

July 5, 2021

Nissan Motor Co., Ltd.

Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer

Contact : Noriyuki Inagaki, Senior Manager, IR Department

The corporate governance of Nissan Motor Co., Ltd. (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views **UPDATED**

- Under the Nissan’s corporate purpose, we defined the company’s reason for existence in society as “Driving innovation to enrich people’s lives.” Accordingly, we will work to improve corporate governance as one of our highest priority management tasks in order to be considered a trustworthy company and provide unique and innovative automotive products and services that deliver superior measurable value to all stakeholders.
- We will conduct our business while considering society’s expectations and our social responsibilities and devote ourselves to the development of a sustainable society by aiming for sustainable growth of our business.
- We will select, as our corporation form, a company with three statutory committees, which can clearly separate management functions and supervisory, oversight and auditing functions. As such, we will improve the transparency of the decision-making process and also conduct speedy and agile business execution.
- Through the supervision, oversight, and auditing by the Board of Directors and other corporate bodies, we will ensure the effectiveness of our structure related to internal controls, compliance, and risk management. Officers and employees, including Executive Officers, will sincerely respond to the supervision, oversight, and auditing contemplated hereby.

【Reasons for Non-compliance with the Principles of the Corporate Governance Code】 **UPDATED**

Principle 1-4 Cross-Shareholdings

(2) Assessment regarding individual cross-shareholdings

The Board of Directors shall verify the purpose of holdings and the benefits associated with individual cross-shareholdings to determine the appropriateness of holdings. On top of these verification from strategic viewpoint, we will start to study other factors including the viewpoint of cost of capital.

【Disclosure Based on the Principles of the Corporate Governance Code】 **UPDATED**

Principle 1-4 Cross-Shareholdings

(1) Policy regarding Cross-Shareholdings

The Company’s basic policy on crossholding of stocks is to limit its collaborative/cooperative relationship with counterparties to within a reasonable scope with the aim of achieving the Company’s business advantages. The Board of Directors shall verify medium- to long-term crossholding-related benefits and/or risks to determine the appropriateness of the respective crossholdings by considering the nature and/or scale of the transaction and other factors. If a continued holding is determined to be inappropriate, its treatment shall be studied, including sell-off.

(3) Voting rights regarding Cross-Shareholdings

In view of the purpose of holding the stock and after thoroughly examining the management policy and strategy of the holding company, we will decide whether to approve the proposal from the perspective of improving corporate value over the medium to long term.

Principle 1-7 Related Party Transactions

The Company has an internal rule covering all transactions including those with its directors or major shareholders. Such rule provides for transactions to be reviewed by various functions e.g. financial, accounting, tax, legal, etc. and approved by the appropriate level of decider depending on the importance and nature of the transactions.

Besides, in case of any transaction that involves conflicts of interest between the Company and a director or an executive officer, the Board Regulations provides that board approval, as well as a post-fact report of important facts associated with such a transaction to the board, are required. In addition, the Director Conflict of Interest Resolution Policy defines the conflicts of interest between a director and the Company, requires directors to

report any actual, potential or perceived conflicts and also establishes the procedures to resolve such conflicts.

Principle 2-6 Roles of Corporate Pension Funds as Asset Owners

Nissan adopts contract type defined benefit corporate pension plan.

Decisions on matters related to the pension fund investment such as asset allocation ratio and operational structure is made based on the 'Basic Pension Plan Investment Policy' by Investment Committee consisted of the Finance executives and other proper talents and the investment of each fund is entrusted to external expert institutions to avoid the conflict of interests between the subscribers, beneficiaries, and the Company.

Also, Corporate Pension Management Committee which is consisted of those who represent HR, Treasury, Control, Internal Auditing, Legal, and the Labor Union are regularly convened to check on the overall state of financial management and investment to ensure stable asset building for the subscribers and the beneficiaries and sound management of the pension plan on the continued basis.

Principle 3-1 Full Disclosure

(1) Company objectives (e.g., business principles), business strategies and business plans

For our corporate purpose and mission, refer to:

<https://www.nissan-global.com/EN/COMPANY/MESSAGE/VISION/>

For our mid-term plan, refer to: <https://www.nissan-global.com/EN/IR/MIDTERMPLAN/>

(2) Basic views and guidelines on corporate governance

Refer to I-1. Basic Policy of this report.

(3) Board policies and procedures in determining the remuneration of senior management and directors

The compensation policies are disclosed in pages 58 to 61 of Financial Information as of March 31, 2021

(<https://www.nissan-global.com/EN/DOCUMENT/PDF/FR/2020/fr2020.pdf>).

(4) Board policies and procedures in the appointment/dismissal of the senior management and the nomination of directors candidates

The company has established its Corporate Governance Guideline (https://www.nissan-global.com/EN/COMPANY/PROFILE/CORPORATEGOVERNANCE/pdf/Guidelines_EN.pdf), the nomination policy for directors is defined in Article 15 thereof.

Regarding the process of nomination, the Nomination Committee has the right to determine the necessary general principles and the contents of a proposal (of which to be submitted to the general shareholders meeting) regarding the appointment and dismissal of directors.

The Nomination Committee also determine the proposal regarding the representative executive officers, to be submitted to the board of directors for its decision.

The representative executive officer proposes the candidates of executive officers to the board of directors for its decision.

(5) The rationale for the nomination of individual appointment/dismissal and nomination based on the above (4)

The rationale for selection and nomination of each director candidate is as explained in the general shareholder meeting reference materials. Each candidate's experience etc. as provided therein is consistent with the company's policy for nominating directors.

As for appointment of representative executive officers, the Nomination Committee determined the proposal to the board of directors considering the candidates' management skill and experience etc. for the decision by the board of directors. Executive officers were proposed by representative executive officer considering the management skill and experience etc. and appointed by the board of directors.

Supplementary Principle 4-1-1 Roles and Responsibilities of the Board

The Company selected, as its corporation form, the company with three statutory committees system which can clearly separate management functions and supervisory, oversight and auditing functions. The Board of Directors has established Board Regulations matters to be resolved by the board, including the matters defined in laws and the Articles of Incorporation, such as the basic management policies. The Board of Directors shall decides on important matters set forth in the Regulations of the Board of Directors, and, in order to carry out effective and flexible management, as a general rule, delegates its power to decide on business activities to executive officers. Further, we set forth internal rules specifying the scope of delegation to representative executive officers, other

executive officers and corporate officers.

Principle 4-9 Independence Standards and Qualification for Independent Directors

The Company has established and disclosed Directors Independence Standards. (https://www.nissan-global.com/EN/COMPANY/PROFILE/CORPORATEGOVERNANCE/pdf/Standards_EN.pdf).

