

NISSAN

FY2011 first-half financial results

Nissan Motor Co., LTD.
November 2, 2011

www.nissan-global.com

Key performance indicators: financial results

(billion yen)

Net revenue

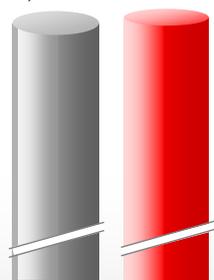
Operating profit

Net income

Free cash flow (Auto)

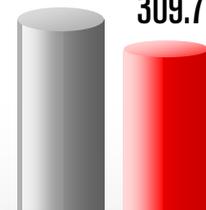
Net debt (Auto)

4,319.1 4,367.4



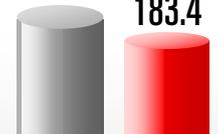
FY10 1H FY11 1H

334.9 309.7



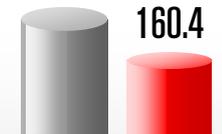
FY10 1H FY11 1H

208.4 183.4

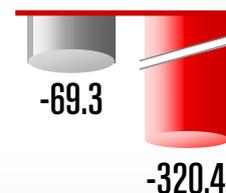


FY10 1H FY11 1H

215.7 160.4



FY10 1H FY11 1H



FY10 1H FY11 1H

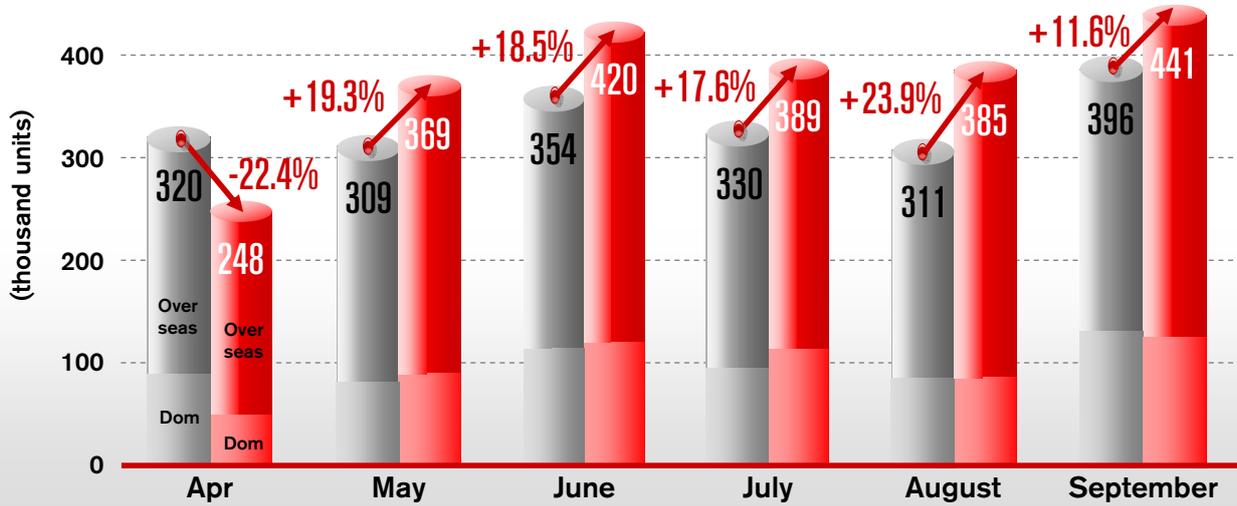
The recovery actions

Global production in calendar base

April to September total

	FY10 1H	FY11 1H	Variance
Dom	575	540	-35
Overseas	1,445	1,712	+267
Total	2,020	2,252	+232

■ FY10
■ FY11



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3

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FY11 Business update

Mid-term Plan "NISSAN POWER 88"



POWER

Brand & sales power

8

Global market share by FY16 (%)

8

Sustainable COP (%)

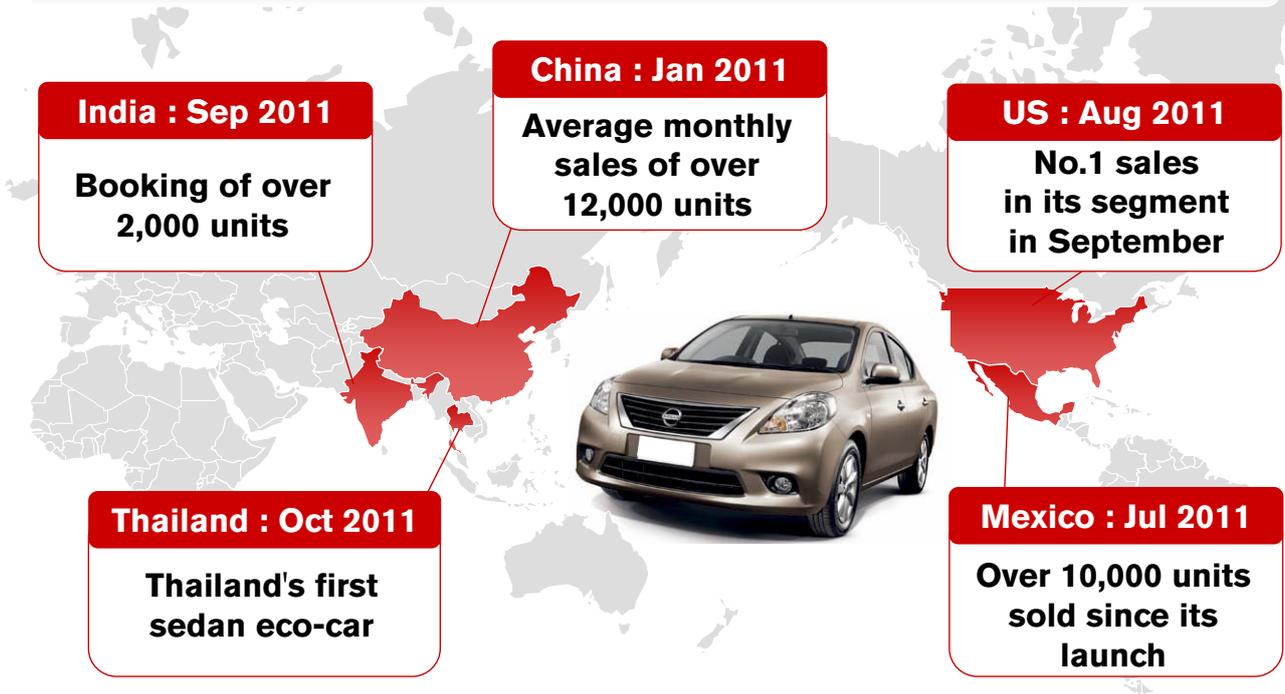
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4

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FY11 Business update

V-platform sedan launch



FY11 Business update

Zero-emission leadership



FY11 Business update

Establishment of Nissan Motor Kyushu Co.,Ltd.



Maximize manufacturing and cost competitiveness at Nissan in Japan.

- Produce half a million units
- Utilize geographical advantage to be cost leader; aim to be the cost benchmark as a production base for the mass-market

FY11 Business update

Brazil plant construction announcement

- Location : Resende, Rio de Janeiro State
- Capacity : 200,000 units per year
- Start of production : First-half of 2014
- Products : V-platform family
- Investment : 1.5 billion USD including all new manufacturing facility and to develop, industrialize and launch new products



