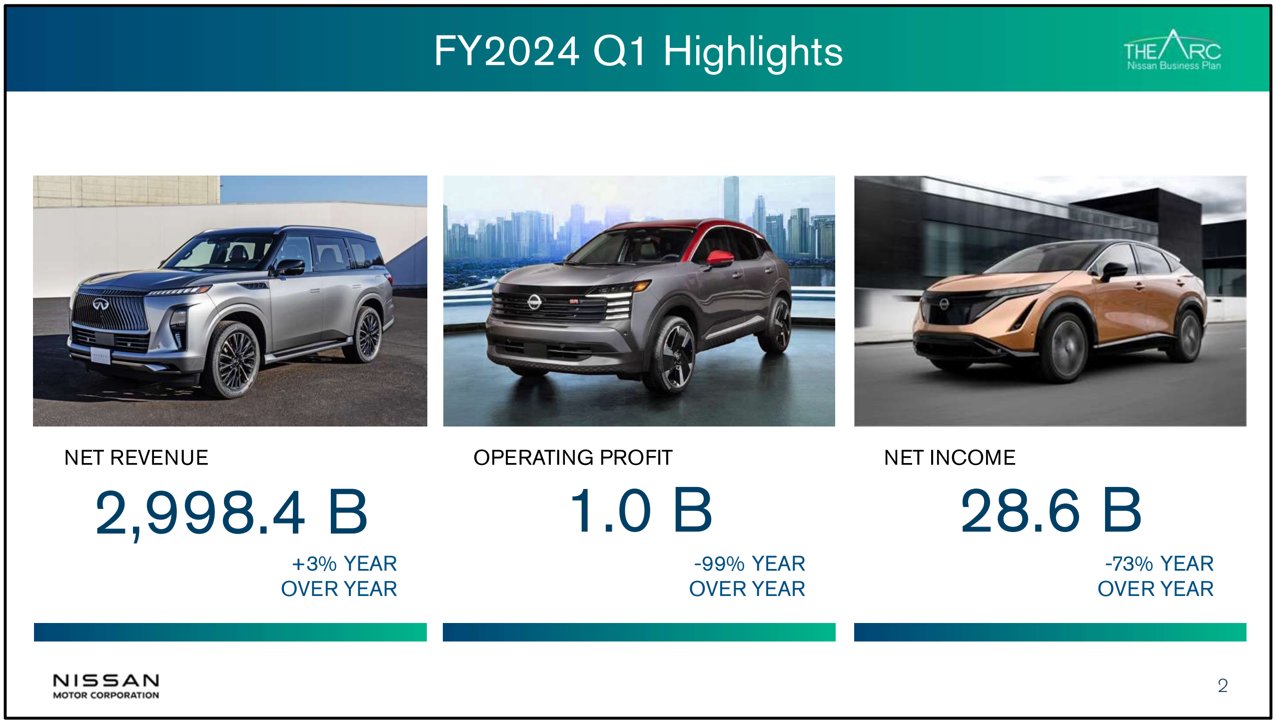

THE ARC
Nissan Business Plan
FY2024 First Quarter
Financial Results
JULY 25, 2024
ARIYA
NISSAN
MOTOR CORPORATION



(CFO Stephen Ma)

We are announcing the results against challenging conditions and weaker performance in the first quarter. While the result is within our expectations, we are taking immediate actions to address this situation. I will describe it later.

Our net revenue rose slightly to around 3 T yen.

Our profit was adversely affected by several negative factors, which I will explain in the later slides.

Our operating profit was 1 B yen and net income, 28.6 B yen.

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NISSAN MOTOR CORPORATION


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FY2024 Q1
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NISSAN
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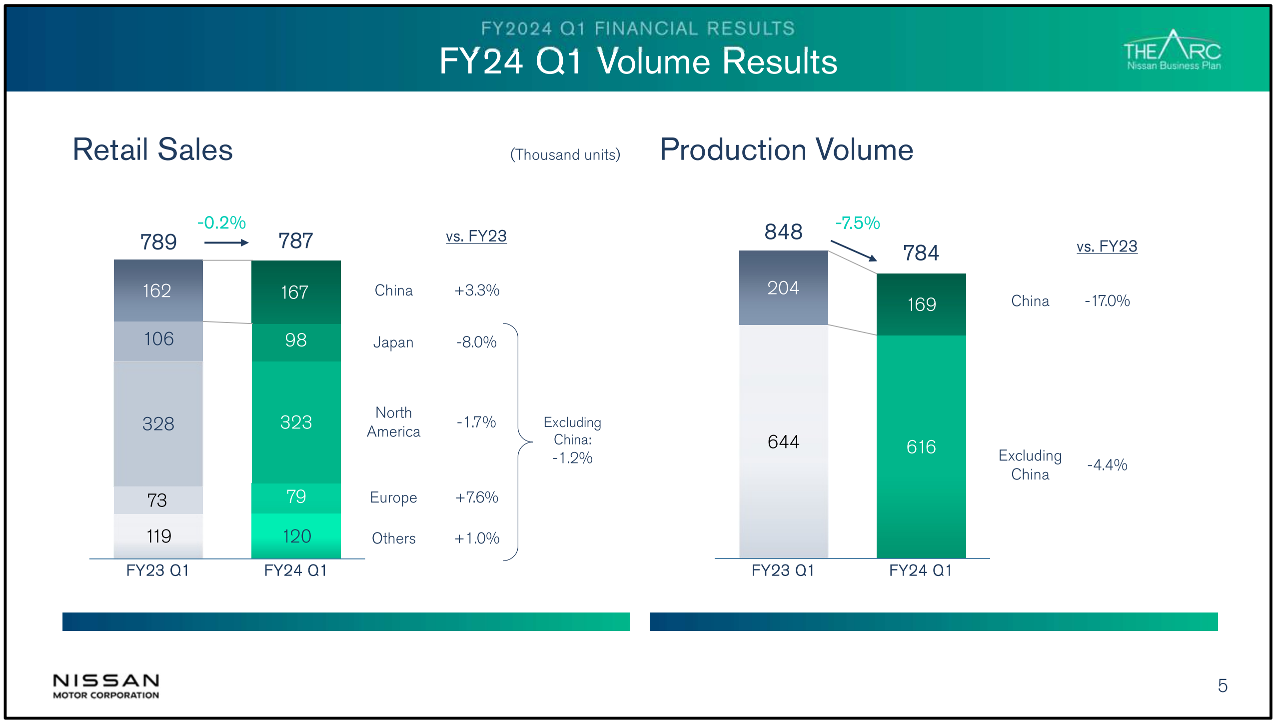