Supplementary Principle 4-11-1 Preconditions for Board Effectiveness

The Company secures high degree of independence at composition of the Board of Directors and the Statutory Committees to fully fulfill the function and role of supervising the execution side. The Board of Directors, Nomination Committee and Audit Committee appoint Independent Outside Directors for the majority of their members and for their chair, and the Compensation Committee appoints Independent Outside Directors for all of its members and for its chair. In order to ensure diversity of viewpoints, the Company considers the following factors upon nominating the directors: nationality, gender, age, professional knowledge and experience. At present 12 directors are from 5 countries, of which 2 members are women, and each individual has different professional background. The Company set strict conditions to appoint the Independent Outside Directors in order to ensure the independency and a Nomination Policy of the Directors and Committee members in the Corporate Governance Guideline Chapter IV. (https://www.nissan-global.com/EN/COMPANY/PROFILE/CORPORATEGOVERNANCE/pdf/Guidelines_EN.pdf). And also, the Company discloses the skill matrix of the Directors in the Corporate Governance Overview. (https://www.nissan-global.com/EN/COMPANY/PROFILE/CORPORATEGOVERNANCE/pdf/Overview_EN.pdf)

Supplementary Principle 4-11-2 Preconditions for Board Effectiveness

Upon appointing the Directors, the Nomination Committee confirms that Directors are able to devote sufficient time and effort to fulfill their duties. The status of major concurrently-held offices of Directors are explained in the Business report and General shareholder meeting reference material.

Supplementary Principle 4-11-3 Analysis and evaluation of the effectiveness of the Board

<Implementation of effectiveness evaluation>

The Company is conducting the Board of Directors Effectiveness Evaluation once a year, to enhance the effectiveness of the Board of Directors and its management environment continuously. The evaluation was conducted along with evaluation items hereunder and based on the results, the effectiveness was analyzed and evaluated in comparison with previous year's evaluation results and taking the response to the previous year's initiatives into account. The outcome was discussed and the measures to enhance further the effectiveness were confirmed at the Board of Directors.

While the evaluation result was audited by the Audit committee, this year the third-party organization which was used the previous time for the preparation of questionnaires and consolidation, analysis of responses, was not used due to no change in the questionnaires from last time, from the viewpoint of ensuring the continuity.

<FY2020 Evaluation items>

All the Directors conducted the evaluation for the items hereunder based on questionnaires.

- A. Board composition: Diversity of Board members, Composition ratio and number of outside and inside directors, etc.
- B. Role & Responsibilities: Clarification of responsibility and expected role of the Board, etc.
- C. Information provided: Briefing of the Board agenda, Quality, volume and timing of information provided, etc.
- D. Contents of the discussion: Frequency, duration, selection of the Board agenda, discussion over business report and mid-to long-term perspective, etc.
- E. Execution structure: Communication, mutual understanding between execution and supervision side, group governance, internal control etc.
- F. Relation/dialogue with shareholders/investors: Frequency of communication and dialogues with shareholders/investors, and understanding on their viewpoint

<Result of evaluation this year and further initiatives>

1. Overall evaluation:

At the Board of Directors of the Company, in FY2020, communication and lively discussions with the execution side was carried out from various perspectives, focusing on management-related matters such as involvement in the business strategy development including business transformation – NISSAN NEXT planning and monitoring of the progress of business execution. It was evaluated that the effectiveness of the Board is secured.

2. Further initiatives:

The Board of Directors confirmed to work for the following matters in order to strengthen the corporate governance of the Company and enhance its corporate value.

- In order to fulfill the supervision responsibility, which is an important role of the Board of Directors, continue to discuss management strategies for sustainable growth and corporate value of the Company over the mid-to long-term period.
- In line with mid-to long-term discussions, in order to promote the understanding of outside directors regarding specific initiatives of the Company, continue to provide information on companies and businesses such as business-site visit and participation to the events, taking into account the situation of COVID-19.
- From FY2020, Corporate governance system of the Company has been confirmed as quickly-established and steadily-implemented. In order to promote understanding of Directors, to conduct the report of the systems and initiatives regarding corporate risk management, group companies and overseas regions.
- Further improvement for briefing of the Board agenda and the provision of information.

Supplementary Principle 4-14-2 Director Training

We provide trainings, including, but not limited to those regarding code of conduct, compliance and information security to directors, and provide explanations about the business and offer opportunities to observe the business as necessary.

Principle 5-1 Policy for Constructive Dialogue with Shareholders

- i) A member of the management or a director responsible for constructive dialogue with shareholders;
The Company (under responsibility of Corporate Officer in Charge of IR) engages in constructive dialogue with shareholders and investors and will build a relationship of mutual trust through timely and adequate disclosure of company information and continuous communication.
- ii) Measures to ensure positive cooperation between internal departments with the aim of supporting dialogue;
We have a dedicated IR department, and, it will conduct the above dialogue by cooperating with other departments as necessary, such as the corporate planning, finance, accounting and legal departments, and obtaining necessary information.
- iii) Measures to promote opportunities for dialogue;
For analysts and institutional investors, we have held timely financial results briefing sessions, as well as business strategy briefings consistent with the interests of investors etc. Further we meet with overseas investors on a regular basis. As for individual shareholders and individual investors, we have held shareholder get-togethers after the shareholder meeting in order to provide opportunities for direct dialogue between the shareholders and management, and also held joint briefing sessions with securities companies about the Company for individual investors.
- iv) Measures to relay shareholder views and concerns to the management;
Comments from shareholders and investors obtained through the above dialogue are provided to management through the corporate officer in charge, and referred to by management.
- v) Measures to control insider information when engaging in dialogue;
In order to prevent insider trading, we refrain from communications related to our financial information for the period from the day after the end of each financial quarter until the date of official announcement of our financial information.

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2.Capital Structure

Foreign Shareholding Ratio	More than 30%
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【Major Shareholders】 **UPDATED**

Status of Major Shareholders	Number of Shares Owned	Percentage (%)
Renault S.A.	1,831,837,027	43.40
The Master Trust Bank of Japan (Shintaku-guchi)	179,581,700	4.25
The Chase Manhattan Bank, N.A. London Special Account No. 1	142,756,856	3.38
Custody Bank of Japan (Shintaku-guchi)	111,148,300	2.63
Nippon Life Insurance	54,028,652	1.28
Custody Bank of Japan (Shintaku-guchi 9)	41,746,300	0.99
Custody Bank of Japan (Shintaku-guchi 5)	36,156,400	0.86
State Street Bank West Client - Treaty 505234	35,256,850	0.84
Custody Bank of Japan (Shintaku-guchi 6)	32,055,400	0.76
Custody Bank of Japan (Shintaku-guchi 1)	28,778,800	0.68

Controlling Shareholder (except for Parent Company)	N/A
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Parent Company	N/A
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Supplementary Explanation

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3. Corporate Attributes

Listed Stock Exchange and Market Section	Tokyo Stock Exchange(First Section)
Fiscal Year-End	March
Type of Business	Transportation Equipment
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) in the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

N/A

5. Other Special Circumstances which may have Material Impact on Corporate Governance **UPDATED**

(1) Concept of and policies for group management

We put our corporate purpose "Driving innovation to enrich people's lives" at the center of our activities. We share the significance of being in society as a company with the entire group and we are building an adaptive organization that embraces new ways of delivering value with a strong resilient spirit that makes us agile and sustainable. Nissan Shatai Co., Ltd. (hereinafter : the company) is the listed subsidiary which we have 43.1% of the total number of the issued shares. While respecting the independence of the management of the company, we maintain close cooperative relationships with the company and our group companies in conducting business activities.

