

MESSAGE FROM THE CFO

A STRONG YEAR DESPITE CHALLENGES

Fiscal year 2012, the second of our mid-term business plan, was a year of progress for Nissan. This progress was made despite some significant challenges. From an external perspective, the weak European market—and more significantly, the negative impacts on our China business due to political tensions between Japan and China related to disputed territorial claims—meaningfully limited our unit sales and profit potential in the year. Internally, we struggled with the ramp-up of important new product launches, the Altima and Pathfinder, in the key U.S. market, which constrained product availability. While the availability issue in the United States is now largely behind us, it did also negatively impact our sales performance and profit potential during the 2012 fiscal year.

Notwithstanding these challenges, Nissan delivered solid business performance by continuing to focus on and executing the strategies and initiatives of the Nissan Power 88 mid-term plan. Nissan's global sales in fiscal 2012 reached 4,914,000 units, an all-time record. Looking at the fiscal 2012 financial metrics, consolidated net revenues reached 9.6 trillion yen, up 2.3% versus the previous year. Operating profit stood at 523.5 billion yen and our net income was 342.4 billion yen —this is slightly above last year's net income level even after comprehending the negative impacts on our China business income due to the Japan/China islands dispute.

We generated solid automotive free cash flow of 248.6 billion yen even as we continued to invest in capacity expansions in markets such as Brazil, Mexico, Russia, China, India and ASEAN, which offer significant future business growth opportunities. With this solid free cash flow generation, we continued to strengthen our balance sheet, increasing our Automotive net cash position to 915.9 billion yen, an all-time high.

Our mid-term business plan is designed to significantly enhance shareholder value through business growth.

Joseph G. Peter
Chief Financial Officer



The solid business results and improvement in our balance sheet is recognized by external rating agencies—in this regard, during the year we received rating upgrades from both Moody's and R&I and we now carry an A3 and A+ long-term credit rating with each, respectively.

LOOKING AHEAD WITH CONFIDENCE

As we look forward to fiscal 2013, we expect the global automotive industry to set yet another volume record, growing to over 81 million units. Based on the continued execution of our Power 88 mid-term plan strategies and initiatives and our strong product offerings, we project Nissan unit sales to grow to 5,300,000 units for the year.

In terms of financial management, we will continue to focus on ensuring cost efficiency, generating positive automotive free cash flow even with the increased capital investments supporting capacity expansions in growing markets worldwide and maintaining a strong balance sheet with sufficient liquidity. The chart below summarizes the pro-forma key financial metrics of our 2013 full-year forecast. I use the term "pro-forma" as we have maintained the use of proportional consolidation of our China JV in these financial metrics for ease in comparison to the fiscal 2012 results. Under revised accounting rules that are effective with the beginning of the 2013 fiscal year, we will no longer account for our China JV using proportional consolidation but rather will switch to equity method accounting.

Fiscal 2013 Management Pro-Forma Outlook (billion yen)

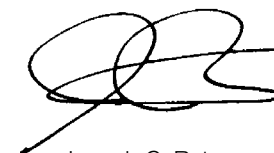
	FY12 actual (A)	FY13 pro-forma outlook (B)*	Vs. FY12 (B-A)	Change vs. FY12 (B/A)
Net revenue	9,629.6	11,200.0	+1,570.4	+16.3%
Operating profit	523.5	700.0	+176.5	+33.7%
OP margin	5.4%	6.3%	+0.9%	
Ordinary profit	529.3	665.0	+135.7	+25.6%
Net income	342.4	420.0	+77.6	+22.6%
Net income ratio	3.6%	3.8%	+0.2%	
CAPEX	524.5	570.0	+45.5	+8.7%
Sales ratio	5.4%	5.1%	-0.3%	
R&D	469.9	520.0	+50.1	+10.7%
Sales ratio	4.9%	4.6%	-0.3%	
FX rate assumptions	JPY/USD	95.0	+12.1	
	JPY/EUR	106.8	+15.2	

* Based on continuation of proportional consolidation of China JV

In brief, on a pro-forma basis (with continued use of proportional consolidation for our China JV), net revenue is forecast to grow 16.3% to 11.2 trillion yen; operating profit is forecast to grow over 33% to 700 billion yen, representing an operating profit margin of 6.3%; and net income is forecast to grow 23% to 420 billion yen, reflecting a 3.8% net margin. Please note that applying the new equity accounting methodology for our China JV would reduce the forecast pro-forma net revenue by 830 billion yen. Operating profit would be 90 billion yen lower and ordinary profit would be reduced by 20 billion yen, while the net income amount would remain unchanged.

In closing, our mid-term business plan is designed to significantly enhance shareholder value through business growth that drives higher revenue, profits and strong sustained free cash flow generation. We will enhance enterprise value, maintain a strong balance sheet and provide shareholders an attractive dividend.

Reflecting confidence in our mid-term plan and based on our outlook for 2013 including continued positive Free Cash Flow generation, we announced in May 2013 our intention to increase the fiscal 2013 dividend by 20% to 30 yen per share.



Joseph G. Peter
Chief Financial Officer
Nissan Motor Co., Ltd.