FY11 Business update

Alliance and partnership


RENAULT NISSAN



1.6L Diesel engine introduced
QASHQAI in Europe



1.5L Diesel engine production
in India


ASHOK LEYLAND



First price entry car

DAIMLER



I4 Petrol/Diesel



V6 Diesel


MITSUBISHI MOTORS



Minicar JV

FY11 Business update

Nissan Green Program 2016

**Shift to
renewable
energies**

**Reduce
carbon
footprint**

**Increase
diversity of
resources**

FY11

first-half sales performance

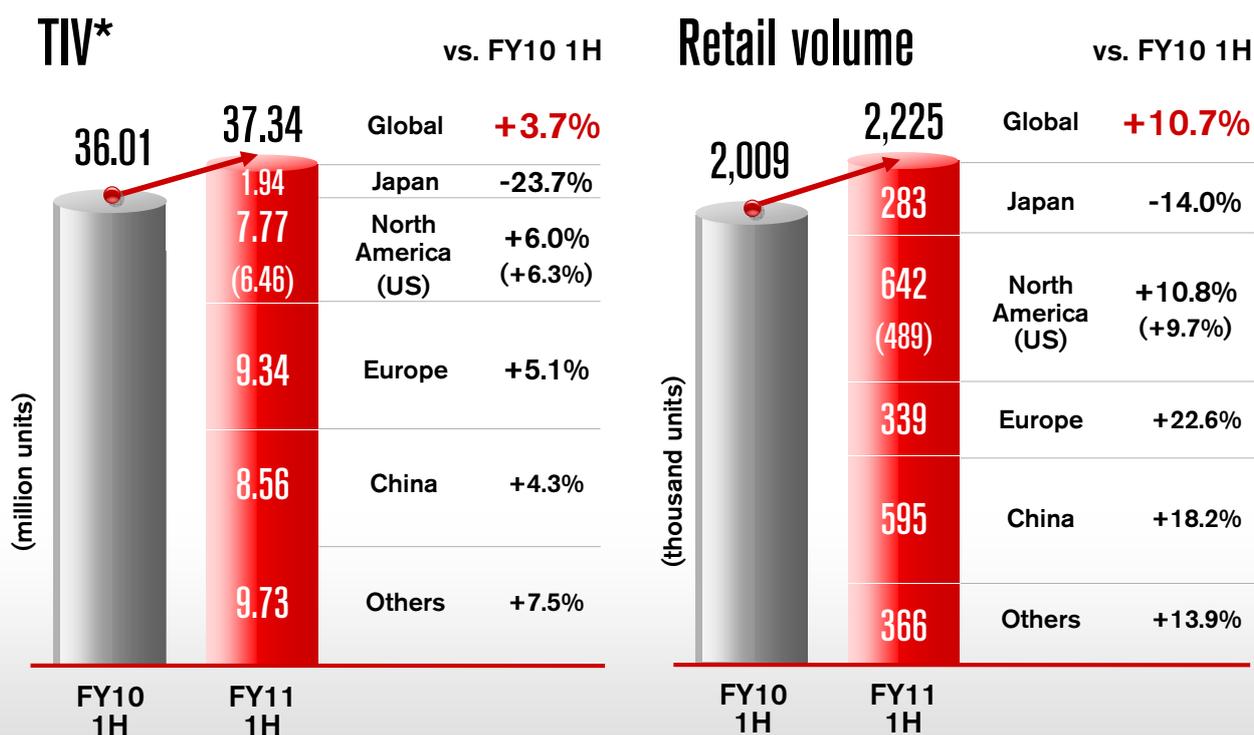
FY11

first-half financial performance

FY11

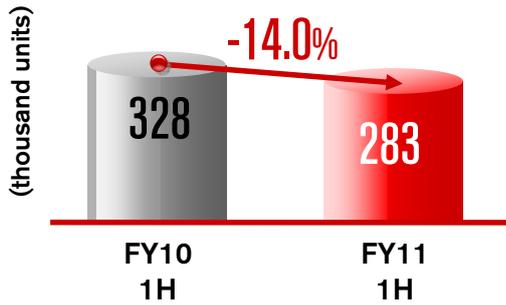
outlook

FY11 first-half sales performance: Global

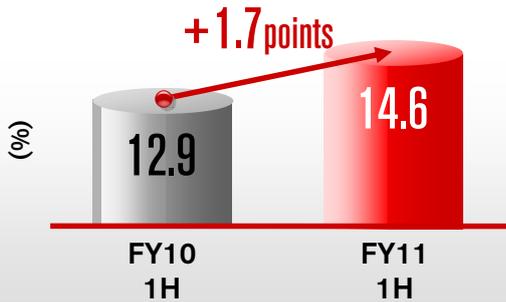


FY11 first-half sales performance: Japan

Retail volume



Market share

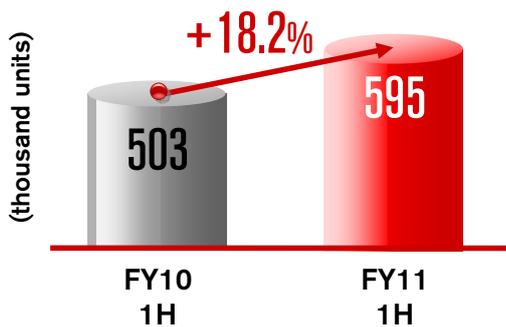


- TIV decreased 23.7% to 1.94 million units
- Serena and March contributed to sales in Japan despite a significant drop in TIV. As a result, Nissan achieved a 14.6% market share
- Nissan LEAF achieved 2.9 k unit sales
- New Serena minivan achieved the No. 1 position in its class for the first-half of CY2011

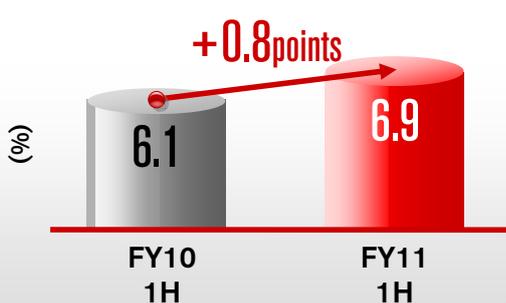


FY11 first-half sales performance: China (Jan. to Jun.)

Retail volume



Market share

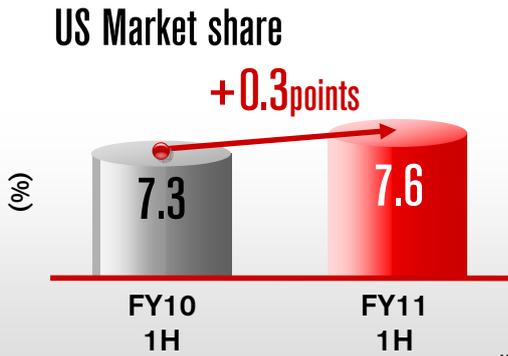
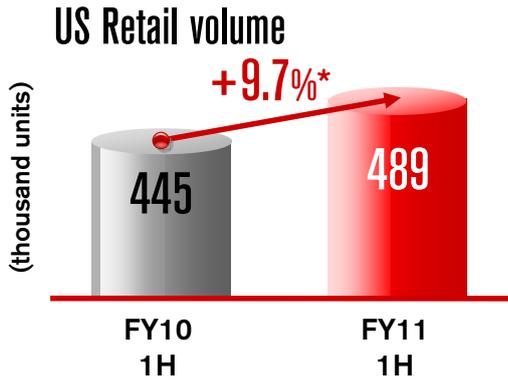


- TIV* increased 4.3% to 8.56 million units
- Sales in China increased 18.2% to 595 k units, thanks to Sunny, QASHQAI and Tiida
- FY11 3Q sales results continued to grow by 24.1% to 312.5 k units, market share improved 1.2 points to 7.8%



*TIV for China : Passenger and LCV only

FY11 first-half sales performance: North America

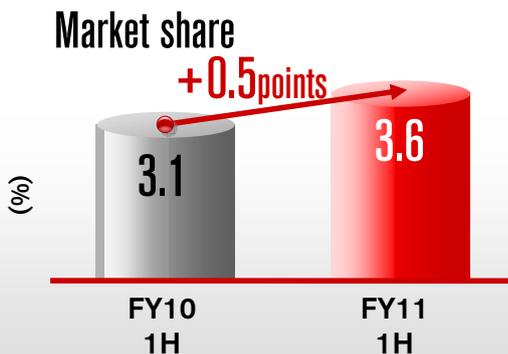
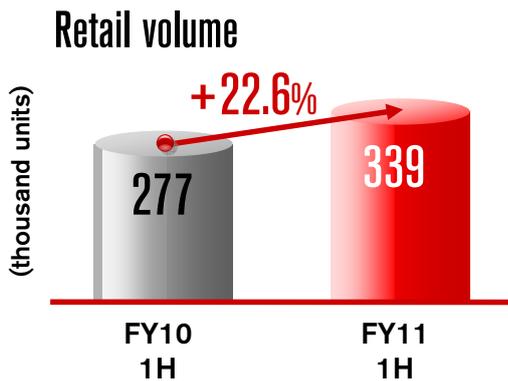


- TIV increased 6.3%* to 6.46 million units in the US
- Sales in the US sharply increased 15.3% to 269 k units in 2Q
- Nissan LEAF achieved 6.7 k unit sales in the US
- Canada: Sales up 0.2% to 47.3 k units, market share deteriorated 0.1 point to 5.3%
- Mexico: Sales up 22.2% to 105.8 k units, market share improved 2.2 points to 25.2%



*Variances on a straight-percentage basis

FY11 first-half sales performance: Europe



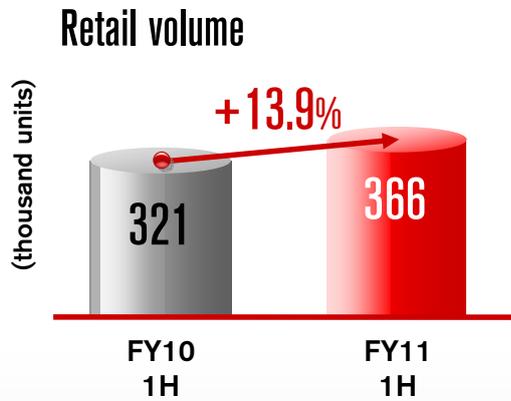
- TIV increased 5.1% to 9.34 million units
- Sales in Europe excluding Russia increased by 15.5% to 270 k units thanks to Juke and QASHQAI
- Sales in Russia increased by 61.8% to 69 k units

■ Market share:

	FY10 1H	FY11 1H
Russia	4.1%	4.9%
Europe excl. Russia	3.0%	3.4%



FY11 first-half sales performance: Other markets



- Sales in Latin America increased 36.7% to 98.3 k units. Sales in Brazil increased 88.2% to 29.3 k units
- Sales in Thailand increased 23% to 35.1 k units
- Sales in Indonesia increased 47.1% to 27.4 k units
- Sales in India increased to 8.9 k units from 3.3 k units in last year



FY11

first-half sales performance

FY11

first-half financial performance

FY11

outlook

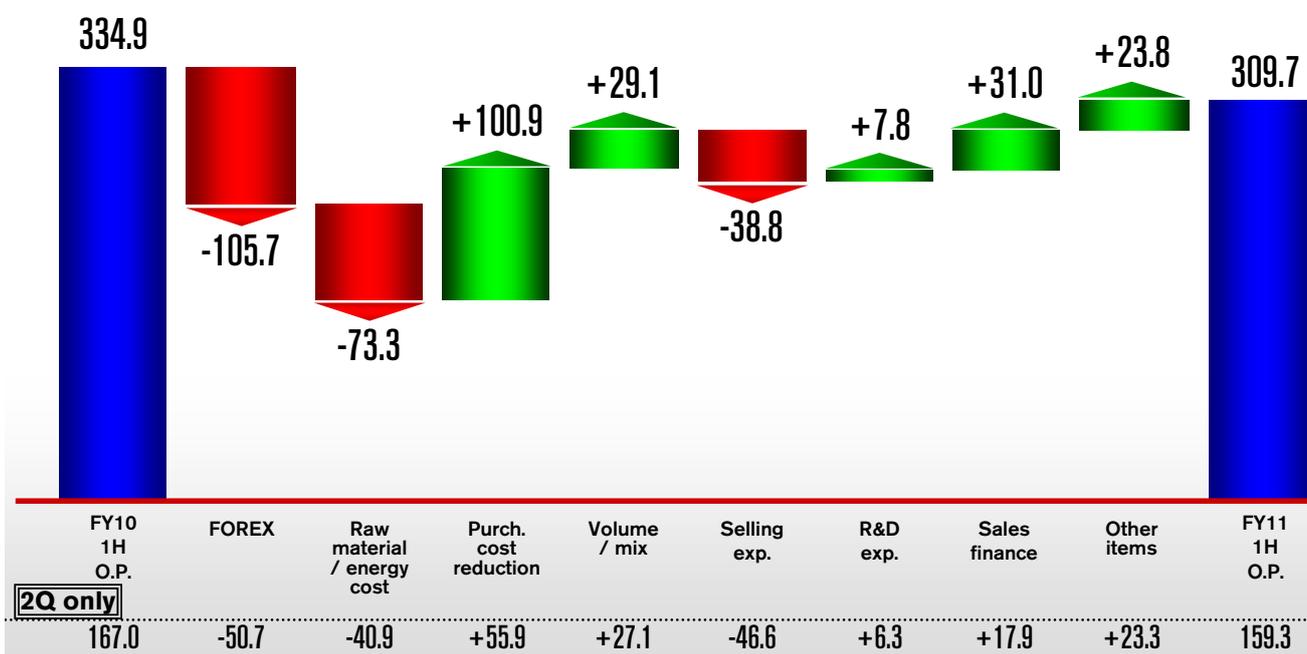
FY11 first-half financial performance

(billion yen)	FY10 1H	FY11 1H	Variance	Change vs. FY10 (%)
Net revenue	4,319.1	4,367.4	+48.3	+1.1%
Operating profit	334.9	309.7	-25.2	-7.5%
<i>OP margin</i>	7.8%	7.1%		
<i>Non-operating</i>	-19.8	-14.3		
Ordinary profit	315.1	295.4	-19.7	-6.3%
<i>Extraordinary</i>	0.4	-18.7		
Profit before tax	315.5	276.7	-38.8	-12.3%
<i>Taxes</i>	-91.4	-78.2		
<i>Effective tax rate</i>	29.0%	28.3%		
<i>Minority interest</i>	-15.7	-15.1		
Net income	208.4	183.4	-25.0	-12.0%
FX rate	88.9 JPY/USD 113.8 JPY/EUR	79.8 JPY/USD 113.7 JPY/EUR	-9.1 JPY/USD -0.1 JPY/EUR	

FY11 first-half financial performance

Operating profit variance analysis

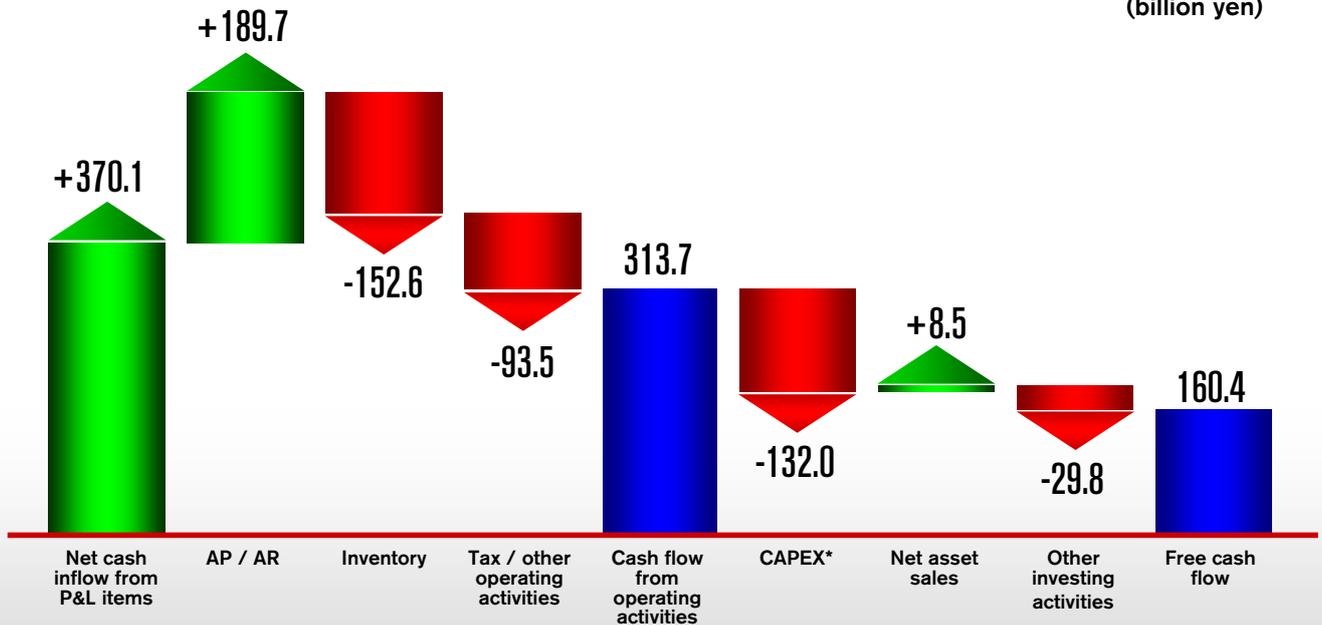
(billion yen)



FY11 first-half financial performance

Free cash flow (Auto business)

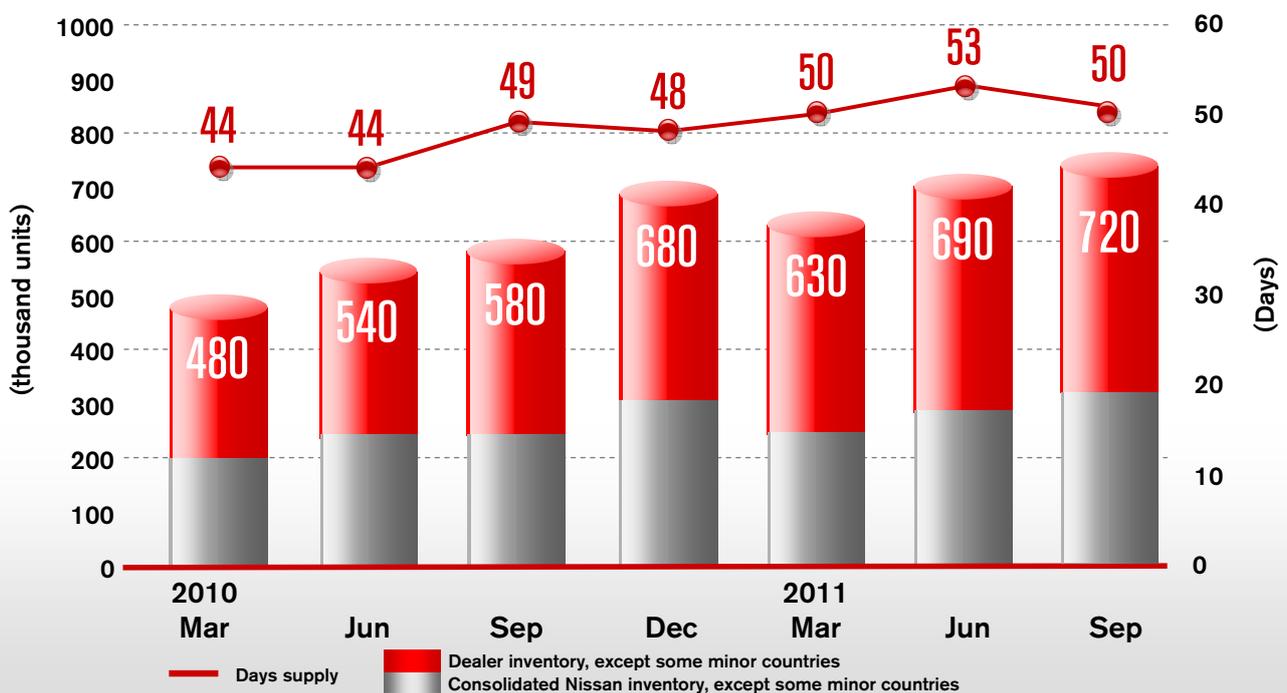
(billion yen)



