

# FY2017 FIRST-HALF FINANCIAL RESULTS AND MIDTERM PLAN

Nissan Motor Co., Ltd.  
November 8<sup>th</sup>, 2017

NISSAN MOTOR CORPORATION



## AGENDA

### 1. FY17 1<sup>ST</sup> HALF FINANCIAL RESULTS

#### FY17 1<sup>ST</sup> HALF SALES PERFORMANCE

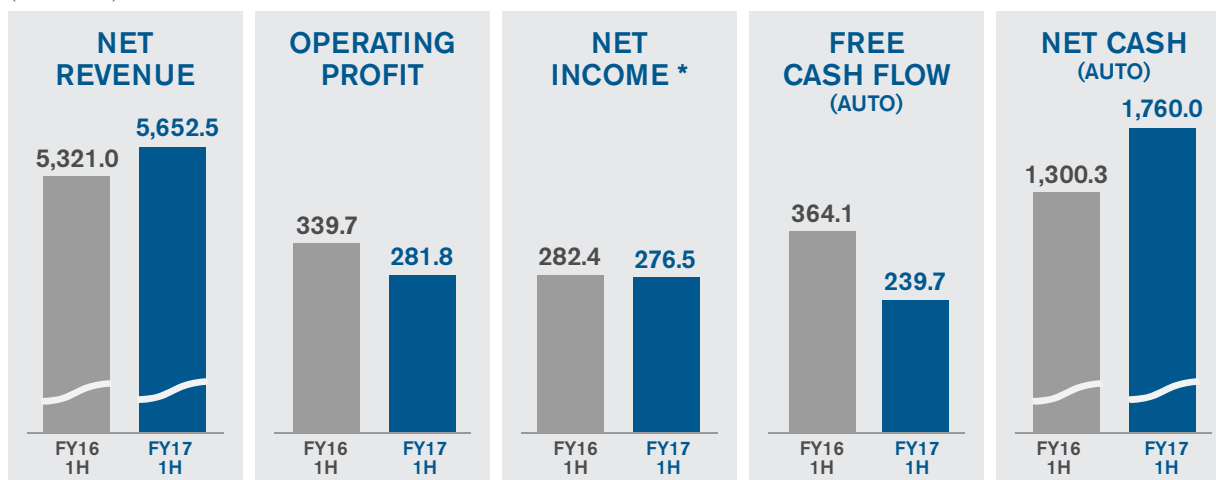
#### FY17 1<sup>ST</sup> HALF FINANCIAL PERFORMANCE

### 2. MIDTERM PLAN

# HEADLINE FINANCIAL RESULTS

## (TSE REPORT BASIS — CHINA JV EQUITY BASIS)

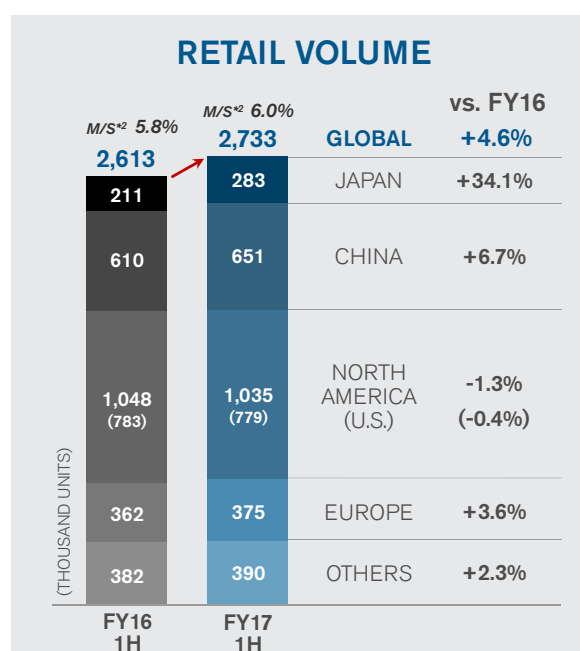
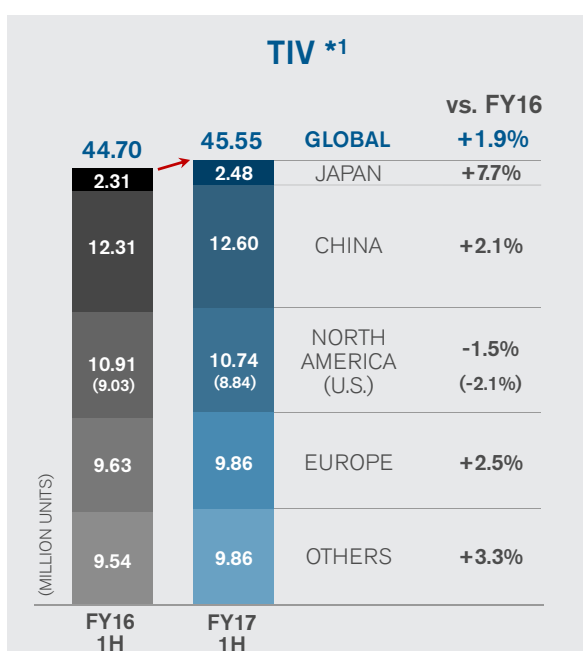
(BILLION YEN)



\* NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT

# FY17 1st HALF SALES PERFORMANCE

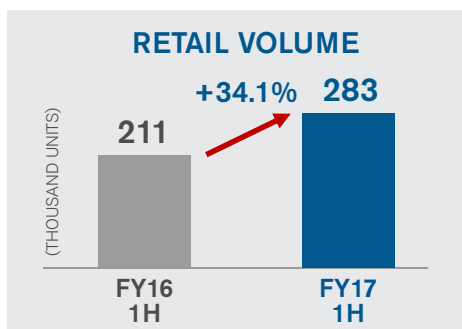
## GLOBAL



\*1: NISSAN ESTIMATION

\*2: MARKET SHARE

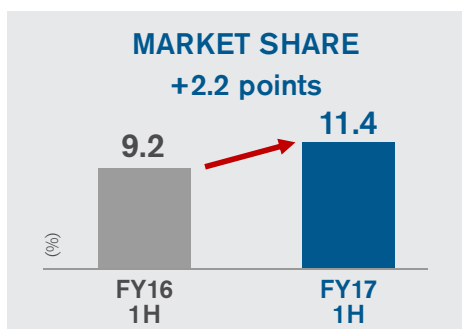
# FY17 1st HALF SALES PERFORMANCE JAPAN



**TIV:** 2.48 million units, +7.7%

**Sales:** 283 k units, +34.1%

**Market share:** 11.4%, +2.2 points



## Registered car

- **TIV:** 1.61 million units, +4.0%
- **Sales:** 193 k units, +17.1%
- **Market share:** 12.0%, +1.4 points

## Mini car

- **TIV:** 0.87 million units, +15.1%
- **Sales:** 90 k units, +93.9%
- **Market share:** 10.3%, +4.2 points



Serena



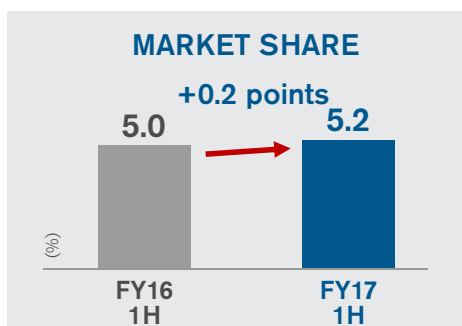
Note

# FY17 1st HALF SALES PERFORMANCE CHINA



## FY17 1H (Jan. to Jun.)

- **TIV<sup>\*2</sup>:** 12.60 million units, +2.1%
- **Sales<sup>\*1</sup>:** 651 k units, +6.7%
- **Market share:** 5.2%, +0.2 points



