing each of Nissan and Renault to reduce their respective cross-shareholdings to a minimum of 10%. This did not impact the shares of Nissan held by Renault in the French trust. We also announced that Nissan was released from its commitment to invest up to €600 million in Ampere, Renault's pure EV subsidiary. As of March 31, 2025, Renault held 17.1% of our shares directly (excluding treasury stock), with 18.8% of our shares remaining in the trust. With respect to Mitsubishi Motors, our other partner in the Alliance, as of March 31, 2025, we held a 26.68% stake. See "The Renault-Nissan-Mitsubishi Alliance—Recent Alliance Developments."

Further, in March 2024, we signed a memorandum of understanding with Honda under which we began a feasibility study of a strategic partnership in the fields of vehicle electrification and intelligence. We conducted discussions on a broad scope in anticipation of collaboration in areas such as environmental technologies, electrification technologies, and software development. In August 2024, we signed another memorandum of understanding with Mitsubishi Motors to join this collaboration between Nissan and Honda, with the aim to add new knowledge and strengths and to provide further synergies. In a separate announcement in August 2024, we announced that we signed another memorandum of understanding with Honda to conduct joint research in the area of software-defined vehicles. Furthermore, on December 23, 2024, we announced a potential business integration with Honda pursuant to which we and Honda would become subsidiaries of a joint holding company. However, on February 13, 2025, we and Honda announced that we had abandoned these talks due to an inability to agree on a satisfactory transaction structure, although we continue to work with Honda as an important business partner.

Our Strengths

We have a passion for craftsmanship and a rich history spanning over 90 years of offering aspirational vehicles to customers around the world.

We are an innovative automaker with a passion for craftsmanship, as demonstrated by our track record of developing and launching iconic car models, such as the *GT-R*, a premium sports car with outstanding high-performance specifications, and the *Fairlady Z*, a sports car with a long history, the first generation of which was introduced into the Japanese and U.S. markets in 1969. In each of our core markets, we offer an extensive lineup of cars for the mass market, which includes well-known and best-selling models such as the *Note/Note AURA* and *Serena* in Japan, *Sylphy* and *Qashqai* in China, *Rogue* in North America, and *Qashqai* and *Juke* in Europe. Due to our skills and leadership in the automotive industry, several of our models have won industry and consumer awards. For example, the *Serena* was selected as "Car of the Year" for 2024 by the Automotive Researchers' and Journalists' Conference of Japan ("RJC"), our all-electric *Sakura* minivehicle was selected as "Car of the Year" for 2023 by the RJC, our *Note* model was selected as "Car of the Year" for 2022 by the RJC, our *Dayz* model was selected as "Car of the Year" for 2020 by the RJC. Further, the *X-Trail* SUV won the Technology Car of the Year award for 2022-2023 and our family EV *Leaf* was named "Best Used Small Electric Car 2023" by DrivingElectric.

We are a leader in automotive innovation and technology.

Our technological edge is one of the key strengths that enables us to provide attractive models to consumers. With advanced technologies becoming an increasingly important factor to compete in the industry, we believe that our innovative culture and our technological prowess have positioned us as one of the leaders in the industry. In particular, we are leading the industry with proprietary advanced technologies such as electrification technologies, including e-Powertrain, and advanced autonomous driving technologies.

We have a proven track record in electrification technologies, with the introduction of the *LEAF* in 2010, which was followed by a series of EV and e-POWER model launches. As we continue to focus on innovation and technology, we introduced *Ariya*, an all-electric crossover SUV, in July 2020 and *Sakura*, an all-electric minivehicle, in May 2022. The *Sakura* is a 100% electric minivehicle with handling and dynamic performance surpassing that of conventional minivehicles and superior safety technology thanks to the 360° Safety Assist all-around driving support system, which provides driving support similar to the level of luxury cars.

In the field of autonomous driving, we own industry-leading technologies, as demonstrated by our proprietary ProPILOT 2.0 system, the world's first driver assistance system with intelligent navigated highway driving, including hands-off single-lane driving capabilities, for which the *Skyline* with ProPILOT 2.0 won the "2019-2020 Japan Car of the Year Innovation Award." More recently, in 2023, the *Ariya* with ProPILOT Assist has clinched a "Very Good" rating from the New Car Assessment Program (NCAP) in Europe. Our continuous development of the ProPILOT system, including by integrating active safety and generative AI technologies, and other autonomous driving technologies, signifies our commitment to our goal of zero traffic fatalities.

We are a member of the Renault-Nissan-Mitsubishi Alliance, a global automotive alliance, and also participate in various other growth-oriented partnerships through our "smart partnership" approach.

We benefit from a stable, long-standing relationship with the members of the Renault-Nissan-Mitsubishi Alliance, and we believe that our ability to leverage the Alliance is a competitive advantage compared to other automobile manufacturers. Since its formation with Renault in 1999, the Alliance has grown into a pragmatic, flexible business tool that can expand to accommodate new projects for its members worldwide, and our membership in the Alliance provides us with significant cost savings through a number of measures such as commonizing platform and parts and sharing advanced technologies. Mitsubishi Motors joined the Alliance in 2016. In November 2023, we signed an agreement with Renault, which rebalanced the relationship of the Alliance. The relationship of the Alliance remains strong, and the rebalancing serves as the foundation for a new chapter for the Alliance. The new chapter will be based on a new governance structure that is balanced, fair and effective, and will maximize value creation for each Alliance member based on the long-standing partnership. See "The Renault-Nissan-Mitsubishi Alliance."

Further, we carefully select business partners as part of our "Smart partnership" approach in order to enable the EV transition and achieve medium- to long-term growth. We signed a memorandum of understanding in August 2024 to deepen our strategic partnership with Honda to cooperate in five different areas, namely joint research in fundamental technologies for a next-generation SDV platform, e-Axle commonization, collaboration in domestic energy service and resource circulation, mutual complementization of vehicles and battery supplementation and supply.

Stable sales financing business

Our sales financing business, which we operate through our sales financing subsidiaries in our key markets, has historically (even during the COVID-19 pandemic) generated, and are expected to continue to generate, stable operating income. Despite the current uncertain economic environment and political landscape, our sales financing business benefits from its characteristically diverse funding sources. As of March 31, 2025, the funding for the sales financing segment was ¥9,512 billion in total, consisting of a balanced mix of asset backed securities (33%), bank loans (24%), commercial paper and other (14%), equity (18%) and bonds (11%). Further supporting the stability of our sales financing business is its global footprint, with a presence in key markets across the world in the Asia, North America and Latin America regions.

Strong financial liquidity position thanks to robust Net Cash Position in the automobile business and large amount of unused committed credit lines

We have financing plans that strengthen our financial position. Our Automobile & Eliminations segment has consistently maintained a robust Net Cash Position, even during the COVID-19 pandemic. In particular, we increased cash and cash equivalents in this segment from ¥1,896 billion as of March 31, 2021 to ¥2,014 billion as of March 31, 2024, which further increased to ¥2,160 billion as of March 31, 2025. We also increased Net Cash Position in this segment from ¥636 billion as of March 31, 2021 to ¥1,546 billion as of March 31, 2024, although Net Cash Position decreased to ¥1,498 billion as of March 31, 2025. We continue to maintain sufficient liquidity to meet our cash needs during market uncertainties. Our liquidity position is

bolstered by our ability to maintain ample funding raised from financial institutions, which we tend to keep at around ¥2 trillion. For example, we maintain committed credit facilities with major international banks and as of March 31, 2025, we had ¥2,113 billion in unused committed credit lines available combining the facilities held by our Automobile & Eliminations segment and Sales Financing segment, as compared to ¥1,910 billion as of March 31, 2022. We also maintain ample cash on hand and in banks, together with cash equivalents included in securities. We believe that our disciplined financial strategy will support the execution of our mid-to-long-term vision. See "Selected Financial and Other Data—Other Data."

Our Strategies

Rigorously pursue Re:Nissan, our recovery plan aimed at enhancing our performance and creating a more resilient business model

We are aware of challenges in our current business environment due to shifting market conditions, in particular in China and the United States. In China, the market for non-premium vehicles, which is the main battlefield for joint venture manufacturers, including the China JV, is shrinking due to the impact of the rapid expansion of Chinese local automotive companies such as BYD Company Limited. The shift to NEV from ICE vehicles and the shrinking of the market for non-premium vehicles in China is accelerating and price competition is intensifying. As Chinese automotive companies are also significantly increasing their exports outside of China, this is having a knock-on effect in other markets where we are doing business, such as Southeast Asia, the Middle East, and Latin America.

In the United States, where demand for HEV and PHEV is rapidly growing, we are facing challenges due to our lack of HEV and PHEV offerings in the United States. In addition, increase in sales incentives for our vehicles such as our core model *Rogue* and indemnification of our suppliers for not meeting production schedules have negatively impacted our profit margins. We believe that in the short term, switching our models such as the *Kicks*, *Armada* and *Murano* to new models is the key to improving our financial performance in the United States.

Amidst such a challenging business environment, we are aware of Nissan-specific issues, including difficulties in maintaining speedy decision-making, aging models due to a slow pace of new models, increases in our variable costs and higher fixed costs than our revenue can support.

To address these challenges, on April 1, 2025, we appointed a new results-oriented management team, consisting of Mr. Ivan Espinosa, our new Chief Executive Officer (CEO), Mr. Guillaume Cartier, our new Chief Performance Officer and Chairperson of the Management Committee for the Africa, Middle East, India, Europe and Oceania (AMIEO) region, Mr. Stephen Ma, Chairperson of the Management Committee for China, Mr. Jeremie Papin, our new Chief Financial Officer, Mr. Eiichi Akashi, our new Chief Technology Officer, Mr. Teiji Hirata, our new Chief Monozukuri Officer, as well as Mr. Mitsuro Antoku, Chief Quality Officer and Mr. Toru Ihara, Chief Human Resources Officer, who are continuing in their current roles. We believe this new management team will lead recovery efforts with speed, efficiency, and rigorous execution. For more information, see "Management."

Our new management team announced Re:Nissan on May 13, 2025, which is our comprehensive recovery plan consisting of efforts to enhance our performance and create a leaner, more resilient business able to quickly adapt to changing markets. This includes the overall target to achieve cost savings of ¥500 billion by the fiscal year ending March 31, 2027, as compared to the fiscal year ended March 31, 2025, which we aim to achieve through reducing variable costs by ¥250 billion and fixed costs by ¥250 billion, as described further below. The Re:Nissan Management Office, a new steering committee chaired by the CEO, will be in charge of leading such cost reduction efforts.

Reducing Variable Costs

To achieve our goal of reducing variable costs by approximately ¥250 billion by the fiscal year ending March 31, 2027, as compared to the fiscal year ended March 31, 2025, we have established a Rapid-Response Team, a "sprint team" under our Chief of Total Delivered Cost Transformation that will report directly to our executive committee. The Rapid-Response Team will implement a new variable cost transformation program to realize maximum engineering and cost efficiencies, and will rethink our supply base to achieve a greater volume of automotive parts from fewer suppliers in order to increase cost efficiencies.

Such efforts to reduce variable costs span a wide range of our purchasing, development and manufacturing processes. Accordingly, our Rapid-Response Team is expected to consist of a 3,000 person team

covering a wide range of activities (standards and specification updates, supplier parts standardization, consolidation of suppliers for parts, reducing parts and color diversity and reducing intermediate inventory, among other activities) and commodities (exterior, interior, seats, lamps, harnesses, powertrain (PWT) parts, tires, advanced driver assistance systems (ADAS), and more), with such variable cost reduction activities in turn being applied on specific vehicle projects as well.

Reducing Fixed Costs

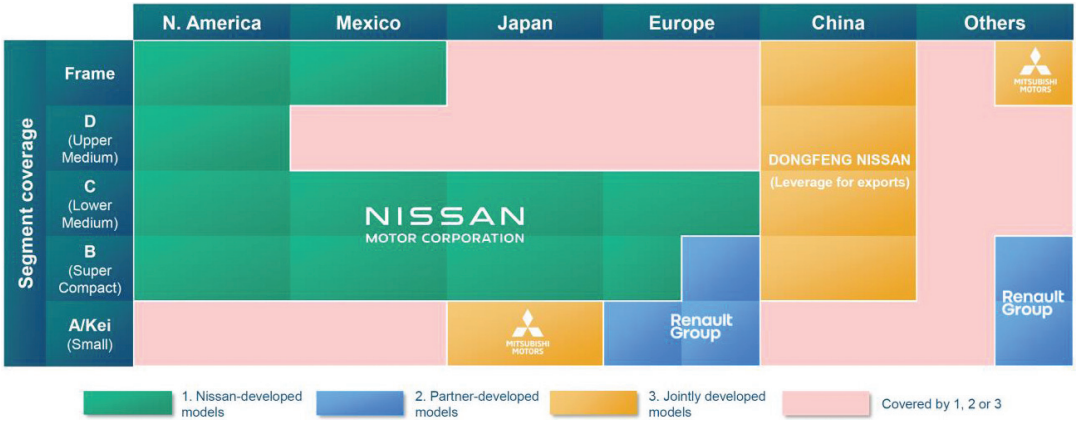
Our efforts to reduce fixed costs by ¥250 billion by the fiscal year ending March 31, 2027, as compared to the fiscal year ended March 31, 2025, consist of three interrelated activities: restructuring our manufacturing, reducing our workforce and expenditures, and revamping our development. With regard to the first activity, we plan to reduce the number of our manufacturing plants from 17 to 10 by the fiscal year ending March 31, 2028, which we believe will contribute to reducing fixed cost. Together with the reduction of manufacturing plants, we plan to increase production capacity utilization (excluding China) from approximately 70% for the fiscal year ended March 31, 2025 (with a production of approximately 3.5 million units) to approximately 100% (with a production of approximately 2.5 million units) by the fiscal year ending March 31, 2028, in part by relying on our partners' production plants and increasing production flexibility. The reduction of manufacturing plants will be paired with a consolidation of vehicle and powertrain plants, reforming jobs and job shifts, and reducing capital expenditures and increasing efficiencies. For example, as part of these efforts, we recently consolidated pickup vehicle production from our plant in Argentina to Mexico, reorganized operations in India with Renault, and we stopped investment in a lithium ferro phosphate (LFP) battery plant in Japan.

In addition, we plan to reduce our global workforce by approximately 20,000 (including the reduction of 9,000 global personnel that we announced on November 7, 2024) by the fiscal year ending March 31, 2028, with the majority (65%) of such reduction coming from our manufacturing workforce, as well as reductions in selling, general and administrative (18%) and research and development (17%) staff. Supporting this workforce reduction is our plan to increasingly transfer job functions to a shared service centers to reduce unit labor costs and expenses. Further, we believe we can further lower selling, general and administrative expenses by focusing more on fixed marketing investment efficiency, in particular by prioritizing global and regional marketing activity and sponsorships which offer the highest return on investment, and by transforming our planning and buying strategy for marketing media.

As part of our efforts to revamp our development, we aim to reduce the cost of engineering by 20% by the fiscal year ending March 31, 2028, as compared to the fiscal year ended March 31, 2025, by targeting a lower average workforce cost per hour, together with a rationalization of our research and development facilities and allocation of work to our most competitive locations, further boosting efficiency. Further, we aim to reduce parts complexity by 70% by the fiscal year ending March 31, 2028 compared to the fiscal year ended March 31, 2025. In order to reduce fixed costs for the long-term, we plan to implement a reduction of our global vehicle platforms from 13 in the fiscal year ended March 31, 2025 to 9 and 7 in the fiscal years ending March 31, 2033 and 2036, respectively. Lastly, we plan to reduce the development time for vehicle models to 37 months for lead models and 30 months for subsequent models, through implementing a "family development" strategy. This approach standardizes the parts of the upper body for different vehicle models developed as a family, while maintaining unique visual characteristics and attractiveness for each model, and has the potential to offer speedier and more efficient development.

Redefined market strategy accelerated by our complementary partnerships

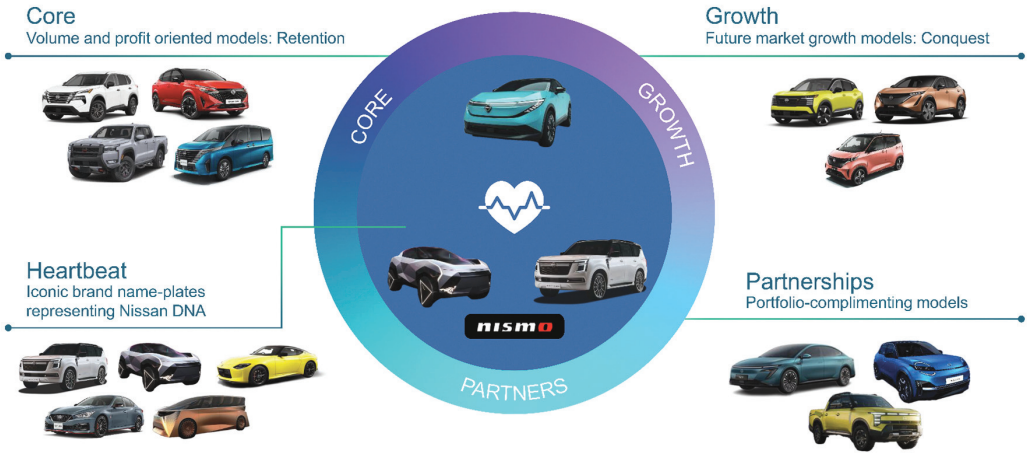
We believe that a sustainable recovery under Re:Nissan cannot solely rely on cost reductions and must also be supported by strong product offerings responsive to market demands. To this end, we aim to redefine our market strategy by focusing on core segments in key markets, supported by partners in other regions. The chart below shows the segments in which Nissan will develop vehicles and the segments in which we will rely on our partners. We will also strive to leverage models from one of these approaches to cover other markets.



We aim to prioritize certain markets and products to ensure we have the right models for the right markets at the right price point, aligning supply with demand. This involves establishing distinct strategic initiatives for each region. These include the following:

- *United States*. We aim to boost our revenue per unit in the United States by focusing on core models, while addressing rapidly expanding segments such as HEVs, as well as a revitalization of our Infiniti brand.
- *China*. We aim to accelerate exports from China to support diverse and global needs while working to enhance domestic performance of our NEVs.
- *Japan*. As our home market, Japan functions as our brand showcase. Therefore, we plan to reinforce the Nissan brand by expanding model coverage, focusing on larger-sized models and signature technologies.
- *Europe*. In Europe, we aim to focus on core models, specifically B and C segment SUVs, and we also work with Renault to further diversify our offerings.
- *India, South and Southeast Asia and Oceania*. For this region, we aim to improve sustainability by reviewing and minimizing investment, including by reviewing our product lineup and maximizing the synergies of the Alliance.
- *Middle East*. We aim to secure a profitable and competitive position in the Middle East by focusing on large SUVs while exploring products imported from China.
- *Mexico and Latin America*. We aim to continue to use Mexico and the Latin America region as an important export hub.

Finally, our product portfolio investment strategy under Re:Nissan will revolve around three key objectives, namely core, growth and partnership, in order to make the heart of our business beat stronger. First, we must retain our core business and current customers by providing products that they value. Second, we must focus on geographical and segment growth in order to attract new customers in targeted markets. Third, we must enhance our marketing and sales efforts for our iconic models, which represent the heartbeat of Nissan, to reignite customer passion for our brand. We believe such iconic models are not just defined by sales volume, but also by their iconic design, engineering ambition and, most importantly, such models reflect fully Nissan's values. Supporting these three objectives will be portfolio-complementing models developed through our business partnerships.



The discussion above includes forward-looking statements based on various assumptions and beliefs, including but not limited to the assumptions set forth above as well as the non-occurrence of the various risks set forth in "Risk Factors—Risks Relating to Our Business" and elsewhere in this offering circular. Many of these assumptions and beliefs relate to matters that are outside of our control, including factors affecting the business and economic environment. In addition, there can be no assurance as to our ability to implement our various strategic initiatives. As a result, we cannot and do not make any representation or assurance as to the achievability of our strategic objectives and goals or whether our underlying assumptions are appropriate. You should be aware that actual results may vary, potentially materially, from the above forward-looking statements. See "Forward-Looking Statements."

Our Business Operations

Automobile Segment

Overview

We develop, manufacture and sell passenger vehicles, including cars, trucks and SUVs. In the fiscal years ended March 31, 2024 and 2025, we sold approximately 3.4 million and 3.3 million vehicles (on a retail basis) for net sales of ¥11.8 trillion and ¥11.6 trillion, including intersegment sales or transfers, respectively.

Vehicles

As of March 31, 2025, we sold 49 models of vehicles, consisting of sedans, SUVs, trucks, vans and electric vehicles. After several years of streamlining our product portfolio, under our current medium-term business plan, we aim to achieve a balanced product portfolio containing both traditional ICE vehicles as well as electrified vehicles, including battery electric vehicles, e-POWER system vehicles and PHEVs, and to achieve this, we aim to launch new models in both categories in the medium-term. For additional details, see "—Our Strategies—Redefined market strategy accelerated by our complementary partnerships" above.

The following table sets forth a selection of our best-selling models in our four major markets:

Region	Model	Description
Japan	*Note / Note AURA*	Compact
	Serena	Minivan
	Roox	Kei car
North America	*Rogue*	Mid-sized SUV
	Sentra	Sedan
	Altima	Sedan
Europe	*Qashqai*	Mid-sized SUV
	Juke	Compact SUV
	X-TRAIL	Mid-sized SUV
China	*Sylphy*	Sedan
	Qashqai	Mid-sized SUV
	Altima	Sedan

Technological Innovation

In the medium to long term, we plan to develop a balanced portfolio of ICE and electrified vehicles, with new models in each category equipped with innovative technology. Such innovation includes autonomous driving technologies, new battery designs and new mobility services. We also plan to introduce innovative technologies through a region-specific strategy plan, such as responding to strong demand for SUVs and pickup trucks in the United States, tightening environmental regulations in Europe and our goal to become the EV leader in Japan.

Electrification

One of our primary electrification technologies is our e-POWER system, which offers the strong and seamless acceleration of an EV without the need for an external charger thanks to an onboard gasoline engine that provides electrical energy to the car's battery. The high-output electric motor delivers significant torque almost instantly, allowing drivers to keep up with traffic while providing an enjoyable experience. The e-POWER system also comes with the e-Pedal technology, which enables drivers to smoothly speed up or slow down just by pushing down or easing off the accelerator pedal, minimizing the need to switch between the accelerator and brake pedals while driving and reducing fatigue.

We recently extended our e-POWER technology to our B-segment small vehicles as well as C-segment medium-sized vehicles and have also steadily improved this technology, making current generation e-POWER systems more powerful, efficient and cost-effective than prior generations. Further, we have expanded the market for e-POWER vehicles with launches in Asia, Europe, and Latin America in recent years. Models with e-POWER continue to be popular, and we recently achieved 1.6 million units of cumulative global production of e-POWER vehicles. We also recently announced the third generation of the e-POWER system, which will feature improvements in efficiency, lower emissions and reduced noise and vibrations and we expect will debut on the Qashqai and Rogue. In 2023, the Serena, equipped with a new engine exclusively designed for the e-POWER system, was awarded the Technology Car of the Year award as part of the 2023-2024 Japan Car of the Year awards, as well as the Automotive Researchers' and Journalists' Conference of Japan (RJC) Car of the Year award and Technology of the Year award, in recognition of its improved combustion efficiency, smooth and powerful acceleration and quietness. Our next milestone will be to launch the innovative e-POWER system in the U.S.

As part of our electrification efforts, we also work on developing and improving battery performance, in particular, the lithium-ion batteries that our EVs are equipped with. Lithium-ion batteries have higher densities than lead-acid batteries or nickel-metal hydride batteries, allowing the battery to be smaller while retaining similar storage capacity. Our lithium-ion battery uses materials which allow a high density of lithium ions to be stored, resulting in increased travel distance.

In addition, we have developed the e-4ORCE wheel control technology that assists drivers by delivering balanced and predictable power in a variety of road scenarios. e-4ORCE provides a balanced chassis control and steering precision to ensure smoothness and stability while keeping handling predictable, even during sudden maneuvers. This is achieved by controlling the output of the front and rear electric motors of the vehicle as well as braking at each wheel. A vehicle accelerating through a corner tends to veer to the outside of the road, forcing the driver to either increase steering input or reduce speed, but e-4ORCE helps maintain the intended driving line with minimal steering adjustment and maximizes tire grip according to road surface conditions and the vehicle's position.

Autonomous Drive Technology

Another core focus of our technological innovation efforts and our overall goal of realizing a safer mobility society are our various autonomous drive technologies. We have developed cars that enable intuitive driving and respond to the driver's demands and expectations in pursuit of creating a high level of trust between the driver and the vehicle.

Our autonomous drive technology includes our ProPILOT system (called ProPILOT Assist in the United States), which we first announced in 2016. The ProPILOT system enables adaptive cruise control that can control a vehicle's speed, braking and steering. Using a front radar sensor and a front-facing camera located behind the rear-view mirror, ProPILOT technology helps drivers maintain a preset distance from cars in front and keep the vehicle centered during single-lane driving.

The next-generation ProPILOT 2.0 system features upgrades to ProPILOT, including hands-off single-lane driving. ProPILOT 2.0 enables such hands-off features by utilizing advanced sensors and 3D high-definition map data. It can also assist in overtaking slower vehicles, changing lanes as well as taking branches and exits on predetermined routes. Together, these features make long drives less tiring and more enjoyable. The system also comes with ProPILOT Park, which assists the driver to park the car with the push of a button, with the system able to control the steering, accelerator, brakes, gear shift and parking brake. The system can recognize the type of parking space and guide the car into front or back-in parking spots, as well as parallel park.

Mobility Services

We also leverage connected car technologies to promote new mobility services, such as ride sharing and the use of vehicles as energy sources, positioning vehicles to offer services that connect people and society. In the Namie Smart Mobility trial project conducted in Namie, Fukushima prefecture, we aimed to provide residents and visitors with sustainable and flexible transportation by building a public transport network utilizing EV and connected technologies. Through use of Namie's renewable energy power generation facilities, bidirectional charges, EVs and secondary batteries, as well as our charging/discharging control systems, we aim to promote local production of clean energy for local consumption and the reduction of CO2 emissions.

Further, we are developing Nissan Energy Share, a unique energy management technology, that keeps track of a vehicle's energy usage schedule and battery charge in real time, timing charging and discharging autonomously without compromising the vehicle's convenience. The system thus maximizes the value of EVs by making effective use of, and contributing to, the electrical grid, adjusting charging and discharging appropriately based on peak energy consumption and lower energy consumption trends, as a result contributing to the reduction of CO2 emissions and linking with renewable energy sources.

Markets and Sales

We generate sales from almost all of the major automobile markets worldwide and maintain a global network of sales subsidiaries, sales joint ventures and direct and third-party dealerships that sell our passenger vehicles in approximately 160 countries as of March 31, 2025. The primary geographical regions where we conduct our business as of March 31, 2025 are as follows:

- Japan;
- North America, which consists of the United States, Canada and Mexico;
- Europe, which includes France, the United Kingdom and Spain, as our main markets;
- Asia, which includes China, Thailand and India as our main markets, with China operations conducted through the China JV; and
- Other overseas countries, which consists of Oceania, Middle East, South Africa and Central and South America excluding Mexico.

During the fiscal year ended March 31, 2025 (other than China, which represents the fiscal year ended December 31, 2024), 14% of our automobile sales on a retail basis were in Japan, 39% were in North America, 10% were in Europe and 21% were in China (including the China JV, but excluding DFAC). The remaining 16% of consolidated unit sales were in other markets. The following table shows our sales volume (on a retail basis) by geographic area for the periods indicated:

	For the fiscal year ended March 31,			
	2022	2023	2024	2025
	(units sold, retail sales basis)			
Japan	428,411	454,449	484,195	460,868
North America[1]	1,183,266	1,023,498	1,262,110	1,303,236
United States	893,167	764,086	915,712	938,358
Europe	339,549	308,449	361,372	350,957
Asia	1,526,267	1,170,992	910,055	793,425
China[2]	1,381,494	1,045,197	793,768	696,631
Other overseas countries	398,493	347,816	424,525	437,762
Total	3,875,986	3,305,204	3,442,257	3,346,248

Notes:

(1) Includes Canada and Mexico, in addition to the United States.

(2) Figures for China include 100% of the retail unit sales of the China JV as well as our retail unit sales in China and Taiwan. The fiscal year of the China JV ends on December 31.

Japan

Japan accounted for 13.8% of our automobile sales on a retail basis in the fiscal year ended March 31, 2025. We sold 484,195 vehicles in Japan in the fiscal year ended March 31, 2024, a 6.5% increase from the previous fiscal year. This increase in sales volume was due mainly to an increase in volume resulting from the introduction of new models such as the all-new *Serena*. We sold 460,868 vehicles in Japan during the fiscal year ended March 31, 2025, a 4.8% decrease from the previous fiscal year. This decrease in sales volume was due mainly to decreases in the sales of models such as the *Sakura* and the *X-Trail*. Popular models in Japan include the *Note/Note AURA*, the *Serena* and the *Roox*.

North America

North America accounted for 38.9% of our automobile sales on a retail basis in the fiscal year ended March 31, 2025. We sold 1,262,110 vehicles in North America in the fiscal year ended March 31, 2024, a 23.3% increase from the previous fiscal year. This increase in sales volume was due mainly to strong sales of models such as the *Rogue,* the *Sentra* and the *Kicks.* We sold 1,303,236 vehicles in North America during the fiscal year ended March 31, 2025, a 3.3% increase from the previous fiscal year. This increase in sales volume was due mainly to improved sales in the United States, Canada and Mexico. Popular models in North America include the *Rogue*, the *Sentra* and the *Altima*.

Europe

Europe accounted for 10.5% of our automobile sales on a retail basis in the fiscal year ended March 31, 2025. We sold 361,372 vehicles in Europe in the fiscal year ended March 31, 2024, a 17.2% increase from the previous fiscal year. This increase in sales volume was due mainly to strong sales of models such as the *Nissan Juke*, the *Qashqai* and the all-new *X-TRAIL.* We sold 350,957 vehicles in Europe during the fiscal year ended March 31, 2025, a 2.9% decrease from the previous fiscal year. This decrease in sales volume was due mainly to a decrease in sales of models such as the *Qashqai* and the *Leaf*, partially offset by an increase in the sales of certain models such as the *Juke* and the *Ariya*. Popular models in Europe include the *Qashqai*, the *Juke* and the *X-TRAIL.*

China

One of the most important markets for us is China where we have invested in the China JV. China accounted for 20.8% of our automobile sales on a retail basis in the fiscal year ended December 31, 2024. The China JV sold 696,631 vehicles in China (on a retail sales basis) in the fiscal year ended December 31, 2024, a 12.2% decrease from the previous fiscal year ended December 31, 2023. This decrease in sales volume was due mainly to loss of market share to competitors as a result of intense price competition and an acceleration in the shift to NEV from ICE, whereas TIV in the Chinese market increased. Popular models in China include the *Sylphy*, the *Qashqai*, and the *Altima*.

Asia (excluding China)

Asia (excluding China) accounted for 2.9% of our automobile sales on a retail basis in the fiscal year ended March 31, 2025. We sold 116,287 vehicles in Asia (excluding China) in the fiscal year ended March 31, 2024, a 7.6% decrease from the previous fiscal year. This decrease in sales volume was due mainly to decrease in sales in markets such as Thailand, India and Malaysia. We sold 96,794 vehicles in Asia (excluding China) during the fiscal year ended March 31, 2025, a 16.8% decrease from the previous fiscal year. This decrease in sales volume was due mainly to decrease in sales in markets such as Thailand, Taiwan and the Philippines.

Other overseas countries

Other overseas countries accounted for 13.1% of our automobile sales on a retail basis in the fiscal year ended March 31, 2025. We sold 424,525 vehicles in other overseas countries in the fiscal year ended March 31, 2024, a 22.1% increase from the previous fiscal year. This increase in sales volume was due mainly to strong

sales in Australia with models such as the *X-Trail* and the *Qashqai*. We sold 437,762 vehicles in other overseas countries during the fiscal year ended March 31, 2025, a 3.1% increase from the previous fiscal year. This increase in sales volume was due mainly to increased sales in the Middle East.

Competition

Competition in the automotive industry is intensifying quickly amidst evolving markets, in particular in key markets in which we operate. We analyze our competitive position primarily based on market share data. The market share figures presented below are calculated by us as follows: first, TIV is computed by adding the retail sales volumes for each fiscal year from information publicly disclosed by Japan Automobile Manufacturers Association, Inc. (for the Japan market) or other comparable sources for the other markets and Nissan's retail sales volume (including 100% sales volume of the China JV) for that fiscal year (or for the prior calendar year, for the China JV). Second, Nissan's market share is computed by dividing Nissan's retail sales volumes by the TIV.

Japan

Competition in the Japanese automotive market is intense. Our principal competitors in Japan are the other major Japanese automotive companies, which include Toyota Motor Corporation, Honda, Suzuki Motor Corporation and Mazda Motor Corporation. For the fiscal year ended March 31, 2025, our market share in Japan in terms of retail sales volume was 10.1%.

North America

Competition in North America, particularly the United States, which generates large sales volumes for the major global automobile manufacturers, is intense and has led to the offering of increasingly attractive sales incentives. Our principal competitors include the major U.S., European, Korean and Japanese automotive companies, such as General Motors Company, Ford Motor Company, Toyota Motor Corporation, Fiat Chrysler Automobiles N.V., Honda and Hyundai Motor Company. For the fiscal year ended March 31, 2025, our market share in the United States in terms of retail sales volume was 5.9%.

Europe

While Western European markets are relatively mature, they generate high sales volumes and are subject to competitive pressures. Our principal competitors include the major European automotive companies, Ford Motor Company, the major Korean automotive companies and the other major Japanese automotive companies. For the fiscal year ended March 31, 2025, our market share in Europe in terms of retail sales volume was 2.0%.

China

The automotive market in China is a primary growth market. In China, where we have invested in the China JV, our principal competitors include the major Chinese local automotive companies such as BYD Company Limited, Chery Automobile Co. Ltd., Geely Automobile Holdings Limited, Changan Automobile Co., Ltd., as well as major U.S., European, Korean and Japanese automotive companies, such as Tesla, Volkswagen AG, Toyota Motor Corporation and Honda. For the fiscal year ended March 31, 2025, our market share in China (including 100% of the sales volume of the China JV) in terms of sales volume was 2.8%.

Production

We have four manufacturing facilities in Japan on a standalone basis. Our primary overseas manufacturing facilities are in China (through our China JV), the United States, Mexico and the United Kingdom, and we have additional manufacturing facilities located in India, Thailand, South Africa, Brazil, Argentina and Egypt.

The following table shows the number of vehicles produced in the countries listed for the periods indicated:

	For the fiscal year ended March 31,			
	2022	2023	2024	2025
	(units produced)			
Japan	445,836	596,694	724,838	641,348
United States	455,871	555,924	605,652	500,434
Mexico	454,620	412,098	607,089	664,561
United Kingdom	181,618	260,532	325,458	276,336
Spain[(1)]	18,673	—	—	—
Russia[(2)]	43,872	—	—	—
Thailand	103,717	79,997	93,605	63,435
India	184,686	218,482	124,627	152,017
South Africa	22,032	26,891	25,136	10,425
Brazil	40,973	53,171	58,761	61,171
Argentina	22,258	26,816	29,646	17,698
Egypt	19,963	18,112	12,084	21,154
Total	1,994,119	2,248,717	2,606,896	2,408,579

Notes:
(1) We ceased productions at our Barcelona plants in October 2021.
(2) We sold our manufacturing subsidiary in Russia in October 2022 as part of our exit from the Russian market.

For the fiscal year ended March 31, 2025, we produced a total of 2,408,579 vehicles, a decrease in production of 7.6% as compared to the previous fiscal year. This decrease was primarily driven by a decrease in production in the United States and Japan. Production at manufacturing facilities outside of Japan accounted for 1,767,231 vehicles, or 73.4% of our total production volume, for the fiscal year ended March 31, 2025.

For the fiscal year ended December 31, 2024, the China JV produced a total of 665 thousand vehicles compared to 780 thousand vehicles for the prior fiscal year, a decrease in production of 14.7%, mainly as a result of our closure of a plant in Changzhou, China, in an effort to cut our production capacity in China and restructure operations there.

As part of Re:Nissan, we plan to reduce our consolidated production capacity by reducing headcount in certain vehicle and powertrain plants, closing certain plants and applying changes to manufacturing shift patterns in other plants, with the goal of optimizing our manufacturing base. See “Business—Our Strategies— Rigorously pursue Re:Nissan, our recovery plan aimed at enhancing our performance and creating a more resilient business model.”

Supplies and Raw Materials

We purchase a wide variety of components and raw materials for use in the production of our vehicles from numerous suppliers in Japan and other countries around the world. Part of our raw materials consist of precious metals, of which production volume is extremely small and production mines are limited to a small number of countries or regions. We believe that we currently have adequate supplies or sources of availability of the raw materials necessary to meet our needs and strive to maintain multiple suppliers for important materials. We monitor the financial condition of our main suppliers to anticipate problems in our supply chain prior to their occurrence, and we select our suppliers on the basis of the quality and price of the products they manufacture.

Sales Financing Segment

Our Sales Financing segment consists primarily of providing financing to dealers and retail customers for the purchase or lease of our vehicles. Our Sales Financing segment operates mostly in the United States, Mexico, Canada, Japan, Australia, China, India, Thailand and Chile through our financing subsidiaries. As of March 31, 2025, the funding sources for our Sales Financing segment totaled ¥9,512 billion, consisting of bank loans (24%), asset-backed securities (33%), bonds (11%), equity (18%) and commercial paper and other (14%).

We view penetration as an important metric to measure the performance of our Sales Financing segment. We calculate penetration by dividing the aggregate amount of the retail loan and lease contracts

financed by our Sales Financing segment over the finance sales volume in the areas of operation. The penetration percentage for our Sales Financing segment was 51%, 47%, 47% and 45% for the fiscal years ended March 31, 2022, 2023, 2024 and 2025, respectively.

Further, we also view net credit loss ratio of the Sales Financing segment as an important metric. We calculate net credit loss ratio by dividing net credit losses over retail and lease financial assets. The net credit loss ratio for our Sales Financing segment was 0.1%, 0.2%, 0.5% and 0.6% for the fiscal years ended March 31, 2022, 2023, 2024 and 2025, respectively.

Research and Development

In the fiscal years ended March 31, 2024 and 2025, we recorded ¥609.9 billion and ¥619.0 billion, respectively, in research and development costs. As of March 31, 2025 we have research and development sites in 15 countries.

Our primary research and development activities take place in Japan at the Nissan Technical Center located in Atsugi, Kanagawa. Internationally, we have research centers in the United States, Mexico, the United Kingdom, Spain, China (through a joint venture), Taiwan (through a joint venture), Thailand and India that contribute to the design and development of new vehicle models. Our Nissan Research Center Silicon Valley office in the United States is focused on research into autonomous driving vehicles and information and communication technology development for new generations of connected vehicles.

In addition to our internal research and development activities, we conduct joint development through the Alliance with Renault and Mitsubishi Motors and other industry partners. In 2019, the Alliance established a research and development lab in Shanghai to conduct research and development focused on autonomous driving, connected vehicles and EV. In May 2020, the Alliance announced the leader-follower scheme whereby each Alliance partner takes the lead for development of certain key technologies. See "The Renault-Nissan-Mitsubishi Alliance." Further, in August 2024, we announced that we signed a memorandum of understanding with Honda to conduct joint research in the area of platforms for next-generation SDVs.

The below table sets forth our major worldwide research and development facilities as of March 31, 2025:

Facility	Location	Principal Activity
Japan		
Nissan Technical Center	Kanagawa, Japan	Central entity of R&D
Nissan Shatai Co., Ltd.	Kanagawa, Japan	Vehicle development
NISSAN AUTOMOTIVE TECHNOLOGY CO., LTD.	Kanagawa, Japan	Vehicle development
Aichi Machine Industry Co., Ltd.	Aichi, Japan	Unit development
JATCO Ltd	Shizuoka, Japan	Unit development
Western countries		
Nissan North America, Inc.	Tennessee, U.S.A.	Design and development of several vehicle models
Nissan Mexicana, S.A. de C.V.	Mexico City, Mexico	Design and development of several vehicle models
Nissan Motor Manufacturing (UK) Ltd.	Tyne & Wear, U.K.	Design and development of several vehicle models
Nissan Motor Iberica, S.A.	Barcelona, Spain	Design and development of several vehicle models
Nissan Research Center Silicon Valley (NRC-SV)	Silicon Valley, U.S.A.	Research of autonomous driving vehicles and our state-of-the-art Information and Communication Technology (ICT) development
Asia		
Dongfeng Motor Co., Ltd.[(1)]	Guangzhou, China	Design and development of several vehicle models
Nissan (China) Investment Co., Ltd.	Beijing, China	Design and development of several vehicle models

Facility	Location	Principal Activity
Yulon Nissan Motor Co., Ltd.	Miaoli, Republic of China	Design and development of several vehicle models
Nissan Motor Asia Pacific Co., Ltd.	Samutprakarn, Thailand	Design and development of several vehicle models
Renault Nissan Technology and Business Centre India Private Limited	Chennai, India	Design and development of several vehicle models
Others		
Nissan Do Brasil Automóveis Ltda.	Rio de Janeiro, Brazil	Partial development of locally produced vehicles
Nissan South Africa (Pty) Ltd.	Rosslyn, South Africa	Partial development of locally produced vehicles

Note:
(1) We hold 50.0% of the voting rights in the China JV.

Intellectual Property

We hold numerous Japanese and foreign trademarks, patents, design patents and utility model registrations. A utility model registration is a right granted under Japanese law with respect to inventions of less originality than those which qualify for patents. In general, the effective period for a utility model registration is shorter than that granted for a patent. We also have a number of applications pending for Japanese and foreign patents. While we consider all of our intellectual property to be important, we do not consider any one group of patents, trademarks or utility model registrations to be so important that their expiration or termination would materially affect our business.

Capital Expenditures

In the fiscal years ended March 31, 2024 and 2025, we invested ¥486.1 billion and ¥577.3 billion in capital expenditures, respectively.

Environmental Initiatives

Under the framework of the Paris Agreement negotiated at the 2015 United Nations Climate Change Conference (COP 21), and accelerated by the 2018 special report of the Intergovernmental Panel on Climate Change, there is a global move to decrease emissions of carbon dioxide and other greenhouse gases that contribute to climate change and global warming and to aim for net zero emissions. We are aware of the environmental impact of our operations and take proactive measures to reduce their environmental impact by working to conserve energy, reduce carbon dioxide emissions, reduce waste, improve recycling programs and reduce pollution. Our environmental philosophy is to promote "a symbiosis of people, vehicles and nature."

Nissan Green Program 2030

Since 2002, we have consistently established and implemented medium-term action plans as part of our environmental philosophy, known as the "Nissan Green Program." In March 2024, we announced Nissan Green Program 2030, the fifth generation of Nissan Green Programs. Under Nissan Green Program 2030, we aim to accelerate company-wide efforts to address climate change issues, including efforts to limit the increase in global temperatures to 1.5°C above pre-industrial levels, as well as efforts to achieve carbon neutrality, the transition to a circular economy, minimization of our dependence and impact on nature and ecosystems and strengthen our business foundation, while working to create new social value. Particular focus areas include reduction of CO2 emissions from product lifecycles, emissions and manufacturing, as well as in our operations more broadly, expanded use of renewable and sustainable energy and materials, enhance water risk management and reduce water usage at manufacturing sites, among other things.

A key component of our Nissan Green Program 2030 is the further development and expansion of EV and electrified vehicle models in order to reduce fuel consumption and CO2 emissions. This includes the development of our EV ecosystem with "Nissan Energy" solutions, which focus on energy supply, energy sharing and energy storage. These solutions cover areas such as charging efficiency, connected electric vehicles, battery performance and the secondary-use of batteries. Additionally, we have introduced and expanded on our e-POWER system equipment, improved internal combustion engines, reduced car body weight, adopted driver assistance technology and made a demonstrated commitment to mobility services.

With respect to corporate governance, we address environmental issues through our global and regional environmental management committees which meet regularly to allow our executives to discuss the progress of action plans under the Nissan Green Program 2030 as well as emerging material risks and corporate opportunities that should be implemented in future plans.

Safety

Building upon our previous progress, we aim to continue to reduce the number of deaths resulting from accidents involving Nissan vehicles to a near-zero level. We continue to promote and develop technology that protects people, and our efforts include the implementation of technology that prevents collisions or reduces damage from unpreventable collisions as well as the development of sophisticated autonomous driving technologies and advanced driver and educational initiatives.

Properties

We aim to mitigate production risk by maintaining multiple manufacturing facilities globally, with our primary production facilities located in Japan, the United States, Mexico and the United Kingdom. In the fiscal year ended March 31, 2025, 641,348 vehicles, 500,434 vehicles, 664,561 vehicles and 276,336 vehicles were manufactured in our facilities in Japan, the United States, Mexico and the United Kingdom, respectively, constituting approximately 26.6%, 20.8%, 27.6% and 11.5%, respectively, of all vehicles manufactured by us during such fiscal year.

The following tables provide information on our principal facilities as of March 31, 2025:

Nissan Motor Co., Ltd.

Facility	Uses	Land Space (m^2)	Number of Employees (Persons)[1]
			2,227
Yokohama Plant	Automobile parts production facilities	505,434	(883)
Oppama Plant (including the Research Center)	Vehicle production facilities	1,844,577	2,941 (873)
			4,051
Tochigi Plant	Vehicle production facilities	2,910,646	(1,634)
			76
Nissan Motor Kyushu Co., Ltd.[2]	Vehicle production facilities	2,355,196	(9)
			570
Iwaki Plant	Automobile parts production facilities	205,489	(263)
			9,908
Head Office departments and other	Research and development facilities	1,356,094	(753)
			2,532
	Head office	10,000	(154)

Notes:

(1) "Number of Employees" indicates the number of full-time employees. The figures in parentheses represent the average number of part-time employees during the fiscal year ended March 31, 2025, and are not included in the number of full-time employees. The employee figures for each plant include those at adjoining facilities, warehouses and laboratories and the related full-time employees.

(2) All of the vehicle production facilities are lent to Nissan Motor Kyushu Co., Ltd. to which manufacturing of our products is entrusted.

Major Subsidiaries

Subsidiary Name	Location	Uses	Land Space (m^2)	Number of Employees (Persons)
Jatco Ltd.	Fuji, Shizuoka, etc.	Automobile parts production facilities	923,445	3,912 (818)
Nissan Shatai Co., Ltd.	Hiratsuka, Kanagawa, etc.	Vehicle production facilities	613,491	1,797 (233)
Aichi Machine Industry Co., Ltd.	Atsuta-ku, Nagoya, Aichi, etc.	Automobile parts production facilities	395,421	1,092 (348)
Nissan Network Holdings Co., Ltd.	Yokohama, Kanagawa, etc.	Facilities for automobile sales, etc.	3,021,048	58 (8)
Nissan North America, Inc.	Smyrna, Tennessee, Canton, Mississippi, USA, etc.	Production facilities for vehicles, parts and others	26,019,144	14,806 (—)
Nissan Mexicana, S.A. de C.V.	Morelos, Mexico, and Aguascalientes, Mexico	Production facilities for vehicles, parts and others	6,586,745	18,060 (16)
Nissan Motor Manufacturing (UK) Ltd.	Sunderland, Tyne & Wear, United Kingdom	Production facilities for vehicles and parts	3,227,561	6,084 (390)
Nissan Motor (Thailand) Co., Ltd.	Bangsaothong, Samutpraken, Thailand	Production facilities for vehicles and parts	998,180	2,944 (15)
Nissan Do Brasil Automóveis Ltda.	Resende, Rio de Janeiro, Brazil	Production facilities for vehicles and parts and others	2,738,167	2,787 (96)

Note:

(1) "Number of Employees" indicates the number of full-time employees. The figures in parentheses represent the average number of part-time employees during the fiscal year ended March 31, 2025, and are not included in the number of full-time employees.

In addition to the above facilities, we have a number of other smaller facilities located worldwide. We also own and lease sales and service offices, research and development facilities and employee housing in major cities worldwide.

Employees

The following table lists the number of employees of the Nissan group by region as of March 31, 2025:

	As of March 31, 2025
Japan	60,902
North America (including United States)	40,242
United States	15,960
Europe	9,771
Asia	16,210
Other overseas countries	5,665
Total	132,790

Most of our employees in Japan are affiliated with the Nissan Motor Workers' Union, for which the governing body is the All Nissan And General Workers Unions, and the Japanese Trade Union Confederation (RENGO) through the Confederation Of Japan Automobile Workers' Unions. Our labor-management relations are stable, and the number of union members was 26,701 including those of Nissan Motor Kyushu Co., Ltd. as of March 31, 2025. At most domestic group companies, employees are affiliated with their respective trade unions on a company basis, and the governing body is the All Nissan And General Workers Union. At our foreign group companies, employees' rights to select their own trade unions are respected according to the relevant labor laws and labor environment in each country. We are not currently aware of material labor relations issues.

Legal Proceedings

The Nissan group is involved from time to time in claims, proceedings, and litigation in the ordinary course of our business. The outcomes of our legal proceedings are inherently unpredictable, subject to significant uncertainties, and could be material to our operating results and cash flows for a particular period. In addition, for some matters for which a loss is probable or reasonably possible, an estimate of the amount of loss or range of

loss is not possible, and we may be unable to estimate the possible loss or range of losses that could potentially result from the application of nonmonetary remedies.

Litigation involving Carlos Ghosn and Greg Kelly

In December 2018, our former representative director and board chairman, Carlos Ghosn, and our former representative director, Greg Kelly, were charged by Japan's Financial Services Agency (the "FSA") with violating the FIEA for false disclosures in our annual securities report, and Carlos Ghosn was charged with violations of Japan's Companies Act. We, as a legal entity, were also charged with violations of the FIEA. On September 9, 2019, we received a report from our Audit Committee detailing the results of an internal investigation into the alleged violations and misconduct of our former representative directors. The report concluded that Carlos Ghosn had used company assets for improper purposes, including, but not limited to, private purchases and gifts, donations of company funds for personal purposes, and payments to distributors under the pretext of business project expenses. In December 2019, we did not dispute the alleged facts of the FIEA violations and received an administrative monetary penalty from the FSA of approximately ¥2.4 billion. On March 3, 2022, we received a guilty judgment together with a criminal penalty of ¥0.2 billion from the Tokyo District Court with respect to the FIEA violations, but the FSA subsequently reduced such penalty from the administrative monetary penalty, and we have since paid the approximately ¥2.2 billion administrative monetary penalty. These matters also resulted in a tax audit by the Tokyo Regional Taxation Bureau, which concluded that we had misreported expenditures reflecting funds used by Carlos Ghosn for private use. We have submitted a revised tax report and made payments of additional taxes as well as a fine in response to this audit. We are subject to shareholder claims in connection with the foregoing.

In addition to the proceedings in Japan as described above, in September 2019, we were charged with violations of the anti-fraud provisions of the Securities Exchange Act of 1934, and we paid a $15 million fine to settle the civil fraud charges brought by the SEC. Our settlement with the SEC was made without admission or denial of the SEC's allegations and findings. In addition, Carlos Ghosn and Greg Kelly were respectively charged with violations of the anti-fraud provisions of United States' securities laws and with aiding and abetting Carlos Ghosn's and our violations. In connection with their own settlements with the SEC, Carlos Ghosn and Greg Kelly agreed to be permanently enjoined from violating or aiding and abetting violations of the anti-fraud provisions. Carlos Ghosn further agreed to a $1 million civil penalty and a 10-year ban on serving as an officer or director of a publicly traded U.S. company. Greg Kelly agreed to a $100,000 penalty, a five-year ban on serving as an officer or director of a publicly traded U.S. company and a five-year suspension from practicing or appearing before the SEC as an attorney.

In Japan, on February 12, 2020, we filed a lawsuit against Carlos Ghosn, and on January 19, 2022, we filed a lawsuit against Greg Kelly, seeking recovery of damages, and these proceedings are ongoing. In May 2023, Carlos Ghosn filed a defamation lawsuit against us in Beirut, seeking $1 billion in damages and compensation, and such proceedings are still ongoing.

Recommendation from the Japan Fair Trade Commission

In March 2024, we received a recommendation from the Japan Fair Trade Commission, or the JFTC, based on the Japanese Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, or the Subcontract Act. The recommendation was regarding past transactions between us and our suppliers to which the Subcontract Act applies. A portion of rebates, totaling approximately ¥3 billion from January 2021 through April 2023, received by us from 36 suppliers subject to the Subcontract Act were determined by the Fair Trade Commission as not being in accordance with the Subcontract Act. In response, we refunded the equivalent amount of rebates to such suppliers and discontinued such rebates in transactions with those suppliers, and we submitted a corrective action report to the JFTC on March 5, 2025, outlining various improvement and corrective measures we are implementing. We also strengthened our compliance system by reinforcing periodical review of compliance with the Subcontract Act, improving training to executives and employees involved in subcontracting transactions, among other measures.

Further, on February 18, 2025, the JFTC issued a formal recommendation that Aichi Machine Industry Co., Ltd., or Aichi Machine, a wholly owned subsidiary of ours located in Nagoya, improve its compliance with the Subcontract Act, as a result of investigations by the JFTC into practices by this subsidiary of storing molds for automotive parts at subcontractors for no consideration in violation of the Subcontract Act. In particular, it was reported that from August 2023 through December 2024, roughly 400 molds and other parts were stored by Aichi Machine at subcontractors' premises without consideration, even though Aichi Machine did not expect to

make new orders. Aichi Machine has since refunded storage costs to the subcontractors and is implementing measures to prevent reoccurrence and improve compliance.

