



# **NISSAN MOTOR CO., LTD.**

**Nissan Revival Plan Update  
First Half FY 2000**

**October 30, 2000**

**Carlos Ghosn**

President

# Agenda

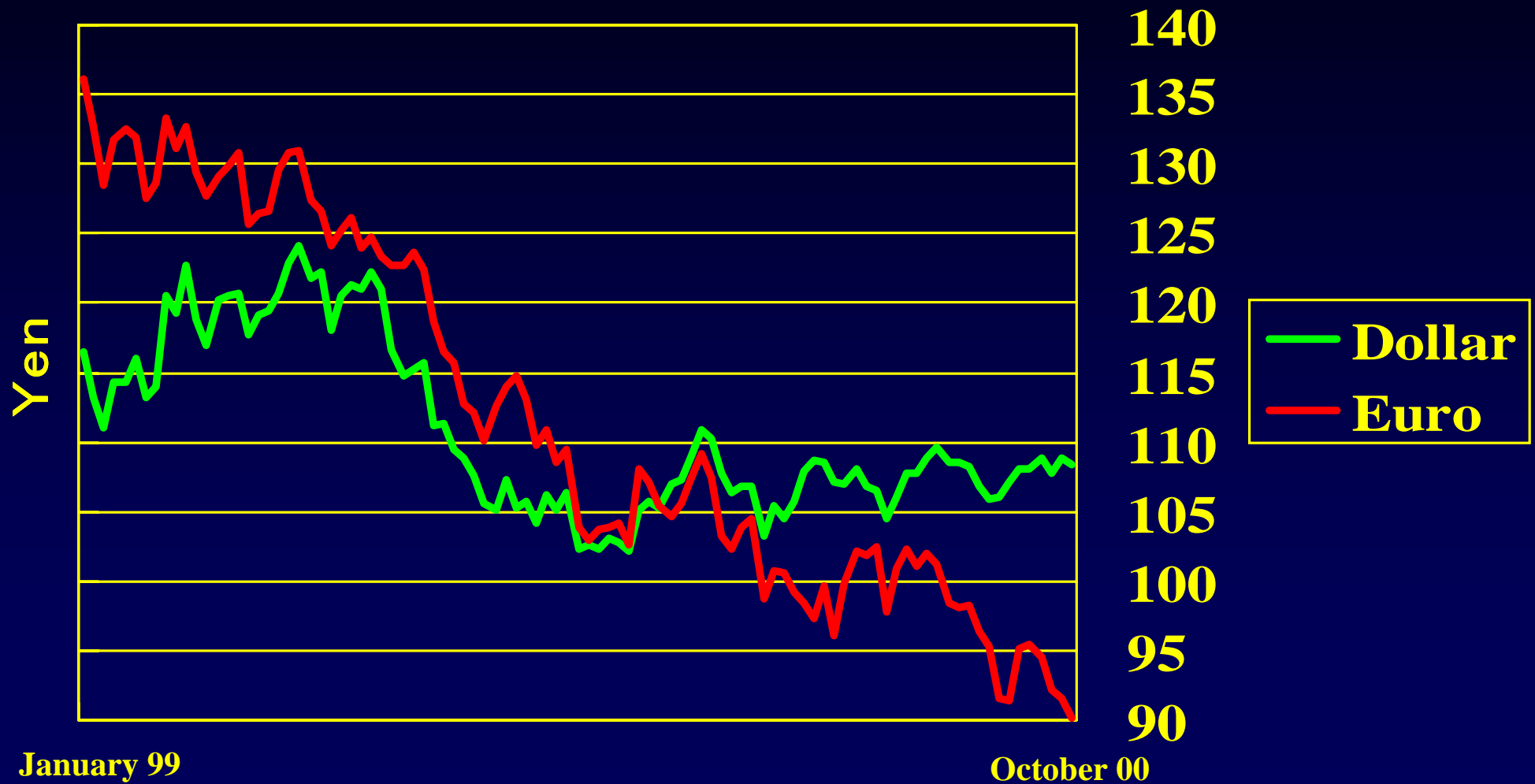
## Introduction

- FY 2000 Half-Year Review
  - \* External Factors
  - \* Performance Review
  - \* Estimated Financial Results
- Status of NRP
- FY 2000 Forecast