* CAPEX does not include finance lease-related investments

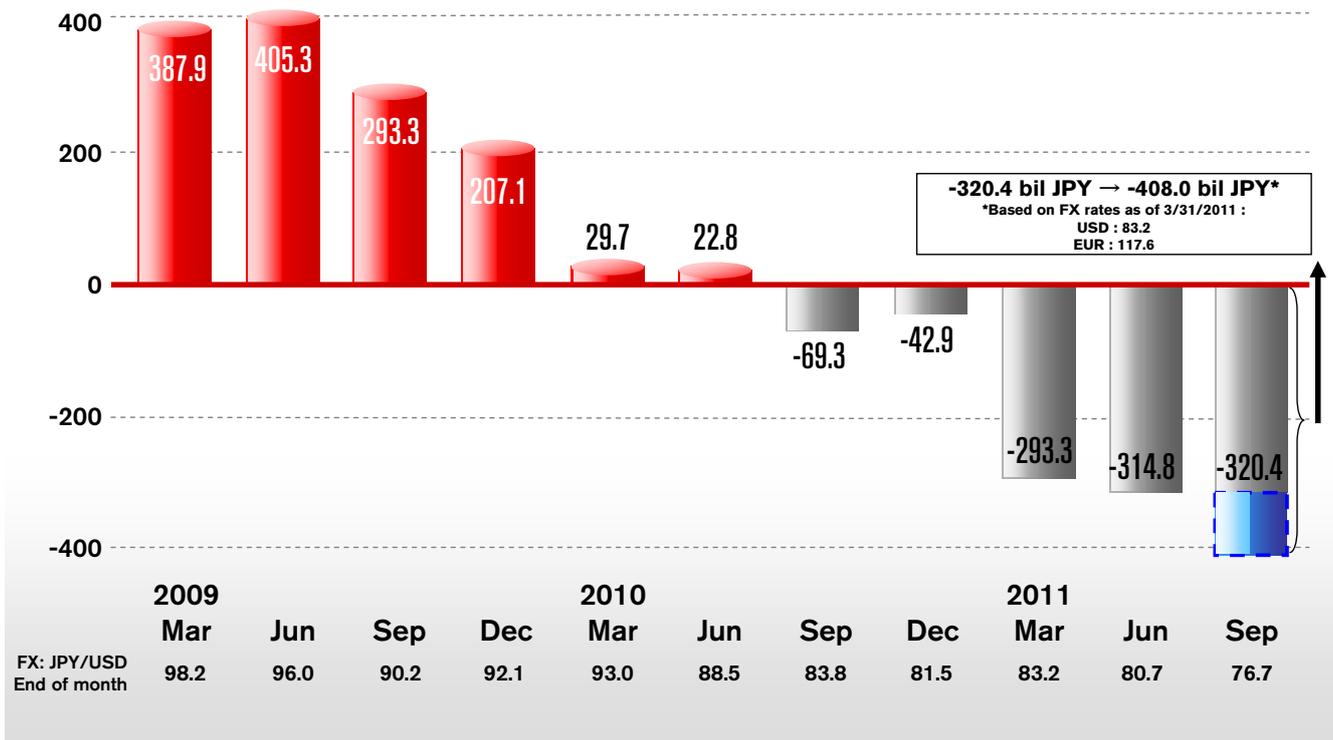
Inventory management

Inventory status



Net debt (Auto business)

(billion yen)



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23

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FY11

first-half sales performance

FY11

first-half financial performance

FY11

outlook

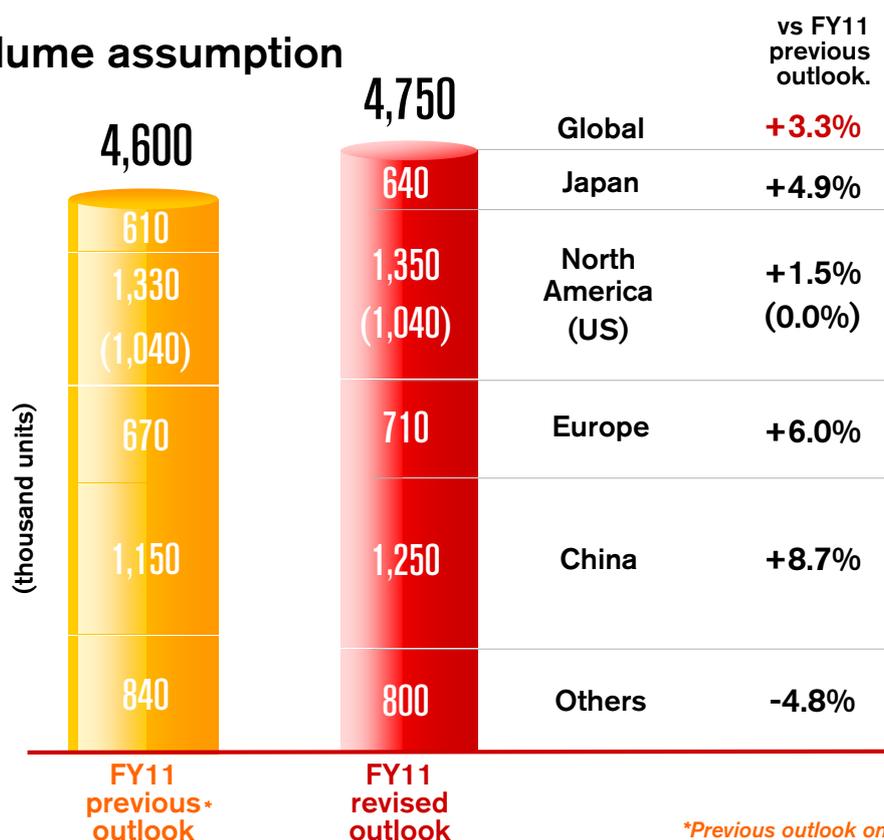
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24

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FY11 outlook (Revised on Nov 2nd)

Retail volume assumption



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FY11 outlook (Revised on Nov 2nd)

(billion yen)	(Previous) * June 23, 2011 (A)	(Revised) * November 2, 2011 (B)	Variance (B)-(A)
Net revenue	9,400.0	9,450.0	+50.0
Operating profit	460.0	510.0	+50.0
<i>OP margin</i>	4.9%	5.4%	+0.5%
Ordinary profit	441.0	480.0	+39.0
Net income	270.0	290.0	+20.0
<i>Net income ratio</i>	2.9%	3.1%	+0.2%
CAPEX	410.0	410.0	0.0
<i>sales ratio</i>	4.4%	4.3%	-0.1%
R&D	460.0	440.0	-20.0
<i>sales ratio</i>	4.9%	4.7%	-0.2%
FX rate assumptions (JPY/USD)	80.0	79.9(2H : 80.0)	-0.1
(JPY/EUR)	115.0	111.9(2H : 110.0)	-3.1