Recalls and product liability

From time to time, we issue recalls and take other safety measures to address defects in our automobiles. We also have various other pending legal actions and claims, including personal injury and wrongful death lawsuits and claims in the United States, and we are subject to government investigations from time to time. With respect to the defective airbag components produced by Takata Corporation, several class action lawsuits, civil lawsuits and lawsuits by individual states in the United States have been filed against us. Claimants seek damages for economic losses, costs incurred, decline in the value of vehicles, and, in certain cases, personal injury as well as punitive damages. A majority of the class action lawsuits in the United States have been consolidated into a multi-district litigation. We and our subsidiary Nissan North America, Inc. have agreed to and have been granted final approval of a proposed settlement to resolve these pending United States class action lawsuits. We also issued a "do not drive" warning in May 2024 for approximately 84,000 older models with Takata airbags produced from 2002 through 2006.

Disputes with business counterparties

We have a broad network of third party distributors, suppliers and customers, and from time to time, we may be involved in disputes and litigation with such parties. In particular, on July 4, 2019, Al Dahana, an automotive retailer and distributor of us, filed a lawsuit against us and our consolidated subsidiary, Nissan Middle East FZE, or Nissan Middle East, as well as our equity method affiliate, Nissan Gulf FZCO, in the Dubai Court of First Instance in connection with a vehicle distribution agreement dispute. On September 29, 2021, the Dubai Court of First Instance ordered that we and Nissan Middle East pay approximately AED1.2 billion plus interest, and we recorded the amount of the 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.

Subsequently, on June 8, 2022, the Dubai Court of Appeal reversed the judgment of the Dubai Court of First Instance. The parties 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, and we and Nissan Middle East also filed an appeal on January 27, 2023. 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. We accordingly reversed the previously recorded provision amount of ¥38,758 million and the related foreign exchange loss of ¥15,715 million under "Selling, general and administrative expenses" and "Exchange loss", respectively.

Furthermore, Nissan Middle East FZE, or NMEF, our group company in Dubai, is the defendant in a lawsuit filed in Iraq by a former distributor in February 2023, which claimed that NMEF unilaterally terminated performance of a distribution agreement that appointed the former distributor as exclusive distributor in Iraq to market Nissan products, which caused losses to the former distributor. The lawsuit was subject to an unfavorable lower Iraqi court's ruling on April 1, 2024. The lower court's ruling included a $1 million monthly deterrent fine, but this ruling was subsequently overturned by the Iraqi Court of First Cassation on December 9, 2024. The case was subsequently taken to the Iraqi Court of Appeals for further review, and the Iraqi Court of Appeals decided in favor of Nissan on June 2, 2025. The former distributor subsequently filed an appeal in the Court of Cassation and legal proceedings are ongoing as of the date of this offering circular, and if the lower court's ruling is reinstated upon further review, it could have a material impact on NMEF's financial condition. While the proceedings are ongoing, we are also engaged with this distributor in arbitration proceedings relating to the same matter to resolve the matter favorably.

MANAGEMENT

Corporate Governance

Our board of directors decides the basic direction of management by taking a variety of perspectives into account and plays the role of supervising the executive officers. The members of the board of directors are diverse in nationality and gender, and also have different expertise which as a whole we aim to facilitate lively discussions and swift decision-making. In order to create an environment where discussions in board meetings are led by independent outside directors, these directors constitute a majority of the board, with one of them serving as board chair. After June 2024, the board of directors consists of twelve directors, eight of whom are outside directors.

The Nomination Committee has the authority to determine the content of the general shareholders meeting agenda concerning the appointment and dismissal of directors and Representative Executive Officers. The Nomination Committee consists of five members, of which four members are outside directors.

The Audit Committee has the authority to audit the execution of duties by the directors and executive officers, as well as the effectiveness of supervisory functions of the board of directors. In addition, the Audit Committee receives reports from executive officers, corporate officers and employees on their business execution for the company and group companies, in accordance with the Audit Committee's annual audit plan and on an ad-hoc basis as necessary. The Audit Committee consists of five members, of which four members are outside directors.

In addition, we must appoint independent public accountants, who have the statutory duties of examining the financial statements to be submitted by the representative director to the general meetings of shareholders and reporting their opinions thereon to a representative director. Currently, our independent auditor is Ernst & Young ShinNihon LLC.

Further, under the new alliance agreement with Renault, Renault has the right to nominate two representatives to our board of directors. See "The Renault-Nissan-Mitsubishi Alliance."

Effective April 1, 2025, Ivan Espinosa, our previous Chief Planning Officer, assumed the position of Representative Executive Officer, President and Chief Executive Officer, and Makoto Uchida stepped down from such positions, and Mr. Uchida did not seek re-election as director during our annual general meeting of shareholders on June 2025.

Directors

The following tables provide information regarding the directors of Nissan Motor Co., Ltd. as of June 30, 2025. The business address of our directors is at 1-1, Takashima 1-chome, Nishi-ku, Yokohama, Kanagawa, Japan.

Name	Director Type	Director Since	Committee Membership
Yasushi Kimura[1]	Independent Outside Director	June 2019	Nomination Committee
Bernard Delmas[1]	Independent Outside Director	June 2019	Compensation Committee Audit Committee
Keiko Ihara[1]	Independent Outside Director	June 2018	Compensation Committee (chair) Nomination Committee
Motoo Nagai[1]	Independent Outside Director	June 2019	Audit Committee (chair) Nomination Committee Compensation Committee
Andrew House[1]	Independent Outside Director	June 2019	Nomination Committee (chair) Compensation Committee
Brenda Harvey[1]	Independent Outside Director	June 2023	Audit Committee
Teruo Asada[1]	Independent Outside Director	June 2024	Audit Committee
Mariko Tokuno[1]	Independent Outside Director	June 2024	Compensation Committee
Valerie Landon	Director	June 2025	Audit Committee
Timothy Ryan	Director	June 2025	Nomination Committee
Ivan Espinosa	Director	June 2025	—
Eiichi Akashi	Director	June 2025	—

Note:
(1) Outside directors stipulated under Companies Act of Japan and independent directors stipulated under the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

Name (date of birth)	Current positions and principal outside positions	Business experience	
Yasushi Kimura (February 28, 1948)	Director and Chairman of the board of directors, Member of Nomination Committee Honorary Advisor of ENEOS Holdings, Inc.	Apr. 1970	Joined Nippon Oil Corporation
		Jun. 2002	Director of Nippon Oil Corporation
		Jun. 2007	Director, Senior Vice President of Nippon Oil Corporation
		Apr. 2010	Director of JX Holdings, Inc.
		Jul. 2010	President of JX Nippon Oil & Energy Corporation
		May 2012	Chairman of Petroleum Association of Japan
		Jun. 2012	Chairman of the Board of JX Holdings, Inc.,
			Chairman of the Board of JX Nippon Oil & Energy Corporation
		Jun. 2014	Director of NIPPO Corporation
			Vice Chairman of Japan Business Federation
		Apr. 2017	Chairman of JXTG Holdings, Inc.
		Jun. 2018	Senior Executive Advisor of JXTG Holdings, Inc.
		Jun. 2019	Outside Director of the Company (Current)
			Senior Corporate Advisor of JXTG Holdings, Inc. (Currently. ENEOS Holdings, Inc.)
			Outside Director of INPEX CORPORATION
		Jun. 2022	Honorary Advisor of ENEOS Holdings, Inc. (Current)
Bernard Delmas (April 21, 1954)	Director, Member of Compensation Committee, Member of Audit Committee	May 1979	Joined Michelin
		Sep. 1995	President of Michelin Research Asia
		Sep. 2007	President and CEO of Nihon Michelin Tire Co., Ltd.
			President and CEO of Michelin Korea Tire Co., Ltd.
		Oct. 2009	Senior Vice President of Michelin Group
		Feb. 2010	President of the French Chamber of Commerce and Industry in Japan
		Jun. 2015	Outside Director of Ichikoh Industries, Ltd.
		Nov. 2015	Chairman of the Board of Nihon Michelin Tire Co., Ltd.
		Nov. 2016	Chairman of Nihon Michelin Tire Co., Ltd.
		Feb. 2018	Senior Advisor of Michelin Group
		Jun. 2019	Director of the Company (Current)

Name (date of birth)	Current positions and principal outside positions		Business experience
Keiko Ihara (July 4, 1973)	Director, Chair of Compensation Committee, Member of Nomination Committee	Jan. 2013	Fédération Internationale de l'Automobile (FIA) Asian representative for the Women in Motorsports Commission and female representative for the FIA Drivers Commission
	Outside Director of SOFT99 corporation	Apr. 2013	Special Guest Associate Professor at Keio University Graduate School of Media Design
	Project Professor at Keio University Graduate School of Media Design	Apr. 2015	Member of Industrial Structure Council (Development Committee for 2020 and Beyond), Japan Ministry of Economy, Trade and Industry
	Representative Director of Future, Inc	Jul. 2015	Member of Japan House Advisory Board, Japan Ministry of Foreign Affairs
		Sep. 2015	Guest Associate Professor at Keio University Graduate School of Media Design
		Jun. 2016	Outside Director of SOFT99 corporation (Current)
		Jun. 2018	Outside Director of the Company (Current)
		Apr. 2020	Project Professor at Keio University Graduate School of Media Design (Current)
		Oct. 2020	Representative Director of Future, Inc. (Current)
Motoo Nagai (March 4, 1954)	Director, Chair of Audit Committee, Member of Nomination Committee, Member of Compensation Committee	Apr. 1977	Joined The Industrial Bank of Japan
		Apr. 2005	Corporate Officer of Mizuho Corporate Bank, Ltd.
		Apr. 2007	Managing Executive Officer of Mizuho Corporate Bank, Ltd.
	Outside Director of Nisshin Seifun Group Inc.	Apr. 2011	Deputy President (Executive Officer) of Mizuho Trust & Banking Co., Ltd.
		Jun. 2011	Deputy President (Executive Officer and Director) of Mizuho Trust & Banking Co., Ltd.
		Apr. 2014	Advisor of Mizuho Trust & Banking Co., Ltd.
		Jun. 2014	Outside Statutory Auditor of the Company, Outside Statutory Auditor of Organo Corporation
		Jun. 2015	Outside Director of Organo Corporation Outside Statutory Auditor of Nisshin Seifun Group Inc.
		Jun. 2019	Outside Director of the Company (Current)
			Outside Director of Nisshin Seifun Group Inc. (Current)
Andrew House (January 23, 1965)	Director, Chair of Nomination Committee, Member of Compensation Committee	Oct. 1990	Joined Sony Corporation
		Oct. 2005	Group Executive and Chief Marketing Officer of Sony Corporation
	Strategic Advisor of Intelity	Sep. 2011	Group Executive, President and Global CEO of Sony Computer Entertainment
	Executive Mentor of Merryck & Co., Ltd. (currently, The ExCo Group)	Apr. 2016	EVP, President and Global CEO of Sony Interactive Entertainment
		Oct. 2017	EVP and Chairman of Sony Interactive Entertainment
	Outside Director of Dentsu Group	Apr. 2018	Strategic Advisor of Intelity (Current)

Name (date of birth)	Current positions and principal outside positions	Business experience	
		Oct. 2018	Executive Mentor of Merryck & Co., Ltd. (currently, The ExCo Group) (Current)
		Jun. 2019	Outside Director of the Company (Current)
		May 2021	Outside Director of Nordic Entertainment Group (currently, Viaplay Group)
		May 2022	Outside Director of Dentsu Group Inc. (Current)
Brenda Harvey (November 22, 1965)	Director, Member of Audit Committee	Jun. 1986	Joined International Business Machines Corporation (IBM)
	Board Member of Singapore International Chamber of Commerce Director	Sep. 2006	General Manager of Integrated Technology Services North America, Global Product Offering Management
	Managing Director of IBM Aerospace & Energy	Aug 2011	General Manager of Integrated Technology Services, Growth Markets
		Jul. 2014	General Manager of IBM US Public Sector
		Aug. 2017	Board Member of Plum Alley Investment
		Jan. 2020	Chairman and CEO of IBM Asia Pacific
		Jul. 2020	Board Member of Singapore International Chamber of Commerce Director (Current)
		Jan. 2022	General Manager of Technology IBM Financial Services
		Jan. 2023	General Manager of IBM Public Sector, Healthcare, and Federal Government
		Jun. 2023	Director of the Company (Current)
		Jan. 2024	Managing Director of IBM Aerospace & Energy (Current)
Teruo Asada (October 13, 1948)	Director, Member of Audit Committee	Apr. 1972	Joined Marubeni Corporation
		Apr. 2002	Executive Officer of Marubeni Corporation
	Honorary Executive Advisor of Marubeni Corporation	Apr. 2004	Managing Executive Officer of Marubeni Corporation
		Jun. 2005	Managing Executive Officer, Member of the Board of Marubeni Corporation
		Apr. 2006	Senior Managing Executive Officer, Member of the Board of Marubeni Corporation
		Apr. 2008	President and CEO, Member of the Board of Marubeni Corporation
		Apr. 2013	Representative Director and Chairman of the Board of Marubeni Corporation
		Apr. 2014	Chairman of the Board of Marubeni Corporation
		Apr. 2015	Vice Chairperson of KEIZAI DOYUKAI (Japan Association of Corporate Executives)
		Apr. 2019	Executive Advisor, Member of the Board of Marubeni Corporation
		Jun. 2019	Executive Advisor of Marubeni Corporation
		Apr. 2021	Honorary Executive Advisor of Marubeni Corporation (Current)
		Jun. 2024	Director of the Company (Current)

Name (date of birth)	Current positions and principal outside positions	Business experience	
Mariko Tokuno (October 6, 1954)	Director, Member of Compensation Committee	Apr. 1978	Joined The Bank of Tokyo, Ltd. (currently, MUFG Bank, Ltd.)
	Outside Director of Yamato Holdings Co., Ltd.	Jan. 1994	Joined Louis Vuitton Japan K.K.
		Apr. 2002	Senior Director of Louis Vuitton Japan K.K.
	Outside Director of Shiseido Co., Ltd.	Mar. 2004	Vice President of Tiffany & Co., Japan Inc.
		Aug. 2010	Representative Director, President of Christian Dior K.K.
		Jun. 2013	Outside Director of Happinet Corporation
		Sep. 2013	Representative Director, President and CEO of Ferragamo Japan K.K.
		Jun. 2016	Outside Director of Mitsubishi Materials Corporation
		Jun. 2017	Outside Director of Yamato Holdings Co., Ltd. (Current)
		Mar. 2022	External Director of Shiseido Co., Ltd. (Current)
		Jun. 2024	Director of the Company (Current)
Valerie Landon (August 17, 1962)	Director, Member of Audit Committee	Sep. 1985	Engineer in logistics, Air France
		May 1990	Investment Banker, Credit Suisse
	Independent Board member of Forvia	Jun. 2009	Head of Investment Bank France, Belgium, Luxembourg, Credit Suisse
		Feb. 2015	Vice-Chairman Investment Bank, Credit Suisse
		Apr. 2016	Independent Board member, member of the audit committee and member of the commitments committee of Albioma
		Nov. 2017	Independent Board member and member of the audit Committee of Forvia (Current)
		Apr. 2021	Chief Executive Officer of Credit Suisse France and Belgium
		Oct. 2024	Independent member of the audit committee of Apprentis d'Auteuil foundation
Timothy Ryan (June 4, 1969)	Director, member of Nomination Committee	Apr. 2014	Joined HSBC Sinopia Asset Management
		Nov. 2016	AXA Investment Manager: Global Head Quantitative Asset Management
		Apr. 2018	Regional Chief Investment Officer Japan and Asia, AXA Life Japan
		Dec. 2019	Chairman and Chief Executive Officer, Alliance Bernstein Japan
			Chairman and Chief Executive Officer, Alliance Bernstein EMEA
			Group Chief Investment Officer and Global Chief Executive Officer for Asset and Wealth Management, Generali Assicurazioni
		Apr. 2021	Global Chief Executive Officer for Asset and Wealth Management, Group BPCE Natixis

Name (date of birth)	Current positions and principal outside positions	Business experience	
Ivan Espinosa (November 19, 1978)	Representative Executive Officer, President and Chief Executive Officer Director of Dongfeng Motor Co., Ltd.	May 2001	Director, Adaptacion Int. de Medios, S.A
		Feb. 2003	Engineering Analyst, Jato Dynamics
		Oct. 2003	Product Specialist, Product Planning, Nissan Mexicana, S.A. De C.V.
		Jul. 2008	Marketing Director and Regional product manager, Nissan Motor (Thailand) Co., Ltd.
		Apr, 2010	Director, Nissan Mexicana, S.A. De C.V.
		Apr. 2014	Vice President, Product Strategy & Planning, Nissan International SA
		Apr. 2016	Program Director of the Company
		Apr. 2017	Vice President of the Company
		Apr. 2018	Corporate Vice President of the Company
		Dec. 2019	Senior Vice President of the Company
		Apr. 2024	Chief Planning Officer of the Company
		Apr. 2025	Representative Executive Officer, President and Chief Executive Officer of the Company (Current)
			Director of Dongfeng Motor Co., Ltd. (Current)
Eiichi Akashi (February 14, 1966)	Executive Officer, Chief technology Officer Director of Dongfeng Motor Co., Ltd.	Apr. 1990	Joined the Company
		Apr. 2014	General Manager, Vehicle Development Planning Department
		Apr. 2015	Vice President, Vehicle Engineering. Nissan North America, Inc.
		Apr. 2018	Corporate Vice President, Alliance Global Vice President
		Apr. 2024	President and Chief Executive Officer, NMKV Co., Ltd.
		Apr. 2025	Executive Officer, Chief Technology Officer (Current)
			Director of Dongfeng Motor Co., Ltd. (Current)

Executive Officers

The names and titles of our executive officers as of June 30, 2025 are as follows.

Name	Title
Ivan Espinosa	Representative Executive Officer, President and Chief Executive Officer
Eiichi Akashi	Executive Officer, Chief Technology Officer
Teiji Hirata	Executive Officer, Chief Monozukuri Officer
Stephen Ma	Executive Officer, Chairperson, Management Committee for China
Jeremie Papin	Executive Officer, Chief Financial Officer

Executive Compensation

The aggregate compensation, including bonuses, we paid to our directors and executive officers, including outside directors, as a group for fiscal year ended March 31, 2025 was ¥1,802 million.

Limitation on Liabilities of Directors

Our articles of incorporation provide, in accordance with Article 426 of the Companies Act of Japan, that the liabilities of our directors (including those retired from their offices) under Paragraph 1, Article 423 of the Companies Act may be exempted by a resolution of the board of directors to the extent permitted under the relevant laws and regulations. As of the date of this offering circular, our board of directors has not made any such resolutions. They also provide, in accordance with Article 427 of the Companies Act, that we may enter into an agreement with our outside directors in order to limit their liabilities for damages attributable to their act under Paragraph 1, Article 423 of the Companies Act; provided, however, that the limited amount under such agreement shall be the larger of the amount previously agreed and being five million yen or more, or the amount that the relevant laws and regulations prescribe. We have entered into agreements with each of our outside directors limiting the liability of such directors in accordance with Paragraph 1, Article 425 of the Companies Act and Article 113 and 114 of the Companies Act Enforcement Regulations.

Share Ownership

The following table shows the number of shares of our common stock owned by our directors and executive officers (excluding those who concurrently assume offices of directors) as of June 24, 2025:

Directors	Number of shares owned
Yasushi Kimura	14,000
Bernard Delmas	2,000
Keiko Ihara	26,000
Motoo Nagai	38,000
Andrew House	8,000
Brenda Harvey	12,000
Teruo Asada	3,000
Mariko Tokuno	8,000
Valerie Landon	—
Timothy Ryan	—
Ivan Espinosa	40,000
Eiichi Akashi	16,000

Executive Officers (excluding those who concurrently assume offices of directors)	Number of shares owned
Teiji Hirata	41,000
Jeremie Papin	72,000

None of our directors or executive officers is the owner of more than one percent of the aggregate number of issued shares of our common stock, and no director or executive officer has voting rights with respect to our common stock that are different from those of any other holder of our common stock.

SUBSIDIARIES AND AFFILIATES

We conduct our business together with our subsidiaries and affiliates (being companies over which we have significant influence with respect to their finances, operations or businesses). As of March 31, 2025, we had 231 consolidated subsidiaries and 35 equity-method affiliates.

The following tables present information on our principal consolidated subsidiaries and equity-method affiliates as of March 31, 2025:

Principal Subsidiaries in Japan

Name	Principal business	Percentage of voting rights held by us	
		Direct holdings	Indirect holdings
		(%)	(%)
Nissan Shatai Co., Ltd.	Manufacture and sale of automobiles and parts	50.01	—
Nissan Motor Kyushu Co., Ltd.	Entrusted manufacture of automobiles and parts	100.00	—
Aichi Machine Industry Co., Ltd.	Manufacture and sale of automobile parts	100.00	—
Jatco Ltd	Manufacture and sale of automobile parts	74.96	—
Nissan Kohki Co., Ltd.	Manufacture and sale of automobile parts	97.73	—
Nissan Group Finance Co., Ltd.	Finance to group companies	100.00	100.00
Nissan Trading Co., Ltd.	Import, export and sale of automobiles, parts and other	100.00	—
Nissan Financial Services Co., Ltd.	Finance retail and wholesale of automobiles and automobile leases	100.00	—
Nissan Motorsports & Customizing Co., Ltd.	Develop, manufacture and sale of limited edition automobiles and motorsports	100.00	—
Nissan Network Holdings Co., Ltd.	Business management of the domestic sales network, as well as sale, purchase, lease and entrusted management of real estate	100.00	7.68
Nissan Finance Co., Ltd.	Finance to group companies	100.00	—
Nissan Kanagawa Hanbai Co., Ltd.	Sale of automobiles and parts	100.00	100.00
Nissan Motor Sales Co., Ltd.	Sale of automobiles and parts	100.00	—
Nissan Buhin Chuo Hanbai Co., Ltd.	Sale of parts for automobile repairs	84.05	37.81
Nissan Car Rental Solutions Co., Ltd.	Rental cars	100.00	100.00

Other domestic consolidated subsidiaries: 79 companies
Total domestic consolidated subsidiaries: 93 companies

Principal Subsidiaries Outside Japan

Name	Country	Principal business	Percentage of voting rights held by us	
			Percentage	Indirect holdings
Nissan Automotive Europe S.A.S.	France	Holding company for European subsidiaries, pan-European operational support, and management of European sales	100.00	—
Nissan International Holdings B.V.	Netherlands	Holding company for subsidiaries	100.00	—
Nissan Motor (GB) Ltd.	U.K.	Sale of automobiles and parts	100.00	100.00
Nissan Holdings (UK) Ltd.	U.K.	Holding company for British subsidiaries	100.00	100.00
Nissan Motor Manufacturing (UK) Ltd.	U.K.	Manufacture, sale of automobiles and parts, vehicle development, evaluation, certification, warranty management	100.00	100.00
Nissan International SA	Switzerland	Support of operation in Europe	100.00	—
Nissan North America, Inc.	U.S.A.	Manage subsidiaries in North America and manufacture and sale of automobiles and parts	100.00	—
Nissan Motor Acceptance Company LLC	U.S.A.	Finance retail and wholesale automobiles and automobile leases	100.00	100.00
Nissan Global Reinsurance, Ltd.	Bermuda	Casualty insurance	100.00	100.00
Nissan Canada, Inc.	Canada	Sale of automobiles and parts, finance retail and wholesale automobiles and automobile leases	100.00	9.09
Nissan Mexicana, S.A. de C.V.	Mexico	Manufacture and sale of automobiles and parts	100.00	100.00
Nissan Do Brasil Automóveis Ltda.	Brazil	Manufacture and sale of automobiles and parts	100.00	99.00
Nissan Motor Co. (Australia) Pty. Ltd.	Australia	Manufacture and sale of automobiles and parts	100.00	100.00
Nissan Motor Egypt S.A.E.	Egypt	Manufacture and sale of automobiles and parts	100.00	0.00
Nissan (South Africa) Pty Ltd.	South Africa	Manufacture and sale of automobiles and parts	100.00	100.00
Nissan New Zealand Ltd.	New Zealand	Sale of automobiles and parts	100.00	—
Nissan Middle East F.Z.E.	U.A.E.	Manage and operate business in Middle East and sale of automobiles and parts	100.00	—
Nissan Motor India Private Limited	India	Sale of automobiles and parts	100.00	100.00
Renault Nissan Automotive India Private Limited	India	Manufacture and sale of automobiles and parts	51.00	26.00
PT Nissan Motor Indonesia	Indonesia	Sale of automobiles	75.00	—
Nissan Motor (Thailand) Co., Ltd.	Thailand	Manufacture and sale of automobiles and parts	75.00	75.00
Yulon Nissan Motor Co., Ltd.	Republic of China	Sale of automobiles and parts	40.00	—
Nissan (China) Investment Co., Ltd.	China	Manage business in China and sale of automobiles and parts	100.00	—
Nissan Motor Asia Pacific Co., Ltd.	Thailand	Operational support and sale of automobiles and parts	100.00	—
Nissan Chile SpA	Chile	Sale of automobiles and parts	100.00	—
Nissan Otomotiv Anonim Sirketi	Turkey	Sale of automobiles and parts	100.00	100.00
Nissan Argentina S.A.	Argentine	Manufacture and sale of automobiles and parts	100.00	98.00

Other foreign consolidated subsidiaries:	111 companies
Total foreign consolidated subsidiaries:	138 companies
Total consolidated subsidiaries:	231 companies

Affiliates accounted for by the equity-method			Percentage of voting rights held by us	
Name	**Country**	**Principal business**	**Percentage**	**Indirect holdings**
			(%)	**(%)**
Nissan Tokyo Sales Holdings Co., Ltd.	Japan	Sale of automobiles and parts	38.04	38.04
Renault S.A.	France	Manufacture and sale of automobiles and parts	15.30	15.30
Dongfeng Motor Co., Ltd.	China	Manufacture and sale of automobiles and parts	50.00	50.00
Mitsubishi Motors Corporation	Japan	Manufacture and sale of automobiles and parts	26.68	—

Other affiliates accounted for by the equity method: 31 companies
Total affiliates accounted for by the equity method: 35 companies

SUPERVISION AND REGULATION

Reflecting the broad range of our business, we are subject to a number of Japanese, U.S. federal and state, and other foreign laws and regulations that affect Nissan and its group companies conducting business. These may involve automotive-related, financial services, intellectual property, competition, consumer protection and taxation laws and regulations. The following is a summary of the key Japanese, U.S. federal and state, and other foreign laws and regulations with which our operations are required to comply.

Japanese Laws and Regulations in Connection with the Final Vehicle Inspection

Under the vehicle type designation system of the Road Transport Vehicle Act, automobile sellers are required to receive vehicle type designation (the "Vehicle Type Designation") from the Minister of Land, Infrastructure, Transport and Tourism (the "Minister") for each vehicle model for sale and to self-inspect their vehicles for conformity with the applicable safety standards ("Final Vehicle Inspection") with regard to the structure, devices and performance of such vehicles.

Detailed standards and methods for Final Vehicle Inspection are set forth in the related public notices, notifications and implementing guidelines, which include the requirement that inspectors engaged in Final Vehicle Inspection be appointed beforehand from persons designated by the Minister as having the knowledge and skills required for the inspection. Automobile sellers must also conduct an exhaust emissions measurement test in the prescribed conditions if sample testing is used as the Final Vehicle Inspection.

Any entity seeking the Vehicle Type Designation must submit a notification of the method of the Final Vehicle Inspection at the time of the application, and any inspection conducted in a different method for Final Vehicle Inspection after receiving the Vehicle Type Designation violates the Road Transport Vehicle Act.

In such cases, the automobile seller may be ordered by the Minister to report on its business or take necessary measures to rectify the violation and, depending on the circumstances, the Vehicle Type Designation may be suspended until such necessary measures are taken. Violations may also be subject to administrative penalty.

Automotive Regulations

The automotive industry is subject to extensive government regulation. Chief among these are vehicle and engine requirements governing safety, emissions and fuel economy, and regulations on the environmental impacts of our manufacturing operations. As described below, regulations in Japan, the United States and other countries impose substantial testing, certification and verification requirements with respect to vehicle emissions, fuel economy, noise and safety, and with respect to the environmental aspect of the operations of our manufacturing plants and other facilities. We are also subject to substantial rules and regulations designed to protect the health and safety of our workforce. The costs of complying with these requirements can be significant, and violations with respect to these requirements can result in fines, penalties, vehicle recalls, cleanup costs, reconfiguration of our facilities and claims for personal injury or property damage.

Vehicle Emissions

Japanese standards

The Air Pollution Control Act, the Road Transport Vehicle Act and the Act Concerning Special Measures for Total Emission Reduction of Nitrogen Oxides and Particulate Matter from Automobiles in Specified Areas regulate vehicle emissions in Japan. In recent years, in addition to the strengthened regulations on particulate matters emitted from gasoline-fueled vehicles, as can be seen from the adoption of the Worldwide Harmonized Light Vehicles Test Procedure ("WLTP") and the introduction of the Real Driving Emissions ("RDE"), more stringent regulations have been decided to be introduced to match the European standards. RDE was introduced in March 2018 for examination of diesel vehicles, and it became applicable to new models of vehicles beginning in October 2022 and to current models of vehicles beginning in October 2024. Moreover, both the Noise Regulation Act and the Road Transport Vehicle Act provide for noise reduction standards on automobiles in Japan.

U.S. federal standards

The Clean Air Act directs the Environmental Protection Agency ("EPA") to establish and enforce air quality standards, including emission control standards on passenger vehicles, light-duty trucks and heavy-duty

vehicles. Manufacturers are not permitted to sell vehicles in the United States that do not meet the standards. In April 2014, the EPA finalized new "Tier 3" tailpipe emission and evaporative emission standards for passenger vehicles, light-duty trucks, medium-duty passenger vehicles and some heavy-duty vehicles. Under the rule, tailpipe emission standards for volatile organic compounds, carbon monoxide, nitrogen oxides, and particulate matter, as well as standards for evaporative emissions and guaranteed useful life (which relates to a vehicle's ability to meet emission limits over time), became increasingly stringent in phases from model years 2017 to 2025. The rule brought federal emission standards for these pollutants in line with California's emission standards. The new Tier 3 rule also required reductions in gasoline's sulfur content beginning in 2017.

In March 2024, the EPA announced the final rule for Tier 4 emission standards for passenger vehicles, light-duty trucks, medium-duty passenger vehicles and some heavy-duty vehicles from model year 2027 through 2032.

California standards

Under the Clean Air Act, the State of California has been permitted to establish its own vehicle emission control standards if it receives a waiver from the EPA that allow the California standards to preempt less-stringent federal standards. The EPA granted such a preemption waiver to California in January 2013. The waiver provides a legal basis for California's mandate for zero-emission vehicles. Pursuant to the mandate, the California Air Resources Board ("CARB") requires that a specified percentage of a manufacturer's passenger vehicles and light-duty trucks sold in California be "zero-emission vehicles" (vehicles producing no emissions of regulated pollutants), as well as permits certain advanced technology vehicles such as PHEVs. Our Nissan LEAF model has been certified as a zero-emission vehicle.

In January 2012, CARB adopted the Advanced Clean Cars ("ACC") program. The ACC program, developed in coordination with the EPA and the federal National Highway Traffic Safety Administration ("NHTSA"), includes Low-Emission Vehicle (LEV) regulations, known as the LEV III regulations, that reduce emissions of smog-causing pollutants (volatile organic compounds, carbon monoxide, nitrogen oxides and particulate matter) and greenhouse gases from cars and light-duty trucks for model years 2015 to 2025. The regulations also include standards for evaporative emissions and guaranteed useful life.

The ACC program also includes a mandate for zero-emission vehicles. Pursuant to the mandate, CARB requires that a specified percentage of a manufacturer's passenger cars and light-duty trucks sold in California be "zero-emission vehicles" ("ZEV"), vehicles producing no emissions of regulated pollutants, and CARB also permits certain advanced technology vehicles such as PHEVs, and alternative fuel vehicles that meet "partial zero-emission vehicles requirements," to be granted partial qualification as BEV or hydrogen fuel cell electric vehicles ("FCEV").

CARB also finalized the Advanced Clean Cars II ("ACC II") regulations in November 2022. ACC II includes exhaust emissions standards for 2026 and subsequent model years (known as the LEV IV regulations), that would further reduce emissions from light- and medium-duty vehicles. Additionally, ACC II includes an expanded ZEV mandate that increases the percentage of ZEV vehicles that manufacturers must sell in California. The new LEV IV regulations and expanded ZEV mandate apply to model years 2026 – 2035. Under the California Governor's Order of 2020 (N 79 20), all new vehicles sold in California will be ZEVs by 2035.

California has also adopted regulations that require that On-Board Diagnostics ("OBD") systems be incorporated into the computers of vehicles sold in California. OBD systems monitor components that can affect the emission performance of a vehicle and, if a problem with a component is detected, illuminates a warning light on the vehicle's instrument panel. The systems also store the malfunction information in the computer to facilitate repairs. California's OBD regulations are the most stringent in the world.

Other states' standards

Seventeen states (including Colorado, Connecticut, Delaware, Maine, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New Mexico, New York, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, and Washington) have adopted regulations substantially similar to California's LEV and ZEV requirements.

Canadian standards

Canada has finalized vehicle greenhouse gas emission standards equivalent to the federal standards in the United States in October 2014, in response to the strengthening of the federal vehicle emission standards in

the United States applicable to model years 2017 to 2025. Furthermore, certain Canadian provinces are currently considering enacting their own regulations. On December 13, 2017, the Ministry of Sustainable Development, Environment and the Fight against Climate Change of the Province of Quebec issued regulations on zero-emission vehicles including BEVs, FCEVs and PHEVs. In July 2020, the premier of British Columbia issued final regulations concerning zero-emission vehicles (indicating the phase-in introduction starting from model year 2020). Canada also adopted a more stringent fuel rule, which is based on the fuel rule in the United States, that reduces refineries' annual average sulfur concentration of gasoline to 10mg/kg from 2017 with a new addition of credit system to secure compliance. In December 2023, Environment and Climate Change Canada decided to regulate zero-emission vehicles from model years 2026 to 2035, requiring 100% zero emissions for light-duty passenger vehicles and light-duty trucks sold after 2035.

European standards

In 2007, the European Parliament adopted more stringent emission standards for passenger vehicles and light commercial vehicles. The effective date for phasing in these stricter standards for passenger vehicles was September 2014 for Euro 6. For light commercial vehicles, the effective date was September 2015 for Euro 6.

The primary focus of Euro 6 is to limit further emissions of diesel powered vehicles and bring them down to a level equivalent to gasoline powered vehicles. In addition, Euro 6 is being implemented in two stages, and beginning with the second stage (September 2017 for passenger vehicles and September 2018 for commercial vehicles), the EU is implementing the RDE regulations, which requires manufacturers to conduct on-road emissions tests using portable emissions testers. Since September 2017, manufacturers have been required to reduce the divergence between the regulatory limit tested in laboratory conditions and the values of RDE tests. The EU has also decided to implement the WLTP, which were introduced on September 1, 2017 and became mandatory for all new cars powered by an internal combustion engine in September 2019. The On-Board Diagnostics (OBD) regulations have also been tightened in terms of both subject parts and regulatory values. Effective January 1, 2020, the EU implemented an improved WLTP procedure that purports to eliminate test flexibilities and introduces on-board fuel and energy consumption monitoring devices. In March 2023, further regulations came into effect to harmonize requirements with UNR, tighten RDE regulations, and tighten the method for calculating CO2 emissions for PHEVs.

On May 28, 2024, Euro 7, which further strengthens Euro 6, came into effect. The dates of application of the Euro 7 regulations depend on vehicle type. They will apply to new types of passenger vehicles and light commercial vehicles from November 29, 2026, to new passenger vehicles and light commercial vehicles from November 29, 2027, to new types of buses, trucks and trailers from May 29, 2028, and to new buses, lorries and trailers from May 29, 2029. The Euro 7 regulations maintain the Euro 6 exhaust emission limits for passenger vehicles, lowers exhaust emission limits for buses and trucks (e.g., stricter particulate matter count regulations), sets brake particle emissions for passenger vehicles, and introduces minimum performance requirements for battery durability in electric and hybrid passenger vehicles (BEVs/PHEVs). Currently, detailed requirements are being considered for the introduction of the new regulations.

In addition, following the United Kingdom's withdrawal from the European Union, we may be subject to diverging requirements in the United Kingdom versus other European markets, which could increase vehicle complexity and our compliance burden.

Chinese standards

The next-generation emissions regulations for passenger vehicles, or Level 6 Emissions Regulations (China 6), were issued as GB18352.6-2016 at the end of 2016, pursuant to which tighter requirements were implemented in two steps, depending on the regulated subjects and the implementation timing. Specifically, China 6a applies to all models to be sold or registered in July 2020 and beyond, and China 6b applies to all models to be sold or registered in July 2023 and beyond. China 6b also introduced the RDE Regulations adopted under Euro 6. The OBD regulations have also been tightened in terms of both subject parts and regulatory values similarly to the U.S. OBD requirements. With respect to fuels in the market, the quality standards and the implementation from January 2019 for China 6 gasoline fuel and China 6 diesel fuel have been provided in GB17930-2016 and GB19147-2016 so as to keep up with the implementation timing of China 6 emissions regulations. Discussions are currently underway for Level 7 Emissions Regulations ("China 7"), which will be more stringent than the China 6 Emissions Regulations. Potential regulations for particulate matter emitted from brake pads and tire wear and the expansion of regulations to make BEVs/FCEVs subject to the OBD regulations are being considered.

For heavy-duty diesel-powered commercial vehicles, pursuant to GB17691-2005, the China V Emissions Regulations were implemented in 2017, with new portable emission measurement system testing being implemented on October 1, 2017. With the establishment of GB17691-2018, which provides next-level China VI Emissions Regulations (China VI), China VIa and China VIb were implemented from July 2020 and July 2023, respectively. For heavy-duty gasoline-powered commercial vehicles, pursuant to GB14762-2008, Level IV Emissions Regulations (China IV) apply to new models after July 2012. After the first day the regulation is implemented to a new model, all new models released during the following one-year period also become subject to the regulation. Tightening of the next-generation emissions regulations (China V and China VI) is currently considered for heavy-duty gasoline-powered commercial vehicles.

Standards of other countries and regions

In particular, in India, given the worsening air pollution, in December 2015, the Supreme Court banned the registration of diesel cars with engines that are two liters or larger in the National Capital Region, including the Delhi metropolitan area. In August 2016, the ban on registration was lifted on the condition that a deposit equal to 1% of the vehicle's retail price is to be paid to the Environment Pollution Control Authority. Furthermore, the government accelerated the implementations of BS-6 (equivalent to Euro 6) to 2020. Moreover, certain countries such as Thailand, Taiwan, Australia, New Zealand, Chile and Peru have also decided to introduce regulations equivalent to Euro 6.

Vehicle Fuel Economy

Japanese standards

The Act on Rationalizing Energy Use requires automobile manufacturers to improve their vehicles to meet specified fuel economy standards. Fuel economy standards are established according to the types of vehicles, and are required to be met by either fiscal 2010 (April 2010-March 2011), fiscal 2015 (April 2015-March 2016), fiscal 2020 (April 2020-March 2021), fiscal 2022 (April 2022-March 2023), fiscal 2025 (April 2025-March 2026) or fiscal 2030 (April 2030-March 2031). In terms of fuel economy measurements, the compulsory application of the Worldwide Harmonized Light Vehicles Test Cycles to all passenger vehicles has been enforced in 2021. In addition, for purposes of automobile manufacturers' requirements, the Corporate Average Fuel Efficiency ("CAFE") standards have been applied for (i) passenger vehicles since fiscal 2020 and (ii) light-duty vehicles since fiscal 2022, and they are scheduled to be applied for (i) heavy-duty vehicles by fiscal 2025 and (ii) electric vehicles and Plug-in Hybrid Electric Vehicle as well as passenger vehicles by fiscal 2030.

U.S. standards

The Federal Motor Vehicle Information and Cost Savings Act requires automobile manufacturers to comply with CAFE standards. A manufacturer is subject to substantial civil penalties if, in any model year, its vehicles do not meet the CAFE standards. Manufacturers that exceed the CAFE standards earn credits determined by the difference between the average fuel economy performance of their vehicles and the CAFE standards. Credits earned for the five model years preceding the current model year, and credits projected to be earned for the next three model years, can be used to meet CAFE standards in a current model year.

In December 2011, the EPA and the National Highway Traffic and Safety Administration (NHTSA) issued a joint proposed rule to reduce greenhouse gas emissions and improve fuel economy for passenger cars, light-duty trucks and medium-duty passenger vehicles for model years 2017 through 2025. Pursuant to the rule, which was finalized in August 2012, these vehicles would be required to meet an estimated combined average emission level of 163 grams of carbon dioxide per mile in model year 2025, equivalent to 54.5 miles per gallon if these requirements are met through improvements in fuel economy standards. At the same time, the NHTSA issued CAFE standards for passenger vehicles and light-duty trucks that would require manufacturers to meet an industry average fuel economy level of 49.6 miles per gallon in model year 2025.

Under the first Trump Administration, the EPA and the NHTSA proposed less stringent greenhouse gas emission standards and CAFE standards, and withdrew California's waiver to issue its own, more stringent greenhouse gas emission standards under the LEV III program. However, under the Biden Administration, the EPA and the NHTSA withdrew these proposed less stringent greenhouse gas emission standards and CAFE standards, and in March 2022, the EPA reinstated California's authority to enforce its own greenhouse gas emissions standards. Subsequently, in January 2025, under the second Trump Administration, the Secretary of

the U.S. Department of Transportation signed and issued a memorandum directing the reset of CAFE standards. This directed the immediate review and reconsideration of CAFE standards for all vehicle models produced after model year 2022, including in particular rules covering 2024-2026 model year passenger cars and light trucks, passenger cars and light trucks for model year 2027 and beyond and heavy-duty pickup trucks and vans for model year 2030 and beyond.

On December 30, 2021, the EPA issued a final rule revising passenger car and light-duty truck greenhouse gas emissions standards for model years 2023 through 2026. The new rule was based on Presidential Executive Order 13990 and is more stringent compared to the Safer Affordable Fuel Efficient ("SAFE") Vehicles Rule issued in April 2020, which temporarily relaxed the greenhouse gas emissions rate to 1.5% per year. The new rule projected reductions in greenhouse gas emissions, year-over-year, by 10% for model year 2023, 5% for model year 2024, 6.6% for model year 2025, and more than 10% for model year 2026. Based on these reductions, the industry-wide average emission targets for passenger cars and light-duty trucks were projected by the EPA to be 161 grams of carbon dioxide per mile in model year 2026.

On March 31, 2022, the NHTSA issued a final rule revising passenger car and light-duty truck fuel economy standards for model years 2024 through 2026. As with the EPA's December 2021 greenhouse gas emission rule, this final rule is based on Presidential Executive Order 13990. The final rule establishes standards that would require an industry- wide fleet of approximately 49 mpg for passenger cars and light duty trucks in model year 2026. This is to be achieved by increasing fuel efficiency, year-over-year, by 8% for model year 2024, 8% for 2025, and 10% for 2026, which is more stringent than the SAFE Vehicles Rule that temporarily relaxed the rate to 1.5% per year.

In March 2024, the EPA issued a final rule setting greenhouse gas emissions standards for light-duty vehicles from model years 2027 to 2032, which EPA projects to result in an industry-wide average target for the light-duty fleet of 85 grams per mile. As required under Executive Order 14037, which set a goal that 50% of new vehicles sold in the United States in 2030 shall be ZEVs, the EPA coordinated and/or engaged with, among others, the Department of Transportation, labor unions, and states (including California) to develop these new standards.

European standards

In the EU, the average carbon dioxide emissions limit for light commercial vehicles is currently 147 grams per kilometer and for passenger vehicles 95 grams per kilometer. Manufacturers failing to meet their targets incur penalties of an amount between €5 to €95 per vehicle from the first gram of exceedance onwards in 2019 and beyond. Starting in 2021, these emissions targets are tested using the WLTP.

In April 2019, the European Parliament and the Council adopted new carbon dioxide standards for vehicles and light commercial vehicles for the period after 2020. Average emissions of the EU fleet of new vehicles and light commercial vehicles in 2025 must be 15% lower than in 2021, and by 2030, emissions must be reduced further to 37.5% and 31% of 2021 levels for vehicles and light commercial vehicles, respectively. From 2025, a crediting system will be introduced to relax a manufacturer's specific carbon dioxide emissions targets where the manufacturer produces numbers of "zero and low-emission vehicles" above specified benchmarks.

As part of its "Fit for 55" package, in July 2021 the European Commission proposed more stringent carbon dioxide emission limits for vehicles and light commercial vehicles. The proposal strengthens the 2030 targets from 37.5% to a 55% reduction for new passenger cars and from 31% to a 50% reduction for new light commercial vehicles, both relative to the 2021 baseline discussed above. In addition, the proposal introduces a new 2035 carbon dioxide target set at a 100% reduction for new vehicles and light commercial vehicles, again relative to the 2021 baseline. The 2025 target remains unchanged at a 15% reduction for both new vehicles and light commercial vehicles. On April 19 2023, the European Parliament and the Council signed the amendments into law.

Chinese standards

Fuel consumption regulations are being implemented pursuant to the Chinese National Standards ("GB"), and the manufacture and sale of vehicle models not meeting these regulations are prohibited. In 2021, the fuel economy test mode was changed from the New European Driving Cycle to Worldwide Harmonized Light Vehicles Test Cycles, and the Level 5 Fuel Consumption Regulations for passenger vehicles to achieve the average fuel efficiency target by 2025, GB19578-2021 and GB27999-2019, has been in effect since 2021.

Currently, Level 6 Fuel Consumption Regulations for passenger vehicles are being considered as more stringent fuel consumption regulations. Moreover, the implementation of the Life Cycle Assessment, which comprehensively regulates the amount of carbon dioxide emitted during the vehicle manufacturing, use, and disposal processes, among others, is being considered earlier in China than in the rest of the world.

With respect to large commercial vehicles, pursuant to GB30510-2018, Level 3 Fuel Consumption Regulations apply to new vehicles from July 2019 and are currently being enforced. In addition, in an effort to further strengthen fuel consumption regulations for the next generation, Level 4 Fuel Consumption Regulations are currently being considered.

Standards of Other Countries or Regions

India, Saudi Arabia, Brazil, Chile, Mexico, New Zealand, South Korea and Taiwan have imposed regulations that require automobile manufacturers to reduce fuel consumption and carbon dioxide emissions.

Vehicle Safety

Japanese standards

Japan has been participating in the 1958 Agreement of the UN and has a number of technical standards that are harmonized with the UN Regulations.

In April 2020, the amended Road Transport Vehicle Act, under which automated driving vehicles are allowed to operate on public roads, and the safety standards for automated driving systems, which require, in addition to a certain level of performance of automated driving system, the installation of an event data recorder and cyber security measures against unauthorized access, became effective. Then, in April 2023, the Road Transport Vehicle Act was further amended to allow automated driving vehicles without any driver to operate on public roads under specific conditions and establish criteria for permitting such automated driving.

U.S. standards

In November 2021, the Bipartisan Infrastructure Bill was signed into law by President Biden. It requires the NHTSA to create regulations that cover a wide range of matters, including the application of preventive safety technology, the strengthening of the U.S. New Car Assessment Program ("USNCAP"), and the prevention of drunk driving, in order to improve road safety. In response to this, the NHTSA sought public comments in 2022 regarding the strengthening of USNCAP and expansion of the recording requirements regarding event data recorders. Notices for further public comments on the USNCAP are expected to be issued, and pedestrian protection and autonomous emergency braking are expected to become mandatory in the future. With respect to automated driving vehicles, on January 8, 2020, the first Trump Administration and the U.S. Department of Transportation released Ensuring American Leadership in Automated Vehicle Technologies: Automated Vehicles 4.0 ("AV 4.0"). AV 4.0 unified efforts across 38 federal departments, independent agencies, commissions, and presidential executive offices in providing high level guidance to state and local governments and other stakeholders. AV 4.0 also established federal principles for the development and integration of automated vehicles. California and many other states, despite AV 4.0, have adopted different approval systems so that automated vehicles must be compliant with regulations and systems that vary from state to state. On December 23, 2020, California issued its first autonomous vehicle deployment permit.

European standards

In December 2019, the EU issued the revised General Safety Regulation to tighten the requirements concerning safety and the protection of vehicle occupants and vulnerable road users. This revised General Safety Regulation (which came into effect in July 2022) makes certain vehicle safety equipment mandatory in stages, including automated emergency braking, emergency lane keeping systems, driver drowsiness and attention warning, intelligent speed assistance, reversing detection systems, tire pressure monitoring systems, and event data recorders. In relation to this, various UN Regulations are being developed, but it is provided that the equipment for which UN Regulations have not been developed, EU will establish its own technical standards.

Furthermore, a major overhaul of the EU-type approval framework for motor vehicles was issued in June 2018. The new regulation purports to raise the quality and independency of vehicle type-approval and testing, to increase checks of vehicles that are already on the EU market, and to strengthen European

Commission oversight of the framework. It became mandatory for all new vehicle models as of September 1, 2020. In the case of automated driving vehicles, it is also possible to obtain approval under this framework for cars produced in small quantities.

United Nations standards

The United Nations restructured the existing working parties and in 2018 established the Working Party on Automated/Autonomous and Connected Vehicles ("GRVA"), which is dedicated to the development of regulations on automated driving. The GRVA is developing regulations for automated driving systems for automated vehicles, covering functional safety requirements, new evaluation test method requirements, cybersecurity, software updates, data recording for automated driving vehicles and data recording in case of an accident. The new regulations on cyber security, software updates and automated lane keeping system came into effect in January 2021. In recent years, working parties are studying documentation on AI used in vehicles and are considering various proposed regulations that contribute to road safety, taking new technologies into account. Further, new regulations have been established to improve driver visibility or require audible reverse warnings or advanced driver assistance systems. New regulations for pedal misapplication in acceleration control systems, driver distraction, and automatic driving systems are also being considered.

Chinese standards

Vehicle safety regulations in China were in general established with reference to the UN regulations. However, China is adding its own requirements in consideration of the Chinese market and traffic environment, and is establishing its own standards to improve the technological capabilities of its industries to ensure international competitiveness. This is especially true in the area of "electrification," or NEVs, which China is strongly promoting, and China's own national technical standards on functions such as batteries, motors, and the charging and remote surveillance of NEVs have been made mandatory. Fuel-cell vehicles are subject to the supervising regulations on the safety of high-pressure gas in addition to the vehicle type approval requirement. Moreover, in accordance with the Made in China 2025 policy, the country considers "intelligentization" to be the next core technological area, and more than 100 standards for intelligent connected vehicles ("ICV") are being developed (including automation, telecommunication and security). As is the case in the field of electrification, it is anticipated that more of China's own standards will become mandatory in a short period in the future. In particular, in recent years, from the perspective of ensuring data security against the backdrop of the U.S.-China trade friction and other factors, China has been vigorously and rapidly promoting legislation to strictly control the extraterritorial transfer of data acquired within China, and the automotive sector is no exception to this. In certain cases, data transfers out of China are subject to security assessments by regulators.

Environmental Matters

Japanese standards

Our automotive operations in Japan are subject to substantial environmental regulation under laws such as the Air Pollution Control Act, the Water Pollution Prevention Act, the Noise Regulation Act and the Vibration Regulation Act. Under these laws, if a business entity establishes or alters any facility that is regulated by these laws, such business entity is required to give prior notice to regulators. Additionally, if a business entity discharges, uses or stores substances that are environmental burdens or causes noise or vibration from such facility, such business entity is required to comply with the applicable standards. We are also subject to local regulations, which in some cases impose more stringent obligations than the governmental requirements. Under the Waste Management and Public Cleansing Act, producers of industrial waste must dispose of industrial waste in the manner prescribed thereunder.

The Soil Contamination Countermeasures Act requires that land owners conduct contamination testing and submit a report at the time they cease to use hazardous substances, such as in connection with the sale of a former factory, or if there is a possibility of health hazards due to land contamination. If it is found that land contamination exceeds a certain level, the relevant prefectural authority designates the area as considered to be contaminated, orders the land owner to submit a plan for decontamination (such a plan must describe the measures to be taken in the area, the reasons therefor, and the deadline for implementing such measures, etc.), and has the land owner take such measures in accordance with such a plan. In addition, under the Act on Recycling, etc. of End-of-Life Vehicles, vehicle manufacturers are required to take back and recycle specified materials (automotive shredder residues, air bags and fluorocarbons) of end-of-life vehicles and the provisions concerning such obligations of vehicle manufacturers became effective in January 2005. We have coordinated with relevant parties to establish a vehicle take-back and recycle system for automotive shredder residues, air bags and fluorocarbons throughout Japan.

U.S. standards

Our assembly, manufacturing and other operations in the United States are subject to a wide range of environmental regulation under the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act, the Pollution Prevention Act of 1990 and the Toxic Substances Control Act. We are also subject to a variety of state legislation that parallels, and in some cases imposes more stringent obligations than, federal requirements. These federal and state regulations impose severe restrictions on air- and water-borne discharges of pollution from our facilities, and stringent requirements governing the handling of hazardous materials at our facilities and the disposal of wastes from our operations.

Pursuant to the Clean Air Act, the EPA has promulgated National Ambient Air Quality Standards ("NAAQS") for six "criteria" pollutants, including for ozone and particulate matter. The Clean Air Act requires that the EPA review and possibly revise these NAAQS every five years. On January 6, 2023, the EPA announced a proposed decision to revise primary (health-based) annual particulate matter (PM2.5) standard from 12.0 $\mu g/m^3$ to within the range of 9.0 to 10.0 $\mu g/m^3$. The EPA proposed to make no changes to the secondary (welfare-based) annual PM2.5 standard, primary and secondary 24-hour PM2.5 standards, and primary and secondary PM10 standards. In March 2024, the EPA announced a final rule, effective May 2024, lowering the primary (health-based) annual particulate matter (PM2.5) standard to 9.0 $\mu g/m^3$. This revised standard, as well as any future NAAQS revisions to other criteria pollutants, could lead to additional pollution control requirements on the industry, including on our manufacturing operations.

