

NISSAN Value-Up FY 2005 First Quarter Review

**July 26, 2005
Nissan IR Department**

Notes

- **First quarter indicates the following 3 months of the fiscal year in each area.**
 - **April to June: Japan, US, Canada, ASR, NZ, etc.**
 - **January to March: Europe, Mexico, China, S. Africa, Thai, etc.**

FY2005 1st quarter news updates

April 1) Organization Change

- ✓ Common CEO for Renault and Nissan
- ✓ New COO appointment
- ✓ New EVP/SVP appointments

2) Production start in Egypt (Nissan Egypt)

- ✓ Pick-up to be exported to GCC and North Africa

3) 5 new models shown at Shanghai Motor Show

- ✓ Tiida sedan / Fuga / Tiida hatchback / Quest / 350Z

May 1) JDP – IQS results

- ✓ Nissan 154 -> 120 (+34 pts) / Infiniti 104 -> 109 (-5 pts)

2) Navara (New Pick-up) SOP at NMISA

June 1) Infiniti launches full line-up in Taiwan

2) IR meeting in Middle-East

3) Sales company in India (Nissan India)

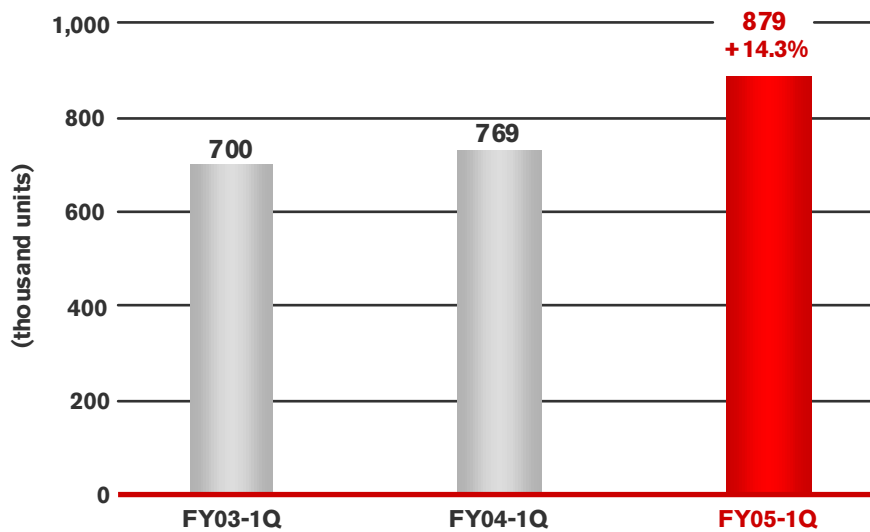
4) Successful bond offering for pension cash contribution

- ✓ 228 billion yen bonds towards corporate and individual investors

FY2005 1st Quarter Review

FY2005 1st quarter (3 months)

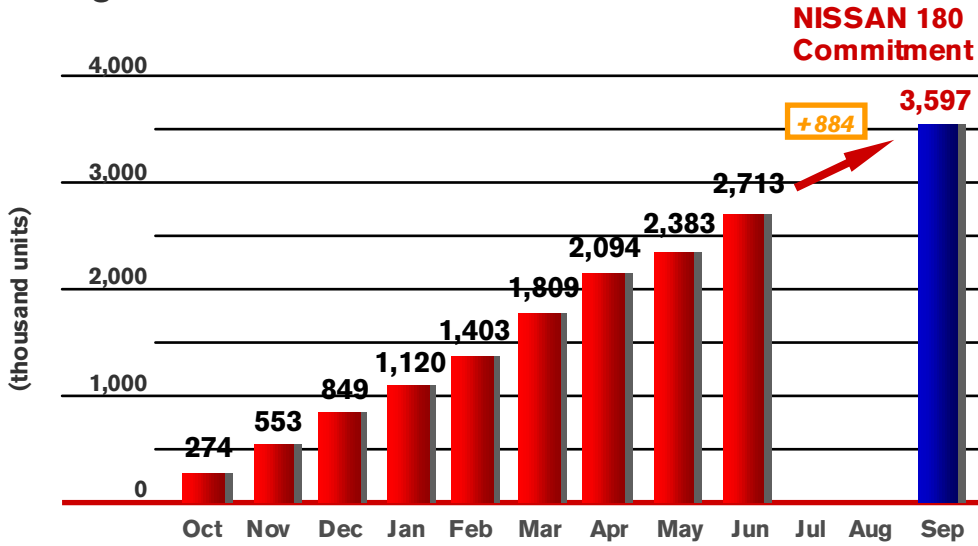
Global retail sales



FY2005 1st Quarter Review

FY2005 1st quarter (3 months)

