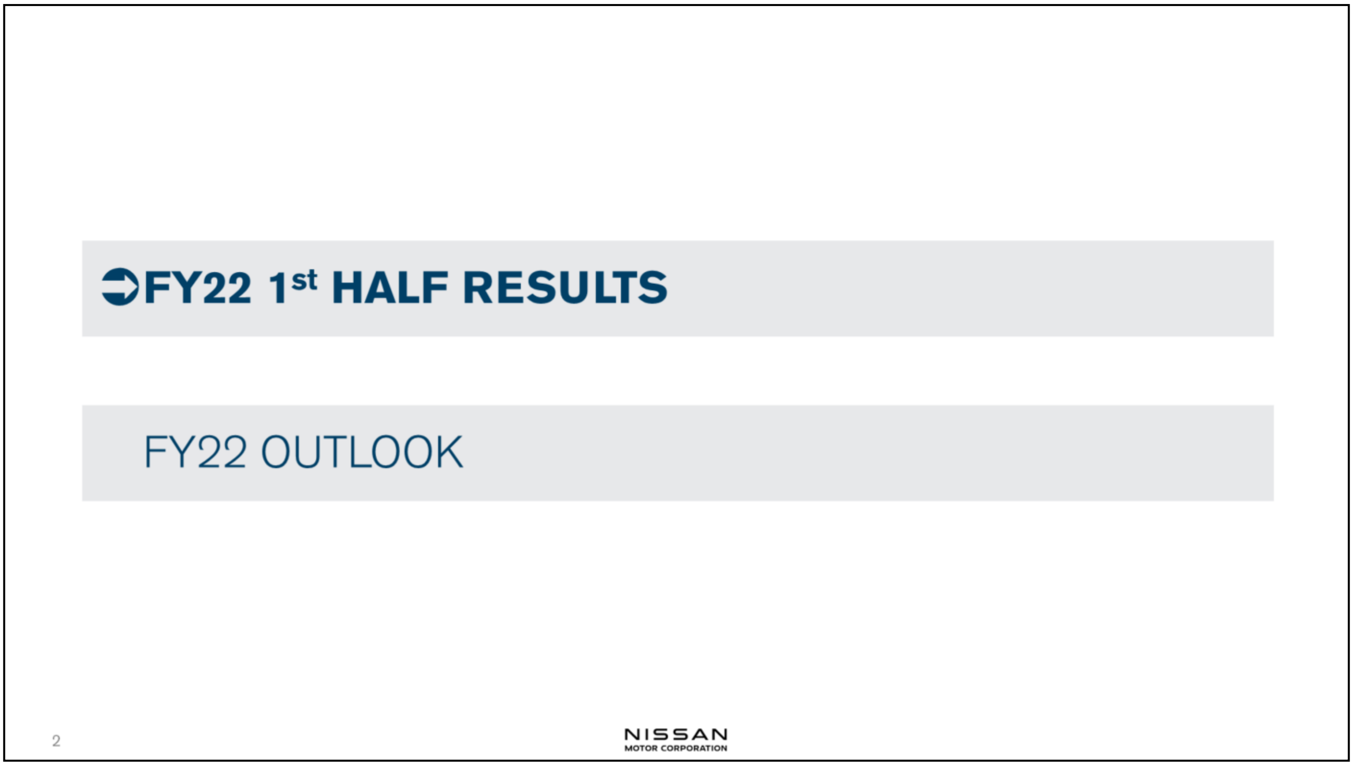
NISSAN
MOTOR CORPORATION

FY2022 first-half financial results

November 9th, 2022
Nissan Motor Co., Ltd.



(CEO Makoto Uchida)

Thank you for taking time out of your busy schedule to join us today.

First, COO Gupta will present the results for the first half of this fiscal year, followed by my presentation of the outlook for the full fiscal year. Before I begin, I would like to say a few words.

Global challenges including semiconductor supply shortage, supply chain disruption, rising energy costs and raw material prices triggered by COVID-19 pandemic are impacting our business more significantly than our initial expectation. Despite these challenges, Nissan’s performance is recovering, and we are delivering results that exceed our business plan. We believe this is an indication that Nissan NEXT initiatives are bearing fruit and improving Nissan's business. Although the severe business environment is still continuing, the entire company will continue to work together on Nissan NEXT to build a solid business foundation for future growth.

COO Gupta will now explain the results for the first half of the current fiscal year.

(COO Ashwani Gupta)

Thank you Uchida-san.

Hello everyone, I would like to add my welcome to Nissan’s first half and second quarter results for the period ending September 30, 2022.

First of all, I would like to reiterate that our number one priority is to deliver cars to our customer at the earliest. On behalf of Nissan, I extend our sincere apologies to any customers patiently awaiting for delivery of new vehicles.

