

TSE Urgent Notice



Jun. 13, 2019
Listing Department
Tokyo Stock Exchange, Inc.

Public Announcement Measure and Request for Improvement Report

TSE has taken the Public Announcement Measure and requested an Improvement Report as follows.

*This decision is based on the results of the examination by Japan Exchange Regulation.

1. Company Name NISSAN MOTOR CO.,LTD.
(Code: 7201, Market Division: 1st Section)

2. Date of Public Jun. 13, 2019 (Thu.)
Announcement
Measure

Provision Securities Listing Regulations, Rule 508, Paragraph 1, Item 2
(Due to falling under a case where TSE deems that the listed company has violated the
matters to be observed in the Code of Corporate Conduct and that public announcement
is deemed necessary)

3. Improvement Jun. 27, 2019 (Thu.)
Report
Submission
Deadline

Provision Securities Listing Regulations, Rule 502, Paragraph 1, Item 2
(Due to falling under a case where TSE deems that the listed company has violated
the matters to be observed in the Code of Corporate Conduct and that improvements
are deemed highly necessary)

4. Reason NISSAN MOTOR CO.,LTD. (hereinafter "the Company"), after conducting an
internal investigation into misconduct by its former representative director &
chairman (hereinafter "the former chairman") and others, established a Special
Committee for Improving Governance (hereinafter "the Committee") on Dec. 17,
2018 in order to ascertain the root causes behind its governance issues and to
appropriately take recommendations from an independent third party regarding its
governance management system, etc. On Mar. 27, 2019, the Company disclosed the
report received from the Committee. On May 14, 2019, the Company restated past
securities reports for the fiscal years ended Mar. 2006 through to Mar. 2018 in

relation to director compensations and disclosed the earnings report for the fiscal year ended Mar. 2019, which recorded all expenses related to director compensations over the aforementioned period.

These disclosures revealed that the Company had been unable to properly monitor the amounts of director compensation, etc. for the former chairman for a long time due to, among others, the fact that only a few particular persons were involved in discussions on the payment of director compensation to the former chairman. As such, these revealed several issues, including that the Company did not appropriately operate its internal control system, which was necessary to properly prepare financial statements.

It was deemed that the following were the main causes of these issues.

- Authority, including those regarding human affairs and compensation issues, was concentrated in the former chairman.
- The authority of certain administrative departments was concentrated in a few particular persons.
- As a result, the checks and balances function of certain administrative departments did not necessarily function effectively.

Based on the above situation, the Company is deemed to have violated the matters to be observed in the Code of Corporate Conduct by failing to appropriately operate systems necessary to ensure appropriateness of business. In addition, taking into overall consideration of the situation, including the aforementioned inadequacies in the Company's internal management system that led to the violation, TSE deems that this case warrants public announcement. As such, TSE implements the public announcement measure.

Furthermore, while the Company is working to implement measures to prevent the recurrence of a similar situation, such as reconstructing its internal control system, improvements are deemed highly necessary to address such inadequacies in the Company's systems. As such, TSE requires the Company to submit a report containing the background of the issue and improvement measures.

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