

To Shareholders

The items published on the Internet Website  
concerning the convocation of the 111<sup>th</sup> Ordinary  
General Meeting of Shareholders

June 8, 2010  
NISSAN MOTOR CO., LTD.

## Contents

1. "5. Business Management Systems, Processes  
and Internal Controls" of Jigyo-Houkoku ... Page 1
2. Notes to Consolidated Financial Statements ... Page 3
3. Notes to Non-Consolidated Financial Statements ... Page 11

Pursuant to applicable laws and Article 16 of the Articles of Incorporation of the Company, the above items are provided to shareholders through the corporate website (<http://www.nissan-global.com/EN/IR/>).

## 1. "5. Business Management Systems, Processes and Internal Controls" of Jigyo-Houkoku

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

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

### (1) Systems to ensure efficient execution and management of business activities by the directors

- ① Nissan has the Board of Directors, which decides material business activities of the company and checks on the activities of the individual directors. In addition, statutory auditors who comprise the board of auditors audit the activities of the directors.
- ② Nissan's Board of Directors is relatively small, so it is structured with a transparent and logical system of delegation is implemented, by which the authority to perform business activities are properly delegated to corporate officers and other employees.
- ③ Nissan uses a proven system of Executive Committee where key issues such as business strategies, are reviewed and discussed, as well as Operations Committee where operational business decisions are reviewed and discussed.
- ④ For review and discussion of the regional and specific business area operations, Nissan utilizes Management Committees.
- ⑤ In order to promote cross functional activities, cross functional teams—CFTs—are organized. CFTs detect problems and challenges and propose solutions to line organizations.
- ⑥ Nissan implements an objective and transparent Delegation of Authority procedure for the purpose of speeding up and clarifying the decision making processes as well as ensuring consistent decisions.
- ⑦ Nissan ensures an efficient and effective management of its business by determining and sharing management policy and business direction through establishment of the mid-term management plan and the annual business plan.

### (2) Systems to ensure compliance of employees' and directors' activities with laws and articles of associations

- ① Nissan implements "Global Code of Conduct", which explains acceptable behaviors of all employees working at Nissan group companies worldwide and promotes understanding by them.
- ② In order to ensure rigorous and strict compliance with the code of conduct, Nissan and its group companies offer education programs such as the e-learning system.
- ③ With regard to members of the Board of Directors as well as corporate officers of Nissan, Nissan establishes "Guidance for Directors and Corporate Officers regarding Compliance", which explains the acceptable behaviors of the members of the Board of Directors and the corporate officers.
- ④ Nissan stands firm and take appropriate actions against anti-social forces or groups. If any director, officer or employee is approached by such forces or groups, the said individual shall promptly report such matter to his/her superiors and specific committee, and shall follow their instructions.
- ⑤ If any director, officer or employee is, directly or indirectly, exposed or threatened to commit an illegal or criminal action such as fraud or blackmail during the course of business activities, the said individual shall act resolutely against it, and he/she shall promptly report such matter to his/her superiors and specific committee, and shall follow their instructions.
- ⑥ For the purpose of monitoring and ensuring compliance with the code of conduct, Nissan establishes the "Global Compliance Committee".
- ⑦ Nissan implements the "Easy Voice System" by which the employees are able to submit their opinions, questions and requests freely and directly to Nissan management.
- ⑧ Nissan is committed to continually implementing relevant company rules. Examples include "Global Rules for the Prevention of Insider Trading" and the "Rules for the Protection of Personal

Information”. The company continually offers education programs to employees as part of its program to promote the understanding and compliance with such corporate rules.

⑨Nissan is committed to improve and enhance the internal control systems to ensure accuracy and reliability of its financial reports in accordance with the Financial Instruments and Exchange Law together with its related rules and standards.

⑩Nissan establishes a department specialized in internal audit for the purpose of regularly monitoring Nissan and group companies’ business and their compliance with laws, articles of associations and corporate ethics.

### (3)Rules and systems for proper management of risk and loss

①Nissan minimizes the possibility of occurrence of risks and, if they occur, mitigate the magnitude of losses by sensing such risks as early as possible and implementing appropriate countermeasures. In order to achieve such objective, Nissan and its group companies implement the Global Risk Management Policy.

②Management of material company-wide risks are assigned mainly to each of the members of the Executive Committee, who are responsible to monitor, manage and implement necessary measures such as preparing relevant risk management manuals.

③Concerning the management of other specific business risks beyond those supervised directly by the Executive Committee, they are handled by each manager in the business function who will evaluate, prepare and implement the necessary measures to minimize such risks.