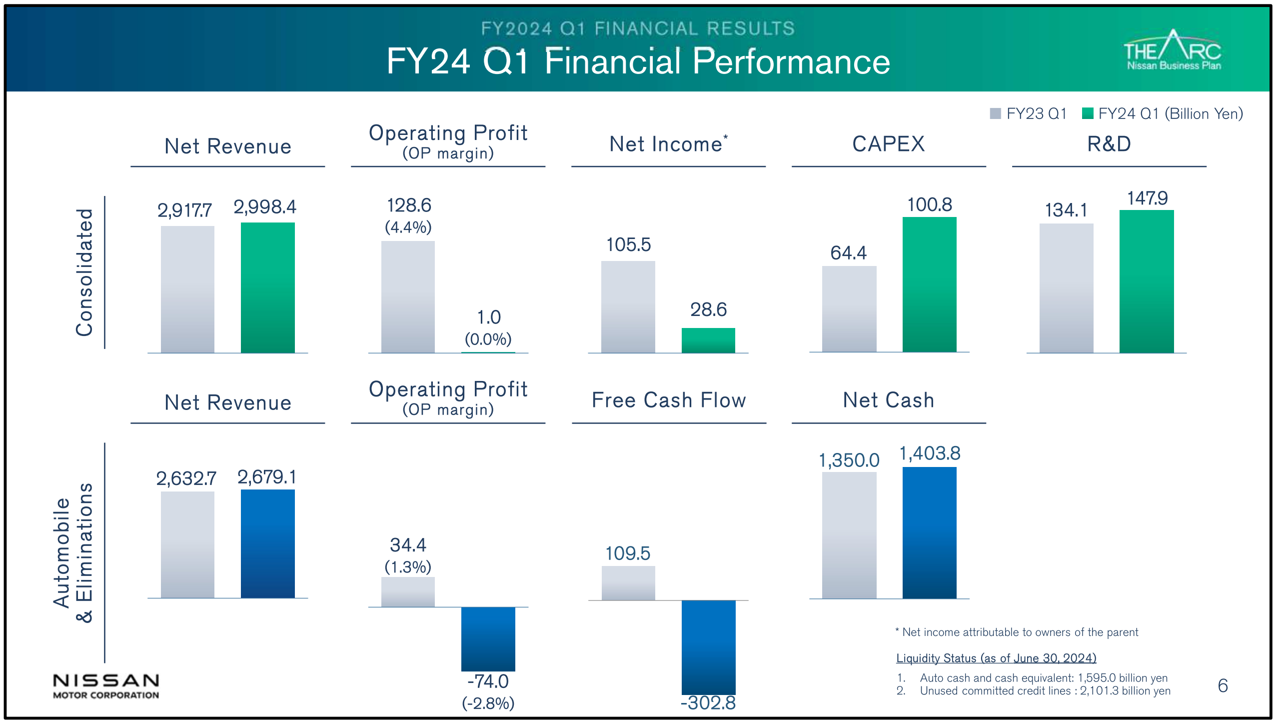
In the first quarter, total global retail sales were flat at 787,000 units.

In China, retail sales rose by 3.3% and in Europe by 7.6%.

In Japan, sales decreased by 8% and in North America by 1.7%.

In other markets, sales remained flat at 120,000 units.

As we adjusted supply to demand, global production fell by 7.5% to 784,000 units.



This slide shows our key financial performance indicators.

