

Sales financing business forms an integral part of Nissan's core business and supports automotive sales strongly, while maintaining strong profitability and healthy financial conditions through strict risk management.

Providing Comprehensive Sales Financing Services



New NMAC Customer Service Center, Texas

Nissan sales financing companies in Japan, the US and Canada made a significant contribution to financial results during fiscal year 2002. Revenues increased by 7.9 percent to ¥396 billion, while assets grew by 8.4 percent to ¥3,104 billion. In Japan, sales finance activities were more fully integrated into the sales strategy of the domestic sales division, creating a deeper collaboration with dealers, manufacturer and finance company. Sales financing in the US also showed steady growth. The growth of Nissan's financing business is supported by strict risk management and a conservative credit policy to help it maintain asset quality at a high level.

Operating profit was ¥60 billion, equal to a 15.2 percent operating margin in fiscal year 2002, with a global ROA before tax exceeding 1.5 percent.

Increased Japanese Penetration

Nissan Financial Service (NFS) supports domestic car sales through comprehensive financial products and services, including auto loans, car leasing, credit cards, car rental and car insurance. During fiscal year 2002, NFS increased credit penetration on new car sales to 22.4 percent, from 18.7 percent the previous year. This increase was achieved by a series of attractive

financial programs jointly introduced with the domestic car sales division, and through improved services to dealers and customers. NFS drastically reduced credit decision times through advanced web technology and auto scoring systems. NFS's Customer Service Center plays an active role in communicating with and serving customers in an interactive way.

NFS also enhanced its corporate customer activities through car leasing and competitive fleet management systems. In April of 2003, NFS and Nissan's domestic sales division established a new joint organization for corporate fleet business activities.

Expanding US Operations

Nissan Motor Acceptance Corporation (NMAC) strengthened its US market presence in fiscal year 2002, with the new car penetration rate growing from 52 percent in the previous year to 54 percent. NMAC's Infiniti Division received the top luxury brand ranking in JD Power's consumer survey 2002 for initial loan satisfaction. NMAC's new customer service center facility in Irving, Texas, which will allow for more efficient customer and dealer service, was completed in April 2003. This 268,000-square-foot center is designed to accommodate the growth of NMAC expected with future vehicle sales expansion.

Dealer inventory financing is another area for NMAC, Nissan/Infiniti dealers using this service grew from 25 percent at the end of fiscal year 2001 to 35 percent in 2002.

NMAC also reinforced its cooperation with its sister company in Canada, Nissan Canada Finance Inc (NCFI) by sharing its know-how and back office functions. As a result, NCFI's assets grew by 46 percent, with penetration on new car sales reaching 49 percent at a time when Nissan sales in Canada grew rapidly.



NFS Customer Service Center, Japan