



## NISSAN MOTOR CO., LTD.

(incorporated with limited liability under the laws of Japan)

### Offering of ¥200,000,000,000 1.0% Convertible Bonds due 2031

Offer Price for the Bonds: 102.5%

This offering circular relates to the issue by Nissan Motor Co., Ltd. (the “Company”) of ¥200,000,000,000 1.0% Convertible Bonds due 2031 (the “Bonds”, being bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*). The Bonds will be issued in registered form in the denomination of ¥10,000,000 each with a stock acquisition right (*shinkabu yoyakuken*) (each a “Stock Acquisition Right”, and collectively, the “Stock Acquisition Rights”). The Stock Acquisition Rights will be exercisable on or after August 8, 2025 up to, and including, July 1, 2031, and entitling the Bondholder (as defined in the terms and conditions of the Bonds (the “Conditions”)), to acquire our fully-paid and non-assessable shares of common stock (the “Shares”) at an initial Conversion Price (as defined in the Conditions), subject to adjustment in certain events as set out herein, of ¥397.2 per Share.

Unless previously redeemed or purchased and cancelled, or become due and repayable, the Bonds will be redeemed at 100% of their principal amount, together with accrued interest, on July 15, 2031. If at any time prior to the date on which the notice of redemption is given, the outstanding principal amount of the Bonds is less than 10% of the aggregate principal amount of the Bonds as at the date of issue thereof, all, but not some only, of the Bonds may be redeemed at 100% of their principal amount, together with accrued interest, at our option as set out herein. Furthermore, the holder of any Bond may require us to redeem such Bond at 100% of its principal amount, together with accrued interest on July 17, 2029.

Payments in respect of the Bonds will be made without withholding or deduction for or on account of Japanese taxes except to the extent required by law (see “Japanese Taxation”). If Japanese withholding taxes are imposed on payments in respect of the Bonds as a result of certain changes in tax law and we are or will become required to pay any Additional Amounts (as defined in the Conditions), we may, at any time, redeem all of the Bonds at 100% of their principal amount, together with accrued interest (as described in the Conditions).

The Shares are listed on the Tokyo Stock Exchange, Inc. (the “TSE”). The Closing Price (as defined in the Conditions) of the Shares as reported on the TSE on July 9, 2025, was ¥305.5 per Share.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing of and quotation for the Bonds on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed, or reports contained in this offering circular. Admission to the Official List of the SGX-ST and quotation for the Bonds on the SGX-ST is not to be taken as an indication of the merits of us, our subsidiaries, our associated companies or the Bonds.

The Bonds will initially be represented by a global certificate (the “Global Certificate”) representing the Bonds in registered form, which is expected to be deposited with and registered in the name of, or a nominee for, a common depositary for each of Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”) on or about July 25, 2025 (the “Closing Date”) for the accounts of their respective accountholders. The joint lead managers named in this offering circular (the “Joint Lead Managers”) expect to deliver the Bonds through the facilities of Euroclear and Clearstream, Luxembourg on or about the Closing Date.

Investing in the Bonds involves risks. See “Risk Factors” beginning on page 13.

This offering circular does not constitute an offer of, or solicitation of an offer to buy or subscribe for, the Bonds or the Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Bonds and the Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and, subject to certain exceptions, the Bonds and the Shares may not be offered or sold within the United States. In addition, the Bonds have not been, and will not be, registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “FIEA”) and may not be offered or sold within Japan or to, or for the account of, residents of Japan, including corporations incorporated under the laws of Japan, unless otherwise permitted under the FIEA, and will be subject to tax laws and regulations of Japan including the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended) (the “Act on Special Taxation Measures”).

Separately from the issue and offering of the Bonds, and concurrently, we have announced an intention to offer and sell certain amount of U.S. dollar-denominated fixed rate senior notes due 2030, certain amount of U.S. dollar-denominated fixed rate senior notes due 2032, certain amount of U.S. dollar-denominated fixed rate senior notes due 2035, certain amount of euro-denominated fixed rate senior notes due 2029 and certain amount of euro-denominated fixed rate senior notes due 2033 (together, the Senior Notes” and the “Concurrent Senior Notes Offering”). The offering of the Bonds is not conditional on the completion of the Concurrent Senior Notes Offering, and vice versa. For a description of the Concurrent Senior Notes Offering, see “Concurrent Senior Notes Offering”.

Joint Bookrunners and Joint Lead Managers

**Mizuho**  
**Morgan Stanley**

**Citigroup**

**BofA Securities**  
**SMBC NIKKO**

The date of this offering circular is July 9, 2025

We accept responsibility for the information contained in this offering circular. To the best of our knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this offering circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

We, having made all reasonable enquiries, confirm that this offering circular contains all information with respect to us, our subsidiaries and affiliates, the Bonds and the Shares (including all information in relation to the applicable laws of Japan) which is material in the context of the issue and offering of the Bonds, the statements contained in this offering circular are in every material particular true and accurate and not misleading, the opinions and intentions expressed in this offering circular are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts in relation to us, our subsidiaries and affiliates, the Bonds or the Shares the omission of which would, in the context of the issue and offering of the Bonds, make any statement in this offering circular misleading in any material respect and all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements.

No person has been authorized in connection with the offering of the Bonds to give any information or to make any representation other than as contained herein and, if given or made, such information or representation must not be relied upon as having been authorized by us, any of the Joint Lead Managers or the Trustee, the Principal Agent, the Custodian, the Registrar, the Custodian's Agent (each as defined in the Conditions). To the fullest extent permitted by law, none of the Joint Lead Managers or their respective affiliates, the Trustee, the Principal Agent, the Custodian, the Registrar, the Custodian's Agent accept any responsibility whatsoever for the contents of this offering circular or for any other statement, made or purported to be made on their behalf in connection with us, our subsidiaries and affiliates or the issue and offering of the Bonds. Each of the Joint Lead Managers, their respective affiliates, the Trustee, the Principal Agent, the Custodian, the Registrar and the Custodian's Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this offering circular or any such statement.

Each person receiving this offering circular acknowledges that such person has not relied on any of the Joint Lead Managers or any person affiliated with the Joint Lead Managers in connection with its investigation of the accuracy of such information or its investment decision. Neither the delivery of this offering circular nor any sale of the Bonds made hereunder shall under any circumstance imply that the information herein is correct as of any date subsequent to the date hereof.

This offering circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Bonds. Distribution of this offering circular to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized, and any disclosure of its contents without our prior written consent is prohibited.

Under the Companies Act of Japan (Act No. 86 of 2005, as amended) (the "Companies Act"), we may issue new Shares to a Bondholder and/or transfer Shares that we hold as treasury stock to a Bondholder, in each case upon exercise of a Stock Acquisition Right. Accordingly, unless otherwise specified or the context requires, references in this offering circular to the issuance of Shares upon exercise of Stock Acquisition Rights shall be read as including both the issuance of new Shares and the transfer of Shares held by us as treasury stock and the words "issue," "issued" and "issuable" shall be construed accordingly, except where the context otherwise requires. In addition, references to "delivery" used in respect of the Shares shall be read as including the transfer of Shares by way of the system of Japan Securities Depository Center, Inc. ("JASDEC"), except where the context otherwise requires.

There is no intention to conduct a public offering of the Bonds in any jurisdiction. Accordingly, the Bonds offered hereby may not be offered or sold, directly or indirectly, and this offering circular may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. This offering circular does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

The Bonds and the Shares have not been and will not be registered under the Securities Act, or with any securities authority of any state of the United States, and the Bonds may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of

the Securities Act and in compliance with any applicable state securities laws. The Bonds are being offered by the Joint Lead Managers in offshore transactions outside the United States and Japan in reliance on Regulation S under the Securities Act (“Regulation S”).

The Bonds have not been and will not be registered under the FIEA, and are subject to the Act on Special Taxation Measures. The Bonds may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with the FIEA and other relevant laws, rules and regulations and governmental guidelines of Japan. In addition, the Bonds may not, as part of the distribution by the Joint Lead Managers under the subscription agreement relating to the Bonds, at any time be directly or indirectly offered or sold to, or for the benefit of, any person other than a beneficial owner that is, (i) for Japanese tax purposes, neither (a) an individual resident of Japan or a Japanese corporation, nor (b) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with us as described in Article 6, Paragraph (4) of the Act on Special Taxation Measures (a “specially-related person of the Company”) (excluding an underwriter designated in Article 6, Paragraph (12), item 1 of the Act on Special Taxation Measures which purchases unsubscribed portions of the Bonds from the other underwriters) or (ii) a Japanese financial institution, designated in Article 3-2-2, Paragraph (29) of the Cabinet Order (Cabinet Order No. 43 of 1957, as amended) (the “Cabinet Order”), relating to the Act on Special Taxation Measures. BY SUBSCRIBING FOR THE BONDS, EACH INVESTOR WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS A PERSON WHO FALLS WITHIN CATEGORY (i) OR (ii).

Interest payments on the Bonds will be subject to Japanese withholding tax unless it is established that the Bonds are held by or for the account of a beneficial owner that is (i) for Japanese tax purposes, neither an individual resident of Japan or a Japanese corporation, nor an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the Company, or (ii) a Japanese financial institution, designated in Article 3-2-2, Paragraph (29) of the Cabinet Order which complies with the requirement for tax exemption under Article 6, Paragraph (11) of the Act on Special Taxation Measures or (iii) a Japanese public corporation, a Japanese financial institution or a Japanese financial instruments business operator which has received such payments through a payment handling agent in Japan, as provided in Article 3-3, Paragraph (6) of the Act on Special Taxation Measures, in compliance with the requirement for tax exemption under that paragraph.

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

For a description of these and certain further restrictions on offers, sales and transfers of the Bonds and the Shares issuable upon exercise of the Stock Acquisition Rights and the distribution of this offering circular, see “Subscription and Sale.”

There are restrictions on the offer and sale of the Bonds and the Shares issuable upon exercise of the Stock Acquisition Rights in the United Kingdom. All applicable provisions of the Financial Services and Markets Act 2000, as amended (“FSMA”) with respect to anything done by any person in relation to the Bonds or the Shares issuable upon exercise of the Stock Acquisition Rights in, from or otherwise involving the United Kingdom must be complied with. See “Subscription and Sale”.

*UK Product Governance:* Solely for the purposes of the manufacturers’ product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturer’s target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

*Prohibition of Sales to EEA Retail Investors:* The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Bonds or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

*Prohibition of Sales to UK Retail Investors:* The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK law; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK law; or (iii) not a qualified investor as defined in the Prospectus Regulation as it forms part of UK law. Consequently, no key information document required by the PRIIPs Regulation as it forms part of UK law (the “UK PRIIPs Regulation”) for offering or selling the Bonds or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

*Singapore SFA Product Classification:* In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time including by any subsidiary legislation as may be applicable at the relevant time, the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018) of Singapore (the “CMP Regulations 2018”), we have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in Monetary Authority of Singapore (“MAS”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **Disclosure of Demand and Allocation**

Each prospective purchaser who places an order for the Bonds consents to the disclosure by the Joint Lead Managers to us of the prospective purchaser’s identity, the details of such order and the actual amount purchased, if any.

## **Stabilization**

**In connection with the issue of the bonds, Mizuho International plc (the “stabilizing manager”) or any other person acting for the stabilizing manager may over-allot the bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the stabilizing manager or any other person acting for the stabilizing manager will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Bonds is made and, if begun, may cease at any time but must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any stabilization action or over-allotment must be conducted by the stabilization manager, or any other person acting for it in accordance with all applicable laws and rules.**

## **Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct—Important Notice to Prospective Investors**

Prospective investors should be aware that certain intermediaries in the context of the offering of the Bonds, including certain Joint Lead Managers, are “capital market intermediaries” (together, the “CMIs”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “SFC Code”). This notice to prospective investors is a summary of certain obligations the SFC

Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (together, the “OCs”) for the offering and are subject to additional requirements under the SFC Code.

Prospective investors who are our directors, employees or major shareholders, a CMI or its group companies would be considered under the SFC Code as having an association (an “Association”) with us, the CMI or the relevant group company. Prospective investors associated with us or any CMI (including its group companies) should specifically disclose this when placing an order for us and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Joint Lead Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Joint Lead Manager or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a “proprietary order”. If a prospective investor is otherwise affiliated with any Joint Lead Manager, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Joint Lead Manager when placing such order and such orders will be subject to applicable requirements in accordance with the SFC Code. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to the offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to the offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Joint Lead Managers and/or any other third parties as may be required by the SFC Code, including to us, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the offering. Failure to provide such information may result in that order being rejected.

## FORWARD-LOOKING STATEMENTS

This offering circular contains “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements appear in a number of places in this offering circular and include statements regarding the intent, belief or current expectations of our management with respect to our business, results of operations and financial condition. In many cases, but not all, we use such words as “aim”, “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “intend”, “may”, “outlook”, “plan”, “potential”, “predict”, “probability”, “project”, “risk”, “seek”, “should”, “target”, “will”, “would” and similar expressions in relation to us or our management to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results may vary materially from those we currently anticipate.

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

## GLOSSARY

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

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

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

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

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **INDUSTRY AND MARKET DATA**

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

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## SUMMARY

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

### Overview

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

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

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

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

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

### Our Strengths

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

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

***We are a leader in automotive innovation and technology.***

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

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

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

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

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

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

#### ***Stable sales financing business***

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

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

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

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

## **Our Strategies**

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

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

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

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

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

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

#### ***Reducing Variable Costs***

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

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

#### *Reducing Fixed Costs*

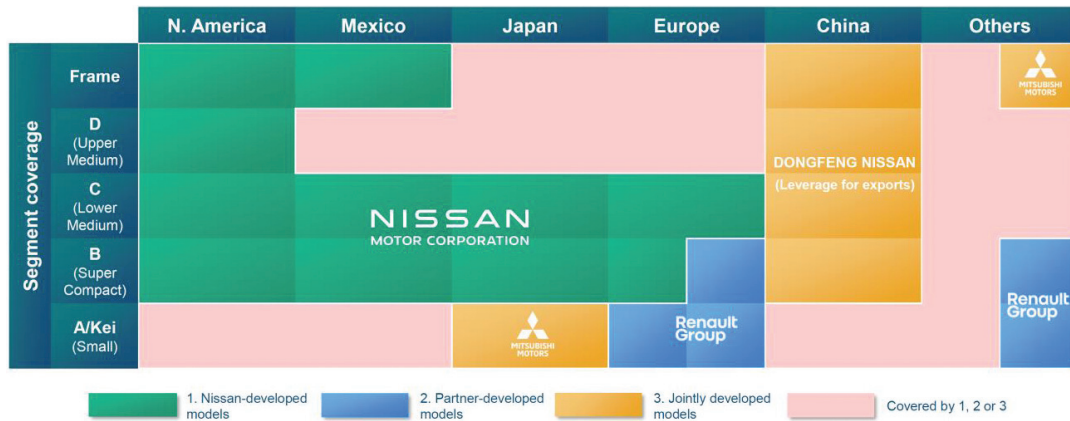
Our efforts to reduce fixed costs by ¥250 billion by the fiscal year ending March 31, 2027, as compared to the fiscal year ended March 31, 2025, consist of three interrelated activities: restructuring our manufacturing, reducing our workforce and expenditures, and revamping our development. With regard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

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

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

## Redefined market strategy accelerated by our complementary partnerships

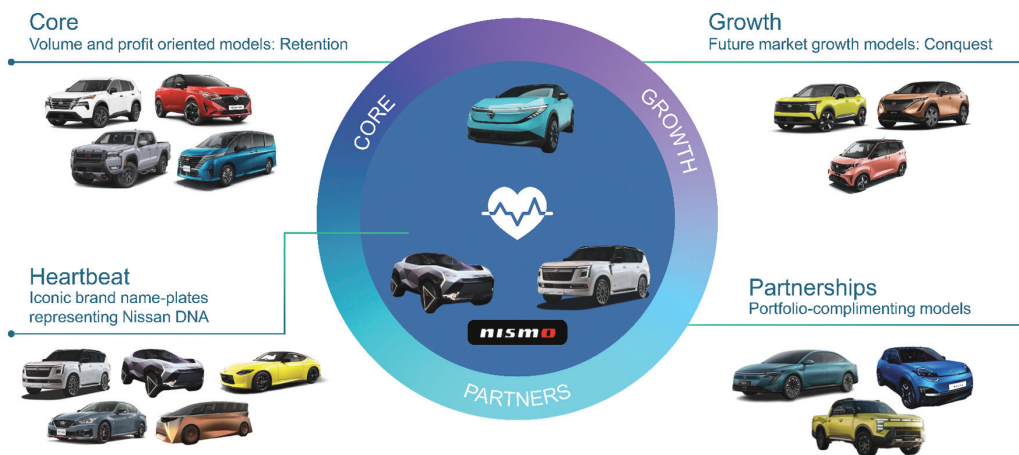
We believe that a sustainable recovery under Re:Nissan cannot solely rely on cost reductions and must also be supported by strong product offerings responsive to market demands. To this end, we aim to redefine our market strategy by focusing on core segments in key markets, supported by partners in other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



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

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

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



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

## Company Information

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

## Summary Risk Factors

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

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

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

## THE OFFERING

<b>Securities Offered</b> .....	¥200,000,000,000 in aggregate principal amount of 1.0% convertible bonds due 2031 (bonds with stock acquisition rights, <i>tenkanshasaigata shinkabu yoyakuken-tsuki shasai</i> ).
<b>Issue Price</b> .....	100.0%
<b>Offer Price</b> .....	102.5%
<b>Closing Date</b> .....	On or about July 25, 2025.
<b>Joint Lead Managers</b> .....	Mizuho International plc Merrill Lynch International Morgan Stanley & Co. International plc Citigroup Global Markets Limited SMBC Bank International plc
<b>Delivery</b> .....	It is expected that the Global Certificate will be deposited with, and registered in the name of, or a nominee for, a common depository for Euroclear and Clearstream, Luxembourg on or about the Closing Date.
<b>Form</b> .....	In registered form, evidenced by the Global Certificate. Definitive Certificates will only be available in certain limited circumstances. See “Summary of Provisions Relating to the Bonds While in Global Form”.
<b>Listing</b> .....	Approval in-principle has been received from the SGX-ST for the listing of and quotation for the Bonds on the Official List of the SGX-ST. The Bonds will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require. For this particular issuance, the Bonds will be traded in a minimum of board lot size of ¥200,000 with a minimum of 150 lots to be traded in a single transaction for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require.
<b>Lock-up</b> .....	During the period beginning on the date hereof and ending on the date that is 90 days from and including the Closing Date, we will not, and will not permit any entities over which we exercise management control or any persons acting at our direction to, without the prior written consent of the Joint Lead Managers: (A) issue, offer, pledge, lend, sell, enter into any contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant (including stock acquisition rights) to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, any Shares or any other capital stock of the Company or any securities convertible into, or exercisable or exchangeable for, or that represent the right to acquire or receive, Shares or any other capital stock of the Company (collectively, the “ <b>Lock-up Securities</b> ”), in each case regardless of whether any such contract or transaction is to be settled by delivery of the Lock-up Securities of any other securities, or in cash or otherwise; (B) enter into any derivative transaction or any other transaction that transfers, in whole or in part, directly or indirectly, ownership (or any economic consequences thereof) of the Lock-up Securities, or that has an effect on the market in the Shares similar to that of a sale, regardless of

whether any such transaction is to be settled by delivery of the Lock-up Securities or other securities, in cash or otherwise; (C) deposit any Shares (or any securities convertible into or exercisable or exchangeable for Shares or any other capital stock of the Company or which carry rights to subscribe or purchase Shares or any other capital stock of the Company) in any depository receipt facility; (D) approve of or request for, or take any internal corporate action in order to approve of or request for, any secondary offering of Shares or any other capital stock of the Company by our shareholders; (E) announce or publicize the intention to enter into, or consent to, any of the prohibited actions described in (A) through (D) above; provided, however, that such restrictions will not apply to (i) issue and sale by us of the Bonds or the issue or transfer of Shares upon exercise of the Stock Acquisition Rights; (ii) the grant and issue of stock options or stock acquisition rights exercisable for Shares to its and its subsidiaries' directors or employees pursuant to our stock option plans and the issue or transfer of Shares by us upon exercise of such stock options or stock acquisition rights; (iii) stock splits undertaken in accordance with Article 183 of the Companies Act and the allotment of shares without contribution undertaken in accordance with Article 185 of the Companies Act; (iv) sale of any shares of treasury stock of the Company upon request of any holder of shares constituting less than a full unit to make such holder's holding one full unit of shares, in accordance with paragraph 3 of Article 194 of the Companies Act; (v) the issue, offer and sale of Shares or any securities convertible into, or exercisable or exchangeable for, or that represent the right to acquire or receive, Shares to any partner company under a partnership framework formed as part of the Company's efforts to conduct review to explore new partnerships as announced by it on February 13, 2025, provided that each allottee company agrees to and is bound by the same lock-up obligations as the Company set out hereunder (to the extent applicable to such allottee companies); and (vi) any other issue or sale of Shares required by applicable Japanese laws and regulations. See "Subscription and Sale".

**Use of Proceeds** ..... We estimate that the net proceeds we will receive from the sale of the Bonds will be approximately ¥199.9 billion after deducting the expenses payable by us. We intend to invest the net proceeds we will receive in the development of new products and technologies such as electrification and software defined vehicles under "Nissan Ambition 2030" by March 31, 2031 to drive towards a cleaner, safer, and more inclusive world for everyone.

See "Use of Proceeds".

**Concurrent Senior Notes Offering** .... Separately from the issue and offering of the Bonds, and concurrently, we are conducting the Concurrent Senior Notes Offering. The Concurrent Senior Notes Offering will be conducted outside Japan in offshore transactions outside the United States in reliance on Regulation S under the U.S. Securities Act and within the United States only to "qualified institutional buyers" (as defined in the Securities Act) ("QIBs"), in reliance on Rule 144A under the Securities Act. The issue, offering and delivery of the Bonds is not conditional on the completion of the Concurrent Senior Notes Offering, and vice versa.

## THE BONDS

<b>Form and Denomination</b> .....	The Bonds are issued in registered form in the denomination of ¥10,000,000 each.
<b>Initial Conversion Price</b> .....	¥397.2 per Share, subject to adjustment in certain events. See Condition 5.1.3.
<b>Coupon</b> .....	1.0% per annum.
<b>Exercise of Stock Acquisition</b>	
<b>Rights</b> .....	Subject to and upon compliance with the provisions of Condition 5, a Bondholder may exercise the Stock Acquisition Right at any time during the period from, and including, August 8, 2025 to, and including, the close of business (at the place where the Bond is deposited for the exercise of the Stock Acquisition Right) on July 1, 2031 (but in no event thereafter), to acquire fully-paid and non-assessable Shares.
<b>Status</b> .....	Our obligations in respect of the Bonds constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 2) unsecured obligations, ranking <i>pari passu</i> and rateably without any preference among themselves, and, except for the provisions of Condition 2 and with the exception of obligations in respect of national and local taxes and certain other statutory exceptions, equally with all our other present and future unsecured obligations (other than subordinated obligations, if any) from time to time outstanding.
<b>Negative Pledge</b> .....	So long as any of the Bonds remains outstanding, we will not, and will procure that none of our Principal Subsidiaries (as defined in Condition 3.1) will, create or permit to subsist any mortgage, charge, pledge or other security interest for the benefit of the holders of any Relevant Debt (as defined in Condition 2) unless the same security or such other security or guarantee as provided in Condition 2 is accorded to the Bonds.
<b>Redemption at Maturity</b> .....	Unless the Bonds have previously been redeemed or purchased and cancelled, or become due and repayable, and unless the Stock Acquisition Rights incorporated therein have previously been exercised, we will redeem the Bonds at 100% of their principal amount, together with accrued interest, on July 15, 2031. See Condition 7.1.
<b>Early Redemption—Reduced</b>	
<b>Outstanding Amounts</b> .....	We may, having given not less than 30 nor more than 60 days' prior notice (the "Clean-up Redemption Notice") to the Bondholders, redeem all, but not some only, of the Bonds then outstanding at 100% of their principal amount, together with accrued interest, on the date fixed for such redemption, if at any time prior to the date upon which the Clean-up Redemption Notice is first given, the outstanding principal amount of the Bonds is less than 10% of the aggregate principal amount of the Bonds at the date of issue thereof. See Condition 7.2.
<b>Early Redemption—Taxation</b>	
<b>Reasons</b> .....	If we satisfy the Trustee immediately prior to giving the notice to the Bondholders, that (i) as a result of any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any

authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after July 9, 2025, we have or will become obliged to pay any Additional Amounts (as defined in Condition 9) and (ii) we are unable to avoid such obligation by taking reasonable measures, we may, but shall not be bound to, having given not less than 30 nor more than 60 days' prior irrevocable notice to the Bondholders, redeem all, but not some only, of the Bonds then outstanding at 100% of their principal amount, together with accrued interest. If, however, the outstanding principal amount of the Bonds at the time of such notice of redemption is 10% or more of the aggregate principal amount of the Bonds as at the date of issue thereof, each holder of such Bonds will have the right to elect that their Bonds should not be redeemed and that, in respect of payments on such Bonds to be made after that date, payments will be made subject to the withholding of, or deduction for or on account of, Japanese taxes, duties, assessments and governmental charges. See Condition 7.3.

**Early Redemption—Corporate**

**Events** ..... In the case of a Corporate Event (as defined in Condition 6.1), we shall give notice to the Bondholders of such Corporate Event and the anticipated effective date of such transaction and the provisions set out in Condition 6 shall apply. See Condition 6.

Upon or following the occurrence of a Corporate Event, we shall be required to redeem all, but not some only, of the Bonds then outstanding at a redemption price determined in accordance with Condition 7.7, together with accrued interest, if any of the following conditions is satisfied:

(i) it is not legally possible under the then applicable laws (taking into account the then official or judicial interpretation or application of such laws) to effect a scheme provided for by Condition 6.4.1;

(ii) it is legally possible as aforesaid but, despite using our best endeavors, we are not able to effect such a scheme in compliance with Condition 6.4.1;

(iii) despite using our best endeavors pursuant to Condition 6.4.2, on (a) the date of occurrence of the relevant Corporate Event or (b) the 25th day prior to the relevant Corporate Event Effective Date, whichever occurs later, (x) no Listing (as defined in Condition 6.4.2) has been obtained for the shares of common stock of the New Obligor (as defined in Condition 6.1), and (y) no confirmation has been obtained by the New Obligor from any stock exchange in Japan or the governing body of any securities market in Japan that such Listing will be obtained on or prior to such Corporate Event Effective Date; or

(iv) we have delivered to the Trustee, on or prior to the date of occurrence of the relevant Corporate Event, a certificate signed by a Representative Director or an Authorized Officer stating we do not currently anticipate that a Listing will be obtained or maintained for the shares of common stock of the New Obligor on the relevant Corporate Event Effective Date for any reason stated in such certificate. See Condition 7.4.

**Early Redemption—Delisting of the**

**Shares** ..... In certain circumstances where a tender offer is made to holders of the Shares by an Offeror (as defined in Condition 7.5.1) where, *inter alia*, we expresses our opinion to support such offer, we or the Offeror publicly announces or admits that the Shares may cease to be listed, quoted or dealt in on the Relevant Stock Exchange (as defined in Condition 3.1) and the Offeror acquires any Shares pursuant to the offer, then we shall give notice to the Bondholders in accordance with Condition 19, as soon as practicable but within 14 days after the date of acquisition of those Shares pursuant to the offer, to redeem all, but not some only, of the Bonds then outstanding at the redemption price determined in accordance with Condition 7.7, together with accrued interest (subject to the provision of Condition 7.5). See Condition 7.5.

**Early Redemption—Squeezeout**

**Redemption** ..... Upon the occurrence of a Squeezeout Event (as defined in Condition 3.1), we shall give notice to the Bondholders in accordance with Condition 19, as soon as practicable but within 14 days after the date on which the Squeezeout Event occurs, to redeem all, but not some only, of the Bonds then outstanding at the redemption price determined in accordance with Condition 7.7, together with accrued interest (subject to the provisions of Condition 7.6). See Condition 7.6.

**Redemption at the Option of the**

**Bondholders** ..... The holder of any Bond is entitled, at its option, to require us to redeem such Bond at 100% of its principal amount, together with accrued interest, on July 17, 2029 (the “Bondholders’ Optional Redemption Date”). Such notice of redemption must be given not less than 30 days nor more than 60 days prior to the Bondholders’ Optional Redemption Date. See Condition 7.8.

**Cross Default** ..... The Bonds are subject to a cross-default in respect of any of our indebtedness for borrowed money or any guarantee and/or indemnity thereof by us or by any of our Principal Subsidiaries in respect of amounts of more than \$100,000,000 (or its equivalent in any other currency or currencies). See Condition 10.

**Taxation** ..... All payments by us in respect of the Bonds will be made without withholding or deduction for or on account of Japanese taxes except to the extent required by law, in which case we will be required to pay Additional Amounts as described in, and subject to the limitations set forth in, Condition 9.

**Governing Law** ..... English Law

**Jurisdiction** ..... English Courts

**ISIN** ..... XS3105284809

**Common Code** ..... 310528480

**Trustee and Custodian** ..... The Law Debenture Trust Corporation p.l.c.

**Principal Agent and Registrar** ..... Mizuho Trust & Banking (Luxembourg) S.A.

**Custodian’s Agent in Japan** ..... Mizuho Bank, Ltd.

**Legal Entity Identifier** ..... 353800DRBDH1LUTNAY26

## RISK FACTORS

*Our business, financial condition and results of operations could be materially and adversely affected by the factors discussed below. If any of the following risks should occur, the prices of the Bonds or the Shares issuable upon exercise of the Stock Acquisition Rights may decline and you could lose all or part of your investment. You should consider carefully whether an investment in the Bonds is suitable in the light of the information herein and your personal circumstances. This offering circular also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks faced by us described below and elsewhere herein. See “Forward-looking Statements.”*

### **Risks Relating to Our Business**

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

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

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

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

planning and capital investments, which could undermine general economic activity and contribute to an economic slowdown.

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

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

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

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

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

We are currently facing significant business headwinds, including a shrinking market for our products in China and increased competition in that market from local automotive companies, as well as challenges in meeting increased demand for HEVs and PHEVs in the United States, combined with an increase in variable

costs and higher fixed costs than our revenue currently supports. To address these challenges, we appointed a new management team on April 1, 2025, including a new Chief Executive Officer and a new Chief Performance Officer, following earlier management appointments on January 1, 2025, including a new Chief Financial Officer. With this renewed leadership, on May 13, 2025, we announced a recovery plan, called “Re:Nissan,” as part of an effort to create a leaner, more resilient business that is capable of more quickly adapting to market changes and of sustaining profitability with less reliance on volume.

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

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

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

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

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

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

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

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

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

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

Further, we have entered and may enter from time to time into other strategic partnerships or alliances with industry partners, which we consider to be one of our core strategies. For example, in August 2024, we announced an agreement with Honda to conduct joint research in the area of software-defined vehicles. We separately announced in August 2024 a memorandum of understanding among us, Honda and Mitsubishi Motors to discuss a framework for further development of intelligence and electrification of automobiles, based on an earlier agreement between us and Honda in March 2024 to explore the feasibility of a strategic partnership in such fields. While such partnerships have the potential of allowing us to utilize our and our partners’ strengths to

develop competitive technologies, there is no guarantee that we will achieve the objectives of such partnerships, and any failure on our part to do so could have a material adverse effect on our competitiveness and our results of operations.

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

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

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

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

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

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

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

Over the course of 2018 and 2019, our former representative director and board chairman, Carlos Ghosn, and our former representative director, Greg Kelly, were charged with violating the FIEA for false disclosures in our annual securities report filed in Japan, and Carlos Ghosn was charged with violations of Japan's Companies Act. We were also charged with violations of the FIEA. In December 2019, we did not

dispute the alleged facts and received an administrative monetary penalty from Japan's Financial Services Agency, or the FSA, of approximately ¥2.4 billion. On March 3, 2022, we received a guilty judgment together with a criminal penalty of ¥0.2 billion from the Tokyo District Court with respect to the FIEA violations, but the FSA subsequently reduced such penalty from the administrative monetary penalty, and we have since paid approximately ¥2.2 billion administrative monetary penalty. In September 2019, we also paid a \$15 million fine to settle civil fraud charges related to this matter brought by the United States Securities and Exchange Commission, or the SEC. On February 12, 2020, we filed a lawsuit against Carlos Ghosn in Japan, seeking recovery of damages. In May 2023, Carlos Ghosn filed a defamation lawsuit against us in Lebanon, seeking \$1 billion in damages and compensation, and such proceedings are still ongoing. See "Business—Legal Proceedings."

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

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

***We face risks associated with our international operations.***

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

- risks related to foreign laws, regulations and policies, including with respect to capital and exchange controls and government subsidies and policies towards the automotive industry;
- difficulties in monitoring and coordinating operations in a large number and wide range of jurisdictions;
- uncertainty surrounding the potential impact of recent and ongoing geopolitical developments, including the ongoing conflict between Russia and Ukraine, as well as the developing conflict between Israel and Iran, including the United States' participation in the latter, the situation in Palestine, and various political tensions in Asia, including those surrounding Taiwan and North Korea;

- differences in, or conflicts among, the taxation regimes in the different jurisdictions in which we operate and the impact of international tax issues, such as transfer pricing;
- varying standards and practices in the legal, regulatory and business cultures in which we operate;
- risks related to political instability and uncertain business environments;
- acts of terrorism, war, epidemics and other sources of social disruption;
- strikes, work stoppages or other labor disputes; and
- difficulties associated with recruiting and managing local personnel.

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

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

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

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

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

In addition, increasing trade tensions, in particular between the United States and China, have the potential to disturb the supply of materials and components that we procure for the manufacturing of our products. For example, on April 4, 2025, China implemented export restrictions on rare earth materials and metals in response to tariffs threatened or imposed by the Trump administration. These include restrictions on

several rare earth elements and magnets that are crucial for the production of automobiles, and such restrictions have already resulted in production shutdowns in the automotive industry in certain regions. Such restrictions, which may be tightened further or implemented by other countries amidst intensifying trade conflicts, have the potential to impact the manufacture of our products by increasing cost or disrupting supply, notwithstanding any mitigation efforts by us, which could adversely affect our business and results of operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Our supply chain is characterized by a large number of external suppliers located around the world, from whom we procure parts, components and raw materials. In connection with the introduction of new

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

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

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

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

***We face risks associated with our sales financing business.***

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

margins. If we are unable to adequately respond to changes in market environment and competition in automobile financing, our sales financing operations may adversely affect our financial condition and results of operations.

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

Under the framework of the Paris Agreement negotiated at the 2015 United Nations Climate Change Conference (COP 21), and accelerated by the 2018 special report of the Intergovernmental Panel on Climate Change, there is a global move to decrease emissions of carbon dioxide and other greenhouse gases which contribute to climate change and global warming and to aim for net zero emissions. In March 2024, we announced the Nissan Green Program 2030, as part of which we have established global goals and are taking steps to reduce emissions in all areas of our business, including procurement, manufacturing and distributions, with an eventual goal of carbon neutrality. Emissions by the vehicles we produce are also significant, and in light of long-term goals of reducing automobile emissions, including in response to increasingly stringent emissions standards in markets such as China, Europe and the United States, we are increasing our EV and e-POWER vehicle models. We study various risk scenarios with respect to climate change. If societal response is inadequate, there could be increased pressure and more stringent regulation, such as the introduction of carbon pricing and carbon border taxes, to adapt our business and operations to meet climate change prevention targets. Moving to a decarbonized economy could result in additional research and development and production costs for us, changes in market demand and impact to our brand image. We would also be exposed to the general risks associated with increasingly severe weather events and rises in sea level. Associated increases in costs or reductions in sales of vehicles could adversely affect our financial condition and results of operations.

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

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

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

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

***We may be subject to various legal proceedings.***

In the ordinary course of our operations, we may become a party to legal proceedings with business counterparties or other third parties. Such proceedings may include issues such as product liability, infringement of intellectual property claims, contractual disputes, or tax. We may also be subject to legal proceedings brought

by our shareholders and governmental proceedings and investigations. A negative outcome in one or more such legal proceedings could adversely affect our brand image, financial condition and results of operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We may face losses relating to our pension plans from changes in the market value of plan assets, a decline in returns on our pension plan assets or changes in the assumptions and investment returns on which the

calculation of projected pension benefit obligations is based. In the event that such losses occur, this could adversely affect our financial condition and results of operations.

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

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

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

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

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

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

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

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

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

***Our operations rely on information technologies.***

We depend on various information technology networks and systems, some of which are managed by third parties, to process, transmit and store electronic information, including sensitive data, and to manage or support all of our business processes and activities. While we have implemented a global program to strengthen our cybersecurity, our information technology networks and systems may still be vulnerable to damage, disruptions or shutdowns due to unauthorized access or attacks by hackers, computer viruses, breaches due to unauthorized use, errors or malfeasance by employees and others who have or gain access to our systems, errors by third parties such as software development or cloud computing vendors, power shortages and outages, and utility failures or other catastrophic events like natural disasters. For example, in 2023, Nissan North America, Inc. and our subsidiaries in Australia and New Zealand experienced a cybersecurity incident that affected the personal information of some of our customers, staff and other stakeholders. Further, in December 2024, Kyusyu Tekko Center Co., Ltd., a subsidiary of Nissan Trading Co., Ltd., experienced a ransomware attack to its server which resulted in files being encrypted and inaccessible, although an investigation and analysis by an external company confirmed that business-related data stored on the server was not transmitted to external parties through the attack. While we were able to promptly correct the technical vulnerabilities in our information technology system and take appropriate measures in accordance with local regulations in both instances, including reporting to the relevant data protection authority, similar events, including cyberattacks, could materially disrupt business operations, result in sensitive or personal data being leaked, and give rise to legal claims or proceedings, liability or regulatory penalties under applicable laws, which could have an adverse effect on our brand image and financial condition and results of operations.

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

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

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

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

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

Although the employees at our manufacturing facilities in the United States are not represented by a union, most of our other manufacturing facilities (including those in Japan, Thailand, Mexico, Brazil, the United Kingdom, Spain, India and South Africa) are staffed by employees that are represented by unions or work council and covered by collective bargaining agreements (our employees at our manufacturing facilities in China are represented by a labor union but are not covered by a collective bargaining agreement). Many of these collective bargaining agreements provide guaranteed wage and benefit levels throughout the contract term and some degree of income security, subject to certain conditions. As a practical matter, these agreements may restrict our ability to close plants, divest businesses and reduce headcount, and future negotiations with unions may result in adverse impacts on our ability to control production costs. As part of Re:Nissan, we plan to reduce the number of our plants and our global headcount in order to create a leaner and more resilient business structure, but such efforts are limited by collective bargaining agreements. Further, a substantial number of our

employees are also represented by government councils and legislation or customs promoting retention of manufacturing or other employment in such regions, which may constrain our ability to sell or close manufacturing or other facilities or to otherwise adjust our labor costs. Additionally, government regulation or intergovernmental agreements may impact our ability to control production costs. For example, the USMCA contains provisions specifically applicable to passenger vehicles, light trucks and automobile parts, which may require that a certain portion of a vehicle's content be produced by high-wage labor. To the extent that labor organizations, collective bargaining agreements or government regulations or legal frameworks prevent us from adjusting our labor costs when necessary and appropriate or in accordance with our medium-term business plan, our business, results of operations and financial condition could be adversely affected.