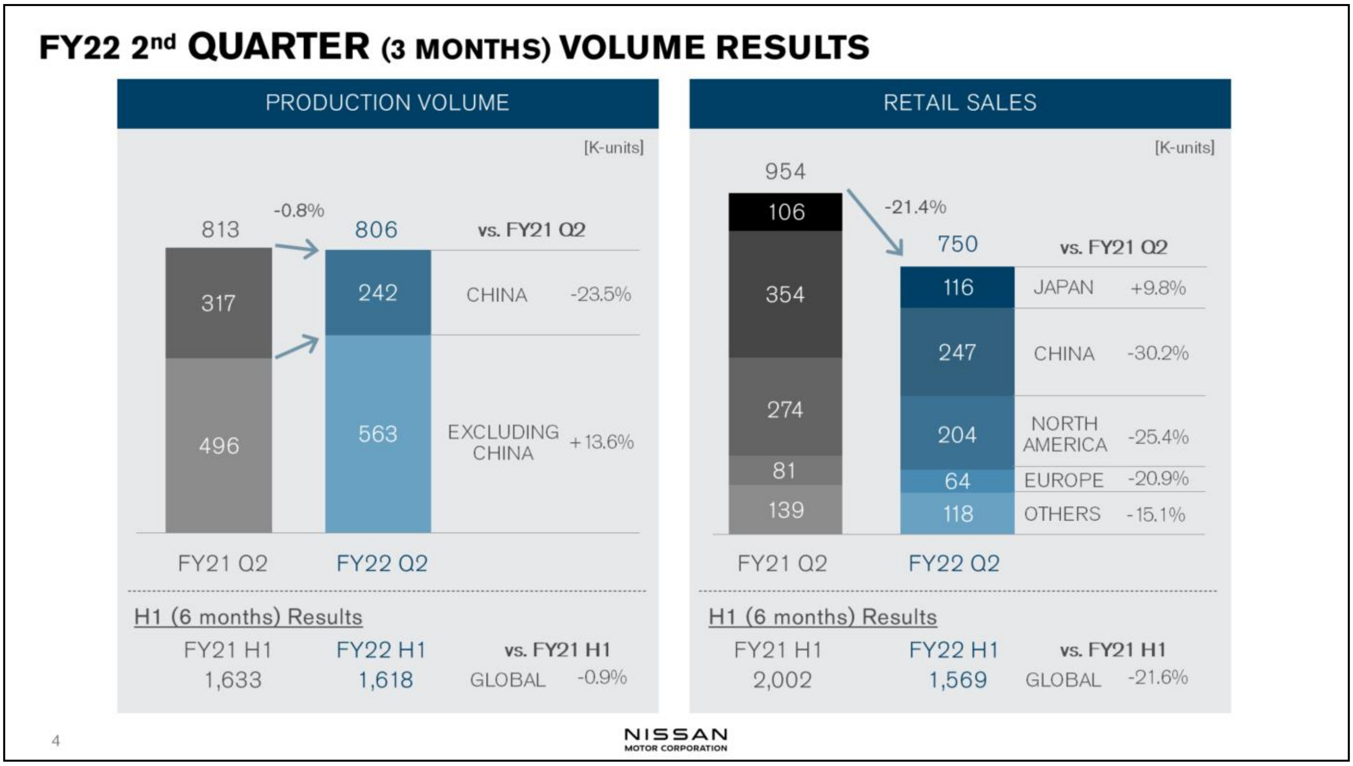
We are doing our utmost every day to overcome the disruption and delay caused by the global semiconductor shortage and pressures on automotive supply chains. While these difficult conditions may persist and cause delays in delivery timing, we are making company-wide efforts around the world to increase our production and complete deliveries as soon as possible.

I would like to express my thanks to our employees, suppliers, partners, and dealers. Their hard work and dedication enabled Nissan to navigate extremely challenging times.

In addition, we are very grateful for the large number of orders we have received for our latest offerings, including the Nissan Ariya, Sakura, Z, Qashqai and X-Trail.

As Uchida-san said, despite the volatile environment, Nissan continues to deliver on our plans and have shown strong commitment to our business culture driving value to our stakeholders.

Please allow me to take you through our latest results.



I will explain the key metrics for volume and unit sales during the latest quarter.

Overall, Nissan has put our production on the road to recovery in most of our markets globally. As a result, we expect retail sales to recover soon.

Globally excluding China, production volumes rose by 13.6% in the second quarter to 563,000 units as we have managed supply-chain and COVID disruptions and output has started to normalize.

This improvement was offset by the production challenges in China, where output fell 23.5% to 242,000 units due to continued semiconductor shortages and the impact of COVID lockdowns. As a result, overall production was flat year-on-year at 806,000 units.

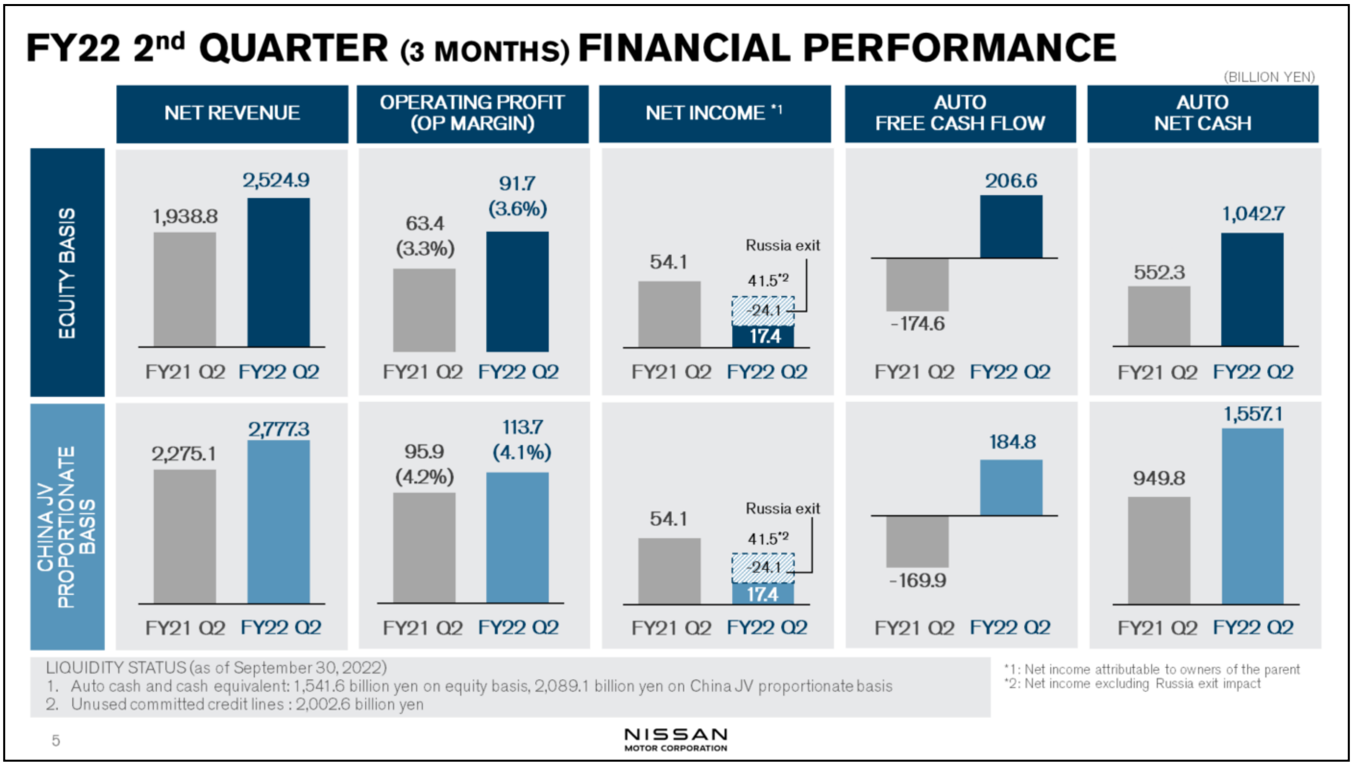
This resulted in a slight decline of 0.9% year on year to 1.618 million units for the first half of fiscal 2022.