European standards

In the EU, the Ambient Air Quality and Clearer Air for Europe Directive (Directive 2008/50/EC) sets the environmental standards for air quality. In relation to this, environmental regulations, such as the National Emissions Ceilings Directive, or NEC Directive (2016/2284/EU), the Industrial Emissions Directive, or IED Directive (2010/75/EU), and Directive 2007/46/EC, which is intended to control on-road emission sources, have been established, and emissions are managed under these directives based on their source.

A review of the EU Directive on End-of-Life Vehicles was launched in 2021, resulting in a proposal for a new regulation in July 2023. The new proposed regulation would improve the quality of end-of-life treatment, incentivize reuse of recycled materials to enable more resource-efficient use of materials, recover more and better-quality raw materials (e.g., CRMs, plastics, steel and aluminum), and strengthen responsibility and cooperation between producers.

DESCRIPTION OF THE NOTES

The following description of the notes is a summary of the detailed provisions of the notes and the Indenture (as defined below). It does not purport to be complete. This summary is subject to and is qualified in its entirety by reference to all the provisions of the notes and the Indenture, including the definitions of certain terms used therein. We urge you to read those documents in their entirety prior to making an investment decision because they, and not this description, define the rights of holders of the notes. Whenever particular sections or defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference. You may request copies of those documents upon written request from the corporate trust office of the trustee located at 100 Wall Street, Suite 600, NY 10005, United States of America.

The notes will be issued pursuant to an indenture dated as of September 17, 2020, as supplemented and amended by the supplemental indenture to be dated on or around July 17, 2025 among us, U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association, as successor to MUFG Union Bank, N.A.), as trustee, paying agent, transfer agent and registrar, and Mizuho Trust & Banking (Luxembourg) S.A., as Euro notes paying agent, transfer agent and registrar (the "Indenture").

General

The notes will be issued only in fully registered form without interest coupons in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof. The notes will be represented by one or more registered notes in global form without coupons and in certain circumstances may be represented by registered notes in definitive form.

The Indenture and the notes do not contain any financial covenants or restrictions on our ability to pay dividends on our common stock, incur additional indebtedness, including senior indebtedness (other than as set forth below under "—Certain Covenants—Limitation on Liens" and "—Certain Covenants—Limitation on Sale and Lease-Back Transactions"), or issue new securities or repurchase existing securities. In addition, there are only limited restrictions on our ability to pledge assets or secure other indebtedness. The Indenture and the notes do not contain any covenants or other provisions to afford more than limited protection to holders of the notes in the event of a highly leveraged transaction, other than with respect to certain change in control transactions (as set forth below under "—Repurchase at the Option of Holders Upon a Change of Control").

The notes have not been and will not be registered with the SEC, and are being offered and sold by the initial purchasers or their affiliates outside the United States to persons other than U.S. persons in offshore transactions in reliance on Regulation S and by the initial purchasers or their affiliates inside the United States to QIBs in reliance on Rule 144A. Accordingly, the Indenture is not required to be, and will not be, qualified under the U.S. Trust Indenture Act of 1939, as amended.

"Business Day" means, for the purpose of the Indenture and the notes, a day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banking institutions are authorized or required by law, regulation or executive order to be closed in The City of New York or Tokyo.

Status of the Notes

The notes will be our direct, unsecured and unsubordinated general obligations and will have the same rank in liquidation as all of our other unsecured and unsubordinated debt (except for statutorily preferred obligations) and without any preference among themselves.

Claims of the creditors of our subsidiaries will generally have priority with respect to the properties or assets of such subsidiaries over the claims of our creditors, including holders of the notes. Accordingly, with respect to the properties or assets held by our subsidiaries, the notes will be effectively subordinated to creditors, including trade creditors, of our subsidiaries. The Indenture does not restrict the ability of our subsidiaries to incur indebtedness.

Principal and Maturity

The initial aggregate principal amount of the 2030 notes is $1,000,000,000, the initial aggregate principal amount of the 2032 notes is $750,000,000 and the initial aggregate principal amount of the 2035 notes is $1,250,000,000. The 2030 notes will mature on July 17, 2030, the 2032 notes will mature on July 17, 2032 and the 2035 notes will mature on July 17, 2035.

The notes of each series will be repaid at maturity at a price of 100% of the principal amount thereof. The notes will not be redeemable prior to maturity, except as set forth below under "—Optional Redemption" and "—Optional Tax Redemption," and will not be subject to any sinking fund.

Interest

Interest on the 2030 notes will accrue at the rate of 7.500% per annum, interest on the 2032 notes will accrue at the rate of 7.750% per annum and interest on the 2035 notes will accrue at the rate of 8.125% per annum.

We will pay interest on the notes semi-annually in arrears on January 17 and July 17 of each year (each an "interest payment date"), beginning on January 17, 2026. We will pay interest to the holders of record of the notes as at 5:00 p.m. (New York City time) on the day that is 15 calendar days immediately preceding such interest payment date, whether or not the record date is a Business Day.

Interest on the notes will accrue from and including the date of original issuance or, if interest has already been paid, from and including the date it was most recently paid and will be paid to but excluding the relevant interest payment date. Interest on the notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months. We will compute interest by rounding the resultant figure to the nearest cent, half a cent being rounded upwards.

If any date for payment of principal, premium (if any) or interest (or Additional Amounts (as defined below), if any) in respect of the notes falls on a day that is not a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day. Any payment made on such next succeeding Business Day shall have the same force and effect as if made on the original due date, and no additional interest shall accrue with respect to such payment for the period after such original due date.

Repurchase

We, or any subsidiary of ours, may at any time repurchase any or all of the notes in the open market or otherwise at any price. Subject to applicable law, neither we nor any subsidiary of ours shall have any obligation to offer to repurchase any notes held by any holder as a result of our or any subsidiary's repurchase or offer to repurchase notes held by any other holder in the open market or otherwise.

Any notes so repurchased by us or any subsidiary of ours shall be cancelled.

Optional Redemption

We have the option to redeem the notes of each series, in whole or in part, at any time prior to June 17, 2030 (the date that is one month before maturity) (the "2030 par call date") in the case of the 2030 notes, May 17, 2032 (the date that is two months before maturity) (the "2032 par call date") in the case of the 2032 notes and April 17, 2035 (the date that is three months before maturity) (the "2035 par call date") in the case of the 2035 notes, upon giving not less than 10 nor more than 60 days' prior notice of redemption to the trustee and the holders.

The redemption price (expressed as a percentage of principal amount and rounded to three decimal places) for the series of notes to be redeemed will be equal to the greater of:

(i) 100% of the principal amount of the notes being redeemed; or

(ii) the make-whole price, which equals the sum of the present values of the principal and the remaining scheduled payments of interest on the notes being redeemed that would be due if such notes were redeemed on the applicable par call date for such notes, in each case discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points in the case of the 2030 notes, plus 50 basis points in the case of the 2032 notes and plus 50 basis points in the case of the 2035 notes less the interest accrued to, but excluding, the date of redemption;

plus, in each case, accrued and unpaid interest on the principal amount of the notes being redeemed up to, but excluding, the date of redemption.

We have the option to redeem the notes, in whole or in part, at any time on or after the applicable par call date for such notes, upon giving not less than 10 days nor more than 60 days' prior notice of redemption to

the trustee and the holders, at a redemption price equal to 100% of the principal amount of the notes to be redeemed (plus accrued and unpaid interest on the principal amount of the notes being redeemed to, but excluding, the date of redemption).

If less than all of the notes of a series are to be redeemed, such notes shall be redeemed on a pro rata basis (or, in the case of notes represented by global notes, in accordance with the procedures of The Depository Trust Company ("DTC")), based on the then outstanding principal amount of each note, provided, however, that if any such pro-rated redemption would result in any notes having an authorized principal amount of less than the minimum authorized denomination, all such notes shall be redeemed in full prior to the redemption of any other notes of such series, except as may be provided in the form of note or in any supplemental indenture thereto. Unless the context otherwise requires, all provisions relating to the redemption of the notes shall relate, in the case of any note redeemed or to be redeemed only in part, to the portion of the principal amount of such note which has been or is to be redeemed.

Optional Tax Redemption

Each series of the notes may be redeemed at any time, at our option and sole discretion, in whole, but not in part, and upon giving not less than 30 nor more than 60 days' prior notice of redemption to the trustee and the holders (which notice shall be irrevocable), at a redemption price equal to 100% of the principal amount of the notes of such series together with interest accrued to, but excluding, the date of redemption and any Additional Amounts thereon, if we (or the successor entity) have been or will be obliged to pay any Additional Amounts with respect to such series as a result of (a) except as described in (b) immediately below, any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of the issuance of the notes or (b) in the case of any Succession Event (as defined below) where the successor entity is not organized under the laws of Japan, any change in, or amendment to, the laws or regulations of the non-Japanese jurisdiction of organization or tax residence of the successor entity or any political subdivision or any authority thereof or therein having power to tax, or any change in application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of such Succession Event, and in either case such obligation cannot be avoided through the taking of reasonable measures available to us or the successor entity, as the case may be (an "Additional Amounts Event").

Prior to the publication of any notice of such redemption, we shall deliver to the trustee (i) a certificate signed by an authorized officer stating that the conditions precedent to our right to so redeem the notes have been fulfilled and (ii) an opinion of independent legal advisors of recognized standing confirming that an Additional Amounts Event has occurred. The trustee shall accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the holders.

No notice of redemption for an Additional Amounts Event shall be given sooner than 90 days prior to the earliest date on which we (or the successor entity) would actually be obliged to pay such Additional Amounts on a payment with respect to the notes.

Repurchase at the Option of Holders Upon a Change of Control

If a Change of Control Triggering Event occurs, unless we have exercised our option to redeem the notes by notifying the noteholders to that effect as described above, we will be required to make an offer (a "Change of Control Offer") to each holder of notes to repurchase all or any part (equal to $200,000 or any integral multiples of $1,000 in excess thereof) of that holder's notes on the terms set forth in such notes. In a Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of the notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, on the notes repurchased up to, but excluding, the date of repurchase (a "Change of Control Payment"). Within 30 days following any Change of Control Triggering Event or, at our option, prior to any Change of Control, but after public announcement of the transaction that constitutes or may constitute the Change of Control, notice will be given to holders of the notes describing the transaction that constitutes or may constitute the Change of Control Triggering Event and offering to repurchase the notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date that notice is given or, if the notice is given prior to the Change of Control, no earlier than 30 days and no later than 60 days from the date on which the Change of

Control Triggering Event occurs, other than in each case as may be required by law (a "Change of Control Payment Date"). The notice will, if mailed prior to the date of consummation of the Change of Control, state that the Change of Control Offer is conditioned on the Change of Control Triggering Event occurring on or prior to the applicable Change of Control Payment Date.

On each Change of Control Payment Date, we will, to the extent lawful:

- accept for payment all notes or portions of notes properly tendered and not withdrawn pursuant to the terms of the Change of Control Offer;
- deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and
- deliver or cause to be delivered to the trustee the notes properly tendered and accepted together with an officers' certificate stating the aggregate principal amount of notes or portions of notes being repurchased.

We will not be required to make a Change of Control Offer following the occurrence of a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and price and otherwise substantially in compliance with the requirements for an offer made by us and the third party promptly purchases all notes properly tendered and not withdrawn under its offer.

To the extent that we are required to offer to repurchase the notes following the occurrence of a Change of Control Triggering Event, we may not have sufficient financial resources available to repurchase the notes in cash at such time. In addition, our ability to repurchase the notes for cash may be limited by law or the terms of other agreements relating to our indebtedness outstanding at the time. See "Risk Factors—Risks Relating to the Notes—We may not have sufficient funds to repurchase the notes upon a Change of Control Triggering Event, and certain strategic transactions may not constitute a Change of Control."

The definition of Change of Control includes a phrase relating to the direct or indirect sale, transfer, conveyance or other disposition of "all or substantially all" of our assets and the assets of our subsidiaries, taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of the notes to require us to repurchase such holder's notes as a result of a sale, transfer, conveyance or other disposition of less than all of our assets and the assets of our subsidiaries, taken as a whole, to another person may be uncertain. In such case, the holders of the notes may not be able to resolve this uncertainty without legal action.

We will comply in all material respects with the requirements of any securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any such securities laws or regulations conflict with the Change of Control Offer provisions of the notes, we will comply with those securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Offer provisions of the notes by virtue of any such conflict.

The agreements governing our other indebtedness contain, and future agreements may contain, prohibitions of certain events, including prohibitions of events that would constitute a Change of Control and prohibitions of repurchases of or other prepayments in respect of the notes. The exercise by the holders of the notes of their right to require us to repurchase the notes upon a Change of Control Triggering Event could cause a default under these other agreements, even if the Change of Control itself does not, due to the financial effect of such repurchases on us. In the event a Change of Control Triggering Event occurs at a time when such other agreements prohibit us from repurchasing the notes, we could seek the consent of our other lenders to our repurchase of the notes or could attempt to refinance such other borrowings that contain such prohibition. If we do not obtain a consent or repay those borrowings, we will remain prohibited from repurchasing notes. In that case, our failure to repurchase the tendered notes within the required timeframe would constitute an event of default under the Indenture which could, in turn, constitute a default under our other indebtedness. Furthermore, our ability to pay cash to the holders of the notes upon a repurchase may be limited by our then existing financial resources. See "Risk Factors—Risks Relating to the Notes—We may not have sufficient funds to repurchase the notes upon a Change of Control Triggering Event, and certain strategic transactions may not constitute a Change of Control."

Certain Covenants

Set forth below are summaries of certain covenants that will be contained in the Indenture.

Limitation on Liens

Nissan will not itself, and will not permit any Manufacturing Subsidiary to, incur, issue, assume, guarantee or suffer to exist any debt for borrowed money (including debt for borrowed money evidenced by credit agreements, notes, bonds, debentures or other similar evidences of indebtedness for money borrowed) (collectively, "Debt"), secured by a pledge of, or mortgage or lien on, any Principal Global Manufacturing Property of Nissan or any Manufacturing Subsidiary, or any shares of stock of or Debt of any Manufacturing Subsidiary (any such mortgages, pledges and liens, collectively, "Mortgage" or "Mortgages"), without effectively providing that the notes (together with, if Nissan shall so determine, any other Debt of Nissan or such Manufacturing Subsidiary then existing or thereafter created ranking equally with the notes) shall be secured equally and ratably with (or prior to) such secured Debt, so long as such secured Debt shall be so secured, unless, after giving effect thereto, the aggregate amount of all such secured Debt so secured plus all Attributable Debt of Nissan and its Manufacturing Subsidiaries in respect of Sale and Leaseback Transactions would not exceed an amount equal to the greater of 8% of Total Consolidated Automotive Assets or $5,000,000,000 (or its equivalent in any other currency or currencies).

The foregoing restriction, however, will not apply to any Debt secured by:

(i) Mortgages on property of, or on any shares of stock or Debt of, any corporation existing at the time such corporation becomes a Manufacturing Subsidiary;

(ii) Mortgages in favor of Nissan or any Manufacturing Subsidiary;

(iii) Mortgages in favor of any governmental body or organization to secure progress, advance or other payments pursuant to any contract or provision of any statute;

(iv) Mortgages on property, shares of stock or Debt existing at the time of acquisition thereof (including acquisition through merger or consolidation) or to secure the payment of all or any part of the purchase price thereof or to secure any Debt incurred prior to, at the time of, or within 60 days after, the acquisition of such property or shares of Debt for the purpose of financing all or any part of the purchase price thereof; and

(v) any extension, renewal or replacement (or successive extensions renewals or replacements), as a whole or in part, of any Mortgage referred to in the foregoing clauses (i) to (iv), inclusive; provided that such extension, renewal or replacement Mortgage shall be limited to all or a part of the same property, shares of stock or Debt that secured the Mortgage extended, renewed or replaced (plus improvements on such property).

Limitation on Sale and Lease-Back Transactions

The Indenture will provide that Nissan will not, and Nissan will not permit any Manufacturing Subsidiary to, enter into any Sale and Lease-Back Transaction, unless:

(i) Nissan or such Manufacturing Subsidiary could create Debt secured by a Mortgage (pursuant to "—Limitation on Liens") on the Principal Global Manufacturing Property to be leased in an amount equal to the Attributable Debt with respect to such Sale and Lease-Back Transaction without equally and ratably securing the notes; or

(ii) Nissan, within 180 days after the sale or transfer under the Sale and Lease-Back Transaction shall have been made by Nissan or by a Manufacturing Subsidiary, applies an amount equal to the greater of (i) the net proceeds of the sale of the Principal Global Manufacturing Property leased pursuant to such arrangement or (ii) the fair market value of the Principal Global Manufacturing Property so leased at the time of entering into such arrangement (as determined by any two of the following: the Chairman of the Board of the Company, its President, any Executive Vice President of the Company, any Group Vice President of the Company, any Vice President of the Company, its Treasurer and its Controller) to the retirement of Funded Debt of Nissan; *provided, however,* that the amount to be applied to the retirement of Funded Debt of Nissan shall be reduced by (a) the principal amount of any notes delivered within 180 days after such sale to the trustee for retirement and cancellation and (b) the principal amount of Funded Debt, other than notes, voluntarily retired by Nissan within 180 days after such sale. Notwithstanding the foregoing, no

retirement referred to in this clause (ii) may be effected by payment at maturity or pursuant to any mandatory sinking fund payment or any mandatory prepayment provision; or

(iii) after giving effect to any Sale and Lease-Back Transaction, the aggregate amount of all Debt secured pursuant to the provisions described under "—Limitation on Liens" plus all Attributable Debt of Nissan and its Manufacturing Subsidiaries in respect of Sale and Leaseback Transactions would not exceed an amount equal to the greater of 8% of Total Consolidated Automotive Assets or $5,000,000,000 (or its equivalent in any other currency or currencies).

Merger, Consolidation, Sale or Disposition

The Indenture will provide that we may not merge or consolidate into any other corporation, entity or person (if we are not the continuing entity), or sell, lease or dispose of our properties and assets substantially as an entirety (including by way of a corporate split (*kaisha bunkatsu*)), whether as a single transaction or a number of transactions, related or not, to any other corporation, entity or person unless:

- such successor is organized and validly existing as a corporation or other entity and assumes or succeeds to our obligations under all series of the notes and the Indenture (and, if such corporation or other entity is organized in a jurisdiction other than Japan, agrees to pay any Additional Amounts in respect of any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the jurisdiction of organization or tax residence of such corporation or other entity or any authority therein or thereof having power to tax, corresponding to the obligation (and related carve-outs) to pay Additional Amounts as described under "—Taxation and Additional Amounts" substituting such jurisdiction for references to "Japan"), and
- after giving effect thereto, no event of default with respect to the notes shall have occurred and be continuing (such permitted transaction, a "Succession Event").

Taxation and Additional Amounts

All payments of principal and interest in respect of the notes by us shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Japan, or any political subdivision of, or any authority in, or of, Japan having power to tax ("Japanese Taxes"), unless such withholding or deduction is required by law as interpreted and enforced by the relevant authority. In such event, we shall pay to the holder of each note such additional amounts (all such amounts being referred to herein as "Additional Amounts") as may be necessary so that the net amounts received by such holder after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of such note in the absence of such withholding or deduction, provided, that no such Additional Amounts shall be payable in relation to any such withholding or deduction with respect to any payment on the notes:

(i) to or for the benefit of a holder or beneficial owner of a note who is an individual non-resident of Japan or a non-Japanese corporation and is liable for such Japanese Taxes in respect of such note by reason of its (A) having some present or former connection with Japan other than the mere holding of such note or (B) being a person having a special relationship with us as described in Article 6, Paragraph (4) of the Act on Special Measures Concerning Taxation of Japan (Act No. 26 of 1957, as amended) (the "Special Taxation Measures Act") and Article 3-2-2, Paragraphs (5) to (7) of the Order for Enforcement of the Act on Special Measures Concerning Taxation of Japan (Cabinet Order No. 43 of 1957, as amended) (the "Cabinet Order") (a "specially-related person of ours");

(ii) to or for the benefit of a holder or beneficial owner of a note who would otherwise be exempt from any such withholding or deduction but (A) who fails to comply with any applicable requirement to provide certification, information, documents or other evidence concerning its nationality, residence, identity or connection with Japan, including any requirement to provide Interest Recipient Information (as defined below) or to submit a Written Application for Tax Exemption (as defined below) to us or the paying agent, as appropriate, or (B) whose Interest Recipient Information is not duly communicated through the Participant (as defined below) and the relevant international clearing organization to the paying agent;

(iii) to or for the benefit of a holder or beneficial owner of a note who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation (except for (A) a Designated

Financial Institution (as defined below) that complies with the requirement to provide Interest Recipient Information or to submit a Written Application for Tax Exemption and (B) an individual resident of Japan or a Japanese corporation who duly notifies (directly, or through the Participant or otherwise) the paying agent of its status as not being subject to Japanese Taxes to be withheld or deducted by us by reason of such individual resident of Japan or Japanese corporation receiving interest on the relevant note through a payment handling agent in Japan appointed by it);

(iv) if the note is presented for payment (where presentation is required) more than 30 days after the Relevant Date (as defined below), except to the extent that the holder of the note would have been entitled to such Additional Amounts on presenting the same for payment on any date during such period of 30 days;

(v) to a holder of a note who is a fiduciary or partnership or is not the sole beneficial owner of the payment of the principal of, or any interest on, any note, where Japanese law requires the payment to be included for tax purposes in the income of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner, in each case, who would not have been entitled to such Additional Amounts had it been the holder of such note; or

(vi) any combination of (i) through (v) above.

None of us, the trustee, any paying agent or any other person shall be required to pay any Additional Amounts with respect to any withholding or deduction imposed on or in respect of any note pursuant to Sections 1471 to 1474 of the Internal Revenue Code of 1986, as amended, commonly referred to as FATCA, any treaty, law, regulation or other official guidance implementing FATCA, or an intergovernmental agreement with respect thereto, or any agreement between us, the trustee, a paying agent or any other person and the United States, any other jurisdiction, or any authority of any of the foregoing implementing FATCA.

Where a note is held through a participant of an international clearing organization or a financial intermediary (each, a "Participant"), in order to receive payments free of withholding or deduction by us for, or on account of, Japanese Taxes, if the relevant beneficial owner of the note is (a) an individual non-resident of Japan or a non-Japanese corporation that in either case is not a specially-related person of ours or (b) a Japanese financial institution (a "Designated Financial Institution") falling under certain categories prescribed by Article 6, Paragraph (11) of the Special Taxation Measures Act, and the Cabinet Order (together with the ministerial ordinance and other regulations thereunder, the "Act"), all in accordance with the Act, such beneficial owner of the note must, at the time of entrusting a Participant with the custody of the relevant note, provide certain information prescribed by the Act to enable the Participant to establish that such beneficial owner of the note is exempted from the requirement for Japanese Taxes to be withheld or deducted (the "Interest Recipient Information"), and advise the Participant if the beneficial owner of the note ceases to be so exempted, including the case where the relevant beneficial owner of the note who is an individual non-resident of Japan or a non-Japanese corporation becomes a specially-related person of ours.

Where a note is not held by a Participant, in order to receive payments free of withholding or deduction by us for, or on account of, Japanese Taxes, if the relevant beneficial owner of the note is (a) an individual non-resident of Japan or a non-Japanese corporation that in either case is not a specially-related person of ours or (b) a Designated Financial Institution, all in accordance with the Act, such beneficial owner of the note must, prior to each date on which it receives interest, submit to us or a paying agent, as appropriate, a written application for tax exemption (*hikazei tekiyo shinkokusho*) (a "Written Application for Tax Exemption") in the form obtainable from us or any paying agent, as appropriate, stating, among other things, the name and address (and, if applicable, the Japanese individual or corporation ID number) of such beneficial owner of the note, the title of the notes, the relevant interest payment date, the amount of interest payable and the fact that such beneficial owner of the note is qualified to submit the Written Application for Tax Exemption, together with documentary evidence regarding its identity and residence. If a holder or beneficial owner of a note provides certain information required to be stated in the Written Application for Tax Exemption, in an electronic form prescribed by the relevant ministerial ordinance, with the relevant paying agent, such holder or beneficial owner will be deemed to have submitted the Written Application for Tax Exemption to the relevant paying agent.

As used herein, the "Relevant Date" means the date on which any payment in respect of a note first becomes due, except that, if the full amount of the moneys payable has not been duly received by the paying agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the holders of the notes in accordance with the Indenture.

By subscribing for the notes, an investor will be deemed to have represented that it is a beneficial owner that is, (i) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of ours; or (ii) a Designated Financial Institution. For more details regarding Japanese withholding tax, see "Taxation—Japanese Taxation."

We will make any required withholding or deduction and remit the full amount withheld or deducted to the Japanese taxing authority in accordance with applicable law. We will use reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any tax, duty, assessment, fee or other governmental charge so withheld or deducted from the Japanese taxing authority imposing such tax, duty, assessment, fee or other governmental charge, and if certified copies are not available, we will use reasonable efforts to obtain other evidence satisfactory to the paying agent, and the paying agent shall make such certified copies or other evidence available to the holders or the beneficial owners of the notes upon reasonable request to the paying agent.

The obligation to pay Additional Amounts shall not apply to (A) any estate, inheritance, gift, excise, sales, transfer, personal property or any similar tax, duty, assessment, fee or other governmental charge or (B) any tax, duty, assessment, fee or other governmental charge that is payable otherwise than by withholding or deduction from payments of principal or interest on the notes. Except as otherwise set forth in the notes and in the Indenture, we shall pay all stamp, court, excise or other documentary taxes, charges or similar levies which may be imposed by Japan, the United States or any respective political subdivision or any taxing authority thereof or therein, with respect to the execution of the Indenture or as a consequence of the initial issuance, execution, delivery, registration or enforcement of the notes.

References to principal or interest in respect of the notes shall be deemed to include any Additional Amounts due which may be payable as set forth in the notes and the Indenture.

Events of Default and Remedies

Holders of the notes of a series will have certain rights if an event of default occurs. References to an event of default mean any of the following:

(a) Nissan defaults for more than 30 days in the payment of interest or Additional Amounts in respect of any of the notes of such series;

(b) Nissan fails to pay principal of or premium, if any, on the notes of such series when that principal or premium, if any, is due and payable;

(c) Nissan defaults in the performance or observance of any covenant, condition or provision contained in the notes of such series or in the Indenture for a period of 90 days after written notification requesting that Nissan remedy such default shall first have been given to Nissan (and to the trustee in the case of notice by the holders referred to below) by the trustee or holders of at least 25% in principal amount of the then outstanding notes of such series;

(d) Nissan or any Principal Subsidiary (as defined below) becomes bound as a consequence of a default in respect of any indebtedness for borrowed moneys having a total principal amount then outstanding of at least $100,000,000 (or its equivalent in any other currency or currencies) contracted or incurred prematurely to repay the same, or Nissan or any Principal Subsidiary has defaulted in the repayment of any such indebtedness contracted or incurred at the later of the maturity thereof or the expiration of any applicable grace period therefor, or Nissan or any Principal Subsidiary has failed to pay when properly called upon to do so, and after the expiration of any applicable grace period, any guarantee contracted or incurred by Nissan or any Principal Subsidiary of any such indebtedness in accordance with the terms of any such guarantee; provided, however, that, prior to any judgment, if any such default is cured under such indebtedness, or it is waived by the holders of such indebtedness, in each case as may be permitted under the terms of such indebtedness, then such event of default shall be deemed to have been thereupon cured or waived;

(e) A final and non-appealable order of a court of competent jurisdiction is made or an effective resolution of Nissan is passed for its winding-up or dissolution except for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction under which the continuing corporation or the corporation formed as a result thereof effectively assumes Nissan's entire obligations under the Indenture in relation to the notes;

(f) An encumbrancer shall have taken possession, or a trustee or receiver shall have been appointed, in bankruptcy, civil rehabilitation, reorganization or insolvency of Nissan, of all or substantially all of Nissan's assets and undertakings and such possession or appointment shall have continued undischarged and unstayed for a period of 60 days;

(g) Nissan stops payment (within the meaning of the bankruptcy laws of Japan (or in the case of any Succession Event where the successor entity is not organized under the laws of Japan, the non-Japanese jurisdiction of the successor entity)) or (otherwise than for the purposes of such a consolidation, amalgamation, merger or reconstruction) ceases to carry on business or is unable to pay its debts generally as and when they fall due;

(h) A decree or order by any court having jurisdiction shall have been issued adjudging Nissan bankrupt or insolvent, or approving a petition seeking with respect to Nissan's reorganization or liquidation under bankruptcy, civil rehabilitation, reorganization or insolvency laws of Japan (or in the case of any Succession Event where the successor entity is not organized under the laws of Japan, the non-Japanese jurisdiction of the successor entity), and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or

(i) Nissan initiates or consents to proceedings relating to it under bankruptcy, civil rehabilitation, reorganization or insolvency law of Japan (or in the case of any Succession Event where the successor entity is not organized under the laws of Japan, the non-Japanese jurisdiction of the successor entity) or shall make a conveyance or assignment for the benefit of, or shall enter into any composition with, Nissan's creditors generally.

If an event of default with respect to the notes occurs and is continuing, then in every such case (other than an event of default specified (g) or (h) above) the trustee or the holders of not less than 25% in principal amount of the outstanding notes of each affected series may declare the principal amount of all the notes of such affected series to be due and payable immediately, by a notice in writing to Nissan (and to the trustee if given by holders), and upon any such declaration such principal amount shall become immediately due and payable.

Notwithstanding the foregoing, in the case of an event of default arising under subsection (g) or (h) above, the principal of and interest on the outstanding notes will become immediately due and payable without further action or notice.

"Principal Subsidiary" means any consolidated subsidiary of Nissan (i) whose net sales as shown by the annual non-consolidated financial statements (or, where the consolidated subsidiary in question itself prepares consolidated financial statements, the annual consolidated financial statements) of such consolidated subsidiary used for the purposes of the latest audited annual consolidated financial statements being made up, are 10% or more of the net sales of Nissan and its consolidated subsidiaries as shown by such audited annual consolidated financial statements or (ii) whose total assets as shown by the annual non-consolidated financial statements (or, as the case may be, the annual consolidated financial statements) of such consolidated subsidiary used for the purposes of the latest audited annual consolidated financial statements being made up, are 10% or more of the total assets of Nissan and its consolidated subsidiaries as shown by such audited annual consolidated financial statements. A certificate signed by a representative director or an authorized officer of Nissan that in Nissan's opinion, a consolidated subsidiary is or is not or was or was not at a specified date a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

Limitation on Suits

Other than the right to institute a suit for the enforcement of the payment of principal, premium (if any) or interest (including, in each case, any Additional Amounts, if applicable) in respect of the notes of any series after the applicable due date specified in the notes of such series, no holder of any note of such series has any right to institute any proceeding with respect to the Indenture, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture, unless:

- such holder has previously given written notice to the trustee of a continuing event of default;
- the holders of not less than 25% in aggregate principal amount of the notes of such series shall have made written request to the trustee to institute proceedings in respect of such event of default in its own name as trustee;
- such holder or holders have offered to the trustee indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;

- the trustee for 60 days after its receipt of such notice, request and offer of indemnity and/or security has failed to institute any such proceeding; and
- no direction inconsistent with such written request has been given to the trustee during such 60-day period by the holders of a majority in aggregate principal amount of the notes of such series.

Discharge, Defeasance and Covenant Defeasance

We have the ability to eliminate most or all of our obligations on the notes of a series prior to maturity if we comply, among other conditions, with the following provisions:

Discharge of Indenture. We may discharge all of our obligations, other than as to transfers and exchanges, under the Indenture after we have:

(i) paid or caused to be paid the principal of and interest on all of the outstanding notes of such series in accordance with their terms;

(ii) delivered to the trustee for cancellation all of the outstanding notes of such series; or

(iii) irrevocably deposited with the trustee cash or U.S. government obligations in trust for the benefit of the holders of notes of such series issued under the Indenture that have either become due and payable, or are by their terms due and payable, or have been irrevocably called for redemption, or are scheduled for redemption, within one year, in an amount certified to be sufficient to pay on each date that they become due and payable, the principal of and interest on those notes. However, the deposit of cash or U.S. government obligations for the benefit of holders of notes of such series that are due and payable, or are scheduled for redemption, within one year will discharge obligations under the Indenture relating only to the notes of such series.

Defeasance of the Notes at Any Time. We may also discharge all of our obligations, other than as to transfers and exchanges, under the notes of a series at any time ("Defeasance"). Alternatively, we may be released with respect to the notes of a series from the obligations imposed by the covenants described above in "—Certain Covenants" limiting the creation of Mortgages, Sale and Lease-Back Transactions, consolidations, mergers, asset sales and leases, and elect not to comply with those sections without creating an event of default ("Covenant Defeasance").

Defeasance or Covenant Defeasance may be effected with respect to the notes of each series only if, among other things:

(i) we irrevocably deposit with the trustee cash or U.S. government obligations, as trust funds in an amount certified to be sufficient to pay on each date that they become due and payable, the principal of and interest on the notes of such series; and

(ii) we deliver to the trustee an opinion of counsel of recognized standing to the effect that:

(a) the beneficial owners of such notes being defeased will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the Defeasance or Covenant Defeasance; and

(b) the beneficial owners of such notes being defeased will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Defeasance or Covenant Defeasance had not occurred.

In the case of a Defeasance, the opinion must be based on a ruling of the U.S. Internal Revenue Service or a change in U.S. federal income tax law occurring after the issuance of the notes.

Further Issuances

We reserve the right, from time to time, without the consent of the holders of the notes, to issue additional notes on terms and conditions identical to those of the notes of a series offered hereby (other than the issue date, the issue price and, in some cases, the first interest payment date), which additional notes shall increase the aggregate principal amount of, and shall be consolidated and form a single series with, the notes of the relevant series; provided, however, that if any additional notes are not fungible with the notes of the relevant series offered hereby for U.S. federal income tax purposes, such additional notes will be issued as a separate series under the Indenture and will have a separate CUSIP, ISIN, Common Code or similar identifying number from the notes of the relevant series offered hereby.

Indemnification of Judgment Currency

We will indemnify each holder of a note to the full extent permitted by applicable law against any loss incurred by the holder as a result of any judgment or order being given or made for any amount due under the notes and the judgment or order being expressed and paid in a currency, referred to as judgment currency, other than U.S. dollars and as a result of any variation as between (a) the rate of exchange at which the U.S. dollar is converted into the judgment currency for the purpose of the judgment or order and (b) the spot rate of exchange in The City of New York at which the holder on the date that payment is made pursuant to the judgment or order is able to purchase U.S. dollars with the amount of the judgment currency actually received by the holder.

Modification and Waiver

Modification and amendment of the notes of any series and the Indenture may be made by us and the trustee with the written consent of the holders of at least a majority in aggregate principal amount of the outstanding notes of each affected series; provided, however, that no such modification or amendment may, without the consent of the holder of each outstanding note affected thereby:

(i) change the maturity date of the principal or payment date of any interest or change any obligation of ours to pay any Additional Amounts;

(ii) reduce the principal amount of, or rate of interest on, any note;

(iii) change the redemption date (including the par call date) or price at which notes are redeemable;

(iv) affect the rights of holders of less than all the outstanding notes;

(v) change the place of payment where, or the coin or currency in which, any note or interest thereon is payable; or

(vi) impair the right of a holder to institute suit for the enforcement of any payment on or with respect to any note on or after the date when due;

provided, further, that no such modification may, without the consent of the holders of all notes of the affected series outstanding at the time, alter the respective percentages of outstanding notes necessary, pursuant to the Indenture, to modify the terms of the notes, waive past defaults or accelerate the payment of the principal amount of the notes.

It shall not be necessary for any act of holders under the relevant section of the Indenture to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such act shall approve the substance thereof.

Notwithstanding the foregoing, without the consent of any holders of the notes of a particular series, we and the trustee, at any time and from time to time, may enter into one or more supplemental indentures to the Indenture, in form reasonably satisfactory to the trustee, for any of the following purposes:

(i) to secure the notes, provided it does not breach the covenant described above under "—Certain Covenants—Limitation on Liens;"

(ii) to evidence the succession of another corporation, entity or person to us and the assumption by any such successor of our covenants in the Indenture and the notes;

(iii) to add to our covenants or to surrender any right or power in the Indenture conferred upon us for the benefit of the holders of the notes;

(iv) to evidence and provide for the acceptance of appointment under the Indenture by a successor trustee;

(v) to cure any ambiguity, to correct or supplement any provision in the Indenture which may be defective or inconsistent with any other provision in the Indenture or applicable laws, or to make any other provisions with respect to matters or questions arising under the Indenture, provided that such action shall not adversely affect the interests of the holders of the notes in any material respect;

(vi) to establish the forms or terms of any subsequent series of debt securities to be issued under the Indenture; or

(vii) to make any other change that does not adversely affect the interests of the holders of the notes in any material respect.

Paying and Transfer Agent and Notes Registrar

U.S. Bank Trust Company, National Association, located in New York, will initially act as paying and transfer agent and will initially act as registrar for the notes. We may change the paying agent, transfer agent or registrar without prior notice to the holders of the notes, and we or any of our subsidiaries may act as paying agent, transfer agent or registrar.

The Trustee

The trustee, U.S. Bank Trust Company, National Association is organized under the laws of the United States of America, with offices located in New York. The Indenture provides that during the existence of an event of default with respect to the notes, the trustee will exercise the rights and powers vested in it by the Indenture, and use the same degree of care and skill in the exercise thereof as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. In the absence of an event of default with respect to the notes, the trustee need only perform the duties specifically set forth in the Indenture.

The Indenture does not contain limitations on the rights of the trustee under the Indenture, should it be or become a creditor of ours, to obtain payment of claims. The trustee is not precluded from engaging in other transactions with us.

The trustee will be under no obligation to exercise any rights or powers vested in it by the Indenture at the request or direction of any holder, unless such holders have offered to the trustee security and/or indemnity satisfactory to it against the costs, expenses (including the properly incurred fees and expenses of its counsel) and liabilities which might be incurred by it in compliance with such request or direction.

Successor Trustee

Any successor trustee appointed pursuant to the terms of the Indenture shall have a combined capital and surplus of not less than $50,000,000 and shall be a bank or trust company organized and doing business under the laws of the United States or of the State of New York, in good standing and having an office in the Borough of Manhattan, The City of New York.

Repayment of Funds

Any money deposited by us with the trustee or a paying agent in trust for payment of principal of or interest and any Additional Amounts on any note which remains unclaimed for two years after such principal, interest or Additional Amounts have become due and payable and paid to the trustee shall, upon our written request, be repaid to us and all liability of the trustee or such paying agent with respect to such payments will cease, and to the extent permitted by law, the holder of that note shall thereafter look only to us for payment thereof.

Reporting Requirements

For as long as any notes are outstanding, we will promptly furnish to the trustee (for the benefit of the holders of the notes):

(i) (x) within three months after the end of each fiscal year, our consolidated balance sheets and consolidated statements of income, changes in net assets and cash flows in English and (y) within six months after the end of each fiscal year, an annual report in English including our consolidated balance sheets and consolidated statements of income, changes in net assets and cash flows prepared in accordance with Japanese GAAP and audited by independent auditors; and

(ii) as soon as practicable after the end of each interim period (other than the last interim period of a fiscal year), our interim consolidated balance sheets and consolidated statements of income and cash flows in English prepared in accordance with Japanese GAAP, *provided that* interim consolidated statements of cash flows will not be required if disclosure of interim consolidated statements of cash flows is not required for such corresponding interim period for companies listed on the main board of the Tokyo Stock Exchange pursuant to the listing rules or other regulations generally applicable to such companies.

To the extent any reports or other documents are published by us on our investor relations website for such reports or documents or any other publicly available electronic medium, such reports or other documents shall be deemed to have been furnished to the trustee and the holders of the notes.

Governing Law; Consent to Jurisdiction and Service of Process; Communications

The Indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York.

We have irrevocably submitted to the non-exclusive jurisdiction of the courts of any New York State or United States federal court sitting in the Borough of Manhattan, The City of New York with respect to any action that may be brought in connection with the Indenture or the notes. As long as any of the notes remain outstanding, we will at all times have an authorized agent with an office in the Borough of Manhattan, The City of New York upon whom process may be served in any action arising out of or relating to the Indenture or the notes. We have appointed Cogency Global Inc. with offices located at 122 East 42nd Street, 18th Floor, New York, New York 10168 as our initial agent for such purpose.

Certain Definitions

"Attributable Debt" means, as to any particular lease under which any Person is at the time liable, at any date as of which the amount thereof is to be determined, the total net amount of rent (discounted from the respective due dates thereof at the rate of 9.5% per annum compounded annually) required to be paid by such person under such lease during the remaining term thereof. The net amount of rent required to be paid under any such lease for any such period shall be the total amount of the rent payable by the lessee with respect to such period, but may exclude amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges. In the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated.

"Capital Stock" means:

(i) in the case of a corporation, corporate stock;

(ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(iii) in the case of a partnership or limited-liability company, partnership interests (whether general or limited) or membership interests; and

(iv) any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing person;

but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"Change of Control" means the occurrence of any of the following:

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of our assets and the assets of our subsidiaries, taken as a whole, to any person, other than to us or one of our subsidiaries; provided, however, that this clause shall not apply to any sale, transfer, conveyance or other disposition of assets by us or our subsidiaries in connection with securitization financing;

(2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of our outstanding Voting Stock or other Voting Stock into which our Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares;

(3) our consolidation with, or our merger with or into, any person, or any person consolidates with, or merges with or into, us, in either case, pursuant to a transaction in which any of our outstanding Voting Stock or the Voting Stock of such other person is converted into or exchanged for cash, securities or other property, other than pursuant to a transaction in which shares of our Voting Stock outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving person or any direct or indirect parent company of the surviving person immediately after giving effect to such transaction, measured by voting power rather than number of shares; or

(4) the adoption by our board of directors of a plan relating to our liquidation or dissolution.

Notwithstanding the foregoing, a transaction (or series of related transactions) will not be deemed to involve a Change of Control under clauses (1) or (2) above if we become a direct or indirect wholly-owned subsidiary of a holding company and (a) the direct or indirect holders of a majority of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of a majority of our Voting Stock immediately prior to that transaction or (b) the shares of our Voting Stock outstanding immediately prior to such transaction are converted into or exchanged for a majority of the Voting Stock of such holding company immediately after giving effect to such transaction.

The term "person" is used in this definition as that term is used in Section 13(d)(3) of the Exchange Act.

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Event.

"Fitch" means Fitch Ratings Japan Limited, or any successor thereto.

"Funded Debt" means all indebtedness for money borrowed having a maturity of more than 12 months from the date of the most recent balance sheet of Nissan and its consolidated Subsidiaries or having a maturity of less than 12 months but by its terms being renewable or extendible beyond 12 months from the date of such balance sheet at the option of the borrower.

"Investment Grade Rating" means (a) with respect to S&P, any of the categories from and including AAA to and including BBB- (or equivalent successor categories); (b) with respect to Moody's, any of the categories from and including Aaa to and including Baa3 (or equivalent successor categories); and (c) with respect to Fitch, any of the categories from and including AAA to and including BBB- (or equivalent successor categories).

"Manufacturing Subsidiary" means a subsidiary of Nissan which owns or leases a Principal Global Manufacturing Property.

"Moody's" means Moody's Japan K.K., or any successor thereto.

"Person" means any individual, corporation, partnership, joint venture, association, limited liability company, joint-stock company, trust, unincorporated organization or any other entity, including any government or any agency or political subdivision thereof.

"Principal Global Manufacturing Property" means any plant owned or leased by Nissan or any subsidiary of Nissan, where the gross book value (without deduction of any depreciation reserves) of such plant on the date as of which the determination is being made exceeds 2.5% of Total Consolidated Automotive Assets and more than 75% of the total production of such plant measured by value (as determined by any two of the following: the Chairman of the Board of the Company, its President, any Executive Vice President of the Company, any Group Vice President of the Company, any Vice President of the Company, its Treasurer and its Controller) in the last fiscal year prior to said date (or such lesser period prior thereto as the plant shall have been in operation) consisted of one or more of the following: cars or trucks or related parts and accessories or materials for any of the foregoing. In the case of a plant not yet in operation or of a plant newly converted to the production of a different item or items, the total production of such plant and the composition of such production for purposes of this definition shall be deemed to be Nissan's best estimate (determined as aforesaid) of what the actual total production of such plant and the composition of such production will be in the 12 months following the date as of which the determination is being made.

"Rating Agencies" means any of S&P, Moody's and Fitch, and in each case, their respective successors.

"Rating Event" means (1) if on the date of the first public announcement of an event that constitutes a Change of Control the notes are then rated by at least two Rating Agencies as having an Investment Grade Rating, there is a decrease in the rating of the notes by one or more of the Rating Agencies on any date from the date of the first public announcement until the end of the 90-day period following the public notice of the occurrence of the Change of Control (which period shall be extended for an additional 90 days if any Rating Agency has publicly announced that it is considering a possible downgrade of the notes) which causes the notes to no longer have an Investment Grade Rating from two or more Rating Agencies or (2) if on the date of first public announcement of an event that constitutes a Change of Control the notes are not then rated by two or more Rating Agencies as having an Investment Grade Rating, there is a decrease in the rating of the notes by at least

one of the Rating Agencies on any date from the date of the first public announcement until the end of the 90-day period following the public notice of the occurrence of the Change of Control (which period shall be extended for an additional 90 days if any Rating Agency has publicly announced that it is considering a possible downgrade of the notes) which decrease results in the rating on the notes by such Rating Agency to be lower than the rating of the notes issued by such Rating Agency immediately preceding the public announcement of the event that constitutes the relevant Change of Control.

"Sale and Lease-Back Transaction" means any arrangement with any person providing for the leasing by Nissan or any Manufacturing Subsidiary of any Principal Global Manufacturing Property owned by Nissan or any Manufacturing Subsidiary on the date that the notes are originally issued (except for temporary leases for a term of not more than five years and except for leases between Nissan and a Manufacturing Subsidiary or between Manufacturing Subsidiaries), which property has been or is to be sold or transferred by Nissan or such Manufacturing Subsidiary to such person.

"S&P" means S&P Global Ratings Japan Inc., or any successor thereto.

"Subsidiary" or "subsidiary" of any specified person means any corporation, partnership, limited liability company or other entity of which more than 50% of the total voting power of outstanding shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or persons performing similar functions) is at the time owned (and, in the case of a partnership, more than 50% of whose total general partnership interests then outstanding is at the time owned), directly or indirectly, by such person or other Subsidiaries of such person or a combination thereof and, in the case of an entity other than a corporation or a partnership, such person has the power to direct, directly or indirectly, the policies, management and affairs of such entity.

"Total Consolidated Automotive Assets" means the aggregate amount of Nissan's consolidated automotive assets (less applicable reserves and other properly deductible items) as set forth in the most recent financial statements of Nissan and its consolidated Subsidiaries which have been prepared in conformity with Japanese GAAP.

"Treasury Rate" means, with respect to any redemption date, the yield determined by us in accordance with the following two paragraphs.

We shall determine the Treasury Rate after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third Business Day preceding the redemption date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as "Selected Interest Rates (Daily)—H.15" (or any successor designation or publication) ("H.15") under the caption "U.S. government securities—Treasury constant maturities—Nominal" (or any successor caption or heading) ("H.15 TCM"). In determining the Treasury Rate, we shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to the applicable par call date (the "Remaining Life"); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields—one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life—and shall interpolate to the par call date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date.

If on the third Business Day preceding the redemption date H.15 TCM is no longer published, we shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second Business Day preceding such redemption date of the United States Treasury security maturing on, or with a maturity that is closest to, the applicable par call date, as applicable. If there is no United States Treasury security maturing on the applicable par call date but there are two or more United States Treasury securities with a maturity date equally distant from the applicable par call date, one with a maturity date preceding the applicable par call date and one with a maturity date following the applicable par call date, we shall select the United States Treasury security with a maturity date preceding the

applicable par call date. If there are two or more United States Treasury securities maturing on the applicable par call date or two or more United States Treasury securities meeting the criteria of the preceding sentence, we shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

"Voting Stock" means, with respect to any specified Person as of any date, the Capital Stock of that Person that is at the time entitled to vote generally in the election of the board of directors of that Person.

Book Entry, Delivery and Form

The notes will initially be issued to investors only in book-entry form. The notes sold in reliance on Regulation S under the Securities Act will be initially in the form of one or more fully-registered global notes (the "Regulation S global notes"), and the notes sold in reliance on Rule 144A under the Securities Act will initially be in the form of one or more fully-registered global notes (the "Rule 144A global notes" and, together with the Regulation S global notes, the "global notes"). The global notes will be issued and registered in the name of Cede & Co., acting as nominee for DTC, which will act as securities depositary for the notes. The global notes will initially be deposited with U.S. Bank Trust Company, National Association acting as custodian for DTC.

The notes (including beneficial interests in the global notes) will be subject to certain restrictions on transfer set forth in the notes and the Indenture and will bear a legend regarding the restrictions as set forth under "Transfer Restrictions." Under certain circumstances, transfers may be made only upon receipt by the trustee of a written certification (in the form provided in the Indenture).

Prior to the fortieth day after the later of the commencement of the offering and the date of the issuance of the notes, a beneficial interest in a Regulation S global note may be transferred to a person who wishes to take delivery in the form of an interest in a Rule 144A global note only upon receipt by the trustee of a written certification (in the form provided in the Indenture) from the transferor to the effect that the transferor (i) reasonably believes that the transferee is a QIB purchasing for its own account (or for the account of one or more QIBs over which account it exercises sole investment discretion) and (ii) has notified the transferee of the restrictions on transfer set forth under "Transfer Restrictions." After such fortieth day, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to the transfer restrictions contained in the legend regarding such restrictions set forth under "Transfer Restrictions."

Beneficial interests in a Rule 144A global note may be transferred to a person who takes delivery in the form of an interest in a Rule 144A global note without any written certification from the transferor or the transferee. Beneficial interests in a Rule 144A global note may be transferred to a person who takes delivery in the form of an interest in a Regulation S global note only upon receipt by the trustee of a written certification (in the form provided in the Indenture) from the transferor to the effect that such transfer is being made in compliance with the restrictions on transfer set forth under "Transfer Restrictions" and pursuant to and in accordance with Rule 903 or 904 of Regulation S under the Securities Act.

Any beneficial interest in one of the global notes that is transferred to an entity that takes delivery in the form of an interest in another global note will, upon transfer, cease to be an interest in such global note and become an interest in the other global note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interest in such other global note for as long as it remains such an interest.

Persons that acquire beneficial ownership interests in the global notes will hold their interests through DTC through participants of DTC or indirectly through organizations that are participants in those participants, including Euroclear and Clearstream. Euroclear and Clearstream will hold omnibus positions on behalf of their participants through customers' securities accounts in Euroclear's and Clearstream's names on the books of their respective depositories, which in turn will hold those positions in customers' securities accounts in the depositories' names on the books of DTC. Unless and until definitive notes are issued, the only holder of the notes will be Cede & Co., as nominee of DTC, or the nominee of a successor depositary. Beneficial owners will be permitted to exercise their rights only indirectly through DTC, Euroclear, Clearstream and their participants.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants deposit with it. DTC also facilitates the settlement among its participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in its participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct and indirect participants in DTC include Euroclear and Clearstream, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its participants and by the New York Stock Exchange, the American Stock Exchange and the National Association of Securities Dealers. Access to the DTC system is also available to others, such as securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Euroclear was created in 1968 to hold securities for its participants and to clear and settle transactions among its participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing, and interfaces with domestic markets in several countries.

Euroclear is operated by Euroclear Bank S.A./N.V. (the "Euroclear Operator"), under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation (the "Cooperative"). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the initial purchasers or their affiliates. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

The Euroclear Operator is regulated and examined by the Belgian Banking and Finance Commission. Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law. These Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding securities through Euroclear participants.

Under Belgian law, the Euroclear Operator is required to pass on the benefits of ownership in any interests in securities on deposit with it, such as dividends, voting rights and other entitlements, to any person credited with such interests in securities on its records.

Clearstream is a limited liability company organized under Luxembourg law. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions between Clearstream participants through electronic book-entry changes in accounts of Clearstream participants, thereby eliminating the need for physical movement of certificates. Clearstream provides to Clearstream participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. Clearstream is registered as a bank in Luxembourg, and as such is subject to regulation by the Luxembourg Commission de Surveillance du Secteur Financier. Clearstream participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. Indirect access to Clearstream is available to other institutions that clear through or maintain a custodial relationship with a Clearstream participant.

Purchases of notes within the DTC system must be made by or through the DTC participants, which will receive a credit for the notes on DTC's records and on the records of Euroclear or Clearstream, if applicable. The ownership interest of each actual purchaser of notes, a beneficial owner of an interest in a global note, is in turn to be recorded on the DTC participants' and indirect participants' records.

Beneficial owners of interests in a global note will not receive written confirmation from DTC, Euroclear or Clearstream of their purchases, but they are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the DTC participants or indirect participants through which they purchased the notes. Transfers of ownership interests in the notes are to be accomplished by entries made on the books of the DTC participants and indirect participants acting on behalf of beneficial owners of interests in a global note. Beneficial owners of interests in a global note will not receive certificates representing their ownership interests in the notes unless use of the book-entry system for the notes is discontinued.

Transfers among DTC, Euroclear and Clearstream

Transfers between DTC participants will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the notes, cross-market transfers between persons holding, directly or indirectly through DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant European depositary; however, those cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in that system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the relevant European depositary to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the depositaries in DTC.

