

# **Quarterly Securities Report**

Second Quarter of FY2016

(From July 1, 2016 To September 30, 2016)

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

**Nissan Motor Co., Ltd.**

# Table of Contents

	Page
<b>Cover</b> .....	1
<b>Part I Information on the Company</b> .....	2
<b>1. Overview of the Company</b> .....	2
1. Key financial data and trends .....	2
2. Description of business .....	2
<b>2. Business Overview</b> .....	3
1. Business and other risks .....	3
2. Important business contracts .....	3
3. Analysis of financial position, operating results and cash flows .....	3
<b>3. Corporate Information</b> .....	7
1. Information on the Company's shares .....	7
2. Members of the Board of Directors and Statutory Auditors .....	9
<b>4. Financial Information</b> .....	10
1. Quarterly Consolidated Financial Statements .....	11
2. Other .....	33
<b>Part II Information on Guarantors for the Company</b> .....	34
<b>Independent Auditor's Quarterly Review Report</b>	
<b>Confirmation Note</b>	

<b>【Cover】</b>	
<b>【Document Submitted】</b>	Quarterly Securities Report (“Shihanki-Houkokusho”)
<b>【Article of the Applicable Law Requiring Submission of This Document】</b>	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Law
<b>【Filed to】</b>	Director, Kanto Local Finance Bureau
<b>【Date of Submission】</b>	November 9, 2016
<b>【Accounting Period】</b>	Second Quarter of the 118th Fiscal Year (From July 1, 2016 To September 30, 2016)
<b>【Company Name】</b>	Nissan Jidosha Kabushiki-Kaisha
<b>【Company Name (in English)】</b>	Nissan Motor Co., Ltd.
<b>【Position and Name of Representative】</b>	Carlos Ghosn, President
<b>【Location of Head Office】</b>	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
<b>【Phone No.】</b>	(045) 523-5523 (switchboard)
<b>【Contact for Communications】</b>	Maki Kawai, Manager, Consolidation Accounting Group, Budget and Accounting Department
<b>【Nearest Contact】</b>	1-1, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa
<b>【Phone No.】</b>	(045) 523-5523 (switchboard)
<b>【Contact for Communications】</b>	Maki Kawai, Manager, Consolidation Accounting Group, Budget and Accounting Department
<b>【Place Where Available for Public Inspection】</b>	Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

# Part I Information on the Company

## 1. Overview of the Company

### 1. Key financial data and trends

Fiscal year		117th Six months ended September 30, 2015	118th Six months ended September 30, 2016	117th
Accounting period		(From April 1, 2015 To September 30, 2015)	(From April 1, 2016 To September 30, 2016)	(From April 1, 2015 To March 31, 2016)
Net sales (Current Second Quarter)	(Millions of yen)	5,933,250 (3,033,899)	5,321,037 (2,666,538)	12,189,519
Ordinary income	(Millions of yen)	427,691	396,835	862,272
Net income attributable to owners of parent (Current Second Quarter)	(Millions of yen)	325,586 (172,789)	282,433 (146,056)	523,841
Comprehensive income	(Millions of yen)	166,105	(214,891)	75,107
Net assets	(Millions of yen)	5,323,213	4,629,619	5,140,745
Total assets	(Millions of yen)	17,195,372	16,221,005	17,373,643
Basic earnings per share (Current Second Quarter)	(Yen)	77.66 (41.22)	69.40 (36.33)	125.00
Diluted earnings per share	(Yen)	77.65	69.40	124.99
Net assets as a percentage of total assets	(%)	28.7	26.0	27.2
Cash flows from operating activities	(Millions of yen)	311,606	540,144	927,013
Cash flows from investing activities	(Millions of yen)	(586,061)	(605,899)	(1,229,280)
Cash flows from financing activities	(Millions of yen)	220,794	68,147	530,606
Cash and cash equivalents at end of the period	(Millions of yen)	755,635	905,980	992,095

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

2. Net sales are presented exclusive of consumption tax.

### 2. Description of business

There have been no significant changes in the business in which the Company and its subsidiaries and affiliates (collectively, the “Group”) operate during the six months ended September 30, 2016. No changes were made to major subsidiaries and affiliates.

## 2. Business Overview

### 1. Business and other risks

During the six months ended September 30, 2016, there were no unusual fluctuations with regard to financial position, operating results and cash flows or important changes in the “Business and other risks,” which are described in the securities report of the prior fiscal year.

### 2. Important business contracts

No important business contracts were determined or entered into during the current second quarter.

### 3. Analysis of financial position, operating results and cash flows

Any future forecasts included in the following descriptions are based on the best estimates or judgment of the Group as of September 30, 2016, the end of the current second quarter.

#### (1) Operating results

For the six months ended September 30, 2016, the Group’s net sales amounted to ¥5,321.0 billion, a decrease of ¥612.3 billion (10.3%) from the corresponding period of the last year (the “last year”). Operating income decreased by ¥55.3 billion (14.0%) to ¥339.7 billion on a consolidated basis.

Net non-operating income of ¥57.1 billion was recorded for the six months ended September 30, 2016, increased by ¥24.4 billion from the last year. This result was primarily attributable to increase of equity in earnings of affiliates. As a result, ordinary income decreased by ¥30.9 billion (7.2%) from the last year to ¥396.8 billion. Net special gains of ¥3.1 billion were recorded, improved by ¥16.4 billion from the last year. Income before income taxes decreased by ¥14.5 billion (3.5%) to ¥399.9 billion compared with the last year. Finally, net income attributable to owners of parent of ¥282.4 billion was recorded for the six months ended September 30, 2016, a decrease of ¥43.2 billion (13.3%) from the last year.

The operating results by reportable segments are summarized as follows:

#### ① Automobiles

Net sales in automobile segment (including inter-segment sales) for the six months ended September 30, 2016 were ¥4,918.8 billion, a decrease of ¥616.4 billion (11.1%) from the last year. Operating income decreased by ¥44.7 billion (16.5%) to ¥226.0 billion from the last year. This was mainly due to the unfavorable foreign exchange effect.

#### ② Sales financing

Net sales in the sales financing segment (including inter-segment sales) for the six months ended September 30, 2016 were ¥465.9 billion, a decrease of ¥4.5 billion (1.0%) from the last year. Operating income decreased by ¥15.4 billion (13.7%) from the last year to ¥97.2 billion.

Operating results by geographic segment are summarized as follows:

#### a. Japan

- Net sales (including inter-segment sales) for the six months ended September 30, 2016 were ¥2,041.9 billion, a decrease of ¥164.7 billion (7.5%) from the last year.
- Operating income decreased by ¥9.6 billion (5.9%) from the last year to ¥153.2 billion.  
A major profit-decreasing factor was unfavorable effect of the foreign exchange rate movements, despite the improvement from the purchasing cost reduction and others.

#### b. North America

- Net sales (including inter-segment sales) for the six months ended September 30, 2016 were ¥2,931.9 billion, a decrease of ¥283.5 billion (8.8%) from the last year.
- Operating income decreased by ¥53.5 billion (27.3%) from the last year to ¥142.8 billion.  
Major profit-decreasing factors were an increase in sales and marketing expense and the unfavorable effect of foreign exchange rate movements, despite the profit-improvement attributable to purchasing cost reduction and others.

