

# **FY04 financial results**

## **NISSAN Value-Up**

**April 25, 2005**

**President and CEO**  
**Carlos Ghosn**

### **Agenda**

**FY04 sales performance**

**FY04 financial performance**

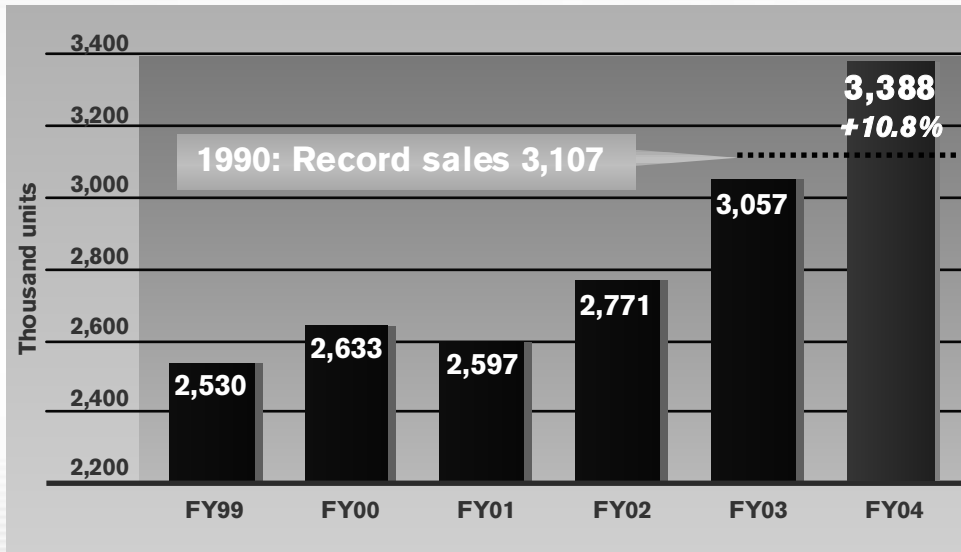
**FY05 outlook**

**NISSAN 180 progress**

**NISSAN Value-Up**

# FY04

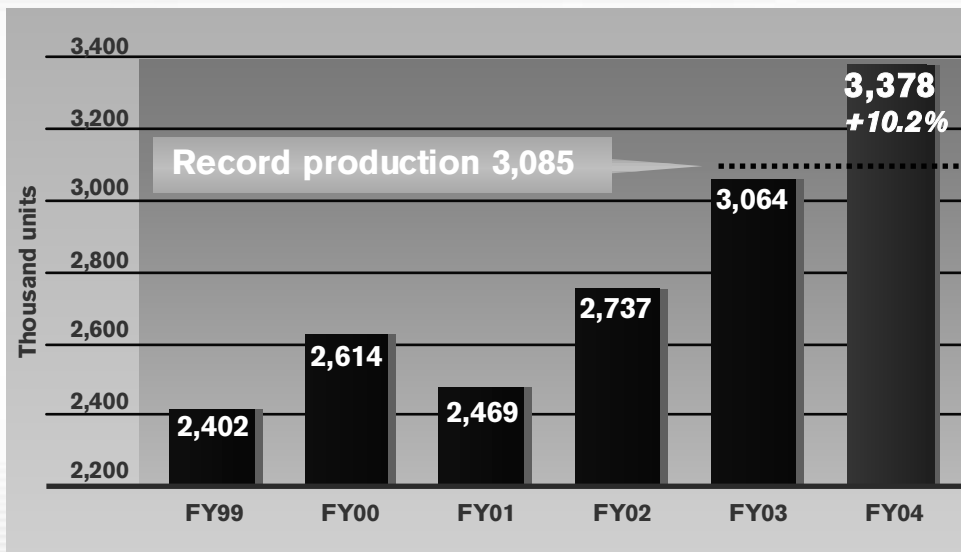
## Global retail sales volume



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# FY04

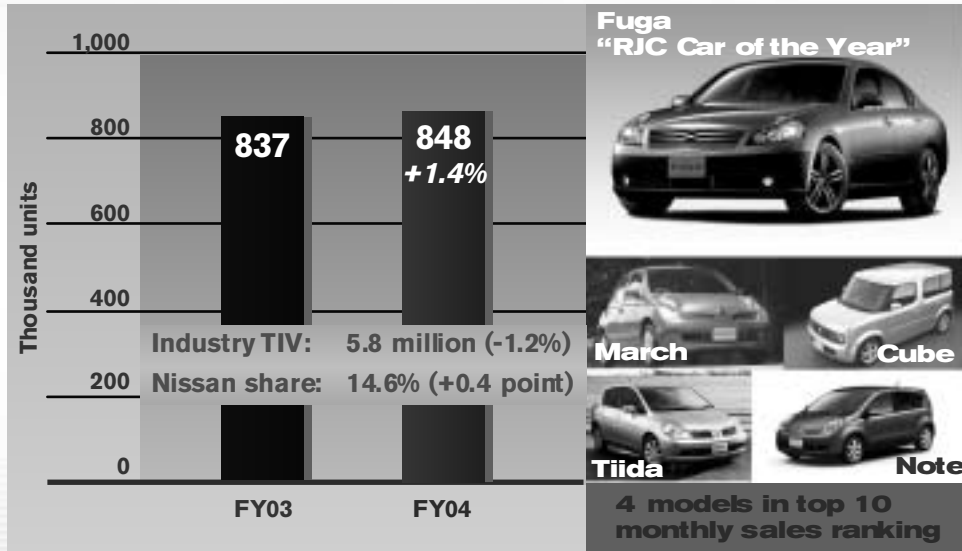
## Global production



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# FY04 sales performance

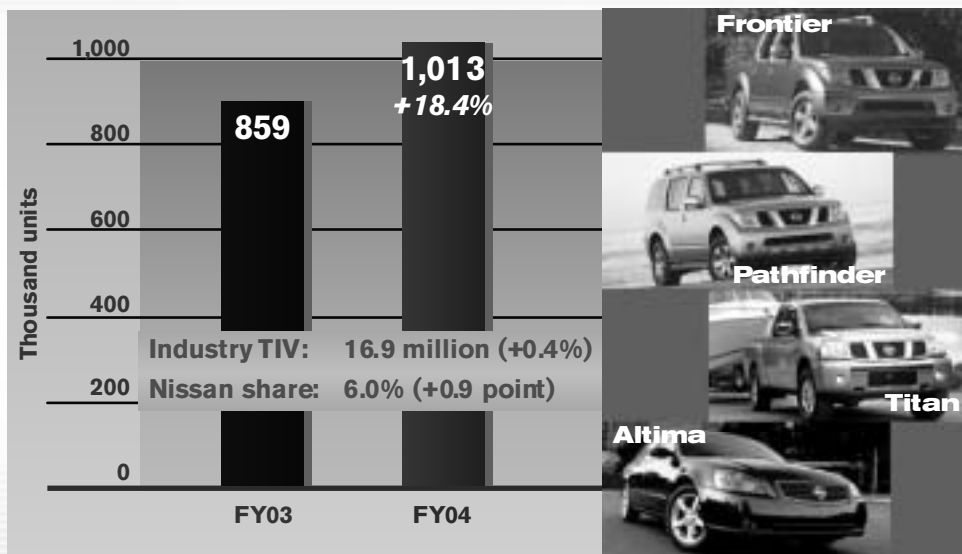
## Japan



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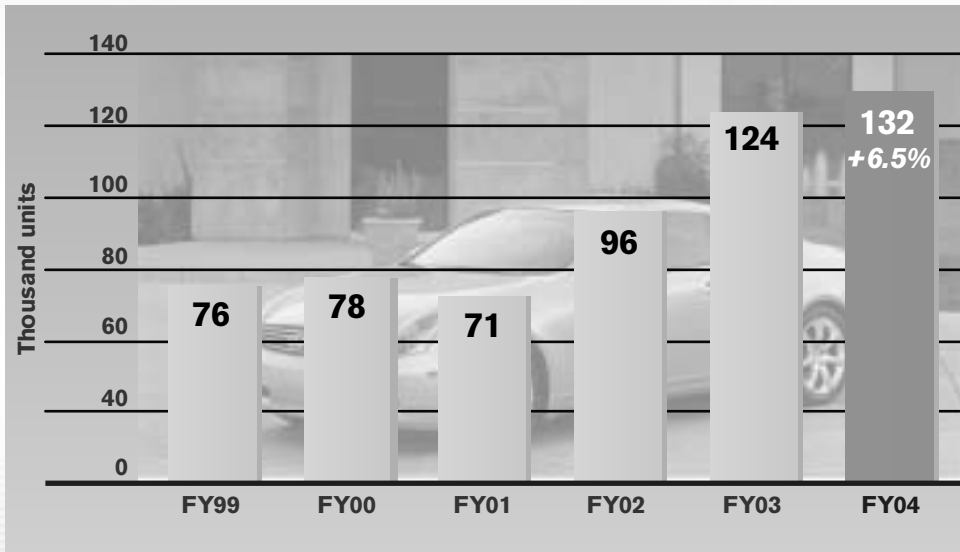
# FY04 sales performance