Because of time zone differences, credits of securities received in Euroclear or Clearstream as a result of a transaction with a person that does not hold the notes through Euroclear or Clearstream will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Those credits or any transactions in those securities settled during that processing will be reported to the relevant Euroclear or Clearstream participants on that business day. Cash received in Euroclear or Clearstream as a result of sales of securities by or through a Euroclear participant or a Clearstream participant to a DTC participant will be received with value on the DTC settlement date, but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

Limitations on Responsibilities

DTC, Euroclear and Clearstream have no knowledge of the actual beneficial owners of interests in a global note. DTC's records reflect only the identity of the DTC participants to whose accounts those notes are credited, which may or may not be the beneficial owners of interests in a global note. Similarly, the records of Euroclear and Clearstream reflect only the identity of the Euroclear or Clearstream participants to whose accounts those notes are credited, which also may or may not be the beneficial owners of interests in a global note. DTC, Euroclear and Clearstream participants and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

DTC's Procedures for Notices, Voting and Payments

So long as DTC, or its nominee, is the registered owner or holder of a global note, DTC or that nominee, as the case may be, will be considered the sole owner or holder of the notes represented by the global note for all purposes under the notes and the Indenture. No beneficial owner of an interest in a global note will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Indenture.

DTC has advised that it will take any action permitted to be taken by a holder of notes, including the presentation of notes for exchange as described below, only at the direction of one or more of its participants to whose account DTC's interests in the global notes are credited and only in respect of that portion of the aggregate principal amount of notes as to which that participant or participants has or have given the direction.

Conveyance of notices and other communications by DTC to its participants, by those participants to its indirect participants, and by participants and indirect participants to beneficial owners of interests in a global note will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The trustee will make payments of principal of and interest on the notes and send any notices in respect of the notes held in book-entry form to Cede & Co.

Payment of principal of and interest on the notes held in book-entry form will be made to Cede & Co. or another nominee of DTC in immediately available funds. DTC's practice is to credit its participants' accounts on the relevant payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payments on that payment date. Payments by DTC's participants and indirect participants to beneficial owners of interests in a global note will be governed by standing instructions and customary practices, and will be the responsibility of those participants and indirect participants and not of DTC or us, subject to any statutory or regulatory requirements that may be in effect from time to time. Payment of principal of and interest on the notes or other amounts to DTC is our responsibility, disbursement of these payments to participants is the responsibility of DTC, and disbursement of those payments to the beneficial owner of an interest in a global note is the responsibility of participants and indirect participants.

Except as described in this offering circular, a beneficial owner of an interest in a global note will not be entitled to receive physical delivery of notes. Accordingly, each beneficial owner of an interest in a global note must rely on the procedures of DTC to exercise any rights under the notes.

The laws of some states require that certain persons take physical delivery of certificates evidencing securities they own. Consequently, the ability to transfer beneficial interests in a global note to such persons will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants, the ability of beneficial owners of interests in a global note to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in the global notes among participants, none of them is under any obligation to perform or continue to perform those procedures, and those procedures may be discontinued at any time. We will not have any responsibility for the performance by DTC, Euroclear, Clearstream or their participants or indirect participants under the rules and procedures governing them. DTC, Euroclear and Clearstream may discontinue providing their services as securities depositary with respect to the notes at any time by giving notice to us. Under those circumstances, definitive notes would be delivered as described below.

The information in this section concerning DTC, Euroclear and Clearstream and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

Exchange of Global Notes for Definitive Notes

No definitive notes will be issued in exchange for the global notes unless (i) DTC is at any time unwilling or unable to continue as a depositary for the global notes or has ceased to be qualified to act as such as required by the Indenture and a successor depositary is not appointed by us within 90 days or (ii) there shall have occurred and be continuing an event of default with respect to the notes. Definitive notes delivered in exchange for beneficial interests in any global note will be registered in such names, and issued in such approved denominations, as directed by DTC or the successor depositary, in accordance with its customary procedures, and will be issued without coupons.

The principal amount of the notes in definitive form will be payable by check, drawn on a bank in The City of New York, upon presentation and surrender of the notes at our offices or at the principal office of the trustee in The City of New York or at such other place or places in the Borough of Manhattan, The City of New York as the trustee shall designate by notice to the holders of the notes. Interest on the notes in definitive form will be payable by check, drawn on a bank in The City of New York, mailed to the persons in whose names the notes, or one or more predecessor notes, are registered on each interest payment record date. Notwithstanding the foregoing, the person in whose name a note is registered may elect to receive payments of principal or interest by wire transfer in immediately available funds to a bank account in The City of New York designated by such person in a written notice received by the trustee (a) in the case of a payment of interest, no later than 15 calendar days prior to the interest payment date on which such payment is due and (b) in the case of payment of principal on the maturity date, no later than 15 calendar days prior to the maturity date, provided that in the case of such payment of principal, the note shall have been surrendered to the trustee for payment together with such notice.

Enforcement

For the purposes of enforcement of the provisions of the Indenture against the trustee, the persons named in a certificate of the holder of any global note in respect of which a global note is issued will be recognized as the beneficiaries of the Indenture, to the extent of the principal amounts of their interests in the notes set out in the certificate of the holder, as if they were themselves the holders of the notes in such principal amounts.

Clearance and Settlement

The notes have been accepted for clearance through DTC, Euroclear and Clearstream.

TAXATION

The following summaries are not intended to be a complete analysis of the tax consequences under Japanese or United States law as a result of the acquisition, ownership and sale of notes by investors. Potential investors should consult their own tax advisers on the tax consequences of acquisition, ownership, sale, and other relevant circumstances concerning the notes, including specifically the applicable tax consequences under Japanese or United States law, the law of the jurisdiction of their country of residence (if different) and any tax treaty between Japan and their country of residence.

Japanese Taxation

The following is a general description of certain aspects of Japanese taxation applicable to the notes. It does not purport to be a comprehensive description of the tax aspects of the notes. Prospective purchasers should note that, although the general tax information on Japanese taxation is described hereunder for convenience, the statements below are general in nature and not exhaustive.

Prospective purchasers are advised to consult their own legal, tax, accountancy or other professional advisers in order to ascertain their particular circumstances regarding taxation. The statements below are based on current tax laws and regulations in Japan and current income tax treaties executed by Japan all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). Neither such statements nor any other statements in this offering circular are to be regarded as advice on the tax position of any beneficial owner of the notes or any person purchasing, selling or otherwise dealing in the notes or any tax implication arising from the purchase, sale or other dealings in respect of the notes.

The Notes

The notes do not fall under the concept of so called "taxable linked notes" as described in Article 6, Paragraph (4) of the Special Taxation Measures Act, being notes of which the amount of interest is to be calculated or determined by reference to certain indicators (as prescribed in the Cabinet Order) in respect of the issuer of such notes or any other person who has a special relationship with such issuer (that is, in general terms, a person who directly or indirectly controls or is directly or indirectly controlled by, or is directly or indirectly controlled by a person who also directly or indirectly controls, such issuer) as described in Article 6, Paragraph (4) of the Special Taxation Measures Act and Article 3-2-2, Paragraphs (5) to (7) of the Cabinet Order.

Interest Payments on the Notes

The following description of Japanese taxation (limited to national taxes) applies exclusively to interest on the notes, where the notes are issued by us outside Japan and payable outside Japan. It is not intended to be exhaustive and prospective purchasers are recommended to consult their tax advisers as to their exact tax position.

(1) Non-Resident Holders that are not Specially-Related Persons

If the recipient of interest on the notes is a holder or beneficial owner of the notes that is, for Japanese tax purposes, an individual non-resident of Japan or a non-Japanese corporation, or a non-resident holder, as described below, the Japanese tax consequences to such non-resident holder are significantly different depending upon whether such non-resident holder is a specially-related person. Most importantly, if such non-resident holder is a specially-related person, income tax at the rate of 15.315% of the amount of such interest will be withheld by us under Japanese tax law.

(a) If the recipient of interest on the notes is a non-resident holder that is not a specially-related person having no permanent establishment within Japan or having a permanent establishment within Japan but where the receipt of the interest on the notes is not attributable to such permanent establishment, no Japanese income tax or corporate tax is payable with respect to such interest whether by way of withholding, deduction or otherwise, if such recipient complies with certain requirements, inter alia:

(i) if the relevant notes are held through certain participants in an international clearing organization such as DTC, Euroclear and Clearstream or certain financial intermediaries prescribed by the Special Taxation Measures Act and the Cabinet Order (together with the ministerial ordinance and other regulations thereunder), or the Law in this Japanese taxation section, the

requirement to provide, at the time of entrusting a "participant" within the meaning of each such participant or financial intermediary with the custody of the relevant notes, certain information, or the interest recipient information, prescribed by the Law to enable the participant to establish that the recipient is exempt from the requirement for Japanese tax to be withheld or deducted and to advise the participant if such non-resident holder ceases to be so exempted (including the case where it became a specially-related person); and

(ii) if the relevant notes are not held through a participant, the requirement to submit to the relevant paying agent a written application for tax exemption (hikazei tekiyo shinkokusho) or certain information to be stated in such a written application in an electronic form, together with certain documentary evidence.

Failure to comply with the foregoing requirements (including the case where the interest recipient information is not duly communicated through a participant or to the relevant paying agent as required under the Law) will result in the withholding by us of income tax at the rate of 15.315% of the amount of such interest.

(b) If the recipient of interest on the notes is a non-resident holder having a permanent establishment within Japan and the receipt of interest is attributable to such permanent establishment, such interest will not be subject to a 15.315% withholding tax by us, if the recipient provides the interest recipient information or submits the written application for tax exemption as set out in paragraph (a) above. Failure to do so will result in the withholding by us of income tax at the rate of 15.315% of the amount of such interest. The amount of such interest will be aggregated with the recipient's other Japanese source income and will be subject to regular income tax or corporate tax, as appropriate.

(2) Resident Holders, and Non-Resident Holders that are Specially-Related Persons

Payments of interest on the notes to be made to a holder or beneficial owner of the notes that is, for Japanese tax purposes, an individual resident of Japan or a Japanese corporation, or a resident holder (except for (a) a designated financial institution which has complied with the requirements under Article 6 of the Special Taxation Measures Act and (b) a public corporation, a financial institution, a financial instruments business operator or certain other entity which has complied with the requirement for tax exemption under Article 3-3, Paragraph (6) of the Special Taxation Measures Act which has received interest through a payment handling agent in Japan as defined in Article 3-3, Paragraph (1) of the Special Taxation Measures Act and Article 2-2, Paragraph (2) of the Cabinet Order), or to a non-resident holder that is a specially-related person will be subject to deduction in respect of Japanese income tax at the rate of 15.315%.

For an individual resident of Japan and an individual non-resident of Japan that is a specially-related person having a permanent establishment in Japan, interest on the notes in general constitutes taxable income, together with other interest, dividends and capital gains arising from certain specified notes and listed shares, and is subject to income taxation by reporting at the rate of 15.315%. Such interest income may be offset against capital losses arising from sale of certain specified notes or listed shares by filing a tax return. The withholding tax referred to above will in general be credited against their income tax liability reportable by their tax return. Alternatively, they may elect to finalize their income tax liability only by the withholding tax referred to above without filing a tax return.

For an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially related person having no permanent establishment in Japan, the Japanese taxation is finalized only by the withholding tax referred to above.

Under the Law, if a non-resident holder becomes a specially-related person, and if the notes are held through a participant, then such non-resident holder is required to notify the participant of such change in status by the immediately following interest payment date of the notes. As the status of such non-resident holder as a specially-related person for Japanese withholding tax purposes is determined based on the status as at the beginning of our fiscal year in which the relevant interest payment date falls, such non-resident holder should, by such notification, identify and advise the participant of the specific interest payment date on which Japanese withholding tax commences to apply with respect to such non-resident holder as being a specially-related person.

The Japanese withholding tax imposed upon interest on the notes paid to a non-resident holder that is a specially-related person as mentioned above may be reduced or exempted by an income tax treaty between Japan and the country of residence of such non-resident holder in accordance with its terms.

Capital Gains, Stamp Tax and Other Similar Taxes, Inheritance Tax and Gift Tax

Gains derived from the sale of notes outside Japan by an individual non-resident of Japan or a non-Japanese corporation having no permanent establishment within Japan are, in general, not subject to Japanese income tax or corporate tax.

No stamp, issue, registration or similar taxes or duties will, under current Japanese law, be payable in Japan by holders of the notes in connection with the issue of the notes, nor will such taxes will be payable by holders of the notes in connection with their transfer if such transfer takes place outside Japan.

Japanese inheritance tax or gift tax at progressive rates may be payable by an individual, wherever resident, who has acquired notes from another individual as legatee, heir or donee.

Certain U.S. Federal Income Tax Considerations

The following is a discussion of certain U.S. federal income tax consequences to the U.S. Holders described below of the ownership and disposition of the notes, but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to acquire notes. This discussion applies to you only if you are a U.S. Holder who hold notes as capital assets for U.S. federal income tax purposes and who acquired the notes pursuant to this offering at the "issue price," which for each series of notes will be the first price to the public (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the notes of that series is sold for money. This discussion does not describe all of the U.S. federal income tax consequences that may be relevant in light of your particular circumstances, including any special tax accounting rules set forth in Section 451 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or any minimum tax or Medicare contribution tax consequences. In addition, this discussion does not describe all of the tax consequences to you if you are subject to special rules, for instance if you are:

- a financial institution;
- an insurance company;
- a dealer or trader in securities that use a mark to market method of tax accounting;
- a person holding notes as part of a straddle or integrated transaction;
- a person whose functional currency is not the U.S. dollar;
- a partnership or other entities classified as partnerships for U.S. federal income tax purposes;
- a regulated investment company;
- a real estate investment trust;
- a tax exempt organization, "individual retirement account" or "Roth IRA"; or
- a person holding the notes in connection with a trade or business conducted outside of the United States.

If you are an entity that is treated as a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of your partners will generally depend on the status of the partners and your activities. If you are a partnership or a partner in a partnership that acquires notes, you should consult your tax adviser with regard to the particular U.S. federal income tax consequences of owning and disposing of the notes.

This discussion is based on the Code, administrative pronouncements, judicial decisions, final, temporary and proposed U.S. Treasury regulations and the U.S.-Japan income tax treaty (the "Treaty"), all as of the date hereof, all of which are subject to change, possibly with retroactive effect. This summary does not address any state, local or non-U.S. tax considerations, or any U.S. federal tax consequences (including estate or gift taxes) other than U.S. federal income tax consequences.

If you are considering the purchase of notes, you should consult your tax advisor with regard to the application of the U.S. federal tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

You are a "U.S. Holder" if, for U.S. federal income tax purposes, you are a beneficial owner of a note and:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Payments of Interest

It is expected, and the following discussion assumes, that the notes of each series will be issued without original issue discount for U.S. federal income tax purposes.

Interest paid on a note (including any amounts withheld in respect of Japanese taxes and any additional amounts paid with respect thereto) will be taxable to you as ordinary interest income at the time it accrues or is received, in accordance with your method of accounting for U.S. federal income tax purposes. See "Japanese Taxation" for a discussion of the requirements for obtaining an exemption from Japanese withholding tax.

Interest income earned by you with respect to a note will constitute foreign-source income, which may be relevant in calculating your foreign tax credit limitation. Any Japanese withholding tax on interest payments generally will not be creditable against your U.S. federal income tax liability if the withholding tax results from a failure to provide the Interest Recipient Information or Written Application for Tax Exemption information described in "Japanese Taxation—Interest Payments on the Notes," or to the extent the tax can be reduced or eliminated under the Treaty. Therefore, because interest income is generally exempt from Japanese income taxes under the Treaty, if you are entitled to Treaty benefits, you generally will not be entitled to a foreign tax credit for any Japanese taxes withheld from interest payments on the notes. In addition, U.S. Treasury regulations impose additional requirements for non-U.S. taxes to be eligible for credit in the absence of an election to apply the benefits of an applicable income tax treaty, and we have not determined whether these requirements have been met with respect to Japanese withholding taxes, if any. The U.S. Internal Revenue Service (the "IRS") has released notices that provide relief from certain of the provisions of the Treasury regulations described above for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). The rules governing foreign tax credits are complex. You are urged to consult your tax advisors regarding the availability of foreign tax credits in your particular circumstances. Instead of claiming a credit, subject to applicable limitations, you may be able to deduct any Japanese withholding taxes on interest payments in computing your taxable income. An election to deduct non-U.S. taxes instead of claiming foreign tax credits applies to all otherwise creditable non-U.S. taxes paid or accrued by you in the taxable year.

Sale, Exchange or Other Disposition of the Notes

Upon the sale, exchange or other disposition of a note, you generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or disposition and your tax basis in the note. For these purposes, the amount realized does not include any amount attributable to accrued interest. Amounts attributable to accrued interest will be taxed as interest as described under "—Payments of Interest" above. Your tax basis in a note will generally be its cost for that note.

Gain or loss realized on the sale, exchange or other disposition of a note generally will be capital gain or loss and will be long-term capital gain or loss if at the time of the sale, exchange or disposition the note has been held for more than one year. Long-term capital gains of individual U.S. Holders are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Gain or loss generally will be U.S.-source for purposes of computing your foreign tax credit limitation.

Information Reporting and Backup Withholding

Payments of interest and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries may be subject to information reporting and backup withholding unless you are an exempt recipient or, in the case of backup withholding, you provide a correct taxpayer identification number and certify that you are not subject to backup withholding. The amount of any backup withholding from a payment to you will be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided that the required information is timely furnished to the IRS.

BENEFIT PLAN INVESTOR CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of the notes by (i) "employee benefit plans" within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), that are subject to Title I of ERISA, (ii) plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), and (iii) entities whose underlying assets are considered to include "plan assets" of any of the foregoing described in clauses (i) and (ii) (each of the foregoing described in clauses (i), (ii) and (iii) referred to herein as, a "Plan").

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (a "Covered Plan"), and prohibit certain transactions involving the assets of a Covered Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Covered Plan or the management or disposition of the assets of such a Covered Plan, or who renders investment advice for a fee or other compensation to such a Covered Plan, is generally considered to be a fiduciary of the Covered Plan.

In considering an investment in the notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control, conflicts of interest and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws. A fiduciary of a Plan should consider the Plan's particular circumstances and all of the facts and circumstances of the investment, including, but not limited to, the matters discussed above under "Risk Factors," in determining whether an investment in the notes satisfies these requirements.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit Covered Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or disqualified persons, within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engaged in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the Covered Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code.

The acquisition and/or holding of the notes by a Covered Plan with respect to which we, an initial purchaser or any of our or their respective affiliates are considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the notes are acquired and held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions ("PTCEs") that may apply to the acquisition and holding of the notes. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Covered Plan involved in the transaction and provided further that the Covered Plan pays no more than, and receives no less than, adequate consideration in connection with the transaction. Each of the above-noted exemptions contains conditions and limitations on its application. Each fiduciary of a Covered Plan considering acquiring and/or holdings the notes in reliance on these or any other exemption should carefully review the exemption in consultation with its legal advisors to assure it is applicable. There can be no assurance that any such exemptions will be available, or that all of the conditions of any such exemptions will be satisfied, with respect to transactions involving the notes.

Plans (including entities) that are (or whose assets constitute the assets of) governmental plans (as defined in Section 3(32) of ERISA), church plans (as defined in section 3(33) of ERISA) that have not made an election under section 410(d) of the Code and non-United States plans, may not be subject to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code but may be subject to Similar Laws that include similar requirements. Fiduciaries of any such Plans should consult with their legal advisors regarding the potential consequences of an investment in the notes under any applicable Similar Laws before purchasing any notes.

Because of the foregoing, the notes should not be purchased or held by any person investing the assets of any Plan, unless such purchase and holding will not constitute or result in a non-exempt prohibited transaction under ERISA and the Code or a violation of any applicable Similar Laws.

Representation

By acceptance of the notes, each purchaser and subsequent transferee of the notes will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire or hold the notes constitutes assets of any Plan or (ii) the purchase, holding and subsequent disposition of the notes by such purchaser or transferee will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the notes on behalf of, or with the assets of, any Plan, consult with their advisors regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the purchase and holding of the notes.

The sale of notes to a Plan is in no respect a representation or recommendation by us, the initial purchasers or any other person that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan or that such an investment is appropriate or advisable for Plans generally or any particular Plan.

Purchasers of the notes have the exclusive responsibility for ensuring that their purchase and holding of the notes complies with the fiduciary responsibility rules of ERISA and does not violate the prohibited transaction rules of ERISA or the Code or any applicable Similar Laws. Neither this discussion nor anything provided in this offering circular is or is intended to be investment advice directed at any potential Plan purchasers or at Plan purchasers generally, and prospective Plan investors should not construe the contents of this offering circular as, nor do the contents of this offering circular constitute, a recommendation or representation with respect to the notes (i) that is based on any prospective investor's particular needs or individual circumstances or (ii) that an investment in the notes satisfies a particular prospective investor's specific legal or other requirements for investments. Each Plan fiduciary should consult with its own legal advisors concerning the potential consequences under ERISA, Section 4975 of the Code and any applicable Similar Law before making an investment in the notes and should consult and rely on their own legal advisors as to whether an investment in the notes is suitable for the Plan.

TRANSFER RESTRICTIONS

Because of the following restrictions, investors are advised to consult legal counsel prior to making any reoffering, resale, pledge or transfer of the notes.

The offering is being made in accordance with Rule 144A and Regulation S. The notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction and, accordingly, may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except as set forth below.

Rule 144A Notes

Each purchaser of the notes offered hereby in reliance on Rule 144A will be deemed to have represented and agreed as follows:

(1) It (A) is a qualified institutional buyer within the meaning of Rule 144A, or a QIB, (B) is aware that the sale of the Notes to it is being made in reliance on Rule 144A, and (C) is acquiring the notes for its own account or for the account of a QIB, as the case may be.

(2) It understands that the notes have not been and will not be registered under the Securities Act and may not be offered, resold, pledged or otherwise transferred except as permitted by the legend set forth in paragraph (3) below.

(3) It understands that the notes will bear a legend to the following effect, unless Nissan Motor Co., Ltd. determines otherwise in compliance with applicable law:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF AGREES FOR THE BENEFIT OF NISSAN MOTOR CO., LTD. (THE "COMPANY") THAT THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO THE COMPANY, (2) TO A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) OR A PERSON WHO THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER IN ACCORDANCE WITH RULE 144A, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, PROVIDED THAT, AS A CONDITION TO THE REGISTRATION OF THE TRANSFER THEREOF, THE COMPANY OR THE TRUSTEE MAY REQUIRE THE DELIVERY OF ANY DOCUMENTS, INCLUDING AN OPINION OF COUNSEL, THAT IT, IN ITS SOLE DISCRETION, MAY DEEM NECESSARY OR APPROPRIATE TO EVIDENCE COMPLIANCE WITH SUCH EXEMPTION (IF AVAILABLE), OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND OTHER JURISDICTIONS. THE HOLDER HEREOF, BY, PURCHASING OR ACCEPTING THIS NOTE, REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOTIFY ANY PURCHASER OF THIS NOTE FROM THE HOLDER OF THE RESALE RESTRICTIONS REFERRED TO ABOVE."

Regulation S Notes

Each purchaser of the notes offered hereby in reliance on Regulation S will be deemed to have represented and agreed as follows:

(1) It is not a U.S. person and is acquiring such notes in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S.

(2) It understands that such notes have not been and will not be registered under the Securities Act and, until 40 days after the closing of the offering, may not be reoffered, resold, pledged or transferred within the United States or to, or for the account or benefit of U.S. persons except as permitted by the legend set forth in paragraph (3) below.

(3) It understands that the notes will bear a legend to the following effect, unless Nissan determines otherwise in compliance with applicable law:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY JURISDICTION AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. NISSAN MOTOR CO., LTD. HAS AGREED THAT THIS LEGEND SHALL BE DEEMED TO HAVE BEEN REMOVED ON THE 41ST DAY FOLLOWING THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE FINAL DELIVERY DATE WITH RESPECT THERETO."

PLAN OF DISTRIBUTION

Under the terms and subject to the conditions set forth in a purchase agreement, dated July 10, 2025, or the purchase agreement, between us and the initial purchasers named below, for whom Morgan Stanley & Co. LLC, Mizuho Securities USA LLC, Citigroup Global Markets Inc., BofA Securities, Inc. and The Hongkong and Shanghai Banking Corporation Limited are acting as representatives, the initial purchasers have severally, and not jointly, agreed to purchase, and we have agreed to sell to the initial purchasers, the respective principal amount of the notes listed opposite their names below.

Initial purchasers	Principal amount of 2030 notes	Principal amount of 2032 notes	Principal amount of 2035 notes
Morgan Stanley & Co. LLC	$180,000,000	$135,000,000	$225,000,000
Mizuho Securities USA LLC	160,000,000	120,000,000	200,000,000
Citigroup Global Markets Inc.	160,000,000	120,000,000	200,000,000
BofA Securities, Inc.	160,000,000	120,000,000	200,000,000
The Hongkong and Shanghai Banking Corporation Limited	100,000,000	75,000,000	125,000,000
BNP PARIBAS.	40,000,000	30,000,000	50,000,000
J.P. Morgan Securities LLC	40,000,000	30,000,000	50,000,000
SMBC Nikko Securities America, Inc.	40,000,000	30,000,000	50,000,000
Société Générale	40,000,000	30,000,000	50,000,000
U.S. Bancorp Investments, Inc.	25,000,000	18,750,000	31,250,000
Wells Fargo Securities, LLC	25,000,000	18,750,000	31,250,000
BBVA Securities Inc.	10,000,000	7,500,000	12,500,000
Intesa Sanpaolo IMI Securities Corp.	10,000,000	7,500,000	12,500,000
Standard Chartered Bank	10,000,000	7,500,000	12,500,000
Total	$1,000,000,000	$750,000,000	$1,250,000,000

The initial purchasers have advised us that they propose initially to offer each series of the notes at the offering prices listed on the cover page of this offering circular. After the initial offering, the offering prices, concessions or any other term of the offering may be changed. The initial purchasers have agreed to purchase each series of the notes from us at a purchase price that reflects a discount from the offering price, and the initial purchasers will retain the difference between such purchase price and offering price as compensation.

The initial purchasers are entitled to be released and discharged from their obligations under, and to terminate, the purchase agreement in certain circumstances prior to paying us for the notes. If an initial purchaser defaults, the purchase agreement provides that the purchase commitments of the non-defaulting initial purchasers may be increased. The initial purchasers are offering the notes subject to their acceptance of the notes from us and subject to prior sale. The purchase agreement provides that the obligations of the several initial purchasers to pay for and accept delivery of the notes are subject to approval of certain legal matters by their counsel and to certain other conditions.

The purchase agreement provides that we will indemnify the initial purchasers and their affiliates against specified liabilities, including liabilities under the Securities Act, in connection with the offer and sale of the notes, and will contribute to payments the initial purchasers and their affiliates may be required to make in respect of those liabilities.

The notes are being offered by the initial purchasers or affiliates of certain of the initial purchasers outside the United States to persons other than U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act and by the initial purchasers or affiliates of certain of the initial purchasers inside the United States to QIBs as defined in Rule 144A under the Securities Act.

To the extent any initial purchaser that is not a U.S. registered broker-dealer intends to effect any offers or sales of any notes in the United States, it will do so through one or more U.S. registered broker-dealers in accordance with the applicable U.S. securities laws and regulations.

No Sale of Similar Securities

We have agreed that, during a period beginning the date hereof and ending 30 days following the date hereof, we will not, without the prior written consent of the representatives of the initial purchasers, directly or

indirectly, issue, sell, offer, contract or grant any option for the sale of, or otherwise transfer or dispose of, any other U.S. dollar-denominated senior debt securities of ours with a maturity greater than one year or any securities that are convertible into, or exchangeable for, the notes or such other U.S. dollar-denominated senior debt securities of ours.

Short Positions

In connection with this offering, the initial purchasers may purchase and sell the notes in the open market, subject to applicable laws and regulations. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment involves sales of notes in excess of the principal amount of notes to be purchased by the initial purchasers in this offering, which creates a short position for the initial purchasers. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions consist of certain bids or purchases of notes made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress. Any of these activities may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The initial purchasers may conduct these transactions in the over-the-counter market or otherwise. If the initial purchasers commence any of these transactions, they may discontinue them at any time.

The initial purchasers make no representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, the initial purchasers have no obligation to engage in these transactions, and these transactions, once commenced, may be discontinued at any time.

New Issue of the Notes

The notes are a new issue of securities with no established trading market. In addition, the notes are subject to certain restrictions on resale and transfer as described under "Benefit Plan Investor Considerations" and "Transfer Restrictions." The initial purchasers have advised us that they presently intend to make a market in the notes after completion of this offering. Such market-making activity will be subject to the limits imposed by applicable laws. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. A liquid or active public trading market for any of the notes may not develop. If an active trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If such notes are traded, they may trade at a discount from the initial offering price, depending on the market for similar securities, our performance and other factors. See "Risk Factors—Risks Relating to the Notes—The market for the notes offered by this offering circular may have limited liquidity."

Settlement

We expect that delivery of the notes will be made to investors on or about July 17, 2025, which will be the fifth New York business day following the date of this offering circular (such settlement being referred to as "T+5"). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes prior to the delivery of the notes hereunder may be required, by virtue of the fact that the notes initially settle in T+5, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes prior to their date of delivery hereunder should consult their advisors.

Selling Restrictions

General

No action has been or will be taken by us that would permit a public offering of the notes, or possession or distribution of this offering circular, any amendment or supplement thereto, or any other offering or publicity material relating to the notes in any country or jurisdiction where, or in any circumstances in which, action for that purpose is required. Accordingly, the notes may not be offered or sold, directly or indirectly, and neither this offering circular nor any other offering or publicity material relating to the notes may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with applicable laws and regulations.

United States

The notes have not been registered under the Securities Act and may not be offered or sold within the United States (as defined in Regulation S) or to, or for the account for benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The initial purchasers, or U.S. affiliates of the initial purchasers, may arrange for the sale of a portion of the notes in the United States exclusively to persons reasonably believed by them to be QIBs in reliance on the exemption from registration provided by Rule 144A under the Securities Act, and each U.S. purchaser of the notes is hereby notified that the offer and sale of the notes to it is being made in reliance upon such exemption. The offering of the notes outside the United States will be made to persons other than U.S. persons in offshore transactions in compliance with Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of the notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer is made otherwise than pursuant to Rule 144A under the Securities Act or another exemption from registration under the Securities Act.

Canada

The notes may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable Canadian securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts, or NI 33-105, the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Japan

The notes have not been and will not be registered under the FIEA, and are subject to the Special Taxation Measures Act. The notes may not be offered or sold in Japan or to, or for the benefit of, any person resident in Japan, or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a person resident in Japan, for Japanese securities law purposes (including any corporation or other entity organized under the laws of Japan) except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines of Japan. In addition, the notes may not, as part of the distribution by the initial purchasers under the purchase agreement relating to the notes, at any time, be directly or indirectly offered or sold to, or for the benefit of, any person other than a beneficial owner that is, (i) for Japanese tax purposes, neither (a) an individual resident of Japan or a Japanese corporation, nor (b) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the issuer of the notes as described in Article 6, Paragraph (4) of the Special Taxation Measures Act, or a specially-related person of the issuer (excluding an underwriter designated in Article 6, Paragraph (12), item 1 of the Special Taxation Measures Act which purchases unsubscribed portions of the notes from the other underwriters) or (ii) a Japanese financial institution or a Japanese financial instruments business operator, designated in Article 3-2-2, Paragraph (29) of the Cabinet Order, relating to the Special Taxation Measures Act.

Member States of the European Economic Area

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these

purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97, (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This offering circular has been prepared on the basis that any offer of notes in any member state of the EEA will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation") from the requirement to publish a prospectus for offers of notes. This offering circular is not a prospectus for the purposes of the Prospectus Regulation.

United Kingdom

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation. This offering circular has been prepared on the basis that any offer of notes in the United Kingdom will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (as amended, the "UK Prospectus Regulation") and the FSMA from the requirement to publish a prospectus for offers of notes. This offering circular is not a prospectus for the purposes of the UK Prospectus Regulation.

This offering circular is for distribution only to persons who are outside the United Kingdom or: (A) are qualified investors, as such term is defined in Article 2 of the UK Prospectus Regulation; and (B)(i) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering circular is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering circular relates is available only to relevant persons and will be engaged in only with relevant persons.

No invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of the notes may be communicated or caused to be communicated except in circumstances in which Section 21(1) of the FSMA does not apply to us. All applicable provisions of the FSMA must be complied with in connection with anything done in relation to the notes in, from or otherwise involving the United Kingdom.

Hong Kong

The contents of this offering circular have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this offering circular, you should obtain independent professional advice.

The notes may not be offered or sold and will not be offered or sold in Hong Kong, by means of any document other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571)

of Hong Kong (the "SFO"), and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and no advertisement, invitation or document relating to the notes has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

Notice to Prospective Investors in Singapore

This offering circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore.

Any reference to the "SFA" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Switzerland

Neither this offering circular nor any other offering or marketing material relating to the notes constitutes a prospectus or a key information document (or an equivalent document) as such terms are understood pursuant to the Swiss Federal Act on Financial Services (the "FinSA"), and the notes will not be listed/admitted to trading on the SIX Swiss Exchange or any other regulated trading venue in Switzerland. Therefore, this offering circular may not comply with the disclosure requirements applicable to a prospectus under the FinSA. Accordingly, the notes may not be offered, sold or advertised in or into Switzerland, except to any investor that qualifies as a professional client within the meaning of the FinSA. Neither this offering circular nor any other offering or marketing material relating to the notes may be distributed or otherwise made available in Switzerland, except to any investor that qualifies as a professional client within the meaning of the FinSA.

Republic of Italy

The offering of the notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("CONSOB") pursuant to Italian securities legislation and, accordingly, no notes may be offered, sold or delivered, nor may copies of this offering circular or of any other document relating to the notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Italian laws and regulations; or

(b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws and regulations.

Any offer, sale or delivery of the notes or distribution of copies of the offering circular or any other document relating to the notes in the Republic of Italy under (a) or (b) above must:

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Legislative Decree No. 58 of 24 February 1998, as amended (the "Financial Services Act"), CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "Banking Act") and any other applicable laws and regulations; and

(ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Notice to Capital Market Intermediaries and Prospective Investors Pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct

Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of this offering of the notes, certain initial purchasers, are "capital market intermediaries" ("CMIs") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "SFC Code"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("OCs") for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of Nissan, a CMI or its group companies would be considered under the SFC Code as having an association ("Association") with Nissan, the CMI or the relevant group company. Prospective investors associated with Nissan or any CMI (including its group companies) should specifically disclose this when placing an order for the notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs).

If a prospective investor is an asset management arm affiliated with any initial purchaser, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the initial purchaser or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any initial purchaser, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant initial purchaser when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the initial purchasers and/or any other third parties as may be required by the SFC Code, including to Nissan, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

Important Notice to CMIs (including private banks): This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code. Prospective investors who are the directors, employees or major shareholders of Nissan, a CMI or its group companies would be considered under the SFC Code as having an Association with Nissan, the CMI or the relevant group company. CMIs should specifically disclose whether

their investor clients have any Association when submitting orders for the notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with Nissan or any CMI (including its group companies) and inform the initial purchasers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this offering circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by Nissan. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those initial purchasers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated initial purchaser(s) (if any) to categorize it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to bofa dcm syndicate pb orders@bofa.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to Nissan, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering.

The initial purchasers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant initial purchaser with such evidence within the timeline requested.

Stamp Taxes and Other Charges

Purchasers of the notes offered by this offering circular may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase and in addition to the offering price on the cover page of this offering circular.

Other Relationships

The initial purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the initial purchasers and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking and commercial banking services for us or our subsidiaries and affiliates, for which they received or will receive customary fees and expenses. In particular, MUFG Bank, Ltd. is one of our principal lenders. Morgan Stanley & Co. LLC, one of the joint lead managers and bookrunners for the offering, is a subsidiary of Morgan Stanley. Mitsubishi UFJ Financial Group, Inc. or MUFG, holds approximately 23% of the common shares in Morgan Stanley. MUFG Bank, Ltd. is a subsidiary of MUFG. In addition, Mizuho Bank, Ltd. is one of our principal bank lenders and is an affiliate of Mizuho Securities USA LLC, an initial purchaser in respect of the offering of the notes.

In addition, in the ordinary course of their various business activities, the initial purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities), financial instruments (including bank loans), currencies and commodities for their own account (including purchasing the notes for their own account) and for the accounts of their customers, and such investment and securities activities may involve securities, instruments or assets of ours or related to our business. If any of the initial purchasers or their affiliates has a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and their respective affiliates may also make investment recommendations and may publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

LISTING AND GENERAL INFORMATION

Clearing Systems

The notes have been accepted for clearance through DTC, Euroclear and Clearstream.

Listing

We have made an application to the Luxembourg Stock Exchange to list the notes on the official list of the Luxembourg Stock Exchange and for such notes to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market.

Copies of the following documents will, so long as any of the notes are listed on the Luxembourg Stock Exchange, be available, with English translations where appropriate, during usual business hours on any weekday (Saturdays and public holidays excepted) at our principal executive office, located at 1-1, Takashima 1-chome, Nishi-ku, Yokohama, Kanagawa, Japan: (a) the Indenture, (b) our Articles of Incorporation and Regulations of the Board of Directors and (c) our audited consolidated financial statements as of March 31, 2025 and for the year then ended, and as of March 31, 2024 and 2023 and for the years then ended.

Authorization

We have obtained all necessary consents, approvals and authorizations in connection with the issuance and performance of the notes. The issue of the notes was duly authorized by Makoto Uchida, then Representative Executive Officer, President, CEO and Director of the Company, on July 31, 2024.

Responsibility for Statements

We accept responsibility for the information contained in this offering circular. To the best of our knowledge, the information contained in this offering circular is in accordance with the facts and contains no omission likely to affect its import.

No Material Adverse Change

Except as disclosed in this offering circular, there has been no material adverse change in the financial position or prospects of us and our subsidiaries taken as a whole since March 31, 2025.

Notices

So long as the notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, notices to holders of the notes will also be published either on the website of the Luxembourg Stock Exchange (www.luxse.com) or in a leading newspaper having general circulation in Luxembourg (which is expected to be Luxemburger Wort).

Business Address

Our principal executive office and the business address for our directors is 1-1, Takashima 1-chome, Nishi-ku, Yokohama, Kanagawa, Japan.

Date of Establishment

Our date of establishment was December 26, 1933.

Legal Entity Identifier

Our legal entity identifier number is 353800DRBDH1LUTNAY26.

LEGAL MATTERS

Certain Japanese legal matters will be passed upon for us by Mori Hamada & Matsumoto. The validity of the notes and certain U.S. legal matters will be passed upon for us by Davis Polk & Wardwell LLP and for the initial purchasers by Simpson Thacher & Bartlett LLP, in each case in respect of New York state and U.S. federal securities law.

INDEPENDENT AUDITOR

Our consolidated financial statements as of March 31, 2025 and for the year then ended and as of March 31, 2024 and 2023 and for the years then ended included in this offering circular have been audited by Ernst & Young ShinNihon LLC, independent auditor, as stated in their reports appearing herein.

INDEX TO CONSOLIDATED FINANCIAL INFORMATION OF NISSAN MOTOR CO., LTD.

Consolidated Financial Statements of Nissan Motor Co., Ltd. and its Subsidiaries

As of and for the year ended March 31, 2025:

Independent Auditor's Report F-2
Consolidated Balance Sheet as of March 31, 2025 . . . . . F-8
Consolidated Statement of Income for the year ended March 31, 2025 . . . . . F-10
Consolidated Statement of Comprehensive Income for the year ended March 31, 2025 . . . . . F-12
Consolidated Statement of Changes in Net Assets for the year ended March 31, 2025 . . . . . F-13
Consolidated Statement of Cash Flows for the year ended March 31, 2025 . . . . . F-15
Notes to Consolidated Financial Statements F-17

As of and for the years ended March 31, 2023 and 2024:

Independent Auditor's Report F-71
Consolidated Balance Sheets as of March 31, 2023 and 2024 . . . . . F-77
Consolidated Statements of Income for the years ended March 31, 2023 and 2024 . . . . . F-79
Consolidated Statements of Comprehensive Income for the years ended March 31, 2023 and 2024 . . . . . F-81
Consolidated Statements of Changes in Net Assets for the years ended March 31, 2023 and 2024 . . . . . F-82
Consolidated Statements of Cash Flows for the years ended March 31, 2023 and 2024 . . . . . F-84
Notes to Consolidated Financial Statements F-86

Independent Auditor's Report

The Board of Directors
Nissan Motor Co., Ltd.

The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Nissan Motor Co., Ltd. and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as of March 31, 2025, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of measurement of impairment loss related to business-use assets in the North American automobile business	
Description of Key Audit Matter	**Auditor's Response**

The Company recorded property, plant and equipment of 4,332,060 million yen and intangible fixed assets of 216,554 million yen in the consolidated balance sheet as of March 31, 2025. These include balances from both the automobile business and sales finance business, and business-use assets related to the automobile business were 2,285,273 million yen, accounting for 12.0% of total assets.
 	
In response to the significant updated future plan reflecting its current severe challenges and a competitive industry, the Company conducted impairment testing for asset groups for which there were indicators of impairment at the end of current consolidated fiscal year. As a result of that analysis, the book value of business-use assets related to the asset groups for regions such as North America, South America, and Europe was written down to its recoverable amount, and an impairment loss of 467,053 million yen was recorded as a special loss (of which 464,367 million yen was recorded as a special loss for the automobile business). For business-use assets in North America, the Company measures the recoverable amount using value in use, and the book values of those assets were written down to their recoverable amount and impairment loss of 237,558 million yen was recorded as a special loss.
 	
The Company estimates future cash flows, which are used in calculating value in use, based on the Company's business plan which is approved by the Management meeting and on the business plans reflecting "Re:Nissan" initiatives, as well as the impact of investment for the future. Given the high uncertainty regarding the visibility of U.S. tariffs, the Company has made estimates reflecting the impact of tariffs for the first quarter of the fiscal year ending March 31, 2026. 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.
 	
Market share, profit margins, market growth rates, relevant market trends including foreign exchange rates and the outlook on U.S. tariffs, as well as the net realizable value at the point of expiration of the economic useful lives of assets, that are reflected in estimated future cash flows, which are used in the measurement of impairment loss, may significantly impact estimated future cash flows. Furthermore, the discount rate may significantly impact the calculation of the present value of future cash flows. Accordingly, these are considered to be key assumptions underlying the accounting estimate.
 	
A high degree of auditor judgment is required to evaluate the Company's key assumptions used in the
	We performed the following primary procedures to address this key audit matter.
	
	- We compared the period of estimated future cash flows against the economic useful lives of major assets.
	
	- We assessed the consistency between future cash flows and the business plan approved by management.
	
	- In relation to market share conditions, profit margins, market growth rates, and the outlook on U.S. tariffs, which are key assumptions used in the estimated future cash flows, we discussed with management and understood the applied assumptions and performed the following procedures.
	
	  - We compared market share conditions against past results and against the value obtained by determining the percentage of future sales volume forecasts which reflect plans for new model launches in the business plan out of total regional market TIV forecasts.
	
	  - In relation to profit margins, we compared them against past results after breaking down the components of fixed and variable costs and, in addition, we analyzed the impact of "Re:Nissan" initiatives. In relation to foreign exchange rates, we compared them against available external data including future predictions.
	
	  - We compared market growth rates against actual sales results by region in the automotive market and against available external data which include automotive market total demand forecasts, both of which relate to the TIV forecast that underlies the market growth rates.
	
	  - In relation to the future outlook on U.S. tariffs, including the duration and amount of the impact on future cash flows, we compared publicly available external information related to the status of tariff negotiations with internal estimation materials that are based on the current legal framework.
	
	- In relation to the calculation of value in use based on the Company's estimation calculation model, we involved our valuation specialists in the following procedures.
	
	  - We assessed if the methodology applied for the calculation of value in use and discount rate was consistent with the accounting standard requirements.

estimation of future cash flows as it involves uncertainty and significant management judgment. Moreover, the discount rate used in the calculation of the present value of future cash flows requires advanced expertise and judgment regarding the selection of the calculation method and input data. If additional recognition of impairment of fixed assets is necessary, it may significantly impact the Company's consolidated financial statements. As such, we determined that the appropriateness of the measurement of impairment loss related to business-use assets in the North American automobile business is a key audit matter.	- We compared input data used for the calculation of discount rates against relevant available external data. - We assessed the reasonableness of the determination of net realizable value at the point of expiration of the economic useful lives of assets, which is reflected in future cash flows. - We performed sensitivity analysis of estimated future cash flows and discount rates to assess the impact on impairment recognition and measurement. - We reperformed the calculation of the Company's estimate.

Valuation of recoverability of deferred tax assets	
Description of Key Audit Matter	**Auditor's Response**
The Company recorded deferred tax assets of 163,618 million yen (net after offsetting deferred tax liabilities) in the consolidated balance sheet as of March 31, 2025. As described in "(Significant accounting estimates) 2. Deferred tax assets," the Company assesses the recoverability of deferred tax assets of future deductible temporary differences and losses carried forward, by taking into account the reversal of future taxable temporary differences and feasible tax planning strategies and by reasonably estimating future taxable income. As described in "(For tax-effect accounting)," in response to the significant updated future plan reflecting its current severe challenges and a competitive industry, the Company reassessed the recoverability of deferred tax assets. As described in "1. Consolidated Financial Statements, (1) Consolidated financial statements, (For tax-effect accounting)", deferred tax assets before deducting the valuation allowance (the balance before being offset against deferred tax liabilities) as of March 31, 2025 totaled 1,565,521 million yen, and deferred tax assets are recorded in the consolidated balance sheet after deducting the valuation allowance of 787,734 million yen and offsetting deferred tax assets against deferred tax liabilities for each taxable entity. The Company estimates future taxable income based on the figures composing the business plan which is approved by the Management meeting and on the business plans reflecting "Re:Nissan" initiatives, as well as the impact of investment for the future. Market share, profit margins and market growth rates may significantly impact estimated future taxable income, and therefore, these are considered to be key assumptions in the accounting estimate. Given that the Company's key assumptions used in the	We performed the following primary procedures to address this key audit matter. - We assessed the consistency of market share, profit margins and market growth rates, which are key assumptions used in the business plan that is the basis of estimated future taxable income, with the assumptions used in the accounting treatment for impairment of fixed assets by inspecting company documents. - We involved internal tax specialists on our team to assess complex tax regulations that have a significant impact on the Company's consolidated financial statements. - We performed the following procedures to assess the balance of deferred tax assets recorded by Nissan Motor Co., Ltd. - Based on the "Guidelines for the Recoverability of Deferred Tax Assets", we assessed the company classification by evaluating future estimated taxable income in consideration of past change in taxable income including the impact of the Controlled Foreign Company taxation system. - We involved internal tax specialists on our team to assess the balance of temporary tax differences including the timing of utilization. - We involved both component auditors and internal tax specialists on our team to assess the impact of the Controlled Foreign Company taxation system that was considered in estimating future taxable income - We performed sensitivity analysis of estimated future taxable income in order to assess the impact on the recoverability of deferred tax assets.

estimation of future taxable income involve uncertainty and significant management judgement, the assessment of these key assumptions requires a high degree of auditor judgement giving consideration to complex tax regulations that impact the Company.
 	
As such, we determined that the valuation of the recoverability of deferred tax assets is a key audit matter.
	- We performed the following procedures to assess the balances of deferred tax assets recorded by major subsidiaries and affiliates.
	  - We assessed whether information serving as the basis for considering the recoverability of deferred tax assets was communicated by the Company's relevant department to each major subsidiary and affiliate by inspecting company documents.
	  - In assessing the recoverability of deferred tax assets of each major subsidiary and affiliate, we involved component auditors, inspected reports from them, performed necessary inquiries and analysis.

Valuation of expense for recalls and other market measures	
Description of Key Audit Matter	**Auditor's Response**
As described in "(Significant accounting estimates) 5. Expenses for market measures such as recalls," the Company recorded service costs of 29,829 million yen in the consolidated statement of income of the current fiscal year. Automobile manufacturers are responsible for filing any cases of recall and other market measures to authorities and to collect and repair vehicles which do not meet safety and environmental standards due to defect of the company's design and manufacturing process. The Company and its subsidiaries record estimated expense as "Accrued expense" when market measures based on notifications to government authorities are deemed to be necessary, which is apart from warranty costs. A large-scale recall may significantly impact the Company's consolidated financial statements. Estimated market measure expense is composed of number of applicable vehicles in the market, expected implementation rates of market measures, and cost of market measures per unit. Out of these factors, the expected implementation rate of market measures significantly impacts the estimated market measure expense. Therefore, it is considered a key assumption in the accounting estimate. A high degree of auditor judgement is required to evaluate the key assumptions as it involves uncertainty. In addition, in order to completely reflect to the consolidated financial statements any market measure decisions made after fiscal year end, it is necessary to understand the existence of items which need to be accrued and evaluate the impact in a timely manner. As such, we determined that the valuation of expense for recalls and other market measures is a key audit matter.	We performed the following primary procedures to address this key audit matter. - We performed a look back analysis on the estimates used in prior periods against actual results as a risk assessment procedure of the market measure estimation process. - We inquired related departments and inspected meeting minutes to assess the completeness of market measure items and to understand the key assumptions included in the estimated expense. - We evaluated the consistency between number of applicable vehicles in the market used in the estimate with available data such as the Company's sales data, documents filed with authorities and published press releases. - We compared expected implementation rate of market measures, which is a key assumption, and the cost per unit of market measures that were used in determining market measure expenses, against supporting documents as well as data from similar cases and previous results. - We reperformed the calculation of the Company's estimate. - We considered any market measure decisions made after fiscal year end but before the issuance of consolidated financial statements to evaluate the completeness and accuracy of market measure expense. - We instructed auditors of the main consolidated subsidiaries to perform audit procedures around estimation of market measure expense such as recalls and received reports of the audit results. We evaluated whether adequate audit evidence was obtained.