Year-on-year retail sales fell 21.4% to 750,000 units during the second quarter of FY22. This is primarily due to the difference in inventory availability. In-transit and seasonal inventory were important factors as well. Export-model production during the period such as for the X-Trail to Europe and Ariya for the US will be reflected in sales for subsequent quarters as shipments are completed.

The sharpest decline was in China, where sales fell 30.2% to 247,000 units mainly driven by COVID lockdown and supply shortages. In contrast, sales in our home market of Japan rose 9.8% amid encouraging demand for new models and higher production levels.

In North America, however, retail sales were down 25.4% to 204,000 units and down by 20.9% in Europe to 64,000 units as inventory shortages.

Sales in other markets were down by 15.1% to 118,000 units. Taken together, global unit sales for the first half were 21.6% lower at 1.569 million vehicles.



The next 2 slides show our key financial performance indicators on both the China JV proportionate basis and equity basis for the second quarter and first half period.

On an equity basis, which excludes contributions from our China JV operations, our net revenues for the second quarter rose by 30% to 2.52 trillion yen from 1.94 trillion yen in the same period of 2021.

On the same basis, operating profit for the period was 91.7 billion yen, with an operating margin of 3.6 percent.

For the second quarter, net income was 17.4 billion yen. The decline versus the previous year can be explained by the one-time loss from the exit from the Russian market this year and impact of COVID lockdowns. Due to these factors, our net income was slightly lower than the prior year.

Our automotive free cash flow significantly improved in the second quarter to a positive 206.6 billion yen.

Net cash for the automotive business was 1.04 trillion yen.

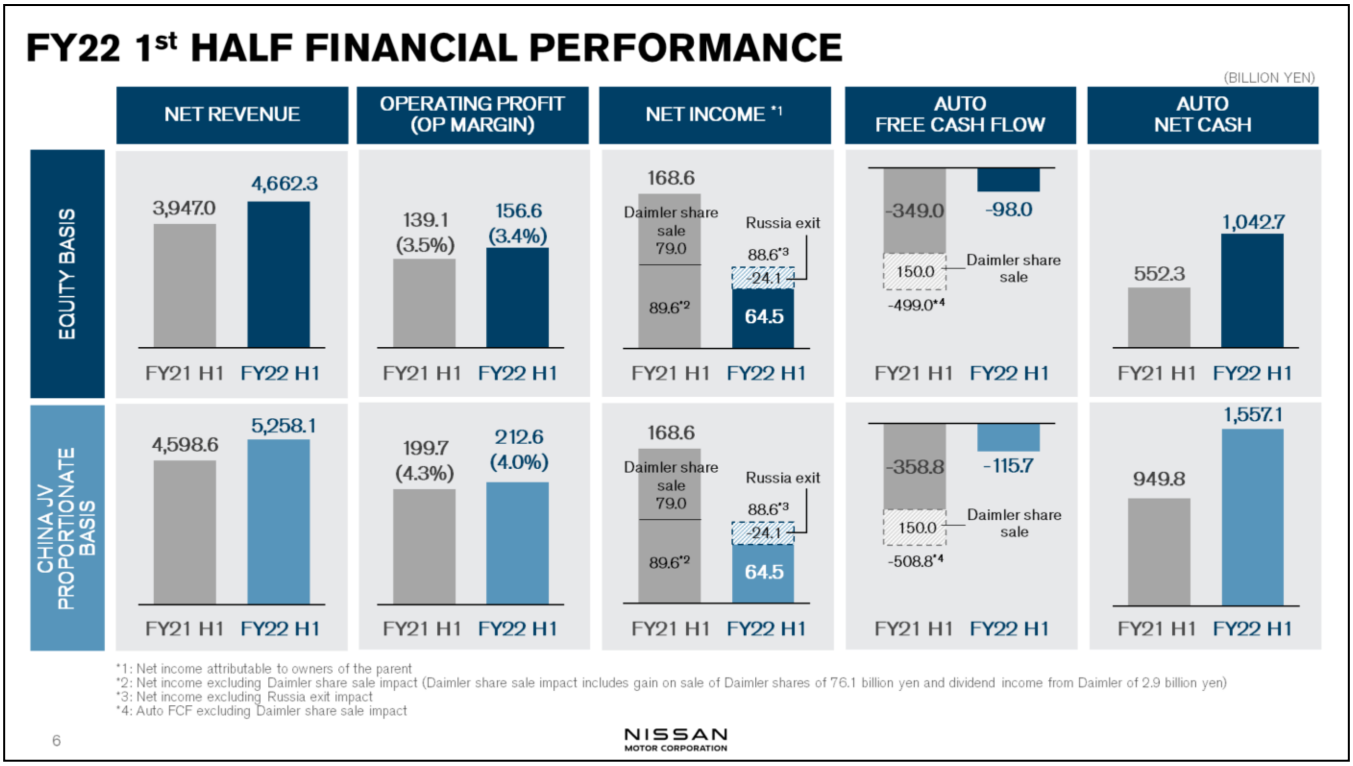
On a proportionate basis, which includes our China operations, our net revenue for the second quarter rose to 2.78 trillion yen from 2.28 trillion yen last year.