### (4)Systems to ensure accurate records and the retention of information of directors’ execution of business

①Nissan prepares full and accurate minutes of meetings of the Board of Directors in accordance with laws and the board regulations and ensures they are retained and managed in a secure environment.

②In performing business activities by various divisions and departments, matters to be decided pursuant to Delegation of Authority are decided by either electronic system or written documents, and are stored and retained either electronically or in writing.

③While the departments in charge are responsible for proper and strict retention and management of such information, directors, statutory auditors and others have access to any records as required for the purpose of performing their business activities.

④In line with the Information Security Policy, Nissan endeavors to enhance proper and strict retention and management of information and to prevent improper use of information and unintended disclosure of such information.

### (5)Systems to ensure proper and legitimate business activities of the Group companies

①Nissan establishes various Management Committees which are trans-group organizations in order to ensure proper, efficient and consistent group management.

② In Management Committee meetings, Nissan provides group companies with important information and shares with them management policies; this ensures that the business decisions of all group companies are made efficiently and effectively.

③The group companies implement an objective and transparent Delegation of Authority procedures.

④Group companies implement each company’s code of conduct in line with the Global Code of Conduct and establish compliance committee of each company and ensure full compliance with all laws and our corporate code of conduct. The Global Compliance Committee regularly monitors these companies and works to ensure further strict compliance with laws, articles of association and corporate behavior. In addition, group companies implement the easy voice system which ensures that employees are able to directly communicate to the group company or to Nissan directly their

opinions, questions, and requests.

⑤The internal audit department of Nissan periodically carries out local audits on the business of group companies for the purpose of monitoring and confirming legal compliance, relevant articles of association as well as management of business risks. Major group companies establishes their own internal audit departments and perform internal audits under the supervision of Nissan's internal audit department.

⑥Nissan's statutory auditors and group companies' statutory auditors have periodic meetings to share information and exchange opinions from the viewpoint of consolidated management for the purpose of ensuring effective auditing of group companies.

(6)Organization of employee(s) supporting statutory auditors, and systems showing their independence from the directors

①Nissan has an auditors office to support the activities of the statutory auditors. Dedicated manager(s) is assigned and performs his/her duties under the supervision and responsibility of the statutory auditors.

②The statutory auditors make appraisal of dedicated manager's performance, and his/her move to another department and his/her disciplinary action are subject to prior approval of the board of auditors.

(7)Systems by which directors and employee report business issues to the statutory auditors

①The statutory auditors determine their annual audit plan and perform their audit activities in accordance with that plan. The annual audit plan includes schedules of reports by various divisions. Directors and employees make reports in accordance with the annual audit plan.

②When directors and employees detect any incidents which gives or could give a materially negative impact to Nissan, they are required to immediately report such incidents to the statutory auditors.

③In addition, directors and employees are required to make an ad-hoc report to the statutory auditors regarding the situation of business activities when so requested.

④The internal audit department periodically reports to the statutory auditors its internal audit plan and the results of the internal audits performed.

(8)System to ensure effective and valid auditing by the statutory auditors

①At least 50% of the statutory auditors are external auditors to ensure effective and independent auditing. The statutory auditors hold periodical meetings in order to exchange and share information and their respective opinions. Ad-hoc meetings are also held whenever deemed necessary.

②The statutory auditors have periodical meetings with representative directors (including the President) and exchange views and opinions.

## 2. Notes to Consolidated Financial Statements

### Basis of Consolidated Financial Statements

#### 1. Number of Consolidated Subsidiaries and Companies Accounted for by the Equity Method

(1)Consolidated subsidiaries ; 204 companies (Domestic 82, Overseas 122)

Domestic Car Dealers, Parts Distributors

Nissan Prince Tokyo Sales Co., Ltd., Kanagawa Nissan Motor Co., Ltd, Nissan Fleet Co., Ltd., Nissan Parts Chuo Sales Co., Ltd. and 56 other companies

#### Domestic Vehicles and Parts Manufacturers

Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., JATCO Ltd., Calsonic Kansei Corp. and 6 other companies

#### Domestic Logistics & Services Companies

Nissan Trading Co., Ltd., Nissan Financial Service Co., Ltd., Autech Japan, Inc. and 9 other companies

#### Overseas subsidiaries

Nissan North America, Inc., Nissan International SA, Nissan Motor Manufacturing (UK) Ltd., Nissan Mexicana, S.A. de C.V. and 118 other companies

Unconsolidated Subsidiaries ; 135 companies (Domestic 86, Overseas 49)

#### Domestic

Nissan Marine Co., Ltd., Nissan Shatai Manufacturing Co., Ltd. and 84 other companies

#### Overseas

Calsonic Kansei Spain, S.A. and 48 other companies

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 effect on the consolidated financial statements. As a result, they have been excluded from consolidation.