* Forecast

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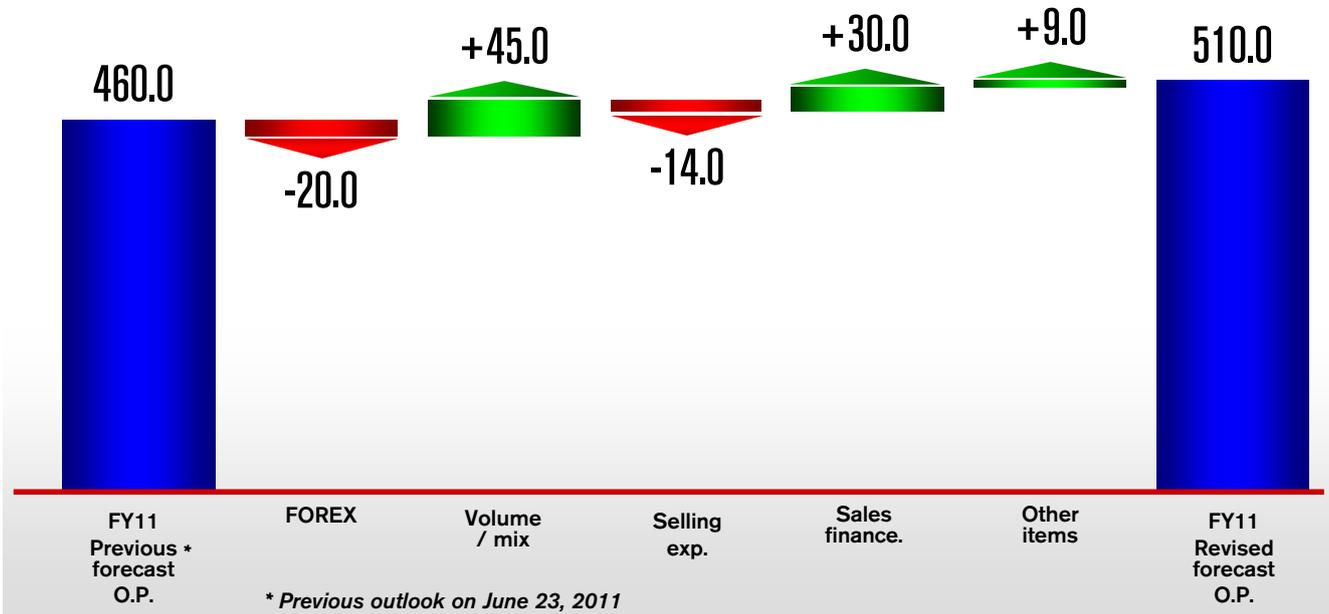
26

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FY11 outlook (Revised on Nov 2nd)

Operating profit variance analysis

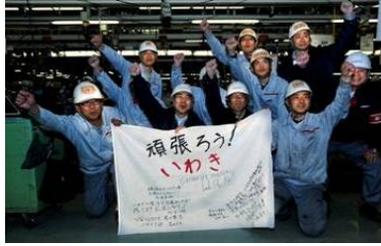
(billion yen)



Conclusion



Conclusion



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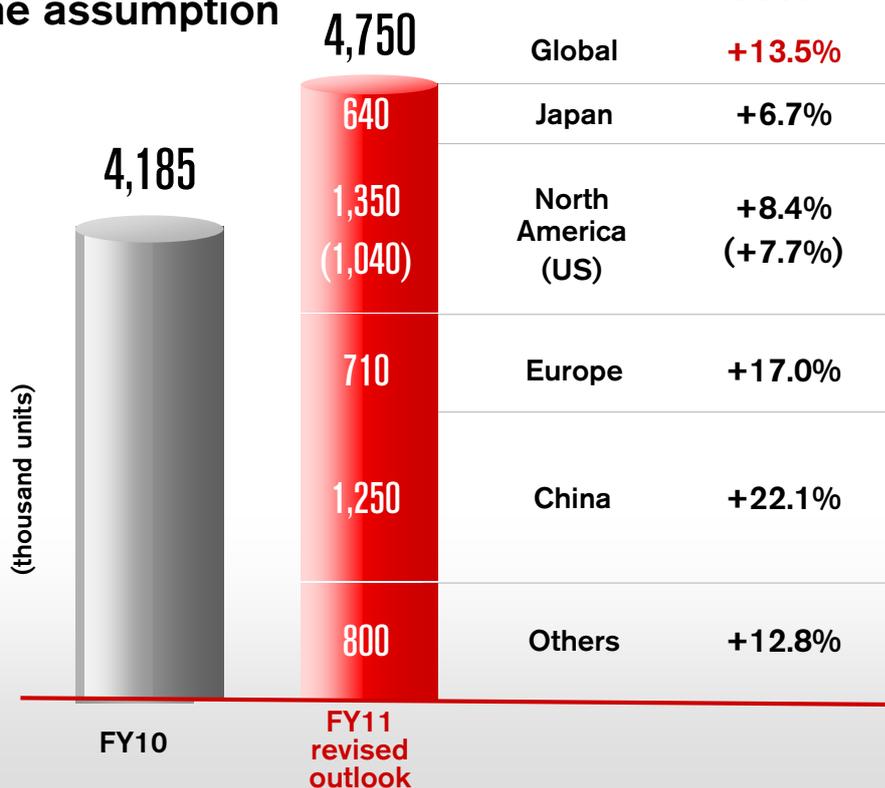
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Appendix

FY11 outlook (Revised on Nov 2nd)

Retail volume assumption

vs.
FY10



FY11 outlook (Revised on Nov 2nd)

(billion yen)	FY10 (A)	(Revised) * November 2, 2011 (B)	Variance (B)-(A)
Net revenue	8,773.1	9,450.0	+676.9
Operating profit	537.5	510.0	-27.5
<i>OP margin</i>	6.1%	5.4%	-0.7%
Ordinary profit	537.8	480.0	-57.8
Net income	319.2	290.0	-29.2
<i>Net income ratio</i>	3.6%	3.1%	-0.5%
CAPEX	312.0	410.0	+98.0
<i>sales ratio</i>	3.6%	4.3%	+0.7%
R&D	399.3	440.0	+40.7
<i>sales ratio</i>	4.6%	4.7%	+0.1%
FX rate assumptions			
(JPY/USD)	85.7	79.9(2H : 80.0)	-5.8
(JPY/EUR)	113.1	111.9(2H : 110.0)	-1.2

* Forecast

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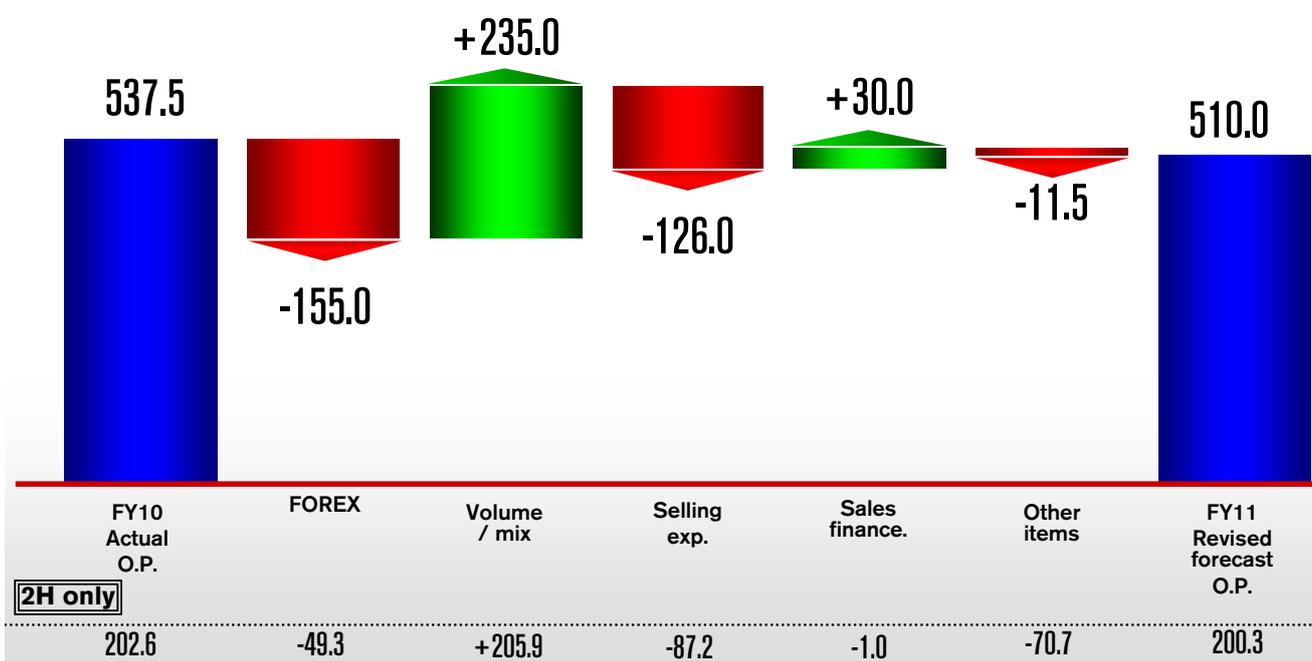
33

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FY11 outlook (Revised on Nov 2nd)

Operating profit variance analysis

(billion yen)