## FY17 3Q (Jul. to Sep.)

- **TIV<sup>\*2</sup>:** 6.48 million units, +3.7%
- **Sales<sup>\*1</sup>:** 369 k units, +15.7%
- **Market share:** 5.7%, +0.6 points



X-Trail

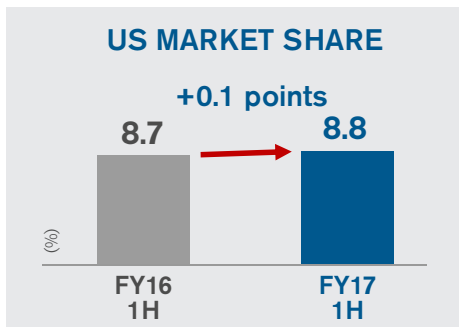
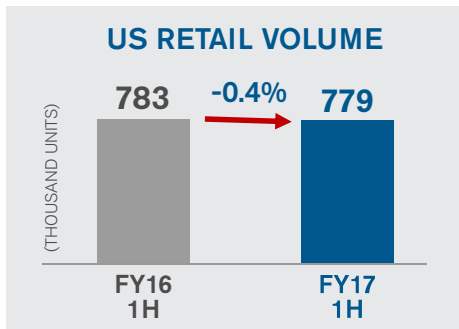


Sylphy

\* 1: PV: RETAIL SALES BASE, LCV: WHOLESALSA BASE

\* 2: PV AND LCV ONLY

# FY17 1st HALF SALES PERFORMANCE NORTH AMERICA



## US

- TIV: 8.84 million units, -2.1%
- Sales: 779 k units, -0.4%
- Market share: 8.8%, +0.1 points



Rogue



Rogue Sport

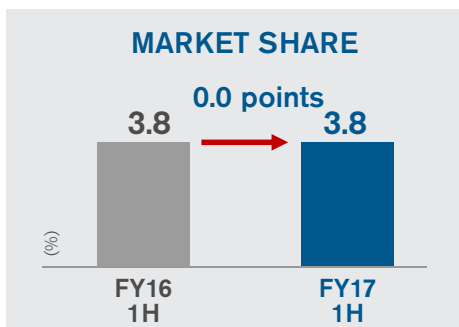
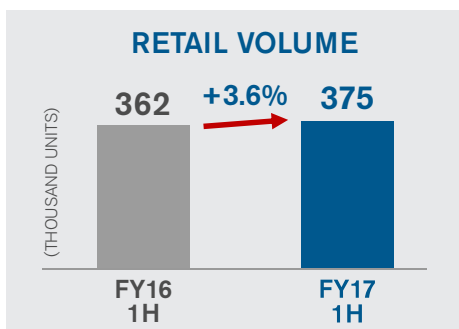
## Canada

- Sales: 81 k units, +8.6%
- Market share: 6.9%, +0.2 points

## Mexico

- Sales: 174 k units, -8.9%
- Market share: 23.9%, -0.8 points

# FY17 1st HALF SALES PERFORMANCE EUROPE (INCLUDING RUSSIA)



## Europe excluding Russia

- TIV: 9.06 million units, +1.5%
- Sales: 326 k units, +2.1%
- Market share: 3.6%, 0.0 points

## Russia

- TIV: 0.8 million units, +14.3%
- Sales: 49 k units, +15.1%
- Market share: 6.1%, 0.0 points



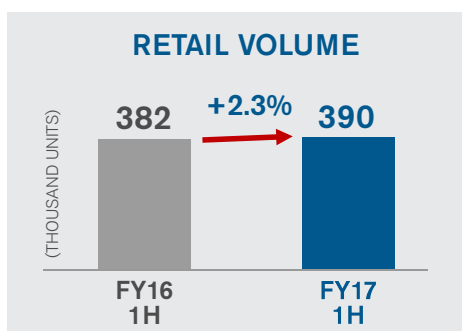
Qashqai



Micra

# FY17 1st HALF SALES PERFORMANCE

## OTHER MARKETS



**Sales: 390 k units, +2.3%**

- **Asia & Oceania:** 165 k units, -2.0% (TIV: +4.1%)
- **Latin America:** 94 k units, +12.2% (TIV: +12.6%)
- **Middle East:** 86 k units, -4.8% (TIV: -10.3%)
- **Africa & others:** 46 k units, +15.6% (TIV: -1.4%)



**Datsun redi-GO**



**Kicks**

## AGENDA

### 1. FY17 1<sup>ST</sup> HALF FINANCIAL RESULTS

FY17 1<sup>ST</sup> HALF SALES PERFORMANCE

 **FY17 1<sup>ST</sup> HALF FINANCIAL PERFORMANCE**

### 2. MIDTERM PLAN

# FY17 1st HALF FINANCIAL PERFORMANCE

## (TSE REPORT BASIS — CHINA JV EQUITY BASIS)

(BILLION YEN)	FY16 1H	FY16 1H <small>*excl. CK <sup>*3</sup></small>	FY17 1H	VARIANCE  <small>*excl. CK <sup>*3</sup></small>	CHANGE vs. FY16 (%)  <small>*excl. CK <sup>*3</sup></small>
<b>NET REVENUE</b>	<b>5,321.0</b>	<b>5,230.5</b>	<b>5,652.5</b>	<b>+422.0</b>	<b>+8.1%</b>
<b>OPERATING PROFIT</b>	<b>339.7</b>	<b>324.8</b>	<b>281.8</b>	<b>-43.0</b>	<b>-13.2%</b>
OP MARGIN	6.4%	6.2%	5.0%		
NON-OPERATING	57.1	57.1	87.7		
<b>ORDINARY PROFIT</b>	<b>396.8</b>	<b>381.9</b>	<b>369.5</b>	<b>-12.4</b>	<b>-3.2%</b>
EXTRAORDINARY	3.1	3.0	-4.5		
<b>PROFIT BEFORE TAX</b>	<b>399.9</b>	<b>384.9</b>	<b>365.0</b>	<b>-19.9</b>	<b>-5.2%</b>
TAXES	-101.8	-97.0	-79.0		
EFFECTIVE TAX RATE	25.5%	25.2%	21.6%		
MINORITY INTEREST <sup>*1</sup>	-15.7	-9.5	-9.5		
<b>NET INCOME <sup>*2</sup></b>	<b>282.4</b>	<b>278.4</b>	<b>276.5</b>	<b>-1.9</b>	<b>-0.7%</b>
FX RATE	105.2 JPY/USD 118.0 JPY/EUR	105.2 JPY/USD 118.0 JPY/EUR	111.0 JPY/USD 126.3 JPY/EUR	+5.8 JPY/USD +8.3 JPY/EUR	