Other Information

The other information comprises the information included in that contain audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

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

/s/ Ernst & Young ShinNihon LLC

Ernst & Young ShinNihon LLC
Tokyo, Japan

June 20, 2025

/s/ Masayuki Nakamura

Masayuki Nakamura
Designated Engagement Partner
Certified Public Accountant

/s/ Makoto Matsumura

Makoto Matsumura
Designated Engagement Partner
Certified Public Accountant

/s/ Hiroshi Minagawa

Hiroshi Minagawa
Designated Engagement Partner
Certified Public Accountant

/s/ Taiga Matsumoto

Taiga Matsumoto
Designated Engagement Partner
Certified Public Accountant

1. Consolidated Financial Statements

(1) Consolidated financial statements

① Consolidated balance sheet

(Millions of yen)

		Prior fiscal year (As of March 31, 2024)		Current fiscal year (As of March 31, 2025)
Assets				
Current assets				
Cash on hand and in banks		1,896,401		1,961,513
Trade notes and accounts receivable, and contract assets	※7	635,329	※7	577,877
Sales finance receivables	※3, ※6	7,418,200	※3, ※6	7,239,101
Securities		235,745		236,000
Merchandise and finished goods		1,279,001		1,004,235
Work in process		100,166		80,039
Raw materials and supplies		676,438		588,031
Other	※6	796,505	※6	783,046
Allowance for doubtful accounts		(154,185)		(146,375)
Total current assets		12,883,600		12,323,467
Fixed assets				
Property, plant and equipment				
Buildings and structures, net		654,425		617,430
Machinery, equipment and vehicles, net	※2, ※3	2,939,857	※2, ※3	2,731,897
Land		583,792		574,186
Construction in progress		247,191		211,367
Other, net		338,245		197,180
Total property, plant and equipment	※1	4,763,510	※1	4,332,060
Intangible fixed assets	※4	186,469	※4	216,554
Investments and other assets				
Investment securities	※5	1,379,078	※5	1,428,641
Long-term loans receivable		12,229		11,191
Net defined benefit assets		145,819		165,954
Deferred tax assets		188,411		163,618
Other	※3	298,897	※3	385,924
Allowance for doubtful accounts		(7,425)		(6,458)
Total investments and other assets		2,017,009		2,148,870
Total fixed assets		6,966,988		6,697,484
Deferred assets				
Bond issuance costs		4,563		3,109
Total deferred assets		4,563		3,109
Total assets		19,855,151		19,024,060

(Millions of yen)

		Prior fiscal year (As of March 31, 2024)		Current fiscal year (As of March 31, 2025)
Liabilities				
Current liabilities				
Trade notes and accounts payable		2,229,210		2,070,387
Short-term borrowings	※3	837,266	※3	876,104
Current portion of long-term borrowings	※3	1,221,739	※3	1,881,691
Commercial papers		103,262		86,743
Current portion of bonds		239,032		771,205
Lease obligations		46,784		44,400
Accrued expenses		1,119,093		1,092,732
Accrued warranty costs		112,678		117,835
Other	※7	1,017,875	※7	1,129,093
Total current liabilities		6,926,939		8,070,190
Long-term liabilities				
Bonds		2,351,216		1,708,532
Long-term borrowings	※3	2,921,628	※3	2,661,356
Lease obligations		90,466		69,830
Deferred tax liabilities		266,541		230,872
Accrued warranty costs		144,621		147,920
Net defined benefit liability		154,439		164,516
Other	※7	528,758	※7	525,496
Total long-term liabilities		6,457,669		5,508,522
Total liabilities		13,384,608		13,578,712
Net assets				
Shareholders' equity				
Common stock		605,814		605,814
Capital surplus		826,151		825,756
Retained earnings		4,285,508		3,415,475
Treasury stock		(111,377)		(88,284)
Total shareholders' equity		5,606,096		4,758,761
Accumulated other comprehensive income				
Unrealized holding gain and loss on securities		3,500		1,563
Unrealized gain and loss from hedging instruments		13,159		(2,824)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting		(103,135)		(112,691)
Translation adjustments		422,883		314,407
Remeasurements of defined benefit plans		39,144		(972)
Total accumulated other comprehensive income		375,551		199,483
Share subscription rights		304		299
Non-controlling interests		488,592		486,805
Total net assets		6,470,543		5,445,348
Total liabilities and net assets		19,855,151		19,024,060

② Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

	Prior fiscal year (From April 1, 2023 To March 31, 2024)		Current fiscal year (From April 1, 2024 To March 31, 2025)	
Net sales	※1	12,685,716	※1	12,633,214
Cost of sales	※2, ※3	10,618,802	※2, ※3	10,939,854
Gross profit		2,066,914		1,693,360
Selling, general and administrative expenses				
Advertising expenses		321,758		347,482
Service costs		69,052		29,829
Provision for warranty costs		146,538		130,518
Other selling expenses		156,258		217,212
Salaries and wages		470,606		492,207
Retirement benefit expenses		27,935		24,392
Supplies		2,046		2,047
Depreciation and amortization		63,013		69,406
Provision for doubtful accounts		44,269		69,448
Amortization of goodwill		1,242		1,031
Other		195,479		239,990
Total selling, general and administrative expenses	※2	1,498,196	※2	1,623,562
Operating income		568,718		69,798
Non-operating income				
Interest income		63,516		53,803
Dividends income		186		689
Equity in earnings of affiliates		113,487		91,299
Derivative gain		44,407		82,805
Gain on net monetary position		79,916		45,160
Miscellaneous income		18,429		25,410
Total non-operating income		319,941		299,166
Non-operating expenses				
Interest expense		78,032		77,369
Exchange loss		69,165		49,040
Credit liquidation costs		17,525		18,138
Miscellaneous expenses		21,776		14,249
Total non-operating expenses		186,498		158,796
Ordinary income		702,161		210,168

(Millions of yen)

	Prior fiscal year (From April 1, 2023 To March 31, 2024)		Current fiscal year (From April 1, 2024 To March 31, 2025)	
Special gains				
Gain on sales of fixed assets	※4	16,880	※4	21,707
Other		10,545		1,078
Total special gains		27,425		22,785
Special losses				
Loss on sales of fixed assets	※5	5,342	※5	12,690
Loss on disposal of fixed assets		15,402		21,972
Impairment loss	※6	58,972	※6	494,935
Other		50,645	※3	116,974
Total special losses		130,361		646,571
Income (loss) before income taxes		599,225		(413,618)
Income taxes-current	※7	233,587	※7	265,142
Income taxes-deferred		(83,914)		(18,675)
Total income taxes		149,673		246,467
Net income (loss)		449,552		(660,085)
Net income attributable to non-controlling interests		22,903		10,813
Net income (loss) attributable to owners of parent		426,649		(670,898)

Consolidated statement of comprehensive income

(Millions of yen)

	Prior fiscal year (From April 1, 2023 To March 31, 2024)		Current fiscal year (From April 1, 2024 To March 31, 2025)	
Net income (loss)		449,552		(660,085)
Other comprehensive income				
Unrealized holding gain and loss on securities		(701)		(1,601)
Unrealized gain and loss from hedging instruments		24,436		(16,225)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting		(46,890)		(17,912)
Translation adjustments		459,520		(148,162)
Remeasurements of defined benefit plans		69,445		(28,382)
The amount related to equity method companies		86,862		50,765
Total other comprehensive income	※1	592,672	※1	(161,517)
Comprehensive income		1,042,224		(821,602)
(Breakdown of comprehensive income)				
Comprehensive income attributable to owners of parent		996,272		(846,966)
Comprehensive income attributable to non-controlling interests		45,952		25,364

③ Consolidated statement of changes in net assets

Prior fiscal year (From April 1, 2023 to March 31, 2024)

(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

Current fiscal year (From April 1, 2024 to March 31, 2025)

(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	826,151	4,285,508	(111,377)	5,606,096	3,500	13,159
Changes of items during the period							
Cash dividends paid			(56,104)		(56,104)		
Net loss attributable to owners of parent			(670,898)		(670,898)		
Purchase of treasury stock				(139,856)	(139,856)		
Disposal of treasury stock			(183)	20,101	19,918		
Cancellation of treasury stock			(142,848)	142,848			
Changes in affiliated companies' interests in its subsidiaries		(395)			(395)		
Net changes of items other than those in shareholders' equity						(1,937)	(15,983)
Total changes of items during the period		(395)	(870,033)	23,093	(847,335)	(1,937)	(15,983)
Balance at the end of current period	605,814	825,756	3,415,475	(88,284)	4,758,761	1,563	(2,824)

	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	(103,135)	422,883	39,144	375,551	304	488,592	6,470,543
Changes of items during the period							
Cash dividends paid							(56,104)
Net loss attributable to owners of parent							(670,898)
Purchase of treasury stock							(139,856)
Disposal of treasury stock							19,918
Cancellation of treasury stock							—
Changes in affiliated companies' interests in its subsidiaries							(395)
Net changes of items other than those in shareholders' equity	(9,556)	(108,476)	(40,116)	(176,068)	(5)	(1,787)	(177,860)
Total changes of items during the period	(9,556)	(108,476)	(40,116)	(176,068)	(5)	(1,787)	(1,025,195)
Balance at the end of current period	(112,691)	314,407	(972)	199,483	299	486,805	5,445,348

④ Consolidated statement of cash flows

(Millions of yen)

	Prior fiscal year (From April 1, 2023 To March 31, 2024)	Current fiscal year (From April 1, 2024 To March 31, 2025)
Cash flows from operating activities		
Income (loss) before income taxes	599,225	(413,618)
Depreciation and amortization (for fixed assets excluding leased vehicles)	351,684	367,946
Depreciation and amortization (for long term prepaid expenses)	38,957	41,317
Depreciation and amortization (for leased vehicles)	287,312	287,748
Impairment loss	58,972	494,935
Increase (decrease) in allowance for doubtful accounts	(6,474)	(4,660)
Provision for residual value risk of leased vehicles (net changes)	(17,014)	44,565
Interest and dividends income	(63,702)	(54,492)
Interest expense	298,338	358,523
Equity in losses (earnings) of affiliates	(113,487)	(91,299)
Loss (gain) on sales of fixed assets	(11,538)	(9,017)
Loss on disposal of fixed assets	15,402	21,972
Decrease (increase) in trade notes and accounts receivable, and contract assets	(28,903)	42,541
Decrease (increase) in sales finance receivables	(243,605)	(16,641)
Decrease (increase) in inventories	(112,150)	429,099
Increase (decrease) in trade notes and accounts payable	280,483	(96,018)
Retirement benefit expenses	(686)	(12,450)
Payments related to net defined benefit assets and liabilities	(19,545)	(26,847)
Other	30,083	(97,394)
Subtotal	1,343,352	1,266,210
Interest and dividends received	60,234	57,057
Proceeds from dividends income from affiliates accounted for by equity method	69,492	23,651
Interest paid	(285,054)	(358,265)
Income taxes paid	(227,125)	(234,966)
Net cash provided by (used in) operating activities	960,899	753,687
Cash flows from investing activities		
Net decrease (increase) in short-term investments	(2,352)	9,633
Purchase of fixed assets	(368,273)	(533,712)
Proceeds from sales of fixed assets	36,797	46,320
Purchase of leased vehicles	(1,259,505)	(1,378,029)
Proceeds from sales of leased vehicles	796,697	821,177
Payments of long-term loans receivable	(85)	(187)
Collection of long-term loans receivable	22,981	2,139
Purchase of investment securities	(48,064)	(19,492)
Proceeds from sales of investment securities	8	80,280
Proceeds from purchase of shares of subsidiaries' shares resulting in changes in the scope of consolidation	—	1,276
Payments for sales of subsidiaries' shares resulting in changes in the scope of consolidation	—	(162)
Net decrease (increase) in restricted cash	(1,199)	(9,253)
Proceeds from sales of businesses	6,912	—
Other	3,419	8,783
Net cash provided by (used in) investing activities	(812,664)	(971,227)

(Millions of yen)

	Prior fiscal year (From April 1, 2023 To March 31, 2024)		Current fiscal year (From April 1, 2024 To March 31, 2025)	
Cash flows from financing activities				
Net increase (decrease) in short-term borrowings		(380,759)		41,908
Proceeds from long-term borrowings		2,102,278		1,688,211
Proceeds from issuance of bonds		311,855		143,068
Repayments of long-term borrowings		(1,411,497)		(1,189,197)
Redemption of bonds		(487,489)		(166,692)
Purchase of treasury stock		(119,968)		(139,350)
Repayments of lease obligations		(53,271)		(52,094)
Cash dividends paid		(58,760)		(56,104)
Cash dividends paid to non-controlling interests		(58,460)		(6,499)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in the scope of consolidation		24,520		—
Net cash provided by (used in) financing activities		(131,551)		263,251
Effects of exchange rate changes on cash and cash equivalents		95,135		25,596
Increase (decrease) in cash and cash equivalents		111,819		71,307
Cash and cash equivalents at the beginning of the period		2,014,387		2,126,206
Cash and cash equivalents at the end of the period	※1	2,126,206	※1	2,197,513

[Notes to Consolidated Financial Statements]

(Basis of consolidated financial statements)

The consolidated financial statements of the Company are prepared in accordance with generally accepted accounting principles in Japan and the Ministry of Finance Ordinance No. 28, 1976 "Regulations Concerning the Terminology, Forms and Preparation Methods of Consolidated Financial Statements" (hereinafter the "Regulations for Consolidated Financial Statements").

1. Scope of consolidation

(1) Number of consolidated group companies: 231

- Domestic companies: 93
- Foreign companies: 138

Domestic Car Dealers and Parts Distributors

Nissan Kanagawa Hanbai Co., Ltd., Nissan Motor Sales Co., Ltd., Nissan Buhin Chuo Hanbai Co., Ltd. and 36 other companies

Domestic Vehicles and Parts Manufacturers

Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., Jatco Ltd. and 9 other companies

Domestic Logistics and Services Companies

Nissan Trading Co., Ltd., Nissan Financial Services Co., Ltd.,
Nissan Motorsports & Customizing Co., Ltd. and 39 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

Jatco UK Ltd., which was an unconsolidated subsidiary in the prior fiscal year, has been included in the scope of consolidation in the current fiscal year as a newly established company. 4R Energy Corporation and one other company, which were the affiliates accounted for by the equity method in the prior fiscal year, have become consolidated companies in the current year due to the additional acquisition of their shares.

Nissan Satio Chiba Co., Ltd. has been excluded from the scope of consolidation due to sale of its shares. Kanagawa Nissan Motor Co., Ltd. and one other company have been excluded from the scope of consolidation in the current fiscal year as they have been absorbed and dissolved. Vinz 2022 Retail Auto Mortgage Loan securitization Trust (Phase 1) and one other company have been excluded from the scope of consolidation due to liquidation.

(2) Number of subsidiaries not accounted for by the full consolidation method: 2

- Domestic company: 1
  NC Service Co., Ltd.
- Foreign company: 1
  Nissan Manufacturing Tanger Mediterranean

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. Equity method

(1) Number of companies accounted for by the equity method: 35

- Affiliates: 35 (21 domestic and 14 foreign companies)
  Renault S.A., Dongfeng Motor Co., Ltd., Mitsubishi Motors Corporation, Nissan Tokyo Sales Holdings Co., Ltd. and others

4R Energy Corporation and one other company have been excluded from the scope of the equity method and included in the scope of consolidation in the current fiscal year due to the additional acquisition of their shares. Nissan Auto Auction Hiroshima Co., Ltd. and one other company have been excluded from the scope of the equity method in the current fiscal year due to liquidation.

(2) Number of companies not accounted for by the equity method: 5

- Unconsolidated subsidiaries: 2
  Nissan Manufacturing Tanger Mediterranean and others
- Affiliates: 3
  Sun Co., Ltd. and others

The impact of these companies is not significant on the consolidated net income or loss, consolidated retained earnings and others.

(3) For these companies accounted for by the equity method whose fiscal year end differs from the consolidated fiscal year end, the financial statements of their respective fiscal years are used as the basis of the consolidated financial statements.

3. Accounting period of consolidated subsidiaries

(1) The following consolidated group companies close their books of account at:

January 31:
Yokohama Marinos Ltd.

June 30:
Aprite (GB) Ltd.

September 30:
Nissan Formula E Team S.A.S.

December 31:
Nissan Mexicana, S.A. de C. V.
Nissan Exports De Mexico, S. de R.L. de C.V.
NR Finance Mexico, S.A. de C.V.
NR Finance Services, S.A. de C.V.
Anzen Agente de Seguros, S.A. de C.V.
Nissan Do Brasil Automoveis Ltda.
Nissan Argentina S.A.
Nissan Argentina Plan S.A. de Ahorro Para Fines Determinados
Nissan Chile SpA.
Nissan-Tanner Financial Services SpA.
Nissan-Tanner Financial Services Retail SpA.
Nissan-Tanner Financial Services Wholesale SpA.
Nissan Peru S.A.C.
Nissan Motor Ukraine LLC
Yulon Nissan Motor Co., Ltd.
Yi-Jan Overseas Investment Co., Ltd.
Jetford Inc.
Nissan (China) Investment Co., Ltd.
Dongfeng Nissan Auto Finance Co., Ltd.
Dongfeng Nissan Financial Leasing Co., Ltd.
Wuhan Dongfeng Insurance Broker Co., Ltd.
Wuhan Dongfeng Xinda Economic Information Consulting Co., Ltd.
Nissan Shanghai Co., Ltd.
Jatco Mexico S.A. de C.V.
Jatco (Guangzhou) Automatic Transmission Ltd.
Jatco (Suzhou) Automatic Transmission Ltd.
Nissan Guangzhou Co., Ltd.
Nissan Trading China Co., Ltd.
Nissan (Shanghai) Automotive Design Co., Ltd.
Nissan Mobility Service Co., Ltd.
Jatco USA, Inc.
Jatco Korea Engineering Corporation
Jatco France S.A.S.
Jatco Korea Service Corporation
Nissan Trading Do Brasil Produtos Automotivos Ltda.
Nissan Technology Development (Shanghai) Co., Ltd.

Nissan (China) Investment Co., Ltd. and 5 other companies have changed their fiscal year end for consolidation reporting purpose from December 31 to March 31, and the current fiscal year includes 15 months from January 1, 2024 to March 31, 2025.

(2) Of these 39 companies, Aprite (GB) Ltd., whose fiscal year end is June 30, Nissan Formula E Team S.A.S., whose fiscal year end is September 30 and Nissan Mexicana, S.A. de C. V. and 28 other companies, whose fiscal year end is December 31, 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 Dongfeng Nissan Auto Finance Co., Ltd. and 6 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.

4. Significant accounting policies

(1) Valuation methods for assets

① Securities

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. Cost 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 accounting based on the latest available financial statements of the partnerships.

② Derivative financial instruments

Derivative financial instruments are stated 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 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

① Allowance for doubtful accounts

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

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.

(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 3 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 6 to 24 years). Some foreign subsidiaries and affiliates 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

① Foreign Currency Transactions

Monetary assets and liabilities denominated in currencies other than the functional currency are remeasured into their respective functional currencies at exchange rates in effect at the balance sheet date. The resulting translation differences are recognized as Exchange gain or loss.

② Translation of Foreign Currency Financial Statements

The Company’s reporting currency is the Japanese yen and the functional currency of the majority of the Company’s foreign subsidiaries is their local currency. As such, amounts included in the consolidated statements of income, cash flows, and changes in equity are translated using average exchange rates during each period. However, income and expenses of subsidiaries in hyperinflationary economies are translated at period-end exchange rates in accordance with the application of hyperinflationary accounting.

Assets and liabilities are translated at period-end exchange rates and resulting foreign currency translation adjustments are recorded in the consolidated balance sheets as a component of Accumulated other comprehensive income.

(7) Hedge accounting method

① Hedge accounting method

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

If it 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 swaps, 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.

② Hedging instruments and hedged items

· Hedging instruments.....Derivative transactions

· Hedged items.....Mainly receivables and payables denominated in foreign currencies and others

③ Hedging 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.

④ Assessment 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 the same as those of the 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 are recorded as gain in the year of acquisition.

(9) Cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents consist of cash on hand, cash in banks which can be withdrawn at any time and short-term investments with a maturity of three months or less when purchased which can easily be converted to cash and are subject to little risk of change in value.

(10) 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.

(Significant accounting estimates)

1. Impairment loss on fixed assets

(1) Amount recorded in the consolidated financial statements for the current fiscal year

The amount of impairment loss recorded in the consolidated statement of income for the current fiscal year is stated in the notes (For consolidated statement of Income) 6 ※6 Impairment loss.

(2) Details of significant accounting estimates related to the identified items

After grouping fixed assets based on various criteria, including business segments (automobiles and sales financing) and regional groupings that reflect business interdependencies, the Group determines whether there is any indication of impairment on business-use assets, and determines and measures the recognition of impairment losses. The Group reasonably estimates future cash flows and net realizable value in determining 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. Based on the business plan reflecting "Re:Nissan" initiatives, as well as the impact of investment for the future, future cash flows are estimated considering historical market share conditions, 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. Given the high uncertainty regarding the visibility of U.S. tariffs, the Company has made estimates reflecting the impact of tariffs for the first quarter of the fiscal year ending March 31, 2026. 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 2024 is ¥2,285,273 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 ¥464,367 million, ¥2,686 million and ¥27,882 million was recognized on business-use assets of the automobile business, sales finance business and on idle and other assets, respectively.

If market trends, the 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 or net realizable value, then the Company may recognize or record new or additional impairment losses on fixed assets.

2. Deferred tax assets

(1) Amount recorded in the consolidated financial statements for the current fiscal year (Ending balance)

The net amount of deferred tax assets in the consolidated balance sheet of the current fiscal year is ¥163,618 million. The amounts of deferred tax assets and valuation allowances before offsetting are stated in the notes (For tax-effect accounting).

(2) Details of significant accounting estimates related to the identified items

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 of the Company is ¥223,481 million. The Company evaluates the recoverability of deferred tax assets based on a reasonable estimate of future taxable income based on the Company's business plan. 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 the valuation of deferred tax assets.

3. Allowance for doubtful accounts

(1) Amount recorded in the consolidated financial statements for the current fiscal year (Ending balance)

The allowance for doubtful accounts of the sales finance business in the consolidated balance sheet of the current fiscal year is ¥135,320 million. The allowance for doubtful accounts of Nissan Motor Acceptance Company LLC, which complies with Financial Accounting Standards Board (FASB) ASC 326, is ¥77,309 million.

(2) Details of significant accounting estimates related to the identified items

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 or 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 them into 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.

4. Provision for residual value risk of leased vehicles

(1) Amount recorded in the consolidated financial statements for the current fiscal year (Ending balance)

Provision for loss on residual value of leased vehicles recorded in the machinery and equipment (net amount) in the balance sheet of the current fiscal year is ¥113,168 million. The book value of assets under lease contracts (lessor) is shown in the notes (For consolidated balance sheets) 2 ※2.

(2) Details of significant accounting estimates related to the identified items

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.

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 prices fall and impairment indicators exist and their recoverable amount is less than book value.

5. Expenses for market measures such as recalls

(1) Amount recorded in the consolidated financial statements for the current fiscal year

Service cost recorded in the consolidated statement of income for the current fiscal year is ¥29,829 million.

(2) Details of significant accounting estimates related to the identified items

The amount of estimated expenses for market measures, such as recalls, 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 models on the markets, the expected implementation rates of market measures, the cost of market measures and other costs per unit. The expected implementation rates of market measures are estimated based on historical results by sales region, brand, and age of product portfolio.

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 an unexpected increase or decrease in the number of market measures.

(Accounting standards to be adopted)

Domestic companies

"Accounting Standard for Leases" (Accounting Standards Board of Japan (ASBJ) Statement No. 34, September 13, 2024) and *"Implementation Guidance on Accounting Standard for Leases"* (ASBJ Guidance No. 33, September 13, 2024)

In addition, amendments to related Accounting Standards, Implementation Guidance, Practical Solutions, and Transferred Guidance

(1) Overview

The aforementioned standard and guidance set forth treatment whereby lessees recognize all leases as assets and liabilities, etc. consistent with international accounting standards.

(2) Scheduled date of adoption

To be applied from the fiscal year ending March 31, 2028.

(3) Effect of adoption

The effect of adoption of the aforementioned standard and guidance on the Company's consolidated financial statements is under evaluation.

(Changes in presentation)

1. Consolidated statement of income

"Credit liquidation costs," which was included in "Miscellaneous expenses" under "Non-operating expenses" in the prior fiscal year, has been presented as a separate account in the current fiscal year due to its increased financial materiality.

To reflect this change, ¥17,525 million in "Miscellaneous expenses" under "Non-operating expenses" in the prior fiscal year has been reclassified into "Credit liquidation costs" in the consolidated statement of income for the prior fiscal year provided herein.

(For consolidated balance sheets)

1 ※1 Accumulated depreciation of property, plant and equipment

(Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Accumulated depreciation of property, plant and equipment	6,459,541	6,376,194
(Accumulated depreciation of leased assets included)	148,534	155,286

2 ※2 "Machinery, equipment and vehicles, net" includes the following assets leased to others under lease agreements.

(Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Assets leased to others under lease agreements (lessor)	2,269,347	2,253,545

3 ※3 Assets pledged as collateral and liabilities secured by the collateral

(1) Assets pledged as collateral

(Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Sales finance receivables	2,530,298	2,881,158
	(2,530,298)	(2,881,158)
Machinery, equipment and vehicles, net	1,206,548	1,498,625
	(1,206,548)	(1,498,625)
	174	186
Other in Investments and other assets	(174)	(186)
Total	3,737,020	4,379,969

(2) Liabilities secured by the above collateral

(Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Short-term borrowings	636,859	716,305
	(636,859)	(716,305)
Long-term borrowings	1,498,427	2,031,481
(including the current portion)	(1,498,427)	(2,031,481)
Total	2,135,286	2,747,786

The above figures in parentheses represent the values of assets pledged as collateral and liabilities secured by the collateral that correspond to nonrecourse debts.

4 Guarantees and others

Prior fiscal year (As of March 31, 2024)

Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	(*1) 9,797	Guarantees for employees' housing loans and others
1 foreign rental car company	(*2) 341	Guarantees for loans and others
Total	10,138	

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

(*2) The guarantee balance of ¥341 million is the guarantees made by a foreign subsidiary to a financial institution that financed vehicles sold to a foreign rental car company. If the foreign rental car company defaults on its obligations, the foreign subsidiary needs to compensate the financial institution for the contractual repurchase price and take possession of the vehicles. The amount stated does not consider monetary amounts the foreign subsidiary could potentially recover from subsequently selling the repossessed vehicles.

Current fiscal year (As of March 31, 2025)

Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	(*1) 7,782	Guarantees for employees' housing loans and others

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

5 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 domestic and foreign lawsuits.
The consolidated financial results may be affected by the progress of legal proceedings.

6 ※4 "Intangible fixed assets" include goodwill. (Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Goodwill	7,018	6,356

7 ※5 Investments in unconsolidated subsidiaries and affiliates (Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Investments in stock of unconsolidated subsidiaries and affiliates	1,316,754	1,374,093
(Investments in stock of joint ventures included)	580,368	617,921

8 ※6 "Sales finance receivables" and "Other current assets" include lease receivables and lease investment assets.

(Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Lease receivables	32,513	25,169
Lease investment assets	222,612	171,137

9 The amount of unused balances of overdrafts and loan commitment agreements entered into by consolidated subsidiaries are as follows.

(Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Total credit lines of overdrafts and loans	539,338	510,264
Loans receivable outstanding	296,427	309,838
Unused credit lines	242,911	200,426

Since many of these facilities expire without being utilized and the related borrowings are sometimes subject to a review of the borrowers' credibility, any unused amount will not necessarily be utilized at the full amount.

10 ※7 Receivables from contracts with customers, contract assets, and contract liabilities arising are not separately presented.

For details, please refer to "Notes to Consolidated Financial Statements (Revenue recognition), 3. Information to understand the amount of revenue in the current and subsequent fiscal years (1) Contract assets and contract liabilities" in the consolidated financial statements.

(For consolidated statement of income)

1 ※1 Revenue from contracts with customers

With regard to net sales, revenue from contracts with customers and revenue from the other sources are not separately presented. For details, please refer to "Notes to Consolidated Financial Statements (Revenue recognition), 1. Information about breakdown of revenue from contracts with customers" in the consolidated financial statements.

2 ※2 Total research and development costs (Millions of yen)

	Prior fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Research and development costs included in manufacturing costs and selling, general and administrative expenses	609,927	619,021

3 ※3 The ending inventory balance represents amounts after write-down of book value when carrying amounts become unrecoverable, and the write-down amounts (after offsetting the reversal of the prior fiscal year's write-down) are as follows.

(Millions of yen)

	Prior fiscal year (From April 1, 2023 To March 31, 2024)	Current fiscal year (From April 1, 2024 To March 31, 2025)
Cost of sales	23,163	(8,028)
Special losses (Other)	—	7,612

4 ※4 Gain on sales of fixed assets

Prior fiscal year (From April 1, 2023 to March 31, 2024)

Gain on sales of fixed assets primarily consisted of a gain on sale of machinery, equipment and vehicles of ¥15,079 million.

Current fiscal year (From April 1, 2024 to March 31, 2025)

Gain on sales of fixed assets primarily consisted of a gain on sale of land of ¥10,726 million and a gain on sale of machinery, equipment and vehicles of ¥9,129 million.

5 ※5 Loss on sales of fixed assets

Prior fiscal year (From April 1, 2023 to March 31, 2024)

Loss on sales of fixed assets primarily consisted of a loss on sale of machinery, equipment and vehicles of ¥4,723 million.

Current fiscal year (From April 1, 2024 to March 31, 2025)

Loss on sales of fixed assets primarily consisted of a loss on sale of machinery, equipment and vehicles of ¥11,669 million.

6 ※6 Impairment loss

Prior fiscal year (From April 1, 2023 to March 31, 2024)

The Group assesses fixed asset impairment losses based on its business segments (automobiles and sales financing) and regional groupings that are based on business interdependencies. In the current fiscal year, the groupings were partially revised based on the change in the governance structure and the current inter-regional relationships.

As a result of current fiscal year impairment testing for asset groups where there were impairment indicators like continuous operating losses, the book value of automobile segment business assets were written down to their recoverable amount and an impairment loss of ¥53,644 million was recorded as a special loss. The recoverable amount of the asset group was based on value in use, which was calculated by discounting future cash flows at a discount rate of 15%.

Usage	Type	Location	Amount (Millions of yen)
Business-use assets	Buildings and structures, machinery, equipment and vehicles and others	Asia	53,644

The Group determines whether an individual asset is impaired if the asset is considered idle or if it is to be disposed of. Impairment losses were recognized on the following assets.

Usage	Type	Location	Amount (Millions of yen)
Idle assets	Machinery, equipment and vehicles, Construction in progress and others	Japan, Europe, Asia (15 locations total)	3,884
Assets to be disposed of	Land, Buildings and structures and others	Japan (14 locations total)	1,444

The Group recognized an impairment loss on idle assets and assets to be disposed of by reducing their net book value to the asset's respective recoverable value of each asset. These losses amounted to ¥5,328 million and were recorded as special losses in the accompanying consolidated statement of income. These impairment losses consisted of losses of ¥3,884 million on idle assets (machinery,

equipment and vehicles of ¥3,015 million, construction in progress of ¥475 million, and others of ¥394 million), and losses of ¥1,444 million on assets to be disposed of (land of ¥1,050 million, buildings and structures of ¥238 million, and others of ¥156 million).
The recoverable value of these assets was measured primarily at net realizable value. Idle assets and assets to be disposed of were evaluated based on appraisal values calculated in accordance with real estate appraisal standards, while those that were difficult to convert to other uses or sell were assessed at zero.

Current fiscal year (From April 1, 2024 to March 31, 2025)

The Group assesses fixed asset impairment losses based on various criteria, including business segments (automobiles and sales financing) and regional groupings that reflect business interdependencies. In the current fiscal year, the groupings were partially revised based on the change in the complementary relationships. For certain areas of business, we have established individual asset groupings that better reflects future profitability of those assets by separating them from other CGUs. In response to the significant updated future plan reflecting our current severe challenges and a competitive industry, the Group conducted impairment testing for asset groups for which there were indicators of impairment at the end of current consolidated fiscal year.
As a result of that analysis, the book value of automobile segment business assets and sales finance business assets were written down to their recoverable amount and an impairment loss of ¥464,367 million and ¥2,686 million were recorded as a special loss.
For North America, the recoverable amount is measured by the value in use, which is calculated by discounting future cash flows at discount rate of 10.23%. For South America, Europe and Japan, the recoverable amount is measured by net realizable value, which is calculated based on the real estate appraisal value, etc.

Usage	Type	Location	Amount (Millions of yen)
Business-use assets	Machinery, equipment and vehicles and others	North America	237,558
Business-use assets	Machinery, equipment and vehicles and others	South America	24,642
Business-use assets	Machinery, equipment and vehicles and others	Europe	138,771
Business-use assets	Machinery, equipment and vehicles and others	Japan	66,082
		Total	467,053

The Group determines whether an individual asset is impaired if the asset is considered idle or if it is to be disposed of. Impairment losses were recognized on the following assets.

Usage	Type	Location	Amount (Millions of yen)
Idle assets	Machinery, equipment and vehicles, Construction in progress and others	Japan, North America, Asia and Other overseas countries (27 locations total)	6,958
Assets to be sold	Land, Buildings and structures	Japan (24 locations total)	1,765
Assets to be disposed of	Machinery, equipment and vehicles, Buildings and structures and others	Japan and Other overseas countries (11 locations total)	19,159

The Group recognized an impairment loss on idle assets and assets to be disposed of by reducing their net book value to the asset's respective recoverable value of each asset. These losses amounted to ¥27,882 million and were recorded as special losses in the accompanying consolidated statement of income. These impairment losses consisted of losses of ¥6,958 million on idle assets (machinery, equipment and vehicles of ¥1,918 million, construction in progress of ¥3,620 million, and others of ¥1,420 million), losses of ¥1,765 million on assets to be sold (land of ¥1,656 million, and buildings and structures of ¥109 million), and losses of ¥19,159 million on assets to be disposed of (machinery, equipment and vehicles of ¥4,310 million, buildings and structures of ¥3,101 million, property, plant and equipment (other) of ¥11,136 million, and others of ¥612 million).

The recoverable value of these assets was measured primarily at net realizable value. Idle assets and assets to be disposed of were evaluated based on appraisal values calculated in accordance with real estate appraisal standards, while those that were difficult to convert to other uses or sell were assessed at zero. Assets to be sold were evaluated based on sales contracts.

7 ※7 Income taxes for global minimum tax

Amount of income taxes - current pertaining to global minimum tax

(Millions of yen)

	Prior fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
	—	8,718

(For consolidated statements of comprehensive income)

※1 Reclassification adjustments and income taxes and tax effects concerning other comprehensive income

(Millions of yen)

	Prior fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Unrealized holding gain and loss on securities:		
Amount arising during the period	(752)	(1,795)
Reclassification adjustments for gains and losses realized in net income	—	—
Before income taxes and tax-effect adjustment	(752)	(1,795)
Amount of income taxes and tax effects	51	194
Unrealized holding gain and loss on securities	(701)	(1,601)
Unrealized gain and loss from hedging instruments:		
Amount arising during the period	(69,774)	33,882
Reclassification adjustments for gains and losses realized in net income	103,115	(54,832)
Adjustments of acquisition cost for assets	984	(220)
Before income taxes and tax-effect adjustment	34,325	(21,170)
Amount of income taxes and tax effects	(9,889)	4,945
Unrealized gain and loss from hedging instruments	24,436	(16,225)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting:		
Amount arising during the period	(46,890)	(17,912)
Reclassification adjustments for gains and losses realized in net income	—	—
Before income taxes and tax-effect adjustment	(46,890)	(17,912)
Amount of income taxes and tax effects	—	—
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(46,890)	(17,912)
Translation adjustments:		
Amount arising during the period	459,782	(148,291)
Reclassification adjustments for gains and losses realized in net income	(262)	—
Before income taxes and tax-effect adjustment	459,520	(148,291)
Amount of income taxes and tax effects	—	129
Translation adjustments	459,520	(148,162)
Remeasurements of defined benefit plans:		
Amount arising during the period	110,933	(15,957)
Reclassification adjustments for gains and losses realized in net income	(9,916)	(10,097)
Before income taxes and tax-effect adjustment	101,017	(26,054)
Amount of income taxes and tax effects	(31,572)	(2,328)
Remeasurements of defined benefit plans	69,445	(28,382)
The amount related to equity method companies		
Amount arising during the period	86,174	48,992
Reclassification adjustments for gains and losses realized in net income	688	1,773
Before income taxes and tax-effect adjustment	86,862	50,765
Amount of income taxes and tax effects	—	—
The amount related to equity method companies	86,862	50,765
Total other comprehensive income	592,672	(161,517)

(For consolidated statement of changes in net assets)

Prior fiscal year (From April 1, 2023 to March 31, 2024)

1. Shares issued and outstanding / Treasury stock

(Thousands of shares)

Type of shares	At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year
Shares issued: Common stock (Notes 1)	4,220,715	—	(211,000)	4,009,715
Treasury stock: Common stock (Notes 2)	303,359	212,583	(246,430)	269,512

Notes: 1. Details of the decrease are as follows: (Thousands of shares)

Decrease due to cancellation of treasury stock	211,000
2. Details of the increase are as follows:	
Increase due to purchase of treasury stock	211,000
Increase in stocks held by affiliates accounted for by the equity method	1,579
Increase due to purchase of stocks of less than a standard unit	4
Details of the decrease are as follows:	
Decrease due to cancellation of treasury stock	211,000
Decrease due to disposal of treasury stock under the Restricted Stock Unit (RSU) program	3,166
Decrease in stocks held by affiliates accounted for by the equity method	32,264

2. Share subscription rights

Company	Description	Type of shares to be issued	Number of shares to be issued (Thousands)				Balance at the end of current fiscal year (Millions of yen)
			At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year	
Parent company	—	—	—				—
Consolidated subsidiaries	Subscription rights as stock options	—	—				304
Total			—				304

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (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, for 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, 2025

Resolution	Type of shares	Total dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Annual general meeting of the shareholders on June 25, 2024	Common stock	56,104	Retained earnings	15	March 31, 2024	June 26, 2024

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

Current fiscal year (From April 1, 2024 to March 31, 2025)

1. Shares issued and outstanding / Treasury stock

(Thousands of shares)

Type of shares	At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year
Shares issued: Common stock (Notes 1)	4,009,715	—	(295,717)	3,713,999
Treasury stock: Common stock (Notes 2)	269,512	296,300	(344,085)	221,727

Notes: 1. Details of the decrease are as follows: (Thousands of shares)

Decrease due to cancellation of treasury stock	295,717

2. Details of the increase are as follows:

Increase due to purchase of treasury stock	295,717
Increase in stocks held by affiliates accounted for by the equity method	581
Increase due to purchase of stocks of less than a standard unit	3

Details of the decrease are as follows:

Decrease due to cancellation of treasury stock	295,717
Decrease due to disposal of treasury stock under the Restricted Stock Unit (RSU) program	3,208
Decrease in stocks held by affiliates accounted for by the equity method	45,161

2. Share subscription rights

Company	Description	Type of shares to be issued	Number of shares to be issued (Thousands)				Balance at the end of current fiscal year (Millions of yen)
			At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year	
Parent company	—	—	—				—
Consolidated subsidiaries	Subscription rights as stock options	—	—				299
Total			—				299

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Annual general meeting of the shareholders on June 25, 2024	Common stock	56,104	15	March 31, 2024	June 26, 2024

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

(2) Dividends, for which the record date was in the year ended March 31, 2025 and the effective date of which is in the year ending March 31, 2026

Not applicable

(For consolidated statements of cash flows)

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

(Millions of yen)

	Prior fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Cash on hand and in banks	1,896,401	1,961,513
Time deposits with maturities of more than three months	(200)	—
Cash equivalents included in securities (*)	230,005	236,000
Cash and cash equivalents	2,126,206	2,197,513

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

(For lease transactions)

1. Finance lease transactions

(Lessees)

(1) Leased assets

Leased assets primarily consist of dies and buildings.

(2) Depreciation method for leased assets

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.

(Lessors)

(1) Breakdown of lease investment assets

(Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Lease income receivable	237,174	193,225
Estimated residual value	2,262	1,828
Interest income equivalent	(16,824)	(23,916)
Lease investment assets	222,612	171,137

(2) Expected amounts of collection from lease income receivable concerning lease receivables and lease investment assets after the balance sheet date

Prior fiscal year (As of March 31, 2024)

(Millions of yen)

	Lease receivables	Lease investment assets
Due within one year	21,958	136,865
Due after one year but within two years	8,753	66,120
Due after two years but within three years	385	18,338
Due after three years but within four years	219	10,497
Due after four years but within five years	105	4,876
Due after five years	74	478

Current fiscal year (As of March 31, 2025)

(Millions of yen)

	Lease receivables	Lease investment assets
Due within one year	15,594	100,208
Due after one year but within two years	7,010	38,848
Due after two years but within three years	518	26,877
Due after three years but within four years	282	17,306
Due after four years but within five years	67	9,470
Due after five years	137	516

2. Operating lease transactions

(Lessees)

Future minimum lease payments subsequent to March 31, 2024 and March 31, 2025 are summarized as follows.

(Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Due in one year or less	1,363	1,255
Due after one year	7,965	8,396
Total	9,328	9,651

Note: At foreign subsidiaries, IFRS 16, "*Leases*" (January 13, 2016) and ASU 2016-02 "*Leases*" (February 25, 2016) have been adopted. The operating leases of these foreign subsidiaries are not included in amounts of above table.

(Lessors)

Future minimum lease income subsequent to March 31, 2024 and March 31, 2025 is summarized as follows.

(Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Due in one year or less	369,403	409,613
Due after one year	266,857	435,823
Total	636,260	845,436

(For financial instruments)

1. Financial Instruments

(1) Policies on 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 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) Description of financial instruments and related risks

① Trade notes and accounts receivable

The Group holds trade notes and accounts receivable as consideration for sales of products and collects such receivables in accordance with the terms and conditions of relevant sales agreements. The relevant trade notes and accounts receivable are exposed to the credit risk of the respective customers. Those denominated in foreign currencies are exposed to fluctuations in foreign currency exchange rates.

② Sales finance receivables

Sales finance receivables consist of auto loans and leases to retail customers, and credit exposures to dealers comprised of inventory financing and working capital loans, etc. Sales finance receivables are exposed to credit risk of the respective customers.

③ Securities and investment securities

Securities and investment securities held by the Group are mainly unlisted foreign investment trusts and investment securities in affiliates. Investment securities in affiliates are exposed to the risk of fluctuations in their market prices.

④ Trade notes and accounts payable

The Group holds trade notes and accounts payable as liabilities with various payment dates based on the payment conditions from purchasing diverse parts, materials and services, required for development, manufacture and sale of products. As its procurement activities are operated in various regions and countries, the relevant trade notes and accounts payable are exposed to fluctuations in foreign currency exchange rates.

⑤ Borrowings, bonds and lease obligations

The Group conducts diverse financing activities for the purpose of fund procurements for working capital, investments in equipment and businesses, sales financing and so forth. As part of such financing uses floating rates, the relevant borrowings, bonds and lease obligations are exposed to the risk of interest rate fluctuations. The Group is also exposed to liquidity risk in that the necessary funds for business operations may not be ensured with rapid changes in the procurement environment.

⑥ Derivative transactions

(1) Forward foreign exchange contracts

Forward foreign exchange contracts are used to hedge against the adverse impact of fluctuations in foreign currency exchange rates on foreign currency denominated receivables and payables arising from importing and exporting products and others.

(2) Currency options

In the same manner as forward foreign exchange contracts, currency options are used to hedge against the adverse impact of fluctuations in foreign currency exchange rates on foreign currency denominated receivables and payables.

(3) Interest rate swaps

Interest rate swaps are used primarily to hedge against the adverse impact of fluctuations in interest rates on interest-bearing debt.

(4) Currency swaps

Currency swaps are used to hedge against the adverse impact of fluctuations in foreign currency exchange rates and interest rates on foreign currency denominated receivables and payables.

(5) Interest rate options

Interest rate options are used primarily to hedge against the adverse impact of fluctuations in interest rates on interest-bearing debt.

(6) Commodity swaps

Commodity swaps contracts are used primarily to hedge against the adverse impact of fluctuations in the market prices of precious metals (used as the catalyst for the emission gas purifier of automobiles) and base metals (raw materials for automobile productions).

For hedging instruments, hedged items, hedging policy and assessment of hedge effectiveness, refer to "(7) Hedge accounting method" under "4. Significant accounting policies."

(3) Risks relating to financial instruments and the management system thereof

① Management of market risk

Although derivative transactions are used for the purpose of hedging risks on the assets and liabilities recorded in the consolidated balance sheets, there remains the risk of foreign currency exchange fluctuations on currency transactions, the risk of interest rate fluctuations on interest rate transactions and the risk of market price fluctuations on commodity transactions. All the derivative transactions of the Group are carried out pursuant to the internal risk management rules, which stipulate the Group's basic policies for derivative transactions, management policies, management items, trading procedures, criteria for the selection of counterparties, the reporting system and so forth. The Group's financial market risk is controlled by the Company in a centralized manner, and it is stipulated that no individual subsidiary can initiate a hedge transaction such as derivative transactions without the prior approval of and regular reporting back to the Company. The basic policy on the acquisition of derivative transactions is subject to the approval of the Chief Financial Officer after discussing with the treasury group. The execution and management of all transactions are to be conducted in accordance with the aforementioned risk management rules pursuant to the decisions made at those meetings. Derivative transactions are conducted by a special section of the Treasury Department, and the verification of the relevant trade agreements and the monitoring of position balances are the responsibility of the Risk Management Section. Commodity swaps are conducted by the Treasury Department in accordance with the acquisition policy determined by the corporate officer in charge of the Purchasing Department and the Chief Financial Officer.

The status of derivative transactions is reported to the Chief Financial Officer on a regular basis and to the Executive Committee as a general rule.

② Management of credit risk

The Group does business with a variety of local counterparties including sales companies in many regions around the world. The Group has established transaction terms and conditions for operating receivables in Japan and overseas based on credit assessment criteria to take appropriate and effective measures for the protection of such receivables, using bank letters of credit and transactions with advance payments.

As for financial transactions including bank deposits, short-term investments and derivatives, the Group is exposed to the risk that a counterparty could default on their obligations and jeopardize future profits. We believe that this risk is insignificant as the Group enters into such transactions only with financial institutions that have a sound credit profile.

Therefore, we believe that the risk to incur losses from a counterparty financial institution's default is low. Credit risk is managed by using its own evaluation methods based on external credit ratings and other analyses. The Treasury Department sets a maximum upper limit on positions with each of the counterparties and monitors the balances of open positions.

In addition to financial institutions, the Group also enters into derivative transactions with Renault Finance S.A. ("RF"), a specialized financial subsidiary of the Renault Group. RF enters into derivative transactions to cover such derivative transactions with the Group only with financial institutions of the highest caliber carefully selected by RF based on its own rating techniques.

In sales finance, credit risk is managed through a risk framework that sets out policies, procedures, measurements and regular reviews across the full life cycle of a financial product from underwriting to collections and write-off.

③ Management of liquidity risk related to financing

The Company endeavors to raise funds from appropriate sources with reinforced measures such as an accumulation of cash reserves and the utilization of loan commitment agreements so that the Group can ensure an appropriate level of liquidity even if any significant environmental change takes place in the financial market and in the event of downgrade of Nissan's credit rating by Japanese and international rating agencies. However, this factor could entail a greater-than- anticipated level of risk that might hinder the smooth execution of the initially planned financing, thereby having a significant effect on the Group's financial position and business performance. The Group secures the appropriate liquidity of funds in its automobile business in accordance with the management rule on liquidity risk by taking into account the future repayment schedule of borrowings, the future demand for working capital and other fund requirements.

In sales finance, liquidity risk is managed through a thorough focus on Asset Liability Management, which includes proper match of maturity in asset and liability.

(4) Supplemental explanation on the fair value of financial instruments

① The fair value and unrealized gain or loss on derivative transactions are estimates that are considered appropriate based on the market at the balance sheet date and, thus, the fair value is not necessarily indicative of the actual amounts that might be realized or settled in the future.

② The notional amounts of the swaps are not a direct measure of the Company's risk exposure in connection with its swap transactions.

2. Fair Value of Financial Instruments

The following tables indicate the amount recorded in the consolidated balance sheets, the fair value and the difference as of March 31, 2024 and March 31, 2025 for various financial instruments.

Prior fiscal year (As of March 31, 2024)

(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 (*7)	4,143,367	4,146,764	(3,397)
(3) Lease obligations (*7)	137,250	136,143	1,107
Total liabilities	6,870,865	6,772,013	98,852
Derivative transactions (*8)	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 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 recorded as part of sales finance receivables and long-term loans receivable, is deducted.

(*4) The difference between the amount recorded in the consolidated balance sheets and the 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.

(Millions of yen)

Classification	Prior fiscal year
Unlisted stocks	648,115
Limited liability partnership	3,369

(*6) Bonds include the current portion of bonds under current liabilities. The difference between the amount recorded in the consolidated balance sheets and the fair value is mainly due to the market interest rates.

(*7) Long-term borrowings and lease obligations include the current portion of long-term borrowings and lease obligations under current liabilities.

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

Current fiscal year (As of March 31, 2025)

(Millions of yen)

	Amount recorded in the consolidated balance sheets	Fair value	Difference
(1) Sales finance receivables (*2)	7,199,338		
Allowance for doubtful accounts (*3)	(137,347)		
Subtotal (*4)	7,061,991	7,000,705	(61,286)
(2) Investment securities (*5)	731,108	493,660	(237,448)
(3) Long-term loans receivable	11,191		
Allowance for doubtful accounts (*3)	(1,904)		
Subtotal	9,287	9,287	—
Total assets	7,802,386	7,503,652	(298,734)
(1) Bonds (*6)	2,479,737	2,415,857	63,880
(2) Long-term borrowings (*7)	4,543,047	4,505,533	37,514
(3) Lease obligations (*7)	114,230	112,804	1,426
Total liabilities	7,137,014	7,034,194	102,820
Derivative transactions (*8)	14,988	14,988	—

(*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 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 ¥39,763 million of deferred installments income and others.

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

(*4) The difference between the amount recorded in the consolidated balance sheets and the 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.

(Millions of yen)

Classification	Current fiscal year
Unlisted stocks	695,749
Limited liability partnership	1,784

(*6) Bonds include the current portion of bonds under current liabilities.

(*7) Long-term borrowings and lease obligations include the current portion of long-term borrowings and lease obligations under current liabilities.

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

(Note 1) Redemption schedule after the balance sheet date for monetary receivables and securities with maturity dates

Prior fiscal year (As of March 31, 2024)

(Millions of yen)

	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
Cash on hand and in banks	1,896,401	—	—	—
Trade notes and accounts receivable, and contract assets	635,329	—	—	—
Sales finance receivables (*1)	3,090,307	4,093,835	195,914	5
Securities and investment securities				
Held-to maturity securities	5,739	13,451	—	—
Long-term loans receivable	106	11,063	826	234
Total	5,627,882	4,118,349	196,740	239

(*1) The amount of sales finance receivables is presented with the amount after deducting ¥38,139 million of deferred installment income and others.

Current fiscal year (As of March 31, 2025) (Millions of yen)

	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
Cash on hand and in banks	1,961,513	—	—	—
Trade notes and accounts receivable, and contract assets	577,877	—	—	—
Sales finance receivables (*1)	3,090,897	3,929,740	178,698	3
Long-term loans receivable	1,542	8,125	1,299	225
Total	5,631,829	3,937,865	179,997	228

(*1) The amount of sales finance receivables is presented with the amount after deducting ¥39,763 million of deferred installment income and others.

(Note 2) Redemption schedule after the balance sheet date for bonds, long-term borrowings, lease obligations and other interest-bearing debt

Prior fiscal year (As of March 31, 2024) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Short-term borrowings	837,266	—	—	—	—	—
Commercial papers	103,262	—	—	—	—	—
Bonds	239,032	779,439	392,600	479,348	321,304	378,525
Long-term borrowings	1,221,739	1,319,299	902,697	368,119	263,137	68,376
Lease obligations	46,784	36,652	17,479	12,139	7,425	16,771
Total	2,448,083	2,135,390	1,312,776	859,606	591,866	463,672

Current fiscal year (As of March 31, 2025) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Short-term borrowings	876,104	—	—	—	—	—
Commercial papers	86,743	—	—	—	—	—
Bonds	771,205	393,315	578,135	318,474	44,808	373,800
Long-term borrowings	1,881,691	1,341,616	866,121	355,568	96,362	1,689
Lease obligations	44,400	26,679	15,016	9,524	6,102	12,509
Total	3,660,143	1,761,610	1,459,272	683,566	147,272	387,998

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 a lower-level category.

(1) Financial instruments measured at fair value

Prior fiscal year (As of March 31, 2024) (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
Currency-related transactions	—	9,532	—	9,532
Interest-related transactions	—	20,784	—	20,784
Commodity-related transactions	—	206	—	206

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

Current fiscal year (As of March 31, 2025) (Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Stock	1,142	—	—	1,142
Total assets	1,142	—	—	1,142
Derivative transactions (*1)	—	14,988	—	14,988
Currency-related transactions	—	20,129	—	20,129
Interest-related transactions	—	(5,259)	—	(5,259)
Commodity-related transactions	—	118	—	118

(*1) Net receivables and payables, which were derived from derivative transactions, are presented in net amounts in this footnote as netted, 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

Prior fiscal year (As of March 31, 2024) (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

Current fiscal year (As of March 31, 2025) (Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
(1) Sales finance receivables	—	—	7,000,705	7,000,705
(2) Investment securities				
Other securities				
Stock	492,518	—	—	492,518
(3) Long-term loans receivable	—	—	9,287	9,287
Total assets	492,518	—	7,009,992	7,502,510
(1) Bonds	—	2,415,857	—	2,415,857
(2) Long-term borrowings	—	4,505,533	—	4,505,533
(3) Lease obligations	—	112,804	—	112,804
Total liabilities	—	7,034,194	—	7,034,194

(Note) Valuation techniques and inputs are as follows:

Investment securities
Fair value of listed stocks is based on the 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.

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.

(For securities)

1. Held-to maturity securities

Prior fiscal year (As of March 31, 2024) (Millions of yen)

Types of securities	Carrying value	Fair value	Difference
(Securities whose carrying value exceeds their fair value)	19,190	18,507	(683)
(Securities whose carrying value does not exceed their fair value)	—	—	—
Total	19,190	18,507	(683)

Current fiscal year (As of March 31, 2025)
Not applicable.

2. Other securities

Prior fiscal year (As of March 31, 2024) (Millions of yen)

Types of securities	Carrying value	Acquisition cost	Difference
(Securities whose carrying value exceeds their acquisition cost)			
Stock	1,226	114	1,112
Others	3,369	2,785	584
Subtotal	4,595	2,899	1,696
(Securities whose carrying value does not exceed their acquisition cost)			
Stock	44,278	44,419	(141)
Others	230,006	230,006	—
Subtotal	274,284	274,425	(141)
Total	278,879	277,324	1,555

Current fiscal year (As of March 31, 2025) (Millions of yen)

Types of securities	Carrying value	Acquisition cost	Difference
(Securities whose carrying value exceeds their acquisition cost)			
Stock	573	124	449
Subtotal	573	124	449
(Securities whose carrying value does not exceed their acquisition cost)			
Stock	52,191	52,308	(117)
Others	237,784	238,785	(1,001)
Subtotal	289,975	291,093	(1,118)
Total	290,548	291,217	(669)

3. Held-to maturity securities sold during the fiscal year

Prior fiscal year (From April 1, 2023 to March 31, 2024)
Not applicable.

Current fiscal year (From April 1, 2024 to March 31, 2025) (Millions of yen)

Types of securities	Cost of sales	Amount sold	Total of gain (loss) on sale
Bonds for the Reconstruction for a Free Argentina	18,687	16,076	(2,611)

Reasons for sale
Due to a change in the financial policy, held-to maturity securities held by foreign subsidiaries were sold prior to the redemption date.

4. Other securities sold during the fiscal year

Prior fiscal year (From April 1, 2023 to March 31, 2024)
This information is not provided due to its low materiality.

Current fiscal year (From April 1, 2024 to March 31, 2025)
This information is not provided due to its low materiality.

5. Reclassified securities

Prior fiscal year (From April 1, 2023 to March 31, 2024)
Not applicable.

Current fiscal year (From April 1, 2024 to March 31, 2025)
Not applicable.

6. Securities for which an impairment loss was recognized

Prior fiscal year (From April 1, 2023 to March 31, 2024)
Not applicable.

Current fiscal year (From April 1, 2024 to March 31, 2025)
This information is not provided due to its low materiality.

(For derivative transactions)

1. Derivative transactions for which hedge accounting is not adopted

(1) Currency-related transactions

Prior fiscal year (As of March 31, 2024) (Millions of yen)

Classification	Type of transactions	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Swaps:				
	EUR	129,160	—	7,731	7,731
	USD	592,962	47,271	29,286	29,286
	AUD	123,143	—	1,843	1,843
	NZD	9,954	—	(269)	(269)
	ZAR	37,600	—	28	28
	PHP	11,968	—	(87)	(87)
Total		—	—	38,532	38,532

Current fiscal year (As of March 31, 2025) (Millions of yen)

Classification	Type of transactions	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Swaps:				
	GBP	76,945	—	16	16
	USD	442,318	—	(4,897)	(4,897)
	CAD	73,554	—	(336)	(336)
	AUD	23,999	—	(79)	(79)
	ZAR	50,706	—	900	900
	PHP	12,042	—	(132)	(132)
Total		—	—	(4,528)	(4,528)

(2) Interest-related transactions

Prior fiscal year (As of March 31, 2024) (Millions of yen)

Classification	Type of transactions	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Swaps:				
	Receive floating/pay fixed	177,476	135,515	1,743	1,743
	Receive fixed/pay floating	32,995	32,995	322	322
	Options				
	Caps sold	1,159,012	649,358		
	(Premium)	(5,446)	(5,147)	(6,330)	(884)
	Caps purchased	1,159,012	649,358		
	(Premium)	5,466	5,167	6,331	885
Total		—	—	2,066	2,066

Current fiscal year (As of March 31, 2025)

(Millions of yen)

Classification	Type of transactions	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Swaps:				
	Receive floating/pay fixed	287,647	277,195	(2,363)	(2,363)
	Receive fixed/pay floating	54,411	54,411	554	554
	Options				
	Caps sold	1,375,301	879,112		
	(Premium)	(8,938)	(8,833)	(3,332)	5,606
	Caps purchased	1,375,301	879,112		
	(Premium)	8,957	8,852	3,413	(5,525)
Total		—	—	(1,728)	(1,728)

(3) Commodity-related transactions

Prior fiscal year (As of March 31, 2024)

Not applicable.