(2) Companies Accounted for by the Equity Method ; 55 companies

Unconsolidated subsidiaries ; 36 companies (Domestic 20, Overseas 16)

Nissan Marine Co., Ltd., Calsonic Kansei Spain, S.A. and 34 other companies

Affiliates ; 19 companies (Domestic 17, Overseas 2)

Kinugawa Rubber Industrial Co., Tonichi Carlife Group Corporation and 17 other companies

Companies not Accounted for by the Equity Method ; 137 companies

Unconsolidated subsidiaries ; 99 companies

Nissan Shatai Manufacturing Co., Ltd and 98 other companies

Affiliates ; 38 companies

Tonox Co., Ltd. and 37 other companies

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

(3) Change in the Scope of Consolidation and Equity Method of Accounting

The change in the scope of consolidation and equity method compared with that at the year ended March 31, 2009 was summarized as follows:

Number of companies newly included in the scope of consolidation: 7 subsidiaries (Kyushu Nissan Co., Ltd., Automotive Energy Supply Corporation and 5 other companies)

Number of companies excluded from the scope of consolidation ; 5 subsidiaries (Nissan Motor Car Carrier Co., Ltd., Nissan Prince Osaka Hanbai Co., Ltd. and 3 other companies)

Number of companies newly accounted for by the equity method: 4 companies (Nissan Gulf FZCO, Osaka Car Life Corporation and 2 other companies)

Number of companies ceased to be accounted for by the equity method of accounting; 3 companies (World Logistics Service (U. S. A.) Inc. , N.S.A. (Karita) Co., Ltd. and 1 other company)

The increase in the number of consolidated subsidiaries was primarily attributable to those that were newly established, acquired, or became material to the consolidated financial statements, and the decrease was mainly due to sales of their shares or liquidation.

## 2. Fiscal Period of Consolidated Subsidiaries

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

- December 31 year end Companies : Dongfeng Motor Co., Ltd., Yulon Nissan Motor Co., Ltd., Nissan Mexicana, S.A. De C. V. and 35 other overseas subsidiaries

(2) Nissan Mexicana, S.A. De C. V. and 9 other consolidated subsidiaries whose fiscal year end is December 31 close their books of account at March 31 for consolidation reporting purpose. With respect to Dongfeng Motor Co., Ltd., Yulon Nissan Motor Co., Ltd. and 26 other companies, the necessary adjustments were made in consolidation to reflect any significant transactions from January 1 to March 31.

### 3. Significant Accounting Policies

#### (1) Valuation methods for assets

1) Securities Held-to-maturity debt securities···Held-to-maturity debt securities are stated at amortized cost.

##### Other securities

Marketable securities··· Marketable securities classified as other securities are carried at fair value with 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.

#### 2) Derivative financial instruments

Derivative financial instruments are stated at fair value.

#### 3) Inventories

Inventories are primarily 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 property, plant and equipment is calculated principally by straight-line method based on the estimated useful lives and economic residual value determined by the Company. Depreciation of leased assets is calculated by the straight-line method based on the estimated useful lives or lease term and the estimated residual values.

#### (3) Basis for reserves and allowances

##### Allowance for doubtful accounts

Allowance for doubtful accounts is provided for possible bad debt at the amount estimated based on past bad debts experience for normal receivables plus uncollectible amounts determined by reference to the collectibilities of individual doubtful receivables.

##### 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.

##### Accrued retirement benefits

Accrued retirement benefits or prepaid pension costs are recorded principally at the amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year. The net retirement benefit obligation at transition is primarily being amortized over a period of 15 years by the straight-line method. Prior service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees. Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.

##### Accrued retirement benefits for directors and statutory auditors

Accrued retirement benefits for directors and statutory auditors are recorded at the amount

which would be required to be paid as of the balance sheet date in accordance with the Company's internal rules if those directors and statutory auditors resigned their offices.

(4) Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and differences arising from the translation are charged or credited to income.

Assets and liabilities of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date and revenue and expense accounts are translated at the average rate of exchange in effect during the year. Differences arising from the translation are presented as translation adjustments and minority interests in its consolidated financial statements.