(2) Reasons for having the listed subsidiaries

■ Nissan Shatai Co., Ltd.

The company is an automobile manufacturer that produced 139,000 vehicles a year in FY2020. The company that has comprehensive functions from vehicle development work centered on LCVs and frame vehicles to production preparation such as factory production line design and equipment introduction, vehicle production, and quality assurance. We recognize that the company plays an important position in our business. In the field of vehicle production, the company contributes to providing our products to global customers through

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efficient and high-quality vehicle production. We recognize that maintaining the company as a listed company is rational because it contributes to a more equitable evaluation of the company's competitiveness in the market as an automobile manufacturer.

(3) Methods to ensure effectiveness of governance system of the listed subsidiaries

The company has two independent outside directors out of six directors. In addition, in January 2020, in order to increase the transparency and objectivity of the procedures used for decisions concerning nomination of directors and statutory auditors of the company and remuneration for directors, a nomination and remuneration committee consisting of a majority of independent outside directors were established. In addition, the company has established a Business Monitoring Committee consisting of independent outside directors and independent outside statutory auditors to deliberate on the details of negotiations on certain important transactions with the company.

We respect such efforts of the company to enhance the transparency and objectivity of the company and the independence of management, and strives not to impair the common interests of shareholders.

(4) Contract and its content that is related to the concept and policy for management

We have a manufacturing consignment contract for automobile transactions with the company.

The transaction price with the company is determined by negotiations taking into account of the total cost of manufacturing.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with three statutory committees
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【Directors】

Number of Directors Stipulated in Articles of Incorporation	No maximum limitation
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board of Directors	Outside Director
Number of Directors	12

【Outside Directors】

Number of Outside Directors	7
Number of Independent Directors	7

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company *1										
		a	b	c	d	e	f	g	h	i	j	k
Yasushi Kimura	From another company								△			
Masakazu Toyoda	From another company								○			
Keiko Ihara	N/A											
Motoo Nagai	From another company					△						
Bernard Delmas	From another company								△			
Andrew House	From another company								△			
Jenifer Rogers	N/A											

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party who has a significant business relationship with the Company or an executive thereof

e. A party with whom the Company has a significant business relationship or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the

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- Company besides compensation as a director/statutory auditor
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
 - h. Executive of a party with whom the Company has a business relationship (which does not correspond to any of d, e, or f) (the director himself/herself only)
 - i. Executive of a company, between which and the Company outside directors/statutory auditors are mutually appointed (the director himself/herself only)
 - j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
 - k. Others

* If the person corresponds to each item in "current/recent", "○"; if corresponding to "past", "△"

Outside Directors' Relationship with the Company (2) **UPDATED**

Name	Committee			Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
	Nomination Committee Member	Compensation Committee Member	Audit Committee Member			
Yasushi Kimura	○		○	○	—	He has experience serving as top management in a key industry in Japan. He also has wealth of experience and deep insight in corporate management and leadership experience in Japan Business Federation (Keidanren), as well as Chairman of Petroleum Association of Japan (PAJ). Nissan expects him to continuously contribute to the Company through his Global management, Governance, and Sales/Marketing skills. Since his inauguration in June 2019, Mr. Kimura has supervised the companies' overall management providing an objective and broad perspective as the Chair of the Board of Directors, Member of the Nomination Committee, Member of the Audit Committee and he has fulfilled the duties of outside director. Therefore, the Company appointed him as an outside director for Nissan. And he meets the requirements of Independent Director of the Tokyo Stock Exchange as well as "Director Independence Standards" of the Company.
Masakazu Toyoda	○		○	○	—	He has held prominent positions, including Vice-Minister for International Affairs of METI, and Special Advisor to the Cabinet Secretariat. He also has wealth of experience and deep insight in economics, international trade, energy and environment. Nissan expects him to continuously contribute to the Company through his Global management, Government, and Governance skills. Since his inauguration in June 2018, Mr. Toyoda has supervised the companies' overall management providing an objective and broad perspective as the Lead independent outside director, Chair of the Nomination Committee, Member of the Audit Committee and he has fulfilled the duties of outside director. Therefore, the Company

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						appointed him as an outside director for Nissan. And he meets the requirements of Independent Director of the Tokyo Stock Exchange as well as “Director Independence Standards” of the Company.
Keiko Ihara	○	○		○	—	Due to her wealth of experience and deep insight in the auto industry as an international female racing driver, being many years involved with domestic and global auto makers including technology development and popularization of eco-friendly car and MaaS research at University research institute. Also, Ms. Ihara has an extensive business experience leading organizational governance and talent development in international organization. Nissan expects her to continuously contribute to the Company through her Global management, Automobile Industry, and Governance skills. Since her inauguration in June 2018, Ms. Ihara has supervised the companies’ overall management providing an objective and broad perspective as the Chair of the Compensation Committee, Member of the Nomination Committee, and she has fulfilled the duties of outside director. Therefore, the Company appointed her as an outside director for Nissan. And she meets the requirements of Independent Director of the Tokyo Stock Exchange as well as “Director Independence Standards” of the Company.
Motoo Nagai	○	○	○	○	—	Due to his wealth of experience and deep insight on finance, accounting and risk management gained through executive leadership positions in institutions including Mizuho Corporate Bank and Mizuho Trust & Banking Co., Ltd. Nissan expects him to continuously contribute to the Company through his Global management, Legal/Risk Management, and Governance skills. Since his inauguration as full-time Statutory Auditor in 2014, Mr. Nagai has wealth of management experience in Nissan and from June 2019, he has supervised the companies’ overall management providing an objective and broad perspective as the Chair of the Audit Committee, Member of the Nomination Committee, Member of the Compensation Committee and he has fulfilled the duties of outside director. Therefore, the Company appointed him as an outside director for Nissan. And he