### **Risks Relating to the Senior Notes Offering**

***If we do not complete the Concurrent Senior Notes Offering, we may be unable to achieve the overall purpose of this bond offering.***

Concurrently with this offering, we plan to conduct the Concurrent Senior Notes Offering. The offering of the Bonds is not conditional upon the completion of the Concurrent Senior Notes Offering, which is scheduled to occur after the date of this offering circular. Therefore, at the timing of the investors' application to the Bonds, there is no assurance that the Concurrent Senior Notes Offering will be completed. If we do not complete the Concurrent Senior Notes Offering, we may be unable to secure alternative financing under comparable terms or at all, which may negatively impact our ability to execute our strategies and goals for our future sustainable growth. See "Concurrent Senior Notes Offering" and "Use of Proceeds" for additional details on the Concurrent Senior Notes Offering and the use of proceeds.

### **Risks Relating to the Bonds and the Shares**

***There will be limitations on the timing of exercise of Stock Acquisition Rights.***

Under the current handling rules and practices of JASDEC it will take a minimum of three business days for the Shares to be delivered to Bondholders after the Stock Acquisition Date (as defined in the Conditions). The Stock Acquisition Rights may not be exercised during any such period in which the relevant Stock Acquisition Date (or, if the Stock Acquisition Date would not be a Tokyo Business Day, the immediately following Tokyo Business Day) would fall on a date falling within any Shareholder Determination Date Restriction Period (as defined in the Conditions). Bondholders should therefore note in particular that exercise of Stock Acquisition Rights will be restricted during the period surrounding any record date in respect of Shares (under our Articles of Incorporation as of the date of this offering circular, March 31 and September 30 in each year).

***No cash amounts will be payable in respect of Shares that constitute less than a full unit.***

The rights of holders of Shares not constituting one whole unit are limited under our Articles of Incorporation and may not be tradable on the stock exchange on which they are listed. Currently, our Articles of Incorporation provide that one unit comprises 100 Shares. Since the introduction of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. of Japan (Act No. 75 of 2001, as amended) (including the regulations promulgated thereunder, the "Book-Entry Act"), making it possible for listed shares of Japanese companies comprising less than one full unit to be delivered through the JASDEC book-entry transfer system, JASDEC's guidance requires that stock acquisition rights issued by Japanese companies should be structured such that shares that constitute less than one full unit are delivered to the account of the exercising holder, instead of being automatically sold back to the issuer of such stock acquisition rights and receiving cash amounts in respect of them. Accordingly, Bondholders exercising their Stock Acquisition Rights will not receive cash amounts in respect of Shares received upon such exercise that constitute less than one full unit.

Under the Companies Act, holders of Shares constituting less than a full unit do not enjoy the right to vote. In addition, Shares that constitute less than one full unit may not be traded on the stock exchange on which they are listed. Accordingly, a holder of Shares that constitute less than one full unit will need to request that we purchase such Shares in accordance with the Companies Act, the rules of the JASDEC book-entry transfer system, our Articles of Incorporation and our Share Handling Regulations, if they would like us to do so.

***The anti-dilution protection for Bondholders is limited.***

The Conversion Price at which the Stock Acquisition Rights may be exercised will be adjusted in certain events having a dilutive impact on the price and value of the Shares. There is no requirement that there

should be an adjustment for every corporate or other event that may affect the value of the Shares. Events in respect of which no adjustment is made may adversely affect the value of the Shares and therefore adversely affect the value of the Bonds.

***The trading price of the Bonds will be affected by fluctuations in the trading price of the Shares.***

The trading price of the Bonds is expected to be affected by fluctuations in the trading price of the Shares and it is impossible to predict whether the trading price of the Shares will rise or fall. Any decline in the trading price of the Shares will have an adverse effect on the trading price of the Bonds. Trading prices of the Bonds and Shares will be influenced by, among other things, our financial position and results of operations including the reporting of financial results.

***A trading market for the Bonds may not develop.***

Prior to the issue of the Bonds, there has been no trading market for the Bonds. Although approval-in-principle has been received from the SGX-ST for the listing and quotation for the Bonds on the Official List of the SGX-ST, there can be no assurance that an active trading market for the Bonds will develop. Furthermore, there can be no assurance that the Bonds will not trade at prices lower than the initial Offer Price.

***The Bonds are unsecured.***

The Bonds do not benefit from any security and the Bondholders' claims will rank behind any secured creditors in the event of our liquidation or bankruptcy.

***Because of daily price range limitations under Japanese stock exchange rules, investors may not be able to sell their Shares at a particular price on any particular trading day, or at all.***

Stock prices on Japanese stock exchanges are determined on a real-time basis by the equilibrium between bids and offers. These exchanges are order-driven markets without specialists or market makers to guide price formation. To prevent excessive volatility, these exchanges set daily upward and downward price fluctuation limits for each stock, based on the previous day's closing price. Although transactions may continue at the upward or downward limit price if the limit price is reached on a particular trading day, no transactions may take place outside these limits. Consequently, an investor wishing to sell Shares received in exercise of the Stock Acquisition Rights at a price above or below the relevant daily limit may not be able to sell his or her Shares at such price on a particular trading day, or at all.

***Future changes in Japanese law may affect the Stock Acquisition Rights and/or the Shares.***

Future changes to provisions relating to Stock Acquisition Rights and/or the Shares issuable upon the exercise of the Stock Acquisition Rights may have mandatory effect under Japanese law. Condition 15.2 provides for amendments to be made to the Conditions relating to the Stock Acquisition Rights where those amendments are required in order to comply with mandatory provisions of Japanese law even if those amendments are materially prejudicial to the interests of Bondholders.

***The rights of shareholders under Japanese law may be more limited than under the laws of other jurisdictions.***

Our corporate affairs are governed by our Articles of Incorporation, our Regulations of the Board of Directors, our Share Handling Regulations and the Companies Act relating to joint stock corporations. Legal principles relating to such matters as the validity of corporate procedures, directors' and officers' fiduciary duties and shareholders' rights under Japanese law may be different from, or less clearly defined than, those that would apply if we were incorporated in another jurisdiction. Shareholders' rights under Japanese law may not be as extensive as shareholders' rights under the laws of other jurisdictions. In addition, Japanese courts may not be willing to enforce, in original actions or in actions seeking enforcement of judgments of the courts of other jurisdictions, liabilities against us in actions brought in Japan. Bondholders who acquire Shares upon exercise of the Stock Acquisition Rights may have more difficulty in asserting their rights as a shareholder than they would as a shareholder of a corporation organized in other jurisdictions.

***The Trustee may request Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction.***

In certain circumstances, the Trustee may (at its sole discretion) request Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of Bondholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Bondholders to take such actions directly.

***Prior notification under the Foreign Exchange and Foreign Trade Act of Japan may be required in the case of acquisition by foreign investors of a certain portion of our Shares.***

We are engaged in certain businesses designated by the Foreign Exchange and Foreign Trade Act of Japan (Act No. 228 of 1949, as amended) (the “FEFTA”), and its related cabinet orders and ministerial ordinances (collectively, the “Foreign Exchange Regulations”). As a consequence, any foreign investor intending to acquire Shares in circumstances that would constitute an “inward direct investment” must in general, file a notification with the Minister of Finance and any other competent minister (the “Ministers”) prior to the acquisition. “Inward direct investment” includes the acquisition of Shares as a result of which such foreign investor, in combination with any existing Shares held, would directly or indirectly, hold 1% or more of the total number of issued Shares or the total number of voting rights. While certain exemptions from the prior notification requirements are provided for under the Foreign Exchange Regulations, not all foreign investors will be eligible for such exemptions. If a prior notification is required under the Foreign Exchange Regulations, the proposed acquisition of Shares may not take place until a prescribed screening period has expired. In some cases, the Ministers may require that the screening period be extended, or may recommend or order a modification to or abandonment of the acquisition. In addition, under certain circumstances, the Ministers may order the disposal of the Shares that have already been acquired or take other measures.

Consequently, any investor seeking to acquire Shares in a transaction that would constitute an “inward direct investment” (including through exercise of the Stock Acquisition Rights) may not complete such acquisition in an expected time frame, in accordance with an intended plan, or at all.

Additionally, if a foreign investor directly or indirectly holds 1% or more of the total voting rights and, at a general meeting of shareholders, consents to certain proposals having a material influence on the Company’s management such as the (i) election of such foreign investor or any of its related persons (as defined in the Foreign Exchange Regulations) as Directors or corporate auditors of the Company or (ii) transfer or discontinuation of its business, such consent, subject to certain exemptions, also constitutes an “inward direct investment” requiring prior notification. If such prior notification is filed, such consent cannot be given until the prescribed screening period expires. As a result, such foreign investors may have difficulties giving such consent in accordance with an intended plan, or at all.

The description above is not exhaustive of all possible foreign exchange controls considerations that may apply to a particular investor, and potential investors are advised to satisfy themselves as to the overall foreign exchange controls consequences of the acquisition, ownership and disposition of Shares or voting rights by consulting their own advisors. For a more detailed discussion on the requirements and procedures regarding the prior notifications under the Foreign Exchange Regulations, see “Japanese Foreign Exchange Regulations.”

## USE OF PROCEEDS

We estimate that the net proceeds we will receive from the sale of the Bonds will be approximately ¥199.9 billion after deducting offering expenses payable by us. We intend to invest the net proceeds we will receive in the development of new products and technologies such as electrification and software defined vehicles under “Nissan Ambition 2030” by March 31, 2031 to drive towards a cleaner, safer, and more inclusive world for everyone.

We intend to use the net proceeds from the Senior Notes for general corporate purposes, including refinancing outstanding debt.

The offering of the Bonds is not conditional on the completion of the Concurrent Senior Notes Offering, and vice versa.

## INFORMATION CONCERNING THE SHARES

### Authorized and Issued Share Capital

As of March 31, 2025, our authorized share capital was 6,000,000,000 Shares, of which 3,713,998,612 Shares were issued and outstanding. The following table shows recent changes in our issued share capital as of the dates indicated:

<u>Period/Date</u>	<u>Description</u>	<u>Number of new or cancelled Shares (thousand of Shares)</u>	<u>Total number of issued Shares (thousand of Shares)</u>
December 19, 2023 . . . . .	Cancellation of treasury stock	(211,000)	4,009,715
April 3, 2024 to March 31, 2025 . . . . .	Cancellation of treasury stock	(295,717)	3,713,999

There has been no change in our issued share capital since March 31, 2025.

### Dividends

Under our Articles of Incorporation, a year-end dividend may be distributed to shareholders of record as of March 31 of each year pursuant to a resolution of a general meeting of shareholders; however, an interim dividend may be distributed to shareholders of record as of September 30 of each year pursuant to a resolution of the Board of Directors. We may also make dividends other than those described above by a resolution of a general meeting of shareholders, subject to certain restrictions. See “Description of the Shares”. The payment of dividends will also be subject to other factors, including legal restrictions with respect to the payment of dividends. See “Description of the Shares—Distribution of Surplus”.

The following table sets forth the dividends paid by us to our shareholders of record as of the dates indicated:

<u>Record Date</u>	<u>Dividend per Share</u> (Yen)
September 30, 2020 . . . . .	—
March 31, 2021 . . . . .	—
September 30, 2021 . . . . .	—
March 31, 2022 . . . . .	5.00
September 30, 2022 . . . . .	—
March 31, 2023 . . . . .	10.00
September 30, 2023 . . . . .	5.00
March 31, 2024 . . . . .	15.00
September 30, 2024 . . . . .	—
March 31, 2025 . . . . .	—

We consider returning profits to shareholders as one of the important management policies. The return of profits to shareholders mainly consists of the distribution of dividends, and the Company aims to ensure the stable distribution of dividends while taking into account the level of cash on hand, past records and forecasts of profits and free cash flows, the required investment for the future, and other factors.

## Japanese Stock Market and Price Range of the Shares

Our Shares have been listed on the Tokyo Stock Exchange since 1951. The following table sets forth, for the periods indicated, (i) the highs and lows of the reported trading sales prices of the Shares on the Tokyo Stock Exchange, (ii) the highs and lows of the daily closing Nikkei Stock Average, an index of 225 selected stocks listed on the First Section of the Tokyo Stock Exchange, (iii) the highs and lows of the daily closing TSE Prime Market Index, an index of the market value of all Japanese stocks listed on the Prime Market of the Tokyo Stock Exchange and (iv) the highs and lows of the daily closing Tokyo Stock Price Index (TOPIX), an index of the market value of all Japanese stocks listed on the First Section of the Tokyo Stock Exchange:

Calendar period	Price per Share		Nikkei Stock Average		TSE Prime Market Index		TOPIX	
	High	Low	High	Low	High	Low	High	Low
			(Yen)		(Points)			
2021	664.5	501	30,670.10	27,013.25	—	—	2,118.87	1,791.22
2022 <sup>(1)</sup>	650	408.6	29,332.16	24,717.53	1,038.78	935.78	2,039.27	1,758.89
2023	712.5	408.1	33,753.33	25,716.86	1,250.79	961.23	2,430.30	1,868.15
2024	651.5	337.6	42,224.02	31,458.42	1,507.70	1,146.16	2,929.17	2,227.15
2025:								
1st quarter	487.7	374.9	40,083.30	35,617.56	1,449.09	1,368.40	2,815.47	2,658.73
2nd quarter	387.0	306.1	40,487.39	31,136.58	1,468.13	1,177.77	2,852.84	2,288.66
3rd quarter (up to July 9, 2025)	367.4	302.9	39,986.33	39,587.68	1,457.45	1,447.00	2,832.07	2,811.72

Note:

(1) For the TSE Prime Market Index, the period runs from April 4, 2022.

The last reported closing price of the Shares on the Tokyo Stock Exchange on July 9, 2025, was ¥305.5 per Share and the Nikkei Stock Average, the TSE Prime Market Index and TOPIX closed at ¥39,821.28, 1,455.49 and 2,828.16, respectively.

## Principal Shareholders and Other Information

The table below shows information about the ownership of our Shares as of March 31, 2025 by our ten largest shareholders, as appearing on the register of shareholders.

<u>Shareholder</u>	<u>Number of Shares held</u>	<u>Percentage of total Shares in issue</u>
	<i>(Thousand Shares)</i>	<i>(%)</i>
NATIXIS SA AS TRUSTEE FOR FIDUCIE NEWTON 701910 <sup>(2)</sup>	693,124	18.8%
Renault S.A.	633,107	17.1
The Master Trust Bank of Japan (Trust Account)	260,612	7.1
J.P. MORGAN SE—LUXEMBOURG BRANCH 381648 <sup>(3)</sup>	126,313	3.4
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	82,561	2.2
Custody Bank of Japan (Trust Account)	49,702	1.3
STATE STREET BANK AND TRUST COMPANY 505001	48,125	1.3
CGML PB CLIENT ACCOUNT/COLLATERAL	39,644	1.1
MAN INTERNATIONAL ICVC—MAN GLG JAPAN COREALPHA FUND	39,545	1.1
MOXLEY & CO LLC	38,598	1.0
Total	<u>2,011,331</u>	<u>54.4%</u>

Notes:

- (1) Other than the above, we held 221,727 thousand Shares in treasury stock as of March 31, 2025.
- (2) All Shares held by Natixis SA as Trustee for Fiducie Newton 701910 in the above table were owned, are effectively held by Renault S.A., and the total number of shares held by Renault S.A., including those held under its own name was 1,326,231 thousand shares.
- (3) Of the Shares held by J.P. Morgan SE - Luxembourg Branch 381648, Daimspain S.L. and Daimspain DAG, S.L. effectively owned 100,505 thousand shares and 25,808 thousand shares, respectively, totaling 126,313 thousand shares. Additionally, Daimspain DT, S.L. effectively owned 13,829 shares under the name of J.P. Morgan SE Luxembourg Branch 381621, which together with Shares effectively owned by Daimspain S.L. and Daimspain DAG, S.L., totals 140,142 thousand shares.

The ownership distribution of our Shares by category of shareholders of record as of March 31, 2025 (being the most recent date as of which the information is available) was as follows:

	<b>Number of Shares held<sup>(1)</sup></b>	<b>Percentage of total Shares in issue</b>
	<i>(Unit Shares)</i>	<i>(%)</i>
Government and municipal bodies .....	50	0.0%
Japanese financial institutions .....	4,267,425	11.49
Japanese financial instruments business operators .....	536,521	1.45
Other Japanese corporations .....	668,132	1.80
Japanese individual investors and others <sup>(2)</sup> .....	8,423,490	22.69
Foreign corporations and individual investors .....	<u>23,231,765</u>	<u>62.57</u>
<b>Total</b> .....	<u><u>37,127,383</u></u>	<u><u>100.00%</u></u>

Notes:

- (1) 100 Shares constitute one unit of Shares. See “Description of the Shares– Unit Share System”.
- (2) As of March 31, 2025, we held 18,727,194 Shares in treasury stock, of which 187,271 units of Shares were included in “Japanese individual investors and others” and 94 Shares were included in Shares not amounting to one unit of Shares.
- (3) The above table does not include 1,260,312 Shares not amounting to one unit of Shares.

As of March 31, 2025, the Directors together directly held 639,000 Shares, representing 0.02% of total Shares in issue at that date.

As of the date of this offering circular, we are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over us.

## CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our consolidated capitalization and indebtedness as of March 31, 2025 on an actual basis and on an adjusted basis to give effect to issue of the Bonds.

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

	<b>As of March 31, 2025</b>	
	<b>Actual</b>	<b>As adjusted</b>
	<b>(in millions of yen)</b>	
<b>Short-term debt:</b>		
Short-term borrowings . . . . .	¥ 876,104	¥ 876,104
Current portion of long-term borrowings . . . . .	1,881,691	1,881,691
Commercial papers . . . . .	86,743	86,743
Current portion of bonds . . . . .	771,205	771,205
Total . . . . .	3,615,743 <sup>(1)</sup>	3,615,743
<b>Long-term debt:</b>		
Bonds . . . . .	1,708,532	1,708,532
Long-term borrowings . . . . .	2,661,356	2,661,356
Bonds offered hereby . . . . .	—	200,000
Total . . . . .	4,369,888 <sup>(1)</sup>	4,569,888
<b>Total indebtedness . . . . .</b>	<b>7,985,631<sup>(1)</sup></b>	<b>8,185,631</b>
<b>Equity:</b>		
Common stock . . . . .	605,814	605,814
Authorized—6,000,000,000 shares		
Issued— 3,713,998,612 shares as of March 31, 2025		
Capital surplus . . . . .	825,756	825,756
Retained earnings . . . . .	3,415,475	3,415,475
Treasury stock . . . . .	(88,284)	(88,284)
Total shareholders’ equity . . . . .	4,758,761	4,758,761
Accumulated other comprehensive income . . . . .	199,483	199,483
Share subscription rights . . . . .	299	299
Non-controlling interests . . . . .	486,805	486,805
Total net assets . . . . .	5,445,348	5,445,348
<b>Total capitalization and indebtedness . . . . .</b>	<b>¥13,430,979</b>	<b>¥13,630,979</b>

Notes:

- (1) Following the date hereof, we plan to offer and sale certain amount of Senior Notes.
- (2) Total capitalization and indebtedness is calculated by adding total indebtedness and total net assets.

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

## **CONCURRENT SENIOR NOTES OFFERING**

Separately from the issue and offering of the Bonds, and concurrently, we are conducting the Concurrent Senior Notes Offering. The Concurrent Senior Notes Offering will be conducted outside Japan in offshore transactions outside the United States in reliance on Regulation S under the U.S. Securities Act and within the United States only to “QIBs, in reliance on Rule 144A under the Securities Act.

The offering of the Bonds is not conditional on the completion of the Concurrent Senior Notes Offering, and vice versa.

## SELECTED FINANCIAL AND OTHER DATA

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

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

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

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

Notes:

(1) Excluding inter-segment sales or transfers

(2) Adjustments consist of elimination of inter-segment transactions.

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

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

## Other Data

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

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

Note:

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

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

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

Note:

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

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

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

Note:

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

### Additional Segment Data

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

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

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

Note:

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

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

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

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

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

	For the three-month period ended							
	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
	(in billions of yen)							

Change in Working Capital in Automobile & Eliminations . . . . .	¥(272)	¥(222)	¥ 45	¥ 59	¥(190)	¥130	¥12	¥154
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	For the three-month period ended							
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
	(in billions of yen)							

Change in Working Capital in Automobile & Eliminations . . . . .	¥ 64	¥ (51)	¥(84)	¥163	¥(146)	¥(38)	¥(8)	¥489
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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

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

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

### Overview

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

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

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

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

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

### ***Financial Interests in Alliance Partners and Other Affiliates***

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

- We hold 50.0% of the voting rights in the China JV. As we do not possess full control over the operations of the China JV, it is not a consolidated subsidiary of ours. The results of operations of the China JV are recorded only under equity in earnings of affiliates in our consolidated statement of income and are not reflected in any other line items in our consolidated financial statements. The fiscal year end of the China JV is December 31 and

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

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

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

### ***Re:Nissan and New Management Team***

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

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

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

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

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

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

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

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

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

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

## **Factors Affecting our Results of Operations**

### **Net Sales**

#### ***Automobile Segment***

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

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

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

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

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

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

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

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

### ***Sales Financing Segment***

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

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

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

## ***Cost of Sales***

### ***Automobile Segment***

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

### ***Sales Financing Segment***

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

## ***Research and development***

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

## ***Selling, general and administrative expenses***

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

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

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

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

### ***Foreign Exchange Rates***

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

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

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

### **Critical Accounting Policies and Estimates**

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

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

#### ***Allowance for doubtful accounts***

An allowance for doubtful accounts is provided to recognize bad debt losses on receivable amounts including sales finance receivables and automotive trade receivables based on an estimate of their collectability calculated based on past experience. When estimating the collectability of receivables, we evaluate the credit risk of customers and the value of assets pledged as collateral. In addition, if the credit risk of receivables changes due to changes in the external environment, such as the expectation of a significant deterioration in economic indicators, we will adjust the estimate to include these factors if necessary. For example, we may need to increase the allowance or incur bad debt losses if estimates based on past experience differ materially from market value forecasts, perceived individual credit risk, or a deterioration in the value of pledged collateral. Certain foreign

subsidiaries and affiliates classify financial assets into stages according to their credit risk and recognize allowances for doubtful accounts based on financial asset impairment losses calculated using the expected credit loss model in accordance with IFRS 9. IFRS 9 requires a majority of assets to be measured as the present value of credit losses from default events projected within the next twelve months. However, if an asset experiences a significant increase in credit risk, the allowance is measured as the present value of credit losses expected over the entire life of the asset. The allowance is measured as the present value of credit losses expected over the entire life of the asset at foreign subsidiaries and affiliates that apply U.S. GAAP. Therefore, allowances under IFRS and U.S. GAAP can increase based on the changes in assumptions that drive credit risk assessments, such as past experience, used car prices, and forecasts of macroeconomic factors, such as unemployment rates or inflation.

#### ***Impairment loss on fixed assets***

After grouping fixed assets based on business segments (automobiles and sales financing) and regional classification, which are mutually complementary with each other, we determine whether there is any indication of impairment and then recognize and measure impairment losses. We estimate future cash flows and net realizable value in recognizing and measuring impairment losses, and discount rates in measuring impairment losses. The assumptions used to estimate future cash flows are based on our business plan, which is approved by our management considering historical market share conditions, profit margins, and third-party forecast data. Such assumptions include estimates regarding the impact of U.S. tariffs for the three-month period ended June 30, 2025, although the future of the U.S. tariff policy remains highly uncertain. Regional market growth rates, relevant market trends, and expected changes in the business environment are also considered. Net realizable value is calculated based on the real estate appraisal value and other publicly available information. The discount rate is calculated based on the weighted average cost of capital, taking into account country risk and other factors in each country. If market trends, operating conditions or business plans related to the asset group change and we revise our estimates of future cash flows, net realizable value or discount rates, then we may recognize or record new or additional impairment losses on fixed assets.

#### ***Provision for residual value risk of leased vehicles***

Subsidiaries, primarily in North America, estimate provisions for the residual value risk of leased vehicles to cover losses that arise when proceeds from leased vehicles that have been returned fall below the net book values of these assets at lease-end. Such provisions for residual value risk of leased vehicles are recognized as a change in estimate and their ending book value is updated, leading to higher or lower depreciation amounts. Assessment of updated vehicle residual values are based on many factors, including, but not limited to sales results for used cars, trends in returns of leased vehicles, new vehicle sales trends, supplies of used cars, customer preferences, marketing strategies, and general economic conditions. Leased vehicles may be impaired if impairment indicators exist and their recoverable amount is less than book value.

#### ***Deferred tax assets***

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

#### ***Provision for warranty costs***

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

#### ***Expenses for corrective actions, such as recalls***

The amount of estimated expenses for corrective actions, such as recalls, is recognized as accrued expenses separately from accrued warranty costs when corrective actions based on notifications to government authorities

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

### **Retirement benefit expenses**

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

### **Results of Operations**

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

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

Notes:

(1) Excluding inter-segment sales or transfers.

(2) Adjustments consists of elimination of inter-segment transactions.

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

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

Notes:

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

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

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

For the fiscal year ended March 31, 2024					
	Automobile Segment	Sales Financing Segment	Total	Elimination of inter-segment transactions	Consolidated
	(in millions of yen)				
Net sales:					
Sales to third parties	¥ 11,582,863	¥ 1,102,853	¥ 12,685,716	—	¥ 12,685,716
Inter-segment sales or transfers	199,653	58,925	258,578	¥ (258,578)	—
Total	¥ 11,782,516	¥ 1,161,778	¥ 12,944,294	¥ (258,578)	¥ 12,685,716
Segment profits	¥ 221,574	¥ 308,718	¥ 530,292	¥ 38,426	¥ 568,718
Segment assets	11,282,240	10,375,882	21,658,122	(1,802,971)	19,855,151
Other items:					
Depreciation and amortization expense	353,895	324,058	677,953	—	677,953
Amortization of goodwill	1,242	—	1,242	—	1,242
Impairment loss on fixed assets	58,972	—	58,972	—	58,972
Interest expense (cost of sales)	—	279,944	279,944	(59,639)	220,305
Investment amounts to equity method companies	1,304,837	11,304	1,316,141	—	1,316,141
Increase amounts of fixed assets and intangible fixed assets	424,116	1,222,876	1,646,992	—	1,646,992
For the fiscal year ended March 31, 2023					
	Automobile Segment	Sales Financing Segment	Total	Elimination of inter-segment transactions	Consolidated
	(in millions of yen)				
Net sales:					
Sales to third parties	¥ 9,591,859	¥ 1,004,836	¥ 10,596,695	—	¥ 10,596,695
Inter-segment sales or transfers	94,983	18,989	113,972	(113,972)	—
Total	¥ 9,686,842	¥ 1,023,825	¥ 10,710,667	¥ (113,972)	¥ 10,596,695
Segment profits	¥ 42,952	¥ 311,908	¥ 354,860	¥ 22,249	¥ 377,109
Segment assets	10,258,231	9,019,801	19,278,032	(1,679,451)	17,598,581
Other items:					
Depreciation and amortization expense	349,831	343,909	693,740	—	693,740
Amortization of goodwill	1,320	—	1,320	—	1,320
Impairment loss on fixed assets	8,615	—	8,615	—	8,615
Interest expense (cost of sales)	—	172,394	172,394	(29,157)	143,237
Investment amounts to equity method companies	1,129,127	5,288	1,134,415	—	1,134,415
Increase amounts of fixed assets and intangible fixed assets	370,839	813,881	1,184,720	—	1,184,720
For the fiscal year ended March 31, 2022					
	Automobile Segment	Sales Financing Segment	Total	Elimination of inter-segment transactions	Consolidated
	(in millions of yen)				
Net sales:					
Sales to third parties	¥ 7,420,892	¥ 1,003,693	¥ 8,424,585	—	¥ 8,424,585
Inter-segment sales or transfers	54,756	28,036	82,792	(82,792)	—
Total	¥ 7,475,648	¥ 1,031,729	¥ 8,507,377	¥ (82,792)	¥ 8,424,585
Segment profits (losses)	¥ (155,059)	¥ 374,824	¥ 219,765	¥ 27,542	¥ 247,307
Segment assets	8,673,649	8,810,870	17,484,519	(1,113,038)	16,371,481
Other items:					
Depreciation and amortization expense	294,065	394,938	689,003	—	689,003
Amortization and goodwill	1,022	—	1,022	—	1,022
Impairment loss on fixed assets	16,973	—	16,973	—	16,973
Interest expense (cost of sales)	—	127,755	127,755	(9,510)	118,245
Investment amounts to equity method companies	975,919	11,423	987,342	—	987,342
Increase amounts of fixed assets and intangible fixed assets	361,613	800,448	1,162,061	—	1,162,061

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

#### Net sales

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

#### Net sales by business segment

##### Automobile Segment

Net sales of the Automobile segment (excluding intersegment transactions) were ¥11,437,856 million for the fiscal year ended March 31, 2025, a decrease of ¥145,007 million, or 1.3%, from ¥11,582,863 million for the fiscal year ended March 31, 2024. This decrease was due mainly to a decrease in sales volume in Japan and Europe and an increase in sales incentives in the United States.

### *Sales Financing Segment*

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

#### *Cost of sales*

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

#### *Gross profit*

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

#### *Selling, general and administrative expenses*

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

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

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

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

#### *Operating income*

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

#### *Operating income (loss) by business segment*

##### *Automobile Segment*

Operating loss of the Automobile segment (before elimination of intersegment transactions) was ¥215,849 million for the fiscal year ended March 31, 2025, a decrease of ¥475,849 million from operating income of ¥260,000 million for the fiscal year ended March 31, 2024. This decrease was due

mainly to a decrease in sales volume, an increase in sales incentives, an increase in marketing expenses to support new model launches and inflation, which increased the cost of raw materials and components as well as put upward pressure on employee wages.

#### *Sales Financing Segment*

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

#### *Non-operating income*

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

#### *Non-operating expenses*

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

#### *Ordinary income*

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

#### *Special gains*

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

#### *Special losses*

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

#### *Income (loss) before income tax*

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

#### *Income taxes*

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

#### *Net income (loss)*

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

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

### Net sales

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

#### Net Sales by business segment

##### Automobile Segment

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

##### Sales Financing Segment

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

### Cost of sales

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

### Gross profit

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

### Selling, general and administrative expenses

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

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

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

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

#### *Operating income*

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

#### *Operating income by business segment*

##### *Automobile Segment*

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

##### *Sales Financing Segment*

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

#### *Non-operating income*

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

#### *Non-operating expenses*

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

#### *Ordinary income*

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

#### *Special gains*

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

### *Special losses*

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

### *Income before income tax*

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

### *Income taxes*

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

### *Net income*

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

## **Financial Condition and Liquidity**

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

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

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

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

## **Consolidated Cash Flows**

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

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

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

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

#### *Cash Flows from Operating Activities*

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

#### *Cash Flows from Investing Activities*

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

#### *Cash Flows from Financing Activities*

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

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

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

#### *Cash Flows from Operating Activities*

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

#### *Cash Flows from Investing Activities*

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

#### *Cash Flows from Financing Activities*

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

### ***Liquidity and Capital Resources***

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

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

Our financing sources are diversified, consisting of funds raised through bank loans, bond issues, asset-backed securities and commercial paper issues to reduce our exposure to liquidity risk. We also utilize derivative financial instruments based on our internal risk management processes mainly for the purposes of hedging exposure to adverse fluctuations in foreign currency exchange rates on receivables and payables denominated in foreign currencies, interest rates on interest-bearing debt and market prices on commodities, but we do not enter into such transactions for speculative purposes.

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

#### *Cash requirements*

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

#### *Research and development*

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

#### *Capital expenditures*

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

#### *Debt service and repayments; other contractual obligations*

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

#### *Schedule of borrowings*

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

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

Note:

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

### *Schedule of bonds*

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

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

### *Maturity schedule of financial liabilities*

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

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

### *Credit Ratings*

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

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

## THE RENAULT-NISSAN-MITSUBISHI ALLIANCE

### Overview

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

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

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

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

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

### Recent Alliance Developments

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

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

Since then, Renault has sold portions of the entrusted shares in several transactions. In some cases, we bought back all or a portion of the shares offered by Renault, and in those cases, such shares were subsequently

cancelled by us. As a result, as of March 31, 2025, Renault held 17.1% of our shares directly (excluding treasury stock), with 18.8% of our shares remaining in the trust. As of March 31, 2025, we held 15.30% of the shares of Renault. In connection with offers by Renault to sell our shares, we consider the financial resources necessary to achieve our strategic initiatives while also keeping in mind financial performance and maintaining financial flexibility for future growth.

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

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

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

### **Alliance Ventures**

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

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

### **The Road to 2030**

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

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

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

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

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

## BUSINESS

### Overview

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

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

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

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

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

### Re:Nissan and New Management Team

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

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

### History

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

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

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

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

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

## **Our Strengths**

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

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

***We are a leader in automotive innovation and technology.***

Our technological edge is one of the key strengths that enables us to provide attractive models to consumers. With advanced technologies becoming an increasingly important factor to compete in the industry, we believe that our innovative culture and our technological prowess have positioned us as one of the leaders in

the industry. In particular, we are leading the industry with proprietary advanced technologies such as electrification technologies, including e-Powertrain, and advanced autonomous driving technologies.

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

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

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

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

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

### ***Stable sales financing business***

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

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

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

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

## **Our Strategies**

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

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

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

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

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

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

#### *Reducing Variable Costs*

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

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

#### *Reducing Fixed Costs*

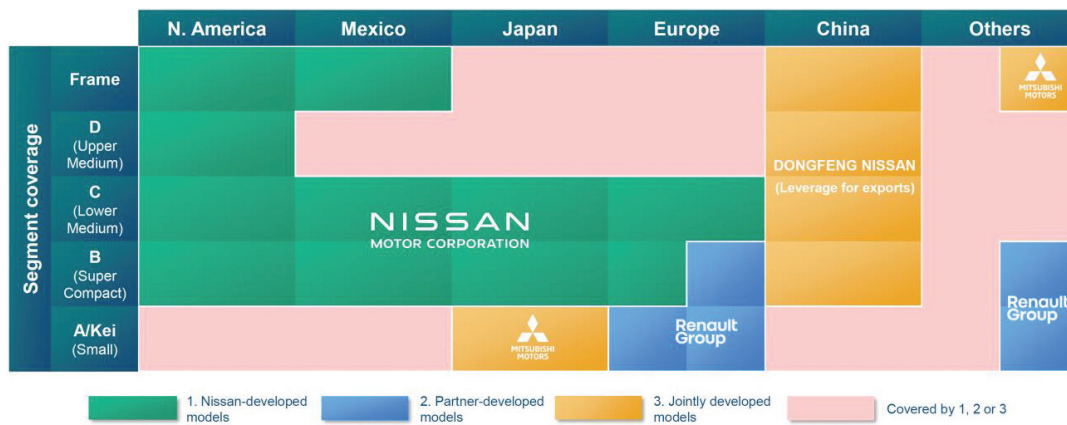
Our efforts to reduce fixed costs by ¥250 billion by the fiscal year ending March 31, 2027, as compared to the fiscal year ended March 31, 2025, consist of three interrelated activities: restructuring our manufacturing, reducing our workforce and expenditures, and revamping our development. With regard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

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

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

## Redefined market strategy accelerated by our complementary partnerships

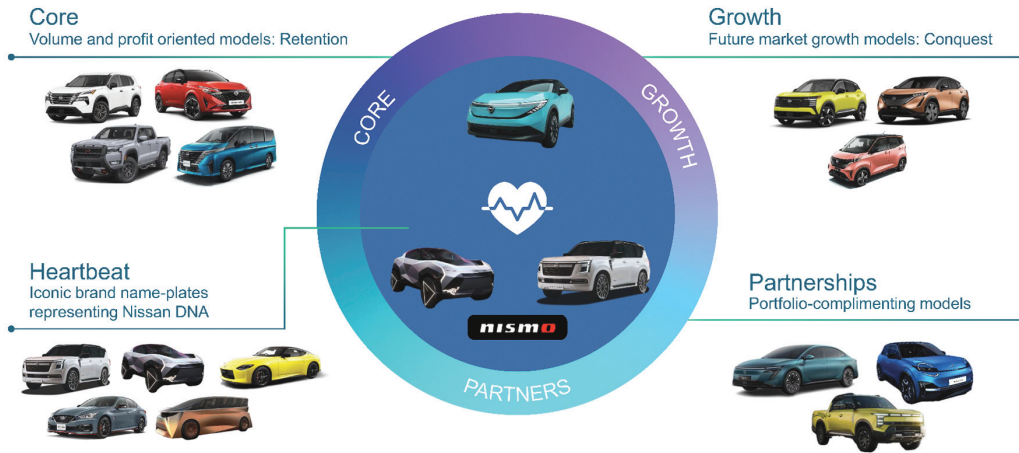
We believe that a sustainable recovery under Re:Nissan cannot solely rely on cost reductions and must also be supported by strong product offerings responsive to market demands. To this end, we aim to redefine our market strategy by focusing on core segments in key markets, supported by partners in other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



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

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

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



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

## Our Business Operations

### Automobile Segment

#### Overview

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

#### Vehicles

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

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

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

## *Technological Innovation*

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

## *Electrification*

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

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

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

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

## *Autonomous Drive Technology*

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

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

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

### *Mobility Services*

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

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

### *Markets and Sales*

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

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

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

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

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Notes:

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

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

### *Japan*

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

### *North America*

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

### *Europe*

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

### *China*

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

### *Asia (excluding China)*

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

### *Other overseas countries*

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

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

### *Competition*

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

#### *Japan*

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

#### *North America*

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

#### *Europe*

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

#### *China*

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

### *Production*

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

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

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

Notes:

(1) We ceased productions at our Barcelona plants in October 2021.

(2) We sold our manufacturing subsidiary in Russia in October 2022 as part of our exit from the Russian market.

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

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

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

### *Supplies and Raw Materials*

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

### *Sales Financing Segment*

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

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

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

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

## Research and Development

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

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

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

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

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

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

Note:

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

## **Intellectual Property**

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

## **Capital Expenditures**

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

## **Environmental Initiatives**

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

### ***Nissan Green Program 2030***

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

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

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

## Safety

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

## Properties

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

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

### *Nissan Motor Co., Ltd.*

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

Notes:

- (1) “Number of Employees” indicates the number of full-time employees. The figures in parentheses represent the average number of part-time employees during the fiscal year ended March 31, 2025, and are not included in the number of full-time employees. The employee figures for each plant include those at adjoining facilities, warehouses and laboratories and the related full-time employees.
- (2) All of the vehicle production facilities are lent to Nissan Motor Kyushu Co., Ltd. to which manufacturing of our products is entrusted.

## Major Subsidiaries

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

Note:

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

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

## Employees

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

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

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

## Legal Proceedings

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

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

### ***Litigation involving Carlos Ghosn and Greg Kelly***

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

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

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

### ***Recommendation from the Japan Fair Trade Commission***

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

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

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

### ***Recalls and product liability***

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

### ***Disputes with business counterparties***

We have a broad network of third party distributors, suppliers and customers, and from time to time, we may be involved in disputes and litigation with such parties. In particular, on July 4, 2019, Al Dahana, an automotive retailer and distributor of us, filed a lawsuit against us and our consolidated subsidiary, Nissan Middle East FZE, or Nissan Middle East, as well as our equity method affiliate, Nissan Gulf FZCO, in the Dubai Court of First Instance in connection with a vehicle distribution agreement dispute. On September 29, 2021, the Dubai Court of First Instance ordered that we and Nissan Middle East pay approximately AED1.2 billion plus interest, and we recorded the amount of the judgment plus interest totaling ¥38,758 million under “Selling, general and administrative expenses” considering the ruling in the second quarter of the fiscal year ended March 31, 2022.