\*1: NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

\*2: NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT

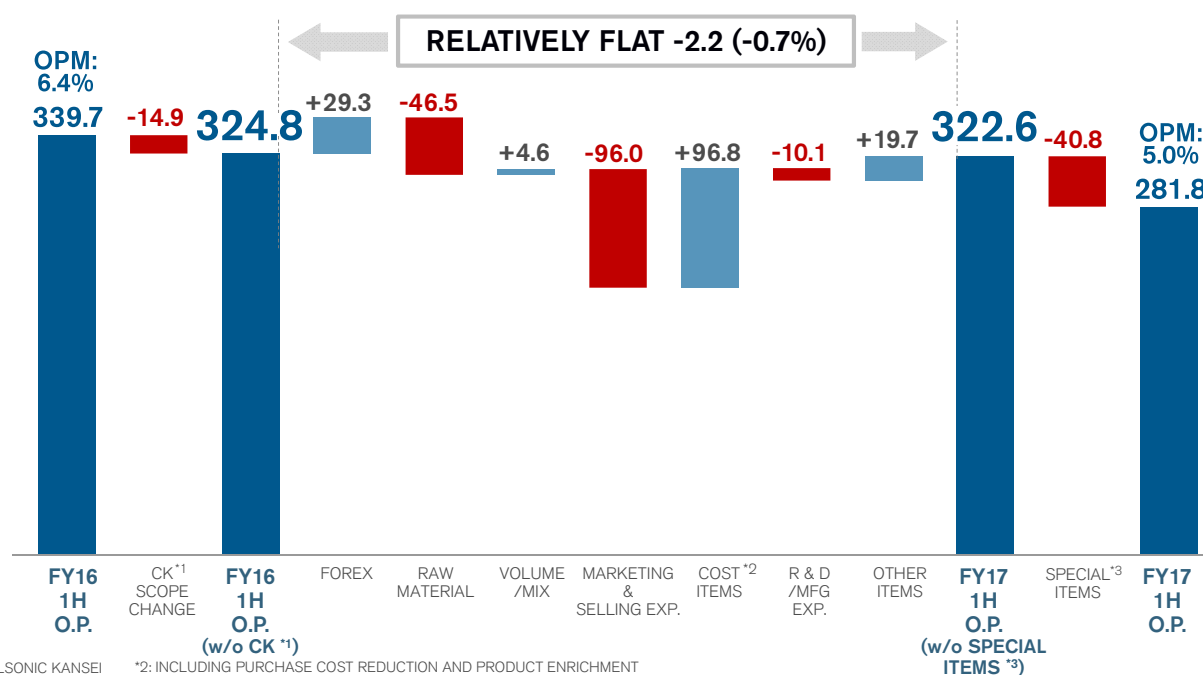
\*3: CALSONIC KANSEI

# FY17 1st HALF FINANCIAL PERFORMANCE

## (TSE REPORT BASIS — CHINA JV EQUITY BASIS)

### OPERATING PROFIT VARIANCE ANALYSIS

(BILLION YEN)

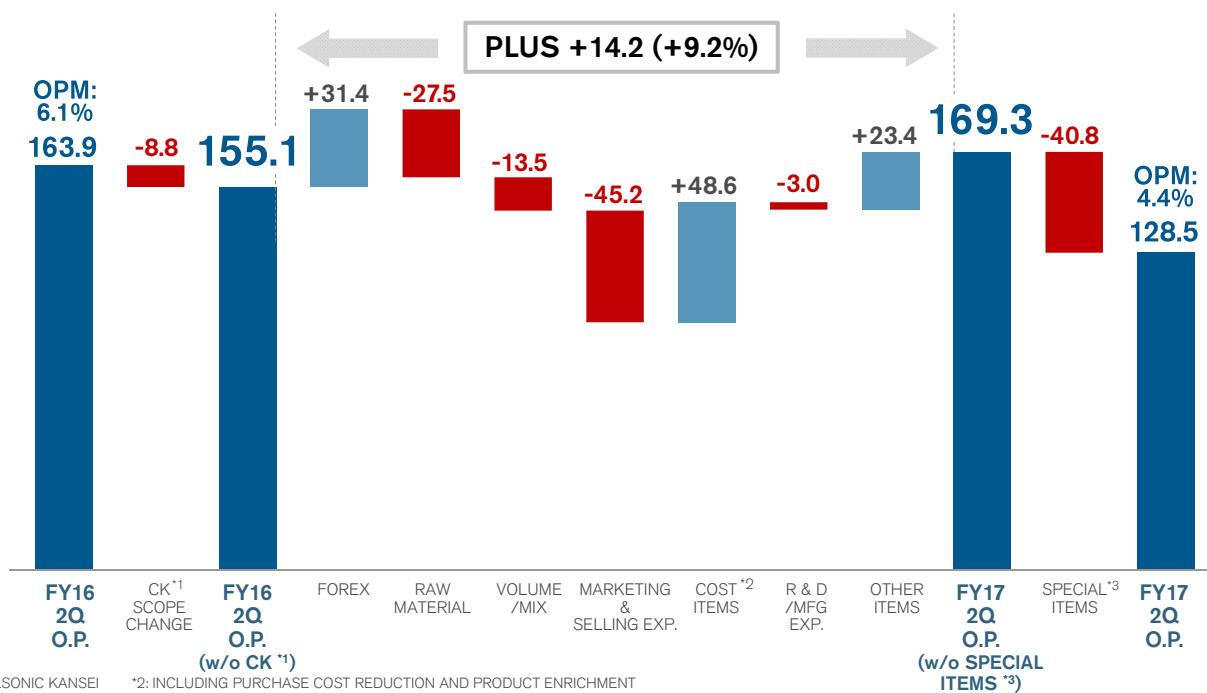


\*1: CALSONIC KANSEI \*2: INCLUDING PURCHASE COST REDUCTION AND PRODUCT ENRICHMENT  
\*3: INCLUDING INSPECTION COSTS AND CLASS ACTION SETTLEMENT

# FY17 2Q (3 MONTHS) FINANCIAL PERFORMANCE (TSE REPORT BASIS — CHINA JV EQUITY BASIS)

## OPERATING PROFIT VARIANCE ANALYSIS

(BILLION YEN)

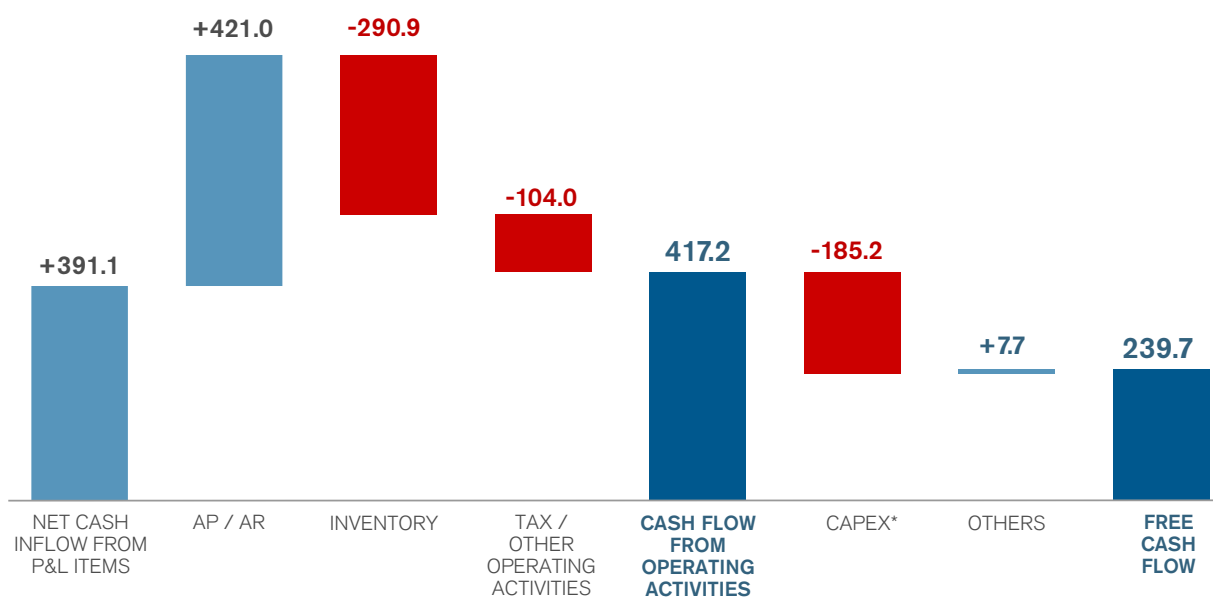


\*1: CALSONIC KANSEI    \*2: INCLUDING PURCHASE COST REDUCTION AND PRODUCT ENRICHMENT  
\*3: INCLUDING INSPECTION COSTS AND CLASS ACTION SETTLEMENT