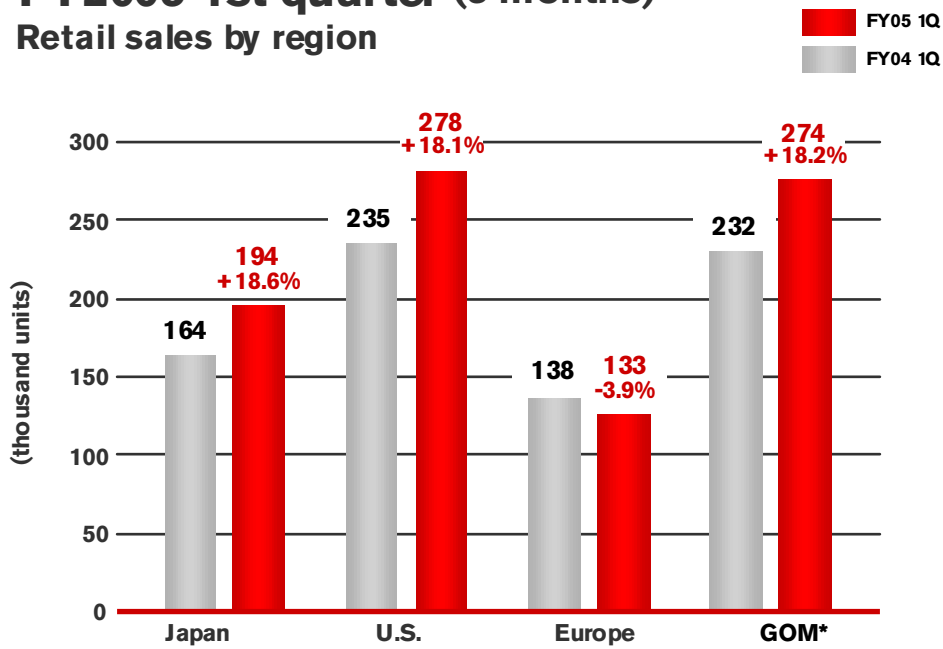
Progress of NISSAN 180



FY2005 1st Quarter Review

FY2005 1st quarter (3 months)

Retail sales by region



*GOM: Including Mexico and Canada

FY2005 1st Quarter Review

5 New models in Japan

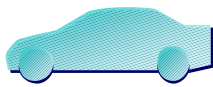
Serena (May)



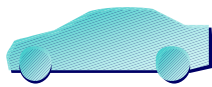
Otti (June)