## Conclusion

# Foreign Exchange

(Yen exchange January 1999 - October 2000)



# Foreign Exchange

- Yen/Dollar: First Half Rate

<u>FY 99</u>	<u>FY00</u>	<u>Change</u>	<u>Impact</u>
117.4	107.2	- 10.2	-45 bn yen

- Yen/Euro

<u>FY 99</u>	<u>FY00</u>	<u>Change</u>	<u>Impact</u>
129.4	102.7	- 26.7	-30 bn yen

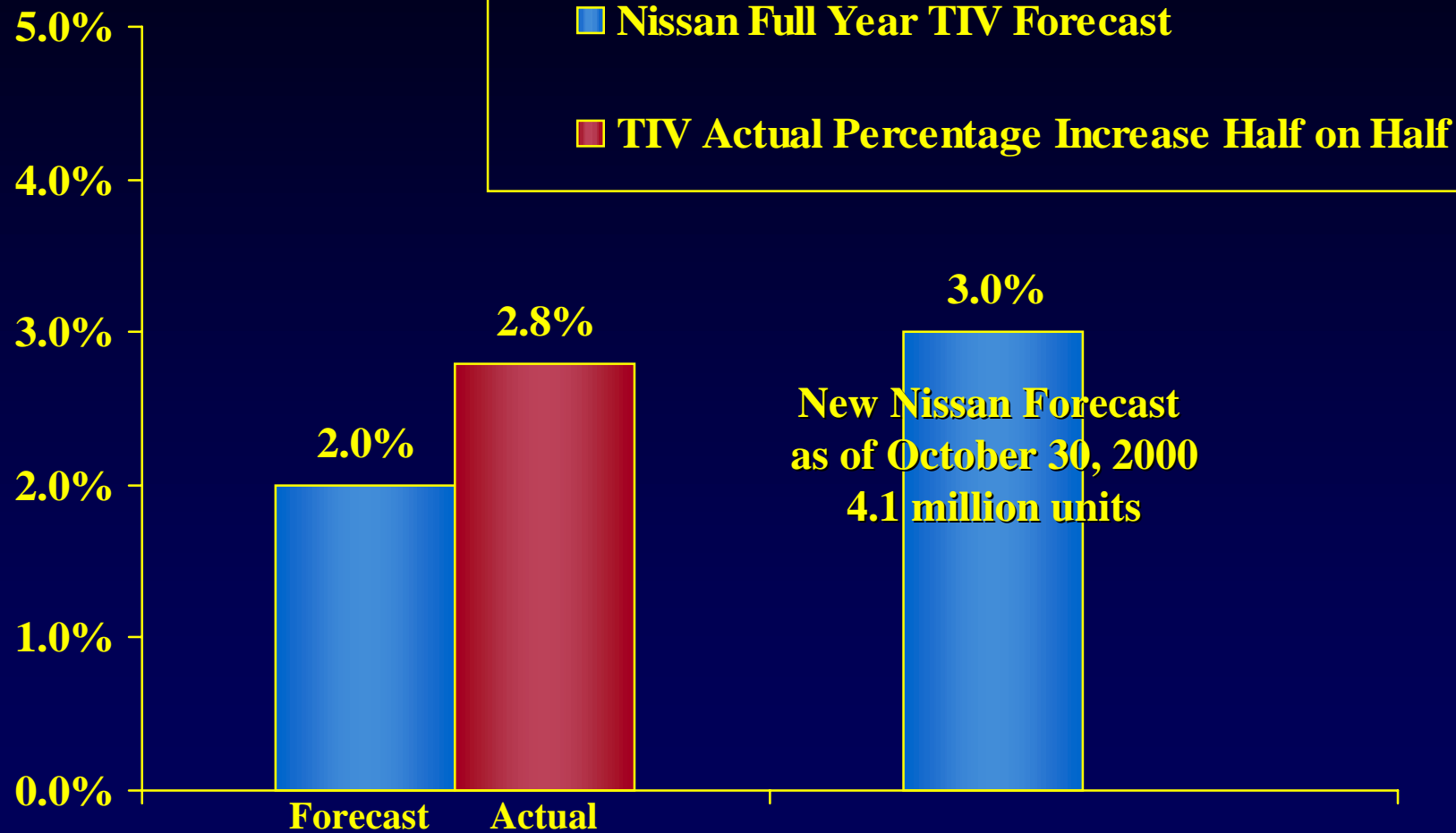
- Yen/Other currencies

<u>FY 99</u>	<u>FY00</u>	<u>Change</u>	<u>Impact</u>
N.A.	N.A.	N.A.	-15 bn yen

**Total Impact: -90 billion yen**

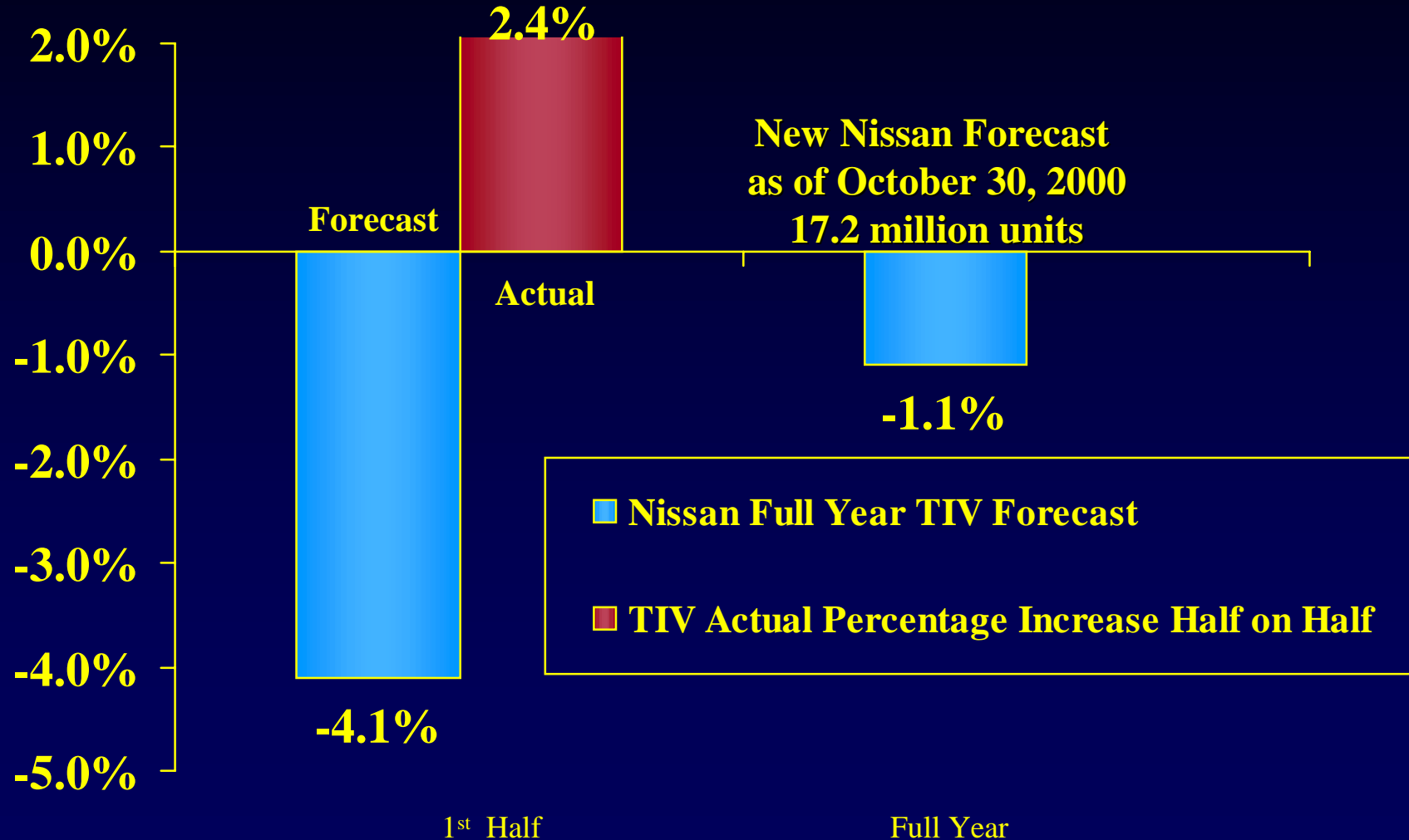
# TIV Japan

(Total Industry Volume Excluding Mini-cars, April - March FY 00)