## United States



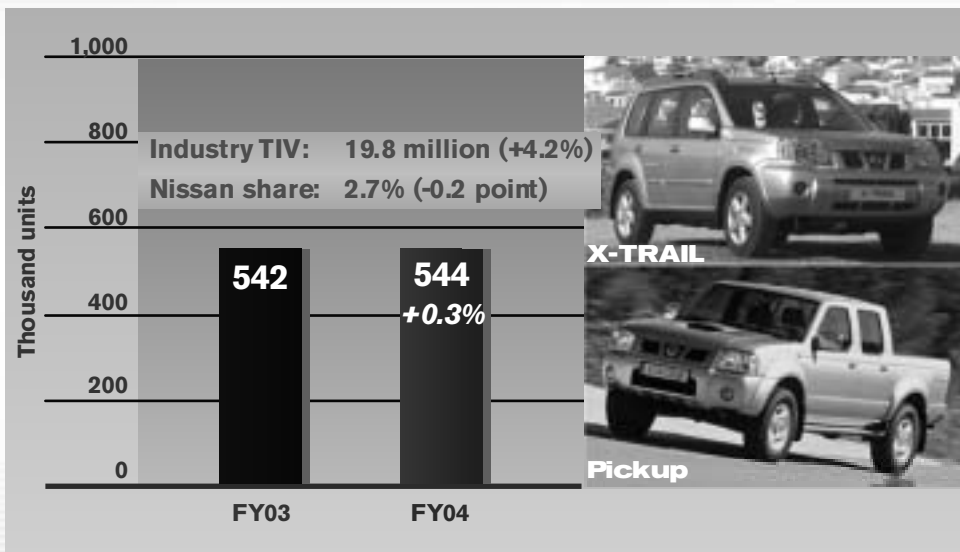
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# Infiniti sales performance



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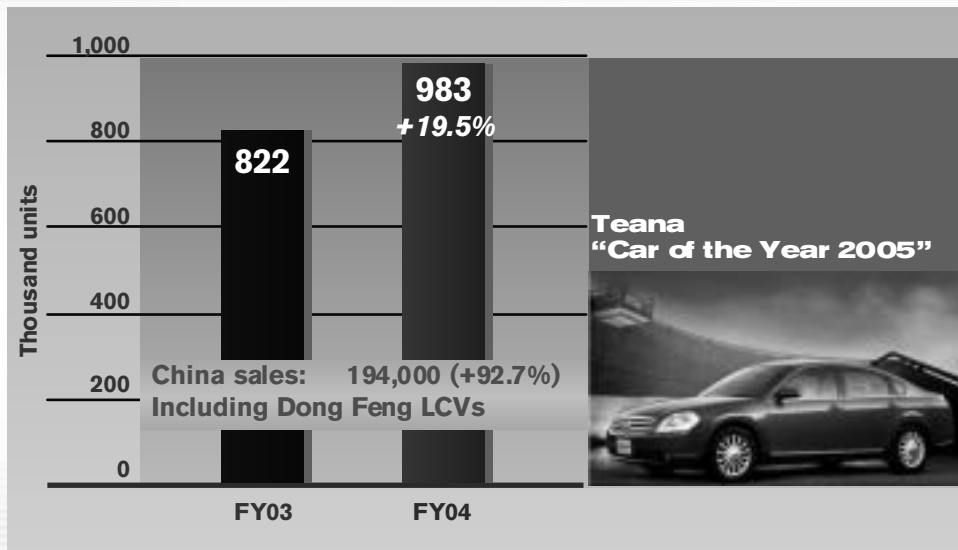
# FY04 sales performance Europe



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# FY04 sales performance

## General Overseas Markets \*



\*Including Mexico and Canada

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## Agenda

FY04 sales performance

FY04 financial performance

FY05 outlook

NISSAN 180 progress

NISSAN Value-Up

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## FY04 financial performance

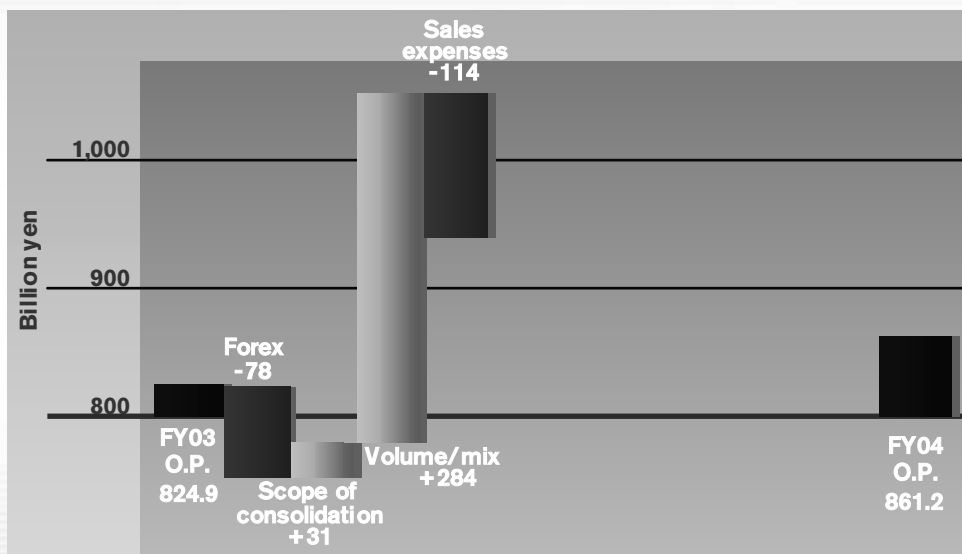
(Billion yen)	FY03	FY04	Change
Consolidated net revenue	7,429.2	8,576.3	+15.4%
Consolidated operating profit	824.9	861.2	+4.4%
<i>Operating margin</i>	<i>11.1%</i>	<i>10.0%</i>	<i>-1.1 points</i>

FOREX for FY04  
¥ 107.6/\$1  
¥ 134.4/€1

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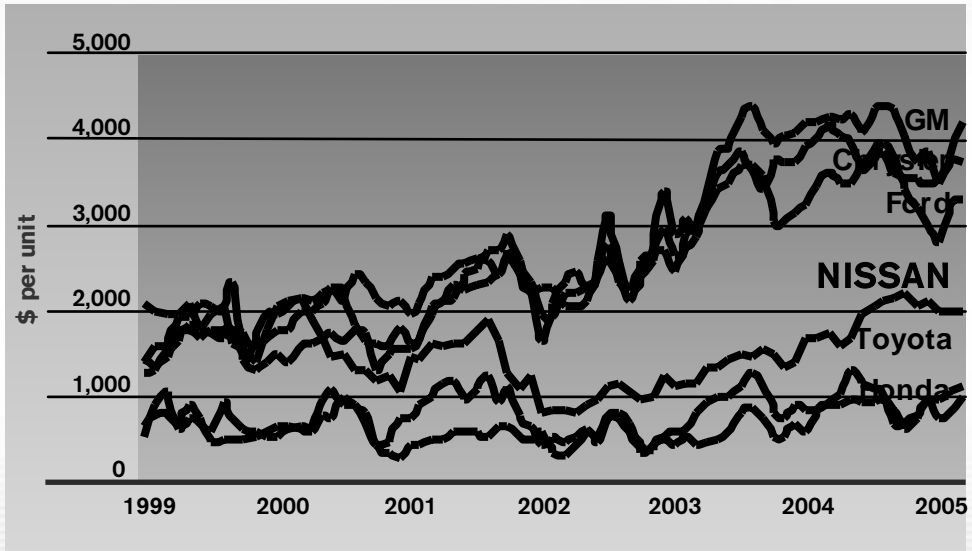
## FY04 financial performance