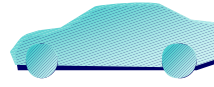
Compact Wagon



M Class Sedan



Mini

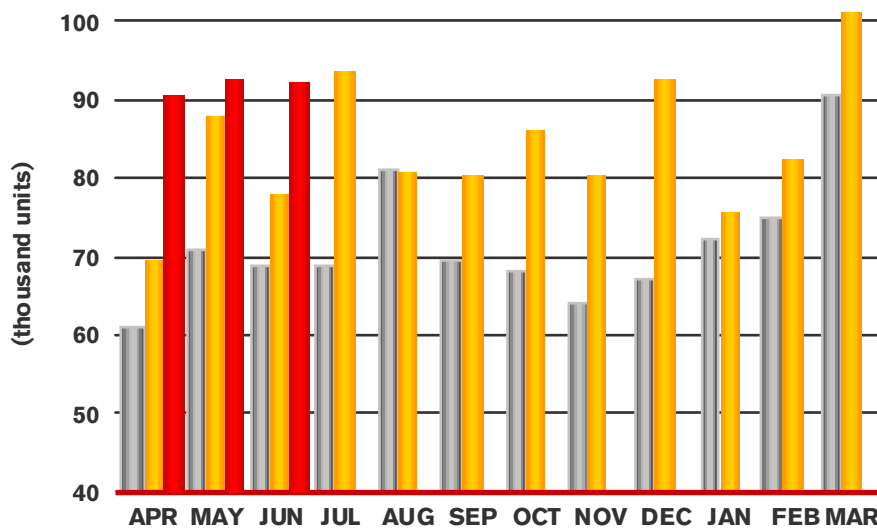


FY2005 1st Quarter Review

Sales performance - USA

Monthly sales volume in USA

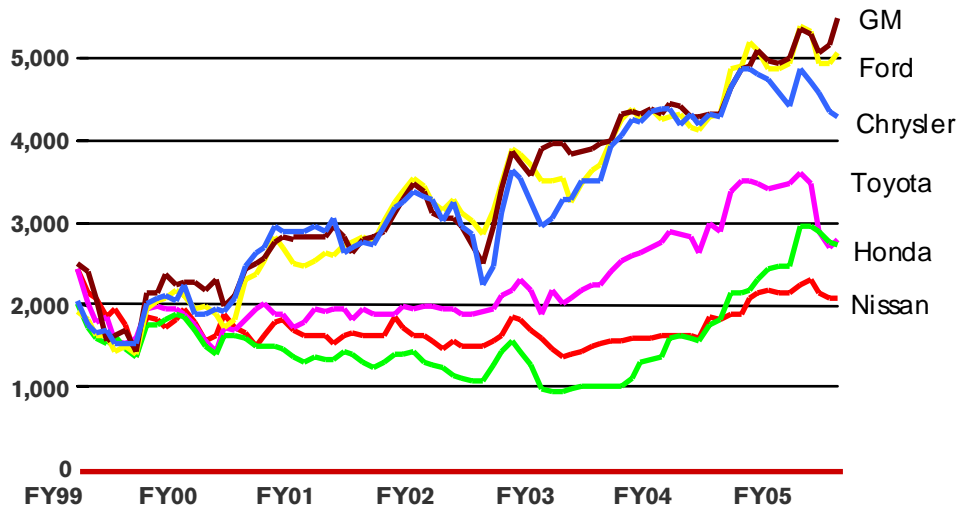
■ 2003 ■ 2004 ■ 2005



FY2005 1st Quarter Review

Sales performance: Nissan Division Incentive per unit in U.S.

(\$ per unit)

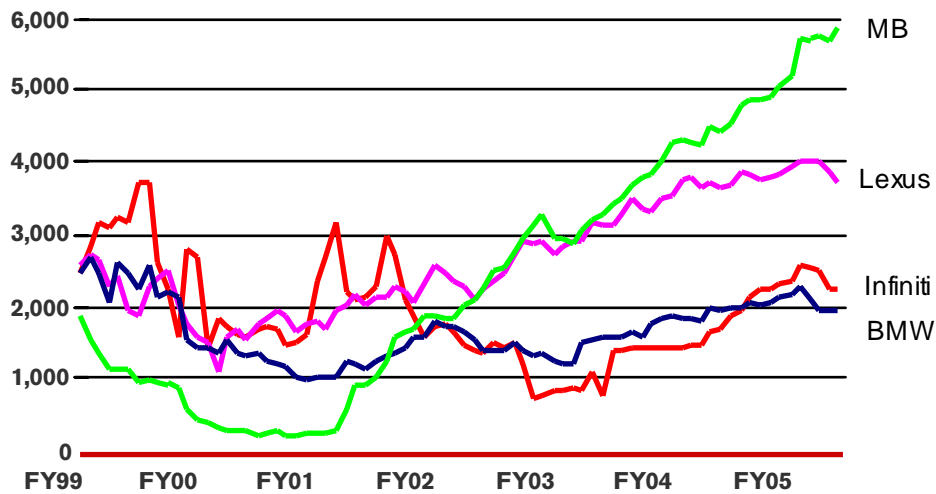


Source: CNW Marketing Research

FY2005 1st Quarter Review

Sales performance: Infiniti Division Incentive per unit in U.S.