- c. Europe
  - Net sales (including inter-segment sales) for the six months ended September 30, 2016 were ¥867.8 billion, a decrease of ¥54.7 billion (5.9%) from the last year.
  - Operating income increased by ¥1.7 billion (21.3%) from the last year to ¥9.8 billion. Major profit-improving factors were an increase of the number of vehicles sold in Europe excluding Russia and reduction of purchasing cost and others, despite the unfavorable effects of foreign exchange rate movements.
- d. Asia
  - Net sales (including inter-segment sales) for the six months ended September 30, 2016 were ¥761.2 billion, a decrease of ¥102.7 billion (11.9%) from the last year.
  - Operating income decreased by ¥1.9 billion (5.0%) from the last year to ¥35.8 billion.
- e. Other overseas countries
  - Net sales (including inter-segment sales) for the six months ended September 30, 2016 were ¥468.0 billion, a decrease of ¥111.3 billion (19.2%) from the last year.
  - Operating income decreased by ¥2.3 billion (52.0%) from the last year to ¥2.2 billion. A major profit-decreasing factor was a decrease of the number of vehicles sold in the Middle East region.

(2) Cash flows

Cash and cash equivalents at September 30, 2016 decreased by ¥86.1 billion (8.7%) from the end of the prior fiscal year to ¥906.0 billion. This reflected ¥540.1 billion in net cash provided by operating activities, ¥605.9 billion in net cash used in investing activities and ¥68.1 billion in net cash provided by financing activities, as well as a decrease of ¥93.8 billion in the effects of exchange rate changes on cash and cash equivalents and ¥5.4 billion increase attributable to a change in the scope of consolidation.

(Cash flows from operating activities)

Net cash provided by operating activities increased by ¥228.5 billion to ¥540.1 billion for the six months ended September 30, 2016 from ¥311.6 billion provided in the last year. This mainly reflected a reduced range of increase in sales finance receivables and an increase in trade notes and accounts payable despite an increase in inventories.

(Cash flows from investing activities)

Net cash used in investing activities increased by ¥19.8 billion to ¥605.9 billion for the six months ended September 30, 2016 from ¥586.1 billion used in the last year. This was mainly due to the turn from a decrease in the last year to an increase for the current period in restricted cash.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥68.1 billion for the six months ended September 30, 2016, a decrease in cash inflows of ¥152.7 billion compared with ¥220.8 billion provided in the last year. This was due to the turn from a net increase in the last year to a net decrease in the current period in short-term borrowings and an increase in payments due to purchase of treasury stock despite an increase in proceeds from issuance of bonds and an increase in proceeds from long-term borrowings.

(3) Operating and financial issues to be addressed

No significant changes occurred or new issues were identified with regard to the operating and financial issues to be addressed by the Group during the six months ended September 30, 2016.

(4) Research-and-development activities

The Group has been active in conducting research-and-development activities in the environment, safety and various other fields toward the realization of a sustainable, motorized society in the future. The research-and-development costs of the Group amounted to ¥224.6 billion for the six months ended September 30, 2016.

(5) Factors that may affect operating results, as well as the current status of and outlook on business strategies

The Group's worldwide automobile sales (on a retail basis) for the six months ended September 30, 2016 decreased by 0.1% from the last year to 2,613 thousand units.

The overall demand for vehicles decreased by 1.0% in the domestic market, and the number of vehicles sold in Japan decreased by 20.2%, resulting in 211 thousand units, accounting for a market share of 9.2%, a decrease of 2.2 percentage points from the last year.

The overall demand for vehicles in China increased by 7.9%, and the number of vehicles sold in China increased by 3.8%, resulting in 610 thousand units, accounting for a market share of 5.0%.

The overall demand for vehicles in the United States of America decreased by 0.8%, and the number of vehicles sold in the United States of America increased by 3.7% to 783 thousand units, accounting for a market share of 8.7%. Meanwhile, the number of vehicles sold in North America, including Mexico and Canada, increased by 5.4% to 1,048 thousand units.

The overall demand for vehicles in Europe increased by 6.2%, and the number of vehicles sold in Europe excluding Russia increased by 4.4% to 319 thousand units, accounting for a market share of 3.6%. The number of vehicles sold in Russia decreased by 30.1% to 43 thousand units.

The number of vehicles sold in other countries including Asia, Oceania, Africa, Central and South America and Middle East decreased by 4.9% to 382 thousand units.

Over the coming quarters, Nissan will further extend its' brand power through new technologies in key areas such as environment, safety and autonomous drive, and continuously pursue operational efficiency through robust alliance partnership relationships. Although the Group faces market uncertainty and currency headwinds, we are committed to growing our business in a sustainable way delivering solid earnings secured with cash flows and attractive shareholders return.

(6) Analysis of sources of capital and liquidity

Cash and cash equivalents at September 30, 2016 decreased by ¥86.1 billion (8.7%) from the end of the prior fiscal year to ¥906.0 billion. This reflected ¥540.1 billion in net cash provided by operating activities, ¥605.9 billion in net cash used in investing activities and ¥68.1 billion in net cash provided by financing activities, as well as a decrease of ¥93.8 billion in the effects of exchange rate changes on cash and cash equivalents and ¥5.4 billion increase attributable to a change in the scope of consolidation.

It is necessary to pay careful attention to the liquidity of funds in view of the drastic environmental changes in the financial markets and other relevant concerns. However, as the Group has entered into loan commitment agreements with major international banks in addition to the cash and cash equivalents held, the Group believes that a level of liquidity is sufficient to meet the Group's funding requirements.

## (7) Production and sales

## Actual production

Location of manufacturers	Number of vehicles produced (Units)		Change (Units)	Change (%)
	Six months ended September 30, 2015	Six months ended September 30, 2016		
Japan	416,457	431,405	14,948	3.6
The United States of America	473,828	495,860	22,032	4.6
Mexico	412,164	425,092	12,928	3.1
The United Kingdom	232,779	257,513	24,734	10.6
Spain	48,107	63,528	15,421	32.1
Russia	17,524	18,616	1,092	6.2
Thailand	66,530	55,333	(11,197)	(16.8)
Indonesia	19,189	18,434	(755)	(3.9)
Philippines	893	1,557	664	74.4
India	103,653	160,858	57,205	55.2
South Africa	19,478	16,416	(3,062)	(15.7)
Brazil	27,015	25,387	(1,628)	(6.0)
Egypt	7,541	8,591	1,050	13.9
Total	1,845,158	1,978,590	133,432	7.2

Note: The figures represent the production figures for the 6-month period from April 1 to September 30, 2016.

## Actual sales

Sales to	Number of vehicles sold (on a consolidated basis: Units)		Change (Units)	Change (%)
	Six months ended September 30, 2015	Six months ended September 30, 2016		
Japan	253,527	201,942	(51,585)	(20.3)
North America	976,357	1,057,613	81,256	8.3
(The United States of America included therein)	732,501	774,370	41,869	5.7
Europe	356,536	355,466	(1,070)	(0.3)
Asia	135,741	203,144	67,403	49.7
Other overseas countries	265,146	232,197	(32,949)	(12.4)
Total	1,987,307	2,050,362	63,055	3.2

Note: The figures in China and Taiwan, which are included in "Asia" represent the sales figures for the 6-month period from January 1 to June 30, 2016. Those sold in Japan, North America, Europe, Other overseas countries and Asia (excluding China and Taiwan) represent vehicles sold for the 6-month period from April 1 to September 30, 2016.