(5) Significant hedge accounting method

Hedge accounting

Primarily, deferred hedge accounting is applied for derivative instruments. Short-cut method, "Furiate-Shori," is applied for forward exchange contracts which are qualified for such treatment and related to the hedged items other than foreign currency denominated accounts receivables. Special treatment, "Tokurei-Shori," is applied for interest rate swaps which are qualified for such treatment.

Hedging instruments and hedged items

Hedging instruments - Derivative transactions

Hedged items - Hedged items are primarily receivables and payables denominated in foreign currencies and others.

Hedging policy

Based on the internal "Policies and Procedures for Risk Management" and "Delegation of Authorities" rules, expected risks such as fluctuations in foreign exchange and interest rate are hedged within certain extent.

Assessment of hedge effectiveness

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

(6) Consumption Tax

Transactions subject to consumption tax are recorded at amounts exclusive of consumption tax.

(7) Filing of consolidated tax returns

The Company and certain consolidated subsidiaries have been filing consolidated tax returns.

4. Valuation of assets and liabilities of consolidated subsidiaries

Assets and liabilities of consolidated subsidiaries acquired through business combinations are carried at fair value at the time of acquisition.

5. Amortization of goodwill and negative goodwill

Goodwill and negative goodwill in consolidated subsidiaries and in companies accounted for by the equity method have been amortized over periods not exceeding 20 years determined based on their expected life. However, immaterial differences are charged or credited to income in the year of acquisition.

6. Accounting changes

Not applicable

7. Changes in presentation

Main changes are as follows

(1) Until the year ended March 31, 2009, "Derivertive loss" was included in "Miscellaneous expenses", whereas this was presented separately in the year ended March 31, 2010.

Notes to Consolidated Balance Sheet



1. Assets pledged as collateral:	
(1) Assets pledged as collateral	(Millions of yen)
Sales finance receivables	969,778
Property, plant and equipment	592,669
Intangible fixed assets	115
Other non-current assets	24,385
<u>Total</u>	<u>1,586,947</u>
(2) Liabilities secured by the above collateral	
Short-term borrowings	255,161
Long-term borrowings	954,968
(including the current maturities)	
<u>計</u>	<u>1,210,129</u>

2. Accumulated depreciation of property, plant and equipment amounted to 4,272,623 million yen.  
(The above amount includes depreciation of leased assets in the amount of 188,995 million yen.)

### 3. Contingent Liabilities

At March 31, 2010, the Company and its consolidated subsidiaries had the following contingent liabilities:

	(Millions of yen)
1) As guarantor of employees' housing loans from banks and others (116,283 for employees, 1,909 for others)	118,192
2) Commitments to provide guarantees	472

### Notes to Consolidated Statement of Changes in Net Assets

#### 1. Shares issued and outstanding

Common stock	4,520,715 thousand shares
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#### 2. Dividends

There were no applicable items during the year ended March 31, 2010.

#### 3. Type and number of shares to be issued upon the exercise of share subscription rights (as of March 31, 2010)

Common stock	31,958 thousand shares
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### Notes to Financial Instruments

#### 1. Overview of financial instruments

The Group's fund management is primarily limited to short-term deposits and appropriate repurchase agreement transactions. The financing has been diversified, such as bank loans, bond issues, commercial paper issues, and liquidation of securities, to reduce the exposure to liquidity risk.

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

The Group utilizes derivatives financial instruments based on the internal "Policies and Procedures for Risk Management" for the purpose 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 or trading purposes.

The sales financing business provide the Group's financial services including auto loans and leases, which are supplied to customers following a strict credit assessment, and inventory financing, which is supplied to dealers.

#### 2. Fair Value of Financial Instruments

The following table indicates the carrying value in the consolidated balance sheet, the fair value and the

unrealized gain (loss) as of March 31, 2010. Assets and liabilities, for which it is deemed difficult to measure the fair value, are not included in the table below. (Refer to Note 2.)

(Millions of yen)

	Carrying value	Estimated Fair Value	Unrealized gain (loss)
(1)Cash on hand and in banks	802,410	802,410	—
(2)Trade notes and accounts receivable	641,154		
Allowance for doubtful accounts	(23,701)		
	617,453	617,453	—
(3)Sales finance receivables	2,601,248		
Allowance for doubtful accounts	(63,191)		
	2,538,057	2,620,484	84,427
(4)Securities and Investment securities	216,927	276,480	59,553
(5)Long-term loans receivable	11,125		
Allowance for doubtful accounts	(1,378)		
	9,747	10,094	347
<b>Total assets</b>	<b>4,184,594</b>	<b>4,326,921</b>	<b>142,327</b>
(1)Trade notes and accounts payable	1,001,287	1,001,287	—
(2)Short-term borrowings	349,427	349,427	—
(3)Commercial paper	174,393	174,393	—
(4)Bonds	914,272	932,690	(18,418)
(5)Long-term borrowings	2,487,638	2,513,501	(25,863)
(6)Lease obligations	151,536	153,940	(2,404)
<b>Total liabilities</b>	<b>5,078,553</b>	<b>5,125,238</b>	<b>(46,685)</b>
Derivative transactions	(10,914)	(10,914)	—

(\*1) The allowance for doubtful accounts is specifically provided for trade notes and accounts receivable, sales finance receivables, and long-term loans receivable.