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						meets the requirements of Independent Director of the Tokyo Stock Exchange as well as “Director Independence Standards” of the Company.
Bernard Delmas		○		○	—	Due to his extensive international experience in the automotive industry. He has wealth of experience and deep insight in management of R&D, business planning, and managing the cross-functional organization. Nissan expects him to continuously contribute to the Company through his Global management, Automobile Industry, and Product/Technology skills. Since his inauguration in June 2019, Mr. Delmas has supervised the companies’ overall management providing an objective and broad perspective as the Member of the Compensation Committee and he has fulfilled the duties of outside director. Therefore, the Company appointed him as an outside director for Nissan. And he meets the requirements of Independent Director of the Tokyo Stock Exchange as well as “Director Independence Standards” of the Company.
Andrew House	○			○	—	Due to his wealth of experience and deep insight in international business management, understanding of customer needs and consumer products, and emerging technologies through key roles in global companies. Having worked both inside and outside Japan, he has a strong cross-cultural perspective. Nissan expects him to continuously contribute to the Company through his Global management, Product/Technology, and Sales/Marketing skills. Since his inauguration in June 2019, he has supervised the companies’ overall management providing an objective and broad perspective as the Member of the Nomination Committee and he has fulfilled the duties of outside director. Therefore, the Company appointed him as an outside director for Nissan. And he meets the requirements of Independent Director of the Tokyo Stock Exchange as well as “Director Independence Standards” of the Company.
Jenifer Rogers		○	○	○	—	Due to her wealth of experience and deep insight in legal, compliance and risk management expertise. She comes with solid board experience at globally-operating Japanese corporations, and experience as an in-house lawyer and head of a range of legal

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						functions in international financial institutions. Nissan expects her to continuously contribute to the Company through her Global management, Legal/Risk Management, and Governance skills. Since her inauguration in June 2019, she has supervised the companies' overall management providing an objective and broad perspective as the Member of the Compensation Committee, Member of Audit Committee and she has fulfilled the duties of outside director. Therefore, the Company appointed her as an outside director for Nissan. And she meets the requirements of Independent Director of the Tokyo Stock Exchange as well as "Director Independence Standards" of the Company.
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【Three statutory-committees】

Constitution and Chair of each Committee

	Total	Full-Time	Internal Directors	Outside Directors	Chair
Nomination Committee	6	0	1	5	Outside Director
Compensation Committee	4	0	0	4	Outside Director
Audit Committee	5	1	1	4	Outside Director

【Executive Officers】

Number of Executive Officers	7
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Status of Additional Duties

Name	Representative Authority	Additional Duties as Director			Additional Duties as Employee
			Nomination Committee Member	Compensation Committee Member	
Makoto Uchida	○	○	×	×	×
Ashwani Gupta	○	○	×	×	×
Christian Vandenhende	×	×	×	×	×
Stephen Ma	×	×	×	×	×
Hideyuki Sakamoto	×	○	×	×	×
Asako Hoshino	×	×	×	×	×
Kunio Nakaguro	×	×	×	×	×

【Auditing Structure】

Appointment of Directors and/or Staff to Support the Audit Committee	Appointed
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Matters Related to the Independence of Such Directors and/or Staff from Executive Officers

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

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

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Cooperation among Audit Committee, Independent Auditors and Internal Audit Department

The Audit Committee, in conducting its audits, cooperates with the internal audit department and the independent auditors in an appropriate manner, making efforts to enhance the effectiveness of “tri-parties” audit. Under the leadership of the Audit Committee, collaboration among three parties is contributing to the enhancement of the effectiveness of internal control systems by sharing information on the issues pointed out by their respective audits and the status of their remediation in a timely manner. Further, the Audit Committee supervises the internal audit department, periodically receives reports from them on the progress and results of their internal audit activities conducted in accordance with their internal audit plan and, as necessary, gives them instructions regarding internal audit. The Audit Committee receive similar reports from the Independent Auditor, as well as detailed explanations on the status of the quality control of internal audits, to confirm whether their oversight is at a suitable level.

【Independent Directors】

Number of Independent Directors	7
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Matters relating to Independent Directors

All Outside Directors that meet the requirements of Independent Directors have been designated as Independent Directors.

【Incentives】

Incentive Policies for Directors / Executive Officers	UPDATED	Performance based cash incentive, Others
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Supplementary Explanation

Variable compensation consists of an "annual bonus" paid according to annual business performance, and two types of long-term incentive compensation designed to motivate executives to take actions that enhance shareholder value and sustainable growth and profitability for the company. Long-term incentive compensation consists of both a grant of a non-performance-linked compensation “restricted stock units” (RSU)” and an award of a “performance-based cash incentive” that pays only when goals are achieved. As a result, the Company's executive officers’ performance-based variable compensation programs are designed to motivate management to achieve both annual performance objectives as well as medium- and long-term business performance objectives.

【Compensation for Directors and Executive Officers】

Disclosure of Individual Directors’ Remuneration	Only for certain Directors
Disclosure of Individual Executive Officers’ Remuneration	Only for certain Executive Officers

Supplementary Explanation

Details of the Director Remuneration are disclosed in accordance with related laws and regulations such as Corporate law, Financial Instruments and Exchange Act and Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.

Policy on Determining Compensation Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

Executive compensation is designed to be motivated to create maximum value for our stakeholders, including our customers, shareholders, the communities in which we operate, and our employees. Based on this policy, the remuneration of directors and executive officers shall be determined by comprehensively considering the following principles.

●Governance and oversight responsibilities

The Company is committed to further improving corporate governance, compliance, and corporate ethics. With regard to the compensation program, the Company will appropriately supervise whether it is operated effectively and is in line with the policy.

●Fairness and transparency

A fair and consistent reward program regardless of race, gender, nationality or individual attributes. The system of performance evaluation and compensation shall be transparent and open and shall be treated fairly.

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●Value creation and accountability

It is a reward program that leads to performance and actions that can create long-term value for our stakeholders such as customers, shareholders, the communities in which we operate, and employees.

●Superiority

The Company provides competitive rewards that are comparable to competing automobile companies and large global companies in securing human resources.

●Effectiveness of operation

Compensation programs shall be appropriately operated, understandable to executives, cost-effective, and globally applicable.

●Change and adaptation

The Company are expanding our business globally in an environment where technology and people's lives are changing drastically. Therefore, from the perspective of global standards, the Company will continue to adapt our compensation programs to the diversity of the talent market and business environment.

【Supporting System for Independent Directors】 **UPDATED**

The Company established the Board of Directors Office, where information is collected smoothly and appropriately so that directors can effectively fulfill their roles and responsibilities, and including independent outside directors meetings, necessary activities are carried out in order for directors to discuss a wide range of issues related to the company's corporate governance and business matters from the viewpoint of supervising the execution.