Operating profit under this measure reached 113.7 billion yen for the quarter, representing an operating margin of 4.1 percent.

In the second quarter, automotive free cash flow improved to 184.8 billion yen, versus a negative 169.9 billion yen in the prior year.

Net cash for the automotive business reached 1.56 trillion yen on this basis. Nissan also continues to maintain strong levels of liquidity.

The Key highlight of this quarter is that for the first time in the last 3 years, Nissan’s automotive profit, including intersegment eliminations, became Positive. The challenge is to continue in following quarters to strengthen the sustainability of our core business.



This next slide highlights our key financial performance indicators for the first half. On an equity basis, which excludes contributions from our China JV operations, our net revenues for the first half rose to 4.66 trillion yen from 3.95 trillion yen in the same period of 2021.

On the same basis, operating profit for the period was 156.6 billion yen, with an operating margin of 3.4 percent.

For the half, net income was 64.5 billion yen. As I previously mentioned for the second quarter, the decline versus the previous year can be explained by the one-time loss from the exit from the Russian market this year. In addition, last year, there was the one-time gain from the sale of Daimler shares. Excluding the one-time gain and loss, our net income was almost flat from the prior year.

Free cash flow for the automotive business was a negative 98 billion yen for the first half. As previously noted, our free cash flow significantly improved in the second quarter to a positive 206.6 billion yen. However, it was not enough to cover the negative free cash flow in the first quarter, which was due to low production. We expect our free cash flow to continue to recover in the second half of this fiscal year.

On a proportionate basis, which includes our China operations, our net revenue for the first half rose to 5.26 trillion yen from 4.60 trillion yen last year.

Operating profit under this measure reached 212.6 billion yen for the first half, representing an operating margin of 4.0 percent.

Automotive free cash flow was a negative 115.7 billion yen for the first half.

Net cash for the automotive business reached 1.56 trillion yen on this basis.

FY22 1st HALF FINANCIAL PERFORMANCE
(EQUITY BASIS)

(BILLION YEN)	FY21 H1	FY22 H1	VARIANCE	FY21 Q2	FY22 Q2	VARIANCE
NET REVENUE	3,947.0	4,662.3	+715.3	1,938.8	2,524.9	+586.1
OPERATING PROFIT	139.1	156.6	+17.5	63.4	91.7	+28.3
OP MARGIN	3.5%	3.4%	-0.1 point	3.3%	3.6%	+0.3 points
NON-OPERATING*1	45.4	40.3		30.8	1.2	
ORDINARY PROFIT	184.5	196.9	+12.4	94.2	92.9	-1.3
EXTRAORDINARY*2	76.9	-23.6		-3.4	-25.2	
PROFIT BEFORE TAX	261.4	173.3	-88.1	90.8	67.7	-23.1
TAXES	-79.4	-98.0		-30.5	-44.8	
MINORITY INTEREST*3	-13.4	-10.8		-6.2	-5.5	
NET INCOME*4	168.6	64.5	-104.1	54.1	17.4	-36.7
FX RATE (USD/JPY)	110	134	+24	110	138	+28
FX RATE (EUR/JPY)	131	139	+8	130	139	+9

*1: Includes profit / loss in companies under equity method of 63.1billion yen in FY21 H1, 57.4 billion yen in FY22 H1, 44.8 billion yen in FY21 Q2 and 23.8 billion yen in FY22 Q2
*2: Includes following items:
- Gain on sale of Daimler share: 76.1 billion yen in FY21 H1
- Loss on exit from Russia market: 24.1 billion yen in FY22 Q2 (full year forecasted loss is approx. 100 billion yen)

*3: Net income attributable to non-controlling interests
*4: Net income attributable to owners of the parent

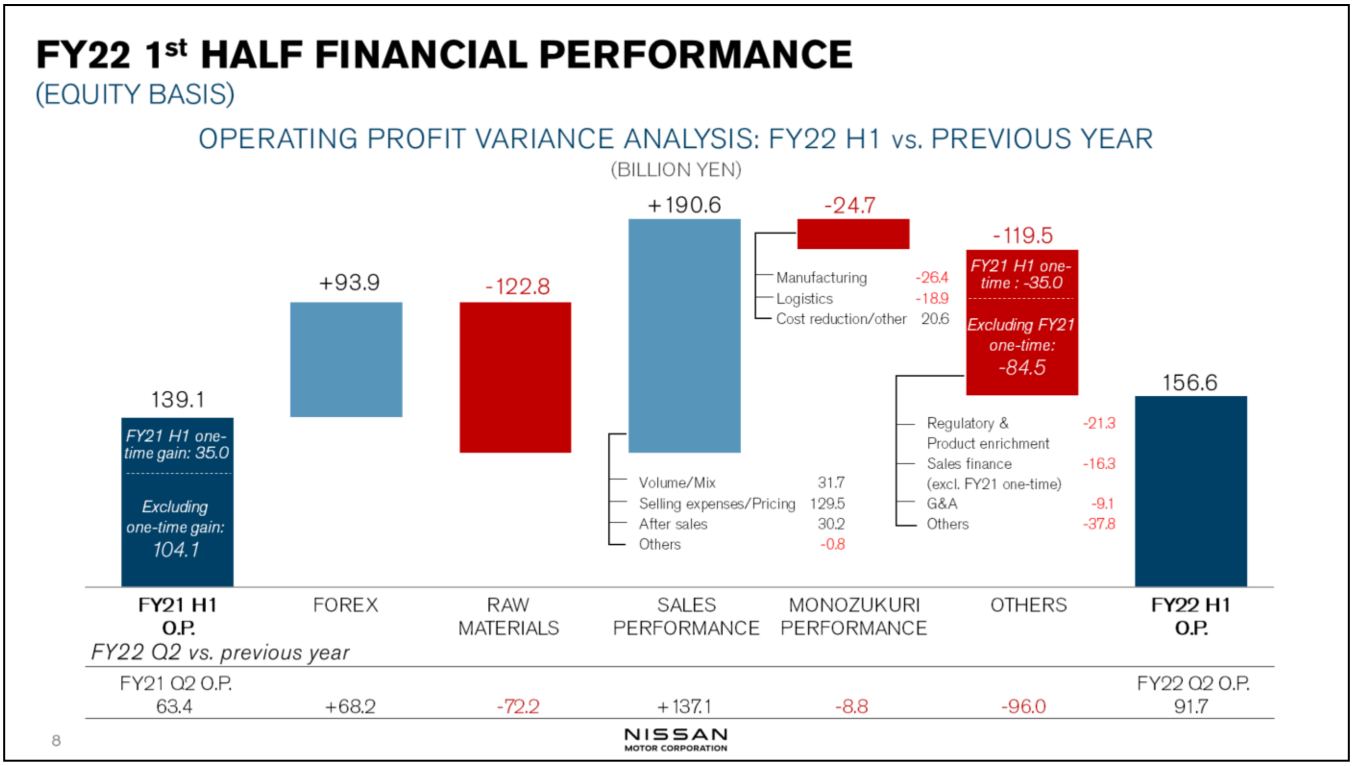
Now let us look at the H1 financial performance.