(\*2) Net receivables and payables, which were derived from derivative transactions, are presented in net amounts, and any item for which the total becomes a net liability is indicated in parentheses.

(\*3) Bonds, long-term borrowings and lease obligations include each current portion which is categorized in current liabilities.

(\*4) Carrying value of sales finance receivables in the consolidated balance sheet includes the corresponding balance of ¥44,605 million of deferred installment income and others.

(Note 1) Calculation method of the fair value of financial instruments and matters relating to securities and derivative transactions

#### Assets

(1)Cash on hand and in banks and (2)Trade notes and accounts receivable

Fair value is calculated based on the book value as these assets are settled within a short time and the fair value is almost equal to the book value.

(3)Sales finance receivables

Fair value is calculated based on the discounted cash flows by collection period, using discount rates reflecting maturity and credit risk.

(4)Securities and Investment securities

Fair value of stocks is based on the prices traded at the stock exchange. Fair value of unlisted foreign investment trusts is based on the book value as these are settled within a short time and fair value is almost equal to the book value.

(5)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.

#### Liabilities

(1)Trade notes and accounts payable, (2)Short-term borrowings, and (3)Commercial papers

Fair value is calculated based on the book value as these liabilities are settled within a short time and fair value is almost equal to the book value.

(4)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.

(5)Long-term borrowings and (6)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.

#### Derivative transactions

Fair value is calculated based on the discounted cash flows and others. Fair value of interest rate swaps which are accounted using special treatment, "Tokurei-Shori", is included in that of corresponding hedged long-term borrowings, as those interest rate swaps are recorded as an adjustment to interest expenses of hedged instruments under the special treatment.

(Note 2) Unlisted stocks (carrying value in the consolidated balance sheet: 102,468 of millions of Yen) are not included in (4)Securities and Investment securities, as it is deemed difficult to measure the fair value because they are nonmarketable and future cash flows cannot be estimated.

#### Notes to Investment and Rental Property

1. The status of rental property

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

2. Fair value of investment and rental property

(millions of Yen)

Carrying value	Estimated Fair Value
103,314	101,010

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

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

#### Notes to Amounts per share

Net assets excluding share subscription rights and minority interests per share

663.90 yen

Basic net income per share

10.40 yen

#### Significant subsequent events

(1)Transfer of treasury stock by third party allotment

On April 6, 2010, the Board of Directors of the Company resolved to transfer the treasury stock by third party allotment. In accordance with this resolution the Company transferred the treasury stock on April 28, 2010.

1. Reason

This transfer of the Company's shares is made for the purpose of a capital alliance to be established as part of a strategic cooperative relationship among the Company, Renault S.A. and Daimler AG.

2. Method of transfer

To be allocated to Renault S.A. by third party allotment

3. Number of shares to be transferred

89,055,237 shares of common stock

4. Transfer price

¥828 per share

5. Total transfer amount

¥73,737,736,236

6. Transfer period

April 23, 2010 to May 31, 2010

7. Other important matter

As a result of the capital alliance among the Company, Renault S.A. and Daimler AG, the Company and Renault S.A. will obtain 1.55% of Daimler AG shares, respectively (a total of 3.1%), and Daimler AG will obtain 3.1% each of Nissan shares and Renault S.A. shares.

(2) Issuance of bonds with share subscription rights

On April 13, 2010, the Board of Directors of the Company resolved to issue 1st unsecured convertible bonds with share subscription rights, in accordance with Article 370 of the Company law. In accordance with this resolution the Company issued 1st unsecured convertible bonds with share subscription rights on April 28, 2010.

1. Reason

This issuance of bonds is conducted for the purpose of maintaining a certain shareholding of the Group in Renault shares, in association with the capital alliance to be established as part of the strategic cooperative relationship among the Company, Renault S.A. and Daimler AG.

2. Total issue amount

¥7,554,637,224

3. Issue price

¥100 for the amount of ¥100

4. Interest

No interest

5. Maturity date

June 1, 2010

6. Method for subscription

To be allocated to Nissan Finance Co., Ltd. (the "Planned Allottee") by third party allotment.