(\$ per unit)



Source: CNW Marketing Research

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5 New models in Europe

**350Z Roadster
(January)**



**Murano
(January)**



**Pathfinder
(March)**



**Navara
(July)**



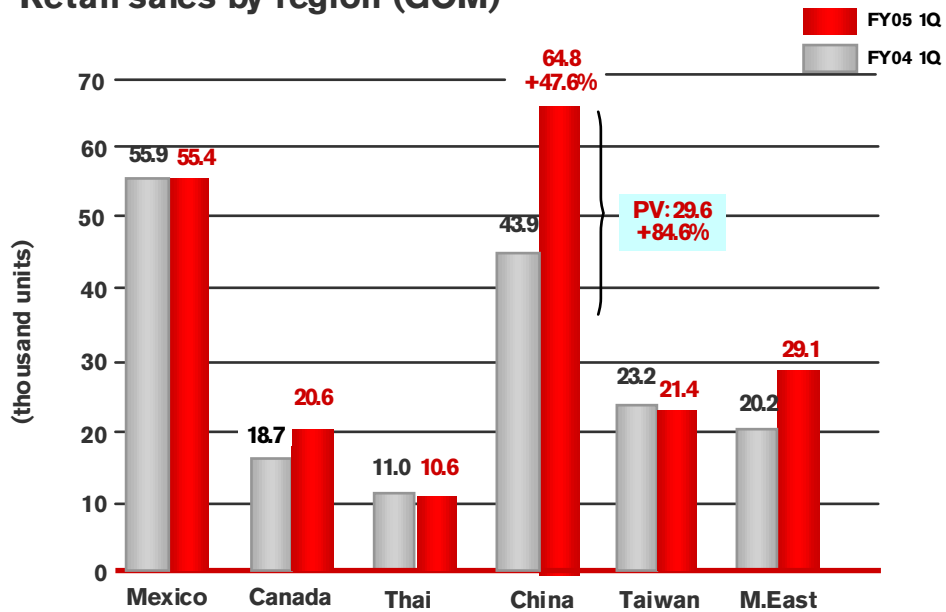
**Micra c+c
(November)**



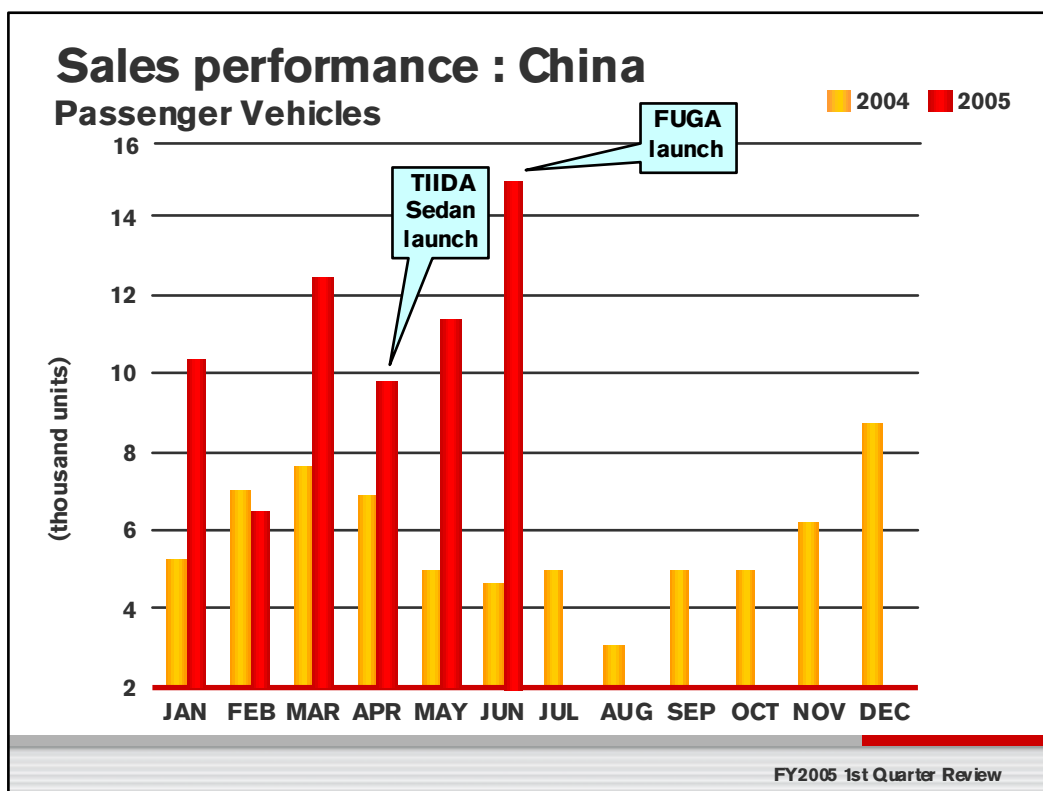
FY2005 1st Quarter Review

FY2005 1st quarter (3 months)