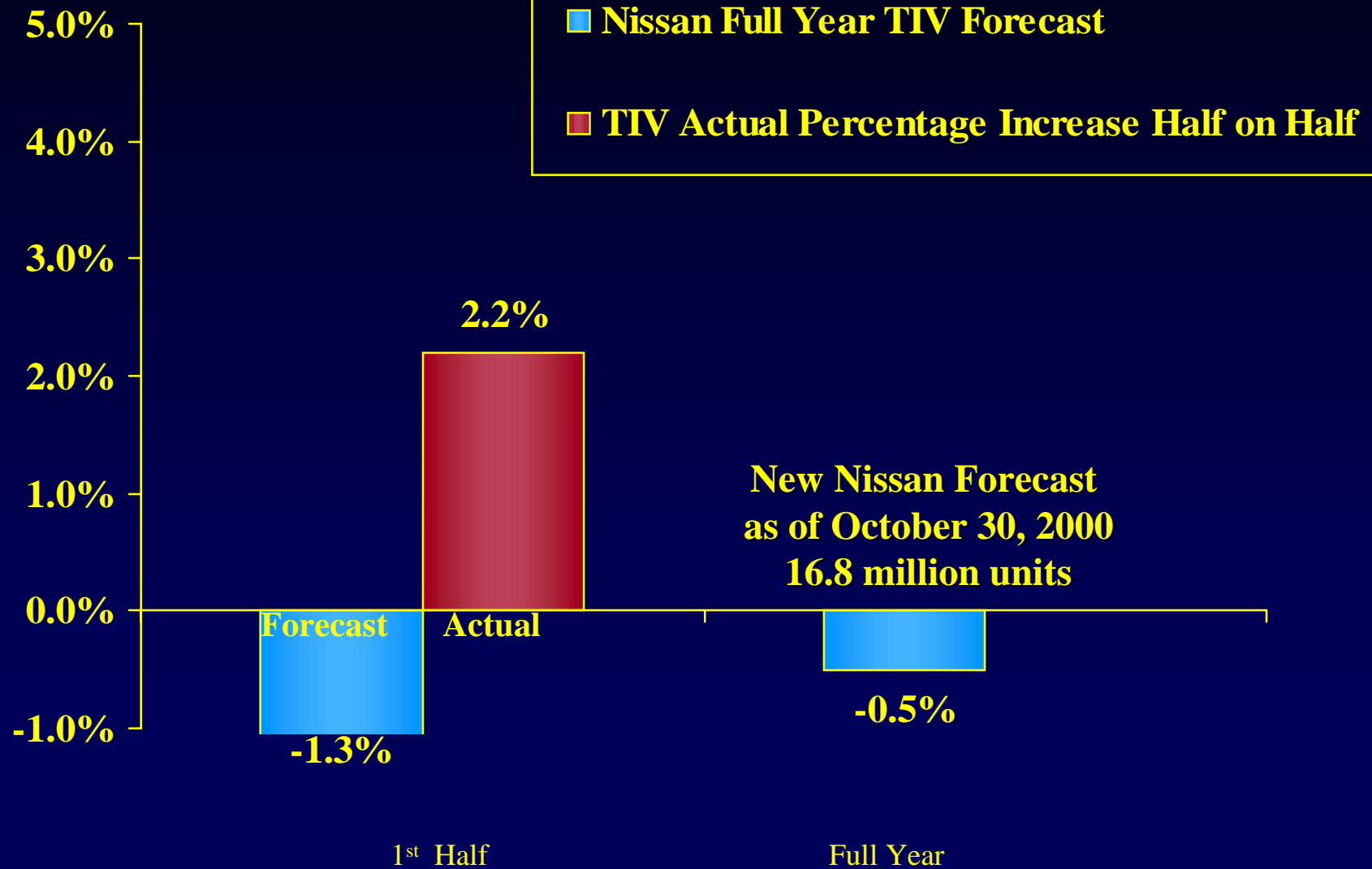
# TIV United States

(Total Industry Volume, April - March FY 00)