Subsequently, on June 8, 2022, the Dubai Court of Appeal reversed the judgment of the Dubai Court of First Instance. The parties filed further appeals to the Dubai Court of Cassation, but on September 14, 2022, the Dubai Court of Cassation overturned the Dubai Court of Appeal’s June judgment and remitted the case back to the Dubai Court of Appeal for a new judgement upon further review. On November 29, 2022, the Dubai Court of Appeal reversed the judgment of the Dubai Court of First Instance. On January 25, 2023, Al Dahana filed an appeal to the Court of Cassation, and we and Nissan Middle East also filed an appeal on January 27, 2023. Effective April 30, 2024, the Dubai Court of Cassation dismissed all the appeals before it, with the effect that previous Dubai Court of Appeal decision to reverse the Dubai Court of First instance decision stands. We accordingly reversed the previously recorded provision amount of ¥38,758 million and the related foreign exchange loss of ¥15,715 million under “Selling, general and administrative expenses” and “Exchange loss”, respectively.

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

## MANAGEMENT

### Corporate Governance

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

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

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

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

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

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

### Directors

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

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

Name	Director Type	Director Since	Committee Membership
Eiichi Akashi . . . . .	Director	June 2025	—

Note:

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

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

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

Name (date of birth)	Current positions and principal outside positions	Business experience	
Andrew House (January 23, 1965)	Director, Chair of Nomination Committee, Member of Compensation Committee	Oct. 1990	Joined Sony Corporation
		Oct. 2005	Group Executive and Chief Marketing Officer of Sony Corporation
	Strategic Advisor of Intelity	Sep. 2011	Group Executive, President and Global CEO of Sony Computer Entertainment
		Apr. 2016	EVP, President and Global CEO of Sony Interactive Entertainment
	Executive Mentor of Merryck & Co., Ltd. (currently, The ExCo Group)	Oct. 2017	EVP and Chairman of Sony Interactive Entertainment
		Apr. 2018	Strategic Advisor of Intelity (Current)
	Outside Director of Dentsu Group	Oct. 2018	Executive Mentor of Merryck & Co., Ltd. (currently, The ExCo Group) (Current)
		Jun. 2019	Outside Director of the Company (Current)
		May 2021	Outside Director of Nordic Entertainment Group (currently, Viaplay Group)
		May 2022	Outside Director of Dentsu Group Inc. (Current)
Brenda Harvey (November 22, 1965)	Director, Member of Audit Committee	Jun. 1986	Joined International Business Machines Corporation (IBM)
	Board Member of Singapore International Chamber of Commerce Director	Sep. 2006	General Manager of Integrated Technology Services North America, Global Product Offering Management
		Aug 2011	General Manager of Integrated Technology Services, Growth Markets
	Managing Director of IBM Aerospace & Energy	Jul. 2014	General Manager of IBM US Public Sector
		Aug. 2017	Board Member of Plum Alley Investment
	Jan. 2020	Chairman and CEO of IBM Asia Pacific	
	Jul. 2020	Board Member of Singapore International Chamber of Commerce Director (Current)	
	Jan. 2022	General Manager of Technology IBM Financial Services	
	Jan. 2023	General Manager of IBM Public Sector, Healthcare, and Federal Government	
	Jun. 2023	Director of the Company (Current)	
Jan. 2024	Managing Director of IBM Aerospace & Energy (Current)		
Teruo Asada (October 13, 1948)	Director, Member of Audit Committee	Apr. 1972	Joined Marubeni Corporation
	Honorary Executive Advisor of Marubeni Corporation	Apr. 2002	Executive Officer of Marubeni Corporation
		Apr. 2004	Managing Executive Officer of Marubeni Corporation
		Jun. 2005	Managing Executive Officer, Member of the Board of Marubeni Corporation
		Apr. 2006	Senior Managing Executive Officer, Member of the Board of Marubeni Corporation
		Apr. 2008	President and CEO, Member of the Board of Marubeni Corporation
	Apr. 2013	Representative Director and Chairman of the Board of Marubeni Corporation	

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

Name (date of birth)	Current positions and principal outside positions	Business experience
Ivan Espinosa (November 19, 1978)	Representative Executive Officer, President and Chief Executive Officer  Director of Dongfeng Motor Co., Ltd.	Dec. 2019 Chairman and Chief Executive Officer, Alliance Bernstein Japan  Chairman and Chief Executive Officer, Alliance Bernstein EMEA  Group Chief Investment Officer and Global Chief Executive Officer for Asset and Wealth Management, Generali Assicurazioni
		Apr. 2021 Global Chief Executive Officer for Asset and Wealth Management, Group BPCE Natixis
		May 2001 Director, Adaptacion Int. de Medios, S.A
		Feb. 2003 Engineering Analyst, Jato Dynamics
		Oct. 2003 Product Specialist, Product Planning, Nissan Mexicana, S.A. De C.V.
		Jul. 2008 Marketing Director and Regional product manager, Nissan Motor (Thailand) Co., Ltd.
		Apr. 2010 Director, Nissan Mexicana, S.A. De C.V.
		Apr. 2014 Vice President, Product Strategy & Planning, Nissan International SA
		Apr. 2016 Program Director of the Company
		Apr. 2017 Vice President of the Company
		Apr. 2018 Corporate Vice President of the Company
		Dec. 2019 Senior Vice President of the Company
		Apr. 2024 Chief Planning Officer of the Company
		Apr. 2025 Representative Executive Officer, President and Chief Executive Officer of the Company (Current)  Director of Dongfeng Motor Co., Ltd. (Current)
Eiichi Akashi (February 14, 1966)	Executive Officer, Chief technology Officer  Director of Dongfeng Motor Co., Ltd.	Apr. 1990 Joined the Company
		Apr. 2014 General Manager, Vehicle Development Planning Department
		Apr. 2015 Vice President, Vehicle Engineering. Nissan North America, Inc.
		Apr. 2018 Corporate Vice President, Alliance Global Vice President
		Apr. 2024 President and Chief Executive Officer, NMKV Co., Ltd.
		Apr. 2025 Executive Officer, Chief Technology Officer (Current)  Director of Dongfeng Motor Co., Ltd. (Current)

## Executive Officers

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

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

## Executive Compensation

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

## Limitation on Liabilities of Directors

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

## Share Ownership

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

<u>Directors</u>	<u>Number of shares owned</u>
Yasushi Kimura	14,000
Bernard Delmas	2,000
Keiko Ihara	26,000
Motoo Nagai	38,000
Andrew House	8,000
Brenda Harvey	12,000
Teruo Asada	3,000
Mariko Tokuno	8,000
Valerie Landon	—
Timothy Ryan	—
Ivan Espinosa	40,000
Eiichi Akashi	16,000
<u>Executive Officers (excluding those who concurrently assume offices of directors)</u>	<u>Number of shares owned</u>
Teiji Hirata	41,000
Jeremie Papin	72,000

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

## SUBSIDIARIES AND AFFILIATES

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

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

### Principal Subsidiaries in Japan

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

Other domestic consolidated subsidiaries: 79 companies

Total domestic consolidated subsidiaries: 93 companies

## Principal Subsidiaries Outside Japan

Name	Country	Principal business	Percentage of voting rights held by us	
			Percentage	Indirect holdings
Nissan Automotive Europe S.A.S. . . . . .	France	Holding company for European subsidiaries, pan-European operational support, and management of European sales	100.00	—
Nissan International Holdings B.V. . . . .	Netherlands	Holding company for subsidiaries	100.00	—
Nissan Motor (GB) Ltd. . . . .	U.K.	Sale of automobiles and parts	100.00	100.00
Nissan Holdings (UK) Ltd. . . . .	U.K.	Holding company for British subsidiaries	100.00	100.00
Nissan Motor Manufacturing (UK) Ltd. . . . .	U.K.	Manufacture, sale of automobiles and parts, vehicle development, evaluation, certification, warranty management	100.00	100.00
Nissan International SA . . . . .	Switzerland	Support of operation in Europe	100.00	—
Nissan North America, Inc. . . . .	U.S.A.	Manage subsidiaries in North America and manufacture and sale of automobiles and parts	100.00	—
Nissan Motor Acceptance Company LLC . . . . .	U.S.A.	Finance retail and wholesale automobiles and automobile leases	100.00	100.00
Nissan Global Reinsurance, Ltd. . . . .	Bermuda	Casualty insurance	100.00	100.00
Nissan Canada, Inc. . . . .	Canada	Sale of automobiles and parts, finance retail and wholesale automobiles and automobile leases	100.00	9.09
Nissan Mexicana, S.A. de C.V. . . . .	Mexico	Manufacture and sale of automobiles and parts	100.00	100.00
Nissan Do Brasil Automóveis Ltda. . . . .	Brazil	Manufacture and sale of automobiles and parts	100.00	99.00
Nissan Motor Co. (Australia) Pty. Ltd. . . . .	Australia	Manufacture and sale of automobiles and parts	100.00	100.00
Nissan Motor Egypt S.A.E. . . . .	Egypt	Manufacture and sale of automobiles and parts	100.00	0.00
Nissan (South Africa) Pty Ltd. . . . .	South Africa	Manufacture and sale of automobiles and parts	100.00	100.00
Nissan New Zealand Ltd. . . . .	New Zealand	Sale of automobiles and parts	100.00	—
Nissan Middle East F.Z.E. . . . .	U.A.E.	Manage and operate business in Middle East and sale of automobiles and parts	100.00	—
Nissan Motor India Private Limited . . . . .	India	Sale of automobiles and parts	100.00	100.00
Renault Nissan Automotive India Private Limited . . . . .	India	Manufacture and sale of automobiles and parts	51.00	26.00
PT Nissan Motor Indonesia . . . . .	Indonesia	Sale of automobiles	75.00	—
Nissan Motor (Thailand) Co., Ltd. . . . .	Thailand	Manufacture and sale of automobiles and parts	75.00	75.00
Yulon Nissan Motor Co., Ltd. . . . .	Republic of China	Sale of automobiles and parts	40.00	—
Nissan (China) Investment Co., Ltd. . . . .	China	Manage business in China and sale of automobiles and parts	100.00	—
Nissan Motor Asia Pacific Co., Ltd. . . . .	Thailand	Operational support and sale of automobiles and parts	100.00	—
Nissan Chile SpA . . . . .	Chile	Sale of automobiles and parts	100.00	—
Nissan Otomotiv Anonim Sirketi . . . . .	Turkey	Sale of automobiles and parts	100.00	100.00
Nissan Argentina S.A. . . . .	Argentina	Manufacture and sale of automobiles and parts	100.00	98.00
Other foreign consolidated subsidiaries:	111 companies			
Total foreign consolidated subsidiaries:	138 companies			
Total consolidated subsidiaries:	231 companies			

**Affiliates accounted for by  
the equity-method**

Name	Country	Principal business	Percentage of voting rights held by us	
			Percentage (%)	Indirect holdings (%)
Nissan Tokyo Sales Holdings Co., Ltd. ....	Japan	Sale of automobiles and parts	38.04	38.04
Renault S.A. ....	France	Manufacture and sale of automobiles and parts	15.30	15.30
Dongfeng Motor Co., Ltd. ....	China	Manufacture and sale of automobiles and parts	50.00	50.00
Mitsubishi Motors Corporation .....	Japan	Manufacture and sale of automobiles and parts	26.68	—
Other affiliates accounted for by the equity method:		31 companies		
Total affiliates accounted for by the equity method:		35 companies		

## TERMS AND CONDITIONS OF THE BONDS

*The following terms and conditions (the “Conditions”) of the Bonds will, subject to completion and amendment and save for the paragraphs in italics, be endorsed on the Certificates (as defined herein) evidencing the Bonds.*

The ¥200,000,000,000 1.0% Convertible Bonds due 2031 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*) (the “Bonds”, which term shall, unless the context requires otherwise, include the Stock Acquisition Rights (as defined below) incorporated in the Bonds) issued by Nissan Motor Co., Ltd. (the “Company”) are constituted by a trust deed (the “Trust Deed”) dated July 25, 2025 made between the Company and The Law Debenture Trust Corporation p.l.c. (the “Trustee”, which expression shall include its successors as trustee and any other trustee appointed under the Trust Deed, as trustee for the holders of the Bonds). Each Bond is issued in the denomination of ¥10,000,000 and a stock acquisition right (*shinkabu yoyakuken*) (the “Stock Acquisition Right”), entitling the Bondholder (as defined in Condition 1.2) to acquire fully paid and non-assessable shares of common stock of the Company (the “Shares”) as described below, is incorporated in each Bond as an integral part thereof. Copies of the Trust Deed and of the agency agreement (the “Agency Agreement”) dated July 25, 2025 relating to the Bonds among, *inter alios*, the Company, the Trustee, Mizuho Trust & Banking (Luxembourg) S.A. as principal agent (the “Principal Agent”) and as registrar (the “Registrar”) and the other agents referred to therein are available for inspection by Bondholders by prior appointment during normal business hours at the specified office for the time being of the Trustee, being at the date of issue of the Bonds at 8th Floor, 100 Bishopsgate, London EC2N 4AG, United Kingdom or electronically upon request to the Trustee, and at the specified office(s) of each of the Principal Agent and the Agents (as defined below). References herein to the “Agents” shall, unless the context otherwise requires, include the Principal Agent and any other or further agent(s) appointed by the Company in connection with the Bonds for the purpose of making payments and transfers and acceptance of notices of the exercise of the Stock Acquisition Rights from time to time.

The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of and are bound by all those provisions of the Agency Agreement applicable to them. The statements in these terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed. Any terms defined in the Trust Deed and not in these Conditions shall have the same meanings when used herein except where otherwise indicated.

### **1 Form, Denomination, Issue Price, Title, Status, Transfers of Bonds and Relationship between Bonds and Stock Acquisition Rights**

#### **1.1 Form, Denomination and Issue Price**

The Bonds are issued in registered form in the denomination of ¥10,000,000 each and are not exchangeable for bonds with stock acquisition rights in bearer form. The issue price of the Bonds (excluding the Stock Acquisition Rights) is 100.0% of the principal amount of the Bonds. The issue price of the Stock Acquisition Rights is zero.

A bond certificate (each, a “Certificate”) will be issued in respect of each Bond. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register (the “Register”) of holders of Bonds to be kept by the Registrar in accordance with Condition 1.4.1.

#### **1.2 Title**

Title to the Bonds will pass only by transfer and registration of title in the Register. The holder of any Bond will (except as otherwise declared by a court of competent jurisdiction or required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust, or any interest in it, or any writing on, or theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder.

In these Conditions, a “Bondholder” and (in relation to a Bond) “holder” mean the person in whose name a Bond is registered in the Register (or in the case of a joint holding, the first named thereof).

*Upon issue, the Bonds will be evidenced by a global certificate (the “Global Certificate”) deposited with and registered in the name of, or a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg.*

*The Conditions are modified by certain provisions contained in the Global Certificate. Except in the limited circumstances described in the Global Certificate, owners of interests in the Bonds evidenced by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of the Bonds.*

### **1.3 Status**

The Bonds are direct, unconditional, unsubordinated and (subject to the provisions of Condition 2) unsecured obligations of the Company, ranking *pari passu* and rateably without any preference among themselves, and, except for the provisions of Condition 2 and with the exception of obligations in respect of national and local taxes and certain other statutory exceptions, equally with all other present and future unsecured obligations (other than subordinated obligations, if any) of the Company from time to time outstanding.

### **1.4 Transfers of Bonds**

**1.4.1** *The Register:* The Company will cause to be kept at the specified office of the Registrar, and in accordance with the terms of the Agency Agreement, the Register on which shall be entered the names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers and redemptions of the Bonds and exercise of the Stock Acquisition Rights.

Each Bondholder shall be entitled to receive one Certificate in respect of each Bond held by such holder.

**1.4.2** *Transfers:* A Bond may be transferred upon the surrender (at the specified office(s) of the Principal Agent, the Registrar or any other Agent) of the Certificate evidencing such Bond, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Company), duly completed and executed and any other evidence as the Registrar or the relevant Agent (as the case may be) may reasonably require. No transfer of a Bond will be valid unless and until entered on the Register. Upon such transfer, a new Certificate will be issued to the transferee in respect of the Bond so transferred. All transfers of the Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of the Bonds scheduled to the Agency Agreement. The regulations may be changed by the Company, with the prior written approval of the Registrar, the Principal Agent and the Trustee. A copy of the current regulations will be made available during normal business hours by the Principal Agent or the Registrar to any Bondholder upon written request.

*Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems, as described in "Summary of Provisions Relating to the Bonds While in Global Form".*

**1.4.3** *Delivery of New Certificates:* Each new Certificate to be issued pursuant to Condition 1.4.2 shall be available for delivery within three Transfer Business Days (as defined below) of receipt of the duly completed and signed form of transfer, and surrender of the original Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or any of the Agents to whom delivery or surrender of such form of transfer and Certificate shall have been made, or if so requested in the form of transfer, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address so specified (at the Company's expense) unless such holder requests otherwise and pays in advance to the Registrar or the relevant Agent (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In these Conditions, "Transfer Business Day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar or the relevant Agent (as the case may be).

**1.4.4** *Formalities Free of Charge:* Registration of a transfer of Bonds and issuance of Certificates in relation thereto shall be effected without charge by or on behalf of the Company, the Registrar or the relevant Agent, but upon (i) payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the

Registrar or the relevant Agent may require); and (ii) the Company and the Registrar or the relevant Agent being reasonably satisfied that the regulations concerning transfer of Bonds having been satisfied.

**1.4.5** *No Registration of Transfer*: No Bondholder may require the transfer of a Bond to be registered:

- (i) during the period of seven days ending on (and including) the due date for redemption pursuant to Condition 7.1, 7.4, 7.5 or 7.6;
- (ii) during the period of seven days ending on (and including) any Interest Record Date;
- (iii) after a Conversion Notice (as defined in Condition 3.1) has been given with respect to such Bond pursuant to Condition 5.9.1 (unless such Conversion Notice is withdrawn pursuant to Condition 5.9.4 in which event registration of transfer of such Bond may be made on or after the date on which such Conversion Notice is withdrawn);
- (iv) after a notice of redemption has been given pursuant to Condition 7.2 or 7.3 (except for any Bond held by a Bondholder who has given notice to the Company pursuant to the second paragraph of Condition 7.3); or
- (v) after a notice of redemption is deposited in respect of such Bond pursuant to Condition 7.8.

## **1.5 Relationship between Bonds and Stock Acquisition Rights**

The obligations of the Company in respect of the Bonds and the Stock Acquisition Rights incorporated therein shall arise and shall be extinguished or cease to be exercisable simultaneously subject as provided herein.

The Bonds and the Stock Acquisition Rights incorporated therein may not be transferred or dealt with separately from each other.

## **2 Negative Pledge**

So long as any of the Bonds remains outstanding (as defined in the Trust Deed), the Company will not, and will procure that none of its Principal Subsidiaries (as defined in Condition 3.1) will, create or permit to subsist any mortgage, charge, pledge or other security interest for the benefit of the holders of any Relevant Debt (as defined below) upon the whole or any part of the Company's or such Principal Subsidiary's property or assets, present or future, to secure (i) payment of any sum due in respect of any Relevant Debt or (ii) any payment under any guarantee of any Relevant Debt or (iii) any payment under any indemnity or other like obligation in respect of any Relevant Debt, without in any such case at the same time or prior thereto, according or procuring to be accorded to the Bonds, (x) to the satisfaction of the Trustee or as shall be approved by an Extraordinary Resolution (as defined in Condition 3.1), the same security as is granted to or subsists in respect of such Relevant Debt or such guarantee, indemnity or other like obligation or (y) such other security or guarantee as the Trustee may in its absolute discretion deem to be not materially less beneficial to the interests of the Bondholders or as shall be approved by an Extraordinary Resolution. However, this Condition 2 shall not apply to any sale, transfer, conveyance or other disposition of assets by us or our subsidiaries in connection with securitization financing.

For the purposes of this Condition 2, "Relevant Debt" means any present or future indebtedness in the form of, or represented or evidenced by, bonds, debentures, notes or other similar securities of any person with a stated maturity of more than one year from the creation thereof and which:

- (a) either are by their terms payable, or confer a right to receive payment, in any currency other than yen, or are denominated in yen and more than 50% of the aggregate principal amount thereof is initially distributed outside Japan by or with the authorisation of the Company or the relevant Principal Subsidiary; and
- (b) are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market outside Japan.

### 3 Definitions and Construction of References

#### 3.1 Definitions

In these Conditions (unless the context otherwise requires):

“3-Month Deposit Rate” means, as of any specified time on any date, the rate per annum as of such specified time on such date as shown on Bloomberg page JYDRC Curncy (setting “Bid”, and using the pricing source “CMPL”) (or any successor page, setting or pricing source), or, if no such rate is available as of the specified time on such day (for the purposes of this definition, the “Original Date”), the 3-Month Deposit Rate on the Original Date shall be the 3-Month Deposit Rate, determined as aforesaid, as of the specified time on the immediately preceding day on which the same can be so determined, provided however that if such immediately preceding day falls prior to the fifth day before the Original Date, or if the 3-Month Deposit Rate cannot be determined as aforesaid (including without limitation because such Bloomberg page (or any successor) has ceased to exist), the 3-Month Deposit Rate as of the specified time on the Original Date shall be determined in such other manner as determined in good faith to be appropriate by an Independent Financial Adviser. If the 3-Month Deposit Rate determined as aforesaid shall be less than zero, then the 3-Month Deposit Rate shall be deemed to be zero.

“Account Management Institution” means an account management institution (*koza-kanri-kikan*) which is an entity entitled under the Book-Entry Act to open and maintain an account for another person or entity;

“Additional Amounts” has the meaning provided in Condition 9;

“Additional Shares” has the meaning provided in Condition 5.3;

“Annual Fiscal Period” means a period commencing on April 1 and ending on the following March 31; provided that, if the Company shall change its financial year so as to end on a date other than March 31, “Annual Fiscal Period” shall be deemed to be amended *mutatis mutandis* and any such change shall be promptly notified by the Company to the Trustee in writing;

“Articles of Incorporation” means the articles of incorporation of the Company from time to time in effect;

“Asset Transfer Event” means the passing of a resolution at a general meeting of shareholders of the Company (or, where a resolution of a general meeting of shareholders is not required, at a determination of Representative Executive Officer, President and Chief Executive Officer of the Company) for the sale or transfer of all or substantially all of the assets of the Company to another entity (the “Asset Transferee”), pursuant to the terms of which the Company’s obligations under the Bonds are to be transferred to or assumed by the Asset Transferee;

“Asset Transferee” has the meaning provided in the definition of Asset Transfer Event;

“Auditors” means the independent auditors for the time being of the Company or, if there shall be joint independent auditors, any one or more of such independent auditors or, if they are unable or unwilling to carry out any action requested of them under these Conditions or the Trust Deed, such other auditors or firm of auditors as may be appointed by the Company to act as such and promptly notified in writing to the Trustee by the Company;

“Authorised Officer” means any one of the directors, executive officers or officers of the Company or the New Obligor (as the case may be) or any other person whom the Company or the New Obligor (as the case may be) shall have notified to the Trustee in writing as being duly authorised to sign any document or certificate on behalf of the Company or the New Obligor (as the case may be);

“Bankruptcy Act” means the Bankruptcy Act of Japan (Act No. 75 of 2004, as amended);

“Base Dividend” has the meaning provided in Condition 5.2.4;

“Board of Directors” of a company means the board of directors of that company within the meaning of the Companies Act;

“Bondholder” and “holder” have the meaning provided in Condition 1.2;

“Bondholders’ Optional Redemption Date” has the meaning provided in Condition 7.8;

“Book-Entry Act” means the Act on Book-Entry Transfer of Company Bonds, Shares, Etc. of Japan (Act No. 75 of 2001, as amended);

“Business Day” in respect of any place means a day, other than a Saturday or Sunday, on which banks are open for business in such place;

“Certificate” has the meaning provided in Condition 1.1;

“Civil Rehabilitation Act” means the Civil Rehabilitation Act of Japan (Act No. 225 of 1999, as amended);

“Clean-up Redemption Notice” has the meaning provided in Condition 7.2;

“Closed Period” has the meaning provided in Condition 7.11;

“Closing Date” means July 25, 2025;

“Closing Price” means, in respect of the Shares or the shares of common stock of the New Obligor (as the case may be), for any Trading Day, the last reported selling price (regular way) of the Shares or the shares of common stock of the New Obligor (as the case may be) on the Relevant Stock Exchange on such Trading Day or, if the Shares or the shares of common stock of the New Obligor (as the case may be) are not listed or admitted to trading on the Relevant Stock Exchange, the average of the closing bid and offered prices of the Shares or the shares of common stock of the New Obligor (as the case may be) for such Trading Day as furnished by any trading participant of the Relevant Stock Exchange selected from time to time by the Company or the New Obligor (as the case may be);

“Companies Act” means the Companies Act of Japan (Act No. 86 of 2005, as amended);

“Company’s Territory” has the meaning provided in Condition 12.2;

“Consolidated Financial Statements” means, in relation to any Fiscal Period of the Company, the unaudited consolidated financial statements of the Company and its Consolidated Subsidiaries prepared in accordance with the Relevant GAAP or, if in respect of such Fiscal Period audited consolidated financial statements have been prepared, the audited consolidated financial statements of the Company and its Consolidated Subsidiaries prepared as aforesaid;

“Consolidated Subsidiary” means, in relation to a Fiscal Period of the Company, Subsidiaries consolidated in the relevant Consolidated Financial Statements;

“Controlling Shareholder” means a shareholder holding, directly or indirectly, 90% (or such other percentage above 90% as provided in the Articles of Incorporation) or more of the Company’s voting rights as calculated in accordance with the Companies Act;

“Conversion Notice” means the written notice required to accompany any Bonds deposited for the purposes of the exercise of the Stock Acquisition Rights, the current form of which is set out in the Agency Agreement;

“Conversion Price” has the meaning provided in Condition 5.1.3;

“Corporate Event” has the meaning provided in Condition 6.1;

“Corporate Event Effective Date” has the meaning provided in Condition 6.3;

“Corporate Event Redemption Date” has the meaning provided in Condition 7.4;

“Corporate Reorganisation Act” means the Corporate Reorganisation Act of Japan (Act No. 154 of 2002, as amended);

“Corporate Split Counterparty” has the meaning provided in the definition of Corporate Split Event;

“Corporate Split Event” means the passing of a resolution at a general meeting of shareholders of the Company (or, where a resolution of a general meeting of shareholders is not required, at a determination of Representative Executive Officer, President and Chief Executive Officer of the Company) for any corporate split (*shinsetsu bunkatsu* or *kyushu bunkatsu*) in which the Company’s obligations under the Bonds are to be transferred to or assumed by the corporation which is the counterparty to such corporate split (the “Corporate Split Counterparty”);

“Current Market Price per Share” has the meaning provided in Condition 5.2.9;

“Custodian” means The Law Debenture Trust Corporation p.l.c. at its specified office at 8th Floor, 100 Bishopsgate, London EC2N 4AG, United Kingdom or such other custodian as may from time to time be appointed, or at such other specified office as may from time to time be designated, by or on behalf of the Company, in each case with the prior written approval of the Trustee, and notice of whose

appointment or designation has been given to the Bondholders in accordance with Condition 19 and shall, unless the context otherwise requires, include the nominee of the Custodian;

“Custodian’s Agent” means Mizuho Bank, Ltd. at its specified office at 15-1, Konan 2-chome, Minato-ku, Tokyo 108-6009, Japan or such other agent of the Custodian in Japan as may from time to time be appointed, or at such other specified office as may from time to time be designated, by or on behalf of the Custodian, in each case with the prior written approval of the Trustee, and notice of whose appointment or designation has been given to the Bondholders in accordance with Condition 19;

“Delisting Event” has the meaning provided in Condition 7.5.1;

“Delisting Redemption Date” has the meaning provided in Condition 7.5.1;

“Deposit Date” has the meaning provided in Condition 5.9.4;

“Deposit Time” has the meaning provided in Condition 5.9.4;

“Due Date” has the meaning provided in Condition 9;

“Exercise Period” has the meaning provided in Condition 5.1.4;

“Extraordinary Dividend” has the meaning provided in Condition 5.2.4;

“Extraordinary Resolution” means a resolution passed (i) at a meeting of the Bondholders duly convened (including satisfaction of the quorum requirements set out in the Trust Deed) and held in accordance with the provisions contained in the Trust Deed by a majority consisting of not less than three-quarters of the votes cast thereon, or (ii) by a written resolution or electronic consent in accordance with the provisions contained in the Trust Deed;

“FATCA withholding” has the meaning provided in Condition 9;

“Financial Instruments and Exchange Act” means the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended);

“Fiscal Period” means, as the context may require, (i) a period commencing on April 1 and ending on the following March 31; or (ii) three month periods each commencing on April 1, July 1, October 1 and January 1; provided that, if the Company shall change its financial year so as to end on a date other than March 31, the provisions of items (i) and (ii) above shall be deemed to be amended *mutatis mutandis* and any such change shall be promptly notified by the Company to the Trustee in writing;

“Holding Company” has the meaning provided in the definition of Holding Company Event;

“Holding Company Event” means the passing of a resolution at a general meeting of shareholders of the Company (or, where a resolution of a general meeting of shareholders is not required, at a determination of Representative Executive Officer, President and Chief Executive Officer of the Company) for the Company to become a wholly-owned subsidiary of another corporation (the “Holding Company”) by way of share exchange (*kabushiki-kokan*) or share transfer (*kabushiki-iten*);

“Independent Financial Adviser” means an independent investment bank, securities company, accounting firm or consultancy firm of established repute appointed by the Company at its own expense and approved in writing by the Trustee or, if the Company fails to make such appointment when required to do so and such failure continues for a reasonable period (as determined by the Trustee in its absolute discretion) and the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against the costs, fees and expenses of such Independent Financial Adviser or otherwise in connection with such appointment, as may be appointed by the Trustee in its absolute discretion (without liability for so doing or not doing) following notification to the Company, which appointment shall be deemed to be an appointment of the Company;

“Interest Payment Date” has the meaning provided in Condition 4;

“Interest Period” has the meaning provided in Condition 4;

“Interest Record Date” has the meaning provided in Condition 8.1;

“Listing” has the meaning provided in Condition 6.4.2;

“Merged Company” means the corporation formed by the relevant Merger Event or the corporation into which the Company shall have merged following a Merger Event;

“Merger Event” means the passing of a resolution at a general meeting of shareholders of the Company (or, where a resolution of a general meeting of shareholders is not required, at a determination of

Representative Executive Officer, President and Chief Executive Officer of the Company) for any consolidation or amalgamation (*shinsetsu gappei*) of the Company with, or merger (*kyushu gappei*) of the Company into any other corporation (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation);

“New Obligor” has the meaning provided in Condition 6.1;

“New Obligor Current Market Price per Share” has the meaning provided in Condition 6.5.3;

“New Stock Acquisition Rights” has the meaning provided in Condition 12.2;

“New Territory” has the meaning provided in Condition 12.2;

“Non-unit Shares” has the meaning provided in Condition 5.1.2;

“Number of Deliverable Shares” has the meaning provided in Condition 6.5.3;

“Number of Held Shares” has the meaning provided in Condition 6.5.3;

“Offeror” has the meaning provided in Condition 7.5.1;

“Payment Business Day” has the meaning provided in Condition 8.3;

“Principal Subsidiary” means any Consolidated Subsidiary of the Company (i) whose net sales as shown by the annual non-consolidated financial statements (or, where the Consolidated Subsidiary in question itself prepares consolidated financial statements, the annual consolidated financial statements) of such Consolidated Subsidiary used for the purposes of the latest audited annual Consolidated Financial Statements being made up, are 10% or more of the net sales of the Company and its Consolidated Subsidiaries as shown by such audited annual Consolidated Financial Statements or (ii) whose total assets as shown by the annual non-consolidated financial statements (or, as the case may be, the annual consolidated financial statements) of such Consolidated Subsidiary used for the purposes of the latest audited annual Consolidated Financial Statements being made up, are 10% or more of the total assets of the Company and its Consolidated Subsidiaries as shown by such audited annual Consolidated Financial Statements. A certificate signed by a Representative Director or an Authorised Officer of the Company that in the Company’s opinion, a Consolidated Subsidiary is or is not or was or was not at a specified date a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties;

“Proceedings” has the meaning provided in Condition 21.2;

“Record Date” means the date fixed by the Articles of Incorporation or otherwise specified by the Company for the purpose of determining entitlements to dividends or other distributions to, or rights of, holders of Shares; provided, however, that if the Company has fixed no such record date and the context so requires, the “Record Date” shall be construed as a reference to the date of any event in question coming into effect;

“Register” has the meaning provided in Condition 1.1;

“Registered Account” has the meaning provided in Condition 8.1;

“Relevant Debt” has the meaning provided in Condition 2;

“Relevant Event” means any Corporate Event, Delisting Event or Squeezeout Event;

“Relevant Event Date” has the meaning provided in Condition 5.2.15;

“Relevant Event Redemption Price” has the meaning provided in Condition 7.7;

“Relevant GAAP” means the accounting principles which are adopted by the Company or the New Obligor (as the case may be) for the preparation of the Consolidated Financial Statements under the Financial Instruments and Exchange Act, being one of those generally accepted in Japan or International Financial Reporting Standards (as issued by the International Accounting Standards Board (or its successor) or, if applicable, as adopted or endorsed by the Accounting Standards Board of Japan (or its successor));

“Relevant Number of Shares” has the meaning provided in Condition 5.2.4;

“Relevant Securities” has the meaning provided in Condition 5.2.8;

“Relevant Stock Exchange” means Tokyo Stock Exchange, Inc. (or its successor) or, if at the relevant time the Shares or the shares of common stock of the New Obligor (as the case may be) are not listed on

Tokyo Stock Exchange, Inc. (or its successor), the principal stock exchange or securities market in Japan on which the Shares or the shares of common stock of the New Obligor (as the case may be) are then listed or quoted or dealt in;

“Representative Director” means a director of the Company (or the New Obligor, as the case may be) who is for the time being a representative director within the meaning of the Companies Act or, where applicable, a representative statutory executive officer of the Company (or the New Obligor, as the case may be) within the meaning of the Companies Act;

“Retroactive Adjustment” has the meaning provided in Condition 5.3;

“Securities” includes, without limitation, the Shares, other shares, options, warrants or other rights (including stock acquisition rights) to subscribe for or purchase or acquire Shares and securities convertible into or exchangeable for Shares;

“Shareholder Determination Date” means (i) any Record Date and (ii) any other date set for the purpose of determination of the holders of Shares in connection with Paragraph 1 of Article 151 of the Book-Entry Act;

“Shareholder Determination Date Restriction Period” means the period from and including the second Tokyo Business Day falling immediately prior to any Shareholder Determination Date to and including such Shareholder Determination Date (provided that if such Shareholder Determination Date falls on a date that is not a Tokyo Business Day, then the Shareholder Determination Date Restriction Period means the period from and including the third Tokyo Business Day falling immediately prior to such Shareholder Determination Date to and including the Tokyo Business Day immediately following such Shareholder Determination Date);

“Squeezeout Effective Date” has the meaning provided in Condition 7.6;

“Squeezeout Event” means either (i) the passing of a resolution at a general meeting of shareholders of the Company approving its acquisition of all of the outstanding Shares in exchange for a consideration, following the outstanding Shares being transformed into callable shares (*zenbushutokujoko tsuki shuruikabushiki*) by way of an amendment to the Articles of Incorporation, for the purpose of, including but not limited to, making the Company a wholly-owned subsidiary of another corporation, (ii) the passing of a determination of Representative Executive Officer, President and Chief Executive Officer of the Company approving a request by the Controlling Shareholder that the other shareholders of the Company (other than the Company and, if the Controlling Shareholder so determines, the Controlling Shareholder’s wholly-owned subsidiaries) sell to the Controlling Shareholder all of the shares of the Company held by them (*kabushikitou uriwatashi seikyu*) under the Companies Act, or (iii) the passing of a resolution at a general meeting of shareholders of the Company approving a consolidation of Shares (*kabushiki no heigo*) under the Companies Act after which the Shares are expected to cease to be listed, quoted or dealt in on the Relevant Stock Exchange or to be disqualified from such listing, quotation or dealing;

“Squeezeout Redemption Date” has the meaning provided in Condition 7.6;

“Stock Acquisition Date” has the meaning provided in Condition 5.9.4;

“Stock Split” means any kind of stock split in relation to the Shares, including a free share distribution to the holders of Shares, a stock dividend or a sub-division of Shares;

“Subsidiary” means a company, more than 50% of the outstanding shareholders’ voting rights of which is at any given time owned by the Company, by one or more other Subsidiaries or by the Company and one or more other Subsidiaries, or any other company which is otherwise considered to be controlled by the Company under the Relevant GAAP (and, for this purpose, “voting rights” means the voting power attached to stocks or shares for the election of directors, officers or trustees of such company, other than voting powers attached to stocks or shares outstanding having such power by reason of the happening of a contingency);

“Tax Redemption Date” has the meaning provided in Condition 7.3;

“Tax Redemption Notice” has the meaning provided in Condition 7.3;

“Tokyo Business Day” has the meaning provided in Condition 5.1.4;

“Trading Day” means, in respect of the Shares or the shares of common stock of the New Obligor (as the case may be), a day on which the Relevant Stock Exchange is open for business, but does not

include a day on which (a) no last selling price (regular way) for the Shares or the shares of common stock of the New Obligor (as the case may be) is reported by the Relevant Stock Exchange and (b) if the Shares or the shares of common stock of the New Obligor (as the case may be) are not listed or admitted to trading on the Relevant Stock Exchange, no closing bid or offered price of the Shares or the shares of common stock of the New Obligor (as the case may be) is furnished as provided in the definition of Closing Price;

“Transfer Business Day” has the meaning provided in Condition 1.4.3; and

“yen” and “¥” mean Japanese yen, the lawful currency of Japan.

### **3.2 Construction of Certain References**

References to any statute or provision of any statute shall be deemed to include a reference to any statute or the provision of any statute which amends, extends, consolidates or replaces the same, or which has been amended, extended, consolidated or replaced by the same, and shall include any ordinances, regulations, instruments or other subordinate legislation made under the relevant statute.

Except where the context requires otherwise, references to the “issue” of Shares shall include the transfer and/or delivery of Shares by the Company, whether newly issued or previously issued and held by or on behalf of the Company (and the words “issue”, “issued” and “issuable” shall be construed accordingly), and references to “delivery” used in respect of the Shares shall be read as including the transfer of Shares by way of the book-entry transfer system operated by the Japan Securities Depository Center, Incorporated. The words “substitution” and “grant” used in relation to the exchange of the Company’s obligations in respect of the Bonds for those of a New Obligor following a Corporate Event shall be read as including the necessary legal concepts for such exchange to occur under both Japanese law and English law.

The headings in these Conditions are for convenience only and shall be ignored in construing these Conditions.

## **4 Interest**

Each Bond bears interest on its outstanding principal amount from and including the Closing Date at the rate of 1.0% per annum, payable semi-annually in arrear in equal instalments of ¥50,000 per ¥10,000,000 in principal amount on each Interest Payment Date, except that the first payment of interest, to be made on January 15, 2026, will be in respect of the period from and including the Closing Date to but excluding January 15, 2026 and will amount to ¥47,222 per ¥10,000,000 in principal amount.