### 3. Corporate Information

#### 1. Information on the Company's shares

##### (1) Number of shares and other

###### ① Number of shares

Type	Number of shares authorized to be issued
Common stock	6,000,000,000
Total	6,000,000,000

###### ② Number of shares issued

Type	Number of shares issued		Stock exchanges on which the Company is listed	Description
	As of September 30, 2016	As of November 9, 2016 (filing date of this quarterly securities report)		
Common stock	4,282,715,112	4,282,715,112	First Section of the Tokyo Stock Exchange	The number of shares constituting a standard unit is 100
Total	4,282,715,112	4,282,715,112	—	—

Note: The number of shares issued as of the filing date of this quarterly securities report does not include those issued upon the exercise of the share subscription rights during the period from November 1, 2016, through the filing date of this quarterly securities report.

##### (2) Status of the share subscription rights

There were no issued items during the current second quarter.

##### (3) Exercise status of bonds with share subscription rights containing a clause for exercise price adjustment

Not applicable

##### (4) Right plans

Not applicable

##### (5) Changes in the number of shares issued and the amount of common stock and other

Period	Changes in the number of shares issued (Thousands)	Balance of the number of shares issued (Thousands)	Changes in common stock (Millions of yen)	Balance of common stock (Millions of yen)	Changes in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
September 30, 2016 (Note)	(108,000)	4,282,715	—	605,813	—	804,470

Note: Decrease due to retirement of treasury stock

## (6) Principal shareholders

(As of September 30, 2016)

Name	Address	Number of shares held (Thousands)	Number of shares held as a percentage of total shares issued (%)
Renault S.A. (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	13-15 QUAI ALPHONSE LE GALLO 92100 BOULOGNE BILLANCOURT, FRANCE (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	1,858,745	43.40
THE CHASE MANHATTAN BANK, N.A., LONDON SPECIAL ACCOUNT NO. 1 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)  (Note)	WOOLGATE HOUSE, COLEMAN STREET, LONDON EC2P 2HD, ENGLAND (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	142,772	3.33
Japan Trustee Services Bank, Ltd. (Trust account)	1-8-11 Harumi, Chuo-ku, Tokyo	126,972	2.96
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	109,767	2.56
STATE STREET BANK AND TRUST COMPANY (Standing agent: Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	ONE LINCOLN STREET, BOSTON, MA U.S.A. 02111 (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	84,671	1.98
Japan Trustee Services Bank, Ltd. (Trust account 9)	1-8-11 Harumi, Chuo-ku, Tokyo	70,434	1.64
Nippon Life Insurance Company	1-6-6 Marunouchi, Chiyoda-ku, Tokyo (Nippon Life securities management portion)	54,029	1.26
JP Morgan Chase Bank 385632 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	43,388	1.01
The Bank of New York Mellon SA/NV 10 (Standing agent: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	RUE MONTROYERSTRAAT 46, 1000 BRUSSELS, BELGIUM (2-7-1 Marunouchi, Chiyoda-ku, Tokyo)	39,407	0.92
Japan Trustee Services Bank, Ltd. (Trust account 7)	1-8-11 Harumi, Chuo-ku, Tokyo	36,053	0.84
Total	—	2,566,238	59.92

Note: Daimspain, S.L. substantially holds 140,142 thousand shares of the Company although those shares are in custody of THE CHASE MANHATTAN BANK, N.A. LONDON SPECIAL ACCOUNT NO. 1 on the shareholders' register.

## (7) Status of voting rights

## ① Shares issued

(As of September 30, 2016)

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 29,941,600	—	—
	(Crossholding stock) Common stock 305,600	—	—
Shares with full voting rights (Others)	Common stock 4,251,925,900	42,519,259	—
Stocks of less than a standard unit	Common stock 542,012	—	—
Total shares issued	4,282,715,112	—	—
Total voting rights held by all shareholders	—	42,519,259	—

Note: “Stocks of less than a standard unit” include 77 shares of treasury stock and 30 crossholding shares.

## Crossholding stocks of less than a standard unit

(As of September 30, 2016)

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

## ② Treasury stock, etc.

(As of September 30, 2016)

Shareholders	Addresses of shareholders	Number of shares held under own name	Number of shares held under the names of others	Total	% of interest
		Shares	Shares	Shares	%
Treasury stock: Nissan Motor Co., Ltd.	2 Takara-cho, Kanagawa-ku, Yokohama-shi, Kanagawa	29,941,600	—	29,941,600	0.70
Crossholding stock: Kochi Nissan Prince Motor Sales Co., Ltd.	2-21 Asahi-cho, Kochi-shi, Kochi	105,600	—	105,600	0.00
Kai Nissan Motor Co., Ltd.	706 Kamiimai-cho, Kofu-shi, Yamanashi	107,800	41,700	149,500	0.00
Kagawa Nissan Motor Co., Ltd.	1-1-8 Hanazono-cho, Takamatsu-shi, Kagawa	4,800	100	4,900	0.00
NDC Sales Co., Ltd.	2-39-1 Mimomi, Narashino-shi, Chiba	45,600	—	45,600	0.00
Total		30,205,400	41,800	30,247,200	0.71

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

**2. Members of the Board of Directors and Statutory Auditors**

Not applicable

#### **4. Financial Information**

##### 1. Basis of preparation of the quarterly consolidated financial statements

The quarterly consolidated financial statements of the Company are prepared in accordance with the Ministry of Finance Ordinance No. 64, 2007 “Regulations Concerning the Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements” (“Regulations for Quarterly Consolidated Financial Statements”).

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

##### 2. Quarterly review report

The quarterly consolidated financial statements for the current second quarter (from July 1, 2016 to September 30, 2016) and for the six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016) were reviewed by Ernst & Young ShinNihon LLC, pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law.

## 1. Quarterly Consolidated Financial Statements

### (1) Quarterly consolidated balance sheets

	(Millions of yen)	
	Prior Fiscal Year (As of March 31, 2016)	Current Second Quarter (As of September 30, 2016)
<b>Assets</b>		
Current assets		
Cash on hand and in banks	918,771	821,202
Trade notes and accounts receivable	837,704	665,616
Sales finance receivables	6,653,237	6,235,686
Securities	73,384	87,620
Merchandise and finished goods	857,818	886,884
Work in process	86,313	100,313
Raw materials and supplies	330,435	324,471
Other	1,076,769	979,174
Allowance for doubtful accounts	(86,858)	(87,652)
Total current assets	10,747,573	10,013,314
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	645,945	609,735
Machinery, equipment and vehicles, net	※1 3,182,514	※1 2,998,760
Land	625,152	619,749
Construction in progress	196,718	135,133
Other, net	566,573	509,099
Total property, plant and equipment	5,216,902	4,872,476
Intangible fixed assets	130,877	121,908
Investments and other assets		
Investment securities	893,688	811,960
Other	386,506	403,087
Allowance for doubtful accounts	(1,903)	(1,740)
Total investments and other assets	1,278,291	1,213,307
Total fixed assets	6,626,070	6,207,691
Total assets	17,373,643	16,221,005

(Millions of yen)