7. Due date of payment and issue date

April 28, 2010

8. Description of the share subscription rights

Type and number of shares to be issued upon the exercise of the share subscription rights:

9,123,958 shares of common stock of the Company

Conversion price:

¥828 per share

Total subscription amount:

¥7,554,637,224

Exercise period:

April 28, 2010 to May 31, 2010

9. Other important matter

The bonds with share subscription rights had been allocated to the Planned Allottee. The Planned Allottee transferred the bonds with share subscription rights to Renault in the form of an investment in kind and then Renault exercised the share subscriptions rights on the same day.

(3) Issuance of bonds

On April 28, 2010, the Company issued unsecured bonds. The terms and conditions of these bonds are summarized as follows:

1	Name of the bond	51st unsecured bonds
	Principal amount	¥50,000 million

	Interest rate	0.813% per annum
	Issue price	¥100 for a par value of ¥100
	Maturity date	April 28, 2015
	Payment due date	April 28, 2010
	Use of proceeds	To be appropriated as redemption funds for the 44th unsecured bonds
2	Name of the bond	52nd unsecured bonds
	Principal amount	¥30,000 million
	Interest rate	1.170% per annum
	Issue price	¥100 for a par value of ¥100
	Maturity date	April 28, 2017
	Payment due date	April 28, 2010
	Use of proceeds	To be appropriated as redemption funds for the 44th unsecured bonds
3	Name of the bond	53rd unsecured bonds
	Principal amount	¥20,000 million
	Interest rate	1.744% per annum
	Issue price	¥100 for a par value of ¥100
	Maturity date	April 28, 2020
	Payment due date	April 28, 2010
	Use of proceeds	To be appropriated as redemption funds for the 44th unsecured bonds

Other

Not applicable

Amounts less than one million yen are rounded off.

### 3. Notes to Non-Consolidated Financial Statements

#### Significant Accounting Policies

##### 1. Valuation of Assets

###### (1) Securities

###### 1) Held-to-maturity debt securities

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

###### 2) Equity securities issued by subsidiaries and affiliates

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

###### 3) Other securities

###### a) Marketable securities:

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

###### b) Non-marketable securities:

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

###### (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 and amortization of fixed assets

### (1) Property, plant and equipment

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

### (2) Intangible assets

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

### (3) Leased Assets

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

## 3. Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and the differences arising from the translation are included in the statement of operations.

## 4. Basis for reserves and allowances

### (1) Allowance for doubtful accounts

The allowance for doubtful accounts is provided for possible bad debt at the amount estimated based on the past bad debts experience for normal receivables plus uncollectible amounts determined by reference to the collectibilities of individual doubtful receivables.

### (2) Accrued warranty costs

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

### (3) Accrued retirement benefits

Accrued retirement benefits or prepaid pension costs are provided for payment of retirement benefits at the amount calculated based on the retirement benefit obligation and the fair value of pension plan assets at the end of this fiscal year.

The net retirement benefit obligation at transition is being amortized over a period of 15 years on a straight-line method.

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

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

## 5. Other significant accounting policies

### (1) Significant hedge accounting method

#### 1) Hedge accounting

Primarily, deferred hedge accounting is applied for derivative instruments. Short-cut method, "Furiate-Shori," is applied for forward exchange contracts which are qualified for such treatment and related to the hedged items other than foreign currency denominated accounts receivables. Special treatment, "Tokurei-Shori," is applied for interest rate swaps which are qualified for such treatment.

#### 2) Hedging instruments and hedged items

Hedging instruments - Derivative transactions

Hedged items - Mainly receivables and payables denominated in foreign currencies, and other.

#### 3) Hedging policy

Based on internal "Policies and Procedures for Risk Management" and "Delegation of Authorities" rules, risks for foreign exchange and interest rate fluctuations are hedged within

the certain extent.

4) Assessment of hedge effectiveness

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

(2) Consumption Tax

Transactions subject to consumption tax are recorded at amounts exclusive of consumption tax.

(3) Filing of consolidated tax returns

The Company has been filing consolidated tax returns.

6. Change in presentation

(1) Until the year ended March 31, 2009, "Long-term loans receivable from subsidiaries and affiliates" was included in "Long-term loans receivable", whereas this was presented separately in the year ended March 31, 2010.

(2) Until the year ended March 31, 2009, "Provision of allowance for doubtful accounts" was included in "Miscellaneous expenses" in Non-operating expenses, whereas this was presented separately in the year ended March 31, 2010.