Current fiscal year (As of March 31, 2025)

Not applicable.

2. Derivative transactions for which hedge accounting is adopted

(1) Currency-related transactions

Prior fiscal year (As of March 31, 2024)

(Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Forward foreign exchange contracts: Sell:				
	USD	Trade accounts receivable (forecasted transaction)	75,323	—	(8,723)
	Swaps:				
	USD	Short-term borrowings and long- term borrowings	239,513	221,647	(20,277)
Total			—	—	(29,000)

Current fiscal year (As of March 31, 2025)

(Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Forward foreign exchange contracts: Sell:				
	USD	Trade accounts receivable (forecasted transaction)	171,157	10,241	3,732
	EUR	Trade accounts receivable (forecasted transaction)	15,685	635	(22)
	Swaps:				
	USD	Long-term borrowings	228,739	211,567	20,947
Total			—	—	24,657

(2) Interest-related transactions

Prior fiscal year (As of March 31, 2024) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Swaps: Receive floating/pay fixed	Short-term borrowings and Long-term borrowings	1,614,138	1,251,099	18,718
Special treatment	Swaps: Receive floating/pay fixed	Long-term borrowings	35,500	20,500	Note
Total			—	—	18,718

Note: Fair value of interest rate swaps under special treatment is included in that of corresponding hedged long-term borrowings in " 2.Fair Value of Financial Instruments" under "For financial instruments" as those interest rate swaps are treated as underlying transactions of hedged items.

Current fiscal year (As of March 31, 2025) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Swaps: Receive floating/pay fixed	Short-term borrowings and Long-term borrowings	1,293,776	695,252	(3,531)
Special treatment	Swaps: Receive floating/pay fixed	Long-term borrowings	20,500	5,500	Note
Total			—	—	(3,531)

Note: Fair value of interest rate swaps under special treatment is included in that of corresponding hedged long-term borrowings in " 2. Fair Value of Financial Instruments" under "For financial instruments" as those interest rate swaps are treated as underlying transactions of hedged items.

(3) Commodity-related transactions

Prior fiscal year (As of March 31, 2024) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Commodity swaps: Receive floating/pay fixed	Aluminum	6,716	309	6
		Copper	4,591	143	191
		Palladium	654	—	9
Total			—	—	206

Current fiscal year (As of March 31, 2025)

(Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Commodity swaps:				
	Receive floating/pay fixed	Aluminum	305	—	72
		Copper	141	—	46
Total			—	—	118

(For retirement benefits)

1. Description of retirement benefit plans

The Group has several defined-benefit and defined-contribution pension plans. The Company and certain consolidated subsidiaries have adopted both defined-benefit and defined-contribution pension plans, whereas certain other consolidated subsidiaries have either defined-benefit or defined-contribution pension plans. The defined-benefit pension plans adopted by the Company and certain domestic subsidiaries include lump-sum payment plans and defined-benefit corporate pension plans. Certain employees may be entitled to additional special retirement benefits, depending on the conditions for the termination of their employment. Certain consolidated subsidiaries apply a simplified method for calculation of net defined benefit liability, net defined benefit assets and retirement benefit expenses.

2. Defined-benefit pension plan

(1) Adjustments between the beginning and ending balances of retirement benefit obligation (excluding those listed in (3) below)

(Millions of yen)

	Prior fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Retirement benefit obligation at the beginning of the year	1,217,924	1,247,059
Service cost	20,697	15,448
Interest cost	42,626	47,036
Actuarial gain and loss generated	(39,001)	(24,719)
Past service cost generated	48	(454)
Retirement benefits paid	(85,611)	(104,472)
Effect of foreign exchange translation	88,655	(5,448)
Other	1,721	1,874
Retirement benefit obligation at the end of the year	1,247,059	1,176,324

(2) Adjustments between the beginning and ending balances of plan assets (excluding those listed in (3) below)

(Millions of yen)

	Prior fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Plan assets at the beginning of the year	1,091,412	1,240,758
Expected return on plan assets (Note)	54,440	58,600
Actuarial gain and loss generated	86,968	(42,599)
Contribution from employers	11,285	16,793
Retirement benefits paid	(77,612)	(94,899)
Effect of foreign exchange translation	72,461	319
Other	1,804	581
Plan assets at the end of the year	1,240,758	1,179,553

Note: Interest from plan assets of net interest from net defined liability of consolidated foreign subsidiaries which adopt IFRS has been included.

(3) Adjustments between the beginning and ending balances of net defined benefit liability and net defined benefit assets for plans using a simplified method

(Millions of yen)

	Prior fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Net defined benefit liability and assets at the beginning of the year	2,233	2,319
Retirement benefit expenses	347	(47)
Retirement benefits paid	(225)	(449)
Contribution to plans	(36)	(32)
Net defined benefit liability and assets at the end of the year	2,319	1,791

(4) Adjustments between the ending balances of retirement benefit obligation and plan assets and the net defined benefit liability and net defined benefit assets reported on the balance sheets

(Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Retirement benefit obligation for funded plans	1,152,648	1,087,924
Plan assets	(1,242,797)	(1,181,705)
	(90,149)	(93,781)
Retirement benefit obligation for unfunded plans	98,769	92,343
Net defined benefit liability and assets reported on the consolidated balance sheets	8,620	(1,438)
Net defined benefit liability	154,439	164,516
Net defined benefit assets	(145,819)	(165,954)
Net defined benefit liability and assets reported on the consolidated balance sheets	8,620	(1,438)

(5) Breakdown of retirement benefit expenses

(Millions of yen)

	Prior fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Service cost (Note 1)	21,044	15,401
Interest cost	42,626	47,036
Expected return on plan assets	(54,440)	(58,600)
Amortization of actuarial gain and loss	(10,019)	(17,058)
Amortization of past service cost	103	771
Other	147	545
Retirement benefit expenses for defined benefit plans	(539)	(11,905)

Notes: 1. The retirement benefit expenses of consolidated subsidiaries adopting the simplified method are included in "Service cost."

2. In addition to the retirement benefit expenses referred to above, additional retirement expenses of ¥4,619 million for the prior fiscal year and ¥40,619 million for the current fiscal year were accounted for as "Other" under "Special losses" in the consolidated statement of income.

3. In addition to the retirement benefit expenses referred to above, loss on partial termination of retirement benefit plans of ¥8,419 million for the current fiscal year was accounted for as "Other" under "Special losses" in the consolidated statement of income.

(6) Remeasurements of defined benefit plans

Remeasurements of defined benefit plans (reported under "Other comprehensive income" in the statements of comprehensive income) consist of the following (before income taxes and tax effects).

(Millions of yen)

	Prior fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Past service cost	(407)	1,553
Actuarial gain and loss	101,424	(27,607)
Total	101,017	(26,054)

(7) Remeasurements of defined benefit plans

Remeasurements of defined benefit plans (reported under "Accumulated other comprehensive income" in the net assets section in the consolidated balance sheet) consist of the following (before income taxes and tax effects).

(Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Unrecognized past service cost	(2,742)	(1,189)
Unrecognized actuarial gain and loss	59,489	31,882
Total	56,747	30,693

(8) Matters regarding plan assets

① Major components of plan assets

Plan assets consist of the following.

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Stocks	35%	34%
Bonds	49%	50%
Cash and deposits	1%	1%
Real estate (including REITs)	7%	7%
Other	8%	8%
Total	100%	100%

Notes: 1. Securities contributed to the retirement benefit trust included in the total plan assets were 1.3% for the prior year and 1.3% for the current fiscal year.

2. "Other" includes components for which it is difficult to categorize into specific types of plan assets, such as stocks and bonds, and to identify the percentage and the amount by types of assets.

② Method for determining the long-term expected return on plan assets

To determine the long-term expected return on plan assets, the portfolio and past performance of the plan assets held, long-term investment policies and market trends, among others, are considered.

(9) Assumptions used in actuarial calculations

Major assumptions used in actuarial calculations

Domestic companies

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Discount rates	0.8%–1.9%	1.4%–2.6%
Long-term expected rates of return on plan assets	Mainly 4.0%	Mainly 4.0%
Expected future salary increase	1.8%–4.2%	1.4%–3.6%

Foreign companies

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Discount rates	3.1%–5.6%	2.5%–5.8%
Long-term expected rates of return on plan assets (US GAAP adoption companies only)	Mainly 7.8%	Mainly 6.8%
Expected future salary increase	2.5%–6.0%	3.0%–7.0%

3. Defined-contribution pension plans

The required amounts of contribution to the Group's defined-contribution pension plans were ¥31,383 million for the prior fiscal year and ¥33,310 million for the current fiscal year.

(For share-based payments)

1. The account and the amount of stock options charged as expenses

(Millions of yen)

	Prior fiscal year (From April 1, 2023 To March 31, 2024)	Current fiscal year (From April 1, 2024 To March 31, 2025)
Cost of sales	24	(3)
Salaries and wages in Selling, general and administrative expenses	7	(1)

2. Description of stock options/Changes in the size of stock options

(1) Description of stock options

	1st share subscription rights
Company name	Vehicle Energy Japan Inc.
Date of resolution	May 27, 2021
Category and number of people to whom stock options are granted	The company's directors: 3 The company's executive officers: 4 The company's employees: 166 Total: 173
Type and number of shares granted	Common stock 64,600 shares
Grant date	July 1, 2021
Vesting conditions	① The holder of the share subscription rights must be continuously employed or hold a mandate relationship with the company or its affiliates until the exercise date of the share subscription rights. However, this will not apply if a director or executive officer retires due to the expiry of his/her term of office, if an employee retires due to mandatory retirement age, or if the company's board of directors approves other justifiable reasons. ② The share subscription rights may only be exercised if the company's common stock underlying the share subscription rights are listed on a securities exchange in Japan at the time of exercise. ③ Exercise of the share subscription rights by heirs of share subscription rights holders is not permitted. ④ Other terms and conditions for the exercise of the share subscription rights are as set out in the "Share Subscription Rights Allotment Agreement" concluded between the company and the subscription right holders.
Vesting period	July 1, 2021 to June 30, 2023
Exercise period	July 1, 2023 to June 30, 2025

(2) Changes in the size of stock options

The following describes changes in the size of stock options that existed during the year ended March 31, 2025. The number of stock options is translated into the number of shares.

① Number of stock options

1st share subscription rights	
Company name	Vehicle Energy Japan Inc.
Share subscription rights that are not yet vested (shares):	
Balance at the beginning of the current period	59,200
Granted	—
Forfeited	900
Vested	—
Balance of options not vested	58,300
Share subscription rights that have already been vested (shares):	
Balance at the beginning of the current period	—
Vested	—
Exercised	—
Forfeited	—
Balance of options not exercised	—

② Per share prices

	1st share subscription rights
Company name	Vehicle Energy Japan Inc.
Exercise price (Yen)	1
Average price per share upon exercise (Yen)	—
Fair value per share at grant date (Yen)	5,130

3. Method for estimating the per share fair value of stock options

The per share fair value of stock options is estimated using the binominal model. For estimation using the binominal model, as the company is unlisted, the price per share at the grant date is determined using the discounted cash flow method based on the company's business plan, and the expected volatility of the share price is determined using the average of the actual volatilities of several similar listed companies. The period from the point of estimation to the end of the exercise period is regarded as the expected life of the option, and the yield on government bonds for the period that corresponds to the expected life is used as the risk-free interest rate. The expected dividend is set at zero, taking into account the recent dividend history and other factors.

4. Estimation of the number of stock options vested

As it is difficult to reasonably estimate the number of options that will be forfeited in the future, only the actual number of options forfeited is reflected.

(For tax-effect accounting)

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Deferred tax assets:		
Net operating loss carry forwards (*2)	325,818	352,886
Impairment loss	59,378	179,125
Foreign tax credit	181,711	145,343
Research and development expenses	139,083	101,885
Sales incentives	62,687	87,383
Deferred tax credit	64,970	67,709
Accrued warranty costs	64,200	67,165
Allowance for doubtful accounts	59,733	48,492
Service costs	51,937	41,518
Loss on valuation of inventories	23,722	34,149
Loss for residual value risk of leased vehicles	31,439	28,802
Allowance for bonus	28,983	24,881
Excess depreciation	25,137	23,098
Net defined benefit liability	19,965	18,835
Other	276,484	344,250
Total gross deferred tax assets	1,415,247	1,565,521
Valuation allowance for net operating loss carry forwards (*2)	(266,055)	(335,112)
Valuation allowance for the sum of deductible temporary differences, etc.	(255,350)	(452,622)
Valuation allowance (*1)	(521,405)	(787,734)
Total deferred tax assets	893,842	777,787
Deferred tax liabilities:		
Reserves under Special Taxation Measures Law, etc.	(556,053)	(500,595)
Foreign subsidiaries unitary tax	(128,151)	(121,746)
Undistributed retained earnings of foreign consolidated subsidiaries	(139,426)	(100,966)
Difference between cost of investments and their underlying net equity at fair value on land	(39,691)	(39,329)
Other	(108,651)	(82,405)
Total deferred tax liabilities	(971,972)	(845,041)
Net deferred tax assets	(78,130)	(67,254)

(*1) The valuation allowance increased by ¥266,329 million. In response to the significant updated future plan reflecting our current severe challenges and a competitive industry, the Group reassessed the recoverability of deferred tax assets. As a result, the valuation allowance increased.

(*2) The amounts of net operating loss carry forwards and corresponding deferred tax assets by due period.

Prior fiscal year (As of March 31, 2024)

(Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years butwithin four years	Due after four years but within five years	Due after five years	Total
Net operating loss carry forwards (a)	18,923	23,657	15,228	26,996	39,279	201,735	325,818
Valuation allowance	(18,743)	(21,758)	(14,758)	(25,178)	(38,230)	(147,388)	(266,055)
Deferred tax assets (b)	180	1,899	470	1,818	1,049	54,347	59,763

(a) The net operating loss carry forwards represent the amounts after being multiplied by the effective statutory tax rate.

(b) Deferred tax assets of ¥59,763 million were recognized for the balance of net operating loss carry forwards of ¥325,818 million (amount multiplied by the effective statutory tax rate). After estimating the future taxable income, the deferred tax assets relating to net operating loss carry forwards are assessed as recoverable.

Current fiscal year (As of March 31, 2025) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Net operating loss carry forwards (a)	23,875	14,723	26,212	20,129	11,760	256,187	352,886
Valuation allowance	(23,869)	(14,008)	(26,045)	(19,957)	(11,685)	(239,548)	(335,112)
Deferred tax assets (b)	6	715	167	172	75	16,639	17,774

(a) The net operating loss carry forwards represent the amounts after being multiplied by the effective statutory tax rate.

(b) Deferred tax assets of ¥352,886 million were recognized for the balance of net operating loss carry forwards of ¥17,774 million (amount multiplied by the effective statutory tax rate). After estimating the future taxable income, the deferred tax assets relating to net operating loss carry forwards are assessed as recoverable.

2. The reconciliation between the effective tax rates reflected in the consolidated financial statements and the effective statutory tax rate is summarized as follows:

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Statutory tax rate of the Company	30.6%	Because loss before income taxes and minority interests was recorded for the current fiscal year, there is no information to be disclosed here.
(Reconciliation)		
• Different tax rates applied to foreign consolidated subsidiaries	(4.9%)	
• Change in valuation allowance	(46.3%)	
• Equity in gain and loss of affiliates	(5.7%)	
• Undistributed retained earnings of foreign consolidated subsidiaries	19.7%	
• Foreign tax credits carried forward	2.6%	
• Foreign subsidiaries unitary tax(*)	33.9%	
• Adjustments for the uncertain tax treatments on income taxes	1.6%	
• Other	(6.5%)	
Effective tax rates after adoption of tax-effect accounting	25.0%	

(*) Foreign subsidiaries unitary tax includes tax credits recognized based on the tax rules applied.

3. Accounting for corporate, local corporate income taxes and related tax-effect accounting

The Company and some of its domestic subsidiaries adopt the group tax sharing system. Accordingly, corporate, local corporate income taxes, and tax-effect accounting are accounted for and disclosed in accordance with *"Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42, August 12, 2021).*

4. Amendments to deferred tax assets and deferred tax liabilities due to a change in the rate of corporation tax

In accordance with *"the Act for Partial Amendment of the Income Tax Act" (Act No. 13, 2025)* established in the parliament on March 31, 2025, the Defense Special Corporate Tax will take effect from the fiscal year beginning on or after April 1, 2026. Accordingly, the statutory tax rate used for calculating deferred tax assets and liabilities has been changed from 30.6% for the prior fiscal year to 31.5% for the temporary differences, etc. to be reversed in the fiscal years beginning on or after April 1, 2026.

These tax rate changes resulted in an increase of ¥1,202 million in deferred tax assets (after deducting deferred tax liabilities); a decrease of ¥2,318 million in income taxes-deferred, a decrease of ¥3 million in unrealized holding gain and loss on securities and a decrease of ¥1,113 million in remeasurements of defined benefit plans in the current fiscal year.

(For asset retirement obligations)

Prior fiscal year (As of March 31, 2024)

This information is not provided due to its low materiality.

Current fiscal year (As of March 31, 2025)

This information is not provided due to its low materiality.

(For investment and rental property)

The Company and some of its subsidiaries have rental property in Japan (Tokyo, Kanagawa, Osaka and others) and overseas, which is mainly used for vehicle and parts dealers.
For the fiscal year ended March 31, 2024, net income from rental property amounted to ¥4,645 million and net gain on sales of rental property amounted to ¥1,324 million. For the fiscal year ended March 31, 2025, net income from rental property amounted to ¥4,663 million and net gain on sales of rental property amounted to ¥5,570 million.

The carrying value, increase/decrease thereof and fair value of rental property are as follows.

(Millions of yen)

	Prior fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Carrying value		
Balance at the beginning of the year	105,240	99,854
Increase/Decrease during the year	(5,386)	(1,808)
Balance at the end of the year	99,854	98,046
Fair value at the end of the year	114,211	116,832

Notes: 1. The carrying value shown here is calculated by deducting the relevant accumulated depreciation and impairment loss from the property's acquisition cost.
2. The fair value was mainly based on real-estate appraisal value which was calculated by external real-estate appraisers.

(Revenue recognition)

1. Information about breakdown of revenue from contracts with customers

Prior fiscal year (From April 1, 2023 to March 31, 2024)

(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.

Current fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments		Total
	Automobile	Sales financing	
Japan	1,835,850	39,852	1,875,702
North America	5,637,966	89,852	5,727,818
of which USA	4,346,813	1,305	4,348,118
Europe	1,605,455	—	1,605,455
Asia	656,388	1,885	658,273
Other overseas countries	1,678,719	4,513	1,683,232
Revenue from contracts with customers	11,414,378	136,102	11,550,480
Revenue from the other sources	23,478	1,059,256	1,082,734
Sales to third parties	11,437,856	1,195,358	12,633,214

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 "1. Consolidated Financial Statements 4. 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

Prior fiscal year (From April 1, 2023 to March 31, 2024)

Receivables from contracts with customers

(Millions of yen)

	Beginning of the prior fiscal year	Ending of the prior 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

(Millions of yen)

	Beginning of the prior fiscal year	Ending of the prior 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 amounts of revenue recognized in the prior fiscal year that were included in the contract liability balances at the beginning of the year are ¥142,586 million.

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

Current fiscal year (From April 1, 2024 to March 31, 2025)

Receivables from contracts with customers

(Millions of yen)

	Beginning of the current fiscal year	Ending of the current fiscal year
Trade notes	62,239	94,189
Accounts receivable	571,298	482,972
	633,537	577,161

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

(Millions of yen)

	Beginning of the current fiscal year	Ending of the current fiscal year
Contract liabilities	321,641	337,961

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 amounts of revenue recognized in the current fiscal year that were included in the contract liability balances at the beginning of the year are ¥152,127 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:

(Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Due within one year	98,264	100,695
Due after one year but within five years	187,314	192,184
Due after five years	9,543	11,408
Total	295,121	304,287

(Segments of an enterprise and related information)

Segment information

1. General information about reportable segments

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

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.

2. Calculation method of net sales, profits or losses, assets and other items by reportable segments
In principle, the accounting method for the reportable segments is the same as basis of preparation for the consolidated financial statements.
The segment profits are based on operating income. Inter-segment sales are based on the price in arms-length transactions. The segment assets are based on total assets.

3. Net sales, profits or losses, assets and other items by reportable segment

Prior fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2024
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	11,582,863	1,102,853	12,685,716	—	12,685,716
Inter-segment sales or transfers	199,653	58,925	258,578	(258,578)	—
Total	11,782,516	1,161,778	12,944,294	(258,578)	12,685,716
Segment profits	221,574	308,718	530,292	38,426	568,718
Segment assets	11,282,240	10,375,882	21,658,122	(1,802,971)	19,855,151
Other items					
Depreciation and amortization expense	353,895	324,058	677,953	—	677,953
Amortization of goodwill	1,242	—	1,242	—	1,242
Interest expense (Cost of sales)	—	279,944	279,944	(59,639)	220,305
Investment amounts to equity method companies	1,304,837	11,304	1,316,141	—	1,316,141
Increase amounts of fixed assets and intangible fixed assets	424,116	1,222,876	1,646,992	—	1,646,992

Note 1: Consolidated financial statements by business segment

- The Sales financing segment for the summarized consolidated balance sheets, summarized consolidated statement of income and summarized consolidated statement of cash flows consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Company LLC (U.S.A.), NR Finance Mexico, S.A. de C.V. (Mexico), Dongfeng Nissan Auto Finance Co., Ltd. (China), 13 other companies and the sales finance operations of Nissan Canada, Inc. (Canada).
- The financial data on Automobile & Eliminations represents the differences between the consolidated figures and those for the Sales financing segment.

(1) Summarized consolidated balance sheets by business segment

(Millions of yen)

Accounts	Prior fiscal year (As of March 31, 2024)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	1,784,547	111,854	1,896,401
Trade notes and accounts receivable, and contract assets	622,019	13,310	635,329
Sales finance receivables	(126,034)	7,544,234	7,418,200
Inventories	2,005,958	49,647	2,055,605
Other current assets	686,951	191,114	878,065
Total current assets	4,973,441	7,910,159	12,883,600
II. Fixed assets			
Property, plant and equipment, net	2,465,396	2,298,114	4,763,510
Investment securities	1,367,521	11,557	1,379,078
Other fixed assets	668,886	155,514	824,400
Total fixed assets	4,501,803	2,465,185	6,966,988
III. Deferred assets			
Bond issuance costs	4,025	538	4,563
Total deferred assets	4,025	538	4,563
Total assets	9,479,269	10,375,882	19,855,151
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	2,177,176	52,034	2,229,210
Short-term borrowings	(1,397,853)	3,799,152	2,401,299
Lease obligations	46,477	307	46,784
Other current liabilities	1,820,013	429,633	2,249,646
Total current liabilities	2,645,813	4,281,126	6,926,939
II. Long-term liabilities			
Bonds	1,460,025	891,191	2,351,216
Long-term borrowings	270,651	2,650,977	2,921,628
Lease obligations	88,997	1,469	90,466
Other long-term liabilities	503,682	590,677	1,094,359
Total long-term liabilities	2,323,355	4,134,314	6,457,669
Total liabilities	4,969,168	8,415,440	13,384,608
Net assets			
I. Shareholders' equity			
Common stock	380,208	225,606	605,814
Capital surplus	646,760	179,391	826,151
Retained earnings	3,322,949	962,559	4,285,508
Treasury stock	(111,377)	—	(111,377)
Total shareholders' equity	4,238,540	1,367,556	5,606,096
II. Accumulated other comprehensive income			
Translation adjustments	29,071	393,812	422,883
Others	(59,465)	12,133	(47,332)
Total accumulated other comprehensive income	(30,394)	405,945	375,551
III. Share subscription rights	304	—	304
IV. Non-controlling interests	301,651	186,941	488,592
Total net assets	4,510,101	1,960,442	6,470,543
Total liabilities and net assets	9,479,269	10,375,882	19,855,151

Notes: 1. The sales finance receivables of Automobile & Eliminations represent the amount eliminated for intercompany transactions related to wholesale finance made by the Sales financing segment.

2. The borrowings of Automobile & Eliminations represent the amount after deducting internal loans receivable from the Sales financing segment amounting to ¥1,559,961 million.

(2) Summarized consolidated statement of income by business segment

(Millions of yen)

Accounts	Prior fiscal year (From April 1, 2023 to March 31, 2024)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	11,523,938	1,161,778	12,685,716
Cost of sales	9,885,975	732,827	10,618,802
Gross profit	1,637,963	428,951	2,066,914
Operating income as a percentage of net sales	2.3%	26.6%	4.5%
Operating income	260,000	308,718	568,718
Financial income / expenses, net	(14,741)	411	(14,330)
Other non-operating income and expenses, net	148,666	(893)	147,773
Ordinary income	393,925	308,236	702,161
Income before income taxes	340,988	258,237	599,225
Net income attributable to owners of parent	256,422	170,227	426,649

(3) Summarized consolidated statements of cash flows by business segment

(Millions of yen)

Accounts	Prior fiscal year (From April 1, 2023 to March 31, 2024)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	340,988	258,237	599,225
Depreciation and amortization	353,895	324,058	677,953
Decrease (increase) in sales finance receivables	11,201	(254,806)	(243,605)
Others	(8,024)	(64,650)	(72,674)
Net cash provided by (used in) operating activities	698,060	262,839	960,899
II. Cash flows from investing activities			
Purchase of investment securities	(47,571)	(493)	(48,064)
Purchase of fixed assets	(363,123)	(5,150)	(368,273)
Proceeds from sales of fixed assets	25,376	11,421	36,797
Purchase of leased vehicles	—	(1,259,505)	(1,259,505)
Proceeds from sales of leased vehicles	—	796,697	796,697
Others	10,290	19,394	29,684
Net cash provided by (used in) investing activities	(375,028)	(437,636)	(812,664)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	24,197	(404,956)	(380,759)
Net change in long-term borrowings and redemption of bonds	(160,674)	363,966	203,292
Proceeds from issuance of bonds	—	311,855	311,855
Purchase of treasury stock	(119,968)	—	(119,968)
Others	(41,748)	(104,223)	(145,971)
Net cash provided by (used in) financing activities	(298,193)	166,642	(131,551)
IV. Effect of exchange rate changes on cash and cash equivalents	89,320	5,815	95,135
V. Increase (decrease) in cash and cash equivalents	114,159	(2,340)	111,819
VI. Cash and cash equivalents at the beginning of the period	1,900,184	114,203	2,014,387
VII. Cash and cash equivalents at the end of the period	2,014,343	111,863	2,126,206

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥29,054 million eliminated for a net increase in internal loans receivable from the Sales financing segment.
2. The net change in long-term borrowings and redemption of bonds of Automobile & Eliminations includes the amount of ¥77,729 million eliminated for a net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

Prior fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	2,002,217	6,881,033	1,562,557	746,684	1,493,225	12,685,716	—	12,685,716
(2) Inter-segment sales	2,945,678	398,239	307,941	861,093	21,408	4,534,359	(4,534,359)	—
Total	4,947,895	7,279,272	1,870,498	1,607,777	1,514,633	17,220,075	(4,534,359)	12,685,716
Operating income (loss)	108,112	334,488	(17,326)	109,206	27,285	561,765	6,953	568,718

Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa and Central & South America excluding Mexico

Current fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2025
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	11,437,856	1,195,358	12,633,214	—	12,633,214
Inter-segment sales or transfers	207,622	66,723	274,345	(274,345)	—
Total	11,645,478	1,262,081	12,907,559	(274,345)	12,633,214
Segment profits (loss)	(267,979)	285,647	17,668	52,130	69,798
Segment assets	10,412,875	10,145,588	20,558,463	(1,534,403)	19,024,060
Other items					
Depreciation and amortization expense	348,680	348,331	697,011	—	697,011
Amortization of goodwill	1,031	—	1,031	—	1,031
Interest expense (Cost of sales)	—	339,299	339,299	(58,145)	281,154
Investment amounts to equity method companies	1,370,228	3,260	1,373,488	—	1,373,488
Increase amounts of fixed assets and intangible fixed assets	580,150	1,337,184	1,917,334	—	1,917,334

Note 1: Consolidated financial statements by business segment

- The Sales financing segment for the summarized consolidated balance sheets, summarized consolidated statement of income and summarized consolidated statement of cash flows consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Company LLC (U.S.A.), NR Finance Mexico, S.A. de C.V. (Mexico), Dongfeng Nissan Auto Finance Co., Ltd. (China), 13 other companies and the sales finance operations of Nissan Canada, Inc. (Canada).

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

(1) Summarized consolidated balance sheets by business segment

(Millions of yen)

Accounts	Current fiscal year (As of March 31, 2025)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	1,924,152	37,361	1,961,513
Trade notes and accounts receivable, and contract assets	567,112	10,765	577,877
Sales finance receivables	(148,020)	7,387,121	7,239,101
Inventories	1,638,128	34,177	1,672,305
Other current assets	698,087	174,584	872,671
Total current assets	4,679,459	7,644,008	12,323,467
II. Fixed assets			
Property, plant and equipment, net	2,047,180	2,284,880	4,332,060
Investment securities	1,425,128	3,513	1,428,641
Other fixed assets	723,921	212,862	936,783
Total fixed assets	4,196,229	2,501,255	6,697,484
III. Deferred assets			
Bond issuance costs	2,784	325	3,109
Total deferred assets	2,784	325	3,109
Total assets	8,878,472	10,145,588	19,024,060
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	2,013,995	56,392	2,070,387
Short-term borrowings	(558,644)	4,174,387	3,615,743
Lease obligations	44,030	370	44,400
Other current liabilities	1,880,922	458,738	2,339,660
Total current liabilities	3,380,303	4,689,887	8,070,190
II. Long-term liabilities			
Bonds	879,160	829,372	1,708,532
Long-term borrowings	228,267	2,433,089	2,661,356
Lease obligations	68,539	1,291	69,830
Other long-term liabilities	598,975	469,829	1,068,804
Total long-term liabilities	1,774,941	3,733,581	5,508,522
Total liabilities	5,155,244	8,423,468	13,578,712
Net assets			
I. Shareholders' equity			
Common stock	380,208	225,606	605,814
Capital surplus	646,365	179,391	825,756
Retained earnings	2,609,462	806,013	3,415,475
Treasury stock	(88,284)	—	(88,284)
Total shareholders' equity	3,547,751	1,211,010	4,758,761
II. Accumulated other comprehensive income			
Translation adjustments	(14,003)	328,410	314,407
Others	(107,979)	(6,945)	(114,924)
Total accumulated other comprehensive income	(121,982)	321,465	199,483
III. Share subscription rights	299	—	299
IV. Non-controlling interests	297,160	189,645	486,805
Total net assets	3,723,228	1,722,120	5,445,348
Total liabilities and net assets	8,878,472	10,145,588	19,024,060

Notes: 1. The sales finance receivables of Automobile & Eliminations represent the amount eliminated for intercompany transactions related to wholesale finance made by the Sales financing segment.
2. The borrowings of Automobile & Eliminations represent the amount after deducting internal loans receivable from the Sales financing segment amounting to ¥1,286,278 million.

(2) Summarized consolidated statement of income by business segment

(Millions of yen)

Accounts	Current fiscal year (From April 1, 2024 to March 31, 2025)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	11,371,133	1,262,081	12,633,214
Cost of sales	10,114,795	825,059	10,939,854
Gross profit	1,256,338	437,022	1,693,360
Operating income as a percentage of net sales	(1.9)%	22.6%	0.6%
Operating income (loss)	(215,849)	285,647	69,798
Financial income / expenses, net	(23,527)	650	(22,877)
Other non-operating income and expenses, net	161,576	1,671	163,247
Ordinary income (loss)	(77,800)	287,968	210,168
Income (loss) before income taxes	(684,135)	270,517	(413,618)
Net income (loss) attributable to owners of parent	(861,200)	190,302	(670,898)

(3) Summarized consolidated statements of cash flows by business segment

(Millions of yen)

Accounts		Current fiscal year (From April 1, 2024 to March 31, 2025)		
		Automobile & Eliminations	Sales financing	Consolidated total
I.	Cash flows from operating activities			
	Income (loss) before income taxes	(684,135)	270,517	(413,618)
	Depreciation and amortization	348,680	348,331	697,011
	Decrease (increase) in sales finance receivables	25,485	(42,126)	(16,641)
	Others	467,426	19,509	486,935
	Net cash provided by (used in) operating activities	157,456	596,231	753,687
II.	Cash flows from investing activities			
	Purchase of investment securities	(19,492)	—	(19,492)
	Purchase of fixed assets	(524,719)	(8,993)	(533,712)
	Proceeds from sales of fixed assets	41,846	4,474	46,320
	Purchase of leased vehicles	—	(1,378,029)	(1,378,029)
	Proceeds from sales of leased vehicles	—	821,177	821,177
	Others	102,093	(9,584)	92,509
	Net cash provided by (used in) investing activities	(400,272)	(570,955)	(971,227)
III.	Cash flows from financing activities			
	Net increase (decrease) in short-term borrowings	121,060	(79,152)	41,908
	Net change in long-term borrowings and redemption of bonds	168,974	163,348	332,322
	Proceeds from issuance of bonds	—	143,068	143,068
	Purchase of treasury stock	(139,350)	—	(139,350)
	Others	214,332	(329,029)	(114,697)
	Net cash provided by (used in) financing activities	365,016	(101,765)	263,251
IV.	Effect of exchange rate changes on cash and cash equivalents	23,237	2,359	25,596
V.	Increase (decrease) in cash and cash equivalents	145,437	(74,130)	71,307
VI.	Cash and cash equivalents at the beginning of the period	2,014,343	111,863	2,126,206
VII.	Cash and cash equivalents at the end of the period	2,159,780	37,733	2,197,513

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥ 167,975 million eliminated for a net decrease in internal loans receivable from the Sales financing segment.
2. The net change in long-term borrowings and redemption of bonds of Automobile & Eliminations includes the amount of ¥91,773 million eliminated for a net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

Current fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	2,018,910	6,805,389	1,499,393	786,135	1,523,387	12,633,214	—	12,633,214
(2) Inter-segment sales	2,839,147	361,508	289,219	861,338	21,277	4,372,489	(4,372,489)	—
Total	4,858,057	7,166,897	1,788,612	1,647,473	1,544,664	17,005,703	(4,372,489)	12,633,214
Operating income (loss)	133,714	(38,318)	(98,770)	57,268	2,463	56,357	13,441	69,798

Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa and Central & South America excluding Mexico

Entity-wide disclosures

Prior fiscal year (From April 1, 2023 to March 31, 2024)

1. Information by product and service
This information is not provided here because it is the same as the information provided under “Segment information.”

2. Information by geographical area
(1) Net sales

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,935,148	6,591,399	5,049,687	1,643,258	818,525	1,697,386	12,685,716

Notes: 1. Regions represent customers’ location.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa and Central & South America excluding Mexico, etc.

(2) Property, plant and equipment

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,692,778	2,751,347	2,082,152	156,175	85,912	77,298	4,763,510

Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa and Central & South America excluding Mexico

3. Information by major customer

This information is not provided because there were no customers that accounted for 10% or more of the net sales to third parties recorded in the consolidated statements of income.

Current fiscal year (From April 1, 2024 to March 31, 2025)

1. Information by product and service

This information is not provided here because it is the same as the information provided under "Segment information."

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,963,534	6,603,571	4,989,337	1,609,054	722,116	1,734,939	12,633,214

Notes: 1. Regions represent customers' location.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa and Central & South America excluding Mexico, etc.

(2) Property, plant and equipment

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,657,271	2,474,729	1,932,540	61,366	91,892	46,802	4,332,060

Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa and Central & South America excluding Mexico

3. Information by major customer

This information is not provided because there were no customers that accounted for 10% or more of the net sales to third parties recorded in the consolidated statements of income.

Information about the impairment loss on fixed assets by reportable segment

Prior fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Impairment loss	58,972	—	58,972	—	58,972

Current fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Impairment loss	491,239	3,696	494,935	—	494,935

Information about the amortization of goodwill and unamortized balance by reportable segment

Prior fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Amortization of goodwill	1,242	—	1,242	—	1,242
Balance at the end of the year	7,018	—	7,018	—	7,018

Current fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Amortization of goodwill	1,031	—	1,031	—	1,031
Balance at the end of the year	6,356	—	6,356	—	6,356

Information about the gain recognized on negative goodwill by reportable segment

Prior fiscal year (From April 1, 2023 to March 31, 2024)

Not applicable.

Current fiscal year (From April 1, 2024 to March 31, 2025)

This information is not provided due to its low materiality.

(Information of related parties)

1. Transactions with related parties

Prior fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

Type	Name	Business	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	Representative Executive Officer, President and Chief Executive Officer	Directly 0.007%	—	Disposition of Treasury Stock as remuneration in kind (*1)	111	—	—
Officer	Stephen Ma	Executive Officer, Chief Financial Officer	Directly 0.005%	—	Disposition of Treasury Stock as remuneration in kind (*1)	46	—	—
Director	Hideyuki Sakamoto	Executive Officer, Executive Vice President	Directly 0.003%	—	Disposition of Treasury Stock as remuneration in kind (*1)	31	—	—
Officer	Kunio Nakaguro	Executive Officer, Executive Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	27	—	—
Officer	Asako Hoshino	Executive Officer, Executive Vice President	Directly 0.003%	—	Disposition of Treasury Stock as remuneration in kind (*1)	27	—	—

Type	Name	Business	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	Jeremie Papin	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	23	—	—
Officer equivalent	Atul Pasricha	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	21	—	—
Officer equivalent	Rakesh Kochhar	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	21	—	—
Officer equivalent	Guillaume Cartier	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	20	—	—
Officer equivalent	Alfonso Albaisa	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	19	—	—
Officer equivalent	Ivan Espinosa	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	19	—	—
Officer equivalent	Leon Dorssers	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	18	—	—
Officer equivalent	Takashi Hata	Senior Vice President	Directly 0.002%	—	Disposition of Treasury Stock as remuneration in kind (*1)	16	—	—
Officer equivalent	Jose Roman	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	14	—	—
Officer equivalent	Junichi Endo	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	14	—	—
Officer equivalent	Joji Tagawa	Senior Vice President	Directly 0.003%	—	Disposition of Treasury Stock as remuneration in kind (*1)	13	—	—
Officer equivalent	Hideaki Watanabe	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	13	—	—
Officer equivalent	Takao Asami	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	12	—	—
Officer equivalent	Noboru Tateishi	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	11	—	—

Type	Name	Business	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	Shohei Yamazaki	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	11	—	—
Officer equivalent	Toshihiro Hirai	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	11	—	—

(*1) The disposition of the treasury stock is performed as remuneration 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.

Current fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

Type (*1)	Name	Business (*1)	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	Representative Executive Officer, President and Chief Executive Officer	Directly 0.009%	—	Disposition of Treasury Stock as remuneration in kind (*2)	107	—	—
Officer	Stephen Ma	Executive Officer, Chief Financial Officer	Directly 0.007%	—	Disposition of Treasury Stock as remuneration in kind (*2)	48	—	—
Director	Hideyuki Sakamoto	Executive Officer, Executive Vice President	Directly 0.004%	—	Disposition of Treasury Stock as remuneration in kind (*2)	28	—	—
Officer	Kunio Nakaguro	Executive Officer, Executive Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*2)	24	—	—
Officer	Asako Hoshino	Executive Officer, Executive Vice President	Directly 0.004%	—	Disposition of Treasury Stock as remuneration in kind (*2)	24	—	—
Officer equivalent	Jeremie Papin	Senior Vice President	Directly 0.002%	—	Disposition of Treasury Stock as remuneration in kind (*2)	27	—	—
Officer equivalent	Guillaume Cartier	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*2)	24	—	—
Officer equivalent	Rakesh Kochhar	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*2)	23	—	—

Type (*1)	Name	Business (*1)	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	Ivan Espinosa	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*2)	22	—	—
Officer equivalent	Alfonso Albaisa	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*2)	21	—	—
Officer equivalent	Leon Dorssers	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*2)	19	—	—
Officer equivalent	Jose Roman	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*2)	16	—	—
Officer equivalent	Takashi Hata	Senior Vice President	Directly 0.002%	—	Disposition of Treasury Stock as remuneration in kind (*2)	15	—	—
Officer equivalent	Junichi Endo	Senior Vice President	Directly 0.002%	—	Disposition of Treasury Stock as remuneration in kind (*2)	13	—	—
Officer equivalent	Takao Asami	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*2)	12	—	—
Officer equivalent	Joji Tagawa	Senior Vice President	Directly 0.004%	—	Disposition of Treasury Stock as remuneration in kind (*2)	11	—	—
Officer equivalent	Hideaki Watanabe	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*2)	11	—	—
Officer equivalent	Shohei Yamazaki	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*2)	11	—	—
Officer equivalent	Toshihiro Hirai	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*2)	11	—	—
Officer equivalent	Hiroki Hasegawa	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*2)	10	—	—

(*1) The Type and the Business are described based on the attribute and the position in the Company at the time the transactions occurred.

(*2) The disposition of the treasury stock is performed as remuneration 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 24, 2024 (one business day before the resolution made by the Board Meeting for the disposition of the treasury stock) on the Tokyo Stock Exchange.

2. Notes on the parent company and significant affiliates Condensed financial information of significant affiliates:

Prior fiscal year (From April 1, 2023 to March 31, 2024)

Combined and condensed financial information (from January 1, 2023 to December 31, 2023) of Renault and Dongfeng Motor Co., Ltd., which are defined as significant affiliates for the current fiscal year, is as follows.

Total current assets	¥15,026,714 million
Total fixed assets	¥6,374,287 million
Total current liabilities	¥13,357,700 million
Total long-term liabilities	¥2,215,988 million
Total net assets	¥5,827,313 million
Net sales	¥9,904,609 million
Income before income taxes	¥443,514 million
Net income	¥336,027 million

Current fiscal year (From April 1, 2024 to March 31, 2025)

Combined and condensed financial information (from January 1, 2024 to December 31, 2024) of Renault and Dongfeng Motor Co., Ltd., which are defined as significant affiliates for the current fiscal year, is as follows.

Total current assets	¥16,302,559 million
Total fixed assets	¥7,171,508 million
Total current liabilities	¥15,169,881 million
Total long-term liabilities	¥2,060,971 million
Total net assets	¥6,243,215 million
Net sales	¥10,982,259 million
Income before income taxes	¥272,565 million
Net income	¥126,861 million

(Amounts per share)

(Yen)

	Prior fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Net assets per share	1,599.28	1,419.78
Basic earnings (loss) per share	110.47	(187.08)
Diluted earnings per share	110.47	—

Notes: 1. The information on “Diluted earnings per share” for the current fiscal year is not presented because a net loss per share was recorded although potential dilutive stock existed.

2. The basis for calculation of the basic earnings (loss) per share and the diluted earnings per share is as follows.

	Prior fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Basic earnings (loss) per share:		
Net income (loss) attributable to owners of parent (Millions of yen)	426,649	(670,898)
Net income (loss) attributable to owners of parent relating to common stock (Millions of yen)	426,649	(670,898)
Average number of shares of common stock during the fiscal year (Thousands of shares)	3,862,122	3,586,245
Diluted earnings per share:		
Increase in shares of common stock (Thousands of shares)	—	—
(Exercise of share subscription rights (Thousands of shares))	—	—
Securities excluded from the computation of diluted earnings per share because they do not have dilutive effects	—	—

3. The basis for calculation of the net assets per share is as follows.

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Total net assets (Millions of yen)	6,470,543	5,445,348
Amounts deducted from total net assets (Millions of yen)	488,896	487,104
(Share subscription rights (Millions of yen))	304	299
(Non-controlling interests (Millions of yen))	488,592	486,805
Net assets attributable to shares of common stock at year end (Millions of yen)	5,981,647	4,958,244
The year-end number of shares of common stock used for the calculation of net assets per share (Thousands of shares)	3,740,203	3,492,272

(Significant subsequent events)

Not applicable.

⑤ Consolidated supplemental schedules

Schedule of bonds payable

Company	Description	Date of Issuance	Balance at the beginning of current fiscal year (Millions of yen)	Balance at the end of current fiscal year (Millions of yen)	Interest rate (%)	Collateral	Maturity
*1	61st unsecured bonds (Note 2)	April 15, 2016	20,000	(20,000) 20,000	0.33	None	March 19, 2026
*1	65th unsecured bonds (Note 2)	July 22, 2020	11,000	(11,000) 11,000	1.90	None	June 20, 2025
*1	EUR denominated bonds (Note 2)	September 17, 2020	244,860 [EUR 1,500,000 thousand]	(121,560) [EUR 750,000 thousand] 243,120 [EUR 1,500,000 thousand]	2.65 – 3.20	None	2026 – 2028
*1	USD denominated bonds (Note 2)	September 17, 2020	984,165 [USD 6,500,000 thousand]	(224,280) [USD 1,500,000 thousand] 971,880 [USD 6,500,000 thousand]	3.52 – 4.81	None	2025 – 2030
*1	66th unsecured bonds (Note 2)	February 6, 2023	140,000	(140,000) 140,000	1.02	None	January 20, 2026
*1	67th unsecured bonds (Note 2)	January 27, 2023	50,000	(50,000) 50,000	1.02	None	January 20, 2026
*1	68th unsecured bonds	January 27, 2023	10,000	10,000	1.45	None	January 20, 2028
*2	Bonds issued by subsidiaries	2021 – 2024	270,000	200,000	0.17 – 1.03	None	2024 – 2029
*3	Bonds issued by subsidiaries (Note 2)	2019 – 2024	678,840 [USD 4,483,458 thousand]	(141,275) [USD 944,857 thousand] 731,677 [USD 4,893,504 thousand]	1.13 – 7.05	None	2024 – 2029
*3	Bonds issued by subsidiaries (Note 2)	September 22, 2021	55,905 [CAD 500,000 thousand]	(52,260) [CAD 500,000 thousand] 52,260 [CAD +500,000 thousand]	2.10	None	September 22, 2025
*3	Bonds issued by subsidiaries (Note 2)	2021 – 2023	125,478 [CNY 6,295,933 thousand]	(10,830) [CNY 499,753 thousand] 49,800 [CNY 2,298,099 thousand]	2.80 – 3.72	None	2024 – 2026
Total (Note 2)		—	2,590,248	(771,205) 2,479,737	—		—

Notes: 1. *1 The Company *2 Domestic consolidated subsidiaries *3 Foreign consolidated subsidiaries

2. The amounts in parentheses presented under “Balance at the end of current fiscal year” represent the amounts scheduled to be redeemed within one year.

3. The redemption schedule of bonds for 5 years subsequent to March 31, 2025 is summarized as follows:

(Millions of yen)

Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
771,205	393,315	578,135	318,474	44,808

Schedule of borrowings

(Millions of yen)

Category	Balance at the beginning of current fiscal year	Balance at the end of current fiscal year	Average interest rate (%)	Maturity
Short-term borrowings	200,407	159,799	4.71	—
Nonrecourse short-term borrowings	636,859	716,305	4.89	—
Current portion of long-term borrowings	453,238	877,351	5.48	—
Current portion of nonrecourse long-term borrowings	768,501	1,004,340	4.66	—
Commercial papers	103,262	86,743	2.07	—
Current portion of lease obligations	46,784	44,400	2.55	—
Long-term borrowings (excluding current portion)	2,191,703	1,634,215	4.70	April 2026 to August 2039
Nonrecourse long-term borrowings (excluding current portion)	729,925	1,027,141	4.83	April 2026 to November 2029
Lease obligations (excluding current portion)	90,466	69,830	4.68	April 2026 to August 2057
Total	5,221,145	5,620,124	—	—

Notes: 1. The average interest rate represents the weighted-average rate applicable to the year-end balance.
2. IFRS 16, "*Leases*" (January 13, 2016) and ASU 2016-02 "*Leases*" (February 25, 2016) have been adopted at foreign subsidiaries and liabilities corresponding to the right-of-use assets which was recognized in line with this adaption were included in Current portion of lease obligations and Lease obligations (excluding current portion) balance.
3. The following table shows the aggregate annual maturities of long-term borrowings (excluding the current portion), nonrecourse long-term borrowings (excluding the current portion) and lease obligations (excluding the current portion) for 5 years subsequent to March 31, 2025.

(Millions of yen)

	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
Long-term borrowings	683,072	557,443	302,139	89,872
Nonrecourse long-term borrowings	658,544	308,678	53,429	6,490
Lease obligations	26,679	15,016	9,524	6,102

Schedule of asset retirement obligations

The schedule of asset retirement obligations is not provided because the amounts of asset retirement obligations at the beginning and the end of the fiscal year ended March 31, 2025 were one hundredth (1%) or less of the amounts of total liabilities and net assets at the beginning and the end of the fiscal year ended March 31, 2025.

(2) Other

Semiannual financial information for the fiscal year ended March 31, 2025

		Current first half year	Current fiscal year
Net sales	(Millions of yen)	5,984,221	12,633,214
Income (loss) before income taxes	(Millions of yen)	90,602	(413,618)
Net income (loss) attributable to owners of parent	(Millions of yen)	19,223	(670,898)
Basic earnings (loss) per share	(Yen)	5.24	(187.08)

Significant lawsuits, etc., relating to operations and other matters

- . 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.

Independent Auditor's Report

The Board of Directors
Nissan Motor Co., Ltd.

The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Nissan Motor Co., Ltd. and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheets as at March 31, 2024 and 2023, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the years then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of judgement of whether impairment loss recognition is necessary for fixed assets of automobile business and measurement of impairment loss	
Description of Key Audit Matter	**Auditor's Response**

The Company records 4,763,510 million yen of "Property, plant and equipment" and 186,469 million yen of "Intangible fixed assets" in the consolidated balance sheet as of March 31, 2024. These include balances from both automobile business and sales finance business, and business-use assets related to automobile business was 2,669,425 million yen as of the current fiscal year end, which accounts for 13.4 % of total assets.
 	
As described in "(Significant accounting estimates) 1. Impairment loss on fixed assets", the Company groups assets based on business segments (automobiles and sales financing) and regional groupings that are based on business interdependencies and consider if there are impairment indicators based on these classifications.
 	
The Company's automobile business faced rising geopolitical tensions, a sharp depreciation of the yen, inflationary effects, and industry market fragmentation resulting from the electrification shift, although there was recovery from semiconductor shortage. As of the current fiscal year end, a portion of the automobile business asset group was considered to have indication of impairment due to recording consecutive operating losses. The Company determined it was necessary to recognize impairment loss for the business-use assets located in India, and the book values of those assets were written down to their recoverable amount and impairment loss of 53,644 million yen was recorded as a special loss. The recoverable amount of the assets was based on value in use, which was calculated by discounting future cash flows using a discount rate based on the weighted average cost of capital which reflects country risk and other factors.
 	
Estimated future cash flows are used to determine recognition and measurement of impairment loss, which is based on the Company's business plan that has been approved by management. Fluctuation in market share conditions, profit margins and market growth rates may significantly impact the estimated future cash flows, therefore, these are considered as key assumptions in the accounting estimate.
 	
A high degree of auditor judgement is required to evaluate the Company's key assumptions used in the estimation of future cash flows as it involves uncertainty and significant management judgement.
 	
If additional recognition of impairment of fixed assets is necessary, it may significantly impact the Company's consolidated financial statements.
 	
As such, we identified "Appropriateness of judgement of whether impairment loss recognition is necessary for fixed assets of automobile business and
	We performed the following primary procedures to address this key audit matter.
	
	- We compared the period of estimated future cash flows against the economical useful lives of primary assets.
	
	- We assessed the consistency between future cash flows and the business plan approved by management.
	
	- We performed a look back analysis on the business plan from prior periods against actual results as a risk assessment procedure of how the Company's estimation process of the business plan impacts the estimated future cash flow.
	
	- In relation to market share conditions, profit margins and market growth rates, which are key assumptions used in the estimated future cash flows, we discussed with management and understood the applied assumptions and performed the following procedures.
	
	  - In relation to market share conditions, we compared them against past results and future sales volume predictions in the business plan which reflect plans of new model launches.
	
	  - In relation to profit margins, we compared them against past results and analyzed the impact due to fluctuation in foreign exchange rates. In relation to fixed costs, we performed a look back analysis on the business plan from prior periods against actual results and performed analysis of the impact to profit margins. In relation to foreign exchange rates, we compared them against available external data including future predictions.
	
	  - In relation to market growth rates, we compared them against actual sales results by region in the automotive market and available external data which include automotive market total demand forecasts.
	
	  - In relation to the estimated future cash flows from the business-use assets located in India, we compared the introduction plan of new models used in the future cash flow projection with agreement with business partners.
	
	- In relation to calculation of value in use of the business-use assets in India, we involved our valuation specialists in the following procedures.
	
	  - We assessed if the methodology applied for the calculation of value in use and discount rate was consistent with the accounting standard requirements.

measurement of impairment loss" as a key audit matter.	- We compared input data used for the calculation of discount rates against relevant available external data. - We performed sensitivity analysis of estimated future cash flows and discount rates to assess the impact on impairment recognition and measurement. - We reperformed the calculation of the Company's estimate.