Where interest in respect of any Bond is to be calculated in respect of a period which is other than an Interest Period, the amount of interest payable shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

A Bond will cease to bear interest (i) where the Stock Acquisition Right incorporated in it is exercised in accordance with the provisions of Condition 5, from the Interest Payment Date immediately preceding the Stock Acquisition Date or, if none, the Closing Date and (ii) where such Bond is redeemed or repaid, from the due date for redemption or repayment, unless in any such case, payment of any amount due in respect of Bonds is improperly withheld or refused. In such event, such unpaid amount will bear interest (both before and after judgment) from the date of default until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to but excluding that day are received by or on behalf of the relevant Bondholder, and (b) the day seven days after the Principal Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to but excluding that seventh day (except to the extent that there is a failure in the subsequent payment to the relevant Bondholders under these Conditions) at the rate of interest per annum as being equal to 1.0% plus the 3-Month Deposit Rate as at 11:00 a.m. (London time) on the date of such default.

In these Conditions:

“Interest Payment Date” shall mean January 15 and July 15 in each year, starting from January 15, 2026.

“Interest Period” shall mean the period from and including the Closing Date to but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

## 5 Exercise of Stock Acquisition Rights

### 5.1 Conversion Price, Exercise Period, Shares Issuable and Procedure

**5.1.1** *Exercise of Stock Acquisition Rights and Contribution of the Bond:* Subject to and upon compliance with the provisions of this Condition 5, each Bondholder is entitled to exercise the Stock Acquisition Right incorporated in each Bond held by it in accordance with and subject to these Conditions. The Bond, the Certificate in respect of which having been deposited with an Agent for exercise of the relevant Stock Acquisition Right pursuant to Condition 5.9.1, shall be deemed to be acquired by the Company as at the Stock Acquisition Date as a capital contribution in kind by such Bondholder at the price equal to the principal amount of the Bond.

**5.1.2** *Number of Shares:* The number of Shares to be acquired by a Bondholder exercising its Stock Acquisition Rights will be determined by dividing the aggregate principal amount of the Bonds deposited by such Bondholder at the same time upon exercise of the Stock Acquisition Rights by the Conversion Price applicable on the Stock Acquisition Date. Fractions of a Share will not be issued upon exercise of any Stock Acquisition Right and no adjustment or cash payment will be made in respect thereof. However, if two or more Stock Acquisition Rights are exercised at any one time by the same Bondholder, the number of Shares which shall be acquired upon exercise of such Stock Acquisition Rights shall be calculated on the basis of the aggregate principal amount of the Bonds in which the Stock Acquisition Rights so exercised are incorporated.

For the avoidance of doubt, if a Bondholder would receive a number of Shares (“Non-unit Shares”) not constituting a unit (*tangen*) of Shares or integral multiples thereof upon exercise of the Stock Acquisition Right(s) or upon a Retroactive Adjustment, such Non-unit Shares shall be delivered to the relevant Bondholder in the same manner as the Shares constituting a whole unit of Shares, and no cash amounts shall be paid by the Company in respect of such Non-unit Shares.

*As at the date of this Offering Circular, the Company’s Articles of Incorporation provide that 100 Shares constitute one unit. Under the book-entry transfer system established pursuant to the Book-Entry Act, Shares constituting less than one unit are transferable. Under the rules of the Japanese stock exchanges, however, Shares constituting less than one unit do not comprise a trading unit, except in limited circumstances, and accordingly may not be sold on the Japanese stock exchanges. Further, a holder of Shares constituting less than one unit cannot exercise any voting rights pertaining to those Shares. A holder of Shares constituting less than one unit may at any time require the Company to purchase such Shares through the relevant Account Management Institution.*

**5.1.3** *Conversion Price:* The price at which Shares shall be acquired upon exercise of the Stock Acquisition Rights (the “Conversion Price”) shall initially be ¥397.2 per Share, subject to adjustment in the manner provided in Condition 5.2.

**5.1.4** *Exercise Period:* Each Stock Acquisition Right may be exercised at any time during the period from, and including, August 8, 2025 to, and including, the close of business (at the place where the Bond is deposited for exercise of the Stock Acquisition Right) on July 1, 2031, or:

- (i) if the relevant Bond shall have been called for redemption pursuant to Condition 7.2 or 7.3, then up to the close of business (at the place as aforesaid) on the third Tokyo Business Day prior to the date fixed for redemption thereof (unless, in the case of such Bond being called for redemption pursuant to Condition 7.3, the relevant Bondholder has elected that such Bond shall not be redeemed);
- (ii) if the relevant Bonds shall become due to be redeemed pursuant to Condition 7.4, 7.5 or 7.6, then up to the close of business (at the place as aforesaid) on the third Tokyo Business Day prior to the date fixed for redemption thereof;
- (iii) if the relevant Bond shall become due to be redeemed pursuant to Condition 7.8, then up to the time when the relevant notice of redemption is deposited at the specified office of an Agent pursuant to Condition 7.8;
- (iv) if the relevant Bond shall have been purchased by the Company or a Subsidiary pursuant to Condition 7.9 and cancelled by the Company pursuant to Condition 7.10, then up to the time when such Bond is so cancelled; or

- (v) if the relevant Bond shall become due and repayable pursuant to Condition 10, then up to the time when such Bond becomes so due and repayable,

*provided that:*

- (a) in no event shall the Stock Acquisition Rights be exercised after July 1, 2031;
- (b) the Stock Acquisition Rights may not be exercised by a Bondholder in circumstances where the relevant Deposit Date would fall during the period commencing on the Interest Record Date in respect of any payment of interest on the Bonds and ending on the relevant Interest Payment Date (both days inclusive);
- (c) the Stock Acquisition Rights may not be exercised for such period as may be designated by the Company, which period may not exceed 30 days, and which period shall end on a date not later than 14 days after the Corporate Event Effective Date if the Company reasonably determines that such suspension is necessary in order to consummate the relevant transaction in compliance with these Conditions (including Conditions 6.4.1, 7.5 and 7.6); and
- (d) the Stock Acquisition Rights may not be exercised where the relevant Stock Acquisition Date (or the next following Tokyo Business Day, if the Stock Acquisition Date would not be a Tokyo Business Day) would fall on a date within any Shareholder Determination Date Restriction Period; provided that if there is a change to the mandatory provisions of Japanese law, regulation or practice relating to the delivery of shares upon exercise of stock acquisition rights through book-entry transfer system established pursuant to the Book-Entry Act, then this Condition 5.1.4(d) and the definition of Shareholder Determination Date Restriction Period may be amended to the extent permitted by applicable law, regulation and practice by the Company to reflect such change in law, regulation or practice without the consent of the Trustee or the Bondholders and notice thereof (together with the reason for such change) shall be given promptly by the Company to the Trustee in writing and to the Bondholders in accordance with Condition 19.

The Company shall give notice to the Trustee in writing and to the Bondholders in accordance with Condition 19 of the determination and period referred to in Condition 5.1.4(c) above at least 30 days prior to the commencement of such period.

The Company shall give notice to the Trustee in writing and to the Bondholders in accordance with Condition 19 of each such Shareholder Determination Date Restriction Period at least three Tokyo Business Days prior to the commencement of such Shareholder Determination Date Restriction Period, provided that no such notice is required where the Shareholder Determination Date Restriction Period in question relates to a Record Date that has been fixed by the Articles of Incorporation then in effect.

*As at the date of this Offering Circular, the Record Dates fixed by the Company's Articles of Incorporation are March 31 and September 30. By way of example, in respect of the Record Date falling on September 30, 2025, it is anticipated that the Stock Acquisition Rights will not be exercisable where the Stock Acquisition Date would fall on any day from (and including) September 26, 2025 to (and including) September 30, 2025.*

The term "Tokyo Business Day" means any day (other than a Saturday, Sunday or a day which shall be a legal holiday in Tokyo or a day on which banking institutions in Tokyo are obliged or authorised by law or executive order to close) on which banks are open for business in Tokyo.

The period during which the Stock Acquisition Rights are exercisable pursuant to this Condition 5.1.4 is referred to in these Conditions as the "Exercise Period" (for the avoidance of doubt, the Exercise Period in respect of any Stock Acquisition Right may stop and restart from time to time). Upon final expiration of the Exercise Period, the Stock Acquisition Rights incorporated in the relevant Bonds will lapse and cease to be exercisable or valid for any purposes.

- 5.1.5** *Rights Attached to Shares Acquired upon Exercise of Stock Acquisition Rights:* Shares acquired upon exercise of the Stock Acquisition Rights shall have the same rights in all respects (including in relation to any distribution of dividends) as the Shares outstanding on the relevant Stock Acquisition Date (except for any right the Record Date for which precedes such Stock Acquisition Date and any other right excluded by mandatory provisions of applicable law).

## 5.2 Adjustments of the Conversion Price

Upon the occurrence of any of the events described below, the Conversion Price shall be adjusted as follows:

**5.2.1** *Stock Split and Consolidation of Shares:* if the Company shall (a) make a Stock Split, (b) consolidate its outstanding Shares into a smaller number of shares, **or** (c) re-classify any of its Shares into other securities of the Company, then the Conversion Price shall be appropriately adjusted so that the holder of any Bond, the Stock Acquisition Date in respect of which occurs after the coming into effect of the adjustment described in this Condition 5.2.1, shall be entitled to receive the number of Shares and/or other securities of the Company which it would have held or have been entitled to receive after the coming into effect of any of the events described above had the Stock Acquisition Right in respect of such Bond been exercised immediately prior to the coming into effect of such event (or, if the Company has fixed a prior Record Date for the determination of shareholders entitled to receive any such Shares or other securities issued upon any such Stock Split, consolidations or re-classification, immediately prior to such Record Date), but without prejudice to the effect of any other adjustment to the Conversion Price made with effect from the date of the coming into effect of such event (or such Record Date) or any time thereafter. An adjustment made pursuant to this Condition 5.2.1 shall become effective immediately on the relevant event becoming effective or, if a prior Record Date is fixed therefor, immediately after the Record Date; provided that, in the case of a relevant transaction which must, under applicable Japanese law, be approved by a general meeting of shareholders or the Board of Directors of the Company or a determination of Representative Executive Officer, President and Chief Executive Officer of the Company before being legally effective, and which is so approved after the Record Date fixed for the determination of shareholders entitled to receive such Shares or other securities, such adjustment shall, immediately upon such approval being given, become effective retroactively to immediately after such Record Date.

If the Company shall make a Stock Split and the Record Date therefor is also:

- (i) the Record Date for the allotment, grant, issue or offer of any rights or warrants (including stock acquisition rights) which requires an adjustment of the Conversion Price pursuant to Condition 5.2.2 or 5.2.3; or
- (ii) the last date (in the place of issue) of the period during which payment may be made for the issue of any securities convertible into or exchangeable for Shares which requires an adjustment of the Conversion Price pursuant to Condition 5.2.5 or 5.2.8; or
- (iii) the last date (in the place of issue) of the period during which payment may be made for the issue or transfer of any Shares which requires an adjustment of the Conversion Price pursuant to Condition 5.2.6 or 5.2.8; or
- (iv) the date of grant, issue, transfer or offer of any rights or warrants which requires an adjustment of the Conversion Price pursuant to Condition 5.2.7 or 5.2.8,

then (except where such Stock Split gives rise to a Retroactive Adjustment of the Conversion Price under this Condition 5.2.1) no adjustment of the Conversion Price in respect of such Stock Split shall be made under this Condition 5.2.1, but in lieu thereof an adjustment shall be made under Condition 5.2.2, 5.2.3, 5.2.5, 5.2.6, 5.2.7 or 5.2.8, as the case may be, by including in item “n” of the formula described therein the aggregate number of additional Shares to be delivered pursuant to such Stock Split;

**5.2.2** *Issue to all, or a Class of, Shareholders of Rights or Warrants to Acquire Shares:* if the Company shall allot, grant, issue or offer to the holders of Shares rights or warrants (including stock acquisition rights) entitling them to subscribe for, purchase or otherwise acquire Shares:

- (i) at a consideration per Share receivable by the Company (determined as provided in Condition 5.2.10) which is fixed on or prior to the Record Date mentioned below and is less than the Current Market Price per Share on such Record Date, or
- (ii) at a consideration per Share receivable by the Company (determined as aforesaid) which is fixed after the Record Date mentioned below and is less than the Current Market Price per Share on the date in Japan on which the Company fixes the said consideration,

then the Conversion Price in effect (in a case within (i) above) on the Record Date for the determination of shareholders entitled to receive such rights or warrants or (in a case within (ii) above) on the date in Japan on which the Company fixes the said consideration shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times \frac{\text{N} + \text{v}}{\text{N} + \text{n}}$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Shares outstanding (having regard to Condition 5.2.11) at the close of business in Japan (in a case within (i) above) on such Record Date or (in a case within (ii) above) on the date in Japan on which the Company fixes the said consideration, but excluding the number of Shares, if any, contained in the definition of “n” immediately below, but only to the extent that such Shares are then issued and outstanding.

n = the number of Shares to be allotted, issued or acquired on exercise of all such rights or warrants at the initial subscription, purchase or acquisition price.

v = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.2.10) would purchase at such Current Market Price per Share specified in (i) above or, as the case may be, (ii) above.

Such adjustment shall become effective (in a case within (i) above) immediately after the Record Date for the determination of shareholders entitled to receive such rights or warrants or (in a case within (ii) above) immediately after the day upon which the Company fixes the said consideration but retroactively to immediately after the Record Date for the said determination.

If, in connection with an allotment, grant, issue or offer to the holders of Shares of rights or warrants (including stock acquisition rights) entitling them to subscribe for, purchase or otherwise acquire Shares, any such rights and/or warrants which are not subscribed for, purchased or otherwise acquired by the persons entitled thereto are offered to and/or subscribed for, purchased or otherwise acquired by others (whether as placees or members of the public or pursuant to underwriting arrangements or otherwise), no further adjustment shall be required or made to the Conversion Price by reason of such offer and/or subscription, purchase or acquisition;

**5.2.3** *Issue to all, or a Class of, Shareholders of Rights or Warrants to Acquire Convertible/Exchangeable Securities:* if the Company shall grant, issue or offer to the holders of Shares rights or warrants (including stock acquisition rights) entitling them to subscribe for, purchase or otherwise acquire any securities convertible into or exchangeable for Shares (including bonds with stock acquisition rights):

- (i) at a consideration per Share receivable by the Company (determined as provided in Condition 5.2.10) which is fixed on or prior to the Record Date mentioned below and is less than the Current Market Price per Share on such Record Date, or
- (ii) at a consideration per Share receivable by the Company (determined as aforesaid) which is fixed after the Record Date mentioned below and is less than the Current Market Price per Share on the date in Japan on which the Company fixes the said consideration,

then the Conversion Price in effect (in a case within (i) above) on the Record Date for the determination of shareholders entitled to receive such rights or warrants or (in a case within (ii) above) on the date in Japan on which the Company fixes the said consideration shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times \frac{\text{N} + \text{v}}{\text{N} + \text{n}}$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Shares outstanding (having regard to Condition 5.2.11) at the close of business in Japan (in a case within (i) above) on such Record Date or (in a case within (ii) above) on the date in Japan on which the Company fixes the said consideration.

n = the number of Shares to be acquired upon conversion or exchange of all such convertible or exchangeable securities at the initial conversion or exchange price or ratio following the exercise of all such rights or warrants at the initial subscription, purchase or acquisition price.

v = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.2.10) would purchase at such Current Market Price per Share specified in (i) above or, as the case may be, (ii) above.

Such adjustment shall become effective (in a case within (i) above) immediately after the Record Date for the determination of shareholders entitled to receive such rights or warrants or (in a case within (ii) above) immediately after the day upon which the Company fixes the said consideration but retroactively to immediately after the Record Date for the said determination.

If, in connection with a grant, issue or offer to the holders of Shares of rights or warrants (including stock acquisition rights) entitling them to subscribe for, purchase or otherwise acquire securities convertible into or exchangeable for Shares (including bonds with stock acquisition rights), any such securities convertible into or exchangeable for Shares (including bonds with stock acquisition rights) which are not subscribed for, purchased or otherwise acquired by the persons entitled thereto are offered to and/or subscribed for, purchased or otherwise acquired by others (whether as placees or members of the public or pursuant to underwriting arrangements or otherwise), no further adjustment shall be required or made to the Conversion Price by reason of such offer and/or subscription, purchase or acquisition;

**5.2.4 Distribution to all, or a Class of, Shareholders of Assets (including Extraordinary Dividends):**

if the Company shall distribute to the holders of Shares (i) evidence of its indebtedness (such as bonds), (ii) shares of capital stock of the Company (other than the Shares), (iii) cash or assets of the Company, or (iv) rights or warrants (including stock acquisition rights) to subscribe for, purchase or otherwise acquire shares (other than the Shares) or securities of the Company (other than those rights and warrants referred to in Conditions 5.2.2 and 5.2.3), in each of the cases set out in (i) through (iv) above, excluding dividends (being “distribution of surplus” within the meaning of, and subject to the limitation on amounts prescribed by, the Companies Act) other than Extraordinary Dividends, then the Conversion Price in effect on the Record Date for the determination of shareholders entitled to receive such distribution shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times \frac{\text{CMP} - \text{fmv}}{\text{CMP}}$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

CMP = the Current Market Price per Share on the Record Date for the determination of shareholders entitled to receive such distribution, including a distribution of an Extraordinary Dividend.

fmv = (i) in cases other than an Extraordinary Dividend, the fair market value ((a) as determined by the Company in consultation with an Independent Financial Adviser (whose advice the Company will take fully into account), or (b) if pursuant to applicable Japanese law such determination is to be made by application to a court of competent jurisdiction, as determined by such court or by an appraiser appointed by such court, and in each of the cases set out in (a) and (b) above, described in a certificate of the Company signed by a Representative Director or an Authorised Officer and delivered by the Company to the Trustee) of the portion of the evidence of indebtedness, shares, cash, assets, rights or warrants so distributed applicable to one Share or, (ii) in the case of an Extraordinary Dividend, the amount of such Extraordinary Dividend divided by the Relevant Number of Shares in respect of such Extraordinary Dividend.

Such adjustment shall become effective immediately after the Record Date for the determination of shareholders entitled to receive such distribution (including a distribution of an Extraordinary Dividend); provided, however, that (a) if such distribution must, under applicable Japanese law, be approved by a general meeting of shareholders or the Board of Directors of the Company before being legally made, and if such distribution is so approved after the Record Date fixed for the determination of shareholders entitled to receive such distribution, such adjustment shall, immediately upon such approval being given, become effective retroactively to immediately after such Record Date and (b) if the fair market value of the evidence of indebtedness, shares, cash or assets, rights or warrants so distributed cannot be determined until after the Record Date fixed for the determination of shareholders entitled to receive such distribution, such adjustment shall, immediately upon such fair market value being determined, become effective retroactively to immediately after such Record Date.

“Extraordinary Dividend” means, in relation to an Annual Fiscal Period ending on or after the last day of the Annual Fiscal Period in which the Closing Date falls, the part of any dividend (such dividend being the historical dividend without making any retroactive adjustment resulting from Stock Splits or otherwise) in respect of any number of Shares amounting to the Relevant Number of Shares, the Record Date for which falls within such Annual Fiscal Period which, when aggregated with the amount of all other dividends the Record Date for which falls within such Annual Fiscal Period in respect of such number of Shares amounting to the Relevant Number of Shares, is in excess of the sum of (i) the Base Dividend and (ii) the amount, if any, previously determined to be an Extraordinary Dividend in respect of that Annual Fiscal Period:

“Base Dividend” means: ¥0

“Relevant Number of Shares” means, such number of Shares (disregarding fractions of a Share) as Bondholders would be entitled to receive in respect of each Bond deposited (were such Bond, and only such Bond, to be so deposited) for exercise of the Stock Acquisition Right incorporated therein at the Conversion Price in effect at the Record Date in respect of the relevant dividend.

**5.2.5** *Issue to Non-shareholders of Convertible/Exchangeable Securities:* if the Company shall issue any securities convertible into or exchangeable for Shares, including bonds with stock acquisition rights (other than the Bonds or in any of the circumstances described in Conditions 5.2.2 and 5.2.3), and the consideration per Share receivable by the Company (determined as provided in Condition 5.2.10) shall be less than the Current Market Price per Share on the date in Japan on which the Company fixes the said consideration (or, if the issue of such convertible or exchangeable securities is subject to approval by a general meeting of shareholders, on the date in Japan on which the Board of Directors of the Company fixes the consideration to be recommended at such meeting), then the Conversion Price in effect on the last day of the period during which payment may be made in respect of the issue of such convertible or exchangeable securities shall, subject to Condition 5.2.8, be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times \frac{\text{N} + \text{v}}{\text{N} + \text{n}}$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Shares outstanding (having regard to Condition 5.2.11) at the close of business in Japan on the last day of the period during which payment may be made in respect of such convertible or exchangeable securities.

n = the number of Shares to be acquired upon conversion or exchange of all such convertible or exchangeable securities at the initial conversion or exchange price or rate.

v = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.2.10) would purchase at such Current Market Price per Share.

Such adjustment shall become effective immediately after the calendar day in Japan corresponding to the last day (in the place of issue) of the period during which payment may be made in respect of such convertible or exchangeable securities;

**5.2.6** *Issue to Non-shareholders of Shares:* if the Company shall issue or transfer any Shares (other than Shares issued or transferred (i) on conversion or exchange of any convertible or exchangeable securities (including the Bonds) allotted, granted, issued or offered by the Company, (ii) on the exercise of any rights or warrants (including stock acquisition rights) allotted, granted, issued or offered by the Company, (iii) to the extent permitted by the Articles of Incorporation, to any holder of Non-unit Shares for the purpose of making such holder’s holding, when added to the Shares held by such holder, constitute a full one unit, (iv) in any of the circumstances described in Conditions 5.2.1, 5.2.2 and 5.2.3, (v) to shareholders of any corporation which merges into the Company upon such merger or which becomes a wholly-owned subsidiary of the Company by a share exchange (*kabushiki-kokan*) or which becomes a subsidiary of the Company by a share delivery (*kabushiki-kofu*), in proportion to their shareholding in such corporation immediately prior to such merger, exchange or delivery or (vi) to any corporation or to shareholders of any corporation which transfers its business to the Company following the split of such corporation’s business (*kyushu bunkatsu*)), and the consideration per Share receivable by the Company (determined as provided in Condition 5.2.10) shall be less than the Current Market Price per Share on the date in Japan on which the Company fixes the said consideration (or, if the issue or transfer of such Shares is subject to approval by a general meeting of shareholders, on the date in Japan on which the Board of Directors of the

Company fixes the consideration to be recommended at such meeting), then the Conversion Price in effect on the last day of the period during which payment may be made in respect of the issue or transfer of such Shares shall, subject to Condition 5.2.8, be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times \frac{\text{N} + \text{v}}{\text{N} + \text{n}}$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Shares outstanding (having regard to Condition 5.2.11) at the close of business in Japan on the last day of the period during which payment may be made in respect of the issue or transfer of such Shares, but excluding the number of Shares, if any, contained in the definition of “n” immediately below, but only to the extent that such Shares are then issued and outstanding.

n = the number of Shares being issued or transferred as aforesaid.

v = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.2.10) would purchase at such Current Market Price per Share.

Such adjustment shall become effective immediately after the calendar day in Japan corresponding to the last day (in the place of issue or transfer) of the period during which payment may be made in respect of the issue or transfer of such Shares;

**5.2.7** *Issue to Non-shareholders of Rights or Warrants to Acquire Shares or Convertible/Exchangeable Securities:* if the Company shall grant, issue or offer any rights or warrants (including stock acquisition rights) entitling non-shareholders to subscribe for, purchase or otherwise acquire Shares or securities convertible into or exchangeable for Shares (other than the Stock Acquisition Rights or in any of the circumstances described in Conditions 5.2.2, 5.2.3, 5.2.4 and 5.2.5) and the consideration per Share receivable by the Company (determined as provided in Condition 5.2.10) shall be less than the Current Market Price per Share on the date in Japan on which the Company fixes the said consideration (or, if the grant, issue or offer of such rights or warrants is subject to approval by a general meeting of shareholders, on the date in Japan on which the Board of Directors of the Company fixes the consideration to be recommended at such meeting), then the Conversion Price in effect on the date of the grant, issue or offer of such rights or warrants shall, subject to Condition 5.2.8, be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times \frac{\text{N} + \text{v}}{\text{N} + \text{n}}$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Shares outstanding (having regard to Condition 5.2.11) at the close of business in Japan on the date of the grant, issue or offer of such rights or warrants.

n = the number of Shares to be acquired on exercise of all such rights or warrants at the initial subscription, purchase or acquisition price, or upon conversion or exchange of all such convertible or exchangeable securities at the initial conversion or exchange price or rate following the exercise of all such rights or warrants.

v = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.2.10) would purchase at such Current Market Price per Share.

Such adjustment shall become effective immediately after the calendar day in Japan corresponding to the calendar day at the place of the grant, issue or offer of such rights or warrants;

**5.2.8** *Combined Adjustment:* if the Company shall grant, issue, transfer or offer (as the case may be) securities of a type falling within Condition 5.2.5, 5.2.6 or 5.2.7 which otherwise require an adjustment to the Conversion Price pursuant thereto and the date of grant, issue, transfer or offer of such securities or, if applicable, the last day of the period during which payment may be made in respect thereof (in each case, referred to as the “relevant date”) is also the relevant date in respect of securities of another type or types (including a different tranche or issue of a same type) falling within Conditions 5.2.5, 5.2.6 and/or 5.2.7 which otherwise require an adjustment to the Conversion Price pursuant thereto (all such securities being hereafter referred to as “Relevant Securities”), then any adjustment of the Conversion Price shall not be made separately under each such Condition but in one calculation in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times \frac{N + v1 + v2 + v3}{N + n1 + n2 + n3}$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Shares outstanding (having regard to Condition 5.2.11) at the close of business in Japan on the relevant date but excluding the number of Shares contained in the definition of “n2” below to the extent that such Shares are then issued and outstanding.

n1 = the number of Shares to be acquired upon conversion or exchange of any convertible or exchangeable securities (included within the Relevant Securities) at the initial conversion or exchange price or rate.

n2 = the number of any Shares (included within the Relevant Securities) being issued or transferred.

n3 = the number of Shares to be acquired on exercise of any rights or warrants (included within the Relevant Securities) at the initial subscription, purchase or acquisition price, or upon conversion or exchange of any convertible or exchangeable securities at the initial conversion or exchange price or rate following the exercise of such rights or warrants.

v1 = the number of Shares which the aggregate consideration receivable by the Company for such convertible or exchangeable securities (determined as provided in Condition 5.2.10) would purchase at the Current Market Price per Share on the date in Japan on which the Company fixes the said consideration (or, if the issue of such convertible or exchangeable securities is subject to approval by a general meeting of shareholders, on the date in Japan on which the Board of Directors of the Company fixes the consideration to be recommended at such meeting).

v2 = the number of Shares which the aggregate consideration receivable by the Company for the issue or transfer of such Shares (determined as provided in Condition 5.2.10) would purchase at the Current Market Price per Share on the date in Japan on which the Company fixes the said consideration (or, if the issue or transfer of such Shares is subject to approval by a general meeting of shareholders, on the date in Japan on which the Board of Directors of the Company fixes the consideration to be recommended at such meeting).

v3 = the number of Shares which the aggregate consideration receivable by the Company for the issue or transfer of the total number of Shares to be acquired on exercise of such rights or warrants and (if applicable) upon conversion or exchange of such convertible or exchangeable securities (determined as provided in Condition 5.2.10) would purchase at the Current Market Price per Share on the date in Japan on which the Company fixes the said consideration (or, if the

grant, issue, transfer or offer of such rights or warrants is subject to approval by a general meeting of shareholders, on the date in Japan on which the Board of Directors of the Company fixes the consideration to be recommended at such meeting).

Any such adjustment shall become effective immediately after the calendar day in Japan corresponding to the calendar day at the relevant place of grant, issue, transfer or offer which is the relevant date.

**5.2.9** *Current Market Price per Share:* for the purpose of these Conditions, “Current Market Price per Share” on any date shall be deemed to be the average of the daily Closing Prices of the Shares for the 30 consecutive Trading Days commencing 45 Trading Days before such date.

If, during the said 45 Trading Day period or any period thereafter up to but excluding the date as at which the adjustment of the Conversion Price in question shall be effected, any event (other than the event which requires the adjustment in question, and any event which requires an adjustment with reference to the same Current Market Price per Share) shall occur which gives rise to a separate adjustment (excluding a Retroactive Adjustment to take effect on or after such date) to the Conversion Price under the provisions of this Condition 5.2, the Current Market Price per Share as determined above shall be adjusted in such manner and to such extent as the Company in consultation with an Independent Financial Adviser (whose advice the Company will take fully into account) shall deem to be appropriate and fair in order to compensate for the effect of such event;

**5.2.10** *Consideration per Share:* for the purposes of any calculation of the consideration per Share receivable pursuant to Conditions 5.2.2, 5.2.3, 5.2.5, 5.2.6, 5.2.7 and 5.2.8, the following provisions shall be applicable:

- (i) in the case of the issue or transfer of Shares for cash, the consideration shall be the amount of such cash, provided that in no case shall any deduction be made for any commissions or any expenses paid or incurred by or on behalf of the Company for any underwriting of the issue or transfer or otherwise in connection therewith;
- (ii) in the case of the issue or transfer of Shares for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof as determined by the Company in consultation with an Independent Financial Adviser or, if pursuant to applicable Japanese law such determination is to be made by application to a court of competent jurisdiction, as determined by such court or an appraiser appointed by such court, irrespective of the accounting treatment thereof. Such determination shall be final and binding on the Company, the Trustee and the Bondholders;
- (iii) (a) in the case of the issue by the Company of securities convertible into or exchangeable for Shares, including bonds with stock acquisition rights, the aggregate consideration receivable by the Company shall be deemed to be the consideration for any such securities plus the additional consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange of such securities at the initial conversion or exchange price or rate, and (b) in the case of the allotment, grant, issue, transfer or offer of rights or warrants, including stock acquisition rights, to subscribe for, purchase or otherwise acquire securities convertible into or exchangeable for Shares, the aggregate consideration receivable by the Company shall be the consideration (if any) received by the Company for any such rights or warrants plus the additional consideration to be received by the Company upon (and assuming) the exercise thereof at the initial subscription, purchase or acquisition price and (if applicable) upon the following conversion or exchange of such securities at the initial conversion or exchange price or rate. The consideration per Share receivable by the Company shall be such aggregate consideration divided by the number of Shares to be acquired upon (and assuming) such conversion or exchange at the initial conversion or exchange price or rate (if applicable) following the exercise of such rights or warrants at the initial subscription, purchase or acquisition price (the consideration in each case to be determined in the same manner as provided in sub-paragraphs (i) and (ii) above);
- (iv) in the case of the allotment, grant, issue, transfer or offer of rights or warrants (including stock acquisition rights) entitling holders to subscribe for, purchase or

otherwise acquire Shares, the aggregate consideration receivable by the Company shall be deemed to be the consideration (if any) received by the Company for any such rights or warrants plus the additional consideration to be received by the Company upon (and assuming) the exercise of such rights or warrants at the initial subscription, purchase or acquisition price (the consideration in each case to be determined in the same manner as provided in sub-paragraphs (i) and (ii) above), and the consideration per Share receivable by the Company shall be such aggregate consideration divided by the number of Shares to be acquired upon (and assuming) such exercise at the initial subscription, purchase or acquisition price; and

- (v) if any consideration referred to in the foregoing provisions of this Condition 5.2.10 is receivable in a currency other than yen, such consideration shall, in any case where there is a fixed rate of exchange between yen and the relevant currency provided for the purposes of the issue of such Shares or the conversion or exchange of such securities or the exercise of such rights or warrants, be translated into yen for the purposes of this Condition 5.2.10 at such fixed rate of exchange and shall, in all other cases, be so translated at the mean of the exchange rate quotations (being quotations for the cross rate through U.S. dollars if no direct rate is quoted) by a leading bank in Japan for buying and selling spot units of the relevant currency by telegraphic transfer against yen on the date as at which such consideration is required to be calculated;

**5.2.11 *Later Adjustments:*** if, at the time of computing an adjustment (the “later adjustment”) of the Conversion Price pursuant to any of Conditions 5.2.2 to 5.2.8 (both inclusive), the Conversion Price already incorporates an adjustment made (or taken into account pursuant to the proviso to Condition 5.6) to reflect the issue or transfer of such Shares, or the allotment, grant, issue, transfer or offer of rights or warrants (including stock acquisition rights) to subscribe for, purchase or otherwise acquire such Shares or other securities convertible into or exchangeable for such Shares, but such Shares are not outstanding at the time relevant for ascertaining the number of outstanding Shares for the purposes of computing the later adjustment, such Shares shall be deemed to be outstanding for the purposes of making such computation to the extent that the number of the Shares so deemed to be outstanding exceeds the actual number of Shares in issue as a result thereof at the time of making such computation. For the purposes of determining the number of Shares outstanding in Conditions 5.2.2, 5.2.3, 5.2.5, 5.2.6, 5.2.7 and 5.2.8, the Shares held by the Company as treasury stock on the relevant date shall be deemed not to be outstanding;

**5.2.12 *Meaning of “Fixed”:*** any reference in this Condition 5.2 to the date on which the consideration is “fixed” shall be construed as a reference to the first day on which such consideration in a cash amount can be ascertained, where the consideration is originally expressed by reference to a formula and not then ascertainable in a cash amount;

**5.2.13 *Other Events:*** if the Company determines at its sole discretion that a downward adjustment should be made to the Conversion Price as a result of one or more events or circumstances not otherwise referred to in this Condition 5.2, the Company shall, at its own expense, request an Independent Financial Adviser to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof and, if the adjustment would result in a reduction in the Conversion Price, the date on which such adjustment should take effect and, upon such determination, such downward adjustment (if any) shall be made and shall take effect in accordance with such determination; and

**5.2.14 *Modification to Operation of Adjustment Provisions:*** notwithstanding the foregoing, where the circumstances giving rise to any adjustment pursuant to this Condition 5.2 have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of other circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 5.2 as may be advised by an Independent Financial Adviser to be in its opinion appropriate to give the intended result.

**5.2.15 *Conversion Price Adjustment on Relevant Events:*** On the occurrence of any Relevant Event (and, in the case of a Corporate Event, if any of the conditions set out in items (i), (ii), (iii) and (iv) of Condition 7.4 is satisfied), the Conversion Price in effect on the date in Japan on which

the Relevant Event takes place (and, in the case of a Corporate Event, such condition is satisfied) (the “Relevant Event Date”), shall be adjusted in accordance with the following formula:

$$NCP = \frac{OCP}{(1 + (CP \times c/t))}$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

CP = 30.02%, expressed as a fraction.

c = the number of days from and including the Relevant Event Date to but excluding the Maturity Date.

t = the number of days from and including the Closing Date to but excluding the Maturity Date.

Such adjustment shall become effective from the day immediately after the Relevant Event Date. No further adjustment under this Condition 5.2.15 will be made in respect of a Relevant Event (or subsequent Relevant Events) if and once the Conversion Price has been adjusted pursuant to this Condition 5.2.15.

“CP” is the conversion premium (the percentage above the Closing Price of the Shares on July 9, 2025) at which the Conversion Price is set.

### 5.3 Retroactive Adjustments

If the Stock Acquisition Date in relation to a Stock Acquisition Right shall be on or after a date with effect from which an adjustment to the Conversion Price takes retroactive effect pursuant to any of the provisions of Condition 5.2 and the relevant Stock Acquisition Date falls on a date before the relevant adjustment becomes effective under Condition 5.2 (such adjustment, a “Retroactive Adjustment”), the Company shall procure that the provisions of Condition 5.9.5 shall be applied, *mutatis mutandis*, to such number of Shares (“Additional Shares”) as is equal to the excess of the number of Shares which would have been acquired upon exercise of such Stock Acquisition Right if the relevant Retroactive Adjustment had been given effect as at the said Stock Acquisition Date over the number of Shares previously acquired pursuant to such exercise, and in such event and in respect of such Additional Shares, references in Condition 5.9.5 to the “Stock Acquisition Date” shall be deemed to refer to the date upon which such Retroactive Adjustment is first reflected in the Conversion Price.

### 5.4 Limitation on Reduction of Conversion Price

Notwithstanding the provisions of this Condition 5, the Conversion Price will not be reduced as a result of any adjustment made hereunder to such an extent that, under applicable law then in effect, the Stock Acquisition Rights may not be permitted to be exercised at such lower Conversion Price into legally issued, fully paid and non-assessable Shares.

### 5.5 Employee Share Schemes

No adjustment will be made to the Conversion Price where Shares or other Securities are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of, employees, former employees, officers, corporate auditors or directors (including directors holding or formerly holding executive office or the personal service company of any such person) of the Company or any of its Subsidiaries or affiliates, their spouses or relatives, or any associated companies of any such person, or to any trustee or trustees for the benefit of any such person, in any such case, pursuant to any employees’ or executives’ share or option scheme.

### 5.6 Minimum Adjustments

No adjustment of the Conversion Price shall be required unless such adjustment would result in an increase or decrease in such Conversion Price of at least one yen provided that any adjustment which by reason of this Condition 5.6 is not required to be made shall be carried forward and taken into account (as if such adjustment were made at the time when it would be made but for the provisions of this Condition 5.6) in any subsequent adjustment.

## 5.7 Calculations

All calculations (including, without limitation, calculations of the Conversion Price and the Current Market Price per Share) under this Condition 5 shall, unless otherwise expressly specified herein, be made to the nearest one-tenth of a yen with five one-hundredths or more of a yen to be considered a full tenth of a yen.

None of the Trustee, the Principal Agent, the Registrar, the Custodian, the Custodian's Agent or any other Agents shall be under any duty or responsibility to any Bondholder or any other person to determine, calculate or verify the adjusted Conversion Price or whether any adjustment is required to be made, and none of them will be responsible to Bondholders or any other person for any loss arising from any failure to do so or any erroneous calculation.

## 5.8 Notification of Adjustments

Whenever the Conversion Price is adjusted as herein provided, the Company shall promptly notify the Trustee, the Principal Agent, the other Agents, the Registrar, the Custodian and the Custodian's Agent in writing setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment and the effective date thereof, and shall promptly give notice to the Bondholders in accordance with Condition 19 stating that the Conversion Price has been adjusted and setting forth the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

## 5.9 Procedure for Conversion

**5.9.1** *Conversion Notice:* To exercise a Stock Acquisition Right, the exercising Bondholder shall complete, sign and deposit at the specified office of an Agent at its own expense during normal business hours of the Agent with which the deposit is being made a Conversion Notice, in the form obtainable from any Agent, together with the Certificate evidencing the relevant Bond. No Stock Acquisition Right may be exercised in part only.

**5.9.2** *Custodian and Custodian's Agent:* The initial Custodian and its initial specified office are set out at the end of these Conditions. The Company reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of the Custodian and to appoint another Custodian; provided that there shall always be a Custodian, being a non-resident of Japan and having a specified office outside Japan. Notice of any such termination or appointment and of any changes in the specified office of the Custodian will be given to the Bondholders in accordance with Condition 19. The Custodian has, pursuant to the Agency Agreement, initially appointed Mizuho Bank, Ltd. as the Custodian's Agent at its initial specified office set out at the end of these Conditions and may, with the prior written approval of the Trustee, alter such appointment at any time. The Company shall give notice to the Bondholders in accordance with Condition 19 of any change in the Custodian's Agent and/or its specified office. The Custodian shall have no liability to Bondholders for any loss suffered by them as a result of any failure on the part of the Custodian's Agent to perform its functions pursuant to these Conditions and the Agency Agreement, nor shall the Custodian have any obligation to perform those functions should the Custodian's Agent fail to do so. The Custodian shall not be liable for monitoring or supervising the performance by the Custodian's Agent of such functions. The Contracts (Rights of Third Parties) Act 1999 applies to this Condition 5.9.2 for the benefit of the Custodian.