Retail sales by region (GOM)



FY2005 1st Quarter Review



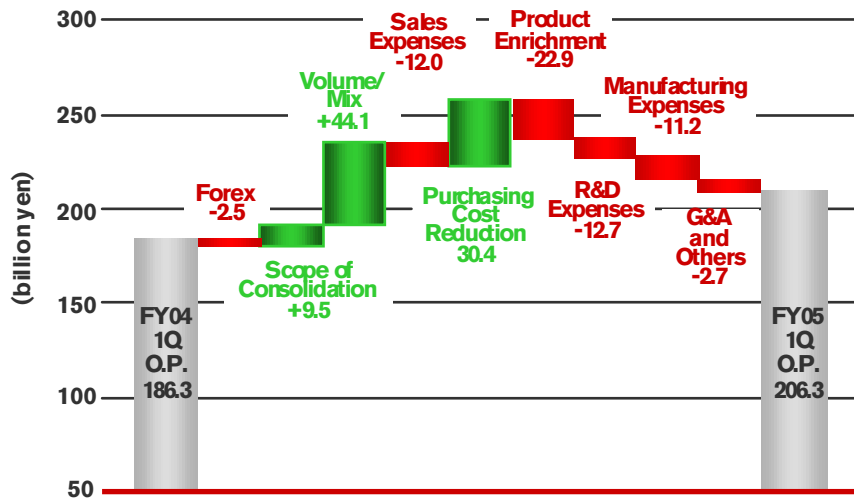
FY2005 1st quarter (3 months)

(billion yen)	FY04 1Q	FY05 1Q	Change
Consolidated net revenue	1,904.7	2,144.9	+12.6%
Consolidated operating profit	186.3	206.3	+10.7%
Consolidated operating margin	9.8%	9.6%	-0.2pts
FX rate	¥109.6/USD ¥134.0/EUR	¥107.7/USD ¥137.0/EUR	

FY2005 1st Quarter Review

FY2005 1st quarter (3 months)

Operating Profit Variance Analysis



FY2005 1st Quarter Review

FY2005 1st quarter (3 months)

Operating Profit Variance Analysis

Billion yen

1. Foreign exchange impact -2.5

USD	-6.6 (109.6 -> 107.7)	Peso	-1.7 (9.8 -> 9.4)
EUR	+2.0 (134.0 -> 137.0)	Others	+3.8

2. Volume & mix +44.1

J	+7.5	US	+15.6	EUR	+3.6	GOM	+17.4
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3. S&M expenses -12.0

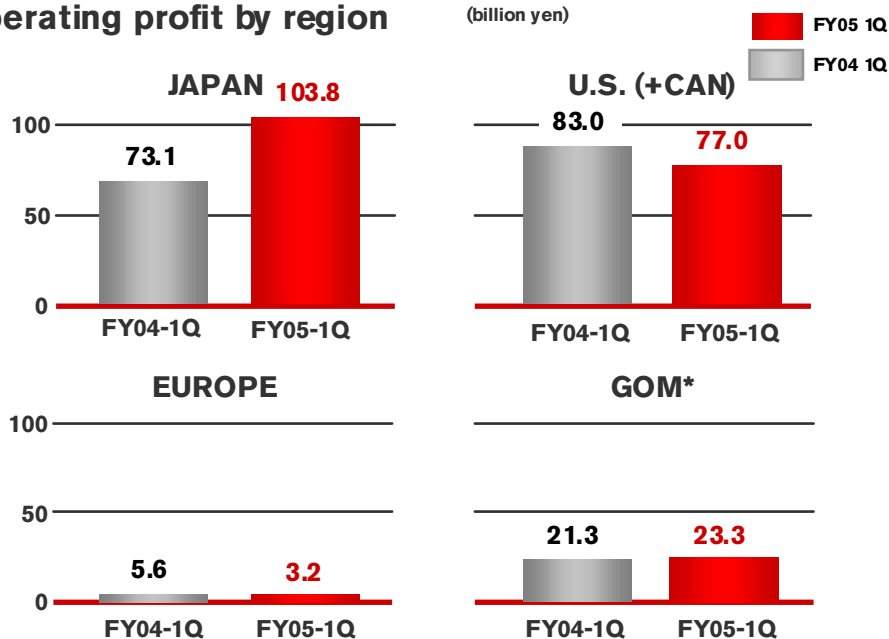
J	-0.3	US	-4.2	EUR	-2.4	GOM	-5.1
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FY2005 1st Quarter Review