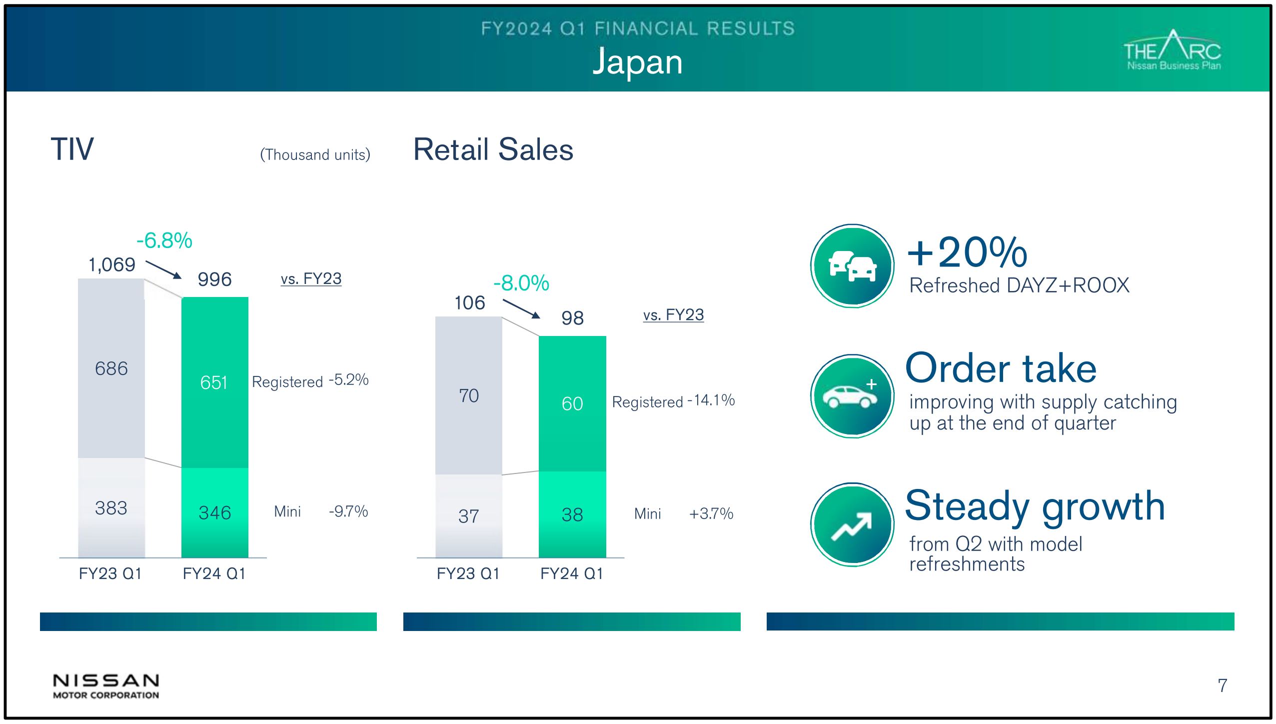
In the first three months of the year, consolidated net revenue was around 3 T yen and operating profit was 1 B yen.

Net income totalled 28.6 B yen.

We accelerated CAPEX to 100.8 B yen and R&D to 147.9 B yen to ensure investment for our future in line with the Arc.

Auto business net revenue was up slightly at 2.68 T yen. With an operating loss of 74 B yen and auto free cash flow was negative 302.8 B yen.

Net cash in the automotive business remained healthy at 1.4 T yen.



Turning to our performance in key markets.

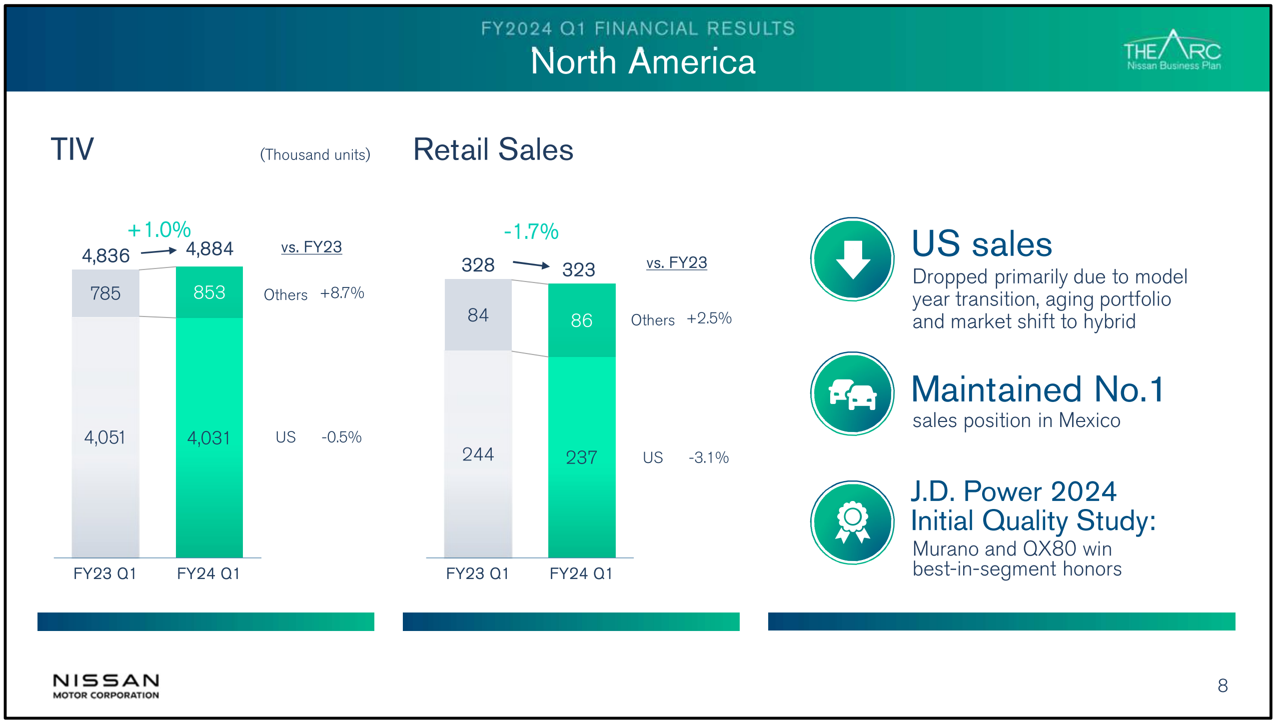
In Japan, overall retail sales decreased by 8%.