# TIV Europe

(Total Industry Volume , January - December FY00)

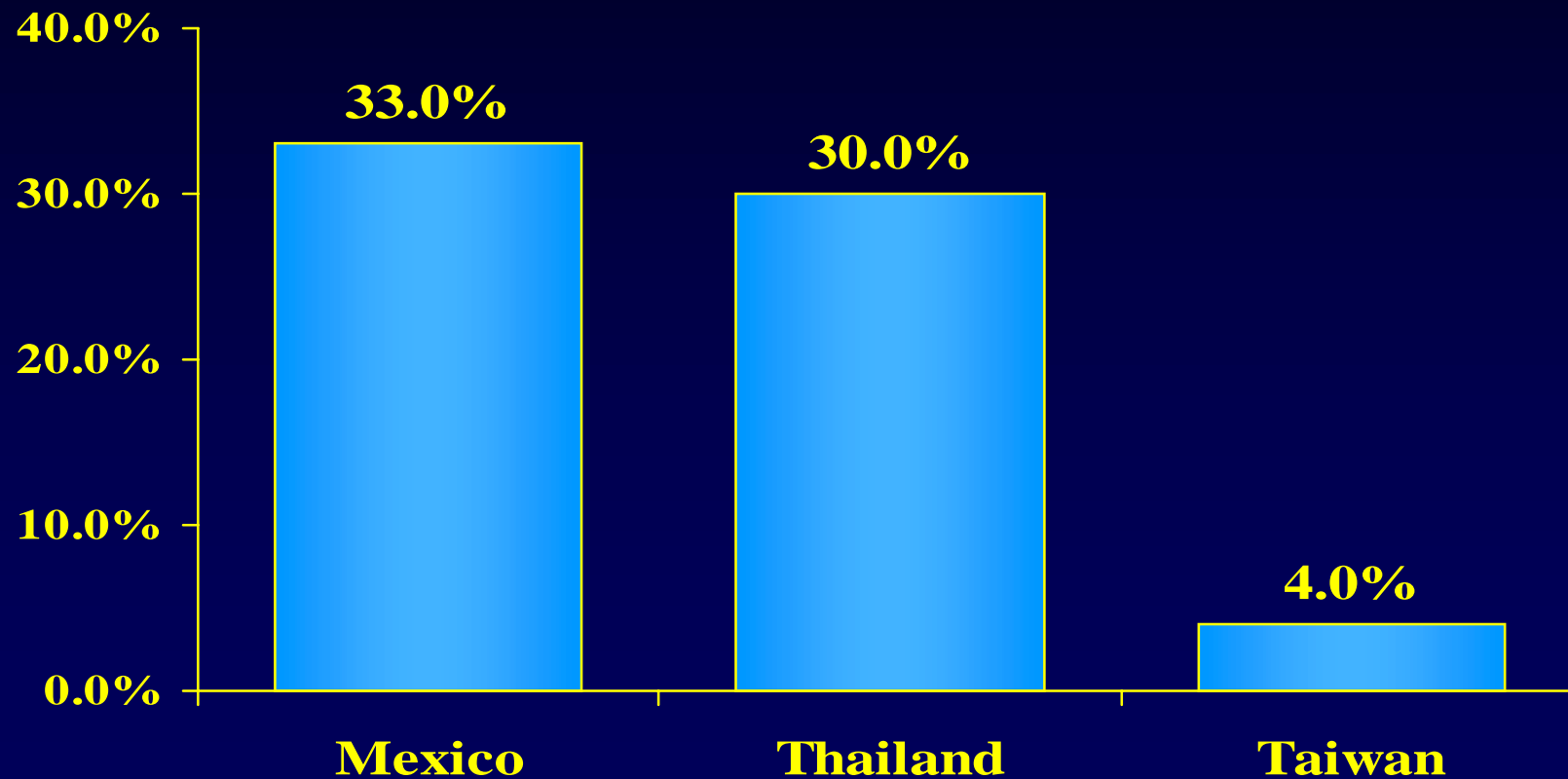




# Actual TIV Other Markets

(First Half FY 2000)

• Actual Other Market TIV: N.A.