### Impact on operating profit



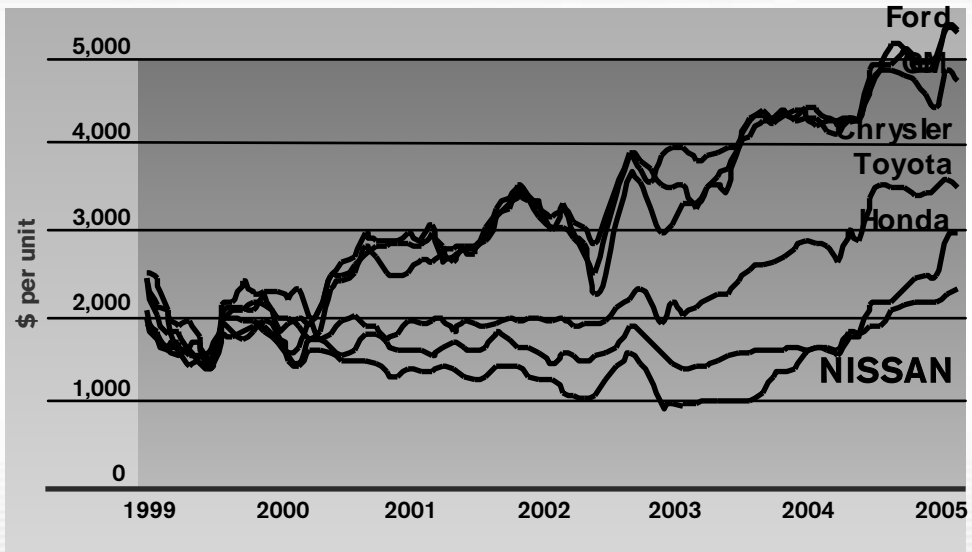
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## Incentives in the U.S.: Autodata



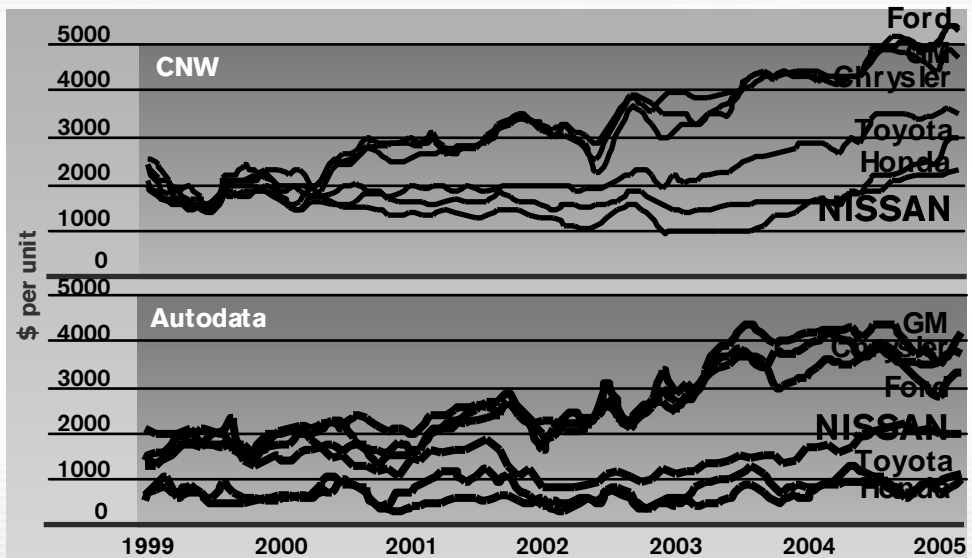
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## Incentives in the U.S.: CNW



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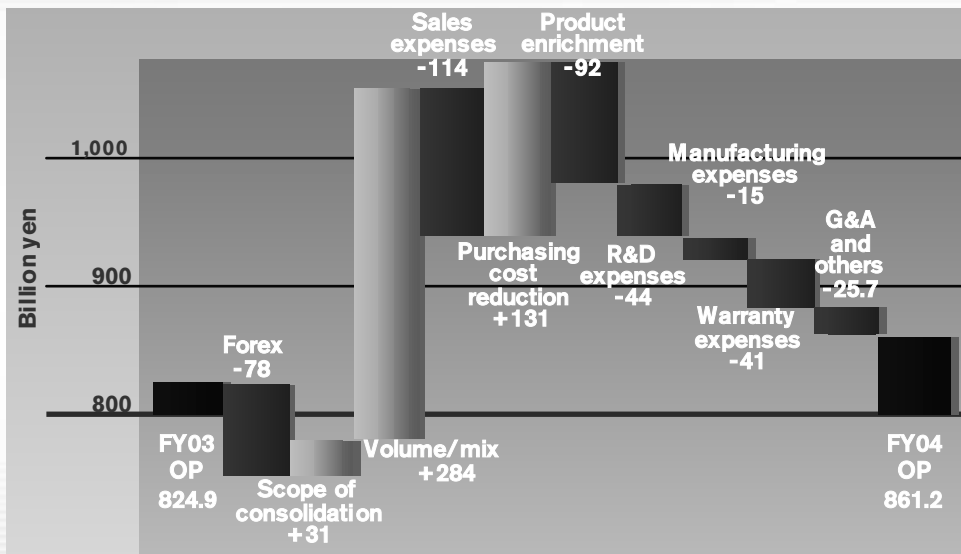
# Comparison of incentives



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# FY04 financial performance

## Impact on operating profit



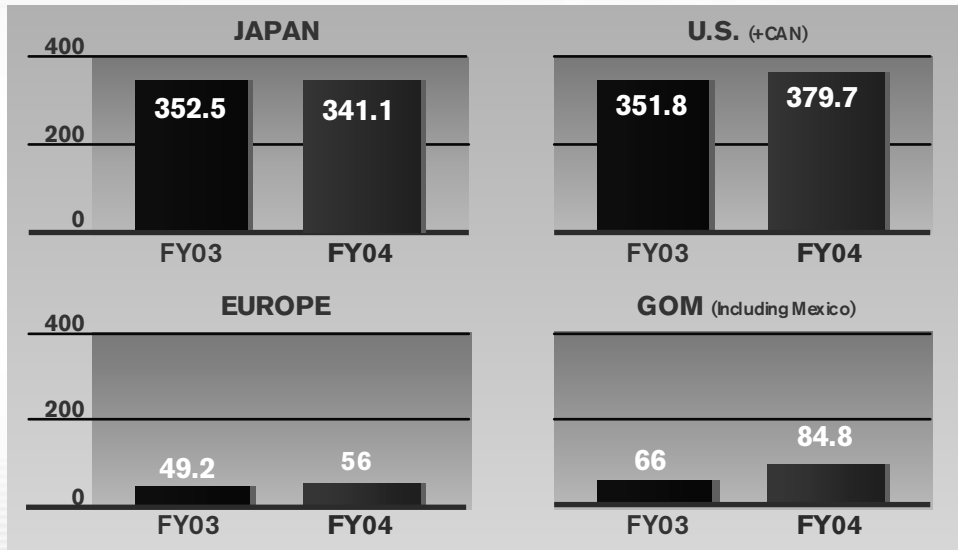
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# FY04 financial performance