The Kei car segment saw a 3.7% increase driven by good performance of refreshed DAYZ and ROOX.

Our supply caught up at the end of the quarter and order intake is improving.

We see a steady recovery from Q2 onwards with the launch of new models and marketing initiatives.

Models such as Serena e -POWER, Aura, and DAYZ have shown a positive trend in sales.



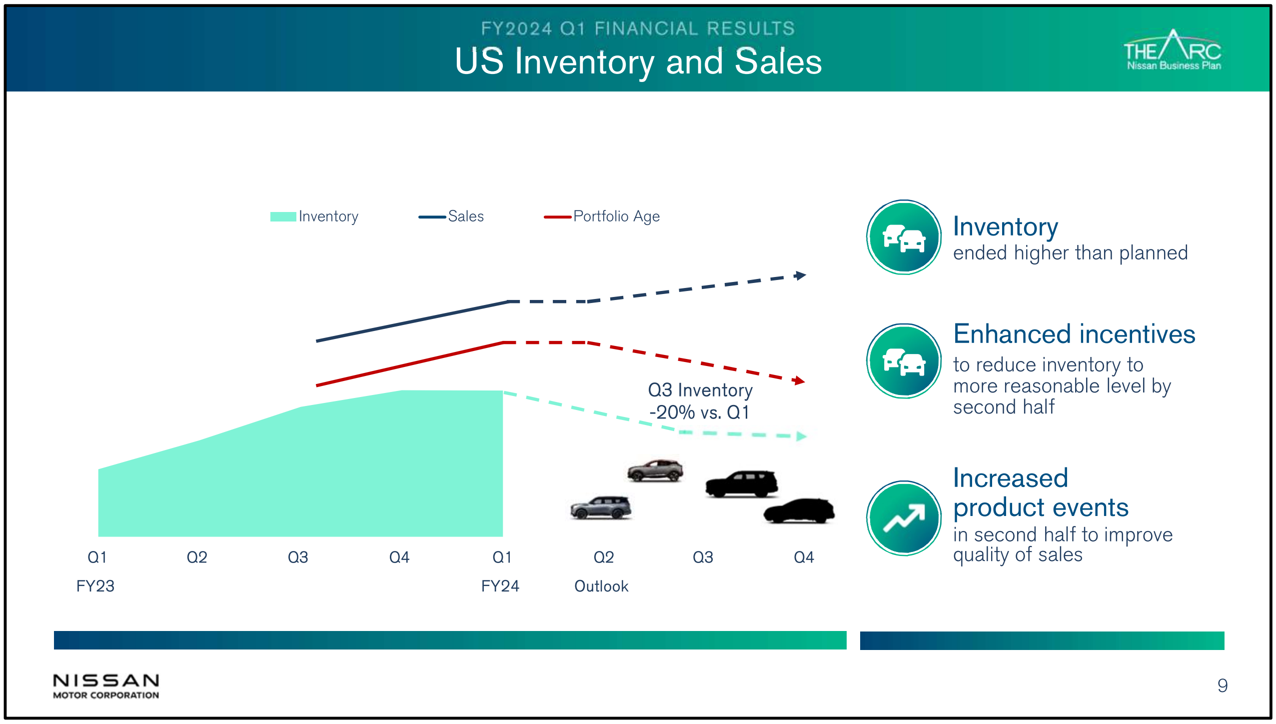
In North America, total industry volume growth was slower than expected.

Nissan retail sales in North America decreased by 1.7%, and in the US by 3.1%.

The decline in US sales was primarily influenced by the impacts of delayed model year change over for Rogue and Sentra, aging products in some high margin segments, as well as the market's movement towards hybrid vehicles.

In Mexico, we retained No. 1 sales position amid fierce competition from new entrants.

Our commitment to quality was recognized in the JD Power 2024 Initial Quality Study with Murano and QX80 earning best-in-segment honors.



Here is a little more detail on the US situation.

At the start of the fiscal year, we had to manage high inventory levels.