	Prior Fiscal Year (As of March 31, 2016)	Current Second Quarter (As of September 30, 2016)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	1,479,689	1,389,681
Short-term borrowings	1,037,271	810,955
Current portion of long-term borrowings	1,350,894	1,217,757
Commercial papers	499,875	355,606
Current portion of bonds	357,998	251,390
Lease obligations	14,916	25,391
Accrued expenses	981,989	884,747
Accrued warranty costs	106,536	101,706
Other	935,019	845,316
Total current liabilities	6,764,187	5,882,549
Long-term liabilities		
Bonds	969,987	1,218,870
Long-term borrowings	2,755,896	2,874,766
Lease obligations	14,460	21,627
Accrued warranty costs	138,107	118,393
Net defined benefit liability	424,123	444,650
Other	1,166,138	1,030,531
Total long-term liabilities	5,468,711	5,708,837
Total liabilities	12,232,898	11,591,386
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	805,646	814,605
Retained earnings	4,150,740	4,129,771
Treasury stock	(148,684)	(142,382)
Total shareholders' equity	5,413,516	5,407,808
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	64,030	38,568
Unrealized gain and loss from hedging instruments	(4,486)	(500)
Translation adjustments	(582,363)	(1,021,740)
Remeasurements of defined benefit plans	(155,487)	(184,892)
Other	(13,945)	(13,945)
Total accumulated other comprehensive income	(692,251)	(1,182,509)
Share subscription rights	502	414
Non-controlling interests	418,978	403,906
Total net assets	5,140,745	4,629,619
Total liabilities and net assets	17,373,643	16,221,005

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

	(Millions of yen)	
	Six Months Ended September 30, 2015 (From April 1, 2015 To September 30, 2015)	Six Months Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)
Net sales	5,933,250	5,321,037
Cost of sales	4,785,352	4,289,483
Gross profit	1,147,898	1,031,554
Selling, general and administrative expenses		
Advertising expenses	163,964	151,025
Provision for warranty costs	67,024	56,231
Other selling expenses	105,421	107,004
Salaries and wages	190,556	190,485
Provision for doubtful accounts	28,161	34,132
Other	197,796	152,946
Total selling, general and administrative expenses	752,922	691,823
Operating income	394,976	339,731
Non-operating income		
Interest income	15,244	8,188
Dividends income	5,876	7,204
Equity in earnings of affiliates	56,396	74,554
Derivative gain	—	73,844
Miscellaneous income	4,240	5,670
Total non-operating income	81,756	169,460
Non-operating expenses		
Interest expense	13,074	6,629
Derivative loss	1,494	—
Exchange loss	29,505	96,490
Miscellaneous expenses	4,968	9,237
Total non-operating expenses	49,041	112,356
Ordinary income	427,691	396,835
Special gains		
Gain on sales of fixed assets	6,064	4,586
Gain on reversal of share subscription rights	1,739	89
Insurance income	—	5,849
Other	1,000	473
Total special gains	8,803	10,997
Special losses		
Loss on sales of fixed assets	2,441	1,842
Loss on disposal of fixed assets	3,297	3,396
Other	16,346	2,677
Total special losses	22,084	7,915
Income before income taxes	414,410	399,917
Income taxes	80,076	101,784
Net income	334,334	298,133
Net income attributable to non-controlling interests	8,748	15,700
Net income attributable to owners of parent	325,586	282,433

Quarterly consolidated statements of comprehensive income

	(Millions of yen)	
	Six Months Ended September 30, 2015 (From April 1, 2015 To September 30, 2015)	Six Months Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)
Net income	334,334	298,133
Other comprehensive income		
Unrealized holding gain and loss on securities	(33,858)	(17,862)
Unrealized gain and loss from hedging instruments	(14,270)	4,043
Translation adjustments	(117,395)	(372,927)
Remeasurements of defined benefit plans	(1,150)	(28,213)
The amount for equity method company portion	(1,556)	(98,065)
Total other comprehensive income	(168,229)	(513,024)
Comprehensive income	166,105	(214,891)
(Breakdown of comprehensive income)		
Parent company portion of comprehensive income	166,309	(207,825)
Non-controlling interests portion of comprehensive income	(204)	(7,066)



The Three-Month Period Ended September 30  
Quarterly consolidated statements of income

(Millions of yen)

	Prior Second Quarter (From July 1, 2015 To September 30, 2015)	Current Second Quarter (From July 1, 2016 To September 30, 2016)
Net sales	3,033,899	2,666,538
Cost of sales	2,424,867	2,135,863
Gross profit	609,032	530,675
Selling, general and administrative expenses		
Advertising expenses	85,177	78,686
Provision for warranty costs	33,465	28,109
Other selling expenses	61,310	61,954
Salaries and wages	91,240	96,595
Provision for doubtful accounts	15,002	20,874
Other	121,576	80,557
Total selling, general and administrative expenses	407,770	366,775
Operating income	201,262	163,900
Non-operating income		
Interest income	8,073	3,706
Dividends income	210	60
Equity in earnings of affiliates	36,568	45,535
Derivative gain	17,925	—
Miscellaneous income	2,174	2,952
Total non-operating income	64,950	52,253
Non-operating expenses		
Interest expense	6,297	3,171
Derivative loss	—	1,882
Exchange loss	46,299	7,977
Miscellaneous expenses	1,872	4,535
Total non-operating expenses	54,468	17,565
Ordinary income	211,744	198,588
Special gains		
Gain on sales of fixed assets	4,609	3,085
Insurance income	—	5,849
Other	676	88
Total special gains	5,285	9,022
Special losses		
Loss on sales of fixed assets	1,205	782
Loss on disposal of fixed assets	1,887	2,505
Other	13,479	2,335
Total special losses	16,571	5,622
Income before income taxes	200,458	201,988
Income taxes	22,002	47,325
Net income	178,456	154,663
Net income attributable to non-controlling interests	5,667	8,607
Net income attributable to owners of parent	172,789	146,056

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Prior Second Quarter (From July 1, 2015 To September 30, 2015)	Current Second Quarter (From July 1, 2016 To September 30, 2016)
Net income	178,456	154,663
Other comprehensive income		
Unrealized holding gain and loss on securities	(28,839)	10,633
Unrealized gain and loss from hedging instruments	(19,885)	5,808
Translation adjustments	(155,108)	(123,915)
Remeasurements of defined benefit plans	4,949	(43,113)
The amount for equity method company portion	17,554	(64,748)
Total other comprehensive income	(181,329)	(215,335)
Comprehensive income	(2,873)	(60,672)
(Breakdown of comprehensive income)		
Parent company portion of comprehensive income	(1,341)	(61,541)
Non-controlling interests portion of comprehensive income	(1,532)	869

## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Six Months Ended September 30, 2015 (From April 1, 2015 To September 30, 2015)	Six Months Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)
<b>Cash flows from operating activities</b>		
Income before income taxes	414,410	399,917
Depreciation and amortization (for fixed assets excluding leased vehicles)	212,587	189,220
Depreciation and amortization (for long term prepaid expenses)	8,701	11,824
Depreciation and amortization (for leased vehicles)	198,382	211,623
Increase (decrease) in allowance for doubtful accounts	3,903	8,545
Interest and dividends income	(21,120)	(15,392)
Interest expense	60,739	55,011
Equity in losses (earnings) of affiliates	(56,396)	(74,554)
Loss (gain) on sales of fixed assets	(3,623)	(2,744)
Loss on disposal of fixed assets	3,297	3,396
Decrease (increase) in trade notes and accounts receivable	79,752	124,315
Decrease (increase) in sales finance receivables	(478,983)	(284,941)
Decrease (increase) in inventories	(78,939)	(162,672)
Increase (decrease) in trade notes and accounts payable	(7,937)	40,687
Retirement benefit expenses	7,661	12,572
Payments related to net defined benefit assets and liability	(15,216)	(13,039)
Other	136,797	90,918
<b>Subtotal</b>	<b>464,015</b>	<b>594,686</b>
Interest and dividends received	20,575	12,010
Proceeds from dividends income from affiliates accounted for by equity method	53,332	51,061
Interest paid	(61,696)	(54,373)
Income taxes paid	(164,620)	(63,240)
<b>Net cash provided by operating activities</b>	<b>311,606</b>	<b>540,144</b>
<b>Cash flows from investing activities</b>		
Net decrease (increase) in short-term investments	71	(2,605)
Purchase of fixed assets	(252,438)	(237,182)
Proceeds from sales of fixed assets	53,527	34,366
Purchase of leased vehicles	(664,009)	(631,337)
Proceeds from sales of leased vehicles	274,801	250,648
Payments of long-term loans receivable	(119)	(128)
Collection of long-term loans receivable	8,127	1,838
Purchase of investment securities	(12,198)	(12,538)
Proceeds from sales of investment securities	2,111	—
Proceeds from (payments for) purchase of subsidiaries' shares resulting in changes in the scope of consolidation	(2,728)	—
Net decrease (increase) in restricted cash	8,171	(2,565)
Other	(1,377)	(6,396)
<b>Net cash used in investing activities</b>	<b>(586,061)</b>	<b>(605,899)</b>