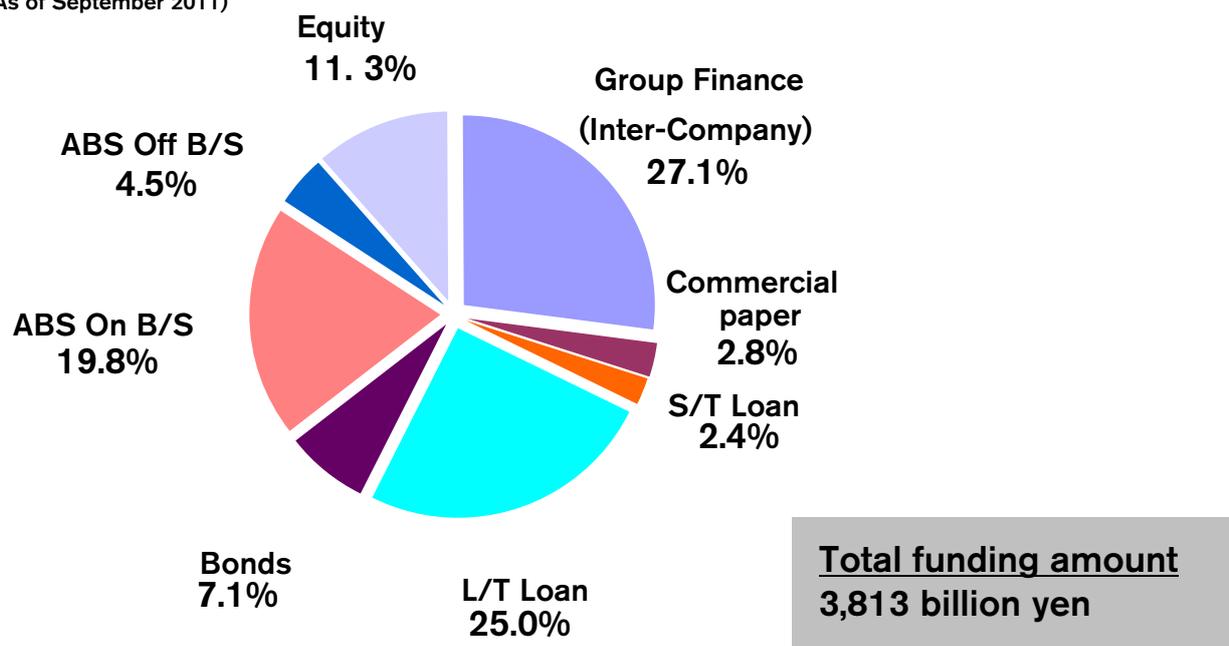
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34

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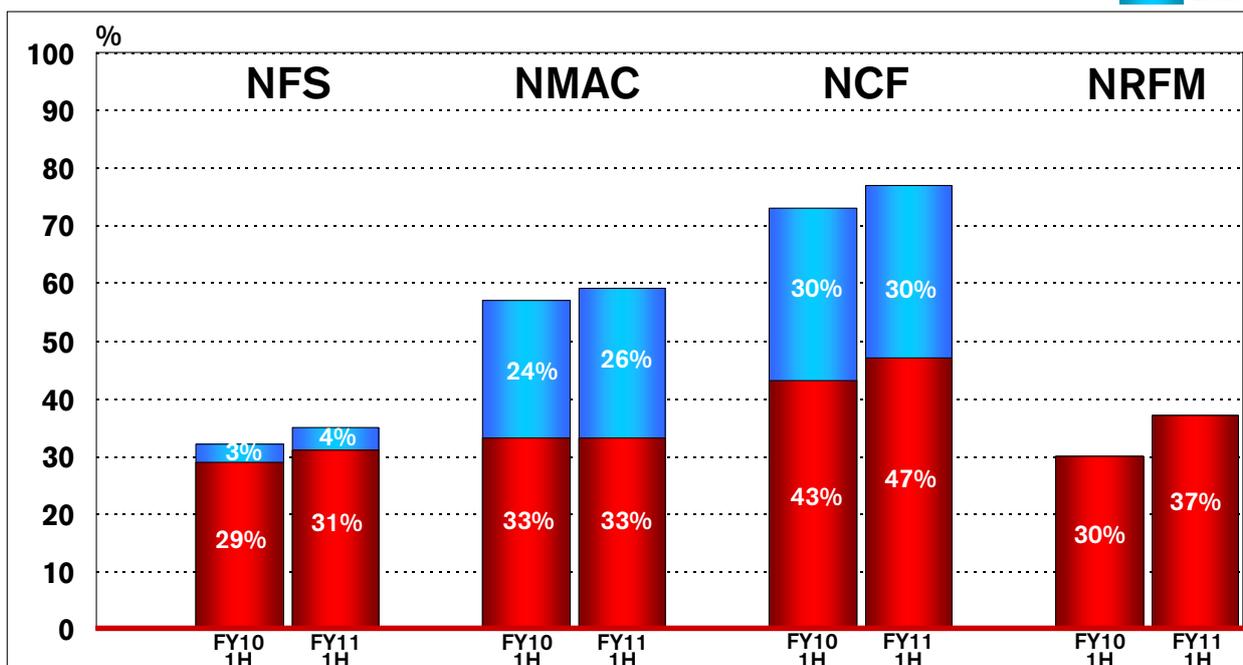
Sales financing : Funding sources

(As of September 2011)



Sales financing: penetration

■ Retail
■ Lease



NFS: Nissan Financial Service, sales finance company in Japan

NMAC: Nissan Motor Acceptance Corporation, sales finance company in USA

NCF: Sales financing division of Nissan Canada Inc

NRFM: NR Finance Mexico, sales finance company in Mexico

Sales financing: net credit loss ratio

	FY10 1H	FY11 1H	Variance
NFS	Lease: 0.05% Retail: 0.28%	Lease: 0.06% Retail: 0.27%	Lease: +0.01% Retail: -0.01%
NMAC	Lease: 0.37% Retail: 1.01%	Lease: 0.10% Retail: 0.61%	Lease: -0.27% Retail: -0.40%
NCF	Lease: 0.23% Retail: 0.29%	Lease: 0.17% Retail: 0.17%	Lease: -0.06% Retail: -0.12%

NFS: Nissan Financial Service, sales finance company in Japan

NMAC: Nissan Motor Acceptance Corporation, sales finance company in US

NCF: Sales financing division of Nissan Canada Inc

Sales financing: operating profit & asset

(NFS : billion yen, NMAC : million USD, NCF : million CAD, NRFM : million Peso)

	FY10 1H	FY11 1H	Variance
NFS	Asset: 1,154.6 OP: 7.9	Asset: 1,060.1 OP: 9.5	Asset: -94.5 OP: +1.6
NMAC	Asset: 31,471 OP: 416	Asset: 35,092 OP: 702	Asset: +3,621 OP: +286
NCF	Asset: 3,901 OP: 44	Asset: 3,959 OP: 65	Asset: +58 OP: +21
NRFM	Asset: 24,936 OP: 286	Asset: 29,076 OP: 467	Asset: +4,140 OP: +181

NFS: Nissan Financial Service, sales finance company in Japan

NMAC: Nissan Motor Acceptance Corporation, sales finance company in US

NCF: Sales financing division of Nissan Canada Inc

NRFM: NR Finance Mexico, sales finance company in Mexico

FY11 first-half financial performance

Operating profit variance analysis

(billion yen)

1. Foreign exchange impact **-105.7**

USD	-90.7 (88.9 to 79.8)	RUB	-6.9 (2.93 to 2.81)
CAD	-3.7 (86.0 to 81.9)	EUR*	-0.1
AUD	+3.7 (79.3 to 84.3)	Others	-8.0

2. Volume / mix **+29.1**

Japan -20.3 [Vol: -18.3 Mix: -2.0]	US -0.6 [Vol: +31.7 Mix: -32.3]	EUR +31.5 [Vol: +40.5 Mix: -9.0]	MEX&CAN -2.6	Others +21.1
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3. Selling expenses **-38.8**

Japan +9.6 [Incentives: +2.1 Others: +7.5]	US&CAN -23.4 [Incentives: -11.2 Others: -12.2]	EUR -1.2 [Incentives: -1.2 Others: 0.0]	Others -23.8 [Incentives: -7.7 Others: -16.1]
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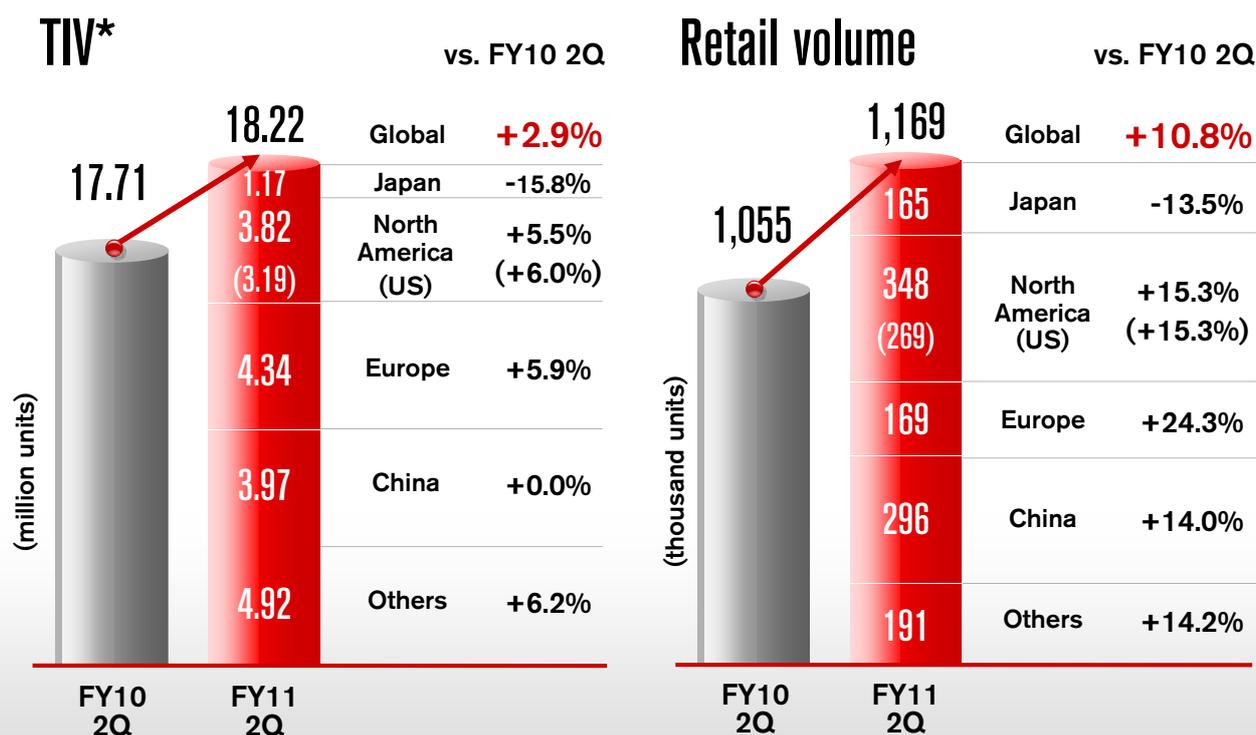
* including other European currencies (excluding RUB)