This is the income statement for the 6 months ending September 30, 2022, on an equity basis which excludes contributions from our China JV operations.

Net revenue increased by 715.3 billion yen from the previous year to 4.66 trillion yen. Net revenue increased year-on-year despite the decrease in sales volume, which was primarily driven by the improvement in net revenue per unit as well as the weakening of the yen.

Operating profit increased by 17.5 billion yen from the prior year to 156.6 billion yen, representing an operating margin of 3.4%. I will explain about the variance on the next slide.

Net income for the first half was 64.5 billion yen. The decrease from the previous year was primarily due to one-time factors such as sale of Daimler shares and the exit from the Russian market.



Turning now to the operating profit variance analysis for the first half, this slide shows the variance factors from the first half of last year to this year.

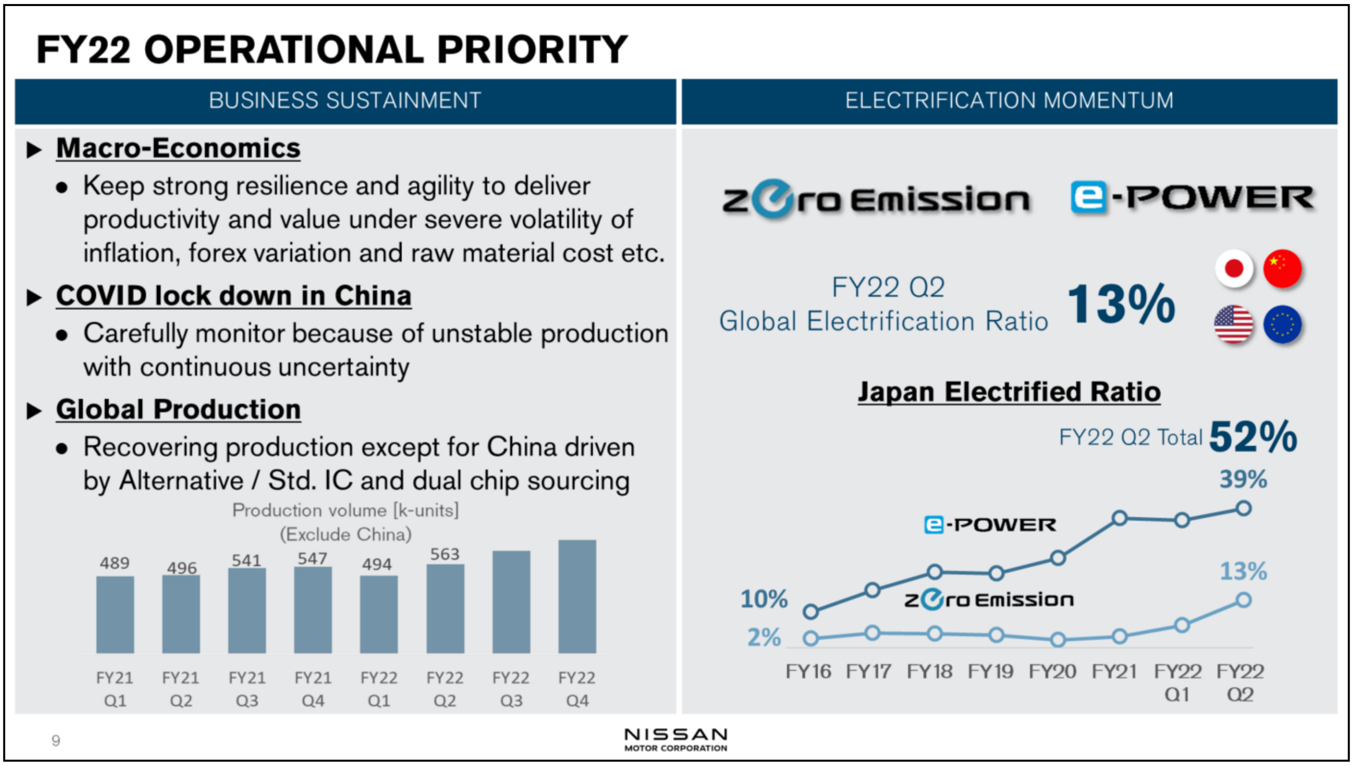
Foreign exchange had a positive impact of 93.9 billion yen, primarily due to the strong US dollar as tailwind but also headwind in other currencies like the Mexican Peso and Chinese Yuan.

The increase in raw material prices had a negative impact of 122.8 billion yen, primarily driven by price hikes in materials such as steel, aluminium, and plastics.

Sales performance had a positive impact of 190.6 billion yen. The continued improvement in quality of sales was the biggest contributing factor, with the decrease in incentives as well as improvement in pricing with value content like ProPILOT, e-4ORCE and Connected services.

Monozokuri performance had a negative impact of 24.7 billion yen, primarily driven by cost inflation in manufacturing and logistics.