【Status of persons who have retired from a position such as Representative Director and President】 **UPDATED**

Name, etc., of Counselors, Advisors, etc., who have formerly served as Representative Director and President, etc., of the Company	None
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Total number of Counselors, Advisors, etc., who have formerly served as Representative Director and President, etc., of the Company UPDATED	None
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Other **UPDATED**

- The board resolved to abolish Advisor and Consultant (Soudanyaku and Komon) scheme in principle, on January 14th, 2020
 - However, the company engage Special Advisor to past Corporate Officers and above to perform industrial activity or external activity which is beneficial to the Company. The Special Advisor is not paid, basically.
- In the following cases, the company will engage Special Advisor under stricter procedure.
- ①Past executive officers' engagement to the Special Advisor will be reported to the board.
 - ②If past Executive Officer will be engaged to the duties which is not stated at the Special Advisor Regulations, the details of such duties shall be determined by the Board after deliberations at the Nomination Committee.
 - ③In cases where the Company pays compensation to Special Advisors who have held the position of Executive Officer as consideration for the performance of duties, the specific details of the compensation shall be determined by the Board after deliberations at the Compensation Committee.

2. Matters on Functions of Business Execution, Auditing and Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) **UPDATED**

①Activities of the Board of Directors

The board of directors of the Company is chaired by independent outside directors, and 7 of the 12 directors are independent outside directors. Based on laws and the Regulations of the Board of Directors, the Board of Directors makes decisions on important matters related to the company's group management such as the draft agenda of general meeting of shareholders, members of each committee, business plans, and product strategies. Board activities during this fiscal year are as follows

- Quarterly financial reports
- Regular reports of the business execution status and progress of NISSAN NEXT, the business structure reform

plan

- Regular reports of activities related to internal control

In order to promote understanding of our business, we carry out various training programs for directors throughout the year, such as business briefings from executives, site visits, and lecture about corporate governance etc.

The board of directors also carried out discussion sessions between the independent outside directors and the independent auditors to exchange opinions about subjects such as Key Audit Matters (KAM) and companies' long term value, twice in this fiscal year.

②Activities of the each committee

●Nomination Committee

The Board of Directors appoints the committee chair from an independent outside director and appoints six committee members, five of whom are independent 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. In addition, the committee has the authority to decide on the content of the Board of Directors meeting agenda concerning the appointment and dismissal of the Representative Executive Officer and the authority to formulate an appropriate succession plan regarding the President and Chief Executive Officer.

Committee activities during this fiscal year are as follows

- Discussed Representative Executive Officer's appointment proposal.
- Discussed director's appointment proposal to be submitted to 122nd Annual General Shareholders meeting.
- Discussed the President and Chief Executive Officer's succession plan process.

●Compensation Committee

All four members of the Compensation Committee are Independent Outside Directors, including the Chair. The Compensation Committee has the statutory authority to determine the policy of individual compensation of the Company's directors and executive officers and the contents of individual compensation for directors and executive officers.

The Compensation Committee's activities during FY2020 included the following

- Confirming a policy for compensating directors and executive officers
- Selecting benchmark companies and discussing the level of compensation based on the benchmark results of these companies and the results of surveys conducted by external compensation consultants.
- Determining the aggregate and individual amounts of director and executive officer of compensation for FY2020.
- Selecting and implementing a new long term incentive compensation program.

●Audit Committee

The Chair is an independent outside director, and 4 out of 5 members are independent outside directors. As part of audits on business execution including the organization and operation of Nissan's internal control systems, the Audit Committee receives reports from executive officers, corporate officers and employees on their business execution for Nissan and its group companies, in accordance with the Audit Committee's annual audit plan and on an ad-hoc basis as necessary. In addition, the Chair has meetings with executive officers including the President and Chief Executive Officer periodically and exchanges opinions in various areas. Further, the Chair attends important meetings etc. to state his opinions, reviews internal approval documents and other important documents, and, when necessary, requests explanations or reports from executive officers and employees. The Chair shares his collected information with other members of the Audit Committee in a timely manner.

The Audit Committee, in conducting its audits, cooperates with the internal audit department and the independent auditors in an appropriate manner, making efforts to enhance the effectiveness of "tri-parties" audit. Under the leadership of the Audit Committee, collaboration among three parties is contributing to the enhancement of the effectiveness of internal control systems by sharing information on the issues pointed out by their respective audits and the status of their remediation in a timely manner. Further, the Audit

Committee supervises the internal audit department, periodically receives reports from them on the progress and results of their internal audit activities conducted in accordance with their internal audit plan and, as necessary, gives them instructions regarding internal audit.

The Audit Committee is the contact point for whistleblowing with doubts regarding the involvement of management such as executive officers, and deals with whistleblowing by establishing a system where relevant executive officers cannot know the whistleblower and the content of whistleblowing.

Committee activities during this fiscal year include without limitation the following:

- Implementation of appropriate measures to seek responsibility for serious misconduct by former chairman and others and to recover damages, including the handling of the lawsuit filed against former chairman to claim damages
- Receipt of individual reports on the establishment and the operation status of the internal control system in the area of the risk management, cyber security, etc.
- Receipt of quarterly review result reports for the current fiscal year from the independent auditors
- Exchange of opinions with the independent auditors on the Key Audit Matters (KAM)
- Audit of the effectiveness of the supervisory function of the Board of Directors
- Audit visits to manufacturing plants and major domestic and overseas subsidiaries (1 plant and 16 subsidiaries: including audits by utilizing on-line measures).
- Conferences with statutory auditors of group companies to improve their audit quality (including conferences by utilizing on-line measures)

3. Reasons for Adoption of Current Corporate Governance System

The Company has adopted a company with three statutory committees, which can clearly separate management functions and supervisory, oversight and auditing functions, for the purpose of improving the transparency of the decision-making process and of conducting speedy and agile business execution.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Facilitate Smooth Exercise of Voting Rights UPDATED

	Supplementary Explanations
Early Notification of General Shareholder Meeting	In principle, the Company distributed the notice of convocation of AGSM 3 weeks prior to the date of the meeting and posted the notice of convocation on its Website prior to distribution.
Scheduling AGMs Avoiding the Peak Day	The Company held the 122 nd AGSM on June 22, 2021.
Allowing Electronic Exercise of Voting Rights	The Company enables shareholders to exercise voting rights through the Internet Website.
Participation in Electronic Voting Platform	The Company participates in an electronic voting platform operated by ICJ Corporation.
Providing Convocation Notice in English	Disclosed in the Company's Website, etc.
Other	—

2. IR Activities UPDATED

	Supplementary Explanations	Presentation / Explanation by representative officers
Preparation and Publication of Disclosure	Established the Disclosure Policy, consisting of “Basic Policy for Disclosure,” “Timely Disclosure,” “Voluntary Disclosure,” “Disclosure	