# Volume & Market Share

## Japan First Half FY 2000

- Volume: 335,000 down 9.4%
- Market Share: 17.4%

## Revised Full Year Forecast

- 745,000 units (down 10,000)

\*Volume; based on retail

# Volume & Market Share

## United States First Half FY 2000

- Volume: 406,000 up 12.2%
- Market Share: 4.4%

## Revised Full Year Forecast

- 800,000 units (unchanged)

\*Volume; based on retail

# Volume & Market Share

## Europe First Half FY 2000

- Volume: 289,000 up 4.0%
- Market Share: 2.9%

## Revised Full Year Forecast

- 540,000 units (down 10,000)

\*Volume; based on retail

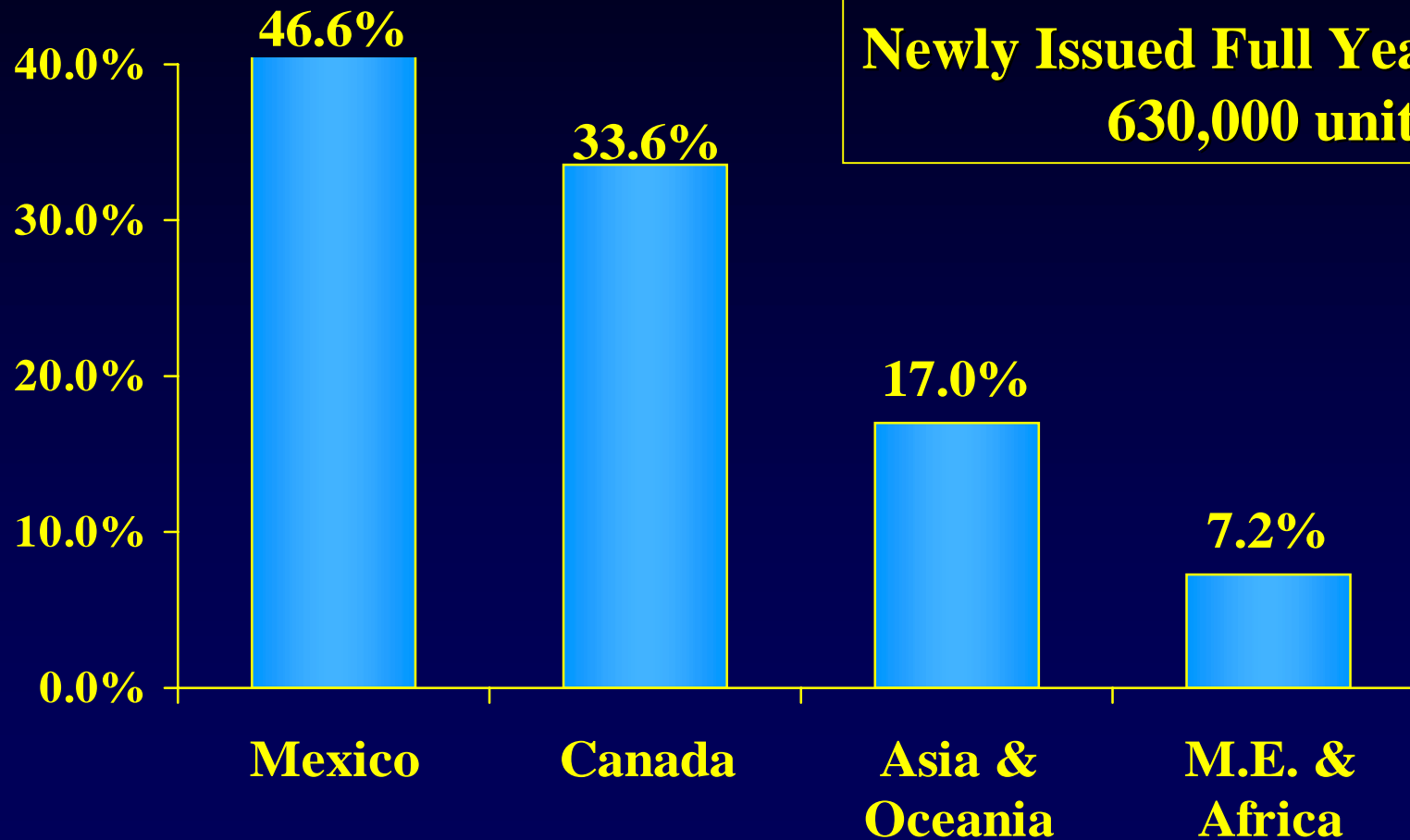
# Volume & Market Share

## Other Global Markets First Half FY 2000

- Volume: 307,000 up 20%
- Market Share: NA