Other items deteriorated by 119.5 billion yen from the previous year. Part of this was due to one-time gains of 35.0 billion yen last year from the release of credit loss provisions and increase in used car prices. We were also impacted by factors such as increases in costs for regulatory and product enrichment, profit decline in the sales finance business due to the decrease in assets, increased G&A, and other items.



Turning to the operational highlights of the current year. Despite facing volatile uncertainties such as inflation, forex, and raw material costs, Nissan is taking action to build sustainable momentum across our business.

We are closely monitoring our operations and external factors to remain agile. As lockdowns have continued in China, our total production has been unstable and remains uncertain looking ahead.

While uncertain conditions may persist, we have taken effective steps to counteract the impact of semiconductor shortages and recover production during this fiscal year.

Nissan has made encouraging progress with our dual supplier sourcing strategy between alternative and standard IC chips. As an example, for one of the major components that caused continuous shortages in fiscal 2021, we have more than doubled the supply through usage of alternative chips.

Thanks to these efforts we expect to increase production further during the second half of fiscal 2022, and we aim to grow our business sustainably amid unprecedented headwinds.

Nissan NEXT is on the right trajectory driven by the three pillars of Rationalisation, Prioritisation & Focus and sowing the seeds for the future with a demonstrable progress of our electrification strategy.

With both Zero-Emission and e-POWER equipped vehicles as the key drivers, our total global sales for electrified vehicles has reached 13% for the quarter.

Our home market of Japan is the leading example globally of accelerating sales across our compelling Zero-Emission and e-POWER model range, with 52% of our sales consisting of electrified vehicles during the quarter. This is a result of our customers accepting the value of products from our wide offerings starting for Kei segment cars to luxury crossovers.

And with that, I will hand over to Uchida-san to discuss our outlook for the remainder of the fiscal year.

FY22 1st HALF RESULTS

FY22 OUTLOOK

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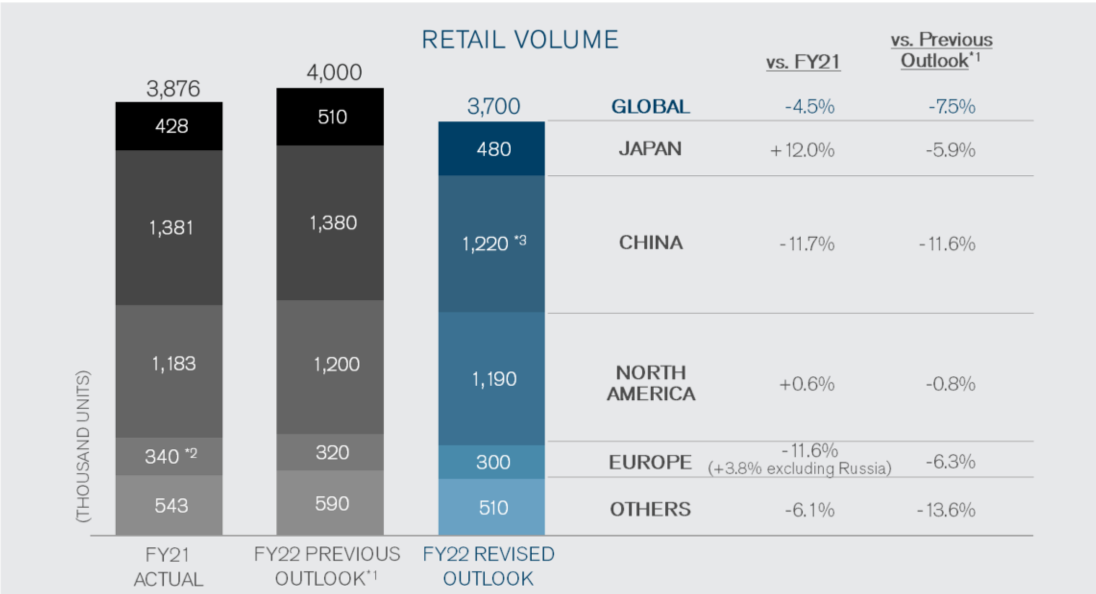
(CEO Makoto Uchida)

Turning now to our outlook for the fiscal year 2022.

SALES VOLUME OUTLOOK



*1: Previous outlook announced on May 12, 2022 *2: FY21 Europe volume includes Russia (51K units)
*3: Revised outlook for China includes impact of deconsolidation of DFAC (Dongfeng Automobile Co., Ltd.) (-49 K units)

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During the first half of the fiscal year, the automotive industry continued to face a challenging business environment due to the semiconductor supply shortage and the impact of the China lockdown, and our production and sales were lower than expected. The supply chain situation is improving, and we expect our global sales volume in the second half to increase significantly by 35.8% from the first half. However, the pace of recovery continues to be slower than our initial expectations. As a result, we are lowering our global sales volume forecast from 4 million units to 3.7 million units. We will continue to work on improving the quality of sales, and optimize our operation by closely monitoring the situation.

FY22 OUTLOOK
(EQUITY BASIS)

(BILLION YEN)		FY21 ACTUAL	FY22 PREVIOUS OUTLOOK*1	FY22 REVISED OUTLOOK	VARIANCE vs FY21 (% Change)	VARIANCE vs PREVIOUS OUTLOOK*1 (% Change)
NET REVENUE		8,424.6	10,000.0	10,900.0	+2,475.4 (+29%)	+900.0 (+9%)
OPERATING PROFIT		247.3	250.0	360.0	+112.7 (+46%)	+110.0 (+44%)
OP MARGIN		2.9%	2.5%	3.3%	+0.4 points	+0.8 points
NET INCOME *2		215.5	150.0	155.0	-60.5 (-28%)	+5.0 (+3%)
FX RATE *3	(USD/JPY)	112	120	135	+23	+15
	(EUR/JPY)	131	130	137	+6	+7

*1: Previous outlook announced on May 12, 2022
*2: Net income attributable to owners of the parent
*3: FY22 H2 FX rate assumption is 135 yen for both USD/JPY and EUR/JPY