Corporate Governance Report

Policy	Review Committee,” “Quiet Periods,” and “Information concerning forecasts” in 2020. The Disclosure Policy is disclosed on the Website of the Company. https://www.nissan-global.com/EN/IR/DISCLOSURE/	
Regular Investor Briefings for Individual Investors	The Company has held joint briefing sessions with securities companies about the company for individual investors.	×
Regular Investor Briefings for Analysts and Institutional Investors	The Company has held timely financial results briefing sessions.	○
Regular Investor Briefings for Overseas Investors	The Company meets with overseas investors on a regular basis.	○
Posting of IR Materials on Website	The Company has published IR materials including English materials on its Website.	
Establishment of Department and/or Manager in Charge of IR	Department : IR Department Management : Stephen Ma (CFO), Tsuyoshi Tatsumi (CVP) Person Responsible for Handling of Information : Noriyuki Inagaki (Senior Manager)	
Other	—	

3. Measures to Ensure Due Respect for Stakeholders **UPDATED**

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company has the related stipulation in its “Global Code of Conduct for NISSAN Group”
Implementation of Environmental Activities, CSR Activities etc.	The Company has pursued CSR and environmental activities and disclosed the outline in “Sustainability Report” published in its Website.
Development of Policies on Information Provision to Stakeholders	The Company has regarded the management transparency as important and pursued fair disclosure to stakeholders.
Other	The number of Directors and Executive Officers is 16, consisting of 8 Japanese and 8 foreigners, of which 3 are women. The number of Corporate Officers is 50, consisting of 33 Japanese and 17 foreigners, of which 2 are women.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development **UPDATED**

The following is an outline of matters related to Nissan internal control system. The Board of Directors has resolved the basic policy on internal control system based on the Companies Act.

- i) Systems to ensure efficient and management of business activities by the Executive Officers
 - a. The Company chooses to be a company with three statutory committees as its legal organizational structure and its Board of Directors shall decide on basic management policies and important matters set forth under the law, articles of incorporation and the regulations of the Board of Directors.
 - b. The Company’s Board of Directors delegates a great portion of its power to decide on business activities (excluding matters exclusive to the Board of Directors under law) to its Executive Officers, in order to carry out effective and flexible management.

- c. The Company uses a proven system of an Executive Committee, in which Executive Officer President and Chief Executive Officer is a chair, where key issues such as business strategies, important transactions and investments are reviewed and discussed, as well as other committee meetings where operational business issues are reviewed and discussed.
 - d. For review and discussion of the regional and specific business area operations, the Company utilizes Management Committees.
 - e. In order to promote cross functional activities, cross functional teams - CFTs - are organized. CFTs detect problems and challenge and propose solutions to line organizations.
 - f. The Company implements an objective and transparent Delegation of Authority procedure which establishes the authority and responsibility of each Executive Officer and employee, for the purpose of speeding up and clarifying the decision making processes as well as ensuring consistent decisions.
 - g. The Company ensures the efficient and effective management of its business by determining and sharing management policy and business direction through establishment of the mid-term management plan and the annual business plan.
- ii) Systems to ensure compliance of Executive Officers' and employees' activities with Laws and articles of association
- a. The Company implements the "Global Code of Conduct", which explains acceptable behaviors of all employees working at the group companies of the Company worldwide and promotes understanding of our rules of conduct.
 - b. In order to ensure rigorous and strict compliance with the code of conduct, the Company and its group companies offer educational programs such as an e-learning system.
 - c. With regard to members of the Board of Directors as well as Executive Officers, etc. of the Company, the Company shall establish "Guidance for Directors, Executive Officers, etc.", which explains the acceptable behaviors of the members of the Board of Directors and Executive Officers.
 - d. The Company stands firm and takes appropriate actions against anti-social forces or groups. If any Director, corporate officer or employee is approached by such forces or groups, the said individual shall promptly report such matter to his/her superiors and specific committee, and shall follow their instructions.
 - e. All Directors, corporate officers and employees are encouraged to use good conduct, and to neither directly nor indirectly, be involved in any fraud blackmail or other improper or criminal conduct. In cases of becoming aware of any such impropriety or illegal activity, or the risk thereof, in addition to acting resolutely against it, he/she shall promptly report such matter to his/her respective superiors and specific committee, and shall follow their instructions.
 - f. For the purpose of monitoring and ensuring compliance with the code of conduct, the Company establishes the Global Compliance Committee. The compliance topics detected by the compliance department, which are suspected of involvement of management such as Executive Officers are directly reported to the Audit Committee.
 - g. The Company implements a hotline system with internal and external points of contact, by which the employees are able to submit their opinions, questions and requests, as well as report an act that may be suspected as a violation of compliance, freely and directly to the Company's management. The Company has established the system where, as for the matters with doubt of involvement of the management such as Executive Officers, etc., related Executive Officers, etc. do not be able to gain knowledge of the whistleblower or the detail of the report by making the Audit Committee the body to report to.
 - h. The Company is committed to continually implementing relevant company rules. The Company continually offers education programs to employees as part of its program to promote the understanding and compliance with such corporate rules.
 - i. The Company is committed to improve and enhance the internal control systems to ensure accuracy and reliability of its financial reports in accordance with the Financial Instruments and Exchange Law together with its related rules and standards. This is accomplished through adherence to J-SOX testing.

review, and reporting protocols (required under the Financial Instruments and Exchange Law). The Company designs and effectively operates processes. Further the Company addresses identified accounting and internal control findings.

- j. The Board of Directors appoints Outside Directors that has independency (Independent Outside Director) for the majority of its members and for its chair and shall focus on supervising the status of execution of duties by Executive Officers by taking a number of measures such as periodically receive reports from Executive Officers, periodically hold meetings only with the Independent Outside Directors, establish a lead Independent Outside Director, enhance the secretariat's personnel and function, and secure independency and further, shall receive assessment from a third party evaluation organization in respect to its functionality once every three years.
 - k. The Audit Committee appoints Independent Outside Director for a majority of its member and as its chair and also appoint adequately qualified and able Director and shall perform audit of Executive Officers' status of business execution. In addition, the Audit Committee shall appropriately audit the effectiveness with regard to the monitoring function of the Board of Directors on an ongoing basis.
 - l. The Company shall establish a department under the Audit Committee specialized in internal audit for the purpose of regularly auditing group companies' business and their observance of processes, policies, laws, and other matters as appropriate. Regional internal audit departments have been established to perform internal audits under the supervision of Nissan's global internal audit department.
 - m. The Audit Committee shall, as necessary, cooperate with the Nomination Committee and the Compensation Committee.
 - n. Considering the possibilities of conflict of interest between Renault, other major shareholders or MITSUBISHI MOTORS CORPORATION, which is one of the other parties of the Alliance, and the Company, Representative Executive Officer must not concurrently serve as a Director, Executive Officer, or any other officer or other positions of Renault, other major shareholders or MITSUBISHI MOTORS CORPORATION and the subsidiaries and affiliates thereof. If an Executive Officer concurrently serves in such position upon assuming the office of Representative Executive Officer of the Company, he/she and the Company shall promptly take necessary measures to leave such position at the other company.
 - o. If a Director has held the position of Director, Executive Officer or other positions with a title at Renault, other shareholders or MITSUBISHI MOTORS CORPORATION or its subsidiaries and affiliates thereof, such Director shall not participate in the deliberation and resolution of an agenda raised at the Company's meeting of Board of Directors that may cause a conflict of interest between the company in which the Director has held a position and the Company.
 - p. The Company's activities relating to the Nissan-Renault- Mitsubishi Motors Alliance, including operational functions under common management, are subject to direction, supervision and oversight by the company's Board of Directors, Executive Committee and relevant Executive Officers, etc. Decision-making occurs by the Company's Board of Directors, Executive Officers or employees in accordance with the Company's Delegation of Authority, and as otherwise necessary to comply with legal and regulatory requirements and also in consideration of the possibility of conflict of interest between the Company and Renault or the Company and Mitsubishi Motors.
 - q. Upon newly establishing or changing the organization internally, the Company shall not adopt a structure where the authority is divided in a way which may possibly inhibit the check function of the legal, accounting, financial and other managerial departments
- iii) Rules and systems for proper management of risk and loss
- a. The Company minimizes the possibility of occurrences of risk and, if they occur, mitigates the magnitude of losses by sensing such risks as early as possible and implementing appropriate countermeasures. In order to achieve such objectives, the Company and its Group companies implement the "Global Risk Management Policy."
 - b. Management of material company-wide risks is assigned primarily to the members of the Risk Management Committee, who are responsible to implement necessary measures such as preparing