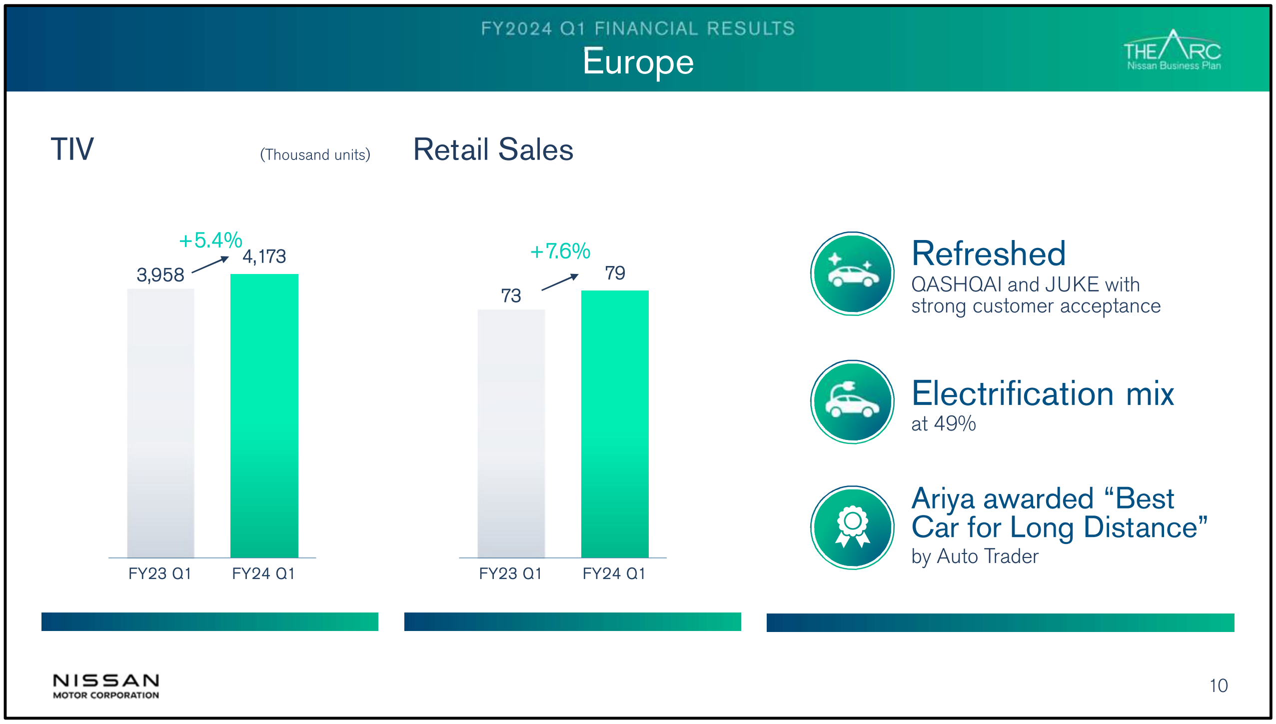
The delayed changeover to MY24 Rogue in Q4 resulted in increased incentive support to sell down the MY23 vehicles, as many competitors` MY24 vehicles were already selling in the market.

After the strong tactics to promote the MY23 Rogue sell down, we aimed to restore transaction prices and reduce incentives. However, softer than expected industry demand coupled with industry wide inventory and incentive increase, led to the elevated spending to keep competitiveness and manage our inventories.

This situation will continue into Q2 as we are focused on improving inventory levels as well as a good transition to the refreshed models in second half.

We aim for a 20% normalization of our inventory during next few months with a more efficient use of incentives.

Further, the introduction of new and refreshed models will help boost sales volume and ensure quality of sales.



In Europe, retail sales rose to 79,000 units as we continue to out-perform the overall market.

Customer orders are showing a positive trend, including for Qashqai and Juke, which is maintaining a strong sales momentum.

The electrification mix stands at 49%, reflecting the strong demand for e-POWER variants, including the refreshed Qashqai e-POWER.

Ariya is well received by our customers and continues to win awards, the latest being named 'Best Car for Long Distance' by Auto Trader.

In China, where we are reporting the results of the first half of the calendar year, competition from domestic brands remained intense.

The total industry volume share of International passenger vehicle brands decreased by 15%.

By contrast, the Nissan brands performed well among international brands.

Despite intensifying competition, Sylphy maintained its top position in the ICE PV segment during the first half of the year.

The newly launched all-new Pathfinder has seen positive initial sales.

FY2024 Q1 FINANCIAL RESULTS

Financial Performance

THE ARC Nissan Business Plan

(Billion Yen)

	FY23 Q1	FY24 Q1	Variance
Net Revenue	2,917.7	2,998.4	+80.7
Operating Profit	128.6	1.0	-127.6
OP Margin	4.4%	0.0%	-4.4 points
Non-Operating[*1]	38.0	64.1	
Ordinary Profit	166.6	65.1	-101.5
Extraordinary[*2]	-37.3	0.2	
Profit Before Tax	129.2	65.3	-63.9
Taxes	-18.3	-30.2	
Minority Interest[*3]	-5.4	-6.6	
Net Income[*4]	105.5	28.6	-76.9
FX Rate (USD/JPY)	137	156	+19
(EUR/JPY)	150	168	+18

*1: Includes profit in companies under equity method of 33.4 billion yen in FY23 Q1 and 37.8 billion yen in FY24 Q1
*2: Includes loss related to litigation : 41.0 billion yen in FY23 Q1
*3: Net income attributable to non-controlling interests
*4: Net income attributable to owners of the parent