	(Millions of yen)	
	Six Months Ended September 30, 2015 (From April 1, 2015 To September 30, 2015)	Six Months Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	264,455	(223,204)
Proceeds from long-term borrowings	874,848	1,117,300
Proceeds from issuance of bonds	70,000	438,950
Repayments of long-term borrowings	(794,903)	(723,190)
Redemption of bonds	(90,000)	(221,004)
Proceeds from non-controlling shareholders	1,462	1,274
Purchase of treasury stock	(20)	(214,580)
Proceeds from sales of treasury stock	163	—
Repayments of lease obligations	(13,407)	(10,889)
Cash dividends paid	(69,195)	(87,540)
Cash dividends paid to non-controlling interests	(22,609)	(8,970)
Net cash provided by financing activities	220,794	68,147
Effects of exchange rate changes on cash and cash equivalents	434	(93,912)
Decrease in cash and cash equivalents	(53,227)	(91,520)
Cash and cash equivalents at beginning of the period	802,612	992,095
Increase due to inclusion in consolidation	6,250	5,405
Cash and cash equivalents at end of the period	※1	※1
	755,635	905,980

## [Notes to Quarterly Consolidated Financial Statements]

(Changes in accounting policies)

Six Months Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)
<p>The “<i>Balance Sheet Classification of Deferred Taxes</i>” (Accounting Standards Update No. 2015-17 issued by Financial Accounting Standards Board (FASB) on November 20, 2015) has been early applied from the first quarter ended June 30, 2016 at overseas affiliated companies that apply US GAAP. Consequently, deferred tax assets and liabilities that were presented separately in the current and non-current categories of the consolidated balance sheets have been changed to be classified in the non-current category. The accounting standard has been applied prospectively from the first quarter ended June 30, 2016 pursuant to the treatment stipulated in FASB Accounting Standards Codification Topic 740 “<i>Income Taxes</i>”.</p> <p>As a result, as of the end of the current second quarter ended September 30, 2016, deferred tax assets (current) decreased by ¥101,538 million, deferred tax assets (non-current) increased by ¥5,766 million, deferred tax liabilities (current) and deferred tax liabilities (non-current) decreased by ¥60 million and ¥95,712 million respectively, and total assets decreased by ¥95,772 million. There is no impact on the quarterly consolidated statements of income and per share information for the six months ended September 30, 2016.</p>

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

Six Months Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)
<p>(Calculation of tax expense)</p> <p>Income taxes are determined based on the amount of income before income taxes for the current second quarter ended September 30, 2016, multiplied by the effective tax rate, after the adoption of tax-effect accounting, estimated for the whole fiscal year ending March 31, 2017.</p> <p>Deferred income taxes are included in income taxes.</p>

(For quarterly consolidated balance sheets)

1 ※1 “Machinery, equipment and vehicles, net” includes the following assets leased to others under lease agreements.

	(Millions of yen)	
	Prior Fiscal Year (As of March 31, 2016)	Current Second Quarter (As of September 30, 2016)
Assets leased to others under lease agreements (lessor)	2,429,007	2,292,634

2 Guarantees and others

Prior Fiscal Year (As of March 31, 2016)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	※48,305	Guarantees for employees' housing loans and others
10 foreign dealers	295	Guarantees for loans and others
Total	48,600	

※ Allowance for doubtful accounts is provided for these loans mainly based on past experience.

(2) Commitments to provide guarantees

Guarantees	Balance of commitments to provide guarantees (Millions of yen)	Description of liabilities guaranteed
Hibikinada Development Co., Ltd.	91	Commitments to provide guarantees for loans

Current Second Quarter (As of September 30, 2016)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	※43,911	Guarantees for employees' housing loans and others

※ Allowance for doubtful accounts is provided for these loans mainly based on past experience.

(2) Commitments to provide guarantees

Guarantees	Balance of commitments to provide guarantees (Millions of yen)	Description of liabilities guaranteed
Hibikinada Development Co., Ltd.	81	Commitments to provide guarantees for loans

(For quarterly consolidated statements of cash flows)

※1 Cash and cash equivalents as of the end of the quarter are reconciled to the accounts reported in the quarterly consolidated balance sheets as follows.

	(Millions of yen)	
	Six Months Ended September 30, 2015 (From April 1, 2015 To September 30, 2015)	Six Months Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)
Cash on hand and in banks	685,422	821,202
Time deposits with maturities of more than three months	(86)	(2,842)
Cash equivalents included in securities (*)	70,299	87,620
Cash and cash equivalents	755,635	905,980

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

(For net assets)

The Six-Month Period Ended September 30, 2015 (From April 1, 2015 To September 30, 2015)

1. Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Annual general meeting of the shareholders on June 23, 2015	Common stock	69,195	16.5	March 31, 2015	June 24, 2015	Retained earnings

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

2. Dividends which the record date fell in the period from April 1 to September 30, 2015, and the effective date of which will be after September 30, 2015

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Meeting of the Board of Directors on November 2, 2015	Common stock	88,044	21	September 30, 2015	November 26, 2015	Retained earnings

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

The Six-Month Period Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)

1. Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Annual general meeting of the shareholders on June 22, 2016	Common stock	87,540	21	March 31, 2016	June 23, 2016	Retained earnings

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

2. Dividends which the record date fell in the period from April 1 to September 30, 2016, and the effective date of which will be after September 30, 2016

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Meeting of the Board of Directors on November 7, 2016	Common stock	95,263	24	September 30, 2016	November 25, 2016	Retained earnings

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

3. Significant changes in shareholders' equity

The Company resolved at the Board of Directors meeting on June 22 and September 22, 2016 on matters pertaining to the retirement of shares, the Company retired 212 million shares of treasury stock that had been purchased during the six months ended September 30, 2016. As a result, retained earnings and treasury stock decreased by ¥215,862 million respectively. The total number of outstanding shares after the retirement became 4,283 million shares. As of September 30, 2016, retained earnings was ¥4,129,771 million, and treasury stock was ¥142,382 million.

(Segments of an enterprise and related information)

Segment information

1. General information about reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Executive Committee to make decision about resource allocation and to assess their performance.

Businesses of the Group are segmented into Automobile and Sales financing based on feature of products and services. The Automobile business includes manufacturing and sales of vehicles and parts. The Sales financing business provides sales finance service and leasing to support sales activities of the above business.