- relevant risk management manual.
 - c. Concerning the management of other specific business risks beyond those supervised directly by the Risk Management Committee, they are handled by each manager in the business function who will evaluate, prepare and implement the necessary measures to minimize such risks.
 - d. The internal audit department of the Company on behalf of the Audit Committee shall conduct auditing activities pursuant to the relevant audit standards in order to provide assurance on the state of internal controls pursuant to a risk based methodology and consulting when appropriate.
- iv) Systems to ensure accurate records and the retention of information of Executive Officers' execution of business
- a. The Company preserves and appropriately manages the documents and other information relating to Executive Officers' execution of business.
 - b. Results of all corporate decisions made by various divisions and department pursuant to Delegation of Authority are preserved and retained either electronically or in writing.
 - c. While the departments in charge are responsible for proper and strict retention and management of such information, , in particular, for materials related to important management councils, Directors and Executive Officers and other employees of the Company have access to any records within a reasonable range as required for the purpose of performing their business activities.
 - d. The Company has enacted a policy about the creation, use, management of information to enhance proper and strict retention and management of information and to prevent improper use of information and unintended disclosure of such information. Furthermore, the Company has established an Information Security Committee, which is engaged in overall management of information security in the Company and makes decisions on information security matters.
- v) Systems to ensure proper and legitimate business activities of the group companies
- (A) Systems to ensure the efficient execution and management of business activities by Directors of the group companies
 - a. The Company establishes various Management Committees which are trans-group organizations in order to ensure proper, efficient and consistent Group management.
 - b. In management committee meetings, the Company provides group companies with important information and shares with them management policies; this ensures that the business decisions of all group companies are made efficiently and effectively.
 - c. The group companies implement an objective and transparent Delegation of Authority procedures in cooperation with the Company.
 - (B) Systems to ensure compliance of activities of Directors and employees of the group companies to laws and regulations and articles of association
 - a. Group companies implement each company's code of conduct in line with the Global Code of Conduct, establish a compliance committee and ensure full compliance with all laws and our corporate code of conduct. The Global Compliance Committee regularly monitors these companies and works to ensure further strict compliance with laws, the articles of association and the corporate behavior. In addition, group companies implement a hotline system which ensures that employees are able to directly communicate to the group company or to the Company directly their opinions, questions and requests.
 - b. The internal audit department of the Company carries out audits on the business of group companies for the purpose of evaluating and improving the effectiveness of risk management control and governance processes.
 - c. The Company's Audit Committee and group companies' Statutory Auditors shall have periodic meetings to share information and exchange opinion for the purpose of ensuring effective auditing of the group companies.
 - d. In particular, the scope and frequency of internal audits and other monitoring activities on the business of the group companies may vary reasonably because of, for example, risk identified as well as the size, nature of the business, and materiality of such group companies.

- (C) Rules and systems for proper management of risk and loss of the group companies
 - a. The group companies implement the Global Risk Management Policy.
 - b. Management of risks related to the group companies that might have an impact on the entire Group is assigned mainly to the members of the Risk Management Committee, who are responsible to implement specific measures.
 - c. Concerning the management of other risks related to the group companies, each group company is responsible to monitor, manage and implement the necessary measures to minimize such risks.
- (D) Systems for Directors of the group companies to report business activities to the Company

The Company requests the group companies to report and endeavors to maintain certain important business matters of the group companies, through multiple routes, including, (i) the systems stated in (A) through (C) above and (ii) relations and cooperation between each function of the Company and the corresponding function of the other group companies.
- vi) Directors and employees supporting the Company's Audit Committee, systems showing the Directors and employees' independence from the Company's Executive Officers, and systems to ensure effectiveness of the Company's Audit Committee's instruction to Directors and employees
 - a. The Company has Audit Committee secretariat as an organization to support the activities of the Company's Audit Committee. The required number of staff members shall be assigned to the Audit Committee secretariat and they carry out their duties under the direction of the Audit Committee member.
 - b. The evaluation of staff members in the Audit Committee secretariat shall be discussed among the Audit Committee members, and consent of the Audit Committee is necessary for personnel changes and disciplinary actions.
- vii) Systems to report business issues to the Company's Audit Committee and systems to ensure to prevent disadvantageous treatment of those who made such report
 - (A) Systems for the Company's board members (excluding Audit Committee members), Executive Officers and employees to report business issues to the Company's Audit Committee
 - a. The Company's Audit Committee determine their annual audit plan and perform their audit activities in accordance with that plan. The annual audit plan includes schedules of reports by various divisions. Directors (excluding Audit Committee members), Executive Officers and employees make reports in accordance with the annual audit plan.
 - b. When the Company's Directors (excluding Audit Committee members), Executive Officers and employees detect any incident which could have a materially negative impact on Nissan's business performance or reputation, or are believed to be non-compliant with the global code of conduct or other standard for conduct, they are required to report such incidents to Nissan's Audit Committee.
 - c. In addition, the Company's Directors (excluding Audit Committee members), Executive Officers and employees are required to make an ad-hoc report to the Company's Audit Committee regarding the situation of business activities when so requested.
 - d. The internal audit department reports on an on-going basis to the Company's Audit Committee matters such as its risk based internal audit plan and audit findings identified through the internal audits performed.
 - (B) Systems for Directors, Statutory Auditors, other officers and employees of the group companies and those who received a report from the group companies to report business issues to the Company's Audit Committee
 - a. The Company's Audit Committee shall have periodic meetings of group companies' statutory auditors to share information and exchange opinions for the purpose of ensuring effective auditing of group companies and group companies' Statutory Auditors report the matters which could affect the entire group and other matters to the Company's Audit Committee.
 - b. Directors and employees of the group companies shall promptly make a report to the Company's

Audit Committee regarding the situation of business activities when so requested by the Company's Audit Committee.