## Operating profit by region

Billion yen



Eliminations: FY03 +54, FY04: -0.4

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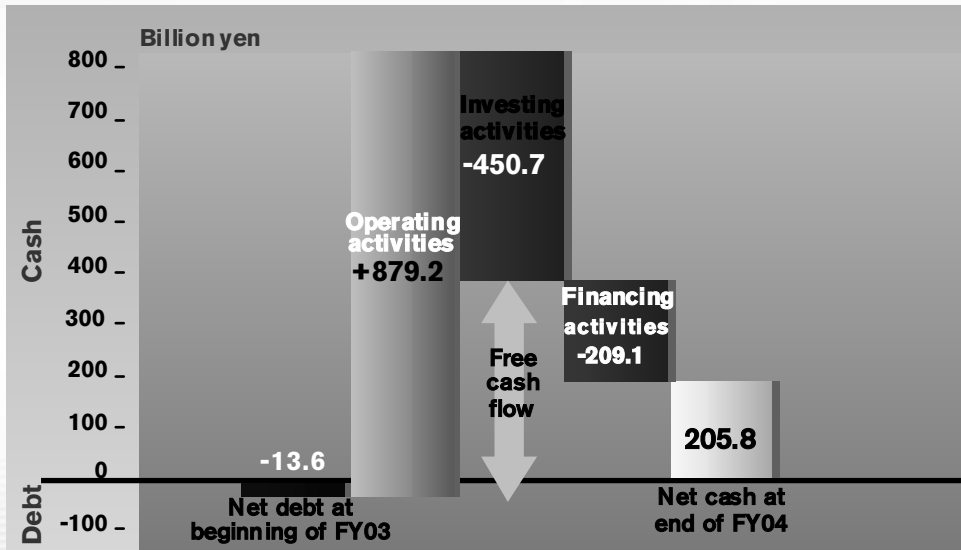
# FY04 financial performance

(Billion yen)	FY03	FY04	Change
Net non-operating expenses	-15.2	-5.5	+9.7
Financial costs	-15.7	-10.4	+5.3
Ordinary profit	809.7	855.7	+5.7%
Net extraordinary losses	-73.2	-62.5	+10.7
Net income before tax	736.5	793.2	+7.7%
Taxes	-219.0	-258.0	-39.0
Minority interests	-13.8	-22.9	-9.1
Net income	503.7	512.3	+1.7%

FOREX for FY04      ¥ 107.6/\$1, ¥ 134.4/€1

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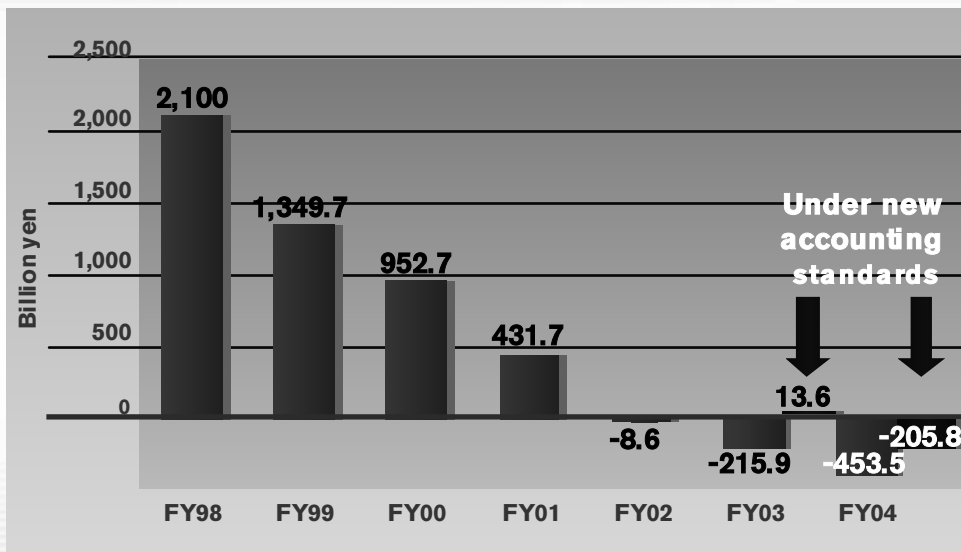
# Net cash flow (automotive)



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# FY04 financial performance

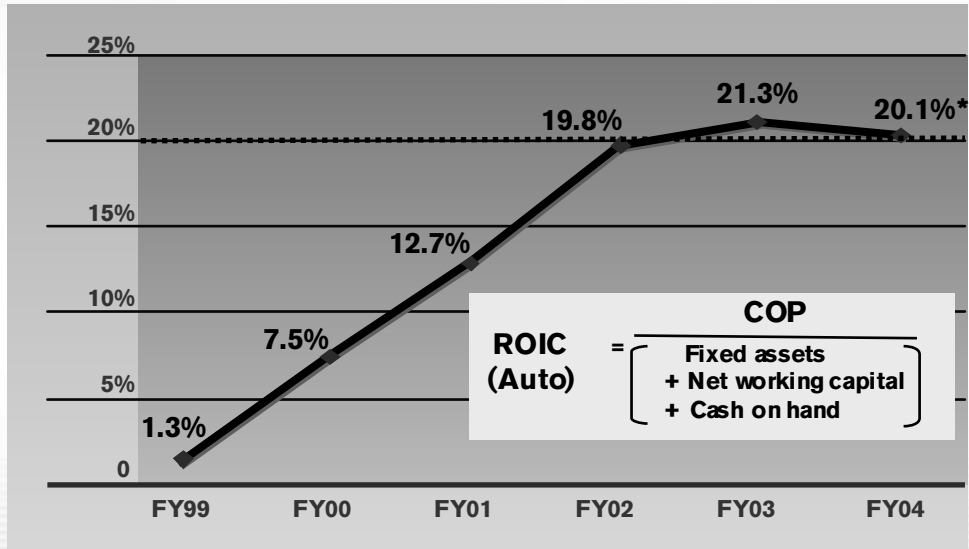
## Net automotive debt



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# FY04 financial performance

## Return on invested capital (ROIC)

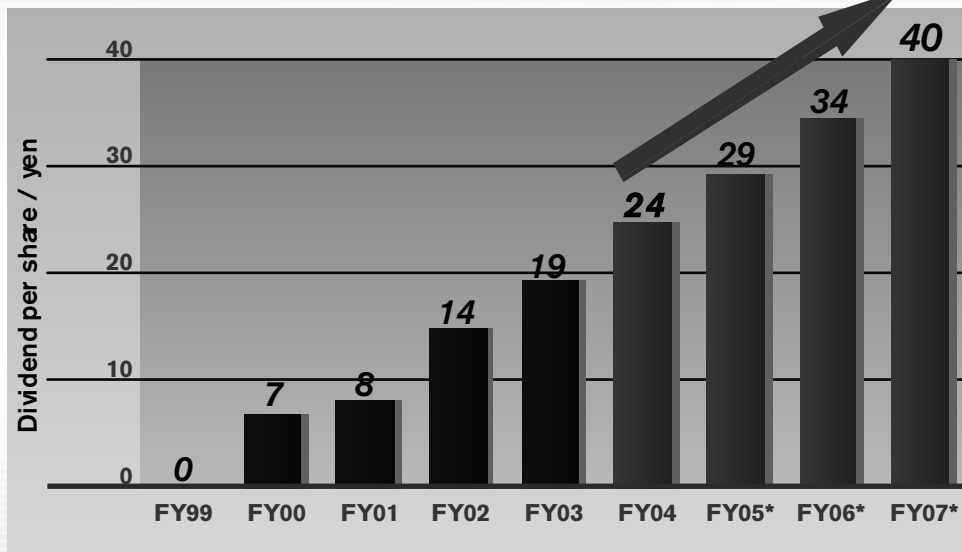


\*Same scope of consolidation as P&L, excluding change of cash compared to FY03

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# FY04 financial performance