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39

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FY11 second-quarter sales performance: Global



*Nissan's estimation

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40

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FY11 second-quarter financial performance

(billion yen)	FY10 2Q	FY11 2Q	Variance	Change vs. FY10 (%)
Net revenue	2,268.9	2,285.5	+16.6	+0.7%
Operating profit	167.0	159.3	-7.7	-4.6%
<i>OP margin</i>	7.4%	7.0%		
<i>Non-operating</i>	-6.9	-11.6		
Ordinary profit	160.1	147.7	-12.4	-7.8%
<i>Extraordinary</i>	-2.2	-2.0		
Profit before tax	157.9	145.7	-12.2	-7.7%
<i>Taxes</i>	-48.1	-39.6		
<i>Effective tax rate</i>	30.5%	27.2%		
<i>Minority interest</i>	-8.1	-7.7		
Net income	101.7	98.4	-3.3	-3.3%
FX rate	85.9 JPY/USD 110.7 JPY/EUR	77.9 JPY/USD 110.2 JPY/EUR	-8.0 JPY/USD -0.5 JPY/EUR	

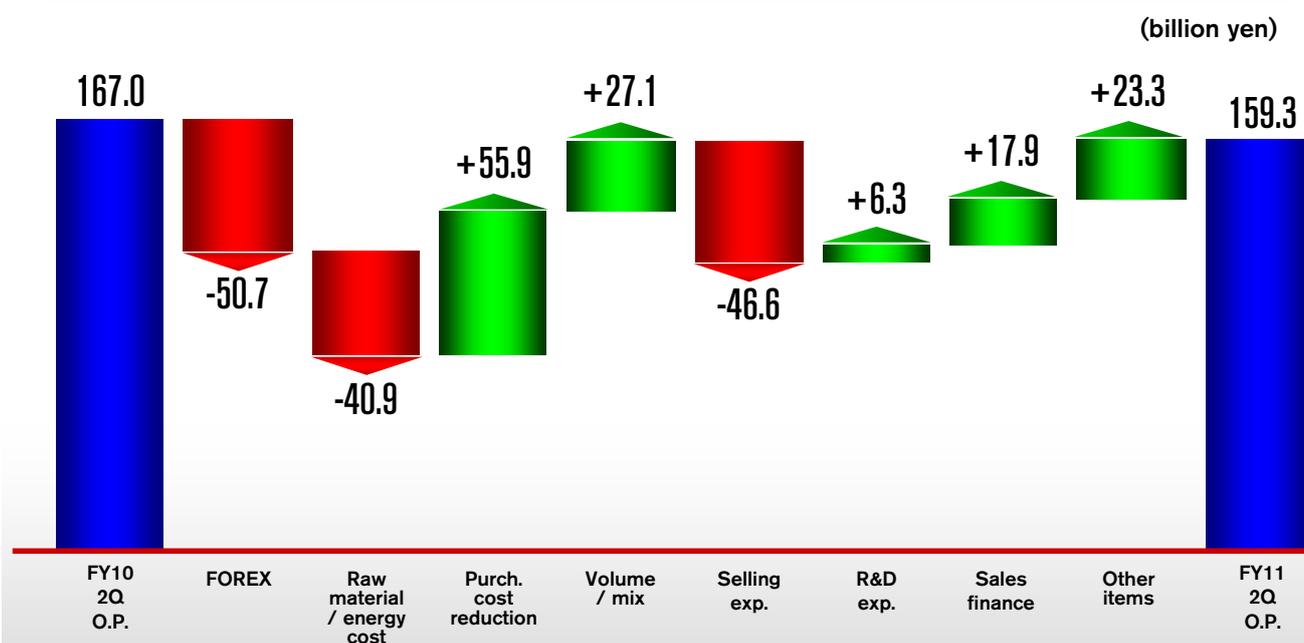
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41

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FY11 second-quarter financial performance

Operating profit variance analysis



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42

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FY11 second-quarter financial performance

Operating profit variance analysis

(billion yen)

1. Foreign exchange impact **-50.7**

USD	-42.0 (85.9 to 77.9)	RUB	-3.4 (2.81 to 2.69)
CAD	-1.5 (82.6 to 79.6)	EUR*	-0.6
AUD	+1.8 (77.5 to 81.9)	Others	-5.0

2. Volume / mix **+27.1**

Japan -17.0 [Vol: -12.6 Mix: -4.4]	US +18.8 [Vol: +31.5 Mix: -12.7]	EUR +8.3 [Vol: +17.0 Mix: -8.7]	MEX&CAN +2.2	Others +14.8
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3. Selling expenses **-46.6**

Japan +4.0 [Incentives: +2.6 Others: +1.4]	US&CAN -34.4 [Incentives: -20.9 Others: -13.5]	EUR -0.4 [Incentives: -2.1 Others: +1.7]	Others -15.8 [Incentives: -2.4 Others: -13.4]
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* including other European currencies (excluding RUB)

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43

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FY11 first-half financial performance

Detail of non-operating income/expenses

(billion yen)

	FY10 1H	FY11 1H	Variance
▪ Interest income / expenses	-7.6	-7.6	0.0
▪ FX translation	-26.9	-30.3	-3.4
↳ NML	-15.1	-22.2	-7.1
↳ NMEX	1.2	5.1	+3.9
↳ NMAC	-14.4	-5.4	+9.0
↳ Others	1.4	-7.8	-9.2
▪ Derivative gain and loss	15.5	12.1	-3.4
↳ NMAC	13.9	5.7	-8.2
↳ Others	1.6	6.4	+4.8
▪ Profit/Loss under equity methods	5.2	15.6	+10.4
▪ Amortization of net retirement benefit	-5.3	-5.1	+0.2
▪ Others	-0.7	1.0	+1.7

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44

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FY11 first-half financial performance

Detail of extraordinary gains/losses

(billion yen)

	FY10 1H	FY11 1H	Variance
▪ Sale/disposal of fixed assets	6.2	-2.0	-8.2
▪ Sale of investment securities	1.9	10.4	+8.5
▪ Impairment loss on fixed assets	-1.8	-6.3	-4.5
▪ Loss on disaster	0.0	-21.1	-21.1
▪ Others	-5.9	0.2	+6.1

FY11 second-quarter financial performance

Detail of non-operating income/expenses

(billion yen)

	FY10 2Q	FY11 2Q	Variance
▪ Interest income / expenses	-3.6	-4.1	-0.5
▪ FX translation	-22.7	-24.2	-1.5
↳ NML	-1.4	-20.5	-19.1
↳ NMEX	-1.1	6.2	7.3
↳ NMAC	-17.5	-2.9	14.6
↳ Others	-2.7	-7.0	-4.3
▪ Derivative gain and loss	15.9	10.3	-5.6
↳ NMAC	17.5	3.4	-14.1
↳ Others	-1.6	6.9	+8.5
▪ Profit/Loss under equity methods	6.9	10.6	+3.7
▪ Amortization of net retirement benefit	-2.7	-2.5	+0.2
▪ Others	-0.7	-1.7	-1.0

Offset

FY11 second-quarter financial performance

Detail of extraordinary gains/losses

(billion yen)

	FY10 2Q	FY11 2Q	Variance
▪ Sale/disposal of fixed assets	1.6	-1.4	-3.0
▪ Sale of investment securities	0.5	2.8	+2.3
▪ Impairment loss on fixed assets	-1.8	-4.2	-2.4
▪ Others	-2.5	0.8	+3.3