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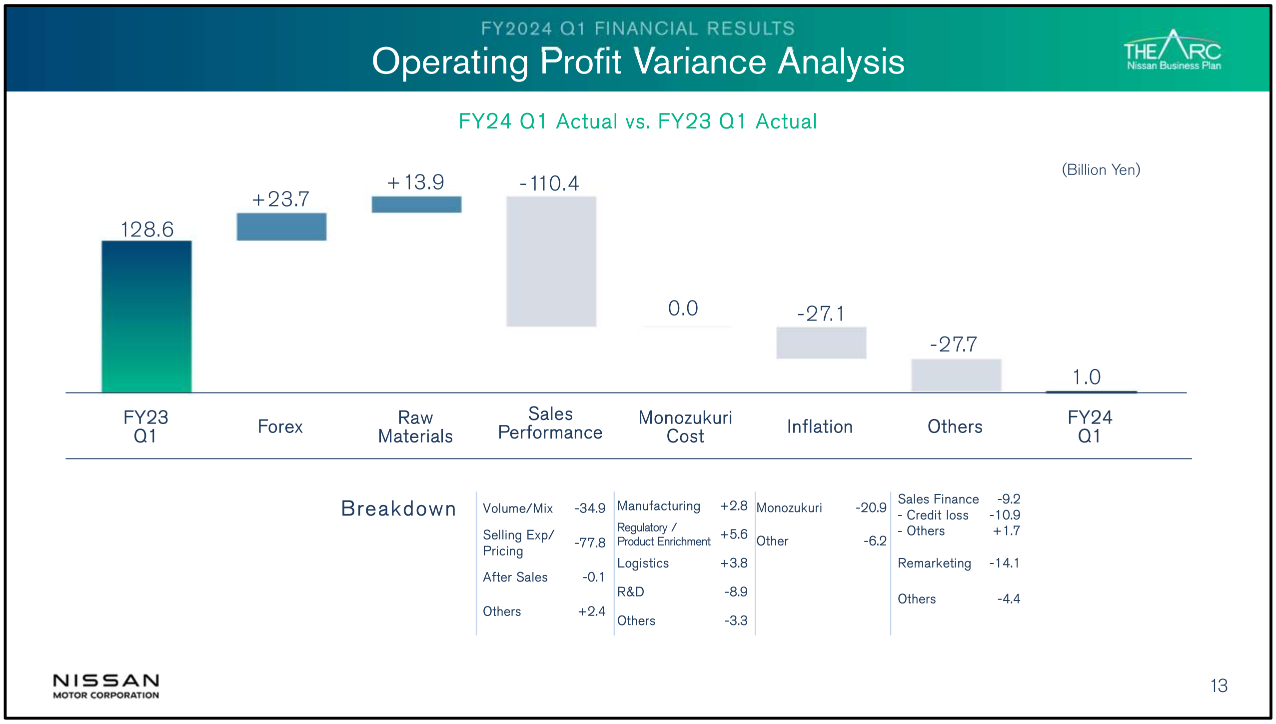
Turning to the financial performance indicators for the first quarter.

Net revenue increased by 80.7 B yen.

Operating profit decreased by 127.6 B yen to 1B yen due to our performance in the US and Japan.

Net income decreased to 28.6 B yen.



This slide shows the variance factors for the quarter.

Foreign exchange had a positive impact of 23.7 B yen, reflecting the strong dollar benefit net of other currency impacts.

Raw material costs had a positive impact of 13.9 B yen.

Sales performance had a negative impact of 110.4 B yen, reflecting the intense competition and increased selling expenses, as mentioned previously.

Monozukuri cost was managed efficiently and remained flat despite cost increases.

Inflation has a negative impact of 27.1 billion yen, while other items such as sales finance, credit losses, and remarketing expenses account for an additional 27.7 billion yen, as market is normalizing.

Together, these factors reduced our operating profit for the quarter.

Despite a challenging quarter, we have maintained our product momentum with a refreshed lineup.

We presented a lineup of models including the Ariya NISMO, Kicks, Qashqai, and QX80 and started sales of Note Aura in Japan, Juke in Europe, and Pathfinder in China.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FY2024 Outlook
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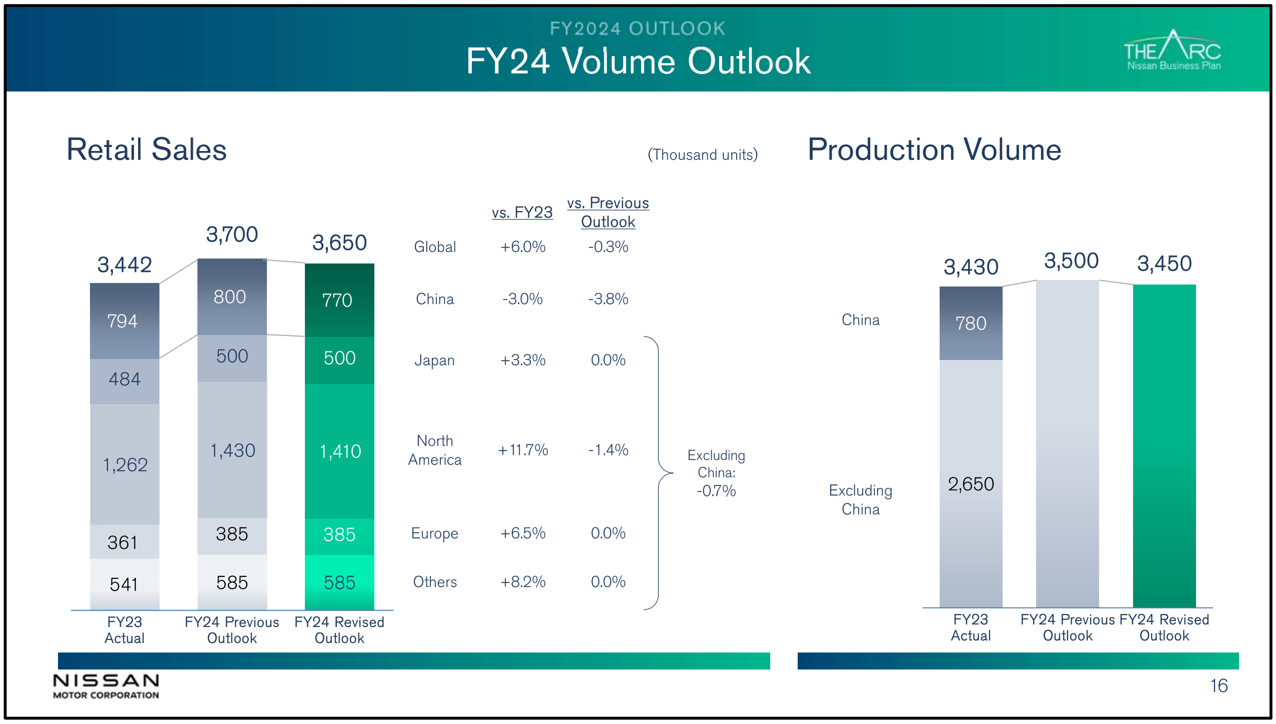