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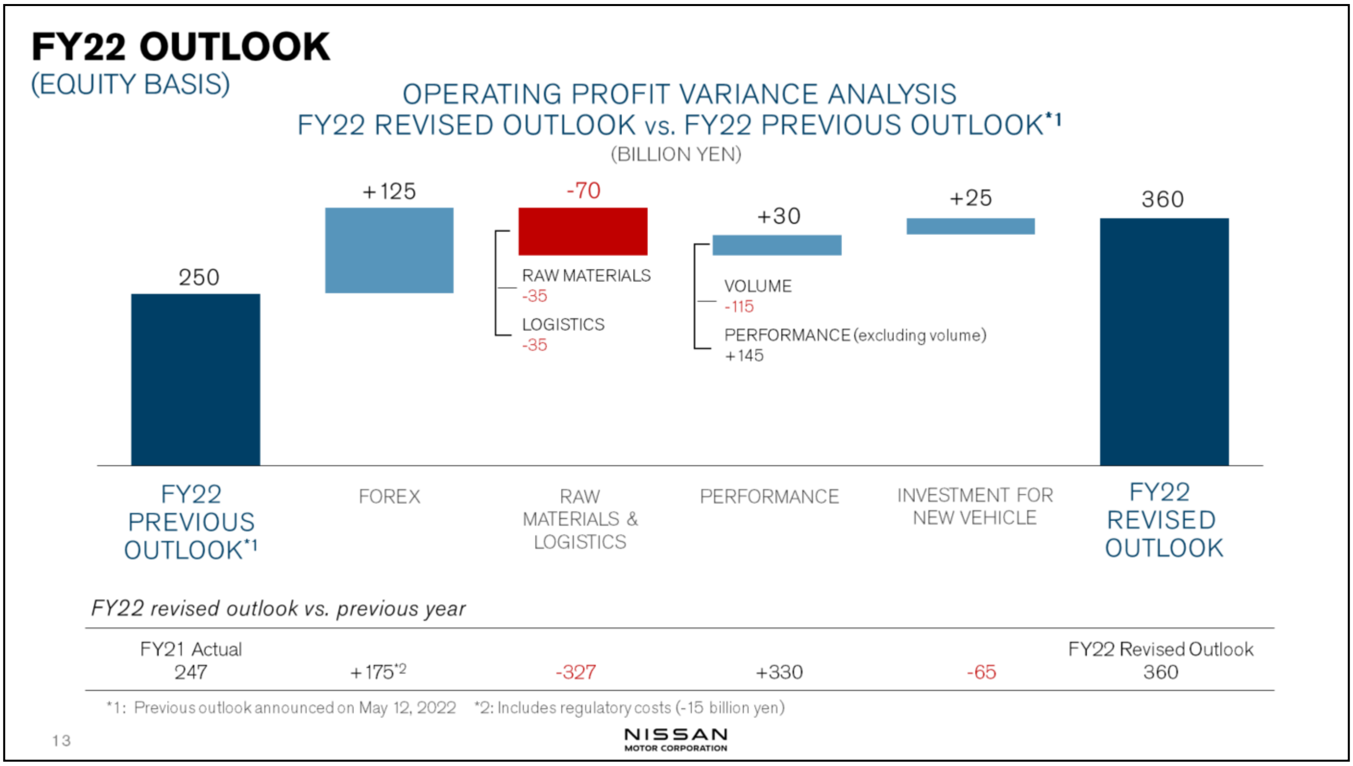
This is the revised full-year forecast for fiscal year 2022 on the equity method basis.

Despite the decrease in sales volume for the fiscal year, we have revised upward the forecast for net sales to 10.9 trillion yen and operating profit to 360 billion yen, which represents an operating profit margin of 3.3%. The exchange rate assumptions for the current fiscal year have been revised from 120 yen to 135 yen for the US dollar and from 130 yen to 137 yen for the Euro. The upward revision for revenue and operating profit is not only due to the depreciation in the yen, but also due to the increase in net revenue per unit, resulting from our initiatives to improve quality of sales including lower sales incentives and pricing revisions. Through these efforts, this is expected to offset the negative impacts from the decrease in sales volume decrease and increase in raw material prices.

Our forecast for net income is 155 billion yen. We are only making a small revision as we incorporated an expected extraordinary loss of approximately 100 billion yen due to the exit from the Russian market. Without the one-time impact of Daimler share sale in the previous year and Russia exit in this year, our net income would have increased significantly from the previous year.



This slide provides the operating profit variance from the previous outlook.

Due to the depreciation of the yen, foreign exchange is expected to have an additional positive impact of 125 billion yen.

As for raw materials and logistics, although prices for some materials have fallen in recent months, overall they have remained high, and certain items, such as battery materials, continue to rise sharply, resulting in an expected additional negative impact of 70 billion yen.

Performance is expected to increase by an additional 30.0 billion yen, due to the positive effects of approximately 145 billion yen from our sales initiatives, such as mix improvement, incentives reduction, and price revisions, which is expected to more than offset the negative effects of 115 billion yen from the decline in volume.

The investment for new vehicles is expected to contribute a positive impact of 25 billion yen, due primarily to the optimization of advertising expenses.

Despite the challenging environment in fiscal year 2022, we are making steady progress to reach the objectives set forth under Nissan NEXT and we will keep investing for the future.

Now I would like to discuss our dividend policy. Back in May, we said that we that the interim dividend for the current fiscal year was to be determined due to the volatile external environment.