# FY17 1st HALF FINANCIAL PERFORMANCE (TSE REPORT BASIS — CHINA JV EQUITY BASIS)

## FREE CASH FLOW (AUTO BUSINESS)

(BILLION YEN)

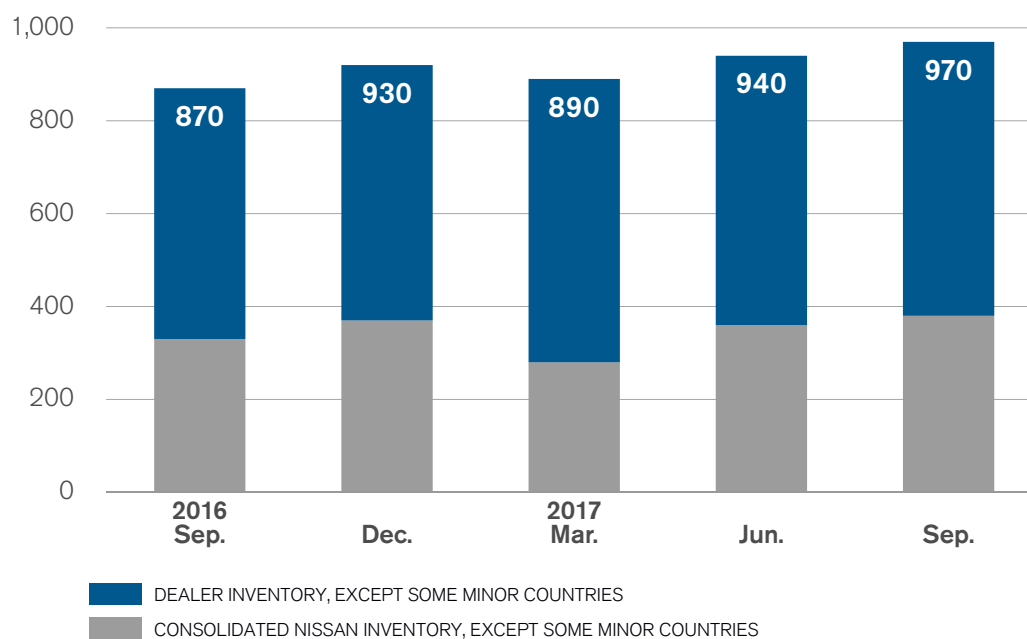


\* CAPEX DOES NOT INCLUDE FINANCE LEASE-RELATED INVESTMENTS

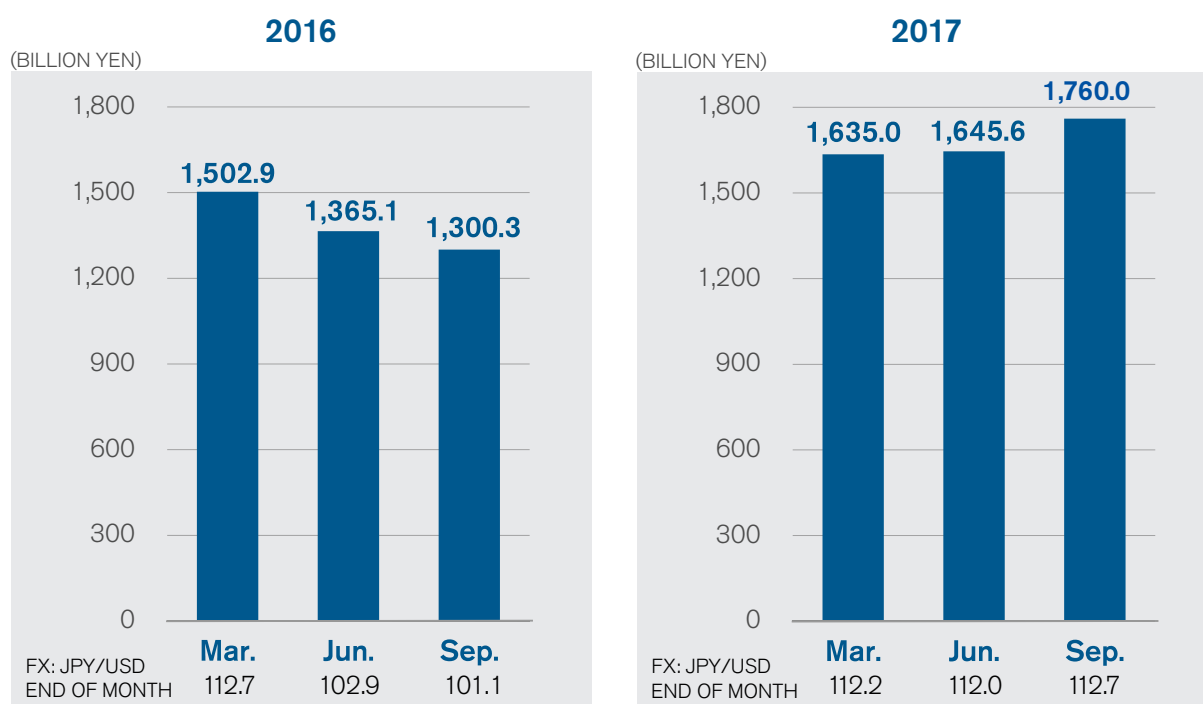
# INVENTORY MANAGEMENT (EXCLUDING CHINA JV)

## INVENTORY STATUS

(THOUSAND UNITS)



# NET CASH (AUTO BUSINESS) (TSE REPORT BASIS — CHINA JV EQUITY BASIS)



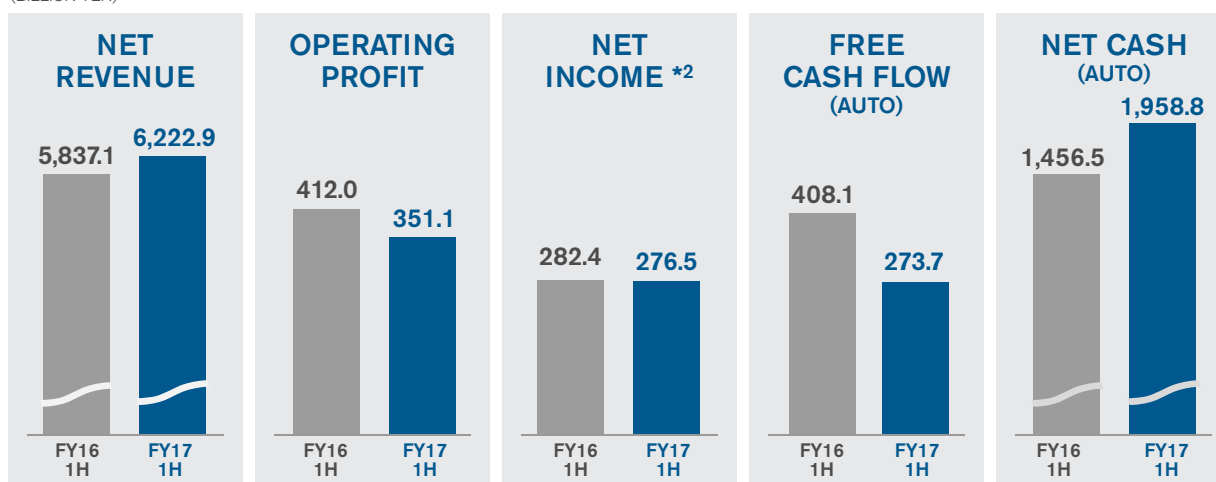


# KEY PERFORMANCE INDICATORS

## FINANCIAL RESULTS

(MANAGEMENT PRO FORMA BASIS \*1)