**5.9.3** *Conditions Precedent:* As conditions precedent to the exercise of the Stock Acquisition Right, the Bondholder must pay to the relevant tax authorities all stamp, issue, registration or other similar taxes and duties (if any), together with any incidental expenses in connection therewith, arising on such exercise in the country in which the Stock Acquisition Right is to be exercised or payable in any jurisdiction consequent upon the issue or delivery of Shares to or to the order of a person other than the exercising Bondholder (if any) and will pay an amount sufficient to pay the expenses of delivery pursuant to Condition 5.9.5(ii). Except as aforesaid, the Company will pay the expenses arising on the acquisition of Shares upon exercise of the Stock Acquisition Rights (which for the avoidance of doubt does not include the exercising Bondholder's own costs and expenses for holding such Shares) and all charges of the Agents in connection therewith (including all costs, charges and expenses incurred by any delegate).

The Principal Agent shall be entitled to assume without duty to enquire and without liability that the Bondholder exercising the relevant Stock Acquisition Rights has paid all such amounts due to the relevant tax authorities. None of the Agents (nor the Registrar or Custodian) are under any obligation to pay or determine whether a Bondholder is liable to pay any taxes, stamp, issue, registration or similar taxes and duties or the amounts payable (if any) arising upon exercise of any Stock Acquisition Rights.

**5.9.4** Deposit Date and Stock Acquisition Date:

- (i) The time at which the Certificate evidencing any Bond and the Conversion Notice relating thereto are deposited with an Agent, or on which all conditions precedent to the exercise of the relevant Stock Acquisition Right are fulfilled, whichever shall be later, is hereinafter referred to as the “Deposit Time” applicable to such Bond, and the date in London on which the Deposit Time falls is hereinafter referred to as the “Deposit Date” applicable to such Bond. For the avoidance of doubt, a Deposit Date may not occur during any period when the Stock Acquisition Rights may not be exercised;
- (ii) The request for exercise of the Stock Acquisition Right shall be deemed to have been made, and accordingly the exercise of the Stock Acquisition Right and the delivery of the relevant Certificate therefor will become effective, at 23:59 hours (London time) on the Deposit Date applicable to the relevant Bond (and the next calendar day, being the calendar day in Japan on which such time in London falls, is herein referred to as the “Stock Acquisition Date” applicable to such Bond);
- (iii) A Conversion Notice once deposited shall not be withdrawn without the consent in writing of the Company; and
- (iv) If deposit of the Conversion Notice is made on a day which is not a Business Day or after 16:00 hours in the place of the specified office of the Agent, such deposit shall be deemed for all purposes of these Conditions to have been made on the next following such Business Day.

*At any time when the relevant Bonds are evidenced by the Global Certificate, the exercising Bondholder shall, in lieu of depositing the Conversion Notice in the manner aforesaid, transmit the Conversion Notice as an electronic instruction to any Agent in accordance with the operating procedures of the relevant clearing systems, together with an authority to Euroclear to debit, or to procure Clearstream, Luxembourg to debit, the Bondholder’s account pro tanto. The time at which such duly completed Conversion Notice is received by the Agent through the relevant clearing systems shall be deemed for the purposes of these Conditions to be its time of deposit. With effect from the relevant Stock Acquisition Date, Euroclear or Clearstream, Luxembourg, as the case may be, shall debit the Bondholder’s account with the number of the Bonds the Stock Acquisition Rights incorporated in which have been exercised and the Register shall be amended accordingly.*

**5.9.5** *Delivery of Shares:* The Company shall procure that the relevant Agent shall, with effect as at the Stock Acquisition Date, endorse the Conversion Notice on behalf of the Custodian. With effect from the Stock Acquisition Date (or as soon as practicable thereafter under Japanese law, regulation and practice relating to the delivery of shares and the register of shareholders), the Company shall deem the Custodian or its nominee to have become the holder of record of the number of Shares to be acquired upon such exercise of the Stock Acquisition Right (disregarding any fraction of a Share resulting from such exercise and also disregarding any Retroactive Adjustment of the Conversion Price prior to the time when such Retroactive Adjustment is first reflected in the Conversion Price).

Thereafter, subject to any applicable limitations then imposed by Japanese law or regulation (including any administrative order or guidelines issued by any relevant authority) or the Articles of Incorporation or the share handling regulations of the Company:

- (i) as soon as practicable and in any event within 14 days after the Stock Acquisition Date, in accordance with the book-entry transfer system established pursuant to the Book-Entry Act, the Company shall issue and deliver the relevant Shares to the Custodian or its nominee at the account maintained with the Custodian’s Agent (as an Account Management Institution), and the Custodian’s Agent shall transfer the

relevant Shares to or to the order of the exercising Bondholder at such account maintained with an Account Management Institution in Japan as specified in the relevant Conversion Notice (unless the Company fails to make delivery thereof to the relevant account at the Custodian's Agent as aforesaid or such instruction given by the exercising Bondholder in the relevant Conversion Notice is inaccurate, incomplete or insufficient for the purposes of such transfer); and

- (ii) as soon as practicable, the Company shall deliver to the Custodian's Agent for the account of the Custodian or its nominee, securities (other than the Shares) required to be delivered upon such exercise of the Stock Acquisition Rights, if any, and the Custodian's Agent shall, according to the request made in the relevant Conversion Notice as soon as practicable, and in any event within 21 days after the Stock Acquisition Date, despatch or cause to be despatched to, or to the order of the person named for that purpose in the relevant Conversion Notice and at the place in Japan and in the manner specified in the relevant Conversion Notice (the expense and risk of despatch at any such place being that of the exercising Bondholder), any such securities (other than the Shares) required to be delivered upon exercise (unless the Company fails to make delivery thereof to the Custodian's Agent as aforesaid) and such assignments and other documents (if any) as may be required by law to effect the transfer thereof;

provided, however, that if such securities (other than the Shares) are subject to the book-entry transfer system established pursuant to the Book-Entry Act, such delivery or despatch will be implemented in accordance therewith.

*Any Conversion Notice transmitted electronically is not required to be endorsed and shall be processed in accordance with the operating procedures of the relevant clearing systems.*

- 5.9.6** *Amount of Stated Capital and Additional Paid-in Capital:* With effect as at the Stock Acquisition Date, one-half of the "maximum capital and other increase amount", as calculated pursuant to Article 17 of the Rules of Account Settlement of Corporations (Ordinance of Ministry of Justice No. 13 of 2006, as amended) in respect of such exercise (with any fraction of less than one yen being rounded up) shall be accounted for as stated capital, and the rest of such amount shall be accounted for as additional paid-in capital.

## **6 Certain Corporate Events**

### **6.1 Corporate Events**

In the case of a proposal for:

- (i) any Merger Event; or
- (ii) any Asset Transfer Event; or
- (iii) any Corporate Split Event; or
- (iv) any Holding Company Event; or
- (v) the passing of a resolution at a general meeting of shareholders of the Company (or, where such a resolution is not required, at a meeting of the Board of Directors of the Company or a determination of Representative Executive Officer, President and Chief Executive Officer of the Company) for any other corporate reorganisation procedure then provided for under Japanese law (the passing of any such resolution and any Merger Event, any Asset Transfer Event, any Corporate Split Event and any Holding Company Event being together referred to in these Conditions as a "Corporate Event") pursuant to which the obligations under the Bonds and/or the Stock Acquisition Rights are proposed to be transferred to or assumed by another entity (such other entity and any Merged Company, any Asset Transferee, any Corporate Split Counterparty and any Holding Company being together referred to as a "New Obligor"),

the following provisions of this Condition 6 shall apply.

### **6.2 Notice of Proposal**

The Company shall give notice to the Trustee in writing and to the Bondholders in accordance with Condition 19 of a proposed Corporate Event at the same time as it gives notice to the holders of

Shares (or, if no such notice is required or if a public announcement of such proposed Corporate Event is made on a date earlier than the date of such notice, promptly after the first public announcement of such proposed Corporate Event) and, as soon as practicable thereafter, of its proposals in relation to the Bonds (including the Stock Acquisition Rights). Such notice shall specify the anticipated Corporate Event Effective Date. If those proposals and/or that date have not been determined, the notice shall state that fact.

### **6.3 Notice of Passing of Resolution**

Upon the occurrence of a Corporate Event, the Company shall forthwith give a further notice to the Trustee in writing and to the Bondholders in accordance with Condition 19 of that fact, the Company's proposals in relation to the Bonds (including the Stock Acquisition Rights) and the anticipated effective date of the transaction, and, if such anticipated effective date or proposals are changed or fixed, a further notice to such effect shall be given in the same manner. The effective date of the transaction contemplated by the relevant Corporate Event is referred to herein as its "Corporate Event Effective Date".

### **6.4 Transfer of Obligations Following a Corporate Event**

**6.4.1** *Transfer:* If a Corporate Event occurs and

- (i) it is legally possible under then applicable laws (taking into account the then official or judicial interpretation or application of such laws) to effect substitution of the New Obligor for the Company and the grant of the New Stock Acquisition Rights in such a manner as set out in Conditions 6.5 and 12.2;
- (ii) a practical structure for such substitution and grant has been or can be established; and
- (iii) such substitution and grant can be consummated without the Company or the New Obligor incurring costs or expenses (including taxes) which are in the opinion of the Company unreasonable in the context of the entire transaction,

then the Company shall use its best endeavours to cause the New Obligor to be substituted as the principal obligor under the Bonds and the Trust Deed pursuant to Condition 12.2 and the Trust Deed and for the grant of the New Stock Acquisition Rights in relation to the Bonds in place of the Stock Acquisition Rights in the manner described in Condition 6.5. Such substitution and grant shall take effect on the relevant Corporate Event Effective Date, or, in the case of a Merger Event, a Holding Company Event or a Corporate Split Event where the Merged Company, the Holding Company or the Corporate Split Counterparty (as the case may be) is established on or immediately after the relevant Corporate Event Effective Date, as soon as practicable on or after, but in any event no later than 14 days after, the relevant Corporate Event Effective Date.

**6.4.2** *Listing:* In connection with the substitution and grant described in Condition 6.4.1, the Company shall also use its best endeavours to ensure that the shares of common stock of the New Obligor will be listed on any stock exchange in Japan or be quoted or dealt in on any securities market in Japan (such listing, quotation and dealing being hereinafter collectively referred to as "Listing") on the relevant Corporate Event Effective Date.

**6.4.3** *Condition:* The obligations of the Company pursuant to this Condition 6.4 shall not apply if the Company delivers a certificate to the Trustee pursuant to Condition 7.4(iv).

### **6.5 New Stock Acquisition Rights**

At the time of the substitution of (or assumption by) the New Obligor as principal obligor under Condition 12.2 and the Trust Deed, New Stock Acquisition Rights will be granted, in place of the Stock Acquisition Rights, to the Bondholders by the New Obligor, in accordance with the following terms:

**6.5.1** *Number of the New Stock Acquisition Rights to be Granted:* The number of New Stock Acquisition Rights to be granted will be equal to the number of the Stock Acquisition Rights incorporated in the Bonds outstanding immediately prior to the relevant Corporate Event Effective Date;

**6.5.2** *Class of Shares to be Issued or Transferred upon Exercise of the New Stock Acquisition Rights:* Upon exercise of the New Stock Acquisition Rights, shares of common stock of the New Obligor shall be issued or transferred;

**6.5.3** *Number of Shares to be Issued or Transferred upon Exercise of the New Stock Acquisition Rights:* The number of shares of the New Obligor to be issued or transferred upon exercise of the New Stock Acquisition Rights shall be determined by the New Obligor by reference to these Conditions taking into account the terms of the transaction contemplated under the relevant Corporate Event, and

- (i) in the case of a Merger Event or a Holding Company Event, the conversion price for the New Stock Acquisition Rights shall be such that the holder of a New Stock Acquisition Right would upon its exercise immediately after the Corporate Event Effective Date receive the number of shares of common stock of the New Obligor (the “Number of Deliverable Shares”) receivable upon the relevant Corporate Event by a holder of the number of Shares (such number being the “Number of Held Shares”) which a holder of a Stock Acquisition Right would have received had such Stock Acquisition Right been exercised immediately prior to the relevant Corporate Event Effective Date. If securities (other than shares of common stock of the New Obligor) or other property shall be delivered to such holder of the Number of Held Shares upon the taking effect of the Merger Event or the Holding Company Event (as the case may be), such number of shares of common stock of the New Obligor shall form part of the Number of Deliverable Shares as shall be calculated by dividing the fair market value of such securities or properties delivered to such holder of the Number of Held Shares by the New Obligor Current Market Price per Share, such fair market value to be determined by the Company, provided that in determining such fair market value, the Company shall, at its own expense, consult with an Independent Financial Adviser and shall take fully into account the advice of the Independent Financial Adviser; or
- (ii) in the case of any other Corporate Event, the conversion price for the New Stock Acquisition Rights shall be such that the holder of a New Stock Acquisition Right shall, upon its exercise immediately after the Corporate Event Effective Date, receive an equivalent economic interest to be determined by the Company as that which would have been received by a holder of the number of Shares which a holder of a Stock Acquisition Right would have received had such Stock Acquisition Right been exercised immediately before the relevant Corporate Event Effective Date, provided that, in determining such equivalent economic interest, the Company shall, at its own expense, consult with an Independent Financial Adviser and shall take fully into account the advice of such Independent Financial Adviser.

For the purpose of this Condition 6, the “New Obligor Current Market Price per Share” means (i) the average of the daily Closing Prices of the shares of common stock of the New Obligor for the 30 consecutive Trading Days commencing 45 Trading Days immediately before the relevant Corporate Event Effective Date, or (ii) if such market price shall not be available, such price as is determined by the Company, provided that in determining such price, the Company shall, at its own expense, consult with an Independent Financial Adviser and shall take fully into account the advice of such Independent Financial Adviser.

The conversion price for the New Stock Acquisition Rights shall be subject to adjustment which shall be as nearly equivalent as may be practicable to the adjustments provided in Condition 5.2;

**6.5.4** *Description of the Asset to be Contributed upon Exercise of the New Stock Acquisition Rights and the Amount or the Calculation Method Thereof:* Upon exercise of each New Stock Acquisition Right, the relevant Bond shall be deemed to be acquired by the New Obligor as a capital contribution in kind by the relevant Bondholder at the price equal to the principal amount of the Bond;

**6.5.5** *Exercise Period of the New Stock Acquisition Rights:* The New Stock Acquisition Rights may be exercised at any time during the period from, and including, the later of the relevant Corporate Event Effective Date or the date of implementation of the scheme described in Condition 6.4.1 up to, and including, the last day of the Exercise Period of the Stock Acquisition Rights;

- 6.5.6** Other Conditions for the Exercise of the New Stock Acquisition Rights: No New Stock Acquisition Right may be exercised in part;
- 6.5.7** *Amount of Stated Capital and Additional Paid-in Capital:* As at the date on which the exercise of a New Stock Acquisition Right becomes effective, one-half of the “maximum capital and other increase amount” as calculated pursuant to Article 17 of the Rules of Account Settlement of Corporations (Ordinance of Ministry of Justice No. 13 of 2006, as amended) in respect of such exercise (with any fraction of less than one yen being rounded up) shall be accounted for as stated capital, and the rest of such amount shall be accounted for as additional paid-in capital; and
- 6.5.8** *Others:* Fractions of a share of common stock of the New Obligor will not be issued upon exercise of the New Stock Acquisition Rights and no adjustment or cash payment will be made in respect thereof. The holder of each bond assumed (by way of substitution or otherwise only for the purposes of Japanese law), or bond provided, by the New Obligor may not transfer such bond separately from the New Stock Acquisition Rights. In cases where such restriction on transfer of the bond would not be effective under the then applicable law, a stock acquisition right incorporated in a bond equivalent to the Bond may be issued to the holder of each Bond outstanding immediately prior to the Corporate Event Effective Date in place of the Stock Acquisition Right and the Bond.

## **6.6 No Statutory Put Rights**

Each Bondholder by accepting or acquiring any Bond agrees that its remedies if a Corporate Event or a Squeezeout Event occurs shall not include any statutory rights provided by Japanese law to require the Company to repurchase such Bond at fair market value, such rights being waived to the fullest extent permitted by applicable law.

## **6.7 Subsequent Corporate Events**

The above provisions of this Condition 6 shall apply in the same way to any subsequent Corporate Events.

# **7 Redemption, Purchase and Cancellation**

## **7.1 Final Maturity**

Unless the Bonds have previously been redeemed or purchased and cancelled, or become due and repayable, and unless the Stock Acquisition Rights incorporated therein have previously been exercised (in each case as provided in these Conditions), the Company will redeem the Bonds at 100% of their principal amount, together with accrued interest, on July 15, 2031. The Bonds may not be redeemed at the option of the Company other than in accordance with this Condition 7.

## **7.2 Redemption at the Option of the Company upon Reduced Outstanding Amounts**

The Company may, but shall not be bound to, having given not less than 30 nor more than 60 days' prior notice (the “Clean-up Redemption Notice”) to the Bondholders in accordance with Condition 19 (which notice shall be irrevocable), redeem all, but not some only, of the Bonds then outstanding at 100% of their principal amount on the date fixed for such redemption in the Clean-up Redemption Notice, together with interest accrued pursuant to Condition 4 to (but excluding) the date fixed for such redemption and all Additional Amounts due on the Bonds (if any), if at any time prior to the date upon which the Clean-up Redemption Notice is first given, the outstanding principal amount of the Bonds is less than 10% of the aggregate principal amount of the Bonds as at the date of issue thereof.

## **7.3 Redemption for Taxation Reasons**

The Company may, but shall not be bound to, at any time, having given not less than 30 nor more than 60 days' prior notice (the “Tax Redemption Notice”) to the Bondholders in accordance with Condition 19 (which notice shall be irrevocable), redeem all, but not some only, of the Bonds then outstanding on the date fixed for redemption in the Tax Redemption Notice (the “Tax

Redemption Date”) at 100% of their principal amount, together with interest accrued pursuant to Condition 4 to (but excluding) the Tax Redemption Date, if the Company satisfies the Trustee immediately prior to the giving of the Tax Redemption Notice that (i) it has or will become obliged to pay Additional Amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after July 9, 2025 and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it; provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such Additional Amounts were a payment in respect of the Bonds then due. Prior to the giving of any Tax Redemption Notice, the Company shall deliver to the Trustee a certificate signed by a Representative Director or Authorised Officer stating that the obligation referred to in (i) above has arisen and cannot be avoided by the Company taking reasonable measures available to it and the Trustee shall be bound to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above, in which event it shall be conclusive and binding on the Bondholders and the Trustee, and the Trustee shall not be responsible or liable to any person for any loss occasioned by relying, acting and/or not acting based on such certificate. Upon the giving of the Tax Redemption Notice to the Bondholders, the Company shall be bound to redeem the Bonds then outstanding at 100% of their principal amount together with interest accrued as aforesaid on the Tax Redemption Date.

Notwithstanding the foregoing, if the Company shall have given a Tax Redemption Notice, and if the outstanding principal amount of the Bonds at the time when such Tax Redemption Notice is given is 10% or more of the aggregate principal amount of the Bonds as at the date of issue thereof, each holder of the Bonds will have the right to elect, and the Tax Redemption Notice shall state that such Bondholder will have the right to elect, that its Bonds should not be redeemed and that the provisions set forth in Condition 9 shall not apply in respect of payment of any amount to be made in respect of the Bonds which will fall after the Tax Redemption Date and payment of all amounts due on such Bonds thereafter shall be made subject to the withholding of, or deduction for or on account of, Japanese taxes, duties, assessments and governmental charges referred to in Condition 9. Such right of the Bondholder shall be exercised by the Bondholder giving notice to the Company in the form (for the time being current) obtainable from any Agent no later than 20 days prior to the Tax Redemption Date.

#### **7.4 Corporate Event Redemption**

Upon or following the occurrence of a Corporate Event, the Company shall give not less than 14 Tokyo Business Days’ prior notice to the Bondholders in accordance with Condition 19 to redeem all, but not some only, of the Bonds then outstanding at the Relevant Event Redemption Price per Bond (expressed in yen) determined in accordance with the provisions of Condition 7.7, on the date (the “Corporate Event Redemption Date”) specified for redemption in such notice (such Corporate Event Redemption Date shall be a date falling on or prior to the relevant Corporate Event Effective Date or, if such Corporate Event Effective Date occurs earlier than the 14<sup>th</sup> Tokyo Business Day from the date of occurrence of the Corporate Event, such Corporate Event Redemption Date shall be the 14<sup>th</sup> Tokyo Business Day from the date of the notice of such redemption, which notice shall be given as soon as practicable after the date of occurrence of the Corporate Event), together with interest accrued pursuant to Condition 4 to (but excluding) the Corporate Event Redemption Date and all Additional Amounts due on the Bonds (if any), if any of the following conditions is satisfied:

- (i) it is not legally possible under the then applicable laws (taking into account the then official or judicial interpretation or application of such laws) to effect a scheme provided for by Condition 6.4.1; or
- (ii) it is legally possible as aforesaid but, despite the Company using its best endeavours, the Company is not able to effect such a scheme in compliance with Condition 6.4.1; or
- (iii) despite the Company using its best endeavours pursuant to Condition 6.4.2, on (a) the date of occurrence of the relevant Corporate Event or (b) the 25<sup>th</sup> day prior to the relevant Corporate Event Effective Date, whichever occurs later, (x) no Listing has been obtained for the shares of common stock of the New Obligor, and (y) no confirmation has been obtained by the New Obligor from any stock exchange in Japan or the governing body of

any securities market in Japan that such Listing will be obtained on or prior to such Corporate Event Effective Date; or

- (iv) the Company has delivered to the Trustee, on or prior to the date of occurrence of the relevant Corporate Event, a certificate signed by a Representative Director or an Authorised Officer stating that the Company does not currently anticipate that a Listing will be obtained or maintained for the shares of common stock of the New Obligor on the relevant Corporate Event Effective Date for any reason stated in such certificate. The Trustee and the Bondholders shall be bound to accept such certificate as sufficient and conclusive evidence of the satisfaction of the condition set out in this Condition 7.4 and the Trustee shall not be responsible or liable to any person for any loss occasioned by relying, acting and/or not acting based on such certificate.

Any notice of redemption given under this Condition 7.4 shall be irrevocable and the Company shall be bound to redeem the Bonds in accordance with such notice even if (in the case of Condition 7.4(iii) or 7.4(iv) above) a Listing for the shares of common stock of the New Obligor is subsequently obtained.

## **7.5 Redemption on Delisting of the Shares**

### **7.5.1 Offers and Redemption: If**

- (i) any offer is made by a party or parties (the “Offeror”) other than the Company in accordance with the Financial Instruments and Exchange Act to all holders of Shares (or all such holders other than the Offeror and/or any company controlled by the Offeror and/or persons associated or acting in concert with the Offeror) to acquire all or a portion of the Shares;
- (ii) the Company expresses its opinion to support such offer in accordance with the Financial Instruments and Exchange Act;
- (iii) the Company or the Offeror states in the relevant tender offer registration statement or any amendment thereto, or otherwise publicly announces or admits, that the Shares may cease to be listed, quoted or dealt in on the Relevant Stock Exchange or may be disqualified from such listing, quotation or dealing, as a result of the acquisition of Shares pursuant to the offer (unless the Company or the Offeror publicly expresses its intention to use its best endeavours to continue such listing, quotation or dealing after such acquisition); and
- (iv) the Offeror acquires any Shares pursuant to the offer,

(the occurrence of items (i), (ii), (iii) and (iv) above together being a “Delisting Event”) then the Company shall give notice to the Bondholders in accordance with Condition 19, as soon as practicable but within 14 days after the date of acquisition of those Shares pursuant to the offer, to redeem all, but not some only, of the Bonds then outstanding at the Relevant Event Redemption Price per Bond (expressed in yen) determined in accordance with the provisions of Condition 7.7, on the date (the “Delisting Redemption Date”) specified for redemption in such notice (which shall be a date falling not earlier than 14 Tokyo Business Days, nor later than 30 Tokyo Business Days, from the date of such notice), together with interest accrued pursuant to Condition 4 to (but excluding) the Delisting Redemption Date and all Additional Amounts due on the Bonds (if any). The Trustee shall be entitled to assume, without being required to take any action and without liability, until it has written notice to the contrary that the Offeror has not so acquired any Shares.

- 7.5.2 Offer Followed by Corporate Event or Squeezeout Event:** Notwithstanding the above provisions of this Condition 7.5, if the Company or the Offeror states in the relevant tender offer registration statement or any amendment thereto, or otherwise publicly announces, that it intends to effect a Corporate Event or Squeezeout Event after the date of acquisition of any Shares pursuant to the offer, then the Company’s obligation to redeem the Bonds under this Condition 7.5 shall not apply (but, for the avoidance of doubt, the provisions of Conditions 6 and 7.4, or Condition 7.6, as the case may be, shall be applicable to such Corporate Event or Squeezeout Event, as the case may be) unless such Corporate Event or Squeezeout Event does not occur within 60 days after the date of such acquisition, in which case the Company shall give notice to the Bondholders in accordance with Condition 19, as

soon as practicable but within 14 days after the last day of such 60-day period, to redeem all, but not some only, of the Bonds then outstanding on the date (for the avoidance of doubt, the Delisting Redemption Date applicable to such redemption being such date) specified for redemption in such notice (which shall be a date falling not earlier than 14 Tokyo Business Days, nor later than 30 Tokyo Business Days, from the date of such notice) at the Relevant Event Redemption Price per Bond (expressed in yen) calculated in accordance with the provisions of Condition 7.7 (for the avoidance of doubt, “r” in the formula set out in Condition 7.7 being the number of days from and including such Delisting Redemption Date to but excluding the Maturity Date), together with interest accrued pursuant to Condition 4 to (but excluding) the Delisting Redemption Date and all Additional Amounts due on the Bonds (if any).

**7.5.3 Irrevocable Notice:** Any notice of redemption given under this Condition 7.5 shall be irrevocable and the Company shall be bound to redeem the Bonds in accordance with such notice.

**7.5.4 Notice to Bondholders:** Upon the occurrence of:

- (a) any of the events set out in (i) through (iv) of Condition 7.5.1; or
- (b) any of the events set out in Condition 7.5.2 which results in the cancellation or revival of the Company’s obligation to redeem the Bonds,

the Company shall as soon as practicable give notice thereof to the Trustee in writing and to the Bondholders in accordance with Condition 19.

## 7.6 Squeezeout Redemption

Upon the occurrence of a Squeezeout Event, the Company shall be required to give notice to the Bondholders in accordance with Condition 19 (which notice shall be irrevocable), as soon as practicable but within 14 days after the date on which the Squeezeout Event occurs, to redeem all, but not some only, of the Bonds then outstanding at the Relevant Event Redemption Price per Bond (expressed in yen) calculated in accordance with the provisions Condition 7.7, on the date (the “Squeezeout Redemption Date”) specified for redemption in such notice (which shall be a date falling not earlier than 14 Tokyo Business Days, nor later than 30 Tokyo Business Days, from the date of such notice and in any event before the effective date (the “Squeezeout Effective Date”) of the acquisition, sale or consolidation of the Shares with respect to the Squeezeout Event, as the case may be; provided however, that if the Squeezeout Effective Date falls earlier than 14 Tokyo Business Days from the date of such notice, the Squeezeout Redemption Date shall be accelerated to the extent necessary to ensure that it shall fall on a date earlier than the Squeezeout Effective Date), together with interest accrued pursuant to Condition 4 to (but excluding) the Squeezeout Redemption Date and all Additional Amounts due on the Bonds (if any).

## 7.7 Relevant Event Redemption Price

The Relevant Event Redemption Price per Bond for the purposes of Conditions 7.4, 7.5 and 7.6 shall be determined in accordance with the following formula:

$$\text{Relevant Event Redemption Price} = (OP - D) \times \frac{r}{t} + D$$

where:

D = ¥10,000,000.

OP = 102.5% x D

r = the number of days (i) in the case of a redemption following a Corporate Event, from and including the Corporate Event Redemption Date to but excluding the Maturity Date, (ii) in the case of a redemption following a Delisting Event, from and including the Delisting Redemption Date (or, if applicable, the Corporate Event Redemption Date which follows such Delisting Event) to but excluding the Maturity Date, and (iii) in the case of a redemption following a Squeezeout Event, from and including the Squeezeout Redemption Date to but excluding the Maturity Date.

t = the number of days from and including the Closing Date to but excluding the Maturity Date.

The amount calculated in accordance with the above formula shall be rounded to the nearest yen with five one-tenths or more of a yen to be considered a full yen.

*“D” is the denomination of each Bond and “OP” is the Offer Price of each Bond.*

## **7.8 Redemption at the Option of the Bondholders**

The holder of any Bond is entitled, at its option, to require the Company to redeem such Bond at 100% of its principal amount on July 17, 2029 (the “Bondholders’ Optional Redemption Date”), together with interest accrued pursuant to Condition 4 to but excluding the Bondholders’ Optional Redemption Date) and all Additional Amount due on the Bonds (if any). To exercise such option, the holder of such Bond shall complete, execute and deposit at the specified office of an Agent, at such Bondholder’s own expense, during normal business hours of such Agent, a notice of redemption in the form (for the time being current) obtainable from any Agent, together with the Certificate in respect of such Bond. Such notice of redemption must be given not less than 30 days nor more than 60 days prior to the Bondholders’ Optional Redemption Date. Such notice may only be withdrawn with the consent in writing of the Company; provided, however, that if, prior to the Bondholders’ Optional Redemption Date, the Bonds evidenced by any Certificate so deposited become immediately due and payable pursuant to Condition 10, or, upon due presentation of any Certificate on the Bondholders’ Optional Redemption Date, payment of the redemption moneys is improperly withheld or refused, such Certificate shall, without prejudice to the exercise of the option contained in this Condition 7.8, be returned to the relevant holder by uninsured first class mail (airmail if overseas) at the address specified by such holder in the relevant notice of redemption.

## **7.9 Purchase of Bonds by the Company**

Subject to the requirements (if any) of any stock exchange on which the Bonds may be listed at the relevant time, the Company and/or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise. Such Bonds may, at the option of the Company or the relevant Subsidiary, be held or resold. The Bonds so purchased, while held by or on behalf of the Company or any of its Subsidiaries, shall not entitle the Bondholder to vote at any meeting of Bondholders or otherwise to exercise any voting rights and shall be deemed not to be outstanding for the purpose of calculating the quorum at a meeting of Bondholders or for voting on any Extraordinary Resolution or for the purposes of these Conditions. Bonds that have been purchased by the Company may, at the option of the Company, be cancelled. Bonds that have been purchased by any Subsidiary may, at the option of such Subsidiary, be delivered to the Company for cancellation.

## **7.10 Cancellation**

All Bonds which are redeemed or with respect to which the Stock Acquisition Rights have been exercised shall forthwith be cancelled and such Bonds may not be reissued or resold. All Certificates in respect of Bonds so cancelled and Certificates in respect of Bonds purchased and cancelled pursuant to Condition 7.9 shall be forwarded to the Principal Agent for cancellation.

## **7.11 Notice of Redemption**

All notices to Bondholders given by or on behalf of the Company pursuant to this Condition 7 will specify the Conversion Price as at the date of the relevant notice, the Closing Price of the Shares as at the latest practicable date prior to the publication of the relevant notice, the applicable date fixed for redemption, the redemption price of the Bonds, the amount of accrued interest per Bond, the last day on which the Stock Acquisition Rights may be exercised and the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the relevant notice. No notice of redemption given under Condition 7.2 or 7.3 shall be effective if it specifies a date for redemption which falls during a period (a “Closed Period”) in which Stock Acquisition Rights may not be exercised pursuant to Condition 5.1.4(c) or within 15 days following the last day of a Closed Period.

## **7.12 Priorities among Redemption Provisions**

If any notice of redemption is given by the Company pursuant to any of Condition 7.2, 7.3, 7.4, 7.5 or 7.6, no other notice may be, or as the case may be, is required to be, given pursuant to any other of such Conditions, subject as provided in Condition 7.5.2 and except for such Bonds so elected by the relevant Bondholder not to be redeemed pursuant to Condition 7.3.

If (a) the Company becomes obliged to give notice of redemption pursuant to Condition 7.4 or 7.6, or (b) the events set out in (i) to (iv) of Condition 7.5.1 occur, then a notice pursuant to Condition 7.2 or 7.3 may not subsequently be given.

If the Company becomes obliged to redeem the Bonds pursuant to both Condition 7.5 and either Condition 7.4 or 7.6, the procedure pursuant to Condition 7.4 or 7.6, as the case may be, shall apply.

If any notice of redemption is given by the Company pursuant to any of Condition 7.2, 7.3, 7.4, 7.5 or 7.6, that notice shall take priority over a notice given by a Bondholder pursuant to Condition 7.8 (whether such notice is given before or after any notice of redemption being given by the Company pursuant to Condition 7.2, 7.3, 7.4, 7.5 or 7.6) so long as such notice by the Company is given prior to the Bondholders' Optional Redemption Date. If any notice of redemption is given by the Company pursuant to Condition 7.2, 7.3, 7.4, 7.5 or 7.6 after a notice of redemption is given by a Bondholder pursuant to Condition 7.8, the Certificate for the relevant Bond shall be deemed to have been surrendered for payment as provided in Condition 8 for the purpose of redemption under Condition 7.2, 7.3, 7.4, 7.5 or 7.6, as the case may be.

## **8 Payments**

### **8.1 Method of Payment**

Payments in respect of principal, interest and premium (if any) will be made (subject to surrender of the Certificates in respect of the relevant Bonds at any specified office outside Japan of the Registrar or any Agent, if no further payments are due in respect of the Bonds evidenced by the relevant Certificates) to the person shown on the Register at the close of business on the third Business Day in the place of the specified office of the Registrar and the Principal Agent before the due date for payment thereof (each an "Interest Record Date"), by transfer to its Registered Account. All payments are subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment but without prejudice to the provisions of Condition 9. If an amount which is due in respect of the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

"Registered Account" means a yen account maintained by the payee with a bank in Japan, details of which appear on the Register at the close of business on the third Business Day in the place of the specified office of the Registrar and the Principal Agent before the due date of payment.

### **8.2 Agents**

The initial Principal Agent and the initial Registrar and their respective initial specified offices are set out at the end of these Conditions. The Company reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of the Principal Agent, the Registrar or any other Agent and to appoint other or further Agents, provided that it will at all times maintain (i) a Principal Agent; (ii) a Registrar; (iii) an Agent having a specified office in Singapore, so long as the Bonds are listed on the Singapore Exchange Securities Trading Limited and the rules of that exchange so require; and (iv) such other agents as may be required by the rules of any stock exchange on which the Bonds are listed. Notice of any such termination or appointment and of any changes in the specified offices of the Principal Agent, the Registrar or any other Agent will be given to the Bondholders in accordance with Condition 19.

### **8.3 Payments on Payment Business Days**

If the due date for payment of any amount in respect of any Bond is not a Payment Business Day, then the holder of such Bond shall not be entitled to payment of the amount due until the next following Payment Business Day and no other payment will be made as a consequence of the day on which the relevant Bond may be presented for payment under this Condition 8.3 falling after the due date. "Payment Business Day" means any day on which banks are open for business in the place of the specified office of the Agent at which (where required) the Certificate is presented for payment and (in the case of payment by transfer to a Registered Account as referred to in Condition 8.1) on which dealings in foreign currency may be carried out both in Tokyo and in such place.

## 9 Taxation

All payments by the Company in respect of the Bonds, subject to Condition 7.3, will be made without withholding of, or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Japan, or any political subdivision or any authority thereof or therein having power to tax unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. If such withholding or deduction is so required, the Company will pay such additional amounts (“Additional Amounts”) as may be necessary in order that the net amounts received by the Bondholders after such withholding or deduction shall equal the amounts which would have been receivable in respect of the Bonds in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable with respect to any Bond:

- (i) to a Bondholder ((a) who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation or (b) who is an individual non-resident of Japan or a non-Japanese corporation having a special relationship as described in Article 6, Paragraph (4) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended) with the Company, or (c) who fails to comply with Japanese tax law requirements in respect of the exemption from such withholding or deduction, or (d) who is otherwise subject to such taxes, duties, assessments or governmental charges by reason of its being connected with Japan (including carrying on a business or maintaining a permanent establishment in Japan) otherwise than by reason only of the holding of any Bond or the receipt of payment in respect of any Bond; or
- (ii) in respect of which the relevant Certificate is presented for payment, more than 30 days after the Due Date (as defined below) except to the extent that the holder thereof would have been entitled to such Additional Amounts on presenting such Certificate for payment as at the expiry of such 30-day period.

If the Company becomes obliged to pay Additional Amounts in accordance with this Condition 9, then it will have the right to redeem the Bonds in accordance with and subject to Condition 7.3.

No Additional Amounts will be payable for or on account of any deduction or withholding from a payment on, or in respect of, any Bond where such deduction or withholding is imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, any regulation or agreement thereunder, any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions or any agreement with the U.S. Internal Revenue Service (“FATCA withholding”). Further, the Company will have no obligation to otherwise indemnify for any such FATCA withholding deducted or withheld by the Company, the Agents or any other party that is not an agent of the Company.

As used herein, the “Due Date” for any payment means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Agent or the Trustee on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect shall have been duly given to the Bondholders in accordance with Condition 19.

Any reference in these Conditions and the Trust Deed to principal, premium (if any) or interest in respect of the Bonds shall be deemed also to refer to any Additional Amounts which may be payable under this Condition 9 or any undertakings or covenants given in addition thereto or in substitution therefor pursuant to the Trust Deed.