(CEO Makoto Uchida)

Given the challenges seen in the first quarter, we are revising our guidance for the full year.

We expect unit sales to decrease slightly to 3.65 M units.

Sales in China are forecast to decrease by 3.8%. Excluding China, we expect unit sales to be flat.

Sales in Japan are likely to reach 500,000 units,

In North America forecast is 1.41 M units, a decrease of 1.4%.

Sales in Europe will remain as per our earlier outlook which is 385,000 units and other markets at 585,000 units.

Production volumes are now forecast to be 3.45 M units.

FY2024 OUTLOOK

FY24 Outlook

(Billion Yen)

	FY23 Actual	FY24 Previous Outlook	FY24 Revised Outlook	Variance vs FY23	Variance vs Previous Outlook
Net Revenue	12,685.7	13,600.0	14,000.0	+1,314.3	+400.0
Operating Profit	568.7	600.0	500.0	-68.7	-100.0
OP Margin	4.5%	4.4%	3.6%	-0.9 points	-0.8 points
Net Income*1	426.6	380.0	300.0	-126.6	-80.0
FX Rate*2 (USD/JPY)	145	145	155	+10	+10
(EUR/JPY)	157	157	167	+10	+10
CAPEX	486.1	620.0	620.0	+133.9	0.0
R&D	609.9	665.0	665.0	+55.1	0.0

*1: Net income attributable to owners of the parent
*2: FY24 FX assumption rate for Q2-Q4 is 155 yen for USD/JPY and 167 yen for EUR/JPY

NISSAN MOTOR CORPORATION

We are revising our forecast for the full fiscal year.

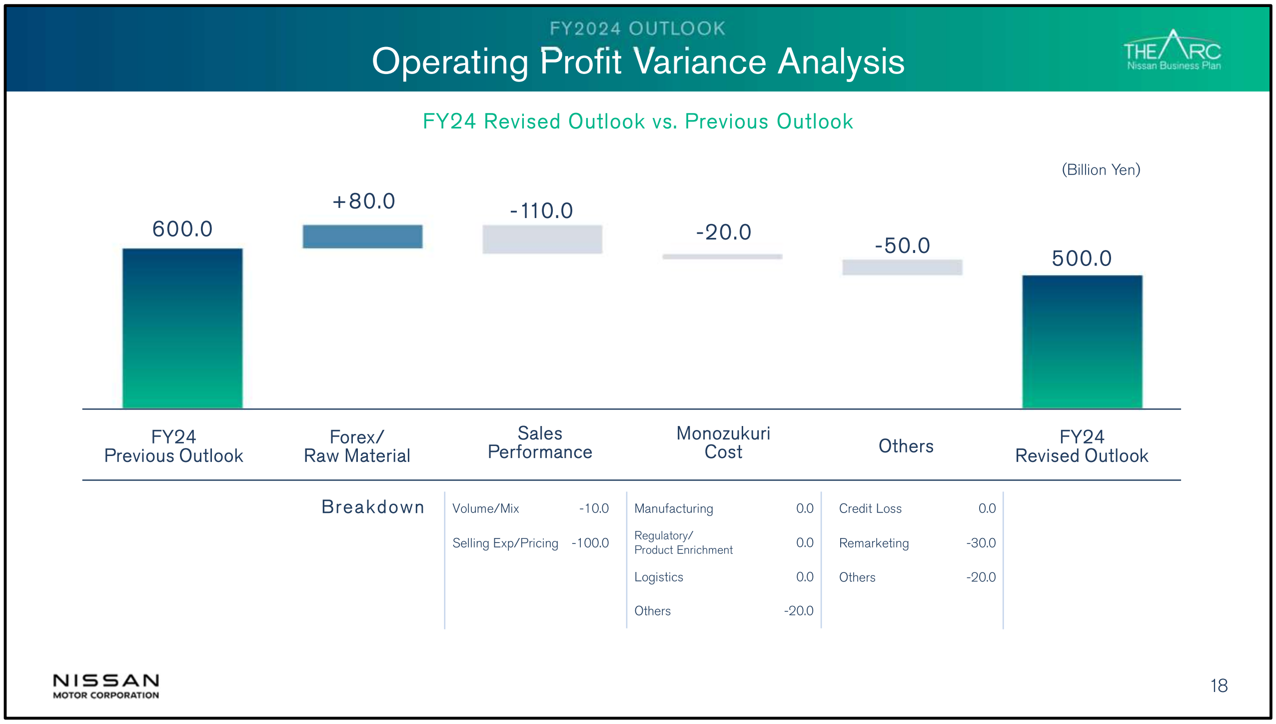
As explained earlier, the measures to clear inventory and management of model year changes in the first quarter led to this revision.