## Dividend policy



\*Forecast

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# Agenda

FY04 sales performance

FY04 financial performance

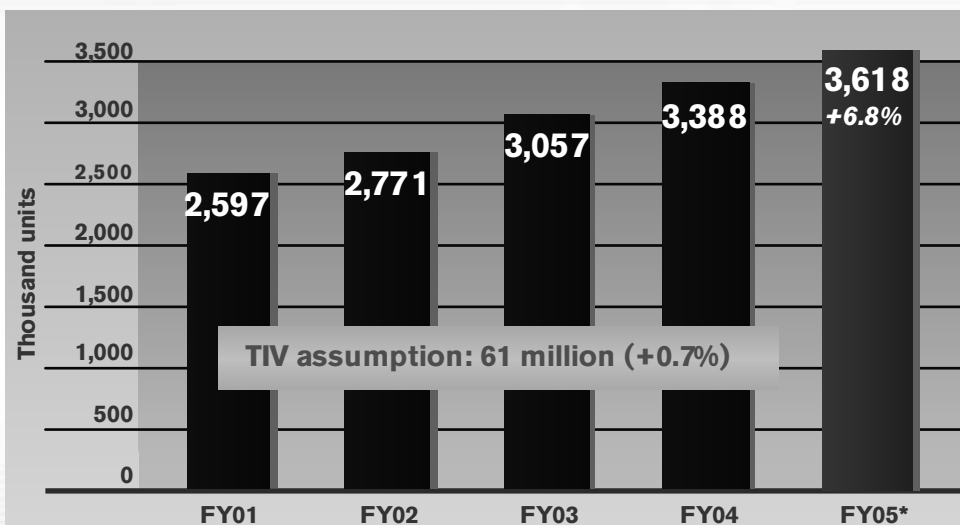
**FY05 outlook**

NISSAN 180 progress

NISSAN Value-Up

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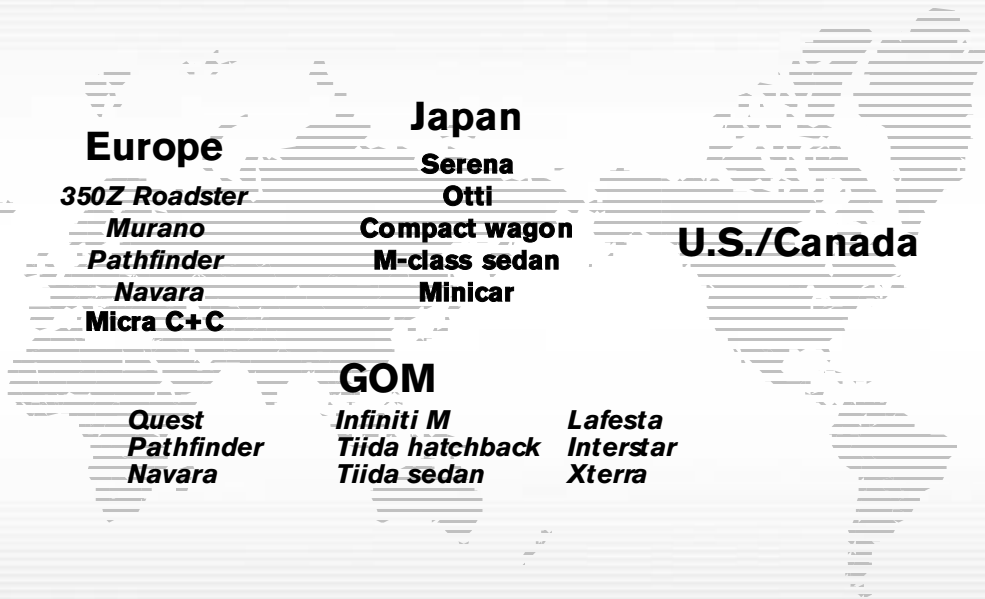
## FY05 outlook



\*Forecast

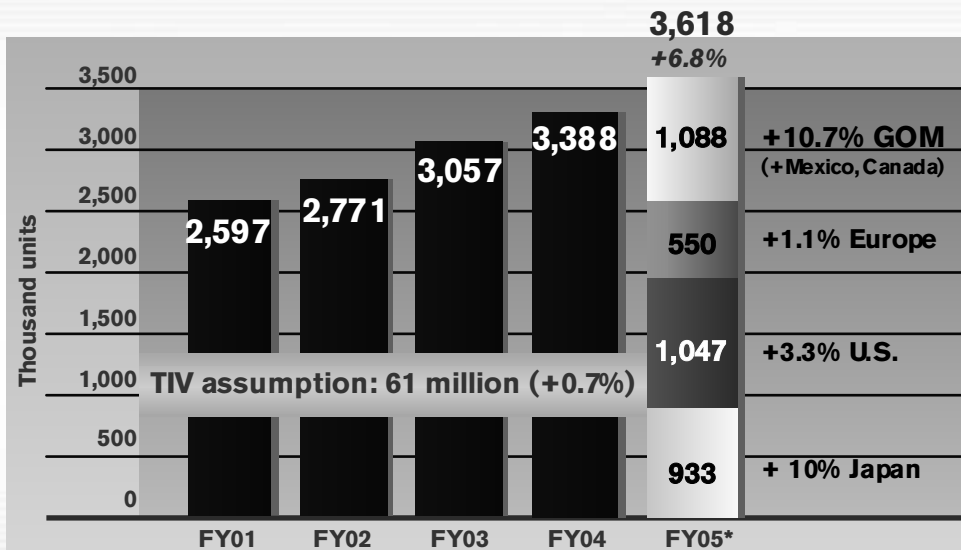
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# FY05 new models



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# FY05 outlook



\*Forecast

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## FY05 outlook

### Risks

Volatility in exchange rates  
 Higher interest rates  
 Higher commodity prices  
 Higher energy prices  
 Higher level of incentives  
 Uncertainty on level of growth in U.S. and Japanese markets

### Opportunities

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## FY05 outlook

	(Billion yen)	FY04	FY05(FC)	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%
ROIC		20.1%	20% or above	----
			FOREX for FY05	¥ 105/\$1 ¥ 130/€1

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# Agenda

FY04 sales performance

FY04 financial performance

FY05 outlook

**NISSAN 180 progress**

**NISSAN Value-Up**

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## NISSAN 180 commitments

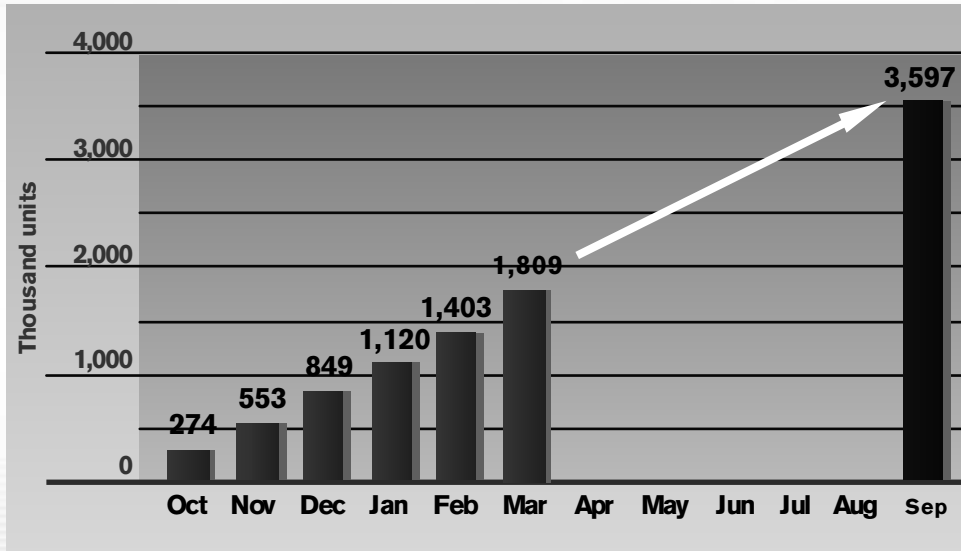
**1** million additional units worldwide

✓ **8** % operating margin

✓ **0** net automotive debt at end FY04

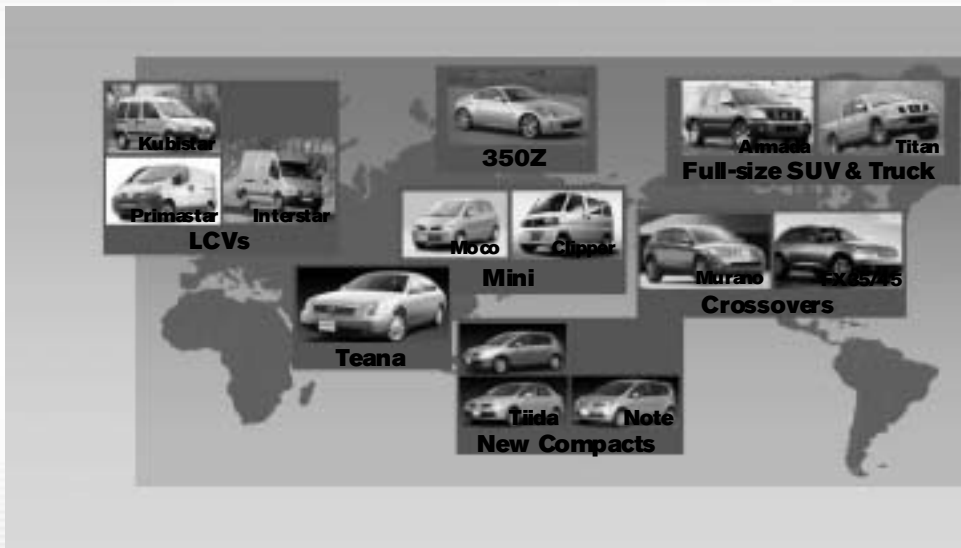
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# Progress toward NISSAN 180 sales