## 10 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall, subject in each case to its being indemnified and/or secured and/or prefunded to its satisfaction, give notice in writing to the Company that the Bonds are due and repayable at their principal amount together with accrued interest (if any) to the date of payment on the occurrence of any of the following events:

- 10.1** *Non-Payment*: the Company defaults in the payment of (a) principal of any of the Bonds under Condition 7.3 or 7.8 as and when the same shall become due and payable or (B) interest on any Bonds, and such default is not remedied within seven days; or

- 10.2** *Breach of Obligations*: the Company defaults in the performance or observance of any covenant, condition or provision contained in the Trust Deed or in the Bonds and on its part to be performed or observed (other than the covenant to make payments in respect of any of the Bonds), which default is, in the opinion of the Trustee, incapable of remedy, or if, in the opinion of the Trustee, capable of remedy, is not remedied within 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Company of notice requiring such default to be remedied; or
- 10.3** *Cross Default on Indebtedness*: the obligation to repay any indebtedness for money borrowed by the Company or any Principal Subsidiary and having an aggregate outstanding principal amount of at least \$100,000,000 (or its equivalent in any other currency or currencies as determined in accordance with this Condition 10) is accelerated or capable of being accelerated prior to its stated maturity as a result of a default in respect of the terms thereof, or any such indebtedness due (on demand or otherwise) having an aggregate outstanding principal amount of at least \$100,000,000 (or its equivalent in any other currency or currencies as determined in accordance with this Condition 10) is not paid when due (on demand or otherwise) (or at the expiration of any applicable grace period as originally provided); or
- 10.4** *Cross Default on Guarantee/Indemnity*: the Company or any Principal Subsidiary fails to pay or otherwise defaults in making any payment due under any guarantee and/or any indemnity given by it in respect of any obligation or indebtedness for money borrowed having an aggregate outstanding principal amount of at least \$100,000,000 (or its equivalent in any other currency or currencies as determined in accordance with this Condition 10); or
- 10.5** *Initiation of Insolvency Proceedings*: proceedings shall have been initiated against the Company or any Principal Subsidiary seeking with respect to the Company or any Principal Subsidiary a decree of commencement of bankruptcy, reorganisation, rehabilitation or special liquidation procedures or adjustment under the Bankruptcy Act, the Corporate Reorganisation Act, the Civil Rehabilitation Act, the Companies Act or any other similar applicable law of Japan or any other jurisdiction and such proceedings shall not have been discharged or stayed within a period of 60 days; or
- 10.6** *Decree of Insolvency/Dissolution*: a final decree or order is made or issued by a court of competent jurisdiction adjudicating the Company or any Principal Subsidiary bankrupt or insolvent, or approving a petition seeking with respect to the Company or any Principal Subsidiary a decree of commencement of bankruptcy, reorganisation, rehabilitation or special liquidation procedures or adjustment under the Bankruptcy Act, the Corporate Reorganisation Act, the Civil Rehabilitation Act, the Companies Act or any other similar applicable law of Japan or any other jurisdiction or a final decree or order is made or issued by a court of competent jurisdiction for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Company or any Principal Subsidiary or of all or (in the opinion of the Trustee) any material part of the property of any of them, or for the winding-up, dissolution or liquidation of the Company or any Principal Subsidiary in its bankruptcy or insolvency; or
- 10.7** *Resolution for Dissolution*: a resolution is passed for the winding-up, dissolution or liquidation of the Company or any Principal Subsidiary except:
- 10.7.1** (in the case of the Company) in connection with or in pursuance of a merger, consolidation, amalgamation, reorganisation or reconstruction (including the Company becoming, or becoming a subsidiary of, a holding company) upon which (a) the continuing corporation or the corporation formed thereby effectively assumes (as a matter of English law) the entire obligations of the Company under the Trust Deed and the Bonds (and Condition 6.4 is satisfied) or (b) the Bonds are to be redeemed pursuant to Condition 7.4, 7.5 or 7.6 prior to the date or proposed date of such winding-up, dissolution or liquidation, or, (in the case of a Principal Subsidiary) where the undertaking, business and assets of such Principal Subsidiary are transferred or are otherwise vested in, or the proceeds of sale are received by, the Company or any other Subsidiary of the Company or Holding Company, in any such case, in proportion to the ownership interest held by the Company, such other Subsidiary or the Holding Company (as the case may be) in the relevant Principal Subsidiary; or

**10.7.2** if the terms have previously been approved by the Trustee in writing or by an Extraordinary Resolution; or

**10.8** *Institution of Insolvency Proceedings*: the Company or any Principal Subsidiary institutes proceedings seeking with respect to itself adjudication of bankruptcy or a decree of commencement of bankruptcy, reorganisation, rehabilitation or special liquidation procedures or adjustment under the Bankruptcy Act, the Corporate Reorganisation Act, the Civil Rehabilitation Act, the Companies Act or any other similar applicable law of Japan or any other jurisdiction, or consents to the institution of any such proceedings, or consents to, or acquiesces in, the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of all or (in the opinion of the Trustee) any material part of its property, or makes a general assignment for the benefit of its creditors; or

**10.9** *Stoppage of Payment*: the Company or any Principal Subsidiary stops payment (within the meaning of the Bankruptcy Act or any applicable law of any other jurisdiction); or

**10.10** *Cessation of Business*: the Company or any Principal Subsidiary ceases, or through an official action of its Board of Directors threatens to cease to carry on business, except:

**10.10.1** (in the case of the Company) in connection with or in pursuance of a merger, consolidation, amalgamation, reorganisation or reconstruction (including the Company becoming, or becoming a subsidiary of, a holding company) upon which (a) the continuing corporation or the corporation formed thereby effectively assumes (as a matter of English law) the entire obligations of the Company under the Trust Deed and the Bonds (and Condition 6.4 is satisfied) or (b) the Bonds are to be redeemed pursuant to Condition 7.4, 7.5 or 7.6 prior to the date or proposed date of such cessation of business, or (in the case of a Principal Subsidiary) where the undertaking, business and assets of such Principal Subsidiary are transferred or are otherwise vested in, or the proceeds of sale are received by, the Company or any other Subsidiary of the Company or Holding Company, in any such case, in proportion to the ownership interest held by the Company, such other Subsidiary or Holding Company (as the case may be) in the relevant Principal Subsidiary; or

**10.10.2** the terms have previously been approved by the Trustee in writing or by an Extraordinary Resolution; or

**10.11** *Encumbrancer*: any encumbrancer takes possession of the whole or (in the opinion of the Trustee) any material part of the assets or undertakings of the Company or any Principal Subsidiary or a distress, execution or other similar process is levied or enforced upon or sued out against the whole or (in the opinion of the Trustee) any material part of the assets of the Company or any Principal Subsidiary and is not removed, discharged or paid out within 60 days;

and, in the case of any of the events described in Condition 10.2 and (if the events relate only to a Principal Subsidiary) Conditions 10.5, 10.6, 10.7, 10.8, 10.9 and 10.10, the Trustee shall have certified in writing to the Company that the event is, in its opinion, materially prejudicial to the interests of the Bondholders. The Trustee, in forming any opinion or in making any determination under or required or contemplated by this Condition 10, may exercise any or all of the rights, powers and discretions vested in it under and in accordance with the Trust Deed and applicable law and may also seek instructions or directions from the Bondholders.

For the purposes of Conditions 10.3 and 10.4, any indebtedness which is in a currency other than yen may be translated into yen at the spot rate for the sale of relevant currency against the purchase of yen quoted by any leading bank selected in its sole discretion by the Trustee on any day when the Trustee requests such a quotation for such purpose.

Upon any such notice being given to the Company, the Bonds shall immediately become due and repayable at 100% of their principal amount (together with premium, if any, and interest) as provided in the Trust Deed.

## **11 Undertakings**

### **11.1 Undertakings with Respect to the Stock Acquisition Rights**

While any Stock Acquisition Rights are, or are capable of being, exercisable, the Company will, save with the approval of an Extraordinary Resolution or with the prior written approval of the

Trustee where, in the opinion of the Trustee, it is not materially prejudicial to the interests of the Bondholders to give such approval:

- 11.1.1** *Shares*: issue, register and deliver Shares upon exercise of Stock Acquisition Rights in accordance with these Conditions, and keep available free from pre-emptive or other rights for the purpose of effecting the exercise of the Stock Acquisition Rights such number of its Shares (whether authorised and unissued or in issue and held in treasury) as would be required to be delivered upon exercise of all of the Stock Acquisition Rights outstanding from time to time and will ensure that all Shares delivered upon exercise of the Stock Acquisition Rights pursuant to these Conditions will be duly and validly issued and fully-paid and non-assessable;
- 11.1.2** *Transfers*: not close its register of shareholders or take any action which prevents the transfer of its Shares generally unless, under Japanese law and the Articles of Incorporation as then in effect, the Stock Acquisition Rights may be exercised legally for Shares and the Shares issued upon exercise of the Stock Acquisition Rights, if any, may (subject to any limitation imposed by law) be transferred (as between transferor and transferee although not as against the Company) at all times while such action is effective, nor take any action which prevents exercise of the Stock Acquisition Rights or the issue or transfer of Shares in respect thereof, except as permitted under Condition 5.1.4;
- 11.1.3** *Financial Year and Record Date*: give notice to the Bondholders in accordance with Condition 19 as soon as practicable after it effects any change in its financial year or in the Record Date (including the setting of new Record Dates) for the payment of any cash dividend;
- 11.1.4** *Listing*: use its best endeavours to obtain and maintain the listing, quotation or dealing in on the Relevant Stock Exchange for the Shares or, if it is unable to do so having used such best endeavours, use its best endeavours to obtain and maintain the listing, quotation or dealing in of the Shares on such other stock exchange or securities market in Japan as the Company may from time to time reasonably determine and give notice of the identity of such stock exchange or securities market to the Bondholders in accordance with Condition 19; provided that, (i) so long as the Company is not in breach of its obligations under Condition 6 in the case of any Corporate Event where the obligations under the Bonds and/or Stock Acquisition Rights are proposed to be transferred to or assumed by a New Obligor, then the Shares may be delisted with effect from the date falling no earlier than 30 days prior to the relevant Corporate Event Effective Date or such earlier date as may be determined by the Relevant Stock Exchange and (unless shares of common stock of the New Obligor are then listed or quoted or dealt in on any stock exchange or securities market) the Company shall use its best endeavours to cause the obtaining of a listing, quotation or dealing in of the shares of common stock of the New Obligor on any stock exchange or securities market in Japan, and (ii) the Company's obligations under this Condition 11.1.4 shall not apply if the Bonds are to be redeemed under Condition 7.4, 7.5 or 7.6 (for the avoidance of doubt, the provisions of this Condition 11.1.4 shall not prevent the Company from (x) delivering a certificate to the Trustee, as provided in Condition 7.4(iv), (y) taking any action provided in items (ii) and (iii) of Condition 7.5.1, or (z) proposing an amendment to the Articles of Incorporation for transforming the Shares into callable shares (*zenbushutokujoko tsuki shuruikabushiki*), approving a request by the Controlling Shareholder that the other shareholders of the Company (other than the Company and, if the Controlling Shareholder so determines, the Controlling Shareholder's wholly-owned subsidiaries) sell to the Controlling Shareholder all of the shares of the Company held by them (*kabushikitou uriwatashi seikyu*), proposing a consolidation of Shares (*kabushiki no heigo*) after which the Shares are expected to cease to be listed, quoted or dealt in on the Relevant Stock Exchange or to be disqualified from such listing, quotation or dealing, or announcing or admitting that the Shares may cease to be listed, quoted or dealt in on the Relevant Stock Exchange or be disqualified from such listing, quotation or dealing after the acquisition or consolidation of Shares pursuant to a Squeezeout Event, as the case may be);
- 11.1.5** *Other Securities*: procure that no securities of the Company convertible into, or exchangeable for, by their terms, Shares are, without the prior written consent of the Trustee (and in compliance with the conditions attached to such consent, if any), converted into or exchanged for Shares and that no rights or warrants to subscribe for, purchase or

otherwise acquire Shares are, without the prior written consent of the Trustee (and in compliance with the conditions attached to such consent, if any), exercised otherwise than, in each case, in accordance with the terms of issue thereof (for the avoidance of doubt, such terms may be amended as a result of any change in or bringing into force of Japanese law, including but not limited to certain tax qualification requirements relating to incentive stock options);

**11.1.6** *Capital*: not create or issue any class of share capital other than the Shares, without giving notice to the Bondholders in accordance with Condition 19, at least 14 days prior to the date of such creation or issue;

**11.1.7** *Limitation on Reduction of Conversion Price*: not take any action which would result in an adjustment of the Conversion Price if, after giving effect thereto, the Conversion Price would (but for the provisions of Condition 5.4) be decreased to such an extent that the Shares to be acquired on exercise of the Stock Acquisition Right could not, under any applicable law then in effect, be legally issued as fully-paid and non-assessable;

**11.1.8** *Corporate Event*: if a Corporate Event occurs, use its best endeavours to obtain all consents which may be necessary or appropriate under Japanese law to enable the relevant company to give effect to the relevant arrangement, and to take all other action, as required by Condition 6 in a timely manner (unless, for the avoidance of doubt, the Bonds are to be redeemed pursuant to Condition 7.4 or 7.5); and

**11.1.9** *Consents*: obtain and maintain all consents, clearances, approvals, authorisations, orders, registrations or qualifications (if any) required to be obtained or maintained by the Company on exercise of the Stock Acquisition Rights.

The Trust Deed contains certain other undertakings in relation to the Bonds and the Stock Acquisition Rights.

## **11.2 Charges**

Except as otherwise provided in Condition 5.9, the Company will pay all charges of the Trustee, the Principal Agent, the Registrar, the other Agents, the Custodian and the Custodian's Agent (including the cost of providing notices) and all issue, transfer and other similar taxes payable with respect to the deposit of Bonds pursuant to Condition 5.9.3, and the issue and delivery of Shares and the delivery of any other securities pursuant to Condition 5.9.5 following such deposit.

## **12 Substitution**

### **12.1 Substitution other than under a Corporate Event**

The Trustee may, without the consent of the Bondholders, agree with the Company to the substitution in place of the Company (or any previous substitute under this Condition 12) as the principal obligor under the Bonds and the Trust Deed of any Subsidiary of the Company subject to (i) the Bonds continuing to be convertible into Shares as provided in these Conditions, with such amendments as the Trustee shall consider appropriate, (ii) the Trustee being satisfied that the interests of the Bondholders will not be materially prejudiced by the substitution, and (iii) satisfaction of such other conditions as are set out in the Trust Deed. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders, to a change of the law governing the Bonds and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders. Any such substitution shall be binding on the Bondholders and shall be notified promptly to the Bondholders in accordance with Condition 19.

When determining pursuant to these Conditions whether an event or circumstance is materially prejudicial to the interests of the Bondholders, the Trustee may obtain such directions from Bondholders and/or expert advice as it considers appropriate and rely thereon without responsibility or liability to the Bondholders or any person for any delay occasioned by so doing.

*Further conditions to such substitution are set out in the Trust Deed.*

### **12.2 Substitution under a Corporate Event**

Prior to a Corporate Event Effective Date, the Trustee may, if so requested by the Company, agree with the Company, without the consent of Bondholders, to the substitution in place of the Company

of the New Obligor subject to a trust deed supplemental to the Trust Deed (which shall include the provisions described below), providing that the Company's obligations under the Bonds and the Trust Deed shall be assumed by the New Obligor by way of substitution (which, for the purposes of Japanese law, may be deemed to be a transfer or assumption of such obligations to or by the New Obligor), and that the New Obligor shall grant stock acquisition rights (the "New Stock Acquisition Rights") to all holders of the Bonds then outstanding, in place of the Stock Acquisition Rights incorporated in the Bonds held by them, being executed on or prior to the relevant Corporate Event Effective Date or (in the case of a Merger Event, a Holding Company Event or a Corporate Split Event where the Merged Company, the Holding Company or the Corporate Split Counterparty (as the case may be) is established on or immediately after the relevant Corporate Event Effective Date) within 14 days after the relevant Corporate Event Effective Date. The Trustee may enter into such supplemental trust deed without consent of Bondholders only if:

- (i) under such supplemental trust deed, the New Obligor agrees, in form and manner satisfactory to the Trustee, to be bound by the Trust Deed and the Bonds (with consequential amendments as the Trustee may deem appropriate) with effect (as specified in this Condition 12.2) as if the New Obligor had been named in the Trust Deed and the Bonds as the principal obligor in place of the Company and providing that the holders of the Bonds then outstanding shall be granted New Stock Acquisition Rights;
- (ii) except in the case of a Merger Event, pursuant to such supplemental trust deed the Company guarantees, in a form and manner satisfactory to the Trustee, the payment obligations of the New Obligor under the Trust Deed and the Bonds with effect as specified in this Condition 12.2, provided that no such guarantee will be required if the Company determines and has delivered to the Trustee no later than 10 calendar days prior to the relevant Corporate Event Effective Date a certificate of the Company signed by a Representative Director of the Company that, as at the Corporate Event Effective Date, any rating which would be assigned to the New Obligor's long-term unsecured and unsubordinated debt is unlikely to be lower than the rating then currently assigned to the Company's long-term, unsecured and unsubordinated debt and which certificate the Trustee shall be entitled to rely upon without further investigation and without incurring any liability to any person for doing so. In making this determination, the Company shall consult an Independent Financial Adviser and shall take fully into account the advice of such Independent Financial Adviser;
- (iii) if the New Obligor is subject generally to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the "New Territory") other than the territory to the taxing jurisdiction of which (or to any such authority of or in which) the Company is subject generally (the "Company's Territory"), the New Obligor will give to the Trustee an undertaking satisfactory to the Trustee in terms corresponding to Condition 9 with the substitution for, or addition to, in relation to the New Obligor, references in Condition 9 to the Company's Territory of references to the New Territory whereupon the Trust Deed and the Bonds will be read accordingly, and corresponding amendments shall be made to Condition 7.3 in relation to payment of Additional Amounts by the New Obligor (and/or the guarantor, if any);
- (iv) a Representative Director of the New Obligor certifies that the New Obligor will be solvent immediately after such substitution (if the Trustee receives such certification, the Trustee need not have regard to the New Obligor's financial condition, profits or prospects or compare them with those of the Company);
- (v) the Company shall have certified (by a certificate of a Representative Director) to the Trustee that the New Stock Acquisition Rights satisfy the provisions of Condition 6.5;
- (vi) the Company and the New Obligor comply with such other requirements as the Trustee may direct in the interests of the Bondholders; and
- (vii) such substitution and grant of the New Stock Acquisition Rights become effective on the Corporate Event Effective Date (or in the case of a Merger Event, a Holding Company Event or a Corporate Split Event where the Merged Company, the Holding Company or the Corporate Split Counterparty (as the case may be) is established on or immediately after the relevant Corporate Event Effective Date, within 14 days after the relevant Corporate Event Effective Date).

### **12.3 Release of Obligations**

An agreement by the Trustee pursuant to Condition 12.2 will (except in respect of any guarantee under Condition 12.2), if so expressed, release the Company (or a previous substitute) from any or all of its obligations under the Trust Deed and the Bonds.

### **12.4 Deemed Amendment**

On completion of the formalities set out in Condition 12.2, the New Obligor will be deemed to be named in the Trust Deed and the Bonds as the principal obligor in place of the Company (or of any previous substitute) and the Trust Deed and the Bonds will be deemed to be amended as necessary to give effect to the substitution. In particular and without limitation:

- (i) the terms “Stock Acquisition Rights” and “Shares” shall, where the context so requires, include the New Stock Acquisition Rights and shares of common stock to be issued by the New Obligor; and
- (ii) references to the Company in Condition 10, in the definition of Principal Subsidiary and in the Trust Deed shall also include any guarantor pursuant to Condition 12.2(ii) except where the context requires otherwise.

## **13 Prescription**

Claims in respect of the Bonds will become void unless made within the period of 10 years (in the case of principal and, if any, premium) or five years (in the case of interest) from the Due Date for the payment thereof.

## **14 Replacement of Certificates**

Should any Certificate be lost, stolen, destroyed, mutilated or defaced, it may be replaced at the specified office of the Principal Agent upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Company may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

## **15 Meetings of Bondholders; Modification and Waiver**

### **15.1 Meetings of Bondholders**

The Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including the sanctioning by an Extraordinary Resolution of a modification of any provision of these Conditions or of the Trust Deed. The quorum for any such meeting convened to consider any matter requiring an Extraordinary Resolution shall be two or more persons holding or representing not less than 50% in principal amount of the Bonds for the time being outstanding, or for any adjourned meeting two or more persons being or representing Bondholders (whatever the principal amount of Bonds held or represented) except that at any meeting the business of which includes the modification of certain provisions of the Bonds or of the Trust Deed (including, *inter alia*, modifying the date of maturity of the Bonds or the date for payment of interest on the Bonds, reducing or cancelling the principal amount of, or any premium payable in respect of, the Bonds, modifying the method or basis of calculating the rate or amount of interest in respect of the Bonds, altering the currency of payment of the Bonds or (to the extent permitted by applicable law) abrogating or modifying any Stock Acquisition Right), the necessary quorum for passing an Extraordinary Resolution shall be two or more persons holding or representing not less than 75%, or at any adjourned such meeting not less than 50%, in principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders, whether present or not.

Notwithstanding the above provisions, any resolution in writing signed by or on behalf of the holders of not less than 90% in principal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of such Bondholders duly convened and held in accordance with the provisions contained in these Conditions and in the Trust Deed. Any resolution in writing may be contained in one document or in several documents in like

form each signed by or on behalf of one or more of the Bondholders. A meeting of Bondholders may be held physically, virtually or in a hybrid format in accordance with the procedures set out in the Trust Deed.

## **15.2 Modification and Waiver**

The Trustee may, without the consent of the Bondholders, agree to any modification (except as aforesaid and as set out in the Trust Deed) of the Trust Deed or the Bonds (including these Conditions) or to any waiver or authorisation of any breach, continuing breach or potential breach by the Company of the provisions of the Trust Deed or the Bonds or determine that any Event of Default shall not be treated as such which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Bondholders or to any modification of the Trust Deed or the Bonds (including these Conditions) which is, in the opinion of the Trustee, of a formal, minor or technical nature or which is made to correct a manifest error or is necessary in order to comply with mandatory provisions of Japanese law or pursuant to Condition 6 or 12. Any such modification, waiver, authorisation or determination shall be binding on the Bondholders and shall be notified to the Bondholders in accordance with Condition 19 as soon as practicable thereafter.

If there is a change to the mandatory provisions of (i) Japanese law which in the reasonable opinion of the Company after obtaining advice from legal advisers (evidenced by (a) a certificate of a Representative Director or an Authorised Officer and (b) an opinion addressed and delivered to the Trustee in a form satisfactory to it of independent legal counsel of recognised standing confirming that such change has occurred) would make it necessary to amend and/or supplement the provisions of Conditions 1.1, 1.5, 5, 6, 7.4 and/or 7.6 or (ii) the Financial Instruments and Exchange Act which in the reasonable opinion of the Company (evidenced by (a) a certificate of a Representative Director or Authorised Officer and (b) an opinion addressed and delivered to the Trustee in a form satisfactory to it of independent legal counsel of recognised standing confirming that such change has occurred) would make it necessary to amend and/or supplement the provisions of Condition 7.5, the relevant Conditions shall be amended and/or supplemented to reflect that change by means of a trust deed supplemental to the Trust Deed. The Trustee (unless in its sole opinion such supplemental trust deed (i) imposes obligations, responsibilities or liabilities on it which are greater than those it has as Trustee under the Trust Deed or (ii) decreases the protections it has as Trustee under the Trust Deed) shall be obliged (subject to being indemnified and/or secured and/or prefunded by the Company to its satisfaction) to enter into such supplemental trust deed (in a form and substance satisfactory to it) to effect such change (even if, in the opinion of the Trustee, that change may be materially prejudicial to the interests of the Bondholders) without the consent of the Bondholders, but the Trustee shall have no responsibility or liability to any person for so doing and may rely on any opinion or any certificate of a Representative Director or Authorised Officer provided pursuant to this Condition 15.2 without liability to any person and without further investigation. The Company shall forthwith give notice to the Bondholders following the execution of any such supplemental trust deed in accordance with Condition 19.

## **15.3 Entitlement of the Trustee**

In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in these Conditions), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the interests of individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Company any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

## **15.4 Authority to the Trustee**

To the fullest extent permitted by applicable law, by acquiring a Bond, the Bondholder irrevocably authorises and instructs the Trustee (without its direction whether by Extraordinary Resolution or otherwise) to take any action, step or proceeding before a Japanese court on behalf of and in the name of the Bondholder which the Trustee considers to be necessary or desirable in the interests of the Bondholders. The Trustee shall not be bound to take any such action, step or proceeding unless (a) so directed by an Extraordinary Resolution or so requested in writing by holders of at least

one-quarter in principal amount of Bonds then outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction, and shall incur no liability in taking or refraining from taking such action, step or proceeding. The Trustee shall not take any action, step or proceeding on behalf of a Bondholder in respect of the statutory rights referred to in Condition 6.6, such rights having been irrevocably waived by the Bondholder to the fullest extent permitted by applicable law.

## **16 Enforcement**

At any time after the Bonds shall have become due and repayable, the Trustee may, at its absolute discretion and without further notice, take such proceedings, actions or steps against the Company as it may think fit to enforce repayment of the Bonds, together with accrued interest, pursuant to Condition 4 and to enforce the provisions of the Trust Deed and the Bonds, but it shall not be bound to take any such proceedings, actions or steps unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder shall be entitled to proceed directly against the Company unless the Trustee, having become bound so to proceed, fails or is unable to do so within a reasonable time following such direction or request or provision of indemnity and/or security and/or prefunding (whichever is the latest) and such failure or inability shall be continuing.

## **17 Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings, actions or steps to enforce the provisions of the Trust Deed or the terms of the Bonds. The Trustee is entitled to enter into business transactions with the Company or any person or body corporate associated with the Company without accounting for any profit resulting therefrom.

The Trustee may rely without liability to Bondholders on any certificate or report prepared by the Auditors or any Independent Financial Adviser or other expert pursuant to these Conditions and/or the Trust Deed, whether or not addressed to the Trustee and whether or not the liability of the Auditors or the Independent Financial Adviser or such other expert (as the case may be) in respect thereof is limited by a monetary cap or otherwise; any such certificate or report shall be conclusive and binding on the Company, the Trustee, and the Bondholders.

## **18 Independent Financial Adviser**

If any doubt shall arise as to the appropriate adjustment to the Conversion Price or in relation to any other matter which is reserved in these Conditions for a decision of an Independent Financial Adviser, a written opinion of such Independent Financial Adviser in respect of such adjustment to the Conversion Price or other matter shall be conclusive and binding on the Company, the Trustee and the Bondholders in the absence of manifest error.

If the Company shall fail to appoint an Independent Financial Adviser when required to do so and such failure continues for a reasonable period (as determined by the Trustee in its absolute discretion) and the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against the costs, fees and expenses of such Independent Financial Adviser or otherwise in connection with such appointment, the Trustee shall have the power, but shall not be obliged, to make such appointment in its absolute discretion and without liability for so doing or not doing, following notification to the Company, in which case such Independent Financial Adviser shall be deemed to have been appointed by the Company.

## **19 Notices**

All notices to the Bondholders will be valid if mailed to them at their respective addresses in the Register and published in a leading newspaper having general circulation in London (which is expected to be the Financial Times). If publication in any of such newspapers is not practicable, notices will be given in such other newspaper or newspapers as the Company, with the approval of the Trustee, shall determine. Such notices shall be deemed to have been given on the later of (i) the date of their publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which publication is required and (ii) the seventh day after being so mailed.

*So long as the Bonds are evidenced by the Global Certificate and such Bonds are held on behalf of a clearing system, notices to Bondholders shall be given by delivery of the relevant notice to the relevant clearing system for communication by it to entitled accountholders in substitution for mailing and publication required by the Conditions.*

## **20 Contracts (Rights of Third Parties) Act 1999**

Except as provided herein, no person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

## **21 Governing Law and Submission to Jurisdiction**

### **21.1 Governing Law**

The Trust Deed, the Agency Agreement and the Bonds, and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

### **21.2 Jurisdiction**

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or the Bonds (“Proceedings”) may be brought in such courts. The Company has in the Trust Deed submitted to the jurisdiction of such courts and has waived any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission has been made for the benefit of the Trustee and each of the Bondholders and shall not limit the right of any of them to take Proceedings against the Company in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

### **21.3 Agent for Service of Process**

The Company has irrevocably appointed Cogency Global (UK) Limited as its agent in England to receive service of process in any Proceedings in England. If for any reason Cogency Global (UK) Limited ceases to be able to act as such or no longer has an address in England, the Company irrevocably agrees to appoint a substitute process agent acceptable to the Trustee and shall immediately notify the Trustee of such appointment. Nothing herein or in the Trust Deed shall affect the right to serve process in any other manner permitted by law.

## SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

*The Trust Deed and Global Certificate contain provisions which apply to the Bonds in respect of which the Global Certificate is issued, some of which modify the effect of the Conditions set out in this offering circular. Terms defined in the Conditions have the same meanings in the paragraphs below. The following is a summary of those provisions:*

### Notices

So long as the Bonds are evidenced by the Global Certificate and the Global Certificate is registered in the name of a nominee on behalf of Euroclear and/or Clearstream, Luxembourg or any other clearing system as shall have been approved in writing by the Trustee (the “Alternative Clearing System”), notices to Bondholders shall be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg or, as the case may be the Alternative Clearing System, for communication by it to entitled accountholders in substitution for publication and mailing as required by the Conditions. Such notices shall be deemed to have been given in accordance with the Conditions on the date of delivery to Euroclear and/or Clearstream, Luxembourg or, as the case may be the Alternative Clearing System.

### Meetings

The registered holder of the Bonds (or any proxy or representative appointed by it) in respect of which the Global Certificate is issued shall (unless the Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each Bond in respect of which the Global Certificate is issued. The Trustee may allow any accountholder (or the representative of such person) of a clearing system entitled to Bonds in respect of which the Global Certificate has been issued to attend and speak (but not to vote) at a meeting of Bondholders on appropriate proof of his identity.

### Exercise of Stock Acquisition Rights

Subject to the requirements of Euroclear and/or Clearstream, Luxembourg, the Stock Acquisition Right incorporated in a Bond in respect of which the Global Certificate is issued may be exercised by the transmission in electronic form to any Agent of one or more Conversion Notices duly completed by, or on behalf of, an accountholder in such system with an entitlement to such Bond and otherwise in accordance with the procedures of Euroclear and/or Clearstream, Luxembourg. Deposit of the Global Certificate with an Agent together with the relevant Conversion Notice shall not be required. The exercise of the Stock Acquisition Right shall be notified by the Agent to the Registrar and the holder of the Global Certificate.

### Payments

Payments of principal, interest and premium (if any) and any other amount in respect of Bonds evidenced by the Global Certificate shall be made against presentation of, or, if no further payment falls to be made in respect of such Bonds, against presentation and surrender of, the Global Certificate to or to the order of the Principal Agent or such other Agent as shall have been notified to the Bondholders for such purpose.

Each payment will be made to, or to the order of, the person whose name is entered in the Register on the close of business on the Clearing System Business Day immediately prior to the date of payment, where “Clearing System Business Day” means Monday to Friday inclusive, except December 25 and January 1 each year, and Interest Record Date shall be construed accordingly.

So long as the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg or, as the case may be the Alternative Clearing System, a “Payment Business Day” for the purposes of Condition 8.3 shall be any day on which dealings in foreign currency may be carried out in Tokyo.

### Transfers

Transfers of interests in the Bonds in respect of which the Global Certificate is issued shall be effected through the records of Euroclear and/or Clearstream, Luxembourg or, as the case may be the Alternative Clearing System, and their respective participants in accordance with the rules and procedures of the relevant clearing system and their respective direct and indirect participants.

## **Prescription**

Claims in respect of the Bonds in respect of which the Global Certificate is issued shall become void unless made within a period of 10 years from the appropriate Due Date (as defined in the Conditions).

## **Trustee's Powers**

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee for Euroclear, Clearstream, Luxembourg or an Alternative Clearing System, the Trustee may, to the extent it considers appropriate to do so in the circumstances, have regard to and rely upon any information made available to it by or on behalf of such clearing system or its operator as to the identity of its accountholders (either individually or by category) with entitlements to the Bonds in respect of which the Global Certificate is issued and may consider such interests, and treat such accountholders, as if such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

## **Cancellation**

Cancellation of any Bond in respect of which the Global Certificate is issued pursuant to the Conditions will be effected by a reduction in the principal amount of the Bonds in the Register and the endorsement (for information only) of the Global Certificate by the Principal Agent in the Schedule thereto.

## **Redemption at the Option of the Bondholders**

The option of the Bondholders provided for in Condition 7.8 may be exercised by the holder of the Global Certificate by giving notice to the Fiscal Agent, in electronic form, within the time limits relating thereto set out in that Condition substantially in the form of the notice of redemption available from any Agent (or in a form of notice acceptable to Euroclear, Clearstream, Luxembourg or the Alternative Clearing System in accordance with the procedures thereof) and stating the principal amount of Bonds in respect of which the option is exercised.

## **Election of Bondholders**

The election of the Bondholders provided for in Condition 7.3 may be exercised by the holder of the Bonds evidenced by the Global Certificate by giving notice to the Principal Agent of the principal amount of the Bonds in respect of which the option is exercised and within the time limits relating thereto set out in the Condition and otherwise in accordance with the procedures of Euroclear and/or Clearstream, Luxembourg in the form acceptable thereto from time to time.

## **Written Resolution/Electronic Consent**

While the Global Certificate is registered in the name of any nominee for, or a nominee for any common depositary for, a clearing system, then (a) approval of a resolution proposed by us or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of Euroclear and/or Clearstream, Luxembourg in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90% in nominal amount of the Bonds then outstanding (an "Electronic Consent" as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an extraordinary resolution to be passed at a meeting subject to a special quorum), take effect as an extraordinary resolution passed at a meeting of Bondholders duly convened and held, and shall be binding on all Bondholders whether or not they participated in such Electronic Consent; and (b) where Electronic Consent is not being sought, for the purpose of determining whether a written resolution has been validly passed, subject to certain requirements set out in the Trust Deed, we and the Trustee shall be entitled to rely on consent or instructions given in writing directly to us and/or the Trustee, as the case may be, by accountholders in Euroclear and/or Clearstream, Luxembourg with entitlements to the Bonds evidenced by the Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries.

## SUPERVISION AND REGULATION

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

### **Japanese Laws and Regulations in Connection with the Final Vehicle Inspection**

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

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

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

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

### **Automotive Regulations**

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

#### *Vehicle Emissions*

##### *Japanese standards*

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

##### *U.S. federal standards*

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

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

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

#### *California standards*

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

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

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

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

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

#### *Other states’ standards*

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

#### *Canadian standards*

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

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

### *European standards*

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

The primary focus of Euro 6 is to limit further emissions of diesel powered vehicles and bring them down to a level equivalent to gasoline powered vehicles. In addition, Euro 6 is being implemented in two stages, and beginning with the second stage (September 2017 for passenger vehicles and September 2018 for commercial vehicles), the EU is implementing the RDE regulations, which requires manufacturers to conduct on-road emissions tests using portable emissions testers. Since September 2017, manufacturers have been required to reduce the divergence between the regulatory limit tested in laboratory conditions and the values of RDE tests. The EU has also decided to implement the WLTP, which were introduced on September 1, 2017 and became mandatory for all new cars powered by an internal combustion engine in September 2019. The On-Board Diagnostics (OBD) regulations have also been tightened in terms of both subject parts and regulatory values. Effective January 1, 2020, the EU implemented an improved WLTP procedure that purports to eliminate test flexibilities and introduces on-board fuel and energy consumption monitoring devices. In March 2023, further regulations came into effect to harmonize requirements with UNR, tighten RDE regulations, and tighten the method for calculating CO<sub>2</sub> emissions for PHEVs.

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

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

### *Chinese standards*

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

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

#### *Standards of other countries and regions*

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

#### **Vehicle Fuel Economy**

##### *Japanese standards*

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

##### *U.S. standards*

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

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

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

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

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

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

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

#### *European standards*

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

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

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

#### *Chinese standards*

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

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

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

#### *Standards of Other Countries or Regions*

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

#### **Vehicle Safety**

##### *Japanese standards*

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

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

##### *U.S. standards*

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

##### *European standards*

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

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

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

#### *United Nations standards*

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

#### *Chinese standards*

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

### ***Environmental Matters***

#### *Japanese standards*

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

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

### *U.S. standards*

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

Pursuant to the Clean Air Act, the EPA has promulgated National Ambient Air Quality Standards (“NAAQS”) for six “criteria” pollutants, including for ozone and particulate matter. The Clean Air Act requires that the EPA review and possibly revise these NAAQS every five years. On January 6, 2023, the EPA announced a proposed decision to revise primary (health-based) annual particulate matter (PM<sub>2.5</sub>) standard from 12.0 µg/m<sup>3</sup> to within the range of 9.0 to 10.0 µg/m<sup>3</sup>. The EPA proposed to make no changes to the secondary (welfare-based) annual PM<sub>2.5</sub> standard, primary and secondary 24-hour PM<sub>2.5</sub> standards, and primary and secondary PM<sub>10</sub> standards. In March 2024, the EPA announced a final rule, effective May 2024, lowering the primary (health-based) annual particulate matter (PM<sub>2.5</sub>) standard to 9.0 µg/m<sup>3</sup>. This revised standard, as well as any future NAAQS revisions to other criteria pollutants, could lead to additional pollution control requirements on the industry, including on our manufacturing operations.

### *European standards*

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

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

## JAPANESE FOREIGN EXCHANGE REGULATIONS

### Japanese Foreign Exchange Controls

#### *General*

The Foreign Exchange Regulations govern certain aspects, in particular, relating to the acquisition and holding of shares of our common stock by “exchange non-residents” and by “foreign investors” (each as defined below). However, in general, the Foreign Exchange Regulations currently in effect do not affect transactions between exchange non-residents for the purchase or sale of shares outside Japan using currencies other than Japanese yen.

“Exchange residents” are defined in the Foreign Exchange Regulations as:

- (i) individuals having domicile or residence within Japan; or
- (ii) corporations whose principal offices are located within Japan.

“Exchange non-residents” are defined in the Foreign Exchange Regulations as any individuals or corporations other than exchange residents.

Generally, branches and other offices of non-resident corporations that are located within Japan are regarded as exchange residents. Conversely, branches and other offices of Japanese corporations located outside Japan are regarded as exchange non-residents.

“Foreign investors” are defined in the Foreign Exchange Regulations as:

- (i) individuals who are exchange non-residents;
- (ii) corporations or other entities that are organized under the laws of foreign countries or whose principal offices are located outside Japan (excluding partnerships falling within the definition (iv) below);
- (iii) corporations of which 50% or more of the total number of voting rights are held, directly or indirectly, by individuals and/or corporations falling within the definition(s) (i) and/or (ii);
- (iv) general partnerships under the Civil Code of Japan (Act No. 89 of 1896, as amended) established to invest in corporations, limited partnerships for investment under the Limited Partnership Act for Investment of Japan (Act No. 90 of 1998, as amended), or any other similar partnerships under the laws of foreign countries, where either (a) 50% or more of the total contributions are made by exchange non-residents or certain other foreign investors prescribed by the Foreign Exchange Regulations or (b) a majority of the general partners who are delegated to execute the business of such general partnerships, general partners of such limited partnerships or other similar partners of the other similar partnerships are exchange non-residents or certain other foreign investors prescribed by the Foreign Exchange Regulations; or
- (v) corporations or other entities where a majority of either (a) directors or other officers (including those who have the same degree or more control over such corporations or such other entities as directors or other officers) or (b) directors or other officers (including those who have the same degree or more control over such corporations or such other entities as directors or other officers) having the power of representation are individuals who are exchange non-residents.

#### *Acquisition of Shares*

In general, the acquisition by an exchange non-resident of shares of a Japanese corporation, such as the shares of our common stock, is not subject to any prior filing requirements. However, in the case where such acquisition constitutes an “inward direct investment” (the “IDE”), the exchange non-resident may be required to file a prior notification (see “Prior Notification Requirements on Inward Direct Investment in Shares of Listed Corporations” below). Also, in the case where an exchange resident transfers shares of a Japanese corporation, such as the shares of our common stock, for consideration exceeding ¥100 million, to an exchange non-resident, the exchange resident who transfers the shares is required to report the transfer to the Minister of Finance within 20 days after the later of (a) the date of the transfer or (b) the date of payment for the transfer, unless (i) the transfer was made through a bank or financial instruments business operator registered under the FIEA acting as an agent or intermediary or (ii) the transfer constitutes an IDI.

### ***Prior Notification Requirements on Inward Direct Investment in Shares of Listed Corporations***

If a foreign investor acquires shares or voting rights of a Japanese corporation that is listed on a Japanese stock exchange, such as the shares of our common stock, or that is traded on an over-the-counter market in Japan and, as a result of the acquisition, the foreign investor, in combination with any of its existing holdings of the shares or voting rights, and any shares or voting rights managed by such foreign investor under discretionary investment management agreements (including those held or managed by certain closely related persons of such foreign investor), directly or indirectly holds 1% or more of (i) the total number of issued shares or (ii) the total number of voting rights of the relevant Japanese corporation, then such acquisition constitutes an IDI. In general, any foreign investor intending to make an IDI in a Japanese corporation that is (whether itself or by any of its subsidiaries or certain related corporations in Japan) engaged in certain business sectors designated under the Foreign Exchange Regulations and the relevant public notice (*Shitei-Gyoshu*) (in which our business sectors are currently included) (the “Designated Business Sectors”), must, except where any of certain exemptions apply, file a prior notification of the acquisition with the Ministers.