(BILLION YEN)



\*1: BASED ON CONTINUATION OF PROPORTIONATE CONSOLIDATION OF CHINA JV

\*2: NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT

## FY17 OUTLOOK

(TSE REPORT BASIS — CHINA JV EQUITY BASIS)

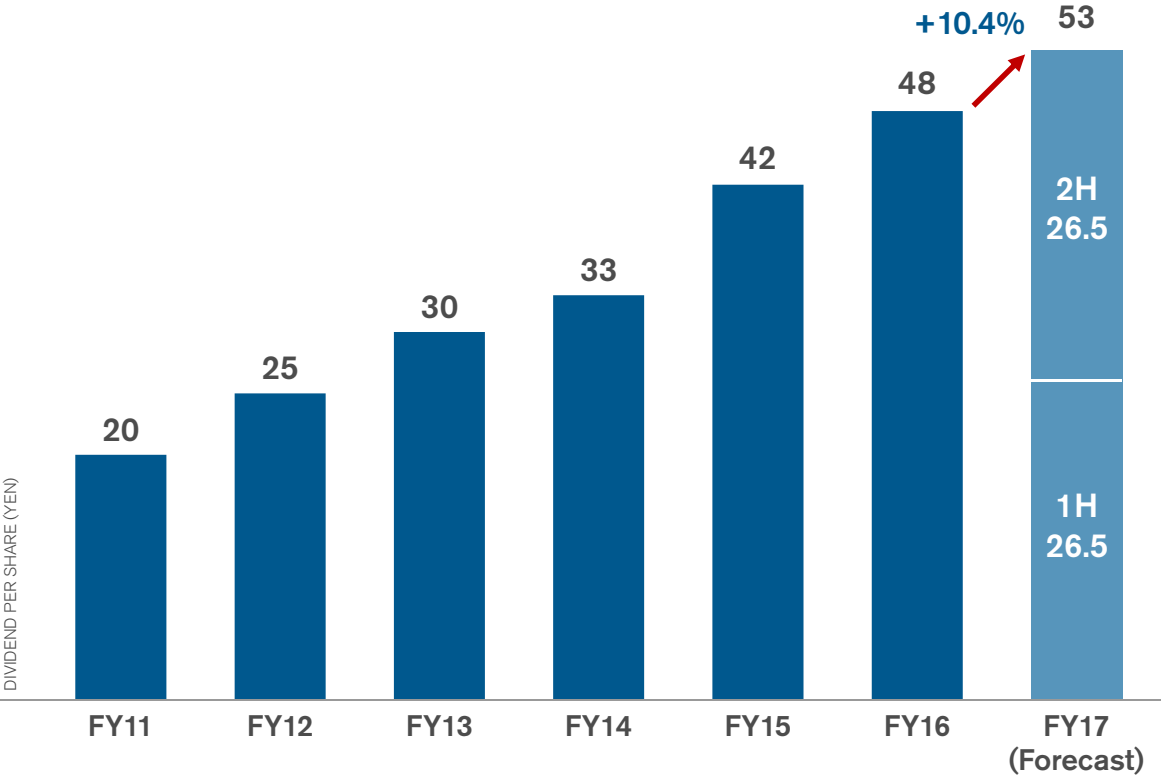
Revising operating profit guidance for FY17 to reflect the expected net impact related to the Japan vehicle final inspection issue after other cost efficiency offsets.

(Net revenue and net income\* guidance are maintained)

\* NET INCOME: NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT

(BILLION YEN)	FY16 ACTUAL	FY17 PREVIOUS OUTLOOK	FY17 REVISED OUTLOOK	VARIANCE VS PREVIOUS OUTLOOK	% CHANGE VS PREVIOUS OUTLOOK
OPERATING PROFIT	742.2	685.0	645.0	-40.0	-5.8%

# FY17 SHAREHOLDER RETURN OUTLOOK



## AGENDA

### 1. FY17 1<sup>ST</sup> HALF FINANCIAL RESULTS

FY17 1<sup>ST</sup> HALF SALES PERFORMANCE

FY17 1<sup>ST</sup> HALF FINANCIAL PERFORMANCE

### 2. MIDTERM PLAN

# Mission

Over the next six years, Nissan aims to build on the solid business foundations of Nissan Power 88, and leverage the benefits of our Alliance with Renault and Mitsubishi Motors, to:

1 Achieve sustainable growth, while delivering healthy profitability and strong free cash flow

2 Lead the technology and business evolution of the automotive industry, backed by our technology DNA

## Nissan M.O.V.E. to 2022



**Mobility**



**Operational Excellence**

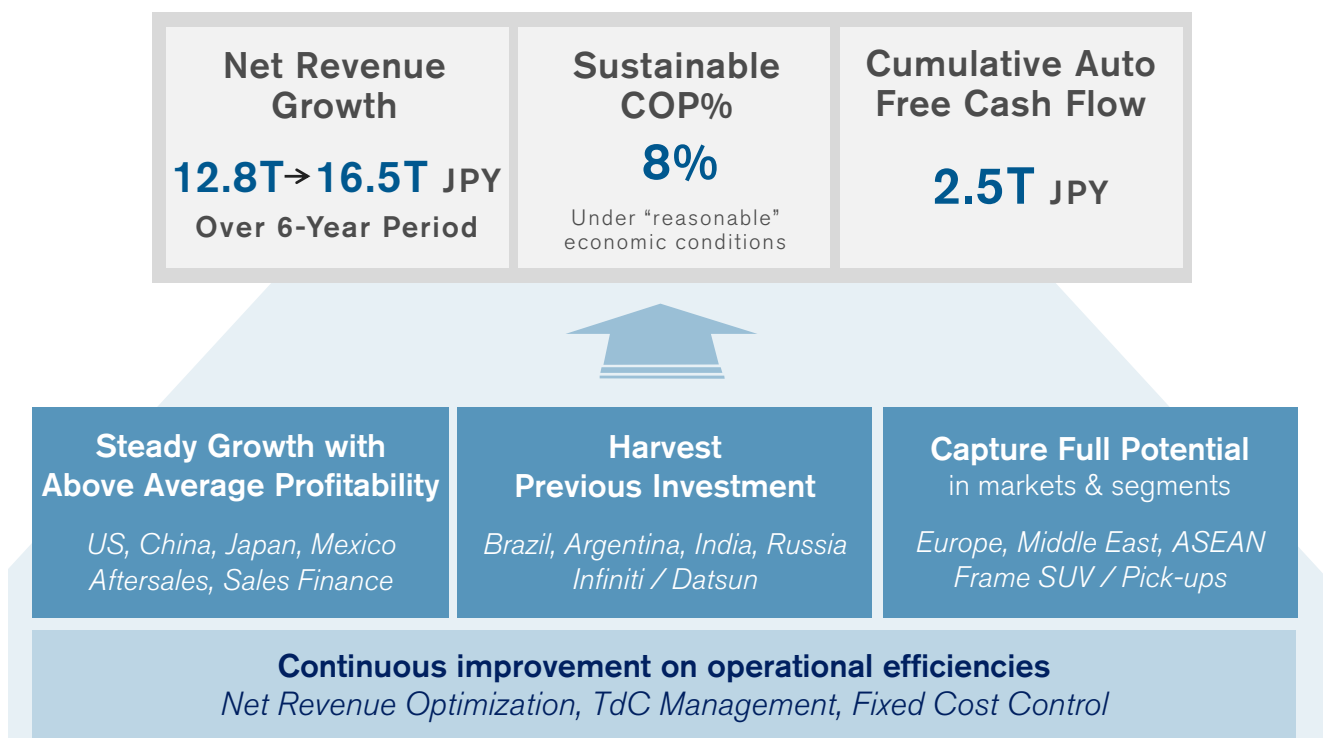


**Value to Customers**

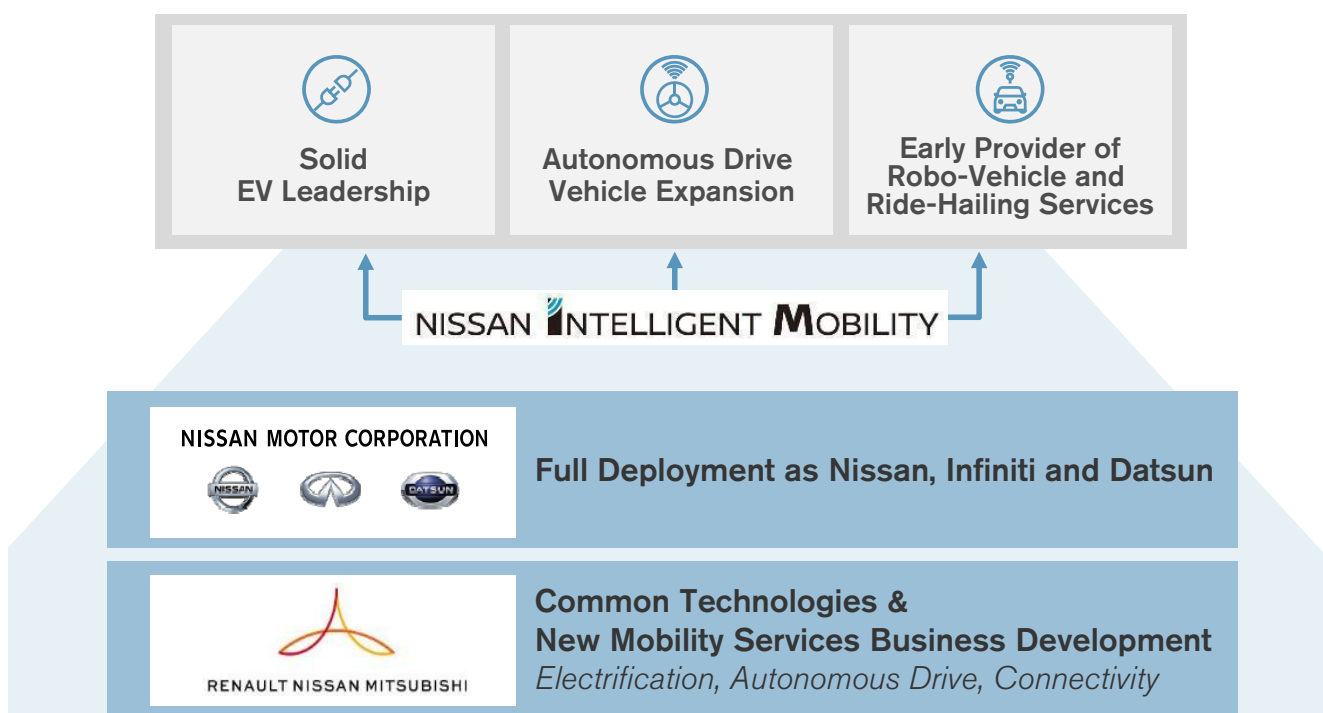


**Electrification**

## Path to 2022: Sustainable Growth



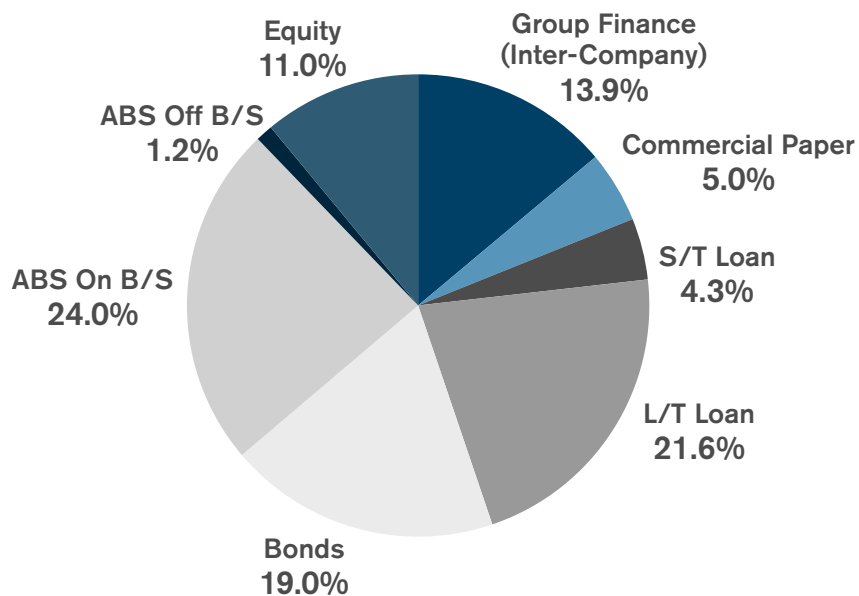
## Path to 2022: Lead the Evolution



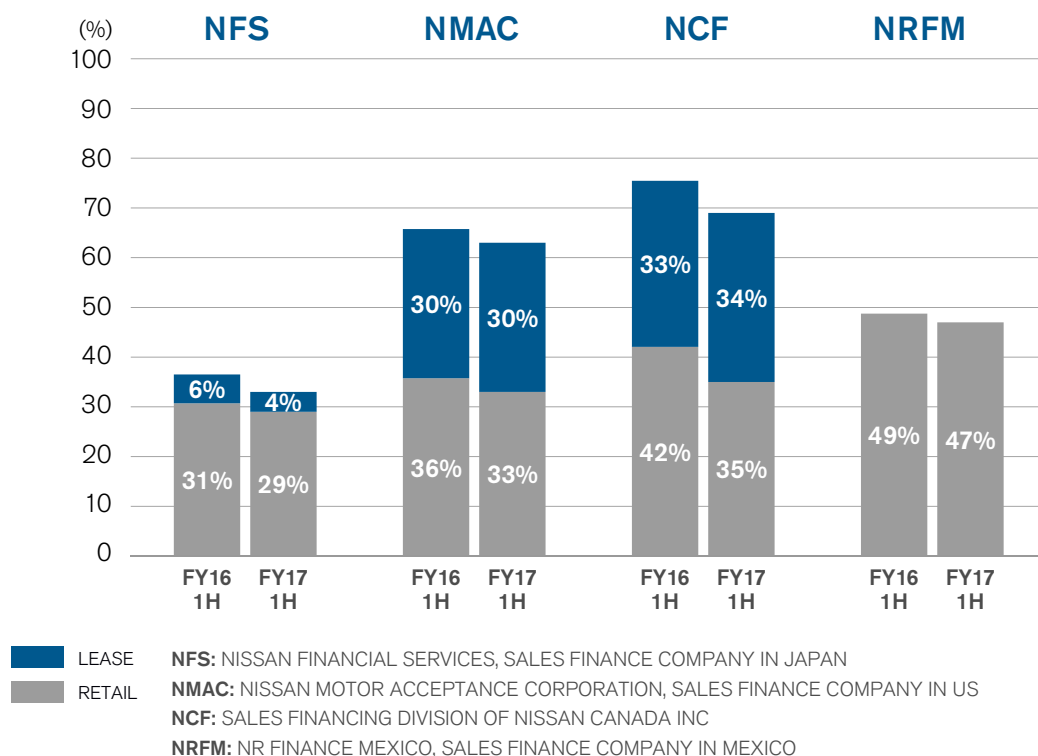
# Appendix

## SALES FINANCING: FUNDING SOURCES (AS OF SEPTEMBER 2017)

TOTAL FUNDING AMOUNT: 10,058 BILLION YEN



# SALES FINANCING: PENETRATION



# SALES FINANCING NET CREDIT LOSS RATIO

	FY16 1H	FY17 1H	VARIANCE
<b>NFS</b>	Lease: <b>0.02%</b>	Lease: <b>0.02%</b>	Lease: <b>0.00%</b>
	Retail: <b>0.11%</b>	Retail: <b>0.09%</b>	Retail: <b>-0.02%</b>
<b>NMAC</b>	Lease: <b>0.36%</b>	Lease: <b>0.54%</b>	Lease: <b>+0.18%</b>
	Retail: <b>0.93%</b>	Retail: <b>1.37%</b>	Retail: <b>+0.44%</b>
<b>NCF</b>	Lease: <b>0.12%</b>	Lease: <b>0.11%</b>	Lease: <b>-0.01%</b>
	Retail: <b>0.32%</b>	Retail: <b>0.29%</b>	Retail: <b>-0.03%</b>

**NFS:** NISSAN FINANCIAL SERVICES, 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)

	FY16 1H	FY17 1H	VARIANCE