Notes to Non-Consolidated Balance Sheet

1. Accumulated depreciation of property, plant and equipment amounted to 1,322,839 million yen.

(The above amount includes depreciation of leased assets in the amount of 126,016 million yen.)

2. Guarantees given and other items

• Guarantees given

Employees	106,708 million yen
Nissan Motor Manufacturing (UK) Ltd.	7,118 million yen
Automotive Energy Supply Corporation	6,260 million yen
Nissan South Africa (Pty) Ltd.	5,336 million yen
Nissan North America, Inc.	1,091 million yen
Others	8,117 million yen
<hr/> Total	<hr/> 134,633 million yen

• Commitments to provide guarantees of indebtedness

Hibikinada Development Co., Ltd. 472 million yen

• Letter of awareness

Dongfeng Nissan Auto Finance Co., Ltd., 3,422 million yen

• Keepwell Agreements

Provided for the following companies

Nissan Motor Acceptance Corp.	1,815,706 million yen
Nissan Financial Services Co., Ltd.	524,000 million yen
Nissan Leasing (Thailand) Co., Ltd.	25,969 million yen
Nissan Financial Services Australia Pty Ltd.	852 million yen

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Total 2,366,528 million yen

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

Short-term monetary receivables:	325,341 million yen
Short-term monetary payables:	352,672 million yen
Long-term monetary payables:	7,920 million yen

Notes to Non-Consolidated Statements of Income

Transactions with subsidiaries and affiliates

Operating transactions with subsidiaries and affiliates

Sales:	2,412,459 million yen
Operating expenses:	1,019,238 million yen

Transactions with subsidiaries and affiliates

other than operating transactions:

436,330 million yen

Note to Non-Consolidated Statements of Changes in Net Assets

Treasury stock (as of March 31, 2010)

Common stock 137,260 thousand shares

Note relating to deferred tax assets and liabilities

Deferred tax assets mainly consisted of those deriving from net operating loss carry forwards, tax credits carry forwards, accrued retirement benefits, accrued warranty costs and others. Deferred tax liabilities mainly consisted of those deriving from reserves under Special Taxation Measures Law, unrealized holding gain on securities and others. Valuation allowance provided against deferred tax assets amounted to 155,497 million yen.

Note relating to related party transactions

Subsidiaries, affiliates and others

(in millions of yen)

Attribute	Name	Percentage of voting right held by the company	Relation	Nature of transactions	Amount of the transactions	Account	Balance at the end of fiscal year
Subsidiary	Nissan North America, Inc.	Ownership Directly 100%	<ul style="list-style-type: none"> <li>Purchasing products manufactured by NML</li> <li>Concurrent positions held by directors</li> </ul>	<p>Sales</p> <p>Dividend Income</p>	<p>703,560</p> <p>245,731</p>	Trade accounts receivable	61,251
Subsidiary	Nissan Shatai Co., Ltd.	Ownership Directly 42.90% Indirectly 0.03%	<ul style="list-style-type: none"> <li>Manufacturing certain products on behalf of NML</li> </ul>	Purchases	268,697	Trade accounts payable Advances paid Accrued expenses	64,386 8,510 5,664
Subsidiary	Nissan Finance Co., Ltd.	Ownership Directly 100%	<ul style="list-style-type: none"> <li>Making loans for the group loans made to domestic subsidiaries</li> </ul>	Making loans	506,135	Short-term loans receivable from subsidiaries and affiliates	506,135
Subsidiary	Nissan Motor Acceptance Corp.	Ownership Indirectly 100%	<ul style="list-style-type: none"> <li>Providing sales finance services for vehicles manufactured by the company</li> </ul>	<p>Making loans</p> <p>Guarantees given and other (Keepwell Agreements)</p>	<p>140,630</p> <p>1,815,706</p>	<p>Short-term loans receivable</p> <p>Long-term loans receivable</p> <p>—</p>	<p>45,210</p> <p>95,420</p> <p>—</p>
Subsidiary	Nissan Financial Services Co., Ltd.	Ownership Directly 100%	<ul style="list-style-type: none"> <li>Providing sales finance services for vehicles manufactured by the company</li> </ul>	<p>Making loans</p> <p>Guarantees given and other (Keepwell Agreements)</p>	<p>220,000</p> <p>524,000</p>	<p>Short-term loans receivable</p> <p>—</p>	<p>220,000</p> <p>—</p>
Subsidiary	Nissan International holding B.V.	Ownership Directly 100%	<ul style="list-style-type: none"> <li>Holding stocks of sub-subsidiaries</li> </ul>	Dividend income	165,947	Other accounts receivable	9,277
Subsidiary	Nissan Middle	Ownership	<ul style="list-style-type: none"> <li>Purchasing</li> </ul>	Borrowing	63,355	Short-term	63,355