If such prior notification is filed, the proposed acquisition may not be consummated until 30 days have passed from the date of the filing, although this period may be shortened if the proposed acquisition is determined not to raise concerns from a perspective of national security or certain other factors. On the other hand, if any concerns are recognized in the proposed acquisition from a perspective of national security or certain other factors, the Ministers may extend such period up to five months to ensure there is time for examination. The Ministers may recommend any modification or abandonment of the proposed acquisition and, if such recommendation is not accepted by the acquiring foreign investor, they may order the modification or abandonment of such acquisition.

Acquisitions of shares by foreign investors by way of stock split are not subject to the prior notification requirements.

### ***Exemption for Prior Notification Requirements***

#### *Foreign Financial Institutions*

Under the Foreign Exchange Regulations, in the case of an acquisition of shares or voting rights, any foreign investors falling within the definition of foreign financial institutions (the “Foreign Financial Institutions”), will be exempted from the prior notification requirements without any upper limit on the number of shares or voting rights to be acquired or held, on the condition that they comply with the following exemption conditions (the “Common Exemption Conditions”).

In general, the “Common Exemption Conditions” are set out in the relevant public notice as follows:

- (i) foreign investors or their related persons are not to become directors or audit committee members of the investee corporation or its certain related corporation;
- (ii) foreign investors will not propose by themselves or through other shareholders to the general meeting of shareholders certain matters such as the transfer or disposition of the investee corporation’s business activities in the Designated Business Sectors; and
- (iii) foreign investors will not access non-public information about the investee corporation’s or its certain related corporation’s technology in relation to business activities in the Designated Business Sectors.

#### *General Investors*

Under the Foreign Exchange Regulations, any foreign investors (other than the Foreign Financial Institutions), excluding disqualified investors such as those with a record of sanctions for violation of the FEFTA, state-owned enterprises (except those who are accredited by the authorities), and “Type-A investors,” (as defined below) or Eligible Foreign Investors, will also be exempted from the prior notification requirements without any upper limit on the number of shares or voting rights to be acquired or held, on the condition that they comply with the Common Exemption Conditions, unless the investment intended to be conducted by them constitutes an IDI in a Japanese corporation engaging, or a Japanese corporation whose subsidiary or certain related corporation is engaging, in certain types of the Designated Business Sectors designated under the Foreign Exchange Regulations and the relevant public notice as being a substantial threat to national security (*Core-Gyoshu*) (in which our business sectors are currently included) (the “Core Sectors”). On the other hand, Eligible

Foreign Investors, except “Type-B investors,” who intend to invest in a Japanese corporation engaging, or a Japanese corporation whose subsidiary or certain related corporation is engaging, in the Core Sectors, such as us, will be exempted from the prior notification requirements, on the condition that they comply with the following additional exemption conditions (the “Additional Exemption Conditions”), as well as the Common Exemption Conditions, unless and until such investment results in holdings of 10% or more of the total number of issued shares or the total voting rights of the relevant Japanese corporation.

Foreign investors falling within either of the following categories are regarded as “Type-A investors”:

- (i) organizations or individuals who have obligations to cooperate with foreign governments, foreign government agencies, foreign local public entities, foreign central banks, or foreign political parties or other political organizations, or collectively, Foreign Governments, in collecting information related to Japan’s national security based on agreements with such Foreign Governments or foreign laws and regulations;
- (ii) organizations controlled by foreign investors falling within the category (i) or by Foreign Governments imposing those obligations on these investors. This control is established through (a) holding 50% or more of the total number of issued shares or voting rights of such organizations, (b) holding class shares that grant the right to veto matters to be resolved at general meetings of shareholders or by the board of directors of such organizations, (c) the appointment of one-third or more of (x) such organizations’ directors or other officers or (y) those having the power of representation, or (d) holding the right to direct such organizations regarding their IDIs or their exercise of voting rights in connection with IDIs; or
- (iii) directors or other officers of organizations falling within the category (i) or (ii).

In general, “Additional Exemption Conditions” are set out in the relevant public notice as follows:

- (i) regarding business activities in the Core Sectors, foreign investors will not attend or cause their designated persons to attend meetings of the board of directors, executive board or other committees of the investee corporation or its certain related corporation that make important decisions on these activities; and
- (ii) regarding business activities in the Core Sectors, foreign investors will not make proposals by themselves or through their designated persons, in written form, to (a) the board of directors, executive board or other committees of the investee corporation or its certain related corporation that make important decisions on these activities or (b) the members of such boards or committees, requesting responses and/or actions by certain deadlines.

#### *Type-B Investors*

Any foreign investors that are “Type-B investors” are required to comply with the Additional Exemption Conditions on Core Sectors (as defined below) in addition to the Common Exemption Conditions and the Additional Exemption Conditions described above, in order to be exempted from the prior notification requirements for investing in a corporation engaging in the Core Sectors that does not result in a holding of 10% or more of shares or voting rights. On the other hand, “Type-B investors” are required to make a prior notification when they invest in (a) a corporation engaging in the Core Sectors that results in a holding of 10% or more of shares or voting rights, or (b) a corporation engaging in the Core Sector that is designated as a Specified Essential Infrastructure Service Provider under the Act on the Promotion of Ensuring National Security Through Integrated Implementation of Economic Measures of Japan (Act No. 43 of 2022, as amended), that results in a holding of 1% or more of shares or voting rights. Our business sectors are currently included in the Core Sectors as described above. However, we are currently not designated as a Specified Essential Infrastructure Service Provider.

“Type-B investors” are defined in the Foreign Exchange Regulations as:

- (i) investors whose substantive decision-making regarding financial matters and business policy is controlled by organizations or individuals who have obligations to cooperate with Foreign Governments in collecting information related to Japan’s national security based on agreements with such Foreign Governments or foreign laws and regulations;
- (ii) investors whose substantive decisions regarding financial matters and business policy are made in countries or regions outside of their incorporation, and whose decisions are affected by laws and regulations that impose obligations to cooperate with information collection activities related to Japan’s national security, or subsidiaries of such investors;

- (iii) investors with obligations to disclose information to cooperate with Foreign Governments in collecting information related to Japan's national security based on agreements with Type-A investors; or
- (iv) investors with obligations to disclose information to cooperate with Foreign Governments in collecting information related to Japan's national security based on agreements with investors falling within category (iii) or this category (iv).

In general, the "Additional Exemption Conditions on Core Sectors" are set out in the relevant public notices as follows:

- (i) foreign investors will not access non-public information about business activities in the Core Sectors (excluding information about directors, other officers, and the financial condition of the investee corporation); and
- (ii) regarding business activities in the Core Sectors, foreign investors will not send employees to the investee corporation and will not recruit or solicit any of its directors, other officers, or employees.

### ***Consent at General Meeting of Shareholders***

In addition to the acquisition of shares or voting rights mentioned above, if a foreign investor who directly or indirectly holds 1% or more of the total number of voting rights of a Japanese corporation that is listed on a Japanese stock exchange and engages in the Designated Business Sectors intends to consent, at the general meeting of shareholders, to certain proposals having material influence on the management of such corporation, such as (i) election of such foreign investor or its related persons as directors or audit committee members of the investee corporation or (ii) transfer or discontinuation of its business activities in the Designated Business Sectors, such consent also constitutes an IDI that generally requires the filing of a prior notification with the Ministers; provided, however, that in the case of proposal (ii), the prior notification is required only where such proposal is made by such foreign investor by itself or through other shareholders. In such cases, the exemptions from the prior notification requirements described in "Exemption for Prior Notification Requirements" above are not available.

### ***Post-Investment Reports***

Further to the prior notifications, under the Foreign Exchange Regulations, foreign investors conducting IDIs may be required to submit post-investment reports to the Ministers within 45 days after the transaction settlement date, once the IDIs for which prior notifications have been filed are actually made, or even if such IDIs are not subject to the prior notification requirements or are exempted from such requirements. For instance, post-investment reports with respect to acquisitions by Eligible Foreign Investors of shares or voting rights of corporations engaging in the Designated Business Sectors, where the prior notification requirement for such acquisition has been exempted, will generally be required when the ratio of the total number of shares or voting rights held directly or indirectly by foreign investors in combination with any of its existing holdings of the shares or voting rights, and any shares or voting rights managed by such foreign investor under discretionary investment management agreements (including those held or managed by certain closely related persons of such foreign investor) after the acquisition reaches:

- (i) 1% to less than 3% for the first time;
- (ii) 3% to less than 10% for the first time; or
- (iii) 10% or more for each transaction.

On the other hand, the Foreign Financial Institutions are only required to file post-investment reports in case (iii).

Acquisitions of shares by foreign investors by way of stock split are not subject to the post-investment report requirements.

### ***Dividends and Proceeds from Sales of Shares***

Under the Foreign Exchange Regulations, dividends paid on and the proceeds from sales in Japan of shares of our common stock held by exchange non-residents may generally be converted into any foreign currency and repatriated abroad. However, under the Foreign Exchange Regulations, certain procedures may be required for the transfer of funds out of Japan or such transfer of funds may be prohibited, depending on the location of the recipient, the purpose of such fund transfer and other factors.

### ***Reporting of Substantial Shareholding***

The FIEA and its related regulations require any person, regardless of residence, who has become, beneficially and solely or jointly, a holder of more than 5% of the total number of issued shares of common stock of a corporation that is listed on any Japanese stock exchange, or whose shares are traded on an over-the-counter market in Japan, to file a report concerning its shareholdings with the Director-General of the competent Local Finance Bureau of the Ministry of Finance, in general, within five business days. With certain exceptions, a similar report must also be filed in respect of any subsequent change of 1% or more in holdings or of any change in material matters set out in any previously filed reports, unless and until the holder files a report stating its holding of 5% or less of the total number of issued shares. For this purpose, shares issuable or transferable to such person upon exchange of exchangeable securities, conversion of convertible securities, or exercise of warrants or stock acquisition rights (including those incorporated in bonds with stock acquisition rights) are taken into account in determining both the number of shares held by the holder and the issuer's total issued shares of common stock. These reports are required to be filed and made publicly available through the EDINET system, an electronic disclosure system operated by the Financial Services Agency.

## DESCRIPTION OF THE SHARES

Set forth below is information concerning the shares of our common stock, including brief summaries of the relevant provisions of our articles of incorporation, our share handling regulations and the Companies Act relating to joint stock corporations (*kabushiki kaisha*) and certain related law and legislation, each as currently in effect.

### General

The table below shows our share capital as of March 31, 2025:

<u>Type of share capital</u>	<u>Authorized shares</u>	<u>Issued shares</u>
Common stock . . . . .	6,000,000,000	3,713,998,612

All issued shares of our common stock are fully-paid and non-assessable and generally transferable through the book-entry transfer system as described below. The transfer agent for the shares of our common stock is Sumitomo Mitsui Trust Bank, limited, located at 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-8233, Japan. Our transfer agent maintains our register of shareholders.

The Japanese book-entry transfer system for listed shares of Japanese companies under the Act on Book-Entry Transfer of Corporate Bonds and Shares of Japan (Act No. 75 of 2001, as amended), or the Book-Entry Act, including regulations promulgated thereunder, will apply to the shares of our common stock. Under this system, shares of all Japanese companies listed on any Japanese stock exchange are dematerialized, and shareholders of listed shares must have accounts at account management institutions to hold their shares unless such shareholders have an account at JASDEC, the only institution that is designated by the relevant authorities as a clearing house under the Book-Entry Act. “Account management institutions” are financial instruments business operators (*i.e.*, securities firms), banks, trust companies and certain other financial institutions that meet the requirements prescribed by the Book-Entry Act. Under the Book-Entry Act, transfer of the shares of our common stock is effected exclusively through entry in the records maintained by JASDEC and the account management institutions, and title to the shares passes to the transferee at the time when the transfer of the shares is recorded in the transferee’s account at an account management institution. The holder of an account at an account management institution is presumed to be the legal holder of the shares recorded in such account.

Under the Companies Act and the Book-Entry Act, in order to assert against us shareholders’ rights to which shareholders as of a given record date are entitled (such as the rights to vote at a general meeting of shareholders or receive dividends), a shareholder must have its name and address registered in our register of shareholders, except in limited circumstances. Under the book-entry transfer system, such registration on the register of shareholders is made upon our receipt of necessary information from JASDEC through an all shareholders notice (*soukabunushi tsuchi*). See “—Record Date” below. On the other hand, in order to assert shareholders’ rights to which shareholders are entitled regardless of record dates, such as minority shareholders’ rights, including the right to propose a matter to be considered at a general meeting of shareholders but excluding shareholders’ rights to request us to purchase shares constituting less than a full unit (as described in “—Unit Share System”), upon a shareholder’s request, JASDEC shall issue to us a notice of certain information (*kobetsu kabunushi tsuchi*), which information includes the name and address of such shareholder. Under the Book-Entry Act, a shareholder must exercise its shareholder’s right within four weeks after the notice above.

Non-resident shareholders are required to appoint a standing proxy in Japan or provide a mailing address in Japan. Each such shareholder must give notice of such standing proxy or mailing address to the relevant account management institution. Such notice will be forwarded to us through JASDEC. Japanese securities firms and commercial banks customarily act as standing proxies and provide related services for standard fees. Notices from us to non-resident shareholders are delivered to such standing proxies or mailing addresses.

Under the book-entry transfer system, when opening an account at an account management institution, a shareholder must enter into an agreement with the account management institution.

### Distribution of Surplus

#### General

Under the Companies Act, distribution of cash or other assets by a joint stock corporation to its shareholders, including dividends, takes the form of distribution of Surplus (as defined in “—Restriction on

Distribution of Surplus”). We are permitted to make distributions of Surplus to our shareholders any number of times per fiscal year, subject to certain limitations described in “—Restriction on Distribution of Surplus.” Under the Companies Act, distributions of Surplus are, in principle, required to be authorized by a resolution of a general meeting of shareholders. Distributions of Surplus are, however, permitted pursuant to a resolution of the board of directors if:

- (a) our articles of incorporation provide that the board of directors has the authority to decide to make distributions of Surplus;
- (b) we select an independent auditor and form an audit and supervisory board, an audit and supervisory committee or nominating committee etc. under the Companies Act, as the case may be;
- (c) the normal term of office of each director terminates on or prior to the date of conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within the period of one year from the election of such director; and
- (d) our non-consolidated annual financial statements and certain documents for the latest fiscal year fairly present our non-consolidated assets and profit or loss, as required by ordinances of the Ministry of Justice of Japan, or the Ministry of Justice.

As of the date of this offering circular, the requirement described in (a) is not met.

Nevertheless, our current articles of incorporation provide for distributions of Surplus in cash by a resolution of the board of directors as interim dividends, the record date for which is September 30 of each year.

Distributions of Surplus may be made in cash or in kind in proportion to the number of shares of our common stock held by each shareholder. A resolution of a general meeting of shareholders or the board of directors authorizing a distribution of Surplus must specify the kind and aggregate book value of the assets to be distributed, the manner of allocation of such assets to shareholders, and the effective date of the distribution. If a distribution of Surplus is to be made in kind, we may, pursuant to a resolution of a general meeting of shareholders, grant to our shareholders a right to require us to make such distribution in cash instead of in kind. If no such right is granted to shareholders, the relevant distribution of Surplus must be approved by a special resolution of a general meeting of shareholders (see “—Voting Rights” with respect to a “special resolution”).

Under our articles of incorporation, the record dates for year-end and interim dividends are March 31 and September 30, respectively, in each year. In Japan, the “ex-dividend date” (the date from which purchasers of shares through Japanese stock exchanges will not be entitled to the dividends to be paid to registered shareholders as of any record date) and the record date for dividends precede the date of determination of the amount of the dividend to be paid. The ex-dividend date of the shares of our common stock is generally the business day immediately prior to the record date. Under our articles of incorporation, we are not obligated to pay any year-end dividend nor interim dividend that is paid in cash that has not been received by a shareholder after the lapse of three years from the commencement date of such distribution.

### ***Restriction on Distribution of Surplus***

In making a distribution of Surplus, we must set aside in our additional paid-in capital and/or legal reserve a total amount equal to one-tenth of the amount of Surplus so distributed until the sum of such additional paid-in capital and legal reserve reaches one-quarter of our stated capital.

The amount of Surplus, or Surplus, at any given time must be calculated in accordance with the following formula:

$$A+B+C+D-(E+F+G)$$

In the above formula:

- “A” = the total amount of other capital surplus and other retained earnings, each such amount being that appearing on our non-consolidated balance sheet as of the end of the last fiscal year
- “B” = (if we have disposed of our treasury stock after the end of the last fiscal year) the amount of the consideration for such treasury stock received by us less the book value thereof
- “C” = (if we have reduced our stated capital after the end of the last fiscal year) the amount of such reduction less the portion thereof that has been transferred to additional paid-in capital or legal reserve (if any)

- “D” = (if we have reduced our additional paid-in capital or legal reserve after the end of the last fiscal year) the amount of such reduction less the portion thereof that has been transferred to stated capital (if any)
- “E” = (if we have cancelled our treasury stock after the end of the last fiscal year) the book value of such treasury stock
- “F” = (if we have distributed Surplus to our shareholders after the end of the last fiscal year) the total book value of the Surplus so distributed
- “G” = certain other amounts set forth in ordinances of the Ministry of Justice, including the following:
- if we have reduced Surplus and increased our stated capital, additional paid-in capital or legal reserve after the end of the last fiscal year, the amount of such reduction; and
  - if we have distributed Surplus to shareholders after the end of the last fiscal year, the amount set aside in our additional paid-in capital or legal reserve, if any, as required by ordinances of the Ministry of Justice.

The aggregate book value of Surplus distributed by us may not exceed a prescribed distributable amount, or the Distributable Amount, as calculated on the effective date of such distribution. The Distributable Amount at any given time shall be the amount of Surplus less the aggregate of (a) the book value of our treasury stock, (b) the amount of consideration for any of our treasury stock disposed of by us after the end of the last fiscal year and (c) certain other amounts set forth in ordinances of the Ministry of Justice, including all or a certain part of the amount by which deferred assets and one-half of our goodwill exceeds, if at all, the total of the stated capital, additional paid-in capital and legal reserve, each such amount being the amount in our non-consolidated balance sheet as of the end of the last fiscal year, as calculated in accordance with ordinances of the Ministry of Justice.

If we have become, at our option, a company with respect to which its consolidated balance sheet should also be considered in the calculation of the Distributable Amount (*renketsu haito kisei tekiyo kaisha*), we shall further deduct from the amount of Surplus the excess amount, if any, of (x) the total amount of the shareholders' equity appearing on our non-consolidated balance sheet as of the end of the last fiscal year and certain other amounts set forth in ordinances of the Ministry of Justice over (y) the total amount of the shareholders' equity and certain other amounts set forth in ordinances of the Ministry of Justice appearing on our consolidated balance sheet as of the end of the last fiscal year.

If we have prepared interim financial statements as described below, and if such interim financial statements have been approved by the board of directors or (if so required by the Companies Act) by a general meeting of shareholders, then the Distributable Amount must be adjusted to take into account the amount of profit or loss, and the amount of consideration for any of our treasury stock disposed of by us, during the period in respect of which such interim financial statements have been prepared. We may prepare non-consolidated interim financial statements consisting of a balance sheet as of any date subsequent to the end of the last fiscal year and a statement of income for the period from the first day of the subject fiscal year to the date of such balance sheet. Interim financial statements so prepared by us must be audited by the audit committee and/or the independent auditor and approved by the board of directors and at a general meeting of shareholders, as required by the Companies Act and ordinances of the Ministry of Justice.

### **Capital and Reserves**

We may generally reduce our additional paid-in capital or legal reserve by a resolution of a general meeting of shareholders and, if so decided by the same resolution, may account for the whole or any part of the amount of such reduction as stated capital. On the other hand, we may generally reduce our stated capital by a special resolution of a general meeting of shareholders and, if so decided by the same resolution, may account for the whole or any part of the amount of such reduction as additional paid-in capital. In addition, we may reduce our Surplus and increase either (i) stated capital or (ii) additional paid-in capital and/or legal reserve by the same amount, in either case by a resolution of a general meeting of shareholders.

### **Stock Splits**

We may at any time split shares of our common stock into a greater number of shares of our common stock by a resolution of the board of directors or by determination of an executive officer to whom the authority

to make such determination has been delegated by a resolution of the board of directors. When a stock split is to be made, so long as our only class of outstanding stock is our common stock, we may increase the number of authorized shares to the extent that the ratio of such increase in authorized shares does not exceed the ratio of such stock split by amending our articles of incorporation, which amendment may be effected by a resolution of the board of directors, by determination of an executive officer to whom the authority to make such determination has been delegated by resolution of the board of directors, without the approval of shareholders. Before a stock split, we must give public notice of the stock split, specifying the record date therefor, not less than two weeks prior to such record date. Under the JASDEC rules, we must also inform JASDEC of certain matters regarding a stock split promptly after a resolution of the board of directors determining such stock split. On the effective date of the stock split, the number of shares recorded in all accounts held by holders of shares at account management institutions or JASDEC will be increased in accordance with the applicable ratio.

### **Unit Share System**

Our articles of incorporation provide that 100 shares each constitute one unit of shares. Under the unit share system, shareholders have, at general meetings of shareholders, one voting right for each unit of shares held by them, and shares constituting less than a full unit carry no voting rights. Our articles of incorporation provide that the holders of shares constituting less than a full unit do not have shareholder rights, except for (a) those specified in the Companies Act or ordinances of the Ministry of Justice, which include rights (i) to receive dividends, (ii) to receive cash or other assets in the case of a consolidation of shares or stock split, share exchange (*kabushiki-kokan*) or share transfer (*kabushiki-iten*), or merger or, (iii) to be allotted shares and stock acquisition rights (*shinkabu yoyakukun*) for free when such rights are granted to shareholders, (b) those to request us to acquire shares with an option to request for acquisition or (c) those to be allotted rights to subscribe for shares or stock acquisition rights in accordance with the number of shares held by such shareholder when such rights are granted to shareholders. Holders of shares constituting less than a full unit may at any time request that we purchase such shares constituting less than a full unit at their market price in accordance with our share handling regulations. Such a request must be made through an account management institution and JASDEC pursuant to the rules set by JASDEC without going through the notification procedure required for the exercise of shareholders' rights to which shareholders are entitled regardless of record dates as described in "—General." The board of directors or an executive officer to whom the authority to make such determination has been delegated by a resolution of the board of directors may reduce the number of shares constituting one unit or cease to use the unit share system by amendments to the articles of incorporation without shareholders' approval even though amendments to the articles of incorporation generally require a special resolution of a general meeting of shareholders.

Under the book-entry transfer system described in "—General," shares constituting less than a full unit are transferable. Under the rules of the Japanese stock exchanges, however, shares constituting less than a full unit do not comprise a trading unit, except in limited circumstances, and accordingly may not be sold on the Japanese stock exchanges.

### **General Meetings of Shareholders**

Under our articles of incorporation, the ordinary general meeting of shareholders is held in June of each year. In addition, we may hold an extraordinary general meeting of shareholders whenever necessary. The place, time, purpose and certain other matters relating to a general meeting of shareholders must be posted on a website at least three weeks prior to the date set for the meeting, and notice of a general meeting of shareholders stating the URL of the website to be used and certain other matters relating to such meeting must be given to each shareholder having voting rights (or, in the case of a non-resident shareholder, to its standing proxy or mailing address in Japan) at least two weeks prior to the date set for the meeting. The record date for an ordinary general meeting of shareholders is March 31 of each year.

Any shareholder holding at least 300 voting rights or 1% of the total number of voting rights for six months or longer may propose a matter to be considered at a general meeting of shareholders, and may request to include a summary of proposals which such shareholder intends to submit with respect to the matters that are purpose of such meeting in a convocation notice to our shareholders, by submitting a request to a Representative Executive Officer, President and Chief Executive Officer at least eight weeks prior to the date of such meeting (provided that we may limit the number of such proposals submitted by each shareholder to 10 when including the summary in such a convocation notice). Any of the minimum percentages, time periods and number of voting rights necessary for exercising the minority shareholder rights described above may be decreased or shortened if our articles of incorporation so provide. Our articles of incorporation currently do not include any such provisions.

## **Voting Rights**

Shareholders of our common stock have one voting right for each unit of shares held by them.

Except as otherwise provided by law or in our articles of incorporation, a majority of the voting rights held by the shareholders present at a general meeting of shareholders is necessary to adopt a resolution at the meeting. Our articles of incorporation provide that the quorum for election of directors is one-third of the total number of voting rights. Our shareholders are not entitled to cumulative voting in the election of directors. A shareholder may exercise its voting rights in writing or through a proxy, provided that the proxy is also a holder of our shares having voting rights at such meeting.

The Companies Act provides that certain important matters shall be approved by a “special resolution” of a general meeting of shareholders. Under our articles of incorporation, the quorum for a special resolution is one-third of the total number of voting rights, and the approval of not less than two-thirds of the voting rights held by the shareholders present at the meeting is required for adopting a special resolution. Such important matters include:

- any amendment to our articles of incorporation (except for such amendments that may be made without the approval of shareholders under the Companies Act, such as (i) an increase of the number of authorized shares to the extent that the ratio of such increase in authorized shares does not exceed the ratio of such stock split, (ii) a reduction of the number of shares per unit of shares and (iii) termination of the unit share system);
- our dissolution, merger or consolidation requiring shareholders’ approval;
- establishment of a parent and wholly-owned subsidiary relationship by way of a share transfer (*kabushiki-iten*) or share exchange (*kabushiki-kokan*) requiring shareholders’ approval;
- making another corporation a subsidiary by way of a share delivery (*kabushiki-kofu*) requiring shareholders’ approval;
- transfer of the whole or a substantial part of our business;
- transfer of the whole or a part of the shares or equity interests in our subsidiary which meets certain requirements;
- taking over of the whole of the business of another company requiring shareholders’ approval;
- our corporate split requiring shareholders’ approval;
- consolidation of shares of our common stock;
- acquisition of shares of our common stock from a specific shareholder other than our subsidiary;
- distribution of Surplus in kind (except when shareholders are granted the right to require that such distribution be made in cash instead of in kind);
- issuance of new shares or sale of existing shares held by us as treasury stock at a “specially favorable” price except in the case of the allotment of shares to shareholders; and
- issuance of stock acquisition rights (including those incorporated in bonds with stock acquisition rights) under “specially favorable” conditions except in the case of the allotment of stock acquisition rights to shareholders.

## **Liquidation Rights**

In the event of our liquidation, the assets remaining after payment of all debts, liquidation expenses, and taxes will be distributed among holders of shares of our common stock in proportion to the respective numbers of shares held by them.

## **Issue of Additional Shares and Pre-emptive Rights**

Holders of our common stock have no pre-emptive rights. Authorized but unissued shares of our common stock may be issued, or existing shares held by us as treasury stock may be sold, at such times and upon such terms as the board of directors or an executive officer to whom the authority to make such determination has been delegated by resolution of the board of directors determines subject to the limitations as to the issuance of new shares of our common stock or sale of existing shares held by us as treasury stock at a “specially

favorable” price mentioned in “—Voting Rights.” The board of directors may, however, determine that shareholders shall be given subscription rights regarding a particular issue of new shares of our common stock or sale of existing shares held by us as treasury stock, in which case such rights must be given on uniform terms to all shareholders as of a record date not less than two weeks’ prior to which public notice must be given. Each of the shareholders to whom such rights are given must also be given at least two weeks’ prior notice of the date on which such rights expire.

In the case of an issuance of shares (including a sale of existing shares held by us as treasury stock) or stock acquisition rights whereby any subscriber (including its subsidiaries and other companies set forth in ordinances of the Ministry of Justice) will hold more than 50% of the voting rights of all shareholders, and if shareholders who hold one-tenth or more of the voting rights of all shareholders dissent from the issuance of shares or stock acquisition rights, the approval by a resolution of a general meeting of shareholders is generally required before the payment date (or the allotment date in the case of an issuance of stock acquisition rights) pursuant to the Companies Act. In addition, in the case of an issuance of shares (including a sale of existing shares held by us as treasury stock) or stock acquisition rights by a listed company by way of an allotment to a third party which would dilute the outstanding voting shares by 25% or more or change the controlling shareholder, in addition to a resolution of the board of directors, shareholders’ approval, through a resolution of a general meeting of shareholders or otherwise, or an affirmative opinion by a person independent of the management is generally required pursuant to the rules of the Japanese stock exchanges.

### **Stock Acquisition Rights**

We have issued stock acquisition rights, and may issue additional stock acquisition rights in the future. Holders of stock acquisition rights are entitled to acquire shares from us upon payment of the applicable exercise price and subject to other terms and conditions. We have issued bonds with stock acquisition rights, and may issue additional bond with stock acquisition rights in the future. The issuance of stock acquisition rights and bonds with stock acquisition rights may be authorized by the board of directors or by an executive officer to whom the authority to make such determination has been delegated by resolution of the board of directors unless it is made under “specially favorable” conditions, as described in “—Voting Rights.”

### **Record Date**

As mentioned above, March 31 is the record date for the payment of year-end dividends and the determination of shareholders entitled to vote at the ordinary general meeting of shareholders. September 30 is the record date for the payment of interim dividends. In addition, by a resolution of the board of directors or, by determination of an executive officer to whom the authority to make such determination has been delegated by resolution of the board of directors, and after giving at least two weeks’ prior public notice, we may at any time set a record date in order to determine the shareholders who are entitled to certain rights pertaining to our stock.

Under the Book-Entry Act, JASDEC is required to give us notice of the names and addresses of our shareholders, the numbers of shares held by them and other relevant information as of such record date.

### **Acquisition of Our Common Stock**

We may acquire shares of our common stock (i) by way of purchase on any Japanese stock exchange on which the shares of our common stock are listed or by way of tender offer (in either case pursuant to a resolution of the board of directors), (ii) from a specific shareholder other than any of our subsidiaries (pursuant to a special resolution of a general meeting of shareholders) or (iii) from any of our subsidiaries, (pursuant to a resolution of the board of directors or a determination by an executive officer to whom the authority to make such determination has been delegated by resolution of the board of directors).

In the case of (ii) above, any other shareholder may make a request to us that such shareholder be included as a seller in the proposed purchase unless the purchase price or any other consideration to be received by the relevant specific shareholder will not exceed the greater of (i)(a) the closing price of shares of our common stock at the market trading such shares on the day immediately preceding the date on which such resolution is made or (b) if no sale takes place at such market on that day, the price at which the sale of our shares is executed on such market immediately thereafter and (ii) in the event that such shares are subject to a tender offer on the day immediately preceding the date on which such resolution is made, the price set in the contract regarding such tender offer on such day.

The total amount of the purchase price of shares of our common stock may not exceed the Distributable Amount as described in “—Distribution of Surplus—Restriction on Distribution of Surplus.”

We may hold the shares of our common stock acquired and may generally dispose of or cancel such shares by a resolution of the board of directors or by determination of an executive officer to whom the authority to make such determination has been delegated by resolution of the board of directors.

#### **Request by a Controlling Shareholder to Sell All Shares**

A shareholder holding, directly or indirectly, 90% (or such other percentage above 90% as may be provided in our articles of incorporation) or more of voting rights has the right to request, subject to approval by the board of directors or by determination of an executive officer to whom the authority to make such determination has been delegated by resolution of the board of directors, that the other shareholders and (if the controlling shareholder so determines) all holders of stock acquisition rights (in each case other than us and, if the controlling shareholder so determines, the controlling shareholder’s wholly-owned subsidiaries) sell to the controlling shareholder all shares (and all stock acquisition rights, as the case may be) held by them (*kabushikitou uriwatashi seikyu*). If the approval is granted by a resolution of the board of directors, we will be required to give public notice thereof to all holders and registered pledgees of shares (and stock acquisition rights, as the case may be) not later than 20 days prior to the effective date of such sales, as proposed by the controlling shareholder.

#### **Disposal of Shares of Our Common Stock Held by Shareholders Whose Location is Unknown**

We are not required to continue to send notices to a shareholder if notices sent by us to such shareholder fail to arrive for five consecutive years or more at such shareholder’s address registered in our register of shareholders or otherwise notified to us.

In the above case, if the relevant shareholder also fails to receive dividends on the shares continuously for five years or more at such shareholder’s address registered in our register of shareholders or otherwise notified to us, then we may in general dispose of such shares at their then market price and hold or deposit the proceeds of such disposition on behalf of the relevant shareholder.

## JAPANESE TAXATION

*The following is a summary of the principal Japanese tax consequences to Bondholders and owners of Shares acquired upon the exercise of the Stock Acquisition Rights incorporated in the Bonds who are non-residents of Japan or non-Japanese corporations, in either case having no permanent establishment in Japan (“Non-resident Holders”). The statements regarding Japanese tax laws set out below are based on the laws in force and interpreted by the Japanese taxation authorities as of the date hereof and are subject to changes in the applicable Japanese laws or tax treaties, conventions or agreements or in the interpretation thereof after that date.*

*This summary is not exhaustive of all possible tax considerations which may apply to a particular investor and potential investors are advised to satisfy themselves as to the overall tax consequences of the acquisition, ownership and disposition of the Bonds and Shares acquired upon exercise of the Stock Acquisition Rights, including, specifically, the tax consequences under Japanese law, the laws of the jurisdiction of which they are resident, and any tax treaty, convention or agreement between Japan and their country of residence, by consulting their own tax advisers.*

### **Bonds**

Receipts of premium (if any) upon redemption of the Bonds are subject to Japanese income tax (including corporate income tax) but are not subject to any withholding tax. If the recipient is a resident of a country with which Japan has an income tax treaty, Japanese tax treatment may be modified by any applicable provisions of such income tax treaty. Bondholders are advised to consult with their legal, accounting or other professional advisers as to the applicable tax treatment.

Gains derived from the sale of Bonds, whether within or outside Japan, by a Non-resident Holder thereof are, in general, not subject to Japanese income tax. Exercise of the Stock Acquisition Rights is not a taxable event in general.

Japanese inheritance and gift taxes at progressive rates may be payable by an individual who has acquired Bonds as legatee, heir or donee even if the individual is not a Japanese resident.

Interest payments on the Bonds to an individual resident of Japan or a Japanese corporation (except for (i) a Japanese financial institution or a Japanese financial instruments business operator designated by the Cabinet Order pursuant to Article 6, Paragraph (11) of the Act on Special Taxation Measures, which has complied with the requirement for tax exemption under that paragraph, and (ii) a public corporation, a financial institution or a financial instruments business operator described in Article 3-3, Paragraph (6) of the Act on Special Taxation Measures which receives interest payments on the Bonds through a Japanese payment handling agent as described in Paragraph (1) of said article and which has complied with the requirement for tax exemption under that Paragraph (6) of said article), or an individual non-resident of Japan or a non-Japanese corporation who is a specially-related person of the Company or fails to comply with procedures for establishing its eligibility for exemption from the imposition of Japanese income tax as described below, will be subject to withholding tax pursuant to the Income Tax Act of Japan (Act No. 33 of 1965, as amended) and other applicable tax laws, or collectively, the Income Tax Law, at a rate of 15.315% until December 31, 2037 and 15% thereafter on the amount of such interest.

Interest payments on the Bonds to a Japanese corporation will be included in the recipient’s income that is subject to Japanese corporate tax (which includes surtax, if applicable) under the Corporate Tax Act of Japan (Act No. 34 of 1965, as amended) and other applicable Japanese tax law, or collectively, the Corporate Tax Law, provided that the amount of Japanese income tax (which includes surtax, if applicable) withheld under the Income Tax Law will generally be credited against the amount of Japanese corporate tax due. Interest payments on the Bonds to an individual non-resident of Japan or a non-Japanese corporation that is a specially-related person of the Company and has any kind of permanent establishment in Japan to which such interest is attributable will be included in the recipient’s income that is subject to Japanese income tax or corporate tax, as appropriate, payable other than by way of withholding tax, with any necessary adjustment pursuant to the Income Tax Law or the Corporate Tax Law, as appropriate, in consideration of the amount of the Japanese income tax withheld under the Income Tax Law.

Under the Act on Special Taxation Measures, payment of interest on the Bonds outside Japan to a beneficial owner that is an individual non-resident of Japan or a non-Japanese corporation, other than a specially-

related person of the Company, will not be subject to Japanese withholding tax, provided that the beneficial owner complies with procedures for establishing its eligibility for exemption from the imposition of Japanese income tax, including withholding tax, pursuant to the Act on Special Taxation Measures, as summarized below:

- (1) if the Bonds are deposited with an agent which handles the interest payments on the Bonds as defined in the Cabinet Order, or the payment handling agent, in accordance with the Cabinet Order, (A) the recipient of the interest provides such payment handling agent which holds the Bonds in its custody, or the payment handling custodian, with information including, *inter alia*, its name and address, and proves to the payment handling custodian the correctness of such information by presenting certain documentary or other evidence to such payment handling custodian; (B) such payment handling custodian notifies us of the interest recipient information, or the Interest Recipient Information (providing, *inter alia*, (i) that all recipients are individual non-residents of Japan or non-Japanese corporations other than specially-related persons of the Company (if applicable); or (ii) the amount of the interest payable to the recipients which are individual non-residents of Japan or non-Japanese corporations other than specially-related persons of the Company), which is prepared by such payment handling custodian based on the information provided by the recipient, or (if the Bonds are further subdeposited with another payment handling agent including a clearing organization, or the subdepository, by such payment handling custodian) notifies us of the Interest Recipient Information through the sub-depository, at the latest one day prior to the date on which such payment handling custodian receives from us the amount of the interest for the payment to the recipients; and (C) we prepare an interest recipient confirmation based upon Interest Recipient Information and submit it to the relevant Japanese tax authority; or
- (2) if the Bonds are held otherwise than through a payment handling custodian, upon each payment of interest on the Bonds the recipient files a claim for exemption from taxation, or a Claim for Exemption from Taxation (providing, *inter alia*, the name and address of the recipient), or certain information to be stated in such a Claim for Exemption in an electronic form, with the relevant Japanese tax authority through us or (if payment of interest is made through the payment handling agent) through the payment handling agent and us.

If the recipient of interest on the Bonds is an individual non-resident of Japan or a non-Japanese corporation other than a specially-related person of the Company, failure by such individual non-resident of Japan or non-Japanese corporation to comply with the above requirements will result in the withholding of Japanese income tax. The above exemption from the withholding of Japanese income tax also applies to any Japanese financial institution or Japanese financial instruments business operator designated by Article 3-2-2, paragraph (29) of the Cabinet Order pursuant to Article 6, paragraph (11) of the Act on Special Taxation Measures, which receives the interest on the Bonds otherwise than through the payment handling agent in Japan.

If the recipient of interest on the Bonds is an individual non-resident of Japan or a non-Japanese corporation other than a specially-related person of the Company that complies with the above requirements, and such recipient has a permanent establishment in Japan to which the receipt of interest is attributable, such interest will be subject to Japanese income tax or corporate tax, as appropriate, payable other than by way of withholding.