Valuation of recoverability of deferred tax assets of Nissan Motor Co., Ltd.	
Description of Key Audit Matter	**Auditor's Response**

The Company records 188,411 million yen of "Deferred tax assets" (net after offsetting deferred tax liabilities) in the consolidated balance sheet as of March 31, 2024.
As described in "(Significant accounting estimates) 2. Deferred tax assets", the Company assesses the recoverability of deferred tax assets of future deductible temporary differences and losses carried forward, by taking into account the reversal of future taxable temporary differences and feasible tax planning strategies and by reasonably estimating future taxable income.
The deferred tax assets recorded in the consolidated balance sheet (188,411 million yen) include 296,962 million yen recorded by Nissan Motor Co., Ltd. in the non-consolidated financial statements. As described in "2. Non-Consolidated Financial Statements (For tax-effect accounting)", deferred tax assets balance before offsetting deferred tax liabilities of Nissan Motor Co., Ltd. was 334,360 million yen.
Based on the figures composing the business plan that has been approved by management, the Company estimates the future taxable income of Nissan Motor Co., Ltd. The estimate includes not only domestic sales but sales to overseas subsidiaries and affiliates, and fluctuation in sales volume including exports, profit margins and market growth rates, may significantly impact the estimated future taxable income, therefore, these are considered as key assumptions in the accounting estimate. In addition, the estimated future taxable income is impacted by permanent and temporary differences that are expected to incur in the future.
The Company's key assumptions used in the estimation of future taxable income involves uncertainty and significant management judgement. The assessment of whether the Company's classification of the recoverability of deferred tax assets meets the accounting standard requirements and key assumptions require a high degree of auditor judgement giving consideration to complex tax regulations which impact the Company.
As such, we identified "Valuation of recoverability of deferred tax assets of Nissan Motor Co., Ltd." as a key audit matter.
	We performed the following primary procedures to address this key audit matter.
	Based on the "Guidelines for the Recoverability of Deferred Tax Assets", to assess the company classification, we evaluated the future estimated taxable income with consideration to past trend of taxable income including the impact of Controlled Foreign Company taxation system.
	- We involved tax specialists to assess the balance of temporary tax differences and losses carried forward including timing of utilization.
	- We performed a look back analysis on the business plan from prior periods against actual results as a risk assessment procedure of how the Company's estimation process of the business plan will impact the estimated future taxable income.
	- In relation to sales volume including exports, profit margins and market growth rates, which are key assumptions used in the business plan which is the basis of the estimated future taxable income, we discussed with management and understood the applied assumptions and performed the following procedures.
	  - In relation to sales volume including exports, we compared them against past results and future sales volume predictions in the business plan which reflect plans of new model launches.
	  - In relation to profit margins, we compared them against past results and analyzed the impact due to fluctuation in raw material price and foreign exchange rates. In addition, we performed analysis on how the sales volume would impact profit margins. In relation to foreign exchange rates, we compared them against available external data including future predictions.
	  - In relation to market growth rates, we compared them against actual sales results by region in the automotive market and available external data which include automotive market total demand forecasts.

	- In relation to permanent and temporary differences and others that are expected to incur which were considered when estimating the future taxable income, we discussed with management about the nature, assessed the consistency with supporting documents and compared them against past results. In relation to adjustments made based on information provided by subsidiaries, we involved the component auditors and evaluated the accuracy of the supporting documents. In addition, we involved tax specialists to assess complex tax regulations that have significant impact to the Company's financial statements. - We performed sensitivity analysis of estimated future taxable income in order to assess the impact on recoverability of deferred tax assets. - We reperformed the calculation of the Company's estimate.

Valuation of expense for recalls and other market measures	
Description of Key Audit Matter	**Auditor's Response**
As described in "(Significant accounting estimates) 5. Expenses for market measures such as recalls", the Company records 69,052 million yen of "Service costs" in the consolidated statement of income of the current fiscal year. Automobile manufacturers are responsible for filing any cases of recall and other market measures to authorities and to collect and repair vehicles which do not meet safety and environmental standards due to defect of the company's design and manufacturing process. The Company and its subsidiaries record estimated expense as "Accrued expense" when market measures based on notifications to government authorities are deemed to be necessary, which is apart from warranty costs. A large-scale recall may significantly impact the Company's consolidated financial statements. Estimated market measure expense is composed of number of applicable vehicles in the market, expected implementation rates of market measures, and cost of market measures per unit. Out of these factors, the expected implementation rate of market measures significantly impacts the estimated market measure expense. Therefore, it is considered a key assumption in the accounting estimate. A high degree of auditor judgement is required to evaluate the key assumptions as it involves uncertainty. In addition, in order to completely reflect to the consolidated financial statements any market measure decisions made after fiscal year end, it is necessary to understand the existence of items which need to be accrued and evaluate the impact in a timely manner. As such, we identified the "Valuation of expense for recalls and other market measures" as a key audit matter.	We performed the following primary procedures to address this key audit matter. - We performed a look back analysis on the estimates used in prior periods against actual results as a risk assessment procedure of the market measure estimation process. - We inquired related departments and inspected meeting minutes to assess the completeness of market measure items and to understand the key assumptions included in the estimated expense. - We evaluated the consistency between number of applicable vehicles in the market used in the estimate with available data such as the Company's sales data, documents filed with authorities and published press releases. - In relation to expected implementation rate of market measures which is a key assumption and cost of market measures per unit used in the estimate of market measure expense, we compared them against supporting documents and those of similar cases and past results. - We reperformed the calculation of the Company's estimate. - We considered any market measure decisions made after fiscal year end but before the issuance of consolidated financial statements to evaluate the completeness and accuracy of market measure expense. - We instructed auditors of the main consolidated subsidiaries to perform audit procedures around estimation of market measure expense such as recalls and received reports of the audit results. We evaluated whether adequate audit evidence was obtained.

Other Information

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/ Ernst & Young ShinNihon LLC

Ernst & Young ShinNihon LLC
Tokyo, Japan

June 27, 2024

1. Consolidated Financial Statements

(1) Consolidated financial statements

① Consolidated balance sheets

(Millions of yen)

		Prior fiscal year (As of March 31, 2023)		Current fiscal year (As of March 31, 2024)
Assets				
Current assets				
Cash on hand and in banks		1,798,475		1,896,401
Trade notes and accounts receivable, and contract assets	※7	585,639	※7	635,329
Sales finance receivables	※3, ※6	6,480,605	※3, ※6	7,418,200
Securities		215,912		235,745
Merchandise and finished goods		941,687		1,279,001
Work in process		90,314		100,166
Raw materials and supplies		671,175		676,438
Other	※6	730,629	※6	796,505
Allowance for doubtful accounts		(146,225)		(154,185)
Total current assets		11,368,211		12,883,600
Fixed assets				
Property, plant and equipment				
Buildings and structures, net		625,495		654,425
Machinery, equipment and vehicles, net	※2, ※3	2,619,773	※2, ※3	2,939,857
Land		580,651		583,792
Construction in progress		157,648		247,191
Other, net		385,714		338,245
Total property, plant and equipment	※1	4,369,281	※1	4,763,510
Intangible fixed assets	※4	172,477	※4	186,469
Investments and other assets				
Investment securities	※5	1,176,832	※5	1,379,078
Long-term loans receivable		12,680		12,229
Net defined benefit assets		56,106		145,819
Deferred tax assets		192,191		188,411
Other	※3	252,368	※3	298,897
Allowance for doubtful accounts		(7,314)		(7,425)
Total investments and other assets		1,682,863		2,017,009
Total fixed assets		6,224,621		6,966,988
Deferred assets				
Bond issuance costs		5,749		4,563
Total deferred assets		5,749		4,563
Total assets		17,598,581		19,855,151

(Millions of yen)

		Prior fiscal year (As of March 31, 2023)		Current fiscal year (As of March 31, 2024)
Liabilities				
Current liabilities				
Trade notes and accounts payable		1,912,151		2,229,210
Short-term borrowings	※3	1,101,978	※3	837,266
Current portion of long-term borrowings	※3	1,085,256	※3	1,221,739
Commercial papers		88,000		103,262
Current portion of bonds		556,367		239,032
Lease obligations		50,061		46,784
Accrued expenses		979,369		1,119,093
Accrued warranty costs		99,425		112,678
Other	※7	896,719	※7	1,017,875
Total current liabilities		6,769,326		6,926,939
Long-term liabilities				
Bonds		2,058,096		2,351,216
Long-term borrowings	※3	2,013,251	※3	2,921,628
Lease obligations		86,054		90,466
Deferred tax liabilities		299,256		266,541
Accrued warranty costs		115,544		144,621
Net defined benefit liability		184,851		154,439
Other	※7	457,063	※7	528,758
Total long-term liabilities		5,214,115		6,457,669
Total liabilities		11,983,441		13,384,608
Net assets				
Shareholders' equity				
Common stock		605,814		605,814
Capital surplus		811,209		826,151
Retained earnings		4,047,870		4,285,508
Treasury stock		(136,172)		(111,377)
Total shareholders' equity		5,328,721		5,606,096
Accumulated other comprehensive income				
Unrealized holding gain and loss on securities		2,893		3,500
Unrealized gain and loss from hedging instruments		(3,346)		13,159
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting		(51,079)		(103,135)
Translation adjustments		(111,694)		422,883
Remeasurements of defined benefit plans		(30,846)		39,144
Total accumulated other comprehensive income		(194,072)		375,551
Share subscription rights		273		304
Non-controlling interests		480,218		488,592
Total net assets		5,615,140		6,470,543
Total liabilities and net assets		17,598,581		19,855,151

② Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

	Prior fiscal year (From April 1, 2022 To March 31, 2023)		Current fiscal year (From April 1, 2023 To March 31, 2024)	
Net sales	※1	10,596,695	※1	12,685,716
Cost of sales	※2, ※3	8,882,846	※2, ※3	10,618,802
Gross profit		1,713,849		2,066,914
Selling, general and administrative expenses				
Advertising expenses		283,505		321,758
Service costs		94,364		69,052
Provision for warranty costs		119,269		146,538
Other selling expenses		92,602		156,258
Salaries and wages		436,403		470,606
Retirement benefit expenses		12,247		27,935
Supplies		1,955		2,046
Depreciation and amortization		58,348		63,013
Provision for doubtful accounts		6,023		44,269
Amortization of goodwill		1,320		1,242
Other		230,704		195,479
Total selling, general and administrative expenses	※2	1,336,740	※2	1,498,196
Operating income		377,109		568,718
Non-operating income				
Interest income		39,276		63,516
Dividends income		83		186
Equity in earnings of affiliates		171,275		113,487
Derivative gain		43,392		44,407
Gain on net monetary position		4,159		79,916
Miscellaneous income		22,405		18,429
Total non-operating income		280,590		319,941
Non-operating expenses				
Interest expense		63,045		78,032
Exchange loss		51,948		69,165
Miscellaneous expenses		27,263		39,301
Total non-operating expenses		142,256		186,498
Ordinary income		515,443		702,161

(Millions of yen)

	Prior fiscal year (From April 1, 2022 To March 31, 2023)		Current fiscal year (From April 1, 2023 To March 31, 2024)	
Special gains				
Gain on sales of fixed assets	※4	22,992	※4	16,880
Compensation income		—		9,207
Other		15,873		1,338
Total special gains		38,865		27,425
Special losses				
Loss on sales of fixed assets	※5	5,793	※5	5,342
Loss on disposal of fixed assets		15,115		15,402
Impairment loss	※6	8,615	※6	58,972
Loss related to litigation		—		40,968
Other	※3	122,349		9,677
Total special losses		151,872		130,361
Income before income taxes		402,436		599,225
Income taxes-current		196,619		233,587
Income taxes-deferred		(35,382)		(83,914)
Total income taxes		161,237		149,673
Net income		241,199		449,552
Net income attributable to non-controlling interests		19,299		22,903
Net income attributable to owners of parent		221,900		426,649

Consolidated statements of comprehensive income

(Millions of yen)

	Prior fiscal year (From April 1, 2022 To March 31, 2023)	Current fiscal year (From April 1, 2023 To March 31, 2024)
Net income	241,199	449,552
Other comprehensive income		
Unrealized holding gain and loss on securities	140	(701)
Unrealized gain and loss from hedging instruments	(26,000)	24,436
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(1,479)	(46,890)
Translation adjustments	300,206	459,520
Remeasurements of defined benefit plans	(24,539)	69,445
The amount related to equity method companies	117,310	86,862
Total other comprehensive income	365,638	592,672
Comprehensive income	606,837	1,042,224
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	574,799	996,272
Comprehensive income attributable to non-controlling interests	32,038	45,952

③ Consolidated statements of changes in net assets

Prior fiscal year (From April 1, 2022 to March 31, 2023)

(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	816,472	3,843,479	(138,061)	5,127,704	3,428	17,230
Effects of hyperinflation							
Restated balance	605,814	816,472	3,843,479	(138,061)	5,127,704	3,428	17,230
Changes of items during the period							
Cash dividends paid			(19,573)		(19,573)		
Net income attributable to owners of parent			221,900		221,900		
Purchase of treasury stock				(344)	(344)		
Disposal of treasury stock			(990)	2,233	1,243		
Changes in the scope of consolidation			(5,806)		(5,806)		
Changes in the scope of equity method			8,860		8,860		
Changes in interests by purchase of subsidiaries' shares		(3)			(3)		
Changes in interests by capital injection of subsidiaries		(5,247)			(5,247)		
Changes in affiliated companies' interests in its subsidiaries		(13)			(13)		
Net changes of items other than those in shareholders' equity						(535)	(20,576)
Total changes of items during the period		(5,263)	204,391	1,889	201,017	(535)	(20,576)
Balance at the end of current period	605,814	811,209	4,047,870	(136,172)	5,328,721	2,893	(3,346)

	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	(38,109)	(512,770)	(16,882)	(547,103)	—	448,983	5,029,584
Effects of hyperinflation	(13,090)	13,222		132			132
Restated balance	(51,199)	(499,548)	(16,882)	(546,971)	—	448,983	5,029,716
Changes of items during the period							
Cash dividends paid							(19,573)
Net income attributable to owners of parent							221,900
Purchase of treasury stock							(344)
Disposal of treasury stock							1,243
Changes in the scope of consolidation							(5,806)
Changes in the scope of equity method							8,860
Changes in interests by purchase of subsidiaries' shares							(3)
Changes in interests by capital injection of subsidiaries							(5,247)
Changes in affiliated companies' interests in its subsidiaries							(13)
Net changes of items other than those in shareholders' equity	120	387,854	(13,964)	352,899	273	31,235	384,407
Total changes of items during the period	120	387,854	(13,964)	352,899	273	31,235	585,424
Balance at the end of current period	(51,079)	(111,694)	(30,846)	(194,072)	273	480,218	5,615,140

Current fiscal year (From April 1, 2023 to March 31, 2024)

(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

④ Consolidated statements of cash flows

(Millions of yen)

	Prior fiscal year (From April 1, 2022 To March 31, 2023)	Current fiscal year (From April 1, 2023 To March 31, 2024)
Cash flows from operating activities		
Income before income taxes	402,436	599,225
Depreciation and amortization (for fixed assets excluding leased vehicles)	335,242	351,684
Depreciation and amortization (for long term prepaid expenses)	41,194	38,957
Depreciation and amortization (for leased vehicles)	317,304	287,312
Impairment loss	8,615	58,972
Increase (decrease) in allowance for doubtful accounts	9,905	(6,474)
Provision for residual value risk of leased vehicles (net changes)	(43,549)	(17,014)
Interest and dividends income	(39,359)	(63,702)
Interest expense	206,281	298,338
Equity in losses (earnings) of affiliates	(171,275)	(113,487)
Loss (gain) on sales of fixed assets	(17,199)	(11,538)
Loss on disposal of fixed assets	15,115	15,402
Loss (gain) on sales of shares of subsidiaries and affiliates	45,569	—
Decrease (increase) in trade notes and accounts receivable, and contract assets	(167,742)	(28,903)
Decrease (increase) in sales finance receivables	221,475	(243,605)
Decrease (increase) in inventories	(196,712)	(112,150)
Increase (decrease) in trade notes and accounts payable	543,424	280,483
Retirement benefit expenses	(15,631)	(686)
Payments related to net defined benefit assets and liabilities	(41,190)	(19,545)
Other	(77,370)	30,083
Subtotal	1,376,533	1,343,352
Interest and dividends received	32,902	60,234
Proceeds from dividends income from affiliates accounted for by equity method	163,385	69,492
Interest paid	(198,208)	(285,054)
Income taxes paid	(153,561)	(227,125)
Net cash provided by (used in) operating activities	1,221,051	960,899
Cash flows from investing activities		
Net decrease (increase) in short-term investments	2,209	(2,352)
Purchase of fixed assets	(322,725)	(368,273)
Proceeds from sales of fixed assets	33,968	36,797
Purchase of leased vehicles	(810,777)	(1,259,505)
Proceeds from sales of leased vehicles	679,146	796,697
Payments of long-term loans receivable	(1,533)	(85)
Collection of long-term loans receivable	3,083	22,981
Purchase of investment securities	(1,849)	(48,064)
Proceeds from sales of investment securities	310	8
Purchase of shares of subsidiaries resulting in changes in the scope of consolidation	(9,730)	—
Payments for sales of subsidiaries' shares resulting in changes in the scope of consolidation	(30,842)	—
Net decrease (increase) in restricted cash	(20,256)	(1,199)
Proceeds from sales of businesses	5,273	6,912
Other	26,682	3,419
Net cash provided by (used in) investing activities	(447,041)	(812,664)

(Millions of yen)

	Prior fiscal year (From April 1, 2022 To March 31, 2023)		Current fiscal year (From April 1, 2023 To March 31, 2024)	
Cash flows from financing activities				
Net increase (decrease) in short-term borrowings		(149,413)		(380,759)
Proceeds from long-term borrowings		1,364,681		2,102,278
Proceeds from issuance of bonds		199,168		311,855
Repayments of long-term borrowings		(1,471,738)		(1,411,497)
Redemption of bonds		(526,076)		(487,489)
Proceeds from non-controlling shareholders		1,650		—
Purchase of treasury stock		(1)		(119,968)
Purchase of treasury shares of subsidiaries		(5,529)		—
Repayments of lease obligations		(55,315)		(53,271)
Cash dividends paid		(19,573)		(58,760)
Cash dividends paid to non-controlling interests		(8,457)		(58,460)
Payments from changes in ownership interests in subsidiaries that do not result in change in the scope of consolidation		(4)		—
Proceeds from changes in ownership interests in subsidiaries that do not result in change in the scope of consolidation		—		24,520
Net cash provided by (used in) financing activities		(670,607)		(131,551)
Effects of exchange rate changes on cash and cash equivalents		112,435		95,135
Increase (decrease) in cash and cash equivalents		215,838		111,819
Cash and cash equivalents at the beginning of the period		1,792,692		2,014,387
Increase due to inclusion in consolidation		5,857		—
Cash and cash equivalents at the end of the period	※1	2,014,387	※1	2,126,206

[Notes to Consolidated Financial Statements]

(Basis of consolidated financial statements)

The consolidated financial statements of the Company are prepared in accordance with generally accepted accounting principles in Japan and the Ministry of Finance Ordinance No. 28, 1976 "Regulations Concerning the Terminology, Forms and Preparation Methods of Consolidated Financial Statements" (hereinafter the "Regulations for Consolidated Financial Statements").

1. Scope of consolidation

(1) Number of consolidated group companies: 233

- Domestic companies: 95
- Foreign companies: 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

Nissan Global Management S.A. has been newly established and included in the scope of consolidation. From among those that were consolidated subsidiaries in the prior fiscal year, e.DAMS S.A. and 5 other companies have been excluded from the scope of consolidation due to liquidation, and Fukuoka Nissan Motor Co., Ltd. has been excluded from the scope of consolidation as it has been absorbed and dissolved.

(2) Number of subsidiaries not accounted for by the full consolidation method: 3

- Domestic companies: 1
  NC Service Co., Ltd.
- Foreign companies: 2
  Nissan Manufacturing Tanger Mediterranean and one other

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. Equity method

(1) Number of companies accounted for by the equity method: 39

- Affiliates: 39 (23 domestic and 16 foreign companies)
  Renault S.A., Dongfeng Motor Co., Ltd., Mitsubishi Motors Corporation, Nissan Tokyo Sales Holdings Co., Ltd. and others

Rose Kiln Retail Ltd., which was an unconsolidated company accounted for by the equity method in the prior fiscal year, has been excluded from the scope of the equity method due to liquidation.

(2) Number of companies not accounted for by the equity method: 6

- Unconsolidated subsidiaries: 3
  Nissan Manufacturing Tanger Mediterranean and others
- Affiliates: 3
  Sun Co., Ltd. and others

The impact of these companies is not significant on the consolidated net income or loss, consolidated retained earnings and others.

(3) For these companies accounted for by the equity method whose fiscal year end differs from the consolidated fiscal year end, the financial statements of their respective fiscal years are used as the basis of the consolidated financial statements.

3. Accounting period of consolidated subsidiaries

(1) The following consolidated group companies close their books of account at:

January 31:

Yokohama Marinos Ltd.

September 30:

Nissan Formula E Team S.A.S.

December 31:

Nissan Mexicana, S.A. de C. V.
Nissan Exports De Mexico, S. de R.L. de C.V.
NR Finance Mexico, S.A. de C.V.
NR Finance Services, S.A. de C.V.
Anzen Agente de Seguros, S.A. de C.V.
Nissan Do Brasil Automoveis Ltda.
Nissan Argentina S.A.
Nissan Argentina Plan S.A. de Ahorro Para Fines Determinados
Nissan Chile SpA.
Nissan-Tanner Financial Services SpA.
Nissan-Tanner Financial Services Retail SpA.
Nissan-Tanner Financial Services Wholesale SpA.
Nissan Peru S.A.C.
Aprite (GB) Ltd.
Nissan Motor Ukraine LLC
Yulon Nissan Motor Co., Ltd.
Yi-Jan Overseas Investment Co., Ltd.
Jetford Inc.
Nissan (China) Investment Co., Ltd.
Dongfeng Nissan Auto Finance Co., Ltd.
Dongfeng Nissan Financial Leasing Co., Ltd.
Wuhan Dongfeng Insurance Broker Co., Ltd.
Wuhan Dongfeng Xinda Economic Information Consulting Co., Ltd.
Nissan Shanghai Co., Ltd.
Jatco Mexico S.A. de C.V.
Jatco (Guangzhou) Automatic Transmission Ltd.
Jatco (Suzhou) Automatic Transmission Ltd.
Nissan Guangzhou Co., Ltd.
Nissan Trading China Co., Ltd.
Nissan (Shanghai) Automotive Design Co., Ltd.
Nissan Mobility Service Co., Ltd.
Jatco USA, Inc.
Jatco Korea Engineering Corporation
Jatco France S.A.S.
Jatco Korea Service Corporation
Nissan Trading Do Brasil Produtos Automotivos Ltda.
VINZ 2022 Retail Auto Mortgage Loan Securitization Trust (Phase 1)
VINZ 2022 Retail Auto Mortgage Loan Securitization Trust (Phase 2)

(2) Of these 40 companies, 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, 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.

4. Significant accounting policies

(1) Valuation methods for assets

① Securities

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. Cost 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 accounting based on the latest available financial statements of the partnerships.

② Derivative financial instruments

Derivative financial instruments are stated 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 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

① Allowance for doubtful accounts

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

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.

(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 and affiliates 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

① Foreign Currency Transactions

Monetary assets and liabilities denominated in currencies other than the functional currency are remeasured into their respective functional currencies at exchange rates in effect at the balance sheet date. The resulting translation differences are recognized as Exchange gain or loss.

② Translation of Foreign Currency Financial Statements

The Company’s reporting currency is the Japanese yen and the functional currency of the majority of the Company’s foreign subsidiaries is their local currency. As such, amounts included in the consolidated statements of income, comprehensive income, cash flows, and changes in equity are translated using average exchange rates during each period. However, income and expenses of subsidiaries in hyperinflationary economies are translated at period-end exchange rates in accordance with the application of hyperinflationary accounting.

Assets and liabilities are translated at period-end exchange rates and resulting foreign currency translation adjustments are recorded in the consolidated balance sheets as a component of Accumulated other comprehensive income.

(7) Hedge accounting method

① Hedge accounting method

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

If it 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 swaps, 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.

② Hedging instruments and hedged items

· Hedging instruments.....Derivative transactions

· Hedged items.....Mainly receivables and payables denominated in foreign currencies and others

③ Hedging 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.

④ Assessment 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 the same as those of the 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) Cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents consist of cash on hand, cash in banks which can be withdrawn at any time and short-term investments with a maturity of three months or less when purchased which can easily be converted to cash and are subject to little risk of change in value.

(10) 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.

(Significant accounting estimates)

1. Impairment loss on fixed assets

(1) Amount recorded in the consolidated financial statements for the current fiscal year

The amount of impairment loss recorded in the consolidated statement of income for the current fiscal year is stated in the notes (For consolidated statement of Income) 6 ※6 Impairment loss.

(2) Details of significant accounting estimates related to the identified items

After grouping fixed assets based on business segments (automobiles and sales financing) and regional groupings that are based on business interdependencies, the Group determines whether there is any indication of impairment on business-use assets, and determines and measures the recognition of impairment losses. The Group reasonably estimates future cash flows and net realizable value in determining 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. Based on the business plan that takes into account an aggressive introduction of new models and promotion of electrification as well as geographical risks, and surging logistics costs, 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 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 India and on idle and other assets, respectively.

If market trends, the 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, net realizable value, or discount rate, then business-use assets may be newly impaired.

2. Deferred tax assets

(1) Amount recorded in the consolidated financial statements for the current fiscal year (Ending balance)

The net amount of deferred tax assets in the consolidated balance sheet of the current fiscal year is ¥188,411 million. The amounts of deferred tax assets and valuation allowances before offsetting are stated in the notes (For tax-effect accounting).

(2) Details of significant accounting estimates related to the identified items

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 of the Company is ¥296,962 million. The Company evaluates the recoverability of deferred tax assets based on a reasonable estimate of future taxable income based on the Company's business plan. Additionally, in the current fiscal year, the Company reassessed the classification for determining the recoverability of deferred tax assets in accordance with "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26, February 16, 2018), and details are stated in the notes (For tax-effect accounting).

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 the valuation of deferred tax assets.

3. Allowance for doubtful accounts

(1) Amount recorded in the consolidated financial statements for the current fiscal year (Ending balance)

The allowance for doubtful accounts of the sales finance business in the consolidated balance sheet of the current fiscal year is ¥135,722 million. The allowance for doubtful accounts of Nissan Motor Acceptance Company LLC, which complies with Financial Accounting Standards Board (FASB) ASC 326, is ¥79,906 million.

(2) Details of significant accounting estimates related to the identified items

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 them into 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.

4. Provision for residual value risk of leased vehicles

(1) Amount recorded in the consolidated financial statements for the current fiscal year (Ending balance)

Provision for loss on residual value of leased vehicles recorded in the machinery and equipment (net amount) in the balance sheet of the current fiscal year is ¥113,573 million. The book value of assets under lease contracts (lessor) is shown in the notes (For consolidated balance sheets) 2 ※2.

(2) Details of significant accounting estimates related to the identified items

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.

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 prices fall and impairment indicators exist and their recoverable amount is less than book value.

5. Expenses for market measures such as recalls

(1) Amount recorded in the consolidated financial statements for the current fiscal year

Service cost recorded in the consolidated statement of income for the current fiscal year is ¥69,052 million.

(2) Details of significant accounting estimates related to the identified items

The amount of estimated expenses for market measures, such as recalls, 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 models on the markets, the expected implementation rates of market measures, the cost of market measures and other costs per unit. The expected implementation rates of market measures are estimated based on historical results by sales region, brand, and age of product portfolio.

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 an unexpected increase or decrease in the number of market measures.

(Changes in presentation)

1. 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 presented as a separate account in the current fiscal year due to its increased financial materiality.

To reflect this change, ¥4,159 million in "Miscellaneous income" under "Non-operating income" in the prior fiscal year has been reclassified into "Gain on net monetary position" in the consolidated statement of income for the prior fiscal year provided herein.

"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.

To reflect this change, ¥21,151 million of "Compensation for suppliers and others" under "Special losses" in the prior fiscal year has been reclassified into "Other" in the consolidated statement of income for the prior fiscal year provided herein.

(Additional information)

Current fiscal year (From April 1, 2023 To March 31, 2024)

(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.

Prior fiscal year (From April 1, 2022 To March 31, 2023)

(Exit from the Russian market)

The Company decided to transfer all shares of Nissan Manufacturing RUS, Limited Liability Company to the Central Research and Development Automobile Engine Institute and exit from the Russian market in October 2022, and the transfer was completed in November 2022.

In the prior fiscal year, the Company recorded expenses of ¥120.0 billion related to said transfer under "Special losses," such as "Loss on sales of shares of subsidiaries and affiliates," "Loss on transfer of receivables," "Compensation for suppliers and others," and "Other." In the consolidated statement of income, for the prior fiscal year, these amounts are presented in "Other," under "Special losses."

(For consolidated balance sheets)

1 ※1 Accumulated depreciation of property, plant and equipment

(Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Accumulated depreciation of property, plant and equipment	6,129,595	6,459,541
(Accumulated depreciation of leased assets included)	126,423	148,534

2 ※2 "Machinery, equipment and vehicles, net" includes the following assets leased to others under lease agreements.

(Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Assets leased to others under lease agreements (lessor)	1,981,554	2,269,347

3 ※3 Assets pledged as collateral and liabilities secured by the collateral

(1) Assets pledged as collateral

(Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Sales finance receivables	2,376,984	2,530,298
	(2,376,984)	(2,530,298)
Machinery, equipment and vehicles, net	771,166	1,206,548
	(771,166)	(1,206,548)
	156	174
Other in Investments and other assets	(156)	(174)
Total	3,148,306	3,737,020

(2) Liabilities secured by the above collateral

(Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Short-term borrowings	841,692	636,859
	(841,692)	(636,859)
Long-term borrowings	1,131,273	1,498,427
(including the current portion)	(1,131,273)	(1,498,427)
Total	1,972,965	2,135,286

The above figures in parentheses represent the values of assets pledged as collateral and liabilities secured by the collateral that correspond to nonrecourse debts.

4 Guarantees and others

Prior fiscal year (As of March 31, 2023)
Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	(*1) 12,466	Guarantees for employees' housing loans and others
1 foreign rental car company	(*2) 525	Guarantees for loans and others
Total	12,991	

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

(*2) The guarantee balance of ¥525 million is the guarantees made by a foreign subsidiary to a financial institution that financed vehicles sold to a foreign rental car company. If the foreign rental car company defaults on its obligations, the foreign subsidiary needs to compensate the financial institution for the contractual repurchase price and take possession of the vehicles. The amount stated does not consider monetary amounts the foreign subsidiary could potentially recover from subsequently selling the repossessed vehicles.

Current fiscal year (As of March 31, 2024)
Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	(*1) 9,797	Guarantees for employees' housing loans and others
1 foreign rental car company	(*2) 341	Guarantees for loans and others
Total	10,138	

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

(*2) The guarantee balance of ¥341 million is the guarantees made by a foreign subsidiary to a financial institution that financed vehicles sold to a foreign rental car company. If the foreign rental car company defaults on its obligations, the foreign subsidiary needs to compensate the financial institution for the contractual repurchase price and take possession of the vehicles. The amount stated does not consider monetary amounts the foreign subsidiary could potentially recover from subsequently selling the repossessed vehicles.

5 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.

6 ※4 "Intangible fixed assets" include goodwill. (Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Goodwill	8,260	7,018

7 ※5 Investments in unconsolidated subsidiaries and affiliates (Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Investments in stock of unconsolidated subsidiaries and affiliates	1,145,497	1,316,754
(Investments in stock of joint ventures included)	566,418	580,368

8 ※6 “Sales finance receivables” and “Other current assets” include lease receivables and lease investment assets.

(Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Lease receivables	26,788	32,513
Lease investment assets	165,360	222,612

9 The amount of unused balances of overdrafts and loan commitment agreements entered into by consolidated subsidiaries are as follows.

(Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Total credit lines of overdrafts and loans	324,961	539,338
Loans receivable outstanding	162,348	296,427
Unused credit lines	162,613	242,911

Since many of these facilities expire without being utilized and the related borrowings are sometimes subject to a review of the borrowers’ credibility, any unused amount will not necessarily be utilized at the full amount.

10 ※7 Receivables from contracts with customers, contract assets, and contract liabilities arising are not separately presented.

For details, please refer to “Notes to Consolidated Financial Statements (Revenue recognition), 3. Information to understand the amount of revenue in the current and subsequent fiscal years (1) Contract assets and contract liabilities” in the consolidated financial statements.

(For consolidated statement of income)

1 ※1 Revenue from contracts with customers

With regard to net sales, revenue from contracts with customers and revenue from the other sources are not separately presented. For details, please refer to “Notes to Consolidated Financial Statements (Revenue recognition), 1. Information about breakdown of revenue from contracts with customers” in the consolidated financial statements.

2 ※2 Total research and development costs

(Millions of yen)

	Prior fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Research and development costs included in manufacturing costs and selling, general and administrative expenses	522,221	609,927

3 ※3 The ending inventory balance represents amounts after write-down of book value when carrying amounts become unrecoverable, and the write-down amounts (after offsetting the reversal of the prior fiscal year’s write-down) are as follows.

(Millions of yen)

	Prior fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Cost of sales	198	23,163
Special losses (Other)	9,744	—

4 ※4 Gain on sales of fixed assets

Prior fiscal year (From April 1, 2022 to March 31, 2023)

Gain on sales of fixed assets primarily consisted of a gain on sale of machinery, equipment and vehicles of ¥22,111 million.

Current fiscal year (From April 1, 2023 to March 31, 2024)

Gain on sales of fixed assets primarily consisted of a gain on sale of machinery, equipment and vehicles of ¥15,079 million.

5 ※5 Loss on sales of fixed assets

Prior fiscal year (From April 1, 2022 to March 31, 2023)

Loss on sales of fixed assets primarily consisted of a loss on sale of land of ¥4,107 million and a loss on sale of machinery, equipment and vehicles of ¥1,157 million.

Current fiscal year (From April 1, 2023 to March 31, 2024)

Loss on sales of fixed assets primarily consisted of a loss on sale of machinery, equipment and vehicles of ¥4,723 million.

6 ※6 Impairment loss

Prior fiscal year (From April 1, 2022 to March 31, 2023)

The following loss on impairment of fixed assets was recorded.

Usage	Type	Location	Amount (Millions of yen)
Idle assets	Machinery, equipment and vehicles, Construction in progress and others	Japan, North America, Europe, Asia (10 locations total)	6,980
Assets to be sold	Land and Buildings and structures	Japan (2 locations total)	152
Assets to be disposed of	Buildings and structures and others	Japan (14 locations total)	1,483

The Group bases its grouping for assessing the impairment loss on fixed assets both on its business segments (automobiles and sales financing) and on the regional classifications that are complementary with each other. The Group determines whether an asset is impaired on an individual asset basis if the asset is considered idle or if it is to be disposed of.

The Company and some of its consolidated subsidiaries have recognized an impairment loss on idle assets and assets to be disposed of by reducing their net book value to the respective recoverable value of each asset. Such loss amounted to ¥8,615 million and has been recorded as special losses in the accompanying consolidated statement of income. This impairment loss consisted of losses of ¥6,980 million on idle assets (machinery, equipment and vehicles of ¥3,793 million, construction in progress of ¥2,127 million, and others of ¥1,060 million), and losses of ¥152 million on assets to be sold (land of ¥141 million, and buildings and structures of ¥11 million), and losses of ¥1,483 million on assets to be disposed of (buildings and structures of ¥1,217 million, and others of ¥266 million).
The recoverable value of these assets was measured primarily at net realizable value. Idle assets and assets to be disposed of were evaluated based on the appraisal value calculated in accordance with real estate appraisal standards, etc., and those that were difficult to convert to other uses or sell were assessed at zero. Assets to be sold were evaluated based on sales contracts.

Current fiscal year (From April 1, 2023 to March 31, 2024)

The Group assesses fixed asset impairment losses based on its business segments (automobiles and sales financing) and regional groupings that are based on business interdependencies. In the current fiscal year, the groupings were partially revised based on the change in the governance structure and the current inter-regional relationships.
As a result of current fiscal year impairment testing for asset groups where there were impairment indicators like continuous operating losses, the book value of automobile segment business assets were written down to their recoverable amount and an impairment loss of ¥53,644 million was recorded as a special loss. The recoverable amount of the asset group was based on value in use, which was calculated by discounting future cash flows at a discount rate of 15%.

Usage	Type	Location	Amount (Millions of yen)
Business-use assets	Buildings and structures, machinery, equipment and vehicles and others	Asia	53,644

The Group determines whether an individual asset is impaired if the asset is considered idle or if it is to be disposed of. Impairment losses were recognized on the following assets.

Usage	Type	Location	Amount (Millions of yen)
Idle assets	Machinery, equipment and vehicles, Construction in progress and others	Japan, Europe, Asia (15 locations total)	3,884
Assets to be disposed of	Land, Buildings and structures and others	Japan (14 locations total)	1,444

The Company and some of its consolidated subsidiaries recognized an impairment loss on idle assets and assets to be disposed of by reducing their net book value to the asset's respective recoverable value of each asset. These losses amounted to ¥5,328 million and were recorded as special losses in the accompanying consolidated statement of income. These impairment losses consisted of losses of ¥3,884 million on idle assets (machinery, equipment and vehicles of ¥3,015 million, construction in progress of ¥475 million, and others of ¥394 million), and losses of ¥1,444 million on assets to be disposed of (land of ¥1,050 million, buildings and structures of ¥238 million, and others of ¥156 million).

The recoverable value of these assets was measured primarily at net realizable value. Idle assets and assets to be disposed of were evaluated based on appraisal values calculated in accordance with real estate appraisal standards, while those that were difficult to convert to other uses or sell were assessed at zero.

(For consolidated statements of comprehensive income)

※1 Reclassification adjustments and tax effects concerning other comprehensive income

(Millions of yen)

	Prior fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Unrealized holding gain and loss on securities:		
Amount arising during the period	174	(752)
Reclassification adjustments for gains and losses realized in net income	—	—
Before tax-effect adjustment	174	(752)
Amount of tax effects	(34)	51
Unrealized holding gain and loss on securities	140	(701)
Unrealized gain and loss from hedging instruments:		
Amount arising during the period	(135,149)	(69,774)
Reclassification adjustments for gains and losses realized in net income	96,928	103,115
Adjustments of acquisition cost for assets	519	984
Before tax-effect adjustment	(37,702)	34,325
Amount of tax effects	11,702	(9,889)
Unrealized gain and loss from hedging instruments	(26,000)	24,436
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting:		
Amount arising during the period	(1,479)	(46,890)
Reclassification adjustments for gains and losses realized in net income	—	—
Before tax-effect adjustment	(1,479)	(46,890)
Amount of tax effects	—	—
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(1,479)	(46,890)
Translation adjustments:		
Amount arising during the period	254,370	459,782
Reclassification adjustments for gains and losses realized in net income	45,836	(262)
Before tax-effect adjustment	300,206	459,520
Amount of tax effects	—	—
Translation adjustments	300,206	459,520
Remeasurements of defined benefit plans:		
Amount arising during the period	(34,821)	110,933
Reclassification adjustments for gains and losses realized in net income	(14,304)	(9,916)
Before tax-effect adjustment	(49,125)	101,017
Amount of tax effects	24,586	(31,572)
Remeasurements of defined benefit plans	(24,539)	69,445
The amount related to equity method companies		
Amount arising during the period	113,203	86,174
Reclassification adjustments for gains and losses realized in net income	4,107	688
Before tax-effect adjustment	117,310	86,862
Amount of tax effects	—	—
The amount related to equity method companies	117,310	86,862
Total other comprehensive income	365,638	592,672

(For consolidated statement of changes in net assets)

Prior fiscal year (From April 1, 2022 to March 31, 2023)

1. Shares issued and outstanding / Treasury stock

(Thousands of shares)

Type of shares	At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year
Shares issued: Common stock	4,220,715	—	—	4,220,715
Treasury stock: Common stock (Notes)	306,252	3	(2,896)	303,359

Notes: 1. Details of the increase are as follows: (Thousands of shares)

Increase in stocks held by affiliates accounted for by the equity method	0
Increase due to purchase of stocks of less than a standard unit	3

2. Details of the decrease are as follows:

Decrease due to disposal of treasury stock under the Restricted Stock Unit (RSU) program	2,144
Decrease in stocks held by affiliates accounted for by the equity method	752

2. Share subscription rights

Company	Description	Type of shares to be issued	Number of shares to be issued (Thousands)				Balance at the end of current fiscal year (Millions of yen)
			At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year	
Parent company	—	—	—				—
Consolidated subsidiaries	Subscription rights as stock options	—	—				273
Total			—				273

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Annual general meeting of the shareholders on June 28, 2022	Common stock	19,573	5	March 31, 2022	June 29, 2022

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

(2) Dividends, for which the record date was in the year ended March 31, 2023 and the effective date of which is in the year ending March 31, 2024

Resolution	Type of shares	Total dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Annual general meeting of the shareholders on June 27, 2023	Common stock	39,174	Retained earnings	10	March 31, 2023	June 28, 2023

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

Current fiscal year (From April 1, 2023 to March 31, 2024)

1. Shares issued and outstanding / Treasury stock

(Thousands of shares)

Type of shares	At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year
Shares issued: Common stock (Notes 1)	4,220,715	—	(211,000)	4,009,715
Treasury stock: Common stock (Notes 2)	303,359	212,583	(246,430)	269,512

Notes: 1. Details of the decrease are as follows: (Thousands of shares)

Decrease due to cancellation of treasury stock 211,000

2. Details of the increase are as follows:

Increase due to purchase of treasury stock 211,000

Increase in stocks held by affiliates accounted for by the equity method 1,579

Increase due to purchase of stocks of less than a standard unit 4

Details of the decrease are as follows:

Decrease due to cancellation of treasury stock 211,000

Decrease due to disposal of treasury stock under the Restricted Stock Unit (RSU) program 3,166

Decrease in stocks held by affiliates accounted for by the equity method 32,264

2. Share subscription rights

Company	Description	Type of shares to be issued	Number of shares to be issued (Thousands)				Balance at the end of current fiscal year (Millions of yen)
			At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year	
Parent company	—	—	—				—
Consolidated subsidiaries	Subscription rights as stock options	—	—				304
Total			—				304

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (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, for 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, 2025

Resolution	Type of shares	Total dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Annual general meeting of the shareholders on June 25, 2024	Common stock	56,104	Retained earnings	15	March 31, 2024	June 26, 2024

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

(For consolidated statements of cash flows)

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

(Millions of yen)

	Prior fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Cash on hand and in banks	1,798,475	1,896,401
Time deposits with maturities of more than three months	—	(200)
Cash equivalents included in securities (*)	215,912	230,005
Cash and cash equivalents	2,014,387	2,126,206

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

(For lease transactions)

1. Finance lease transactions

(Lessees)

(1) Leased assets

Leased assets primarily consist of dies and buildings.

(2) Depreciation method for leased assets

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.

(Lessors)

(1) Breakdown of lease investment assets

(Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Lease income receivable	178,198	237,174
Estimated residual value	2,415	2,262
Interest income equivalent	(15,253)	(16,824)
Lease investment assets	165,360	222,612

(2) Expected amounts of collection from lease income receivable concerning lease receivables and lease investment assets after the balance sheet date

Prior fiscal year (As of March 31, 2023)

(Millions of yen)

	Lease receivables	Lease investment assets
Due within one year	18,035	96,786
Due after one year but within two years	7,272	47,243
Due after two years but within three years	324	21,416
Due after three years but within four years	166	8,631
Due after four years but within five years	72	3,750
Due after five years	56	372

Current fiscal year (As of March 31, 2024)

(Millions of yen)

	Lease receivables	Lease investment assets
Due within one year	21,958	136,865
Due after one year but within two years	8,753	66,120
Due after two years but within three years	385	18,338
Due after three years but within four years	219	10,497
Due after four years but within five years	105	4,876
Due after five years	74	478

2. Operating lease transactions

(Lessees)

Future minimum lease payments subsequent to March 31, 2023 and March 31, 2024 are summarized as follows.

(Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Due in one year or less	1,438	1,363
Due after one year	7,590	7,965
Total	9,028	9,328

Note: At foreign subsidiaries, IFRS 16, "*Leases*" (January 13, 2016) and ASU 2016-02 "*Leases*" (February 25, 2016) have been adopted. The operating leases of these foreign subsidiaries are not included in amounts of above table.

(Lessors)

Future minimum lease income subsequent to March 31, 2023 and March 31, 2024 is summarized as follows.

(Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Due in one year or less	344,753	369,403
Due after one year	285,328	266,857
Total	630,081	636,260

(For financial instruments)

1. Financial Instruments

(1) Policies on 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 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) Description of financial instruments and related risks

① Trade notes and accounts receivable

The Group holds trade notes and accounts receivable as consideration for sales of products and collects such receivables in accordance with the terms and conditions of relevant sales agreements. The relevant trade notes and accounts receivable are exposed to the credit risk of the respective customers. Those denominated in foreign currencies are exposed to fluctuations in foreign currency exchange rates.

② Sales finance receivables

Sales finance receivables consist of auto loans and leases to retail customers, and credit exposures to dealers comprised of inventory financing and working capital loans, etc. Sales finance receivables are exposed to credit risk of the respective customers.

③ Securities and investment securities

Securities and investment securities held by the Group are mainly unlisted foreign investment trusts and investment securities in affiliates. Investment securities in affiliates are exposed to the risk of fluctuations in their market prices.

④ Trade notes and accounts payable

The Group holds trade notes and accounts payable as liabilities with various payment dates based on the payment conditions from purchasing diverse parts, materials and services, required for development, manufacture and sale of products. As its procurement activities are operated in various regions and countries, the relevant trade notes and accounts payable are exposed to fluctuations in foreign currency exchange rates.

⑤ Borrowings, bonds and lease obligations

The Group conducts diverse financing activities for the purpose of fund procurements for working capital, investments in equipment and businesses, sales financing and so forth. As part of such financing uses floating rates, the relevant borrowings, bonds and lease obligations are exposed to the risk of interest rate fluctuations. The Group is also exposed to liquidity risk in that the necessary funds for business operations may not be ensured with rapid changes in the procurement environment.

⑥ Derivative transactions

(1) Forward foreign exchange contracts

Forward foreign exchange contracts are used to hedge against the adverse impact of fluctuations in foreign currency exchange rates on foreign currency denominated receivables and payables arising from importing and exporting products and others.

(2) Currency options

In the same manner as forward foreign exchange contracts, currency options are used to hedge against the adverse impact of fluctuations in foreign currency exchange rates on foreign currency denominated receivables and payables.

(3) Interest rate swaps

Interest rate swaps are used primarily to hedge against the adverse impact of fluctuations in interest rates on interest-bearing debt.

(4) Currency swaps

Currency swaps are used to hedge against the adverse impact of fluctuations in foreign currency exchange rates and interest rates on foreign currency denominated receivables and payables.

(5) Interest rate options

Interest rate options are used primarily to hedge against the adverse impact of fluctuations in interest rates on interest-bearing debt.

(6) Commodity swaps

Commodity swaps contracts are used primarily to hedge against the adverse impact of fluctuations in the market prices of precious metals (used as the catalyst for the emission gas purifier of automobiles) and base metals (raw materials for automobile productions).

For hedging instruments, hedged items, hedging policy and assessment of hedge effectiveness, refer to "(7) Hedge accounting method" under "4. Significant accounting policies."

(3) Risks relating to financial instruments and the management system thereof

① Management of market risk

Although derivative transactions are used for the purpose of hedging risks on the assets and liabilities recorded in the consolidated balance sheets, there remains the risk of foreign currency exchange fluctuations on currency transactions, the risk of interest rate fluctuations on interest rate transactions and the risk of market price fluctuations on commodity transactions. All the derivative transactions of the Group are carried out pursuant to the internal risk management rules, which stipulate the Group's basic policies for derivative transactions, management policies, management items, trading procedures, criteria for the selection of counterparties, the reporting system and so forth. The Group's financial market risk is controlled by the Company in a centralized manner, and it is stipulated that no individual subsidiary can initiate a hedge transaction such as derivative transactions without the prior approval of and regular reporting back to the Company.

The basic policy on the acquisition of derivative transactions is subject to the approval of the Chief Financial Officer after discussing with the treasury group. The execution and management of all transactions are to be conducted in accordance with the aforementioned risk management rules pursuant to the decisions made at those meetings. Derivative transactions are conducted by a special section of the Finance Department, and the verification of the relevant trade agreements and the monitoring of position balances are the responsibility of the Risk Management Section. Commodity swaps are conducted by the Finance Department in accordance with the acquisition policy determined by the corporate officer in charge of the Purchasing Department and the Chief Financial Officer.

The status of derivative transactions is reported to the Chief Financial Officer on a regular basis and to the Executive Committee as a general rule.

② Management of credit risk

The Group does business with a variety of local counterparties including sales companies in many regions around the world. The Group has established transaction terms and conditions for operating receivables in Japan and overseas based on credit assessment criteria to take appropriate and effective measures for the protection of such receivables, using bank letters of credit and transactions with advance payments.

As for financial transactions including bank deposits, short-term investments and derivatives, the Group is exposed to the risk that a counterparty could default on their obligations and jeopardize future profits. We believe that this risk is insignificant as the Group enters into such transactions only with financial institutions that have a sound credit profile.

Therefore, we believe that the risk to incur losses from a counterparty financial institution's default is low. Credit risk is managed by using its own evaluation methods based on external credit ratings and other analyses. The Finance Department sets a maximum upper limit on positions with each of the counterparties and monitors the balances of open positions.

In addition to financial institutions, the Group also enters into derivative transactions with Renault Finance S.A. ("RF"), a specialized financial subsidiary of the Renault Group. RF enters into derivative transactions to cover such derivative transactions with the Group only with financial institutions of the highest caliber carefully selected by RF based on its own rating techniques.

In sales finance, credit risk is managed through a risk framework that sets out policies, procedures, measurements and regular reviews across the full life cycle of a financial product from underwriting to collections and write-off.

③ Management of liquidity risk related to financing

The Company endeavors to raise funds from appropriate sources with reinforced measures such as an accumulation of cash reserves and the conclusion of loan commitment agreements so that the Group can ensure an appropriate level of liquidity even if any significant environmental change takes place in the financial market and in the event of downgrade of Nissan's credit rating by Japanese and international rating agencies. However, this factor could entail a greater-than-anticipated level of risk that might hinder the smooth execution of the initially planned financing, thereby having a significant effect on the Group's financial position and business performance. The Group secures the appropriate liquidity of funds in its automobile business in accordance with the management rule on liquidity risk by taking into account the future repayment schedule of borrowings, the future demand for working capital and other fund requirements.

In sales finance, liquidity risk is managed through a thorough focus on Asset Liability Management, which includes proper match of maturity in asset and liability.

(4) Supplemental explanation on the fair value of financial instruments

① The fair value and unrealized gain or loss on derivative transactions are estimates that are considered appropriate based on the market at the balance sheet date and, thus, the fair value is not necessarily indicative of the actual amounts that might be realized or settled in the future.

② The notional amounts of the swaps are not a direct measure of the Company's risk exposure in connection with its swap transactions.

2. Fair Value of Financial Instruments

The following tables indicate the amount recorded in the consolidated balance sheets, the fair value and the difference as of March 31, 2023 and March 31, 2024 for various financial instruments.

Prior fiscal year (As of March 31, 2023)

(Millions of yen)

	Amount recorded in the consolidated balance sheets	Fair value	Difference
(1) Sales finance receivables (*2)	6,439,198		
Allowance for doubtful accounts (*3)	(125,287)		
Subtotal (*4)	6,313,911	6,303,076	(10,835)
(2) Investment securities (*5)	549,043	517,229	(31,814)
(3) Long-term loans receivable	12,680		
Allowance for doubtful accounts (*3)	(2,972)		
Subtotal	9,708	9,708	—
Total assets	6,872,662	6,830,013	(42,649)
(1) Bonds (*6)	2,614,464	2,457,818	156,646
(2) Long-term borrowings (*7)	3,098,507	3,046,467	52,040
(3) Lease obligations (*7)	136,115	136,064	51
Total liabilities	5,849,086	5,640,349	208,737
Derivative transactions (*8)	12,684	12,684	—

(*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 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 ¥41,407 million of deferred installments income and others.

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

(*4) The difference between the amount recorded in the consolidated balance sheets and the 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.

(Millions of yen)

Classification	Prior fiscal year
Unlisted stocks	623,762
Limited liability partnership	4,027

(*6) Bonds include the current portion of bonds under current liabilities. The difference between the amount recorded in the consolidated balance sheets and the fair value is mainly due to the market interest rates.

(*7) Long-term borrowings and lease obligations include the current portion of long-term borrowings and lease obligations under current liabilities.

(*8) 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.

Current fiscal year (As of March 31, 2024)

(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 (*7)	4,143,367	4,146,764	(3,397)
(3) Lease obligations (*7)	137,250	136,143	1,107
Total liabilities	6,870,865	6,772,013	98,852
Derivative transactions (*8)	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 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 recorded as part of sales finance receivables and long-term loans receivable, is deducted.

(*4) The difference between the amount recorded in the consolidated balance sheets and the 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.

(Millions of yen)

Classification	Current fiscal year
Unlisted stocks	648,115
Limited liability partnership	3,369

(*6) Bonds include the current portion of bonds under current liabilities. The difference between the amount recorded in the consolidated balance sheets and the fair value is mainly due to the market interest rates.

(*7) Long-term borrowings and lease obligations include the current portion of long-term borrowings and lease obligations under current liabilities.

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

(Note 1) Redemption schedule after the balance sheet date for monetary receivables and securities with maturity dates

Prior fiscal year (As of March 31, 2023)

(Millions of yen)

	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
Cash on hand and in banks	1,798,475	—	—	—
Trade notes and accounts receivable, and contract assets	585,639	—	—	—
Sales finance receivables (*1)	2,583,206	3,707,448	148,537	7
Long-term loans receivable	133	11,082	1,214	251
Total	4,967,453	3,718,530	149,751	258

(*1) The amount of sales finance receivables is presented with the amount after deducting ¥41,407 million of deferred installment income and others.

Current fiscal year (As of March 31, 2024) (Millions of yen)

	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
Cash on hand and in banks	1,896,401	—	—	—
Trade notes and accounts receivable, and contract assets	635,329	—	—	—
Sales finance receivables (*1)	3,090,307	4,093,835	195,914	5
Securities and investment securities				
Held-to maturity securities	5,739	13,451	—	—
Long-term loans receivable	106	11,063	826	234
Total	5,627,882	4,118,349	196,740	239

(*1) The amount of sales finance receivables is presented with the amount after deducting ¥38,139 million of deferred installment income and others.