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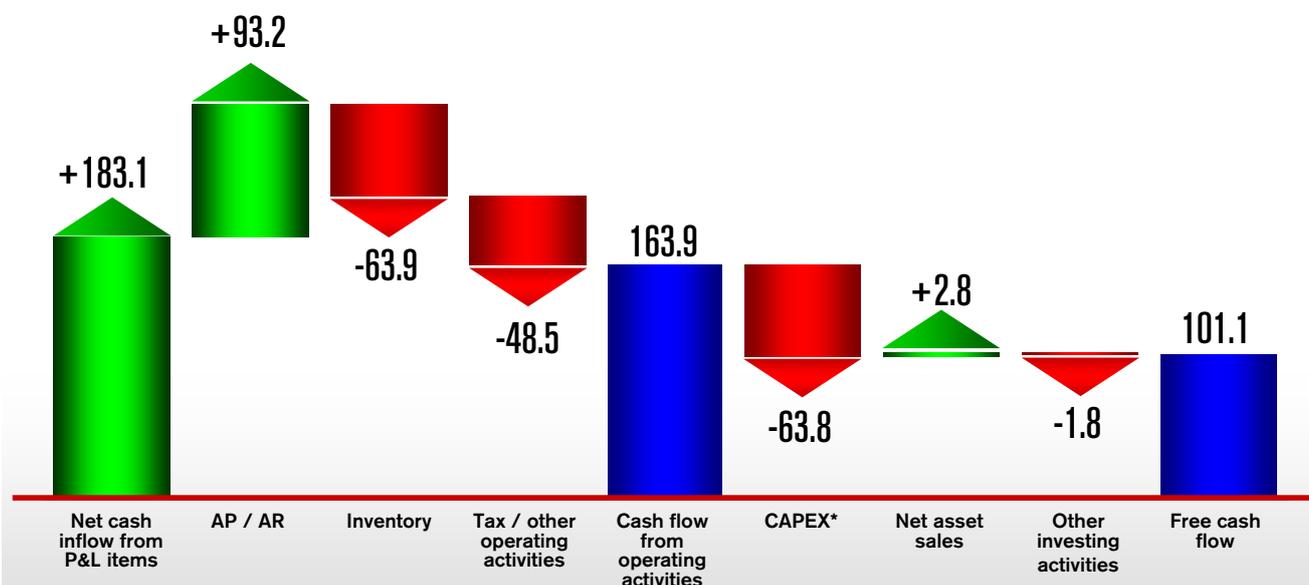
47

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FY11 second-quarter financial performance

Free cash flow (Auto business)

(billion yen)



* CAPEX does not include finance lease-related investments

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48

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FY11 first-half financial performance

Free cash flow (Auto business) variance

(billion yen)

	FY10 1H	FY11 1H	Variance
Net cash inflow from P&L items	462.4	370.1	-92.3
AP/AR	137.3	189.7	+52.4
Inventory	-184.3	-152.6	+31.7
Tax/Others	-111.8	-93.5	+18.3
Operating activities	303.6	313.7	+10.1
Capex *	-110.1	-132.0	-21.9
Asset sales	18.3	8.5	-9.8
Others	3.9	-29.8	-33.7
Investing activities	-87.9	-153.3	-65.4
Free cash flow	215.7	160.4	-55.3

* Capex does not include finance lease-related investments

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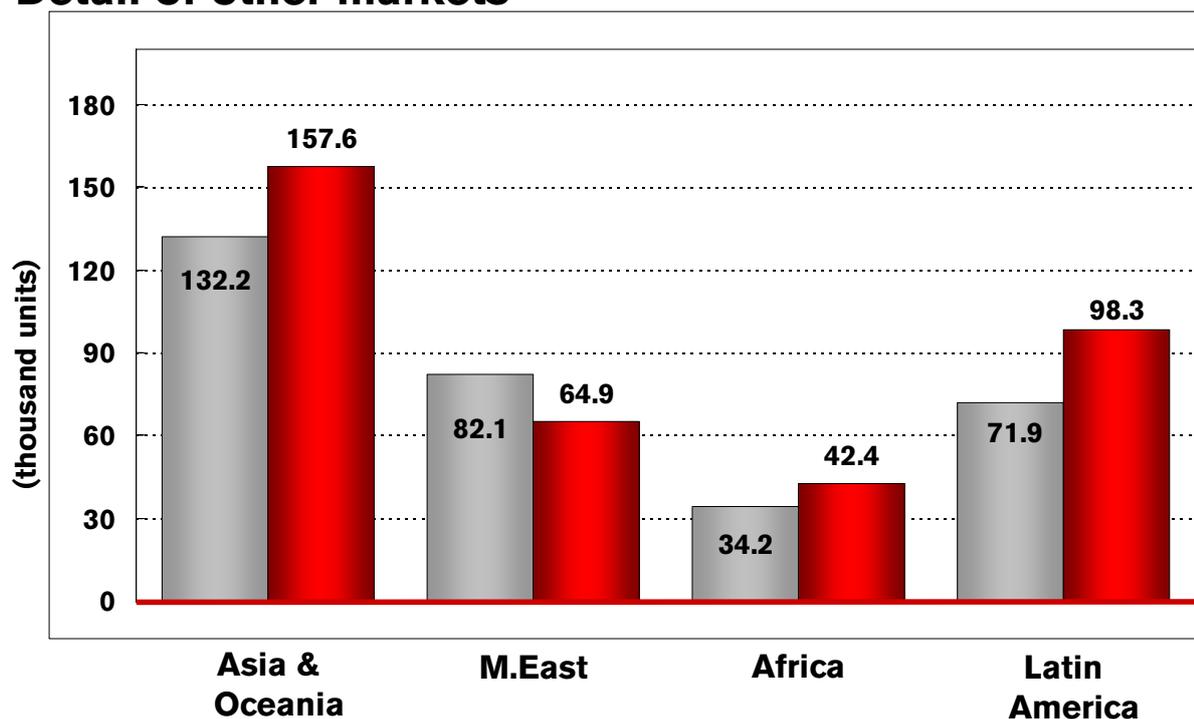
49

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FY11 first-half retail sales

Detail of other markets

■ FY11 1H
■ FY10 1H



*Scope change between M.East and Africa

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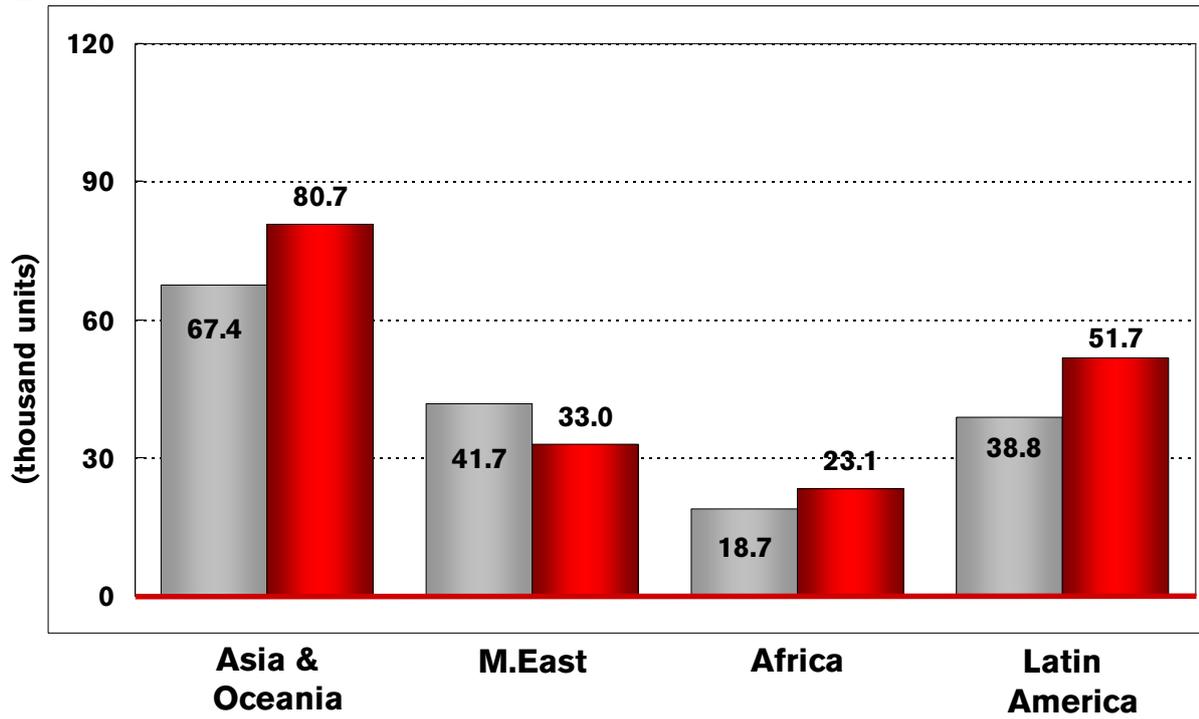
50

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FY11 second-quarter retail sales

 FY11 2Q
 FY10 2Q

Detail of other markets



*Scope change between M.East and Africa

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51

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