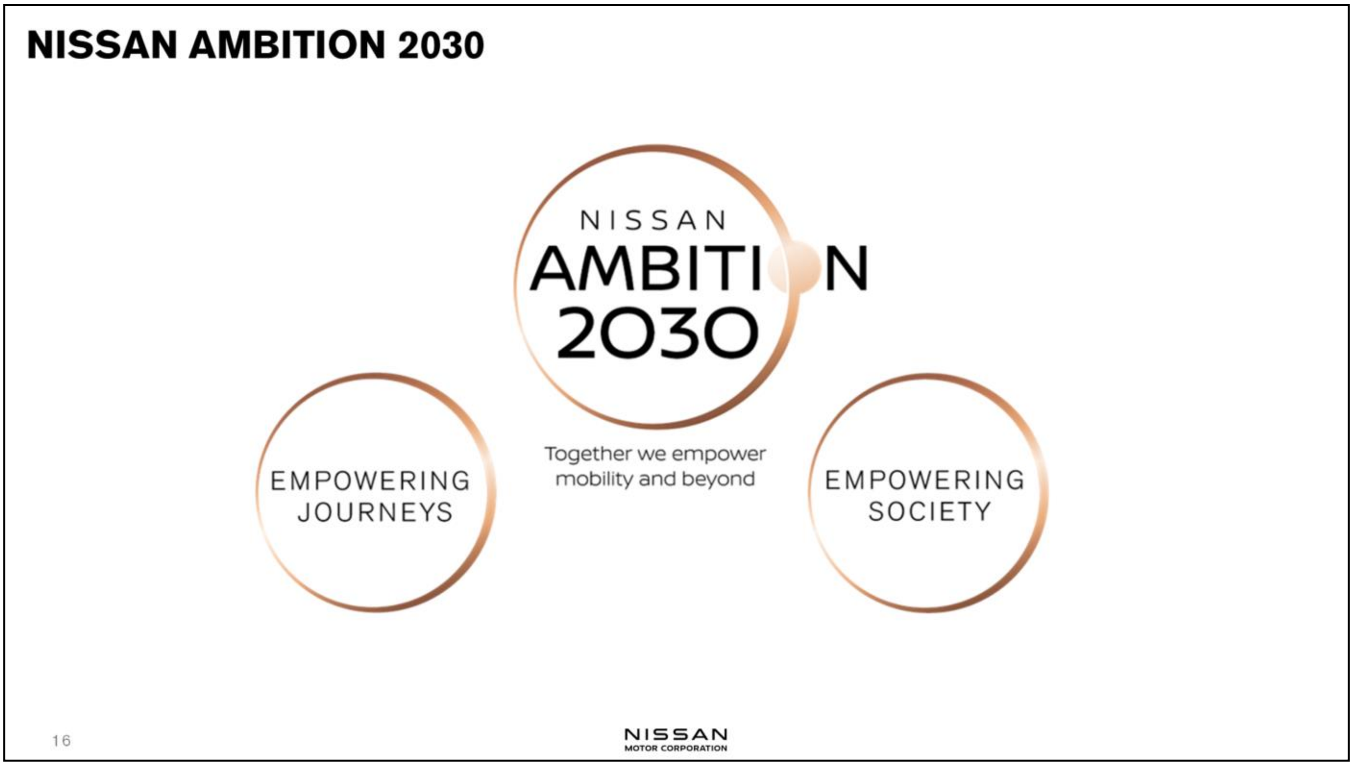
Our production and sales are currently on a recovery trend, and our automotive free cash flow is also improving accordingly. Nissan’s automotive free cash flow, which was a negative 304.6 billion yen in the first quarter, turned positive in the second quarter to 206.6 billion yen. However, the total amount of automotive free cash flow for the first 6 months remains negative at 98 billion yen.

Moreover, uncertainty in the external environment remains for the second half, with risks such as a slowdown in the recovery of the semiconductor supply, inflation, and rising interest rates. Therefore, we decided to forgo payment of an interim dividend.

We are forecasting a year-end dividend of 5 yen per share, but we will consider increasing this amount depending on the earnings and automotive free cash flow for the second half of this fiscal year. Improving shareholder returns continues to be one of our priorities, and we will work to increase the amount to an appropriate level in the future. We appreciate your understanding and support.

Finally, to reiterate, Nissan NEXT is making steady progress despite the difficult environment, and we are confident in our transformation.

Regarding new products, which are the core of our business, all our models have been very well received by our customers and influential experts. In Japan, for example, the Sakura won the Car of the Year award from the Japan Automotive Hall of Fame. In addition, it was announced last week that three Nissan models were selected as the 10 Best Cars in the Japan Car of the Year and the RJC Car of the Year's Six Best. We believe that these high evaluations validate our efforts to continually enhance our products to deliver greater value to our customers are beginning to bear fruit.



In this fiscal year, we are also moving forward with efforts to realize our long-term vision, "Nissan Ambition 2030," while firmly committed to business transformation through Nissan NEXT.

Under Ambition 2030, we aim to empower mobility and society by providing value that only Nissan can deliver, with electrification and vehicle intelligence technologies, which are our strengths.

The Alliance is one of our powerful tools that others do not have in realizing Nissan Ambition 2030.

Nissan is currently engaged in discussions around several initiatives as part of the continued efforts to reinforce cooperation and the future of the Alliance.

Why are we talking to Renault now? Let me share with you the background.

The first factor is the external environment. A company is expected to assume greater responsibilities for addressing global challenges including the COVID-19 pandemic, climate change and societal issues.

In terms of operations, we must deal with semi-conductor supply shortages, rising raw material prices, the sharp yen depreciation that is occurring for the first time in 32 years, a divided world resulting from geopolitical risks including the situation in Ukraine, and the changing customer mindset.

We see growing awareness of SDGs and disaster prevention, a shift from ownership to sharing, and acceleration of digitalization.

There is a growing need for more sophisticated technologies such as autonomous driving, connectivity, EV, battery, and software defined vehicle as we adapt to the changes.

In this context, we need to have clear priorities, and address multiple challenges at the same time while leveraging the Alliance and other partnerships.

Our Alliance has been building a strong track record and trust over many years. Based on this foundation, we are engaged in open and constructive discussions on how to design the Alliance in a way that will bring greater benefit to each partner.

Regarding the new EV entity which Renault Group presented yesterday at its Capital Market Day, we are deepening the reflection on how the entity would be beneficial for Nissan and how we would participate. We will consider to invest in the entity following the ongoing discussions.

The most important thing for us is to elevate the Alliance to the next stage in order to increase Nissan's competitive edge, enable us to realize Nissan Ambition 2030, and ensure sustainable growth for the company.

You may have a lot of questions about the ongoing talks. We kindly ask for your patience until we reach our conclusion and we are ready to communicate in due course.

Thank you for your attention.