If the recipient of redemption gain (i.e., the difference between the acquisition price of the Bonds and the amount received upon redemption of the Bonds), if any, is an individual non-resident of Japan or a non-Japanese corporation other than a specially-related person of the Company having no permanent establishment within Japan or having a permanent establishment within Japan but the receipt of such redemption gain is not attributable to such permanent establishment, no income tax or corporate tax is payable with respect to the redemption gain. If the receipt of such redemption gain is attributable to a permanent establishment in Japan of any such individual non-resident of Japan or non-Japanese corporation other than a specially-related person of the Company, such redemption gain will be subject to Japanese income tax or corporate tax, as appropriate, payable other than by way of withholding. If the recipient of the redemption gain is an individual non-resident of Japan or a non-Japanese corporation that is a specially-related person of the Company, income tax or corporate tax, as appropriate, other than by way of withholding, may be payable with respect to such redemption gain.

## Shares

Generally, a Non-resident Holder of Shares is subject to Japanese withholding tax on dividends paid by us. Stock splits are not subject to Japanese income tax.

The rate of Japanese withholding tax applicable to dividends paid by a Japanese corporation to a non-resident holder of shares is generally 20%, subject to any applicable income tax treaty. However, with respect to dividends paid by us to any Non-resident Holders of Shares, except for any individual shareholder who holds 3% or more of the total issued Shares, the said 20% withholding tax rate is reduced to 15%. A special reconstruction surtax (2.1% of the original applicable tax rate) is added to the withholding tax rates until 31 December 2037, so that the original withholding tax rate of 20% and 15%, as applicable, is effectively increased, respectively, to 20.42% and 15.315% during that period. The withholding tax under Japanese tax law mentioned above may be exempted or reduced under an applicable tax treaty between Japan and the country of tax residence of a Non-resident Holder.

Gains derived from the sale of Shares, whether within or outside Japan, by a Non-resident Holder thereof are, in general, not subject to Japanese income tax.

Japanese inheritance and gift taxes at progressive rates may be payable by an individual who has acquired Shares as legatee, heir or donee even if the individual is not a Japanese resident.

## SUBSCRIPTION AND SALE

Mizuho International plc, Merrill Lynch International, Morgan Stanley & Co. International plc, Citigroup Global Markets Limited and SMBC Bank International plc (the “Joint Lead Managers”) have entered into a subscription agreement with us dated July 9, 2025 in respect of the Bonds (the “Subscription Agreement”).

We have agreed to reimburse the Joint Lead Managers certain costs in connection with the issue and offering of the Bonds. The Joint Lead Managers are entitled to be released and discharged from their obligations under the Subscription Agreement, or to terminate the Subscription Agreement, in certain circumstances prior to making payment to us as set out therein. We have agreed to indemnify the Joint Lead Managers against certain liabilities in connection with their obligations.

Under the Subscription Agreement, subject to the satisfaction of certain conditions set out therein, each of the Joint Lead Managers has agreed, severally but not jointly, to subscribe for the Bonds in the principal amount set forth opposite its name below at the issue price of 100.0% of the principal amount of the Bonds.

	<b>Principal Amount of the Bonds</b>
<b>Joint Lead Managers</b>	
Mizuho International plc .....	¥ 55,000,000,000
Merrill Lynch International .....	55,000,000,000
Morgan Stanley & Co. International plc .....	35,000,000,000
Citigroup Global Markets Limited .....	35,000,000,000
SMBC Bank International plc .....	20,000,000,000
<b>Total</b> .....	<b>¥200,000,000,000</b>

No selling concession or combined management and underwriting commission will be payable by us with respect to the offering of the Bonds. The difference between the offer price in respect of the Bonds (as stated on the cover page of this offering circular) and the issue price in respect of the Bonds will be allocated to the Joint Lead Managers in the manner agreed by them.

It is expected that the Bonds will be deposited with and registered in the name of, or a nominee for, a common depository for each of Euroclear and Clearstream, Luxembourg on or about July 25, 2025 for the accounts of their respective accountholders.

### **Lock-up**

During the period beginning on the date hereof and ending on the date that is 90 days from and including the Closing Date, we will not, and will not permit any entities over which we exercise management control or any persons acting at our direction to, without the prior written consent of the Joint Lead Managers: (A) issue, offer, pledge, lend, sell, enter into any contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant (including stock acquisition rights) to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, any Shares or any other capital stock of the Company or any securities convertible into, or exercisable or exchangeable for, or that represent the right to acquire or receive, Shares or any other capital stock of the Company (collectively, the “Lock-up Securities”), in each case regardless of whether any such contract or transaction is to be settled by delivery of the Lock-up Securities of any other securities, or in cash or otherwise; (B) enter into any derivative transaction or any other transaction that transfers, in whole or in part, directly or indirectly, ownership (or any economic consequences thereof) of the Lock-up Securities, or that has an effect on the market in the Shares similar to that of a sale, regardless of whether any such transaction is to be settled by delivery of the Lock-up Securities or other securities, in cash or otherwise; (C) deposit any Shares (or any securities convertible into or exercisable or exchangeable for Shares or any other capital stock of the Company or which carry rights to subscribe or purchase Shares or any other capital stock of the Company) in any depository receipt facility; (D) approve of or request for, or take any internal corporate action in order to approve of or request for, any secondary offering of Shares or any other capital stock of the Company by our shareholders; (E) announce or publicize the intention to enter into, or consent to, any of the prohibited actions described in (A) through (D) above; provided, however, that such restrictions will not apply to (i) issue and sale by us of the Bonds or the issue or transfer of Shares upon exercise of the Stock Acquisition Rights; (ii) the grant and issue of stock options or stock acquisition rights exercisable for Shares to its and its subsidiaries’ directors or employees pursuant to our stock option plans and the issue or transfer of Shares by us upon exercise of such stock options or stock acquisition rights; (iii) stock

splits undertaken in accordance with Article 183 of the Companies Act and the allotment of shares without contribution undertaken in accordance with Article 185 of the Companies Act; (iv) sale of any shares of treasury stock of the Company upon request of any holder of shares constituting less than a full unit to make such holder's holding one full unit of shares, in accordance with paragraph 3 of Article 194 of the Companies Act; (v) the issue, offer and sale of Shares or any securities convertible into, or exercisable or exchangeable for, or that represent the right to acquire or receive, Shares to any partner company under a partnership framework formed as part of the Company's efforts to conduct review to explore new partnerships as announced by it on February 13, 2025, provided that each allottee company agrees to and is bound by the same lock-up obligations as the Company set out hereunder (to the extent applicable to such allottee companies); and (vi) any other issue or sale of Shares required by applicable Japanese laws and regulations.

## **Other Relationships**

Each of the Joint Lead Managers and their respective affiliates have engaged in, and may in the future engage in, financial advisory, investment banking, commercial banking and other dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, each of the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Each of the Joint Lead Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Joint Lead Managers or certain of their affiliates may purchase Bonds and be allocated Bonds for asset management and/or proprietary purposes and/or for the account of customers and may be allocated Bonds and enter into transactions (including derivative transactions) in connection with such Bonds, to facilitate the offering of the Bonds or otherwise, and such entities are not expected to disclose such transactions or arrangements otherwise than in accordance with any applicable legal or regulatory requirements.

## **Concurrent Senior Notes Offering**

Separately from the issue and offering of the Bonds, and concurrently, we are conducting the Concurrent Senior Notes Offering. The Concurrent Senior Notes Offering will be conducted outside Japan in offshore transactions outside the United States in reliance on Regulation S under the U.S. Securities Act and within the United States only to QIBs, in reliance on Rule 144A under the Securities Act.

The offering of the Bonds is not conditional on the completion of the Concurrent Senior Notes Offering, and vice versa.

## **Selling Restrictions**

### ***General***

No action has been or will be taken in any jurisdiction that would permit a public offering of the Bonds or the Shares or the possession, circulation or distribution of this offering circular or any other material relating to us, the Bonds or the Shares where action for such purpose is required. Accordingly, neither the Bonds nor the Shares may be offered or sold, directly or indirectly, and neither this offering circular nor any other offering material or advertisements in connection with the Bonds or the Shares may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Neither we nor any of the Joint Lead Managers represent that the Bonds or the Shares may at any time lawfully be sold in the secondary market in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to an exemption available thereunder or assume any responsibility for facilitating such sales.

## ***United States***

The Bonds are being offered and sold outside of the United States in reliance on Regulation S. Neither the Bonds nor the Shares have been or will be registered under the Securities Act and the Bonds may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. In addition, until 40 days after the commencement of the offering, an offer or sale of the Bonds or the Shares within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

## ***Japan***

The Bonds have not been and will not be registered under the FIEA, and are subject to the Act on Special Taxation Measures. The Bonds may not be offered or sold in Japan or to, or for the benefit of, any person resident in Japan, or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a person resident in Japan for Japanese securities law purposes (including any corporation or other entity organized under the laws of Japan) except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any applicable laws, regulations and governmental guidelines of Japan. In addition, the Bonds may not, as part of the distribution by the Joint Lead Managers under the subscription agreement relating to the Bonds, at any time be directly or indirectly offered or sold to, or for the benefit of, any person other than a beneficial owner that is, (i) for Japanese tax purposes, neither (a) an individual resident of Japan or a Japanese corporation, nor (b) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Company (excluding an underwriter designated in Article 6, Paragraph (12), item 1 of the Act on Special Taxation Measures which purchases unsubscribed portions of the Bonds from the other underwriters) or (ii) a Japanese financial institution, designated in Article 3-2-2, Paragraph (29) of the Cabinet Order.

## ***Prohibition of Sales to EEA Retail Investors***

The Bonds which are the subject of the offering contemplated by this offering circular are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

## ***Prohibition of Sales to UK Retail Investors***

The Bonds which are the subject of the offering contemplated by this offering circular are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK law; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK law; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation as it forms part of UK law; and

- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

In addition, in the United Kingdom this offering circular is being distributed only to, and is directed only at (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) or (ii) entities falling within Article 49(2)(a) to (e) of the Order (all such persons together being referred to as “relevant persons”). This offering circular must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this offering circular relates is only available to, and will be engaged in with, relevant persons.

### *Singapore*

This offering circular has not been registered as a prospectus with the MAS. Accordingly, the Bonds have not been offered or sold, or caused to be made the subject of an invitation for subscription or purchase and will not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and neither this offering circular nor any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds has not been circulated or distributed, nor will it be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

**Singapore SFA Product Classification:** In connection with Section 309B of the SFA and the CMP Regulations 2018, we have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Any reference to the “SFA” is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

### *Hong Kong*

The Bonds have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (“C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

No advertisement, invitation or document relating to the Bonds has been issued, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

### ***Notice to Capital Market Intermediaries and Prospective Investors pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct—Important Notice to CMIs (Including Private Banks)***

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the offering and are subject to additional requirements under the SFC Code.

Paragraph 21.3.3(c) of the SFC Code requires that a CMI should take all reasonable steps to identify whether investors may have any associations with the issuer and provide sufficient information to the OC to enable it to assess whether orders placed by these investors may negatively impact the price discovery process.

Prospective investors who are the directors, employees or major shareholders of the Company, a CMI or its group companies would be considered under the SFC Code as having an Association with us, the CMI or the relevant group company (as the case may be). CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Bonds. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with us or any CMI (including its group companies) and inform the Joint Lead Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for the offering includes institutional investors, long-only investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language (if applicable) set out elsewhere in this offering circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Bonds (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by us. In addition, CMIs should not enter into arrangements which may result in prospective investors paying different prices for the Bonds.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Joint Lead Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Bonds, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Private banks who disclose that they are placing their order other than on a “principal” basis (i.e. they are acting as an agent) should note that such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that if any of their group companies is a CMI of this offering, placing an order on a “principal” basis may require the Joint Lead Managers to apply the “proprietary orders” requirements of the SFC Code to such order and will require the Joint Lead Managers to apply the “rebates” requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) are requested to provide the following underlying investor information, in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information is required in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether an underlying investor is a “Restricted Investor” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: [bofa\\_ecm\\_syndicate\\_pb\\_orders@bofa.com](mailto:bofa_ecm_syndicate_pb_orders@bofa.com); [dg.ecm\\_apac\\_syndicate@bofa.com](mailto:dg.ecm_apac_syndicate@bofa.com); and [ECM.Omnibus@citi.com](mailto:ECM.Omnibus@citi.com).

To the extent information being disclosed by CMI's and investors is personal and/or confidential in nature, CMI's (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to us, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the offering. CMI's that receive such underlying investor information are reminded that such information should be used only for submitting orders in the offering. The Joint Lead Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMI's (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMI's (including private banks) are required to provide the relevant Joint Lead Manager with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Joint Lead Managers that it is not a Sanctions Restricted Person. A "Sanctions Restricted Person" means an individual or entity (a "Person"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/sdnlist.pdf>) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/fse/fselist.pdf>) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: [https://eeas.europa.eu/headquarters/headquartershomepage\\_en/8442/Consolidated%20list%20of%20sanctions](https://eeas.europa.eu/headquarters/headquartershomepage_en/8442/Consolidated%20list%20of%20sanctions)); or (b) that is otherwise the subject of any asset freeze or sanctions administered or enforced by any Sanctions Authority to the extent such asset freeze or sanctions would prohibit the provision of services to an investor by any participating CMI in respect of this offering; or (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, Crimea, the so-called Donetsk's People's Republic, the so-called Luhansk People's Republic, the non-government controlled areas of Zaporizhzhia and Kherson, or any other region of Ukraine identified pursuant to Executive Order 14065. "Sanctions Authority" means: (a) the United States government; (b) the United Nations; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) the People's Republic of China; (f) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (g) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

### ***Switzerland***

This offering circular is not intended to constitute an offer or solicitation to purchase or invest in the Bonds. The Bonds may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the Bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering circular nor any other offering or marketing material relating to the Bonds constitutes a prospectus pursuant to the FinSA, and neither this offering circular nor any other offering or marketing material relating to the Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

## GENERAL INFORMATION

- (1) We have obtained all necessary consents, approvals and authorisations in Japan in connection with the issue and performance of the Bonds. The issue of the Bonds was authorized by a determination of our Representative Executive Officer, President and Chief Executive Officer on July 7, 2025 pursuant to the resolution of our Board of Directors on June 25, 2019.
- (2) The Bonds have been accepted for clearance through Euroclear and through Clearstream, Luxembourg. The International Securities Identification Number (ISIN) and the Common Code for the Bonds are XS3105284809 and 310528480, respectively.
- (3) The Securities Identification Code for the Shares is 7201.
- (4) Except as disclosed in this offering circular, there has been no material adverse change in the financial position or prospects of us and our subsidiaries taken as a whole since March 31, 2025.
- (5) There are no, nor have there been any, governmental, legal, arbitral, administrative or other proceedings involving us or any of our subsidiaries and affiliates that had or may have had, during the 12 months immediately preceding the date of this offering circular, a significant effect on our financial position or the profitability or that of any of our subsidiaries and affiliates and, so far as we aware, there are no such proceedings pending or threatened.
- (6) Copies of the Trust Deed and the Agency Agreement will be available for inspection, at the specified offices of each of the Trustee and the Principal Agent during normal business hours, or electronically upon request to the Trustee, so long as any of the Bonds is outstanding.
- (7) Our consolidated financial statements as of March 31, 2025 and 2024 and for the years then ended and as of March 31, 2024 and 2023 and for the years then ended included in this offering circular have been audited by Ernst & Young ShinNihon LLC, independent auditor, as stated in their reports appearing herein.
- (8) Except to the extent provided in Condition 6, the Conditions do not provide for participating rights in the event of a takeover of us.
- (9) The Trustee is entitled under the Trust Deed to rely without liability to Bondholders on any certificate or report prepared by the independent auditor or any independent financial advisor, whether or not addressed to it and whether or not the same are subject to any limitation on the liability, whether by reference to a monetary cap or otherwise.
- (10) Approval in-principle has been received from the SGX-ST for the listing of and quotation for the Bonds on the Official List of the SGX-ST.
- (11) The Bonds will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require. For this particular issuance, the Bonds will be traded in a minimum of board lot size of ¥200,000 with a minimum of 150 lots to be traded in a single transaction, for so long as any the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require.
- (12) For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption, in the event that a Global Certificate is exchanged for Definitive Certificates. In addition, in the event that a Global Certificate is exchanged for Definitive Certificates, an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Certificates, including details of the paying agent in Singapore.

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## Independent Auditor's Report

The Board of Directors  
Nissan Motor Co., Ltd.

### *The Audit of the Consolidated Financial Statements*

#### **Opinion**

We have audited the accompanying consolidated financial statements of Nissan Motor Co., Ltd. and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as of March 31, 2025, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

**Appropriateness of measurement of impairment loss related to business-use assets in the North American automobile business**

Description of Key Audit Matter	Auditor's Response
<p>The Company recorded property, plant and equipment of 4,332,060 million yen and intangible fixed assets of 216,554 million yen in the consolidated balance sheet as of March 31, 2025. These include balances from both the automobile business and sales finance business, and business-use assets related to the automobile business were 2,285,273 million yen, accounting for 12.0% of total assets.</p> <p>In response to the significant updated future plan reflecting its current severe challenges and a competitive industry, the Company conducted impairment testing for asset groups for which there were indicators of impairment at the end of current consolidated fiscal year. As a result of that analysis, the book value of business-use assets related to the asset groups for regions such as North America, South America, and Europe was written down to its recoverable amount, and an impairment loss of 467,053 million yen was recorded as a special loss (of which 464,367 million yen was recorded as a special loss for the automobile business). For business-use assets in North America, the Company measures the recoverable amount using value in use, and the book values of those assets were written down to their recoverable amount and impairment loss of 237,558 million yen was recorded as a special loss.</p> <p>The Company estimates future cash flows, which are used in calculating value in use, based on the Company's business plan which is approved by the Management meeting and on the business plans reflecting "Re:Nissan" initiatives, as well as the impact of investment for the future. Given the high uncertainty regarding the visibility of U.S. tariffs, the Company has made estimates reflecting the impact of tariffs for the first quarter of the fiscal year ending March 31, 2026. Net realizable value is calculated based on the real estate appraisal value, etc. and other publicly available information. The discount rate is calculated based on the weighted average cost of capital, taking into account country risk and other factors in each country.</p> <p>Market share, profit margins, market growth rates, relevant market trends including foreign exchange rates and the outlook on U.S. tariffs, as well as the net realizable value at the point of expiration of the economic useful lives of assets, that are reflected in estimated future cash flows, which are used in the measurement of impairment loss, may significantly impact estimated future cash flows. Furthermore, the discount rate may significantly impact the calculation of the present value of future cash flows. Accordingly, these are considered to be key assumptions underlying the accounting estimate.</p> <p>A high degree of auditor judgment is required to evaluate the Company's key assumptions used in the</p>	<p>We performed the following primary procedures to address this key audit matter.</p> <ul style="list-style-type: none"> <li>- We compared the period of estimated future cash flows against the economic useful lives of major assets.</li> <li>- We assessed the consistency between future cash flows and the business plan approved by management.</li> <li>- In relation to market share conditions, profit margins, market growth rates, and the outlook on U.S. tariffs, which are key assumptions used in the estimated future cash flows, we discussed with management and understood the applied assumptions and performed the following procedures. <ul style="list-style-type: none"> <li>- We compared market share conditions against past results and against the value obtained by determining the percentage of future sales volume forecasts which reflect plans for new model launches in the business plan out of total regional market TIV forecasts.</li> <li>- In relation to profit margins, we compared them against past results after breaking down the components of fixed and variable costs and, in addition, we analyzed the impact of "Re:Nissan" initiatives. In relation to foreign exchange rates, we compared them against available external data including future predictions.</li> <li>- We compared market growth rates against actual sales results by region in the automotive market and against available external data which include automotive market total demand forecasts, both of which relate to the TIV forecast that underlies the market growth rates.</li> <li>- In relation to the future outlook on U.S. tariffs, including the duration and amount of the impact on future cash flows, we compared publicly available external information related to the status of tariff negotiations with internal estimation materials that are based on the current legal framework.</li> </ul> </li> <li>- In relation to the calculation of value in use based on the Company's estimation calculation model, we involved our valuation specialists in the following procedures. <ul style="list-style-type: none"> <li>- We assessed if the methodology applied for the calculation of value in use and discount rate was consistent with the accounting standard requirements.</li> </ul> </li> </ul>

<p>estimation of future cash flows as it involves uncertainty and significant management judgment. Moreover, the discount rate used in the calculation of the present value of future cash flows requires advanced expertise and judgment regarding the selection of the calculation method and input data.</p> <p>If additional recognition of impairment of fixed assets is necessary, it may significantly impact the Company's consolidated financial statements.</p> <p>As such, we determined that the appropriateness of the measurement of impairment loss related to business-use assets in the North American automobile business is a key audit matter.</p>	<ul style="list-style-type: none"> <li>- We compared input data used for the calculation of discount rates against relevant available external data.</li> <li>- We assessed the reasonableness of the determination of net realizable value at the point of expiration of the economic useful lives of assets, which is reflected in future cash flows.</li> <li>- We performed sensitivity analysis of estimated future cash flows and discount rates to assess the impact on impairment recognition and measurement.</li> <li>- We reperformed the calculation of the Company's estimate.</li> </ul>
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<b>Valuation of recoverability of deferred tax assets</b>	
<b>Description of Key Audit Matter</b>	<b>Auditor's Response</b>
<p>The Company recorded deferred tax assets of 163,618 million yen (net after offsetting deferred tax liabilities) in the consolidated balance sheet as of March 31, 2025.</p> <p>As described in "(Significant accounting estimates) 2. Deferred tax assets," the Company assesses the recoverability of deferred tax assets of future deductible temporary differences and losses carried forward, by taking into account the reversal of future taxable temporary differences and feasible tax planning strategies and by reasonably estimating future taxable income.</p> <p>As described in "(For tax-effect accounting)," in response to the significant updated future plan reflecting its current severe challenges and a competitive industry, the Company reassessed the recoverability of deferred tax assets.</p> <p>As described in "1. Consolidated Financial Statements, (1) Consolidated financial statements, (For tax-effect accounting)", deferred tax assets before deducting the valuation allowance (the balance before being offset against deferred tax liabilities) as of March 31, 2025 totaled 1,565,521 million yen, and deferred tax assets are recorded in the consolidated balance sheet after deducting the valuation allowance of 787,734 million yen and offsetting deferred tax assets against deferred tax liabilities for each taxable entity.</p> <p>The Company estimates future taxable income based on the figures composing the business plan which is approved by the Management meeting and on the business plans reflecting "Re:Nissan" initiatives, as well as the impact of investment for the future. Market share, profit margins and market growth rates may significantly impact estimated future taxable income, and therefore, these are considered to be key assumptions in the accounting estimate. Given that the Company's key assumptions used in the</p>	<p>We performed the following primary procedures to address this key audit matter.</p> <ul style="list-style-type: none"> <li>- We assessed the consistency of market share, profit margins and market growth rates, which are key assumptions used in the business plan that is the basis of estimated future taxable income, with the assumptions used in the accounting treatment for impairment of fixed assets by inspecting company documents.</li> <li>- We involved internal tax specialists on our team to assess complex tax regulations that have a significant impact on the Company's consolidated financial statements.</li> <li>- We performed the following procedures to assess the balance of deferred tax assets recorded by Nissan Motor Co., Ltd. <ul style="list-style-type: none"> <li>- Based on the "Guidelines for the Recoverability of Deferred Tax Assets", we assessed the company classification by evaluating future estimated taxable income in consideration of past change in taxable income including the impact of the Controlled Foreign Company taxation system.</li> <li>- We involved internal tax specialists on our team to assess the balance of temporary tax differences including the timing of utilization.</li> <li>- We involved both component auditors and internal tax specialists on our team to assess the impact of the Controlled Foreign Company taxation system that was considered in estimating future taxable income</li> <li>- We performed sensitivity analysis of estimated future taxable income in order to assess the impact on the recoverability of deferred tax assets.</li> </ul> </li> </ul>

<p>estimation of future taxable income involve uncertainty and significant management judgement, the assessment of these key assumptions requires a high degree of auditor judgement giving consideration to complex tax regulations that impact the Company.</p> <p>As such, we determined that the valuation of the recoverability of deferred tax assets is a key audit matter.</p>	<ul style="list-style-type: none"> <li>- We performed the following procedures to assess the balances of deferred tax assets recorded by major subsidiaries and affiliates. <ul style="list-style-type: none"> <li>- We assessed whether information serving as the basis for considering the recoverability of deferred tax assets was communicated by the Company's relevant department to each major subsidiary and affiliate by inspecting company documents.</li> <li>- In assessing the recoverability of deferred tax assets of each major subsidiary and affiliate, we involved component auditors, inspected reports from them, performed necessary inquiries and analysis.</li> </ul> </li> </ul>
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<b>Valuation of expense for recalls and other market measures</b>	
<b>Description of Key Audit Matter</b>	<b>Auditor's Response</b>
<p>As described in "(Significant accounting estimates) 5. Expenses for market measures such as recalls," the Company recorded service costs of 29,829 million yen in the consolidated statement of income of the current fiscal year.</p> <p>Automobile manufacturers are responsible for filing any cases of recall and other market measures to authorities and to collect and repair vehicles which do not meet safety and environmental standards due to defect of the company's design and manufacturing process.</p> <p>The Company and its subsidiaries record estimated expense as "Accrued expense" when market measures based on notifications to government authorities are deemed to be necessary, which is apart from warranty costs. A large-scale recall may significantly impact the Company's consolidated financial statements.</p> <p>Estimated market measure expense is composed of number of applicable vehicles in the market, expected implementation rates of market measures, and cost of market measures per unit. Out of these factors, the expected implementation rate of market measures significantly impacts the estimated market measure expense. Therefore, it is considered a key assumption in the accounting estimate. A high degree of auditor judgement is required to evaluate the key assumptions as it involves uncertainty.</p> <p>In addition, in order to completely reflect to the consolidated financial statements any market measure decisions made after fiscal year end, it is necessary to understand the existence of items which need to be accrued and evaluate the impact in a timely manner.</p> <p>As such, we determined that the valuation of expense for recalls and other market measures is a key audit matter.</p>	<p>We performed the following primary procedures to address this key audit matter.</p> <ul style="list-style-type: none"> <li>- We performed a look back analysis on the estimates used in prior periods against actual results as a risk assessment procedure of the market measure estimation process.</li> <li>- We inquired related departments and inspected meeting minutes to assess the completeness of market measure items and to understand the key assumptions included in the estimated expense.</li> <li>- We evaluated the consistency between number of applicable vehicles in the market used in the estimate with available data such as the Company's sales data, documents filed with authorities and published press releases.</li> <li>- We compared expected implementation rate of market measures, which is a key assumption, and the cost per unit of market measures that were used in determining market measure expenses, against supporting documents as well as data from similar cases and previous results.</li> <li>- We reperformed the calculation of the Company's estimate.</li> <li>- We considered any market measure decisions made after fiscal year end but before the issuance of consolidated financial statements to evaluate the completeness and accuracy of market measure expense.</li> <li>- We instructed auditors of the main consolidated subsidiaries to perform audit procedures around estimation of market measure expense such as recalls and received reports of the audit results. We evaluated whether adequate audit evidence was obtained.</li> </ul>

## **Other Information**

The other information comprises the information included in that contain audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

## **Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements**

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

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

/s/ Ernst & Young ShinNihon LLC

Ernst & Young ShinNihon LLC  
Tokyo, Japan

June 20, 2025

/s/ Masayuki Nakamura

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Masayuki Nakamura  
Designated Engagement Partner  
Certified Public Accountant

/s/ Makoto Matsumura

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Makoto Matsumura  
Designated Engagement Partner  
Certified Public Accountant

/s/ Hiroshi Minagawa

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Hiroshi Minagawa  
Designated Engagement Partner  
Certified Public Accountant

/s/ Taiga Matsumoto

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Taiga Matsumoto  
Designated Engagement Partner  
Certified Public Accountant

## 1. Consolidated Financial Statements

### (1) Consolidated financial statements

#### ① Consolidated balance sheet

(Millions of yen)

		Prior fiscal year (As of March 31, 2024)		Current fiscal year (As of March 31, 2025)
Assets				
Current assets				
Cash on hand and in banks		1,896,401		1,961,513
Trade notes and accounts receivable, and contract assets	※7	635,329	※7	577,877
Sales finance receivables	※3, ※6	7,418,200	※3, ※6	7,239,101
Securities		235,745		236,000
Merchandise and finished goods		1,279,001		1,004,235
Work in process		100,166		80,039
Raw materials and supplies		676,438		588,031
Other	※6	796,505	※6	783,046
Allowance for doubtful accounts		(154,185)		(146,375)
Total current assets		12,883,600		12,323,467
Fixed assets				
Property, plant and equipment				
Buildings and structures, net		654,425		617,430
Machinery, equipment and vehicles, net	※2, ※3	2,939,857	※2, ※3	2,731,897
Land		583,792		574,186
Construction in progress		247,191		211,367
Other, net		338,245		197,180
Total property, plant and equipment	※1	4,763,510	※1	4,332,060
Intangible fixed assets	※4	186,469	※4	216,554
Investments and other assets				
Investment securities	※5	1,379,078	※5	1,428,641
Long-term loans receivable		12,229		11,191
Net defined benefit assets		145,819		165,954
Deferred tax assets		188,411		163,618
Other	※3	298,897	※3	385,924
Allowance for doubtful accounts		(7,425)		(6,458)
Total investments and other assets		2,017,009		2,148,870
Total fixed assets		6,966,988		6,697,484
Deferred assets				
Bond issuance costs		4,563		3,109
Total deferred assets		4,563		3,109
Total assets		19,855,151		19,024,060

(Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	2,229,210	2,070,387
Short-term borrowings	※3 837,266	※3 876,104
Current portion of long-term borrowings	※3 1,221,739	※3 1,881,691
Commercial papers	103,262	86,743
Current portion of bonds	239,032	771,205
Lease obligations	46,784	44,400
Accrued expenses	1,119,093	1,092,732
Accrued warranty costs	112,678	117,835
Other	※7 1,017,875	※7 1,129,093
Total current liabilities	6,926,939	8,070,190
Long-term liabilities		
Bonds	2,351,216	1,708,532
Long-term borrowings	※3 2,921,628	※3 2,661,356
Lease obligations	90,466	69,830
Deferred tax liabilities	266,541	230,872
Accrued warranty costs	144,621	147,920
Net defined benefit liability	154,439	164,516
Other	※7 528,758	※7 525,496
Total long-term liabilities	6,457,669	5,508,522
Total liabilities	13,384,608	13,578,712
<b>Net assets</b>		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	826,151	825,756
Retained earnings	4,285,508	3,415,475
Treasury stock	(111,377)	(88,284)
Total shareholders' equity	5,606,096	4,758,761
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	3,500	1,563
Unrealized gain and loss from hedging instruments	13,159	(2,824)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(103,135)	(112,691)
Translation adjustments	422,883	314,407
Remeasurements of defined benefit plans	39,144	(972)
Total accumulated other comprehensive income	375,551	199,483
Share subscription rights	304	299
Non-controlling interests	488,592	486,805
Total net assets	6,470,543	5,445,348
Total liabilities and net assets	19,855,151	19,024,060

② Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

	Prior fiscal year		Current fiscal year	
		(From April 1, 2023 To March 31, 2024)		(From April 1, 2024 To March 31, 2025)
Net sales	※1	12,685,716	※1	12,633,214
Cost of sales	※2, ※3	10,618,802	※2, ※3	10,939,854
Gross profit		2,066,914		1,693,360
Selling, general and administrative expenses				
Advertising expenses		321,758		347,482
Service costs		69,052		29,829
Provision for warranty costs		146,538		130,518
Other selling expenses		156,258		217,212
Salaries and wages		470,606		492,207
Retirement benefit expenses		27,935		24,392
Supplies		2,046		2,047
Depreciation and amortization		63,013		69,406
Provision for doubtful accounts		44,269		69,448
Amortization of goodwill		1,242		1,031
Other		195,479		239,990
Total selling, general and administrative expenses	※2	1,498,196	※2	1,623,562
Operating income		568,718		69,798
Non-operating income				
Interest income		63,516		53,803
Dividends income		186		689
Equity in earnings of affiliates		113,487		91,299
Derivative gain		44,407		82,805
Gain on net monetary position		79,916		45,160
Miscellaneous income		18,429		25,410
Total non-operating income		319,941		299,166
Non-operating expenses				
Interest expense		78,032		77,369
Exchange loss		69,165		49,040
Credit liquidation costs		17,525		18,138
Miscellaneous expenses		21,776		14,249
Total non-operating expenses		186,498		158,796
Ordinary income		702,161		210,168

(Millions of yen)

	Prior fiscal year		Current fiscal year	
	(From April 1, 2023 To March 31, 2024)		(From April 1, 2024 To March 31, 2025)	
Special gains				
Gain on sales of fixed assets	※4	16,880	※4	21,707
Other		10,545		1,078
Total special gains		27,425		22,785
Special losses				
Loss on sales of fixed assets	※5	5,342	※5	12,690
Loss on disposal of fixed assets		15,402		21,972
Impairment loss	※6	58,972	※6	494,935
Other		50,645	※3	116,974
Total special losses		130,361		646,571
Income (loss) before income taxes		599,225		(413,618)
Income taxes-current	※7	233,587	※7	265,142
Income taxes-deferred		(83,914)		(18,675)
Total income taxes		149,673		246,467
Net income (loss)		449,552		(660,085)
Net income attributable to non-controlling interests		22,903		10,813
Net income (loss) attributable to owners of parent		426,649		(670,898)

## Consolidated statement of comprehensive income

(Millions of yen)

	Prior fiscal year (From April 1, 2023 To March 31, 2024)	Current fiscal year (From April 1, 2024 To March 31, 2025)
Net income (loss)	449,552	(660,085)
Other comprehensive income		
Unrealized holding gain and loss on securities	(701)	(1,601)
Unrealized gain and loss from hedging instruments	24,436	(16,225)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(46,890)	(17,912)
Translation adjustments	459,520	(148,162)
Remeasurements of defined benefit plans	69,445	(28,382)
The amount related to equity method companies	86,862	50,765
Total other comprehensive income	※1 592,672	※1 (161,517)
Comprehensive income	1,042,224	(821,602)
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	996,272	(846,966)
Comprehensive income attributable to non-controlling interests	45,952	25,364

③ Consolidated statement of changes in net assets

Prior fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

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

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

Current fiscal year (From April 1, 2024 to March 31, 2025)

(in millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments
Balance at the beginning of current period	605,814	826,151	4,285,508	(111,377)	5,606,096	3,500	13,159
Changes of items during the period							
Cash dividends paid			(56,104)		(56,104)		
Net loss attributable to owners of parent			(670,898)		(670,898)		
Purchase of treasury stock				(139,856)	(139,856)		
Disposal of treasury stock			(183)	20,101	19,918		
Cancellation of treasury stock			(142,848)	142,848			
Changes in affiliated companies' interests in its subsidiaries		(395)			(395)		
Net changes of items other than those in shareholders' equity						(1,937)	(15,983)
Total changes of items during the period		(395)	(870,033)	23,093	(847,335)	(1,937)	(15,983)
Balance at the end of current period	605,814	825,756	3,415,475	(88,284)	4,758,761	1,563	(2,824)

	Accumulated other comprehensive income				Share subscription rights	Non-controlling interests	Total net assets
	Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	(103,135)	422,883	39,144	375,551	304	488,592	6,470,543
Changes of items during the period							
Cash dividends paid							(56,104)
Net loss attributable to owners of parent							(670,898)
Purchase of treasury stock							(139,856)
Disposal of treasury stock							19,918
Cancellation of treasury stock							—
Changes in affiliated companies' interests in its subsidiaries							(395)
Net changes of items other than those in shareholders' equity	(9,556)	(108,476)	(40,116)	(176,068)	(5)	(1,787)	(177,860)
Total changes of items during the period	(9,556)	(108,476)	(40,116)	(176,068)	(5)	(1,787)	(1,025,195)
Balance at the end of current period	(112,691)	314,407	(972)	199,483	299	486,805	5,445,348

④ Consolidated statement of cash flows

(Millions of yen)

	Prior fiscal year (From April 1, 2023 To March 31, 2024)	Current fiscal year (From April 1, 2024 To March 31, 2025)
Cash flows from operating activities		
Income (loss) before income taxes	599,225	(413,618)
Depreciation and amortization (for fixed assets excluding leased vehicles)	351,684	367,946
Depreciation and amortization (for long term prepaid expenses)	38,957	41,317
Depreciation and amortization (for leased vehicles)	287,312	287,748
Impairment loss	58,972	494,935
Increase (decrease) in allowance for doubtful accounts	(6,474)	(4,660)
Provision for residual value risk of leased vehicles (net changes)	(17,014)	44,565
Interest and dividends income	(63,702)	(54,492)
Interest expense	298,338	358,523
Equity in losses (earnings) of affiliates	(113,487)	(91,299)
Loss (gain) on sales of fixed assets	(11,538)	(9,017)
Loss on disposal of fixed assets	15,402	21,972
Decrease (increase) in trade notes and accounts receivable, and contract assets	(28,903)	42,541
Decrease (increase) in sales finance receivables	(243,605)	(16,641)
Decrease (increase) in inventories	(112,150)	429,099
Increase (decrease) in trade notes and accounts payable	280,483	(96,018)
Retirement benefit expenses	(686)	(12,450)
Payments related to net defined benefit assets and liabilities	(19,545)	(26,847)
Other	30,083	(97,394)
Subtotal	1,343,352	1,266,210
Interest and dividends received	60,234	57,057
Proceeds from dividends income from affiliates accounted for by equity method	69,492	23,651
Interest paid	(285,054)	(358,265)
Income taxes paid	(227,125)	(234,966)
Net cash provided by (used in) operating activities	960,899	753,687
Cash flows from investing activities		
Net decrease (increase) in short-term investments	(2,352)	9,633
Purchase of fixed assets	(368,273)	(533,712)
Proceeds from sales of fixed assets	36,797	46,320
Purchase of leased vehicles	(1,259,505)	(1,378,029)
Proceeds from sales of leased vehicles	796,697	821,177
Payments of long-term loans receivable	(85)	(187)
Collection of long-term loans receivable	22,981	2,139
Purchase of investment securities	(48,064)	(19,492)
Proceeds from sales of investment securities	8	80,280
Proceeds from purchase of shares of subsidiaries' shares resulting in changes in the scope of consolidation	—	1,276
Payments for sales of subsidiaries' shares resulting in changes in the scope of consolidation	—	(162)
Net decrease (increase) in restricted cash	(1,199)	(9,253)
Proceeds from sales of businesses	6,912	—
Other	3,419	8,783
Net cash provided by (used in) investing activities	(812,664)	(971,227)

(Millions of yen)

	Prior fiscal year (From April 1, 2023 To March 31, 2024)	Current fiscal year (From April 1, 2024 To March 31, 2025)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(380,759)	41,908
Proceeds from long-term borrowings	2,102,278	1,688,211
Proceeds from issuance of bonds	311,855	143,068
Repayments of long-term borrowings	(1,411,497)	(1,189,197)
Redemption of bonds	(487,489)	(166,692)
Purchase of treasury stock	(119,968)	(139,350)
Repayments of lease obligations	(53,271)	(52,094)
Cash dividends paid	(58,760)	(56,104)
Cash dividends paid to non-controlling interests	(58,460)	(6,499)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in the scope of consolidation	24,520	—
Net cash provided by (used in) financing activities	(131,551)	263,251
Effects of exchange rate changes on cash and cash equivalents	95,135	25,596
Increase (decrease) in cash and cash equivalents	111,819	71,307
Cash and cash equivalents at the beginning of the period	2,014,387	2,126,206
Cash and cash equivalents at the end of the period	※1 2,126,206	※1 2,197,513