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

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

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

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

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

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

- a. The Company's Audit Committee enhances its independence by appointing Independent Outside Directors for the majority of its members and for its chair. Further, in order to ensure that the audit by the Audit Committee is being carried out effectively, the Audit Committee appoints one or more full-time member of the Audit Committee.
- b. The Audit Committee shall, as necessary, cooperate with the internal audit department and accounting auditor upon conducting the Audit Committee's audits. The Audit Committee shall take charge of the department for internal audit and instruct the internal audit department with regard to auditing. The internal audit department obtains approval from the Audit Committee regarding basic policy of the internal audit and, annual plans, budgets and personnel plans for internal audits, and will report to the Audit Committee the status of the performance of duties and any findings therefrom on an ongoing basis. Approval of the Audit Committee shall be obtained for appointment/removal and performance assessment (incl. discipline) of persons responsible for the internal audit department.
- c. The Audit Committee shall have meetings periodically or upon request from the Audit Committee with Executive Officers (including the President and Chief Executive Officer) and exchange views and opinions.
- d. Audit Committee members may attend important meetings, etc. and state his/her opinions and further, may view documents giving approval and other important documents and may request, as necessary, explanations and reports from Executive Officers and employees.
- e. The Audit Committee shall, as necessary, cooperate with the Nomination Committee and the Compensation Committee if necessary, such as by exchanging information and opinions mutually.

2. Basic Views on Eliminating Anti-Social Forces

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

V. Other

1. Adoption of Anti-Takeover Measures

Corporate Governance Report

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation

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2. Other Matters Concerning Corporate Governance System **UPDATED**

The Company's information is finally communicated to IR Department which takes charge of timely disclosure, and if needed, disclosed to Tokyo Stock Exchange through TDnet.

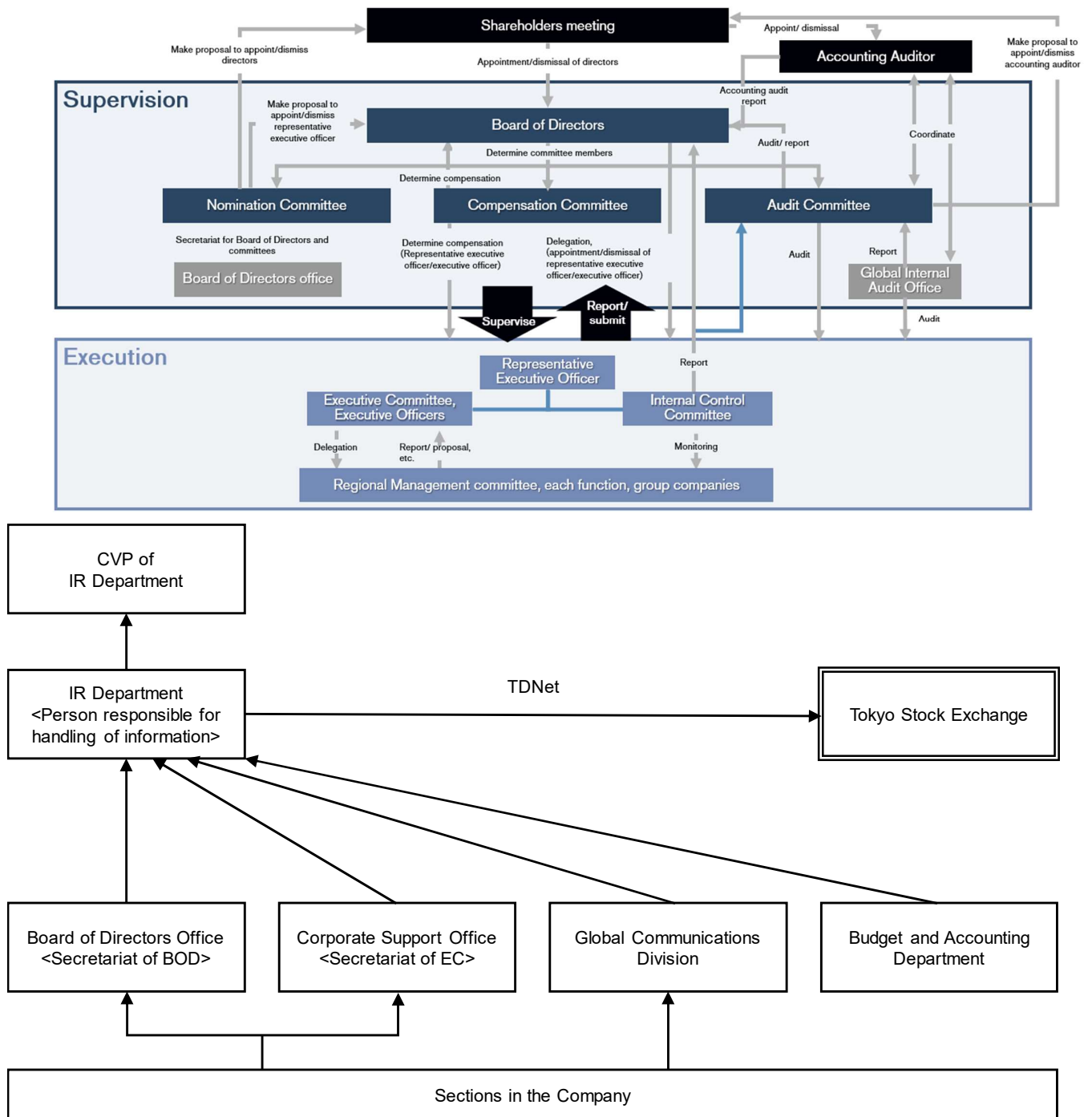
The routes whereby corporate information which might require timely disclosure is communicated to IR Department are as follows:

- (1) The information (including the information related to the subsidiaries) concerning the management decision is communicated to Corporate Support Office that is the secretariat of the Board of Directors Meeting. Then the information is transferred to IR Department by distribution of the agenda and the materials of the meeting.
- (2) The information (including the information related to the subsidiaries) concerning the occurrence of events is communicated to the Global Communications Division promptly from each section in the Company, and transferred to IR Department.
- (3) The information concerning the financial results is transferred to IR Department from Budget and Accounting Department.

In addition, with regard to "1. Organizational Composition and Operation" of "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management", the Company's Articles of Incorporation stipulates the following:

- Number of Directors: six (6) or more

Nissan corporate structure



-END-