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# NISSAN 180 Market coverage expansion



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# Agenda

FY04 sales performance

FY04 financial performance

FY05 outlook

NISSAN 180 progress

**NISSAN Value-Up**

## Track toward great company

NRP	NISSAN 180	NISSAN Value-Up
<i>“Revive our company”</i>	<i>“Complete revival on track for profitable growth”</i>	<i>“Value up with sustained performance”</i>
Commitments		
<ul style="list-style-type: none"> <li>▪ Profitability in FY00</li> <li>▪ Operating profit margin &gt; 4.5% in FY02</li> <li>▪ 50% debt reduction by FY02</li> </ul>	<ul style="list-style-type: none"> <li>▪ +1M units by 9/05</li> <li>▪ 8% operating profit margin</li> <li>▪ 0 automotive debt</li> </ul>	<ul style="list-style-type: none"> <li>▪ 4.2M units in FY08</li> <li>▪ Top level operating profit margin</li> <li>▪ ROIC average 20%</li> </ul>

# Evolutionary plan

Core elements of NISSAN 180



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## NISSAN Value-Up commitments

**Profit commitment**

**Top level operating profit margin  
among global automakers in FY05-07**

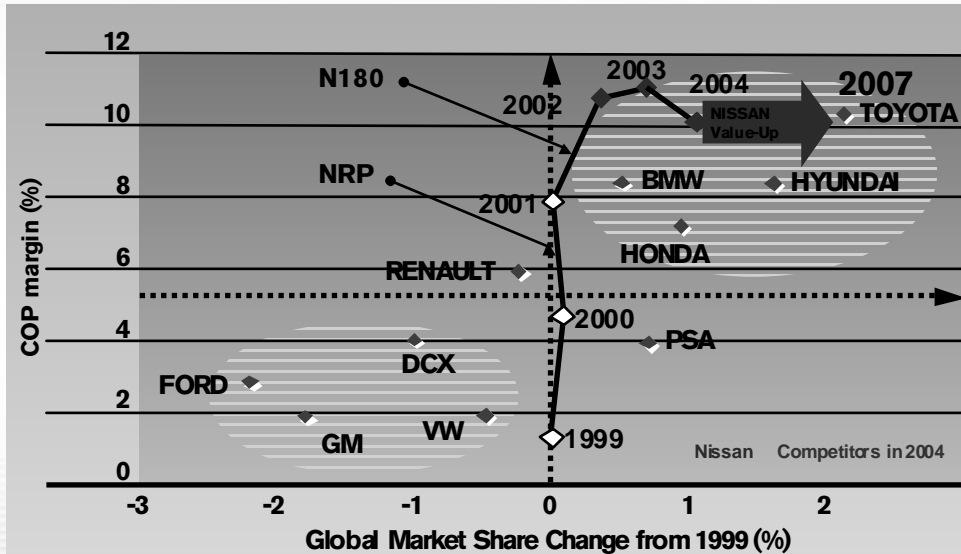


**To sustain performance**

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# NISSAN Value-Up commitments

Top level operating profit margin



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# NISSAN Value-Up commitments

## Profit commitment

Top level operating profit margin among global automakers in FY05-07

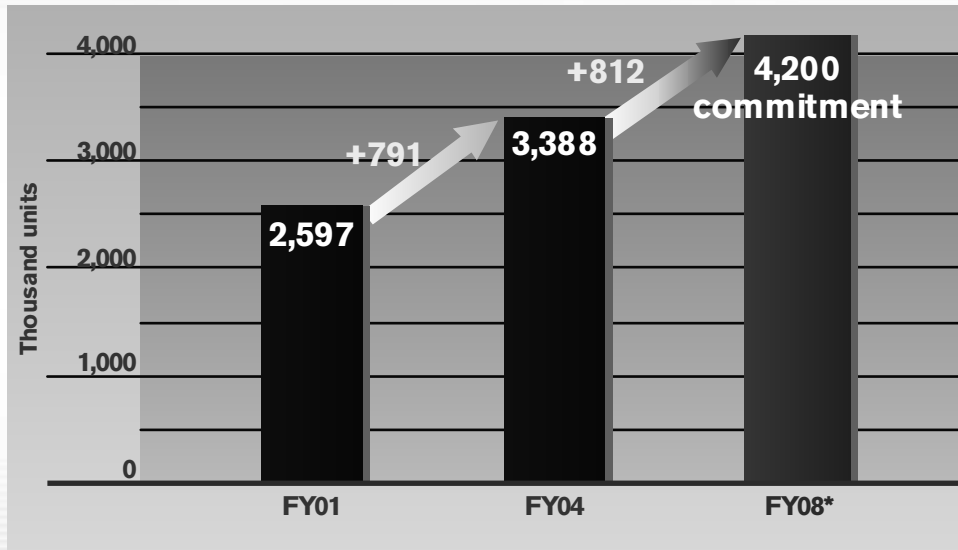
## Volume commitment

4.2 million sales in FY08

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# NISSAN Value-Up commitments

## Global sales volume



\*Forecast

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# NISSAN Value-Up commitments

## Profit commitment

Top level operating profit margin among global automakers in FY05-07

## Volume commitment

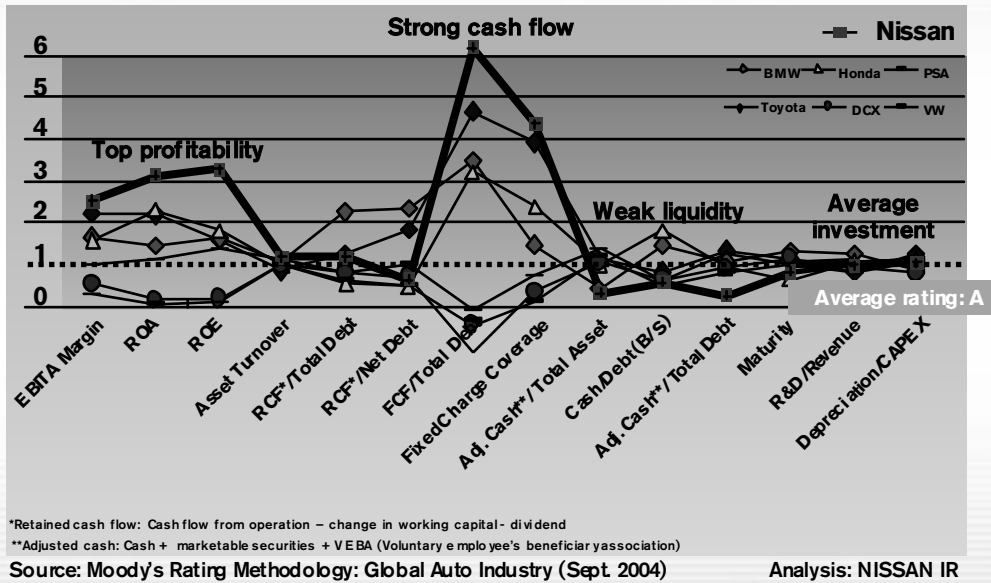
4.2 million sales in FY08

## Return on invested capital

20% average ROIC over the plan

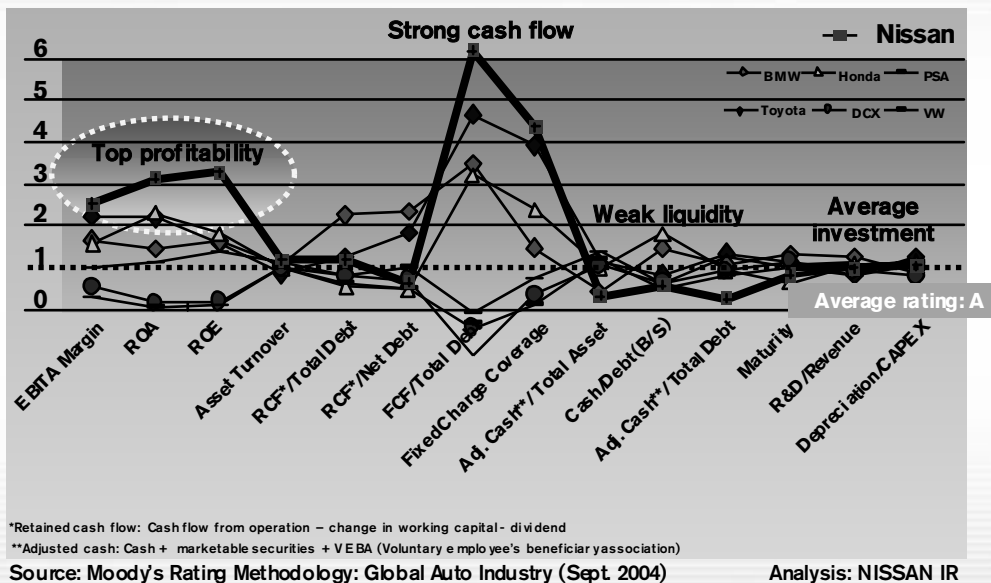
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# Financial metrics comparison