NFS	Asset: 1,124.6	Asset: 1,322.6	Asset: +198.0
	OP: 15.1	OP: 16.2	OP: +1.1
NMAC	Asset: 61,978	Asset: 65,890	Asset: +3,912
	OP: 442	OP: 449	OP: +7
NCF	Asset: 6,398	Asset: 7,332	Asset: +934
	OP: 81	OP: 121	OP: +40
NRFM	Asset: 104,825	Asset: 118,323	Asset: +13,498
	OP: 1,683	OP: 1,683	OP: 0

**NFS:** NISSAN FINANCIAL SERVICES, 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

## FY17 1H (6 MONTHS) FINANCIAL PERFORMANCE (TSE REPORT BASIS — CHINA JV EQUITY BASIS)

### OPERATING PROFIT VARIANCE ANALYSIS

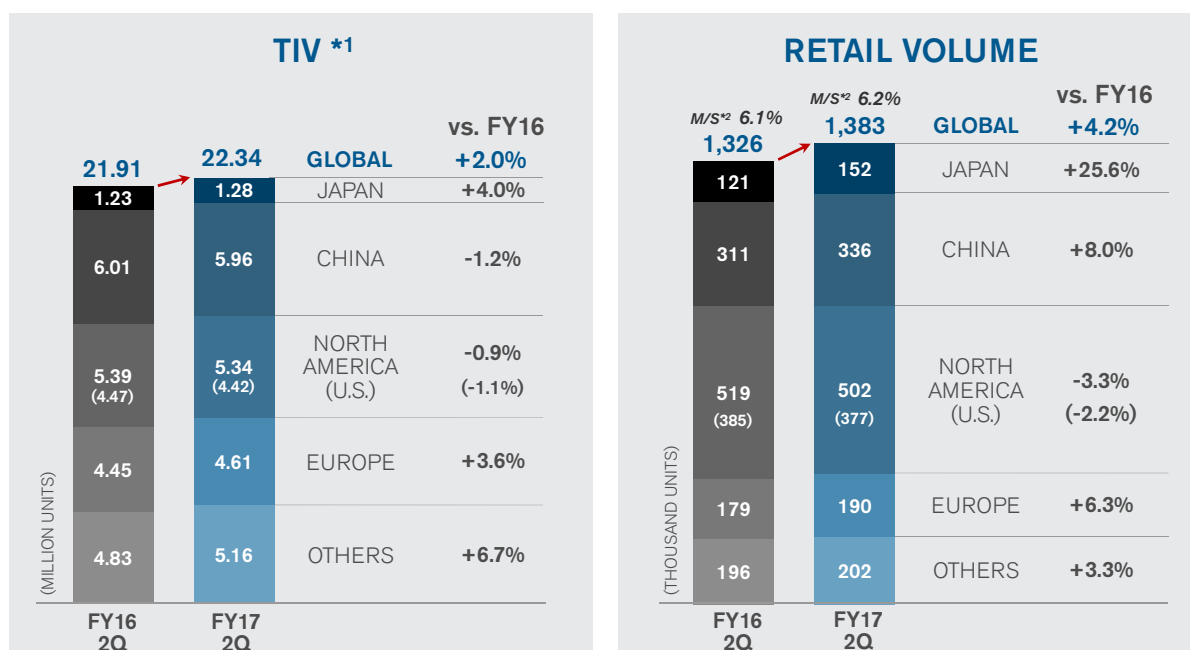
(BILLION YEN)

FOREIGN EXCHANGE IMPACT	VOLUME /MIX	SELLING EXPENSES
<b>+29.3</b>	<b>+4.6</b>	<b>-96.0</b>
<b>USD +35.4</b> (105.2 ⇒ 111.0)	<b>JPN +36.1</b> VOL*: +42.6 MIX: -6.5	<b>JPN -9.1</b> INCENTIVES: -7.7 OTHERS: -1.4
<b>RUB +10.1</b> (1.61 ⇒ 1.91)	<b>US -12.7</b> VOL*: -28.4 MIX: +15.7	<b>US -79.9</b> INCENTIVES: -83.9 OTHERS: +4.0
<b>CAD +8.8</b> (81.1 ⇒ 85.6)	<b>EUR -8.9</b> VOL*: -3.0 MIX: -5.9	<b>EUR -14.4</b> INCENTIVES: -13.7 OTHERS: -0.7
<b>THB -8.5</b> (3.00 ⇒ 3.28)	<b>MEX&amp;CAN -1.0</b>	<b>MEX&amp;CAN +9.9</b>
<b>EUR* -7.6</b>	<b>OTHERS -8.9</b>	<b>OTHERS -2.5</b>
<b>OTHERS -8.9</b>		

\* INCLUDES OTHER EUROPEAN CURRENCIES (EXCLUDES RUB)