	East F. Z. E.	Directly 100%	products manufactured by NML	loans		borrowings	
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Terms and conditions of transactions and policies on deciding terms and conditions

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

Others

- (1) The Company provides guarantees to the borrowings of its subsidiaries.  
In addition, the Company provides keepwell agreements, as a part of guarantee, in order to enhance the credits.
- (2) The Company has borrowings and lendings with its group companies. The interest rate is determined by reference to market rates.
- (3) Dividend income from subsidiaries of which the Company has all voting rights are decided considering its financial condition.

Notes to Amounts per share

Net assets excluding share subscription rights per share	433.32 yen
Basic net income per share	59.86 yen

Significant subsequent events

(1) Transfer of treasury stock by third party allotment

On April 6, 2010, the Board of Directors of the Company resolved to transfer the treasury stock by third party allotment. In accordance with this resolution the Company transferred the treasury stock on April 28, 2010.

1. Reason

This transfer of the Company's shares is made for the purpose of a capital alliance to be established as part of a strategic cooperative relationship among the Company, Renault S.A. and Daimler AG.

2. Method of transfer

To be allocated to Renault S.A. by third party allotment

3. Number of shares to be transferred

89,055,237 shares of common stock

4. Transfer price

¥828 per share

5. Total transfer amount

¥73,737,736,236

6. Transfer period

April 23, 2010 to May 31, 2010

7. Other important matter

As a result of the capital alliance among the Company, Renault S.A. and Daimler AG, the Company and Renault S.A. will obtain 1.55% of Daimler AG shares, respectively (a total of 3.1%), and Daimler AG will obtain 3.1% each of Nissan shares and Renault S.A. shares.

(2) Issuance of bonds with share subscription rights

On April 13, 2010, the Board of Directors of the Company resolved to issue 1st unsecured convertible bonds with share subscription rights, in accordance with Article 370 of the Company law. In accordance with this resolution the Company issued 1st unsecured convertible bonds with share subscription rights on April 28, 2010.

1. Reason

This issuance of bonds is conducted for the purpose of maintaining a certain shareholding of the

Group in Renault shares, in association with the capital alliance to be established as part of the strategic cooperative relationship among the Company, Renault S.A. and Daimler AG.

2. Total issue amount

¥7,554,637,224

3. Issue price

¥100 for the amount of ¥100

4. Interest

No interest

5. Maturity date

June 1, 2010

6. Method for subscription

To be allocated to Nissan Finance Co., Ltd. (the "Planned Allottee") by third party allotment.

7. Due date of payment and issue date

April 28, 2010

8. Description of the share subscription rights

Type and number of shares to be issued upon the exercise of the share subscription rights:

9,123,958 shares of common stock of the Company

Conversion price:

¥828 per share

Total subscription amount:

¥7,554,637,224

Exercise period:

April 28, 2010 to May 31, 2010

9. Other important matter

The bonds with share subscription rights had been allocated to the Planned Allottee. The Planned Allottee transferred the bonds with share subscription rights to Renault in the form of an investment in kind and then Renault exercised the share subscriptions rights on the same day.

(3) Issuance of bonds

On April 28, 2010, the Company issued unsecured bonds. The terms and conditions of these bonds are summarized as follows:

1	Name of the bond	51st unsecured bonds
	Principal amount	¥50,000 million
	Interest rate	0.813% per annum
	Issue price	¥100 for a par value of ¥100
	Maturity date	April 28, 2015
	Payment due date	April 28, 2010
	Use of proceeds	To be appropriated as redemption funds for the 44th unsecured bonds
2	Name of the bond	52nd unsecured bonds
	Principal amount	¥30,000 million
	Interest rate	1.170% per annum
	Issue price	¥100 for a par value of ¥100
	Maturity date	April 28, 2017
	Payment due date	April 28, 2010
	Use of proceeds	To be appropriated as redemption funds for the 44th unsecured bonds
3	Name of the bond	53rd unsecured bonds
	Principal amount	¥20,000 million
	Interest rate	1.744% per annum
	Issue price	¥100 for a par value of ¥100
	Maturity date	April 28, 2020

Payment due date	April 28, 2010
Use of proceeds	To be appropriated as redemption funds for the 44th unsecured bonds

Other  
Not applicable

Amounts less than one million yen have been omitted.

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