2. Calculation method of net sales and profits or losses by reportable segments

The accounting method for the reportable segments is the same as basis of preparation for the quarterly consolidated financial statements.

The segment profits are based on operating income. Inter-segment sales are based on the price in arms-lengths transactions.

3. Changes to reportable segments and others

As stated in the changes in accounting policies, deferred tax assets and liabilities previously presented separately under current and non-current categories of the consolidated balance sheets have been changed to be classified under the non-current category from the first quarter ended June 30, 2016. Accordingly, the categories of deferred tax assets for business segments have been changed in the same manner at overseas affiliated companies that apply US GAAP.

As a result of this change, deferred tax assets (current) decreased by ¥95,612 million, deferred tax assets (non-current) increased by ¥5,766 million, deferred tax liabilities (current) decreased by ¥60 million, deferred tax liabilities (non-current) decreased by ¥89,786 million, total assets decreased by ¥89,846 million in Automobile & Eliminations, and deferred tax assets (current) decreased by ¥5,926 million, deferred tax liabilities (non-current) decreased by ¥5,926 million, total assets decreased by ¥5,926 million in Sales financing in the summarized quarterly consolidated balance sheets by business segments as of September 30, 2016. This change has no effect on segment profits for the six months ended September 30, 2016.

4. Net sales and profits or losses by reportable segments

The Six-Month Period Ended September 30, 2015 (From April 1, 2015 To September 30, 2015)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Six Months Ended September 30, 2015
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	5,479,308	453,942	5,933,250	—	5,933,250
Inter-segment sales or transfers	55,865	16,440	72,305	(72,305)	—
Total	5,535,173	470,382	6,005,555	(72,305)	5,933,250
Segment profits	270,695	112,564	383,259	11,717	394,976

Prior Second Quarter (From July 1, 2015 To September 30, 2015)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Prior Second Quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	2,803,804	230,095	3,033,899	—	3,033,899
Inter-segment sales or transfers	28,635	8,395	37,030	(37,030)	—
Total	2,832,439	238,490	3,070,929	(37,030)	3,033,899
Segment profits	138,851	56,489	195,340	5,922	201,262



Note 1: Quarterly consolidated financial statements by business segments

- The Sales financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR Finance Mexico S.A. de C.V. SOFOM ER (Mexico), other 8 companies and the sales finance operations of Nissan Canada Inc. (Canada).
- The financial data on Automobile & Eliminations represent the differences between the consolidated figures and those for the Sales financing segment.

(1) Summarized quarterly consolidated balance sheets by business segments

(Millions of yen)

Accounts	Prior Second Quarter (As of September 30, 2015)		
	Automobile & Eliminations	Sales financing	Consolidated total
<b>Assets</b>			
I. Current assets			
Cash on hand and in banks	639,878	45,544	685,422
Trade notes and accounts receivable	797,075	746	797,821
Sales finance receivables	(27,346)	6,658,137	6,630,791
Inventories	1,335,348	45,836	1,381,184
Other current assets	663,076	375,952	1,039,028
Total current assets	3,408,031	7,126,215	10,534,246
II. Fixed assets			
Property, plant and equipment, net	2,798,965	2,453,461	5,252,426
Investment securities	926,516	22,374	948,890
Other fixed assets	337,050	122,760	459,810
Total fixed assets	4,062,531	2,598,595	6,661,126
Total assets	7,470,562	9,724,810	17,195,372
<b>Liabilities</b>			
I. Current liabilities			
Trade notes and accounts payable	1,464,763	43,222	1,507,985
Short-term borrowings	(959,586)	4,147,042	3,187,456
Lease obligations	15,840	—	15,840
Other current liabilities	1,588,361	334,553	1,922,914
Total current liabilities	2,109,378	4,524,817	6,634,195
II. Long-term liabilities			
Bonds	280,000	643,301	923,301
Long-term borrowings	(137,924)	2,914,511	2,776,587
Lease obligations	14,845	10	14,855
Other long-term liabilities	788,744	734,477	1,523,221
Total long-term liabilities	945,665	4,292,299	5,237,964
Total liabilities	3,055,043	8,817,116	11,872,159
<b>Net assets</b>			
I. Shareholders' equity			
Common stock	445,100	160,714	605,814
Capital surplus	771,268	33,380	804,648
Retained earnings	3,395,240	672,936	4,068,176
Treasury stock	(148,570)	—	(148,570)
Total shareholders' equity	4,463,038	867,030	5,330,068
II. Accumulated other comprehensive income			
Translation adjustments	(385,225)	23,601	(361,624)
Others	(28,216)	(9,011)	(37,227)
Total accumulated other comprehensive income	(413,441)	14,590	(398,851)
III. Share subscription rights	527	—	527
IV. Non-controlling interests	365,395	26,074	391,469
Total net assets	4,415,519	907,694	5,323,213
Total liabilities and net assets	7,470,562	9,724,810	17,195,372

- 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 ¥1,759,997 million.

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

(Millions of yen)

Accounts	Six Months Ended September 30, 2015 (From April 1, 2015 To September 30, 2015)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	5,462,868	470,382	5,933,250
Cost of sales	4,484,167	301,185	4,785,352
Gross profit	978,701	169,197	1,147,898
Operating income as a percentage of net sales	5.2%	23.9%	6.7%
Operating income	282,412	112,564	394,976
Financial income / expenses, net	7,994	52	8,046
Other non-operating income and expenses, net	26,917	(2,248)	24,669
Ordinary income	317,323	110,368	427,691
Income before income taxes	304,024	110,386	414,410
Net income attributable to owners of parent	253,292	72,294	325,586

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

(Millions of yen)

Accounts	Six Months Ended September 30, 2015 (From April 1, 2015 To September 30, 2015)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	304,024	110,386	414,410
Depreciation and amortization	207,857	211,813	419,670
Decrease (increase) in sales finance receivables	(2,052)	(476,931)	(478,983)
Others	(95,401)	51,910	(43,491)
Net cash provided by (used in) operating activities	414,428	(102,822)	311,606
II. Cash flows from investing activities			
Proceeds from sales of investment securities	2,111	—	2,111
Purchase of fixed assets	(215,432)	(37,006)	(252,438)
Proceeds from sales of fixed assets	22,086	31,441	53,527
Purchase of leased vehicles	(32)	(663,977)	(664,009)
Proceeds from sales of leased vehicles	10	274,791	274,801
Others	(10,106)	10,053	(53)
Net cash used in investing activities	(201,363)	(384,698)	(586,061)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	53,628	210,827	264,455
Net change in long-term borrowings and redemption of bonds	(202,848)	192,793	(10,055)
Proceeds from issuance of bonds	—	70,000	70,000
Others	(108,874)	5,268	(103,606)
Net cash provided by (used in) financing activities	(258,094)	478,888	220,794
IV. Effects of exchange rate changes on cash and cash equivalents	2,650	(2,216)	434
V. Decrease in cash and cash equivalents	(42,379)	(10,848)	(53,227)
VI. Cash and cash equivalents at the beginning of the period	748,417	54,195	802,612
VII. Increase due to inclusion in consolidation	—	6,250	6,250
VIII. Cash and cash equivalents at the end of the period	706,038	49,597	755,635

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥18,891 million eliminated for 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 ¥71,282 million eliminated for net increase in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