\* INCLUDES COUNTRY MIX

# FY17 2Q (3 MONTHS) SALES PERFORMANCE GLOBAL



\*1: NISSAN ESTIMATION

\*2: MARKET SHARE

# FY17 2Q (3 MONTHS) FINANCIAL PERFORMANCE (TSE REPORT BASIS — CHINA JV EQUITY BASIS)

(BILLION YEN)	FY16 2Q	FY16 2Q	FY17 2Q	VARIANCE	CHANGE vs. FY16 (%)
		*excl. CK *3		*excl. CK *3	*excl. CK *3
<b>NET REVENUE</b>	<b>2,666.5</b>	<b>2,617.1</b>	<b>2,892.1</b>	<b>+275.0</b>	<b>+10.5%</b>
<b>OPERATING PROFIT</b>	<b>163.9</b>	<b>155.1</b>	<b>128.5</b>	<b>-26.6</b>	<b>-17.2%</b>
OP MARGIN	6.1%	5.9%	4.4%		
NON-OPERATING	34.7	34.4	51.4		
<b>ORDINARY PROFIT</b>	<b>198.6</b>	<b>189.5</b>	<b>179.9</b>	<b>-9.6</b>	<b>-5.1%</b>
EXTRAORDINARY	3.4	3.6	-1.0		
<b>PROFIT BEFORE TAX</b>	<b>202.0</b>	<b>193.1</b>	<b>178.9</b>	<b>-14.2</b>	<b>-7.4%</b>
TAXES	-47.3	-45.1	-33.2		
EFFECTIVE TAX RATE	23.4%	23.4%	18.5%		
MINORITY INTEREST *1	-8.6	-4.6	-4.1		
<b>NET INCOME *2</b>	<b>146.1</b>	<b>143.4</b>	<b>141.6</b>	<b>-1.8</b>	<b>-1.3%</b>
FX RATE	102.4 JPY/USD 114.3 JPY/EUR	102.4 JPY/USD 114.3 JPY/EUR	111.0 JPY/USD 130.4 JPY/EUR	+8.6 JPY/USD +16.1 JPY/EUR	

\*1: NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

\*2: NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT

\*3: CALSONIC KANSEI



# FY17 2Q (3 MONTHS) FINANCIAL PERFORMANCE (TSE REPORT BASIS — CHINA JV EQUITY BASIS)

## OPERATING PROFIT VARIANCE ANALYSIS

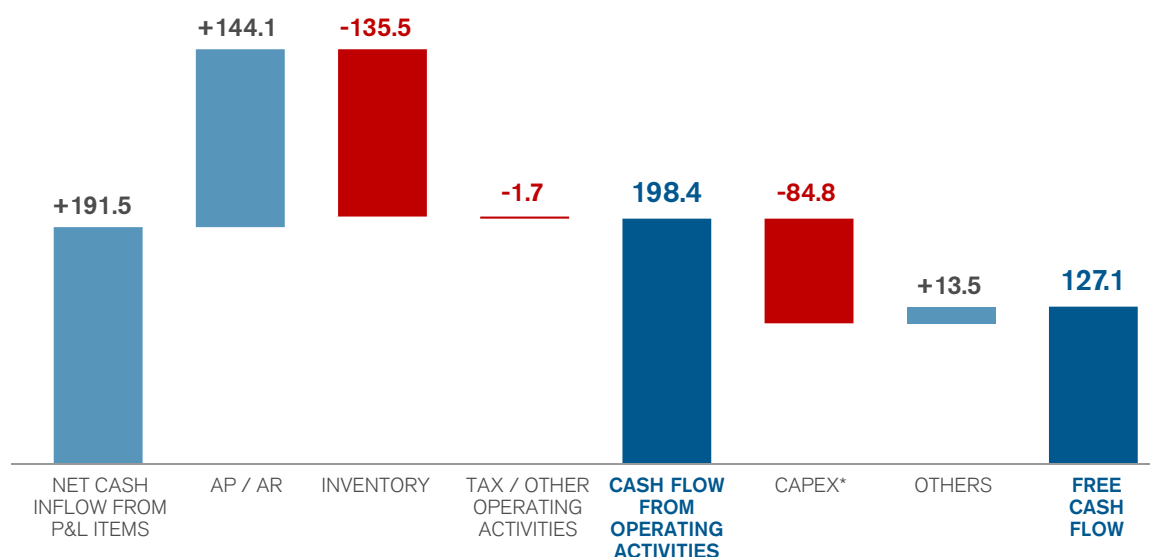
(BILLION YEN)

FOREIGN EXCHANGE IMPACT		VOLUME /MIX		SELLING EXPENSES	
<b>+31.4</b>		<b>-13.5</b>		<b>-45.2</b>	
<b>USD</b>	<b>+27.1</b> (102.4⇒ 111.0)	<b>JPN</b>	<b>+14.4</b> VOL*: +23.5 MIX: -9.1	<b>JPN</b>	<b>-2.2</b> INCENTIVES: -1.3 OTHERS: -0.9
<b>CAD</b>	<b>+9.5</b> (78.5 ⇒ 88.5)	<b>US</b>	<b>-37.8</b> VOL*: -35.9 MIX: -1.9	<b>US</b>	<b>-34.6</b> INCENTIVES: -34.9 OTHERS: +0.3
<b>RUB</b>	<b>+5.8</b> (1.59⇒ 1.88)	<b>EUR</b>	<b>+12.6</b> VOL*: +10.1 MIX: +2.5	<b>EUR</b>	<b>-9.9</b> INCENTIVES: -8.8 OTHERS: -1.1
<b>EUR*</b>	<b>-6.2</b>	<b>MEX&amp;CAN</b>	<b>-0.1</b>	<b>MEX&amp;CAN</b>	<b>+3.5</b>
<b>THB</b>	<b>-6.1</b> (2.94 ⇒ 3.33)	<b>OTHERS</b>	<b>-2.6</b>	<b>OTHERS</b>	<b>-2.0</b>
<b>OTHERS</b>	<b>+1.3</b>				
* INCLUDES OTHER EUROPEAN CURRENCIES (EXCLUDES RUB)		* INCLUDES COUNTRY MIX			

# FY17 2Q (3 MONTHS) FINANCIAL PERFORMANCE (TSE REPORT BASIS — CHINA JV EQUITY BASIS)

## FREE CASH FLOW (AUTO BUSINESS)

(BILLION YEN)



\* CAPEX DOES NOT INCLUDE FINANCE LEASE-RELATED INVESTMENTS

# NET CASH BY BUSINESS SEGMENT

## (TSE REPORT BASIS — CHINA JV EQUITY BASIS)

(BILLION YEN)	AS OF MARCH 31, 2017			AS OF SEPTEMBER 30, 2017		
	AUTOMOBILE & ELIMINATIONS	SALES FINANCING	TOTAL	AUTOMOBILE & ELIMINATIONS	SALES FINANCING	TOTAL
<b>BORROWINGS FROM THIRD PARTIES</b>	<b>861.9</b>	<b>6,905.8</b>	<b>7,767.7</b>	<b>786.5</b>	<b>7,423.6</b>	<b>8,210.1</b>
<b>INTERNAL LOAN TO SALES FINANCING (NET)</b>	<b>-1,306.9</b>	<b>1,306.9</b>	<b>0</b>	<b>-1,402.4</b>	<b>1,402.4</b>	<b>0</b>
<b>CASH AND CASH EQUIVALENT</b>	<b>1,190.0</b>	<b>51.1</b>	<b>1,241.1</b>	<b>1,144.1</b>	<b>59.1</b>	<b>1,203.2</b>
<b>NET CASH</b>	<b>1,635.0</b>	<b>-8,161.6</b>	<b>-6,526.6</b>	<b>1,760.0</b>	<b>-8,766.9</b>	<b>-7,006.9</b>