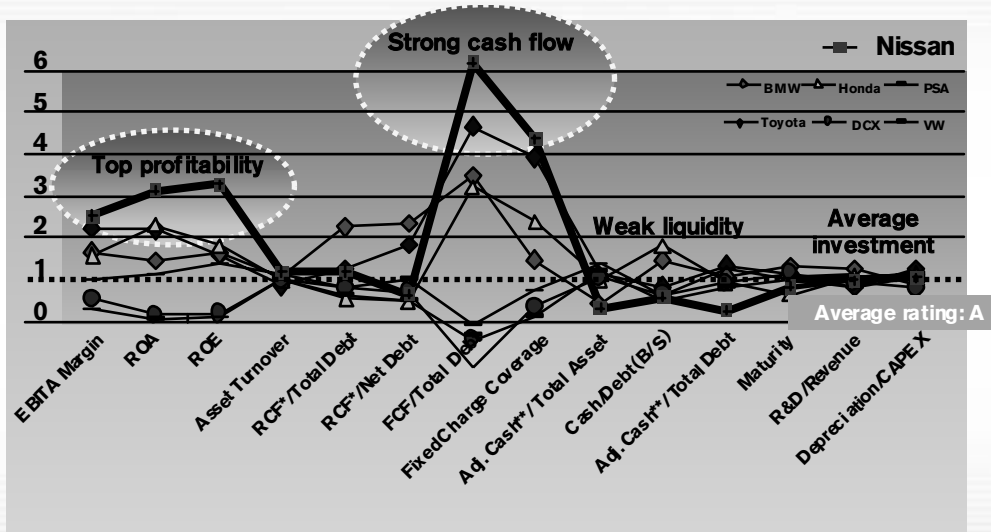
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# Financial metrics comparison



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# Financial metrics comparison



\*Retained cash flow: Cash flow from operation - change in working capital - dividend

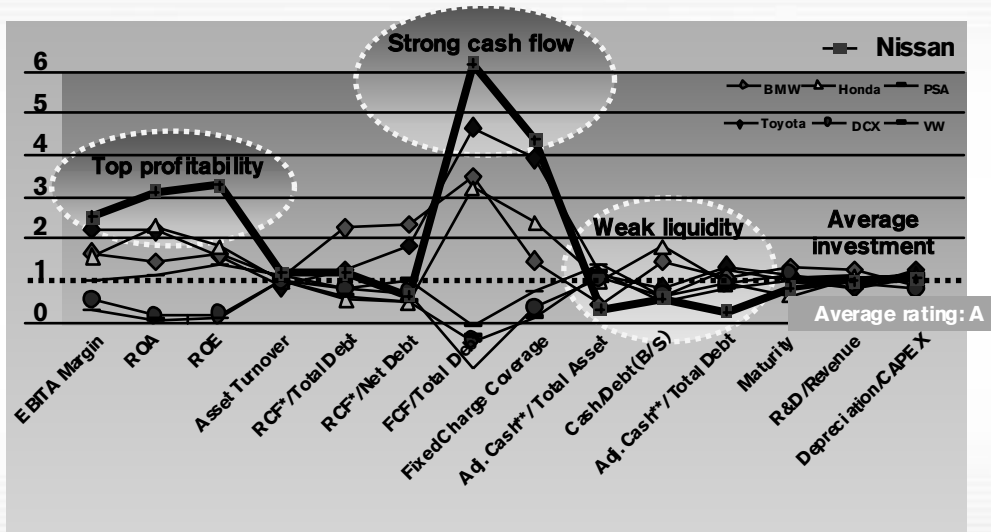
\*\*Adjusted cash: Cash + marketable securities + VEB A (Voluntary employee's beneficiary association)

Source: Moody's Rating Methodology: Global Auto Industry (Sept. 2004)

Analysis: NISSAN IR

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# Financial metrics comparison



\*Retained cash flow: Cash flow from operation - change in working capital - dividend

\*\*Adjusted cash: Cash + marketable securities + VEB A (Voluntary employee's beneficiary association)

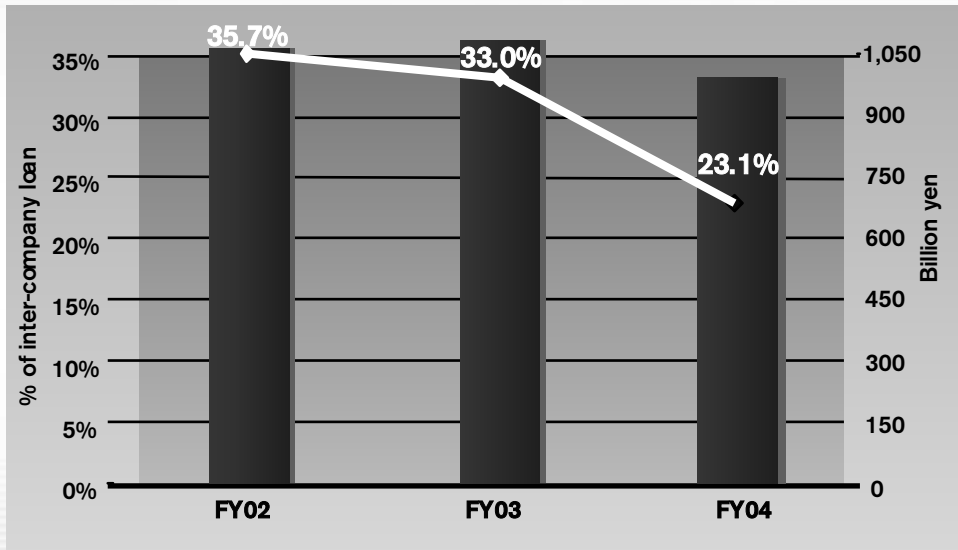
Source: Moody's Rating Methodology: Global Auto Industry (Sept. 2004)

Analysis: NISSAN IR

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# Inter-company loan

From auto to finance

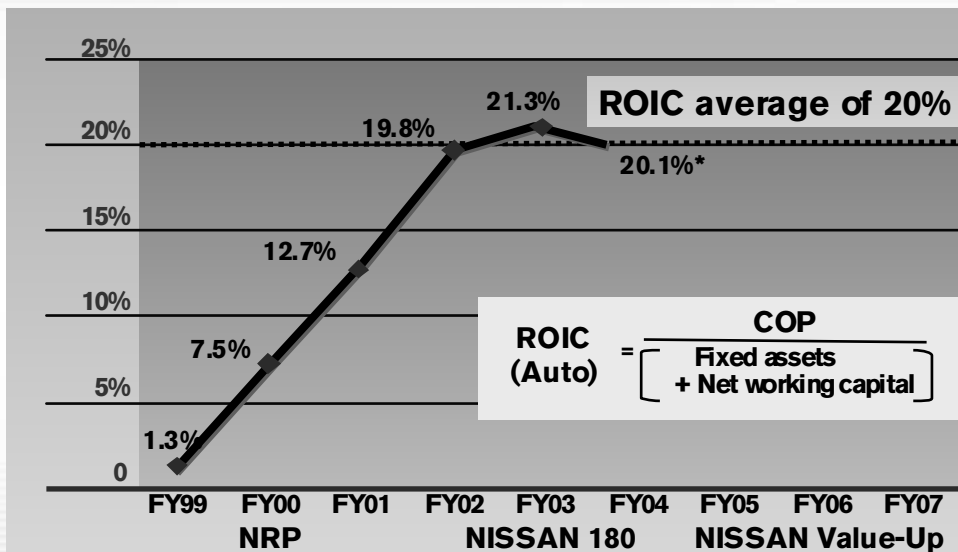


% of inter-company loan = inter-company loan/total funding excluding equity

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# NISSAN Value-Up commitments