FY2005 1st quarter (3 months)

Operating profit by region

(billion yen)



Eliminations: FY04-1Q : +3.3 FY05-1Q :-1.0 *Including Mexico

FY2005 1st Quarter Review

FY2005 1st quarter (3 months)

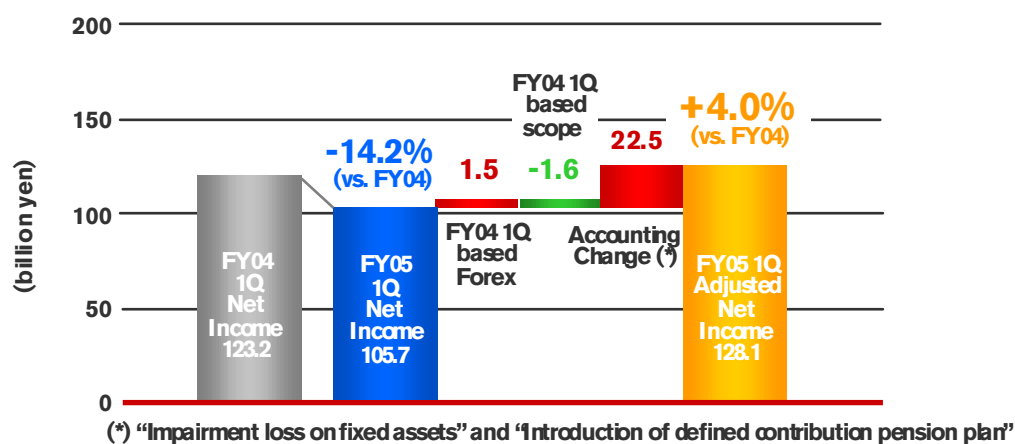
(billion yen)	FY04 1Q	FY05 1Q	Change
Consolidated operating profit	186.3	206.3	+10.7%
<i>Non-operating</i>	-6.7	4.5	
Ordinary profit	179.6	210.8	+17.4%
<i>Extra-ordinary</i>	3.7	-36.0 (*)	
Profit before tax	183.3	174.8	-4.6%
<i>Taxes & Minority interest</i>	-60.1	-69.1	
Net income	123.2	105.7	-14.2%

(*) Including "One-time" accounting change impact : -29.7
 - Impairment loss on fixed assets -22.8
 - Introduction of defined contribution pension plan -6.9

FY2005 1st Quarter Review

FY2005 1st quarter (3 months)

Net Income Analysis



FY2005 1st Quarter Review

FY2005 - full year

Financial forecast – **NO CHANGE**

(billion yen)	FY 04	Apr.25 FC FY 05 *	Change
Consolidated net revenue	8,576.3	9,000	+4.9%
Consolidated operating profit	861.2	870	+1.0%
Ordinary profit	855.7	860	+0.5%
Net income	512.3	517	+0.9%
CAPEX	477.5	540	+13.1%
R&D expenses	398.1	450	+13.0%
Foreign exchange assumption	¥107.6/USD ¥134.4/EUR	¥105/USD ¥130/EUR	