The Six-Month Period Ended September 30, 2015 (From April 1, 2015 To September 30, 2015)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,052,660	2,978,756	806,839	518,758	576,237	5,933,250	—	5,933,250
(2) Inter-segment sales	1,153,882	236,666	115,682	345,165	3,093	1,854,488	(1,854,488)	—
Total	2,206,542	3,215,422	922,521	863,923	579,330	7,787,738	(1,854,488)	5,933,250
Operating income	162,784	196,298	8,058	37,683	4,530	409,353	(14,377)	394,976

Prior Second Quarter (From July 1, 2015 To September 30, 2015)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	559,067	1,506,068	414,041	258,453	296,270	3,033,899	—	3,033,899
(2) Inter-segment sales	567,799	122,951	59,164	178,556	1,628	930,098	(930,098)	—
Total	1,126,866	1,629,019	473,205	437,009	297,898	3,963,997	(930,098)	3,033,899
Operating income	77,075	100,254	698	19,990	4,212	202,229	(967)	201,262

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, Central and South America excluding Mexico and South Africa

The Six-Month Period Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Six Months Ended September 30, 2016
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	4,869,506	451,531	5,321,037	—	5,321,037
Inter-segment sales or transfers	49,293	14,326	63,619	(63,619)	—
Total	4,918,799	465,857	5,384,656	(63,619)	5,321,037
Segment profits	226,036	97,151	323,187	16,544	339,731

Current Second Quarter (From July 1, 2016 To September 30, 2016)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Current Second Quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	2,443,358	223,180	2,666,538	—	2,666,538
Inter-segment sales or transfers	22,440	7,253	29,693	(29,693)	—
Total	2,465,798	230,433	2,696,231	(29,693)	2,666,538
Segment profits	110,551	44,264	154,815	9,085	163,900

Note 1: Quarterly consolidated financial statements by business segments

- The Sales financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR Finance Mexico S.A. de C.V. SOFOM ER (Mexico), other 8 companies and the sales finance operations of Nissan Canada Inc. (Canada).
- The financial data on Automobile & Eliminations represent the differences between the consolidated figures and those for the Sales financing segment.

(1) Summarized quarterly consolidated balance sheets by business segments

(Millions of yen)

Accounts	Current Second Quarter (As of September 30, 2016)		
	Automobile & Eliminations	Sales financing	Consolidated total
<b>Assets</b>			
I. Current assets			
Cash on hand and in banks	789,002	32,200	821,202
Trade notes and accounts receivable	663,793	1,823	665,616
Sales finance receivables	(76,542)	6,312,228	6,235,686
Inventories	1,260,031	51,637	1,311,668
Other current assets	614,498	364,644	979,142
Total current assets	3,250,782	6,762,532	10,013,314
II. Fixed assets			
Property, plant and equipment, net	2,543,369	2,329,107	4,872,476
Investment securities	787,202	24,758	811,960
Other fixed assets	400,413	122,842	523,255
Total fixed assets	3,730,984	2,476,707	6,207,691
Total assets	6,981,766	9,239,239	16,221,005
<b>Liabilities</b>			
I. Current liabilities			
Trade notes and accounts payable	1,351,773	37,908	1,389,681
Short-term borrowings	(971,908)	3,607,616	2,635,708
Lease obligations	25,391	—	25,391
Other current liabilities	1,521,837	309,932	1,831,769
Total current liabilities	1,927,093	3,955,456	5,882,549
II. Long-term liabilities			
Bonds	375,000	843,870	1,218,870
Long-term borrowings	110,547	2,764,219	2,874,766
Lease obligations	21,621	6	21,627
Other long-term liabilities	831,519	762,055	1,593,574
Total long-term liabilities	1,338,687	4,370,150	5,708,837
Total liabilities	3,265,780	8,325,606	11,591,386
<b>Net assets</b>			
I. Shareholders' equity			
Common stock	432,905	172,909	605,814
Capital surplus	781,225	33,380	814,605
Retained earnings	3,327,639	802,132	4,129,771
Treasury stock	(142,382)	—	(142,382)
Total shareholders' equity	4,399,387	1,008,421	5,407,808
II. Accumulated other comprehensive income			
Translation adjustments	(904,376)	(117,364)	(1,021,740)
Others	(157,554)	(3,215)	(160,769)
Total accumulated other comprehensive income	(1,061,930)	(120,579)	(1,182,509)
III. Share subscription rights	414	—	414
IV. Non-controlling interests	378,115	25,791	403,906
Total net assets	3,715,986	913,633	4,629,619
Total liabilities and net assets	6,981,766	9,239,239	16,221,005

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 ¥1,360,789 million.

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

(Millions of yen)

Accounts	Six Months Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	4,855,180	465,857	5,321,037
Cost of sales	3,981,926	307,557	4,289,483
Gross profit	873,254	158,300	1,031,554
Operating income as a percentage of net sales	5.0%	20.9%	6.4%
Operating income	242,580	97,151	339,731
Financial income / expenses, net	8,745	18	8,763
Other non-operating income and expenses, net	48,570	(229)	48,341
Ordinary income	299,895	96,940	396,835
Income before income taxes	302,913	97,004	399,917
Net income attributable to owners of parent	231,370	51,063	282,433

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

(Millions of yen)

Accounts	Six Months Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	302,913	97,004	399,917
Depreciation and amortization	189,413	223,254	412,667
Decrease (increase) in sales finance receivables	71,371	(356,312)	(284,941)
Others	22,323	(9,822)	12,501
Net cash provided by (used in) operating activities	586,020	(45,876)	540,144
II. Cash flows from investing activities			
Purchase of fixed assets	(211,065)	(26,117)	(237,182)
Proceeds from sales of fixed assets	12,327	22,039	34,366
Purchase of leased vehicles	(322)	(631,015)	(631,337)
Proceeds from sales of leased vehicles	7	250,641	250,648
Others	(22,816)	422	(22,394)
Net cash used in investing activities	(221,869)	(384,030)	(605,899)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(85,898)	(137,306)	(223,204)
Net change in long-term borrowings and redemption of bonds	(69,905)	243,011	173,106
Proceeds from issuance of bonds	125,000	313,950	438,950
Others	(325,342)	4,637	(320,705)
Net cash provided by (used in) financing activities	(356,145)	424,292	68,147
IV. Effects of exchange rate changes on cash and cash equivalents	(88,517)	(5,395)	(93,912)
V. Decrease in cash and cash equivalents	(80,511)	(11,009)	(91,520)
VI. Cash and cash equivalents at the beginning of the period	944,212	47,883	992,095
VII. Increase due to inclusion in consolidation	5,405	—	5,405
VIII. Cash and cash equivalents at the end of the period	869,106	36,874	905,980

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥31,773 million eliminated for 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 ¥64,343 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

The Six-Month Period Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	927,018	2,724,590	724,244	483,163	462,022	5,321,037	—	5,321,037
(2) Inter-segment sales	1,114,904	207,320	143,506	278,093	5,947	1,749,770	(1,749,770)	—
Total	2,041,922	2,931,910	867,750	761,256	467,969	7,070,807	(1,749,770)	5,321,037
Operating income	153,252	142,800	9,775	35,809	2,173	343,809	(4,078)	339,731

Current Second Quarter (From July 1, 2016 To September 30, 2016)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	490,960	1,353,457	344,782	243,743	233,596	2,666,538	—	2,666,538
(2) Inter-segment sales	567,806	103,217	78,697	136,412	2,994	889,126	(889,126)	—
Total	1,058,766	1,456,674	423,479	380,155	236,590	3,555,664	(889,126)	2,666,538
Operating income (loss)	85,281	63,411	896	12,942	(3,852)	158,678	5,222	163,900

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, Central and South America excluding Mexico and South Africa

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

The Six-Month Period Ended September 30, 2015 (From April 1, 2015 To September 30, 2015)

There were no significant impairment losses on fixed assets in the reportable segments for the six months ended September 30, 2015.