Return on invested capital (auto)



\*Same scope of consolidation as P&L, excluding change of cash compared to FY03

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## Key assumptions

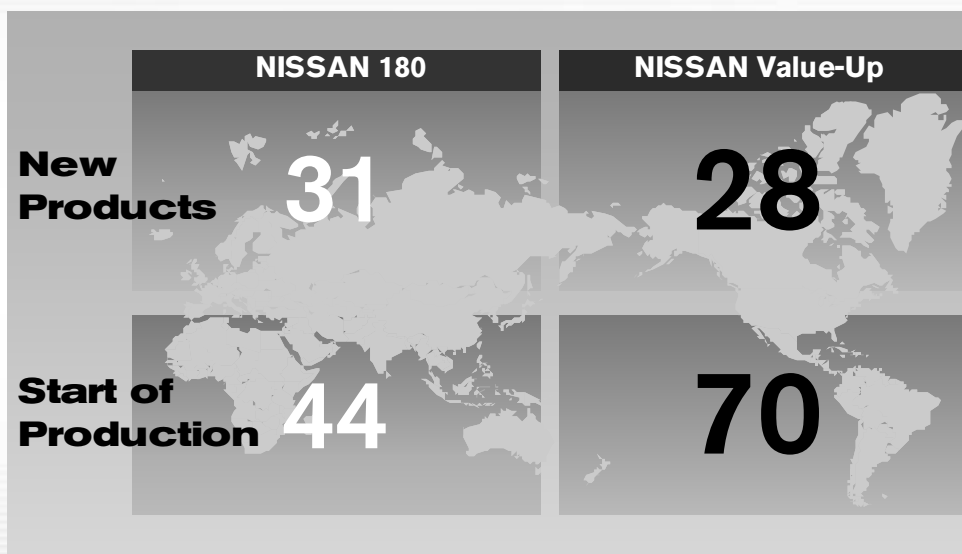
- Total industry volume up to 63 million units in FY07

- Foreign exchange rate

FY05	105 ¥ / \$	130 ¥ / €
FY06, FY07	100 ¥ / \$	120 ¥ / €

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## New global product launches

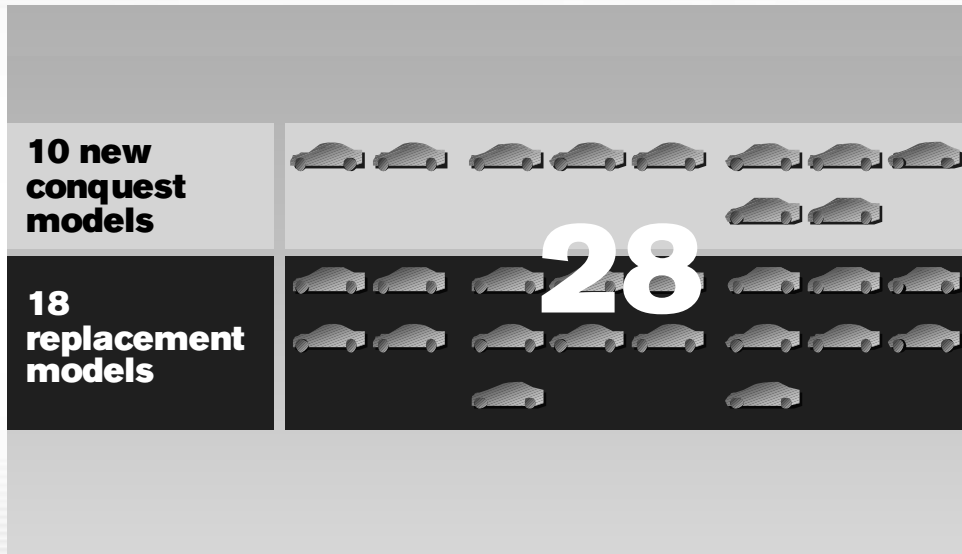


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# NISSAN Value-Up

28 all-new models



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# Breakthrough

Infiniti global tier-1 luxury brand



\*Japan launch after NISSAN Value-Up

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# Breakthrough

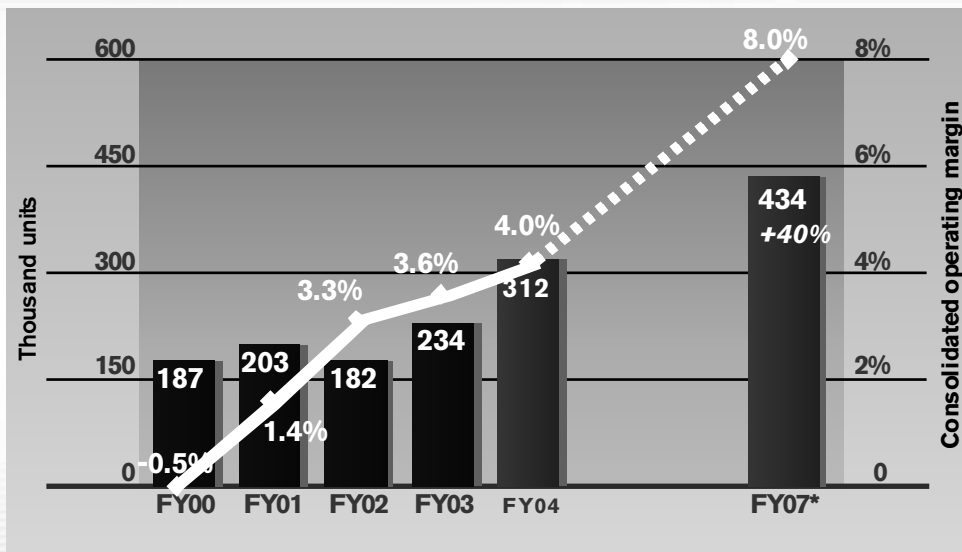
## Light Commercial Vehicles



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# Breakthrough

## Light Commercial Vehicles



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# Breakthrough

## Leading Competitive Countries (LCCs)



**Maximize opportunities, minimize costs**

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# Breakthrough

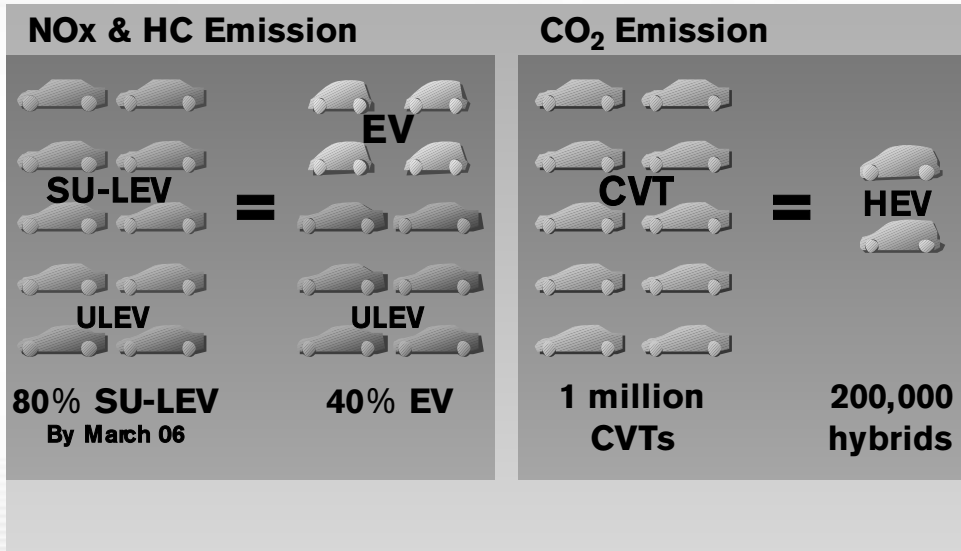
## Geographic expansion



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# Opportunities

## Environmental technologies



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# Opportunities

## New safety approach



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NISSAN  
*Value-Up*



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