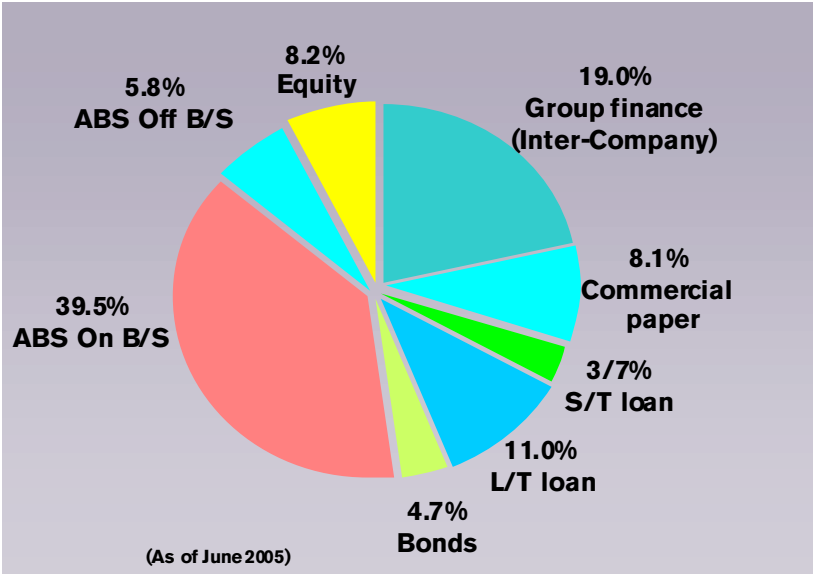
* Including consolidation of Calsonic Kasei

FY2005 1st Quarter Review

Appendix

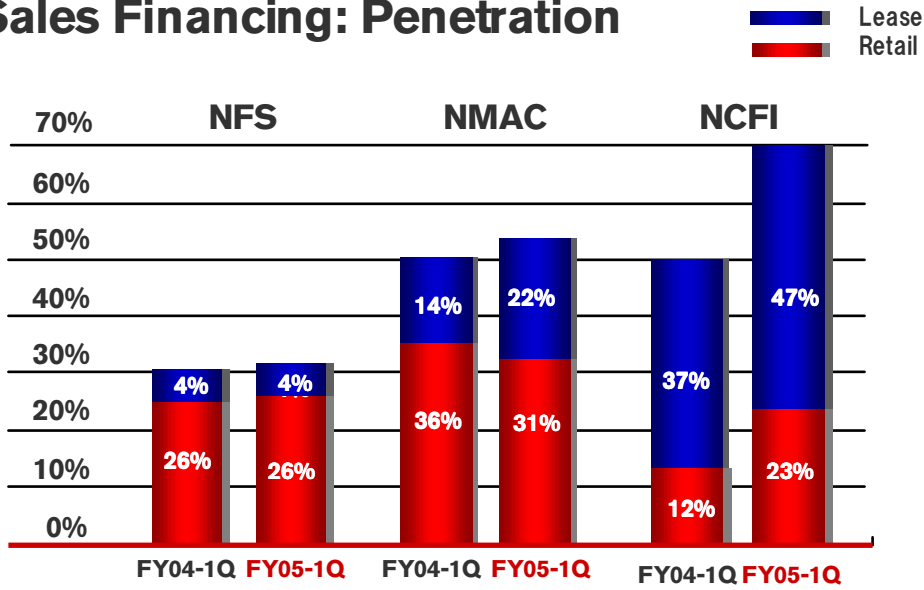
FY2005 1st Quarter Review

Sales Financing: Funding Sources



FY2005 1st Quarter Review

Sales Financing: Penetration



NFS: Nissan Financial Service, sales finance company in Japan
 NMAC: Nissan Motor Acceptance Corporation, sales finance company in USA
 NCFI: Nissan Canada Finance Inc., sales finance company in Canada

FY2005 1st Quarter Review

Sales Financing: Net Loss Ratio

	FY04-1Q	FY05-1Q	Variance
NFS	Lease: 0.08% Retail: 0.36%	Lease: 0.06% Retail: 0.26%	Lease: -0.02% Retail: -0.10%
NMAC	Lease: 0.27% Retail: 0.88%	Lease: 0.20% Retail: 0.62%	Lease: -0.07% Retail: -0.26%
NCFI	Lease: 0.09% Retail: 0.16%	Lease: 0.10% Retail: 0.10%	Lease: +0.01% Retail: -0.06%

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FY2005 1st Quarter Review

Sales Financing: Operating Profit & Asset

(NFS : billion yen, NMAC : million USD, NCFI : million CAD)

	FY04-1Q	FY05-1Q	Variance
NFS	Asset: 694 OP: 3.6	Asset: 1,294 OP: 4.8	Asset: +600 OP: +1.2
NMAC	Asset: 25,827 OP: 107	Asset: 30,804 OP: 97	Asset: +4,977 OP: -10
NCFI	Asset: 1,924 OP: 16	Asset: 2,579 OP: 16	Asset: +655 OP: 0

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