(Note 2) Redemption schedule after the balance sheet date for bonds, long-term borrowings, lease obligations and other interest-bearing debt

Prior fiscal year (As of March 31, 2023) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Short-term borrowings	1,101,978	—	—	—	—	—
Commercial papers	88,000	—	—	—	—	—
Bonds	556,367	224,747	706,086	213,508	423,918	489,838
Long-term borrowings	1,085,256	723,205	766,329	313,198	142,085	68,434
Lease obligations	50,061	26,387	16,549	14,096	9,726	19,296
Total	2,881,662	974,339	1,488,964	540,802	575,729	577,568

Current fiscal year (As of March 31, 2024) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Short-term borrowings	837,266	—	—	—	—	—
Commercial papers	103,262	—	—	—	—	—
Bonds	239,032	779,439	392,600	479,348	321,304	378,525
Long-term borrowings	1,221,739	1,319,299	902,697	368,119	263,137	68,376
Lease obligations	46,784	36,652	17,479	12,139	7,425	16,771
Total	2,448,083	2,135,390	1,312,776	859,606	591,866	463,672

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 a lower-level category.

(1) Financial instruments measured at fair value

Prior fiscal year (As of March 31, 2023) (Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Stock	1,936	—	—	1,936
Total assets	1,936	—	—	1,936
Derivative transactions (*1)	—	12,684	—	12,684
Currency-related transactions	—	(8,226)	—	(8,226)
Interest-related transactions	—	20,967	—	20,967
Commodity-related transactions	—	(57)	—	(57)

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

Current fiscal year (As of March 31, 2024) (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
Currency-related transactions	—	9,532	—	9,532
Interest-related transactions	—	20,784	—	20,784
Commodity-related transactions	—	206	—	206

(*1) Net receivables and payables, which were derived from derivative transactions, are presented in net amounts in this footnote as netted, 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

Prior fiscal year (As of March 31, 2023) (Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
(1) Sales finance receivables	—	—	6,303,076	6,303,076
(2) Investment securities				
Other securities				
Stock	515,293	—	—	515,293
(3) Long-term loans receivable	—	—	9,708	9,708
Total assets	515,293	—	6,312,784	6,828,077
(1) Bonds	—	2,457,818	—	2,457,818
(2) Long-term borrowings	—	3,046,467	—	3,046,467
(3) Lease obligations	—	136,064	—	136,064
Total liabilities	—	5,640,349	—	5,640,349

Current fiscal year (As of March 31, 2024) (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

(Note) Valuation techniques and inputs are as follows:

Investment securities
Fair value of listed stocks is based on the 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.

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.

(For securities)

1. Held-to maturity securities

Prior fiscal year (As of March 31, 2023)
Not applicable.

Current fiscal year (As of March 31, 2024) (Millions of yen)

Types of securities	Carrying value	Fair value	Difference
(Securities whose carrying value exceeds their fair value)	19,190	18,507	(683)
(Securities whose carrying value does not exceed their fair value)	—	—	—
Total	19,190	18,507	(683)

2. Other securities

Prior fiscal year (As of March 31, 2023) (Millions of yen)

Types of securities	Carrying value	Acquisition cost	Difference
(Securities whose carrying value exceeds their acquisition cost)			
Stock	1,461	113	1,348
Others	4,027	217	3,810
Subtotal	5,488	330	5,158
(Securities whose carrying value does not exceed their acquisition cost)			
Stock	25,847	26,057	(210)
Others	215,912	215,912	—
Subtotal	241,759	241,969	(210)
Total	247,247	242,299	4,948

Current fiscal year (As of March 31, 2024) (Millions of yen)

Types of securities	Carrying value	Acquisition cost	Difference
(Securities whose carrying value exceeds their acquisition cost)			
Stock	1,226	114	1,112
Others	3,369	2,785	584
Subtotal	4,595	2,899	1,696
(Securities whose carrying value does not exceed their acquisition cost)			
Stock	44,278	44,419	(141)
Others	230,006	230,006	—
Subtotal	274,284	274,425	(141)
Total	278,879	277,324	1,555

3. Other securities sold during the fiscal year

Prior fiscal year (From April 1, 2022 to March 31, 2023)
This information is not provided due to its low materiality.

Current fiscal year (From April 1, 2023 to March 31, 2024)
This information is not provided due to its low materiality.

4. Reclassified securities

Prior fiscal year (From April 1, 2022 to March 31, 2023)
Not applicable.

Current fiscal year (From April 1, 2023 to March 31, 2024)
Not applicable.

5. Securities for which an impairment loss was recognized

Prior fiscal year (From April 1, 2022 to March 31, 2023)
Not applicable.

Current fiscal year (From April 1, 2023 to March 31, 2024)
Not applicable.

(For derivative transactions)

1. Derivative transactions for which hedge accounting is not adopted

(1) Currency-related transactions

Prior fiscal year (As of March 31, 2023) (Millions of yen)

Classification	Type of transactions	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Forward foreign exchange contracts:				
	Buy:				
	USD	5,791	—	(168)	(168)
	Swaps:				
	EUR	248,940	—	1,037	1,037
	USD	795,643	127,274	35,787	35,787
	CAD	25,014	—	(45)	(45)
	AUD	22,999	—	(284)	(284)
	ZAR	14,003	—	(328)	(328)
Total		—	—	35,999	35,999

Current fiscal year (As of March 31, 2024) (Millions of yen)

Classification	Type of transactions	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Swaps:				
	EUR	129,160	—	7,731	7,731
	USD	592,962	47,271	29,286	29,286
	AUD	123,143	—	1,843	1,843
	NZD	9,954	—	(269)	(269)
	ZAR	37,600	—	28	28
	PHP	11,968	—	(87)	(87)
Total		—	—	38,532	38,532

(2) Interest-related transactions

Prior fiscal year (As of March 31, 2023) (Millions of yen)

Classification	Type of transactions	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Swaps:				
	Receive floating/pay fixed	130,599	110,509	3,148	3,148
	Receive fixed/pay floating	30,896	30,896	(1,196)	(1,196)
	Options				
	Caps sold	1,142,522	634,738		
	(Premium)	(4,237)	(3,771)	(7,166)	(2,930)
	Caps purchased	1,142,522	634,738		
	(Premium)	4,266	3,800	7,195	2,959
Total		—	—	1,981	1,981

Current fiscal year (As of March 31, 2024) (Millions of yen)

Classification	Type of transactions	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Swaps:				
	Receive floating/pay fixed	177,476	135,515	1,743	1,743
	Receive fixed/pay floating	32,995	32,995	322	322
	Options				
	Caps sold	1,159,012	649,358		
	(Premium)	(5,446)	(5,147)	(6,330)	(884)
	Caps purchased	1,159,012	649,358		
	(Premium)	5,466	5,167	6,331	885
Total		—	—	2,066	2,066

(3) Commodity-related transactions

Prior fiscal year (As of March 31, 2023)

Not applicable.

Current fiscal year (As of March 31, 2024)

Not applicable.

2. Derivative transactions for which hedge accounting is adopted

(1) Currency-related transactions

Prior fiscal year (As of March 31, 2023) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Forward foreign exchange contracts: Sell:				
	USD	Trade accounts receivable (forecasted transaction)	409,501	25,150	(37,753)
	Swaps:				
	USD	Short-term borrowings and long-term borrowings	96,504	74,306	(5,222)
	THB	Long-term borrowings	9,636	—	(1,250)
Special treatment	Swaps: USD	Bonds	138,034	—	Note
Total			—	—	(44,225)

Note: Fair value of currency swaps under special treatment is included in that of corresponding hedged bonds in “2. Fair Value of Financial Instruments” under “For financial instruments” as those currency swaps are treated as underlying transactions of hedged items.

Current fiscal year (As of March 31, 2024) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Forward foreign exchange contracts: Sell: USD	Trade accounts receivable (forecasted transaction)	75,323	—	(8,723)
	Swaps: USD	Short-term borrowings and long-term borrowings	239,513	221,647	(20,277)
Total			—	—	(29,000)

(2) Interest-related transactions

Prior fiscal year (As of March 31, 2023) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Swaps: Receive floating/pay fixed	Short-term borrowings, Long-term borrowings and bonds	1,217,405	946,952	18,986
Special treatment	Swaps: Receive floating/pay fixed	Long-term borrowings	35,500	35,500	Note
Total			—	—	18,986

Note: Fair value of interest rate swaps under special treatment is included in that of corresponding hedged long-term borrowings in “2. Fair Value of Financial Instruments” under “For financial instruments” as those interest rate swaps are treated as underlying transactions of hedged items.

Current fiscal year (As of March 31, 2024) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Swaps: Receive floating/pay fixed	Short-term borrowings Long-term borrowings	1,614,138	1,251,099	18,718
Special treatment	Swaps: Receive floating/pay fixed	Long-term borrowings	35,500	20,500	Note
Total			—	—	18,718

Note: Fair value of interest rate swaps under special treatment is included in that of corresponding hedged long-term borrowings in “2. Fair Value of Financial Instruments” under “For financial instruments” as those interest rate swaps are treated as underlying transactions of hedged items.

(3) Commodity-related transactions

Prior fiscal year (As of March 31, 2023) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Commodity swaps: Receive floating/pay fixed	Aluminum	12,553	1,019	(337)
		Copper	6,914	730	331
		Platinum	40	—	(0)
		Palladium	211	—	(51)
Total			—	—	(57)

Current fiscal year (As of March 31, 2024) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Commodity swaps: Receive floating/pay fixed	Aluminum	6,716	309	6
		Copper	4,591	143	191
		Palladium	654	—	9
Total			—	—	206

(For retirement benefits)

1. Description of retirement benefit plans

The Group has several defined-benefit and defined-contribution pension plans. The Company and certain consolidated subsidiaries have adopted both defined-benefit and defined-contribution pension plans, whereas certain other consolidated subsidiaries have either defined-benefit or defined-contribution pension plans. The defined-benefit pension plans adopted by the Company and certain domestic subsidiaries include lump-sum payment plans and defined-benefit corporate pension plans. Certain employees may be entitled to additional special retirement benefits, depending on the conditions for the termination of their employment. Certain consolidated subsidiaries apply a simplified method for calculation of net defined benefit liability, net defined benefit assets and retirement benefit expenses.

2. Defined-benefit pension plan

(1) Adjustments between the beginning and ending balances of retirement benefit obligation (excluding those listed in (3) below)

(Millions of yen)

	Prior fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Retirement benefit obligation at the beginning of the year	1,384,925	1,217,924
Service cost	22,538	20,697
Interest cost	31,303	42,626
Actuarial gain and loss generated	(188,392)	(39,001)
Past service cost generated	(10)	48
Retirement benefits paid	(80,557)	(85,611)
Effect of foreign exchange translation	47,910	88,655
Other	207	1,721
Retirement benefit obligation at the end of the year	1,217,924	1,247,059

(2) Adjustments between the beginning and ending balances of plan assets (excluding those listed in (3) below)

(Millions of yen)

	Prior fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Plan assets at the beginning of the year	1,252,591	1,091,412
Expected return on plan assets (Note)	55,379	54,440
Actuarial gain and loss generated	(211,942)	86,968
Contribution from employers	35,132	11,285
Retirement benefits paid	(74,725)	(77,612)
Effect of foreign exchange translation	33,137	72,461
Other	1,840	1,804
Plan assets at the end of the year	1,091,412	1,240,758

Note: Interest from plan assets of net interest from net defined liability of consolidated foreign subsidiaries which adopt IFRS has been included.

(3) Adjustments between the beginning and ending balances of net defined benefit liability and net defined benefit assets for plans using a simplified method

(Millions of yen)

	Prior fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Net defined benefit liability and assets at the beginning of the year	2,248	2,233
Retirement benefit expenses	211	347
Retirement benefits paid	(185)	(225)
Contribution to plans	(41)	(36)
Net defined benefit liability and assets at the end of the year	2,233	2,319

(4) Adjustments between the ending balances of retirement benefit obligation and plan assets and the net defined benefit liability and net defined benefit assets reported on the balance sheets

(Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Retirement benefit obligation for funded plans	1,128,573	1,152,648
Plan assets	(1,093,717)	(1,242,797)
	34,856	(90,149)
Retirement benefit obligation for unfunded plans	93,889	98,769
Net defined benefit liability and assets reported on the consolidated balance sheets	128,745	8,620
Net defined benefit liability	184,851	154,439
Net defined benefit assets	(56,106)	(145,819)
Net defined benefit liability and assets reported on the consolidated balance sheets	128,745	8,620

(5) Breakdown of retirement benefit expenses

(Millions of yen)

	Prior fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Service cost (Note 1)	22,749	21,044
Interest cost	31,303	42,626
Expected return on plan assets	(55,379)	(54,440)
Amortization of actuarial gain and loss	(12,856)	(10,019)
Amortization of past service cost	(1,448)	103
Other	174	147
Retirement benefit expenses for defined benefit plans	(15,457)	(539)

Notes: 1. The retirement benefit expenses of consolidated subsidiaries adopting the simplified method are included in "Service cost."

2. In addition to the retirement benefit expenses referred to above, additional retirement expenses of ¥1,599 million for the prior fiscal year and ¥4,619 million for the current fiscal year were accounted for as "Other" under "Special losses" in the consolidated statement of income.

(6) Remeasurements of defined benefit plans

Remeasurements of defined benefit plans (reported under "Other comprehensive income" in the statements of comprehensive income) consist of the following (before tax effects).

(Millions of yen)

	Prior fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Past service cost	(1,775)	(407)
Actuarial gain and loss	(47,350)	101,424
Total	(49,125)	101,017

(7) Remeasurements of defined benefit plans

Remeasurements of defined benefit plans (reported under "Accumulated other comprehensive income" in the net assets section in the consolidated balance sheet) consist of the following (before tax effects).

(Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Unrecognized past service cost	(2,335)	(2,742)
Unrecognized actuarial gain and loss	(41,935)	59,489
Total	(44,270)	56,747

(8) Matters regarding plan assets

① Major components of plan assets

Plan assets consist of the following.

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Stocks	32%	35%
Bonds	40%	49%
Cash and deposits	6%	1%
Real estate (including REITs)	10%	7%
Other	12%	8%
Total	100%	100%

Notes: 1. Securities contributed to the retirement benefit trust included in the total plan assets were 1.2% for the prior year and 1.3% for the current fiscal year.

2. "Other" includes components for which it is difficult to categorize into specific types of plan assets, such as stocks and bonds, and to identify the percentage and the amount by types of assets.

② Method for determining the long-term expected return on plan assets
To determine the long-term expected return on plan assets, the portfolio and past performance of the plan assets held, long-term investment policies and market trends, among others, are considered.

(9) Assumptions used in actuarial calculations
Major assumptions used in actuarial calculations
Domestic companies

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Discount rates	0.7%–1.6%	0.8%–1.9%
Long-term expected rates of return on plan assets	Mainly 4.0%	Mainly 4.0%
Expected future salary increase	1.8%–4.2%	1.8%–4.2%

Foreign companies

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Discount rates	3.1%–5.3%	3.1%–5.6%
Long-term expected rates of return on plan assets (US GAAP adoption companies only)	Mainly 7.8%	Mainly 7.8%
Expected future salary increase	2.5%–6.0%	2.5%–6.0%

3. Defined-contribution pension plans

The required amounts of contribution to the Group's defined-contribution pension plans were ¥27,092 million for the prior fiscal year and ¥31,383 million for the current fiscal year.

(For share-based payments)
1. The account and the amount of stock options charged as expenses

(Millions of yen)

	Prior fiscal year (From April 1, 2022 To March 31, 2023)	Current fiscal year (From April 1, 2023 To March 31, 2024)
Cost of sales	36	24
Salaries and wages in Selling, general and administrative expenses	11	7

2. Description of stock options/Changes in the size of stock options

(1) Description of stock options

	1st share subscription rights
Company name	Vehicle Energy Japan Inc.
Date of resolution	May 27, 2021
Category and number of people to whom stock options are granted	The company's directors: 3 The company's executive officers: 4 The company's employees: 166 Total: 173
Type and number of shares granted	Common stock 64,600 shares
Grant date	July 1, 2021
Vesting conditions	① The holder of the share subscription rights must be continuously employed or hold a mandate relationship with the company or its affiliates until the exercise date of the share subscription rights. However, this will not apply if a director or executive officer retires due to the expiry of his/her term of office, if an employee retires due to mandatory retirement age, or if the company's board of directors approves other justifiable reasons. ② The share subscription rights may only be exercised if the company's common stock underlying the share subscription rights are listed on a securities exchange in Japan at the time of exercise. ③ Exercise of the share subscription rights by heirs of share subscription rights holders is not permitted. ④ Other terms and conditions for the exercise of the share subscription rights are as set out in the "Share Subscription Rights Allotment Agreement" concluded between the company and the subscription right holders.
Vesting period	July 1, 2021 to June 30, 2023
Exercise period	July 1, 2023 to June 30, 2025

(2) Changes in the size of stock options

The following describes changes in the size of stock options that existed during the year ended March 31, 2024. The number of stock options is translated into the number of shares.

① Number of stock options

	1st share subscription rights
Company name	Vehicle Energy Japan Inc.
Share subscription rights that are not yet vested (shares):	
Balance at the beginning of the current period	60,800
Granted	—
Forfeited	1,600
Vested	—
Balance of options not vested	59,200
Share subscription rights that have already been vested (shares):	
Balance at the beginning of the current period	—
Vested	—
Exercised	—
Forfeited	—
Balance of options not exercised	—

Note: The number of shares at the beginning of the current period is the balance of shares of the company when it was consolidated in the current fiscal year.

② Per share prices

	1st share subscription rights
Company name	Vehicle Energy Japan Inc.
Exercise price (Yen)	1
Average price per share upon exercise (Yen)	—
Fair value per share at grant date (Yen)	5,130

3. Method for estimating the per share fair value of stock options

The per share fair value of stock options is estimated using the binominal model. For estimation using the binominal model, as the company is unlisted, the price per share at the grant date is determined using the discounted cash flow method based on the company's business plan, and the expected volatility of the share price is determined using the average of the actual volatilities of several similar listed companies. The period from the point of estimation to the end of the exercise period is regarded as the expected life of the option, and the yield on government bonds for the period that corresponds to the expected life is used as the risk-free interest rate. The expected dividend is set at zero, taking into account the recent dividend history and other factors.

4. Estimation of the number of stock options vested

As it is difficult to reasonably estimate the number of options that will be forfeited in the future, only the actual number of options forfeited is reflected.

(For tax-effect accounting)

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Deferred tax assets:		
Net operating loss carry forwards (*2)	303,797	325,818
Foreign tax credit	299,214	181,711
Research and development expenses	120,818	139,083
Deferred tax credit	54,792	64,970
Accrued warranty costs	58,287	64,200
Sales incentives	38,002	62,687
Allowance for doubtful accounts	48,744	59,733
Impairment loss	92,850	59,378
Service costs	53,997	51,937
Loss for residual value risk of leased vehicles	24,878	31,439
Allowance for bonus	26,476	28,983
Excess depreciation	28,667	25,137
Loss on valuation of inventories	17,586	23,722
Net defined benefit liability	58,140	19,965
Other	251,738	276,484
Total gross deferred tax assets	1,477,986	1,415,247
Valuation allowance for net operating loss carry forwards (*2)	(221,038)	(266,055)
Valuation allowance for the sum of deductible temporary differences, etc.	(469,783)	(255,350)
Valuation allowance (*1)	(690,821)	(521,405)
Total deferred tax assets	787,165	893,842
Deferred tax liabilities:		
Reserves under Special Taxation Measures Law, etc.	(560,199)	(556,053)
Undistributed retained earnings of foreign consolidated subsidiaries	(23,141)	(139,426)
Foreign subsidiaries unitary tax	(163,447)	(128,151)
Difference between cost of investments and their underlying net equity at fair value on land	(40,048)	(39,691)
Other	(107,395)	(108,651)
Total deferred tax liabilities	(894,230)	(971,972)
Net deferred tax assets	(107,065)	(78,130)

(*1) The valuation allowance decreased by ¥169,416 million. This was mainly due to the decrease in the valuation allowance for deductible temporary differences resulting from a reassessment of the classification for determining the recoverability of deferred tax assets in the current fiscal year, taking into account the updated future sales volume based on the new business as well as consideration of the application of the Controlled Foreign Company taxation system.

(*2) The amounts of net operating loss carry forwards and corresponding deferred tax assets by due period.

Prior fiscal year (As of March 31, 2023) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Net operating loss carry forwards (a)	20,685	17,791	24,071	13,478	27,826	199,946	303,797
Valuation allowance	(19,010)	(15,316)	(22,734)	(13,001)	(25,495)	(125,482)	(221,038)
Deferred tax assets (b)	1,675	2,475	1,337	477	2,331	74,464	82,759

(a) The net operating loss carry forwards represent the amounts after being multiplied by the effective statutory tax rate.
(b) Deferred tax assets of ¥82,759 million were recognized for the balance of net operating loss carry forwards of ¥303,797 million (amount multiplied by the effective statutory tax rate). After estimating the future taxable income, the deferred tax assets relating to net operating loss carry forwards are assessed as recoverable.

Current fiscal year (As of March 31, 2024) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Net operating loss carry forwards (a)	18,923	23,657	15,228	26,996	39,279	201,735	325,818
Valuation allowance	(18,743)	(21,758)	(14,758)	(25,178)	(38,230)	(147,388)	(266,055)
Deferred tax assets (b)	180	1,899	470	1,818	1,049	54,347	59,763

(a) The net operating loss carry forwards represent the amounts after being multiplied by the effective statutory tax rate.
(b) Deferred tax assets of ¥59,763 million were recognized for the balance of net operating loss carry forwards of ¥325,818 million (amount multiplied by the effective statutory tax rate). After estimating the future taxable income, the deferred tax assets relating to net operating loss carry forwards are assessed as recoverable.

(Changes in Presentation)

"Loss on valuation of inventories" and "Undistributed retained earnings of foreign consolidated subsidiaries", which were included in "Other" in the prior fiscal year, are presented separately due to their increased materiality in the current fiscal year. Prior fiscal year presentation is reclassified to reflect these changes.

2. The reconciliation between the effective tax rates reflected in the consolidated financial statements and the effective statutory tax rate is summarized as follows:

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Statutory tax rate of the Company	30.6%	30.6%
(Reconciliation)		
• Different tax rates applied to foreign consolidated subsidiaries	(7.8%)	(4.9%)
• Change in valuation allowance	3.0%	(46.3%)
• Equity in gain and loss of affiliates	(12.6%)	(5.7%)
• Undistributed retained earnings of foreign consolidated subsidiaries	(0.6%)	19.7%
• Foreign tax credits carried forward	(21.7%)	2.6%
• Foreign subsidiaries unitary tax(*)	31.0%	33.9%
• Adjustments for the uncertain tax treatments on income taxes	6.4%	1.6%
• Impacts on the exit from the Russian market	3.8%	—
• Other	8.0%	(6.5%)
Effective tax rates after adoption of tax-effect accounting	40.1%	25.0%

(*) Foreign subsidiaries unitary tax includes tax credits recognized based on the tax rules applied.

(Changes in Presentation)

"Undistributed retained earnings of foreign consolidated subsidiaries", which was included in "Other" in the prior fiscal year, is presented separately due to its increased materiality in the current fiscal year. Prior fiscal year presentation is reclassified to reflect this change.

3. Accounting for corporate, local corporate income taxes and related tax-effect accounting

The Company and some of its domestic subsidiaries adopt the group tax sharing system. Accordingly, corporate, local corporate income taxes, and tax-effect accounting are accounted for and disclosed in accordance with "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42, August 12, 2021).

(For asset retirement obligations)

Prior fiscal year (As of March 31, 2023)

This information is not provided due to its low materiality.

Current fiscal year (As of March 31, 2024)

This information is not provided due to its low materiality.

(For investment and rental property)

The Company and some of its subsidiaries have rental property in Japan (Tokyo, Kanagawa, Osaka and others) and overseas, which is mainly used for vehicle and parts dealers.
For the fiscal year ended March 31, 2023, net income from rental property amounted to ¥4,767 million and net loss on sales of rental property amounted to ¥1,087 million. For the fiscal year ended March 31, 2024, net income from rental property amounted to ¥4,645 million and net gain on sales of rental property amounted to ¥1,324 million.

The carrying value, increase/decrease thereof and fair value of rental property are as follows.

(Millions of yen)

	Prior fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Carrying value		
Balance at the beginning of the year	109,650	105,240
Increase/Decrease during the year	(4,410)	(5,386)
Balance at the end of the year	105,240	99,854
Fair value at the end of the year	116,462	114,211

Notes: 1. The carrying value shown here is calculated by deducting the relevant accumulated depreciation and impairment loss from the property's acquisition cost.
2. The fair value was mainly based on real-estate appraisal value which was calculated by external real-estate appraisers.

(Revenue recognition)

1. Information about breakdown of revenue from contracts with customers

Prior fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments		Total
	Automobile	Sales financing	
Japan	1,612,579	35,136	1,647,715
North America	4,579,533	76,380	4,655,913
of which USA	3,791,470	1,212	3,792,682
Europe	1,308,941	—	1,308,941
Asia	798,190	1,900	800,090
Other overseas countries	1,272,122	4,215	1,276,337
Revenue from contracts with customers	9,571,365	117,631	9,688,996
Revenue from the other sources	20,494	887,205	907,699
Sales to third parties	9,591,859	1,004,836	10,596,695

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.

Current fiscal year (From April 1, 2023 to March 31, 2024)

(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 "1. Consolidated Financial Statements 4. 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

Prior fiscal year (From April 1, 2022 to March 31, 2023)

Receivables from contracts with customers

(Millions of yen)

	Beginning of the prior fiscal year	Ending of the prior fiscal year
Trade notes	36,741	61,149
Accounts receivable	363,125	522,339
	399,866	583,488

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

(Millions of yen)

	Beginning of the prior fiscal year	Ending of the prior fiscal year
Contract liabilities	287,592	288,991

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 amounts of revenue recognized in the prior fiscal year that were included in the contract liability balances at the beginning of the year are ¥149,437 million.

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

Current fiscal year (From April 1, 2023 to March 31, 2024)

Receivables from contracts with customers

(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

(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 amounts of revenue recognized in the current fiscal year that were included in the contract liability balances at the beginning of the year are ¥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:

(Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Due within one year	85,875	98,264
Due after one year but within five years	152,753	187,314
Due after five years	8,526	9,543
Total	247,154	295,121

(Segments of an enterprise and related information)

Segment information

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

2. Calculation method of net sales, profits or losses, assets and other items by reportable segments
   In principle, the accounting method for the reportable segments is the same as basis of preparation for the consolidated financial statements.
   The segment profits are based on operating income. Inter-segment sales are based on the price in arms-length transactions. The segment assets are based on total assets.

3. Net sales, profits or losses, assets and other items by reportable segment

Prior fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2023
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	9,591,859	1,004,836	10,596,695	—	10,596,695
Inter-segment sales or transfers	94,983	18,989	113,972	(113,972)	—
Total	9,686,842	1,023,825	10,710,667	(113,972)	10,596,695
Segment profits	42,952	311,908	354,860	22,249	377,109
Segment assets	10,258,231	9,019,801	19,278,032	(1,679,451)	17,598,581
Other items					
Depreciation and amortization expense	349,831	343,909	693,740	—	693,740
Amortization of goodwill	1,320	—	1,320	—	1,320
Interest expense (Cost of sales)	—	172,394	172,394	(29,157)	143,237
Investment amounts to equity method companies	1,129,127	5,288	1,134,415	—	1,134,415
Increase amounts of fixed assets and intangible fixed assets	370,839	813,881	1,184,720	—	1,184,720

Note 1: Consolidated financial statements by business segment
- The Sales financing segment for the summarized consolidated balance sheets, summarized consolidated statement of income and summarized consolidated statement of cash flows consists

of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Company LLC (U.S.A.), NR Finance Mexico, S.A. de C.V. (Mexico), Dongfeng Nissan Auto Finance Co., Ltd. (China), 13 other companies and the sales finance operations of Nissan Canada, Inc. (Canada).

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

(1) Summarized consolidated balance sheets by business segment

(Millions of yen)

Accounts	Prior fiscal year (As of March 31, 2023)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	1,684,331	114,144	1,798,475
Trade notes and accounts receivable, and contract assets	581,587	4,052	585,639
Sales finance receivables	(115,079)	6,595,684	6,480,605
Inventories	1,681,040	22,136	1,703,176
Other current assets	651,041	149,275	800,316
Total current assets	4,482,920	6,885,291	11,368,211
II. Fixed assets			
Property, plant and equipment, net	2,367,772	2,001,509	4,369,281
Investment securities	1,171,291	5,541	1,176,832
Other fixed assets	551,368	127,140	678,508
Total fixed assets	4,090,431	2,134,190	6,224,621
III. Deferred assets			
Bond issuance costs	5,429	320	5,749
Total deferred assets	5,429	320	5,749
Total assets	8,578,780	9,019,801	17,598,581
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	1,865,525	46,626	1,912,151
Short-term borrowings	(987,821)	3,819,422	2,831,601
Lease obligations	49,788	273	50,061
Other current liabilities	1,581,404	394,109	1,975,513
Total current liabilities	2,508,896	4,260,430	6,769,326
II. Long-term liabilities			
Bonds	1,317,525	740,571	2,058,096
Long-term borrowings	223,146	1,790,105	2,013,251
Lease obligations	84,345	1,709	86,054
Other long-term liabilities	502,027	554,687	1,056,714
Total long-term liabilities	2,127,043	3,087,072	5,214,115
Total liabilities	4,635,939	7,347,502	11,983,441
Net assets			
I. Shareholders' equity			
Common stock	380,208	225,606	605,814
Capital surplus	631,818	179,391	811,209
Retained earnings	3,204,752	843,118	4,047,870
Treasury stock	(136,172)	—	(136,172)
Total shareholders' equity	4,080,606	1,248,115	5,328,721
II. Accumulated other comprehensive income			
Translation adjustments	(313,129)	201,435	(111,694)
Others	(94,132)	11,754	(82,378)
Total accumulated other comprehensive income	(407,261)	213,189	(194,072)
III. Share subscription rights	273	—	273
IV. Non-controlling interests	269,223	210,995	480,218
Total net assets	3,942,841	1,672,299	5,615,140
Total liabilities and net assets	8,578,780	9,019,801	17,598,581

Notes: 1. The sales finance receivables of Automobile & Eliminations represent the amount eliminated for intercompany transactions related to wholesale finance made by the Sales financing segment.
2. The borrowings of Automobile & Eliminations represent the amount after deducting internal loans receivable from the Sales financing segment amounting to ¥1,456,947 million.

(2) Summarized consolidated statement of income by business segment

(Millions of yen)

Accounts	Prior fiscal year (From April 1, 2022 to March 31, 2023)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	9,572,870	1,023,825	10,596,695
Cost of sales	8,251,043	631,803	8,882,846
Gross profit	1,321,827	392,022	1,713,849
Operating income as a percentage of net sales	0.7%	30.5%	3.6%
Operating income	65,201	311,908	377,109
Financial income / expenses, net	(23,771)	85	(23,686)
Other non-operating income and expenses, net	177,027	(15,007)	162,020
Ordinary income	218,457	296,986	515,443
Income before income taxes	95,676	306,760	402,436
Net income attributable to owners of parent	27,241	194,659	221,900

(3) Summarized consolidated statements of cash flows by business segment

(Millions of yen)

Accounts	Prior fiscal year (From April 1, 2022 to March 31, 2023)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	95,676	306,760	402,436
Depreciation and amortization	349,831	343,909	693,740
Decrease (increase) in sales finance receivables	6,156	215,319	221,475
Others	40,432	(137,032)	(96,600)
Net cash provided by (used in) operating activities	492,095	728,956	1,221,051
II. Cash flows from investing activities			
Purchase of investment securities	(1,409)	(440)	(1,849)
Purchase of fixed assets	(318,690)	(4,035)	(322,725)
Proceeds from sales of fixed assets	19,037	14,931	33,968
Purchase of leased vehicles	—	(810,777)	(810,777)
Proceeds from sales of leased vehicles	—	679,146	679,146
Others	(4,285)	(20,519)	(24,804)
Net cash provided by (used in) investing activities	(305,347)	(141,694)	(447,041)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(693,232)	543,819	(149,413)
Net change in long-term borrowings and redemption of bonds	116,460	(749,593)	(633,133)
Proceeds from issuance of bonds	199,168	—	199,168
Purchase of treasury stock	(1)	—	(1)
Others	273,406	(360,634)	(87,228)
Net cash provided by (used in) financing activities	(104,199)	(566,408)	(670,607)
IV. Effect of exchange rate changes on cash and cash equivalents	110,788	1,647	112,435
V. Increase (decrease) in cash and cash equivalents	193,337	22,501	215,838
VI. Cash and cash equivalents at the beginning of the period	1,700,990	91,702	1,792,692
VII. Increase due to inclusion in consolidation	5,857	—	5,857
VIII. Cash and cash equivalents at the end of the period	1,900,184	114,203	2,014,387

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥552,063 million eliminated for a net increase in internal loans receivable from the Sales financing segment.
2. The net change in long-term borrowings and redemption of bonds of Automobile & Eliminations includes the amount of ¥25,019 million eliminated for a net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

Prior fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,888,240	5,547,730	1,204,658	804,119	1,151,948	10,596,695	—	10,596,695
(2) Inter-segment sales	2,050,014	401,358	192,044	634,771	13,992	3,292,179	(3,292,179)	—
Total	3,938,254	5,949,088	1,396,702	1,438,890	1,165,940	13,888,874	(3,292,179)	10,596,695
Operating income (loss)	(150,269)	356,024	(4,601)	85,937	84,457	371,548	5,561	377,109

Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain, Russia and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa, and Central & South America excluding Mexico

Current fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2024
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	11,582,863	1,102,853	12,685,716	—	12,685,716
Inter-segment sales or transfers	199,653	58,925	258,578	(258,578)	—
Total	11,782,516	1,161,778	12,944,294	(258,578)	12,685,716
Segment profits	221,574	308,718	530,292	38,426	568,718
Segment assets	11,282,240	10,375,882	21,658,122	(1,802,971)	19,855,151
Other items					
Depreciation and amortization expense	353,895	324,058	677,953	—	677,953
Amortization of goodwill	1,242	—	1,242	—	1,242
Interest expense (Cost of sales)	—	279,944	279,944	(59,639)	220,305
Investment amounts to equity method companies	1,304,837	11,304	1,316,141	—	1,316,141
Increase amounts of fixed assets and intangible fixed assets	424,116	1,222,876	1,646,992	—	1,646,992

Note 1: Consolidated financial statements by business segment

- The Sales financing segment for the summarized consolidated balance sheets, summarized consolidated statement of income and summarized consolidated statement of cash flows consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Company LLC (U.S.A.), NR Finance Mexico, S.A. de C.V. (Mexico), Dongfeng Nissan Auto Finance Co., Ltd. (China), 13 other companies and the sales finance operations of Nissan Canada, Inc. (Canada).

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

(1) Summarized consolidated balance sheets by business segment

(Millions of yen)

Accounts	Current fiscal year (As of March 31, 2024)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	1,784,547	111,854	1,896,401
Trade notes and accounts receivable, and contract assets	622,019	13,310	635,329
Sales finance receivables	(126,034)	7,544,234	7,418,200
Inventories	2,005,958	49,647	2,055,605
Other current assets	686,951	191,114	878,065
Total current assets	4,973,441	7,910,159	12,883,600
II. Fixed assets			
Property, plant and equipment, net	2,465,396	2,298,114	4,763,510
Investment securities	1,367,521	11,557	1,379,078
Other fixed assets	668,886	155,514	824,400
Total fixed assets	4,501,803	2,465,185	6,966,988
III. Deferred assets			
Bond issuance costs	4,025	538	4,563
Total deferred assets	4,025	538	4,563
Total assets	9,479,269	10,375,882	19,855,151
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	2,177,176	52,034	2,229,210
Short-term borrowings	(1,397,853)	3,799,152	2,401,299
Lease obligations	46,477	307	46,784
Other current liabilities	1,820,013	429,633	2,249,646
Total current liabilities	2,645,813	4,281,126	6,926,939
II. Long-term liabilities			
Bonds	1,460,025	891,191	2,351,216
Long-term borrowings	270,651	2,650,977	2,921,628
Lease obligations	88,997	1,469	90,466
Other long-term liabilities	503,682	590,677	1,094,359
Total long-term liabilities	2,323,355	4,134,314	6,457,669
Total liabilities	4,969,168	8,415,440	13,384,608
Net assets			
I. Shareholders' equity			
Common stock	380,208	225,606	605,814
Capital surplus	646,760	179,391	826,151
Retained earnings	3,322,949	962,559	4,285,508
Treasury stock	(111,377)	—	(111,377)
Total shareholders' equity	4,238,540	1,367,556	5,606,096
II. Accumulated other comprehensive income			
Translation adjustments	29,071	393,812	422,883
Others	(59,465)	12,133	(47,332)
Total accumulated other comprehensive income	(30,394)	405,945	375,551
III. Share subscription rights	304	—	304
IV. Non-controlling interests	301,651	186,941	488,592
Total net assets	4,510,101	1,960,442	6,470,543
Total liabilities and net assets	9,479,269	10,375,882	19,855,151

Notes: 1. The sales finance receivables of Automobile & Eliminations represent the amount eliminated for intercompany transactions related to wholesale finance made by the Sales financing segment.
2. The borrowings of Automobile & Eliminations represent the amount after deducting internal loans receivable from the Sales financing segment amounting to ¥1,559,961 million.

(2) Summarized consolidated statement of income by business segment

(Millions of yen)

Accounts	Current fiscal year (From April 1, 2023 to March 31, 2024)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	11,523,938	1,161,778	12,685,716
Cost of sales	9,885,975	732,827	10,618,802
Gross profit	1,637,963	428,951	2,066,914
Operating income as a percentage of net sales	2.3%	26.6%	4.5%
Operating income	260,000	308,718	568,718
Financial income / expenses, net	(14,741)	411	(14,330)
Other non-operating income and expenses, net	148,666	(893)	147,773
Ordinary income	393,925	308,236	702,161
Income before income taxes	340,988	258,237	599,225
Net income attributable to owners of parent	256,422	170,227	426,649

(3) Summarized consolidated statements of cash flows by business segment

(Millions of yen)

Accounts	Current fiscal year (From April 1, 2023 to March 31, 2024)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	340,988	258,237	599,225
Depreciation and amortization	353,895	324,058	677,953
Decrease (increase) in sales finance receivables	11,201	(254,806)	(243,605)
Others	(8,024)	(64,650)	(72,674)
Net cash provided by (used in) operating activities	698,060	262,839	960,899
II. Cash flows from investing activities			
Purchase of investment securities	(47,571)	(493)	(48,064)
Purchase of fixed assets	(363,123)	(5,150)	(368,273)
Proceeds from sales of fixed assets	25,376	11,421	36,797
Purchase of leased vehicles	—	(1,259,505)	(1,259,505)
Proceeds from sales of leased vehicles	—	796,697	796,697
Others	10,290	19,394	29,684
Net cash provided by (used in) investing activities	(375,028)	(437,636)	(812,664)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	24,197	(404,956)	(380,759)
Net change in long-term borrowings and redemption of bonds	(160,674)	363,966	203,292
Proceeds from issuance of bonds	—	311,855	311,855
Purchase of treasury stock	(119,968)	—	(119,968)
Others	(41,748)	(104,223)	(145,971)
Net cash provided by (used in) financing activities	(298,193)	166,642	(131,551)
IV. Effect of exchange rate changes on cash and cash equivalents	89,320	5,815	95,135
V. Increase (decrease) in cash and cash equivalents	114,159	(2,340)	111,819
VI. Cash and cash equivalents at the beginning of the period	1,900,184	114,203	2,014,387
VII. Cash and cash equivalents at the end of the period	2,014,343	111,863	2,126,206

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥29,054 million eliminated for a net increase in internal loans receivable from the Sales financing segment.

2. The net change in long-term borrowings and redemption of bonds of Automobile & Eliminations includes the amount of ¥77,729 million eliminated for a net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

Current fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	2,002,217	6,881,033	1,562,557	746,684	1,493,225	12,685,716	—	12,685,716
(2) Inter-segment sales	2,945,678	398,239	307,941	861,093	21,408	4,534,359	(4,534,359)	—
Total	4,947,895	7,279,272	1,870,498	1,607,777	1,514,633	17,220,075	(4,534,359)	12,685,716
Operating income (loss)	108,112	334,488	(17,326)	109,206	27,285	561,765	6,953	568,718

Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa, and Central & South America excluding Mexico

Entity-wide disclosures

Prior fiscal year (From April 1, 2022 to March 31, 2023)

1. Information by product and service
This information is not provided here because it is the same as the information provided under “Segment information.”

2. Information by geographical area
(1) Net sales

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,729,099	5,343,003	4,305,867	1,311,499	904,270	1,308,824	10,596,695

Notes: 1. Regions represent customers’ location.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain, Russia and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa, Central & South America excluding Mexico, etc.

(2) Property, plant and equipment

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,648,199	2,384,088	1,826,668	131,537	146,905	58,552	4,369,281

Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa, and Central & South America excluding Mexico

3. Information by major customer

This information is not provided because there were no customers that accounted for 10% or more of the net sales to third parties recorded in the consolidated statements of income.

Current fiscal year (From April 1, 2023 to March 31, 2024)

1. Information by product and service

This information is not provided here because it is the same as the information provided under “Segment information.”

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,935,148	6,591,399	5,049,687	1,643,258	818,525	1,697,386	12,685,716

Notes: 1. Regions represent customers’ location.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa, Central & South America excluding Mexico, etc.

(2) Property, plant and equipment

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,692,778	2,751,347	2,082,152	156,175	85,912	77,298	4,763,510

Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa, and Central & South America excluding Mexico

3. Information by major customer

This information is not provided because there were no customers that accounted for 10% or more of the net sales to third parties recorded in the consolidated statements of income.

Information about the impairment loss on fixed assets by reportable segment

Prior fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Impairment loss	8,615	—	8,615	—	8,615

Current fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Impairment loss	58,972	—	58,972	—	58,972

Information about the amortization of goodwill and unamortized balance by reportable segment

Prior fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Amortization of goodwill	1,320	—	1,320	—	1,320
Balance at the end of the year	8,260	—	8,260	—	8,260

Current fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Amortization of goodwill	1,242	—	1,242	—	1,242
Balance at the end of the year	7,018	—	7,018	—	7,018

Information about the gain recognized on negative goodwill by reportable segment

Prior fiscal year (From April 1, 2022 to March 31, 2023)

This information is not provided due to its low materiality.

Current fiscal year (From April 1, 2023 to March 31, 2024)

Not applicable.

(Information of related parties)

1. Transactions with related parties

Prior fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

Type	Name	Business	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	Representative Executive Officer, President and Chief Executive Officer	Directly 0.005%	—	Disposition of Treasury Stock as remuneration in kind (*1)	79	—	—
Director	Ashwani Gupta	Representative Executive Officer, Chief Operating Officer	Directly 0.002%	—	Disposition of Treasury Stock as remuneration in kind (*1)	60	—	—
Officer	Stephen Ma	Executive Officer, Chief Financial Officer	Directly 0.003%	—	Disposition of Treasury Stock as remuneration in kind (*1)	31	—	—
Director	Hideyuki Sakamoto	Executive Officer, Executive Vice President	Directly 0.002%	—	Disposition of Treasury Stock as remuneration in kind (*1)	23	—	—
Officer	Kunio Nakaguro	Executive Officer, Executive Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	20	—	—
Officer	Asako Hoshino	Executive Officer, Executive Vice President	Directly 0.003%	—	Disposition of Treasury Stock as remuneration in kind (*1)	20	—	—
Officer equivalent	Jeremie Papin	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	14	—	—
Officer equivalent	Atul Pasricha	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	14	—	—
Officer equivalent	Rakesh Kochhar	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	13	—	—
Officer equivalent	Guillaume Cartier	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	13	—	—
Officer equivalent	Alfonso Albaisa	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	13	—	—
Officer equivalent	Leon Dorssers	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	13	—	—

Type	Name	Business	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	Ivan Espinosa	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	12	—	—
Officer equivalent	Takashi Hata	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	11	—	—
Officer equivalent	Peyman Kargar	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	10	—	—

(*1) The disposition of the treasury stock is performed as remuneration 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 27, 2022 (one business day before the resolution made by the Board Meeting for the disposition of the treasury stock) on the Tokyo Stock Exchange.

Current fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

Type	Name	Business	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	Representative Executive Officer, President and Chief Executive Officer	Directly 0.007%	—	Disposition of Treasury Stock as remuneration in kind (*1)	111	—	—
Officer	Stephen Ma	Executive Officer, Chief Financial Officer	Directly 0.005%	—	Disposition of Treasury Stock as remuneration in kind (*1)	46	—	—
Director	Hideyuki Sakamoto	Executive Officer, Executive Vice President	Directly 0.003%	—	Disposition of Treasury Stock as remuneration in kind (*1)	31	—	—
Officer	Kunio Nakaguro	Executive Officer, Executive Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	27	—	—
Officer	Asako Hoshino	Executive Officer, Executive Vice President	Directly 0.003%	—	Disposition of Treasury Stock as remuneration in kind (*1)	27	—	—
Officer equivalent	Jeremie Papin	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	23	—	—
Officer equivalent	Atul Pasricha	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	21	—	—

Type	Name	Business	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	Rakesh Kochhar	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	21	—	—
Officer equivalent	Guillaume Cartier	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	20	—	—
Officer equivalent	Alfonso Albaisa	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	19	—	—
Officer equivalent	Ivan Espinosa	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	19	—	—
Officer equivalent	Leon Dorssers	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	18	—	—
Officer equivalent	Takashi Hata	Senior Vice President	Directly 0.002%	—	Disposition of Treasury Stock as remuneration in kind (*1)	16	—	—
Officer equivalent	Jose Roman	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	14	—	—
Officer equivalent	Junichi Endo	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	14	—	—
Officer equivalent	Joji Tagawa	Senior Vice President	Directly 0.003%	—	Disposition of Treasury Stock as remuneration in kind (*1)	13	—	—
Officer equivalent	Hideaki Watanabe	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	13	—	—
Officer equivalent	Takao Asami	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	12	—	—
Officer equivalent	Noboru Tateishi	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	11	—	—
Officer equivalent	Shohei Yamazaki	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	11	—	—
Officer equivalent	Toshihiro Hirai	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	11	—	—

(*1) The disposition of the treasury stock is performed as remuneration 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.

2. Notes on the parent company and significant affiliates

Condensed financial information of significant affiliates:

Prior fiscal year (From April 1, 2022 to March 31, 2023)

Combined and condensed financial information (from January 1, 2022 to December 31, 2022) of Renault and Dongfeng Motor Co., Ltd., which are defined as significant affiliates for the current fiscal year, is as follows.

Total current assets	¥12,917,966 million
Total fixed assets	¥5,947,796 million
Total current liabilities	¥11,256,602 million
Total long-term liabilities	¥2,383,009 million
Total net assets	¥5,226,151 million
Net sales	¥9,144,214 million
Income before income taxes	¥234,839 million
Net income	¥115,149 million

Current fiscal year (From April 1, 2023 to March 31, 2024)

Combined and condensed financial information (from January 1, 2023 to December 31, 2023) of Renault and Dongfeng Motor Co., Ltd., which are defined as significant affiliates for the current fiscal year, is as follows.

Total current assets	¥15,026,714 million
Total fixed assets	¥6,374,287 million
Total current liabilities	¥13,357,700 million
Total long-term liabilities	¥2,215,988 million
Total net assets	¥5,827,313 million
Net sales	¥9,904,609 million
Income before income taxes	¥443,514 million
Net income	¥336,027 million

(Amounts per share)

(Yen)

	Prior fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Net assets per share	1,310.74	1,599.28
Basic earnings per share	56.67	110.47
Diluted earnings per share	56.67	110.47

Notes: 1. The basis for calculation of the basic earnings per share and the diluted earnings per share is as follows.

	Prior fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Basic earnings per share: Net income attributable to owners of parent (Millions of yen)	221,900	426,649
Net income attributable to owners of parent relating to common stock (Millions of yen)	221,900	426,649
Average number of shares of common stock during the fiscal year (Thousands of shares)	3,915,382	3,862,122
Diluted earnings per share: Increase in shares of common stock (Thousands of shares)	—	—
(Exercise of share subscription rights (Thousands of shares))	—	—
Securities excluded from the computation of diluted earnings per share because they do not have dilutive effects	—	—

2. The basis for calculation of the net assets per share is as follows.

	Prior fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Total net assets (Millions of yen)	5,615,140	6,470,543
Amounts deducted from total net assets (Millions of yen)	480,491	488,896
(Share subscription rights (Millions of yen))	273	304
(Non-controlling interests (Millions of yen))	480,218	488,592
Net assets attributable to shares of common stock at year end (Millions of yen)	5,134,649	5,981,647
The year-end number of shares of common stock used for the calculation of net assets per share (Thousands of shares)	3,917,356	3,740,203

(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, Paragraph 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. On May 28, 2024, MMNA filed an appeal against the above judgment to the Superior Court of Pennsylvania, United States.

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.

⑤ Consolidated supplemental schedules

Schedule of bonds payable

Company	Description	Date of Issuance	Balance at the beginning of current fiscal year (Millions of yen)	Balance at the end of current fiscal year (Millions of yen)	Interest rate (%)	Collateral	Maturity
*1	58th unsecured bonds	April 25, 2014	20,000	—	0.78	None	March 19, 2024
*1	61st unsecured bonds	April 15, 2016	20,000	20,000	0.33	None	March 19, 2026
*1	64th unsecured bonds	July 22, 2020	30,000	—	1.40	None	June 20, 2023
*1	65th unsecured bonds	July 22, 2020	11,000	11,000	1.90	None	June 20, 2025
*1	EUR denominated bonds	September 17, 2020	291,440 [EUR 2,000,000 thousand]	244,860 [EUR1,500,000 thousand]	2.65 – 3.20	None	2026 – 2028
*1	USD denominated bonds	September 17, 2020	1,032,685 [$ 8,000,000 thousand]	984,165 [$ 6,500,000 thousand]	3.52 – 4.81	None	2025 – 2030
*1	66th unsecured bonds	February 6, 2023	140,000	140,000	1.02	None	January 20, 2026
*1	67th unsecured bonds	January 27, 2023	50,000	50,000	1.02	None	January 20, 2026
*1	68th unsecured bonds	January 27, 2023	10,000	10,000	1.45	None	January 20, 2028
*2	Bonds issued by subsidiaries (Note 2)	2021 – 2024	175,000	(70,000) 270,000	0.17 – 1.03	None	2024 – 2029
*3	Bonds issued by subsidiaries (Note 2)	2018 – 2023	612,095 [$4,583,954 thousand]	(89,326) [$589,964 thousand] 678,840 [$4,483,458 thousand]	1.05 – 7.05	None	2023 – 2028
*3	Bonds issued by subsidiaries	2021	98,750 [CAD 1,000,000 thousand]	55,905 [CAD 500,000 thousand]	1.63 – 2.10	None	2024 – 2025
*3	Bonds issued by subsidiaries (Note 2)	2020 – 2023	123,493 [CNY 6,496,223 thousand]	(79,706) [CNY 3,999,289 thousand] 125,478 [CNY 6,295,933 thousand]	2.80 – 3.72	None	2023 – 2026
Total (Note 2)		—	2,614,463	(239,032) 2,590,248	—		—

Notes: 1. *1 The Company *2 Domestic consolidated subsidiaries *3 Foreign consolidated subsidiaries

2. The amounts in parentheses presented under “Balance at the end of current fiscal year” represent the amounts scheduled to be redeemed within one year.

3. The redemption schedule of bonds for 5 years subsequent to March 31, 2024 is summarized as follows:

(Millions of yen)

Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
239,032	779,439	392,600	479,348	321,304

Schedule of borrowings

(Millions of yen)

Category	Balance at the beginning of current fiscal year	Balance at the end of current fiscal year	Average interest rate (%)	Maturity
Short-term borrowings	260,286	200,407	5.82	—
Nonrecourse short-term borrowings	841,692	636,859	5.74	—
Current portion of long-term borrowings	434,338	453,238	4.45	—
Current portion of nonrecourse long-term borrowings	650,918	768,501	4.52	—
Commercial papers	88,000	103,262	1.46	—
Current portion of lease obligations	50,061	46,784	2.46	—
Long-term borrowings (excluding current portion)	1,532,896	2,191,703	6.12	April 2025 to August 2039
Nonrecourse long-term borrowings (excluding current portion)	480,355	729,925	5.22	April 2025 to February 2029
Lease obligations (excluding current portion)	86,054	90,466	3.96	April 2025 to August 2057
Total	4,424,600	5,221,145	—	—

Notes: 1. The average interest rate represents the weighted-average rate applicable to the year-end balance.
2. IFRS 16, "*Leases*" (January 13, 2016) and ASU 2016-02 "*Leases*" (February 25, 2016) have been adopted at foreign subsidiaries and liabilities corresponding to the right-of-use assets which was recognized in line with this adaption were included in Current portion of lease obligations and Lease obligations (excluding current portion) balance.
3. The following table shows the aggregate annual maturities of long-term borrowings (excluding the current portion), nonrecourse long-term borrowings (excluding the current portion) and lease obligations (excluding the current portion) for 5 years subsequent to March 31, 2024.

(Millions of yen)

	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
Long-term borrowings	864,480	646,063	349,657	263,126
Nonrecourse long-term borrowings	454,819	256,634	18,462	10
Lease obligations	36,652	17,479	12,139	7,425

Schedule of asset retirement obligations

The schedule of asset retirement obligations is not provided because the amounts of asset retirement obligations at the beginning and the end of the fiscal year ended March 31, 2024 were one hundredth (1%) or less of the amounts of total liabilities and net assets at the beginning and the end of the fiscal year ended March 31, 2024.

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