Revenues are expected to rise to 14 T yen.

Operating profit is revised to 500 B yen for the full year. This is 100 B yen below our previous forecast.

Net income guidance is adjusted accordingly to 300 B yen.

CAPEX of 620 B yen and R&D spending of 665 B yen remain at the same level as the previous guidance.



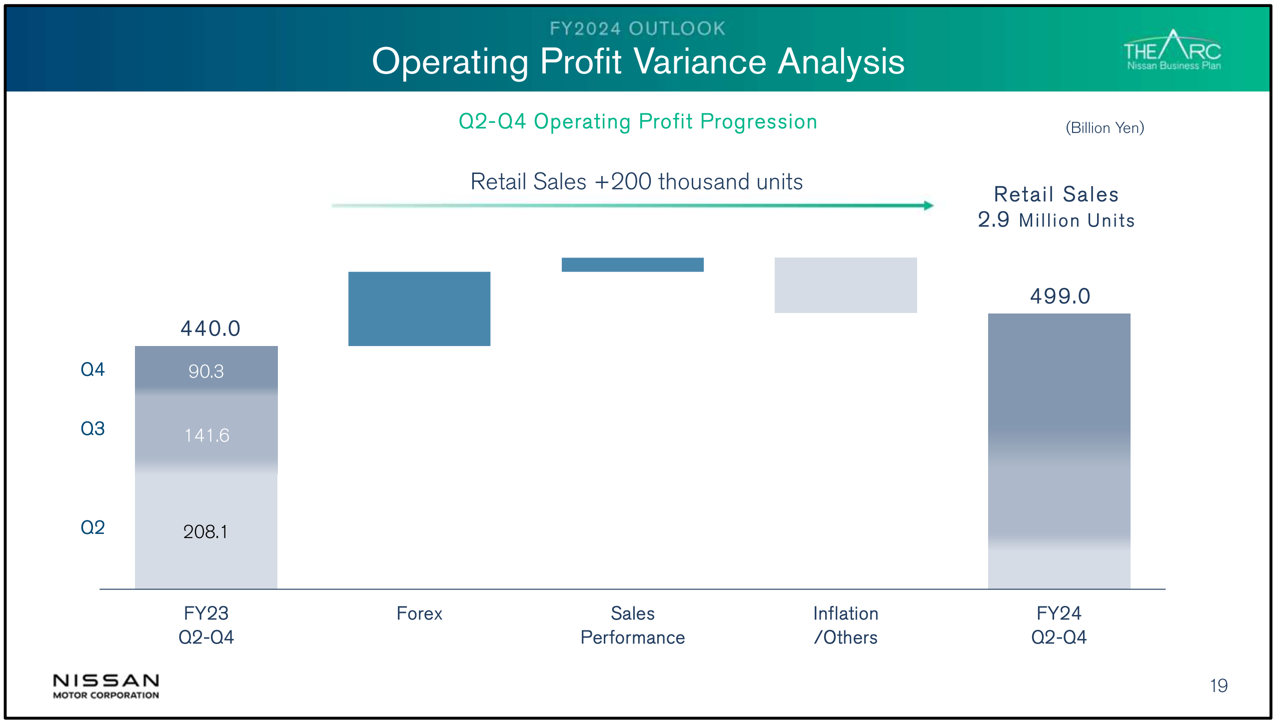
This slide shows the variance factors behind our revised outlook.

This includes a positive foreign exchange and raw material impact of 80 B yen.

But we expect this will be offset by a 110 B yen reduction in sales, due mainly to increased selling expenses and inventory reductions in the second quarter.

For the full year, we also anticipate 50 B yen of other costs mainly linked to lower used car prices.

Taking all of these factors into account, we have revised our operating profit forecast to 500 B yen.



In the remaining three quarters of the fiscal year, we expect our performance to stabilize and improve.

We are on track to normalize inventory in Q3.

In the previous year, our total profit from Q2-Q4 was 440 billion yen.

Although we will continue to face inflationary pressures and other costs, we anticipate benefits from foreign exchange rates and 200,000 units of incremental volume.

These factors should enable profit to recover.

We are forecasting operating profit of 500 B yen for the last three quarters of fiscal 2024.

Product Momentum Continues

This has been a very challenging quarter for Nissan.

A combination of corrective measures and new model launches will help drive our recovery.

In the US, we are introducing the INFINITI QX80, Nissan Kicks, Armada and Murano.

In Europe, we anticipate momentum with e-POWER variants of Qashqai, X-Trail, and Juke; Patrol in the Middle East.

In Japan, good demand is expected for the Note, Sakura, Serena, and DAYZ.

Guided by our Arc business plan, focusing on launching exciting new cars and speeding up our time to market.

With these strategic actions, I am confident that Nissan will regain momentum.

Thank you.