The Six-Month Period Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)

There were no significant impairment losses on fixed assets in the reportable segments for the six months ended September 30, 2016.

6. Information about goodwill by reportable segments

The Six-Month Period Ended September 30, 2015 (From April 1, 2015 To September 30, 2015)

There were no significant changes in the reported amounts of goodwill in the reportable segments for the six months ended September 30, 2015.

The Six-Month Period Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)

There were no significant changes in the reported amounts of goodwill in the reportable segments for the six months ended September 30, 2016.

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

The Six-Month Period Ended September 30, 2015 (From April 1, 2015 To September 30, 2015)

There were no significant gains recognized on negative goodwill in the reportable segments for the six months ended September 30, 2015.

The Six-Month Period Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)

There were no significant gains recognized on negative goodwill in the reportable segments for the six months ended September 30, 2016.



## 8. Information about geographical area

### Net sales

The Six-Month Period Ended September 30, 2015 (From April 1, 2015 To September 30, 2015)  
(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
849,809	2,885,199	2,375,545	840,362	688,835	669,045	5,933,250

Prior Second Quarter (From July 1, 2015 To September 30, 2015)  
(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
456,055	1,458,185	1,216,560	432,189	343,361	344,109	3,033,899

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, Central and South America excluding Mexico, South Africa, etc.

The Six-Month Period Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)  
(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
757,277	2,676,599	2,195,205	752,547	610,261	524,353	5,321,037

Current Second Quarter (From July 1, 2016 To September 30, 2016)  
(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
406,319	1,328,604	1,097,743	360,194	305,570	265,851	2,666,538

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, Central and South America excluding Mexico, South Africa, etc.

(Amounts per share)

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

	Six Months Ended September 30, 2015 (From April 1, 2015 To September 30, 2015)	Six Months Ended September 30, 2016 (From April 1, 2016 To September 30, 2016)
(1) Basic earnings per share	¥77.66	¥69.40
(Basis for calculation)		
Net income attributable to owners of parent (Millions of yen)	325,586	282,433
Net income attributable to owners of parent relating to common stock (Millions of yen)	325,586	282,433
Average number of shares of common stock during the period (Thousands of shares)	4,192,635	4,069,584
(2) Diluted earnings per share	¥77.65	¥69.40
(Basis for calculation)		
Adjustment in net income attributable to owners of parent (Millions of yen)	—	—
Increase in shares of common stock (Thousands of shares)	422	66
Any significant changes from the prior fiscal year- end in potential securities excluded from the computation of diluted earnings per share because they do not have dilutive effects	—	—

(Significant subsequent events)

Completion of payment for issuance of new shares by third-party allotment

The Company completed payment on October 20, 2016 for the subscription of newly issued shares by third-party allotment in Mitsubishi Motors Corporation resolved at a meeting of the Board of Directors held on May 12, 2016.

Description of the third-party allotment of new shares

- ① Number of shares newly issued: 506,620,577 shares of common stock
- ② Subscription price: ¥468.52 per share
- ③ Acquisition cost: ¥237,362 million
- ④ Payment date: October 20, 2016
- ⑤ Shareholding ratio after the acquisition: 34.0%

## 2. Other

Interim dividends for the fiscal year ending March 31, 2017 were approved on November 7, 2016 by resolution of the meeting of the Board of Directors as follows:

According to its Articles of Incorporation, the Company plans to pay the following cash dividends to shareholders of record on September 30, 2016.

(1) Total interim dividends:	¥95,263 million
(2) Dividends per share:	¥24
(3) Entitlement date and commencement date of the payment	November 25, 2016

Note: Total dividends were obtained by deducting the amount corresponding to the equity of Renault shares held by the Company. Total amount of dividends before deducting the amount corresponding to the equity of Renault shares held by the Company was ¥102,067 million.

## Part II Information on Guarantors for the Company

Not applicable

(For Translation Purposes Only)

## Independent Auditor's Quarterly Review Report

November 8, 2016

The Board of Directors  
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon LLC

Designated and Engagement Partner Certified Public Accountant	Yoji Murohashi
Designated and Engagement Partner Certified Public Accountant	Takeshi Hori
Designated and Engagement Partner Certified Public Accountant	Koji Fujima
Designated and Engagement Partner Certified Public Accountant	Masayuki Nakamura

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Law of Japan, we have reviewed the accompanying quarterly consolidated financial statements of Nissan Motor Co., Ltd. (the "Company") and its consolidated subsidiaries, which comprise the quarterly consolidated balance sheet as of September 30, 2016, the quarterly consolidated statements of income, quarterly consolidated statements of comprehensive income for the three-month and six-month periods then ended, quarterly consolidated statement of cash flows for the six-month period then ended, and the related notes included in "Financial Information".

### Management's Responsibility for the Quarterly Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these quarterly consolidated financial statements in conformity with the accounting principles for quarterly consolidated financial statements generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion independently on these quarterly consolidated financial statements based on our review. We conducted our review in accordance with the review standards for quarterly financial statements generally accepted in Japan.

A review of quarterly consolidated financial statements consists of making inquiries, primarily of management and persons responsible for financial and accounting matters, and applying analytical and other quarterly review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying quarterly consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Nissan Motor Co., Ltd. and its consolidated subsidiaries at September 30, 2016, and the consolidated results of their operations for the three-month and six-month periods then ended and their cash flows for the six-month period then ended in conformity with the accounting principles for quarterly consolidated financial statements generally accepted in Japan.

### Other Matter

We have no interest in the Company which should be disclosed in compliance with the Japanese Certified Public Accountants Law.

---

### Notes:

1. The above is a digitization of the text contained in the original copy of the Quarterly Review Report of Independent Auditors, which is in the custody of the Company—the submitter of this quarterly securities report.
2. The XBRL data is not included in the range of Audit.

**【Cover】**

<b>【Document Submitted】</b>	Confirmation Note
<b>【Article of the Applicable Law Requiring Submission of This Document】</b>	Article 24-4-8, Paragraph 1 of the Financial Instruments and Exchange Law
<b>【Filed to】</b>	Director, Kanto Local Finance Bureau
<b>【Date of Submission】</b>	November 9, 2016
<b>【Company Name】</b>	Nissan Jidosha Kabushiki-Kaisha
<b>【Company Name (in English)】</b>	Nissan Motor Co., Ltd.
<b>【Position and Name of Representative】</b>	Carlos Ghosn, President
<b>【Position and Name of Chief Financial Officer】</b>	Joseph G. Peter, Chief Financial Officer
<b>【Location of Head Office】</b>	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
<b>【Place Where Available for Public Inspection】</b>	Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

## **1. Accuracy of the Descriptions in This Quarterly Securities Report**

Carlos Ghosn, President of Nissan Motor Co., Ltd., and Joseph G. Peter, Chief Financial Officer have confirmed that this Quarterly Securities Report “Shihanki-Houkokusho” for the second quarter (from July 1, 2016 to September 30, 2016) of the 118th Fiscal Term is reasonably and fairly described in accordance with the Financial Instruments and Exchange Law.

## **2. Special Affairs**

There are no noteworthy matters that are pertinent to this quarterly securities report.