# Increase in Other Global Markets

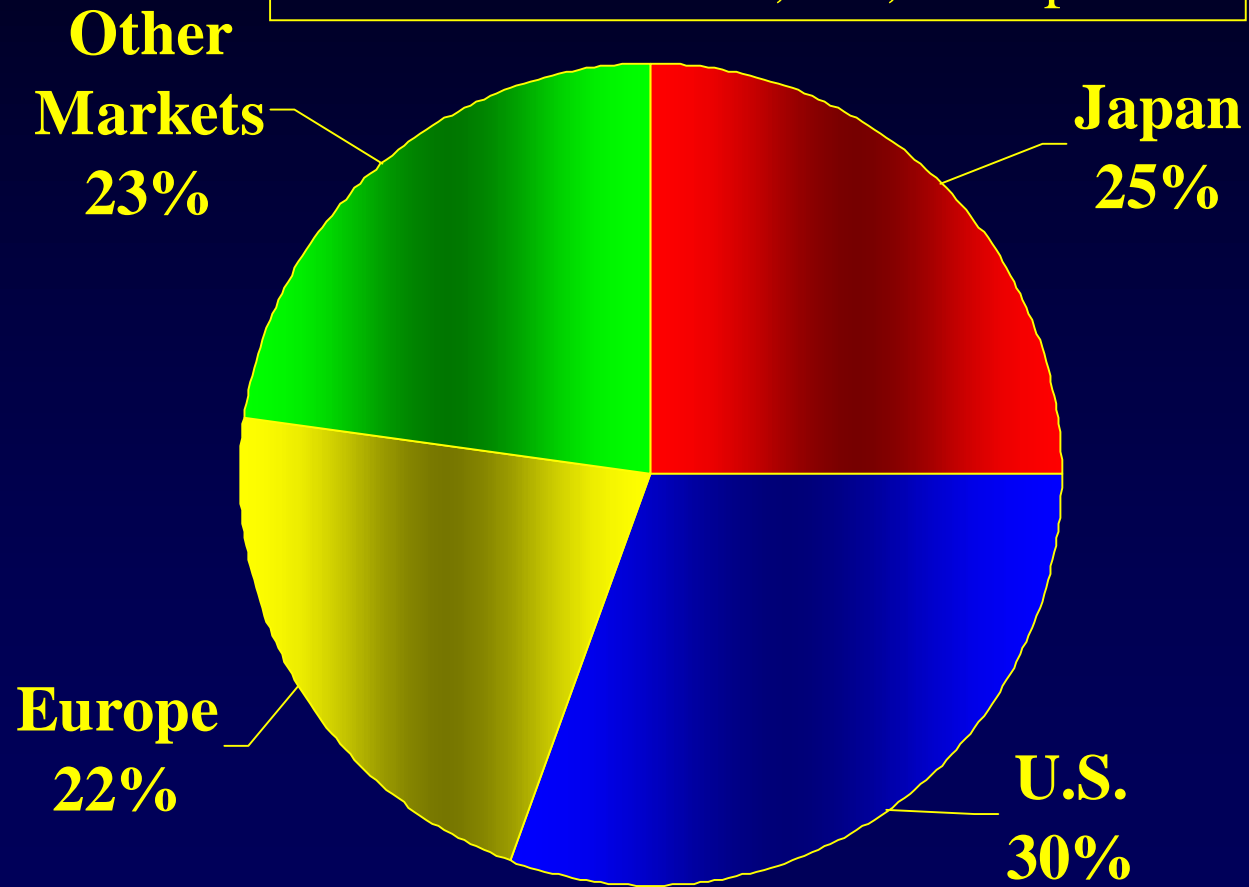
Nissan Sales First Half FY 99 -v- 00



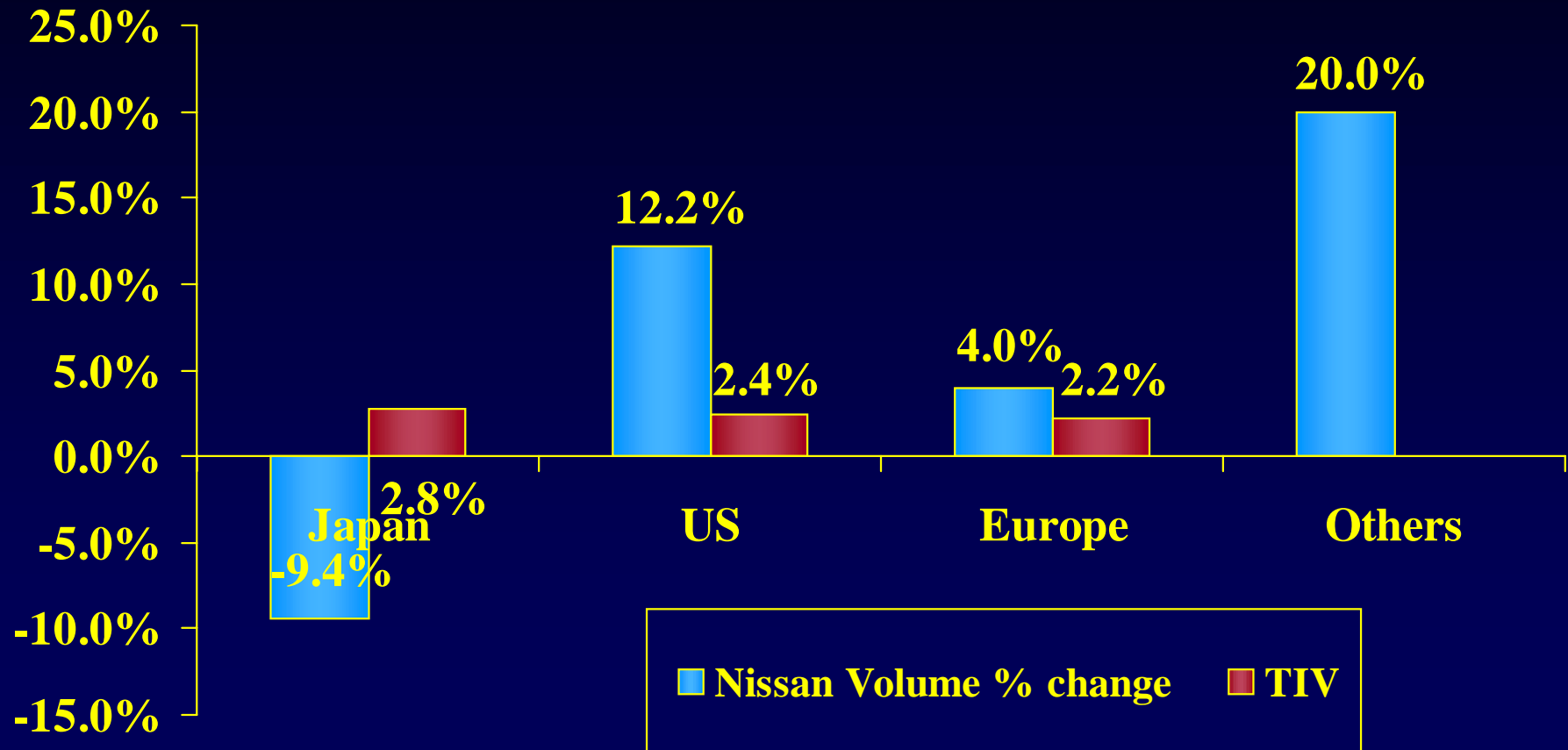
Newly Issued Full Year Forecast  
630,000 units

# Nissan Unit Sales Distribution (First Half FY 2000)

Total Unit Sales: 1,337,000 up 5.7%



# Nissan Volume -v- TIV Evolution First Half FY 099 -v- FY00

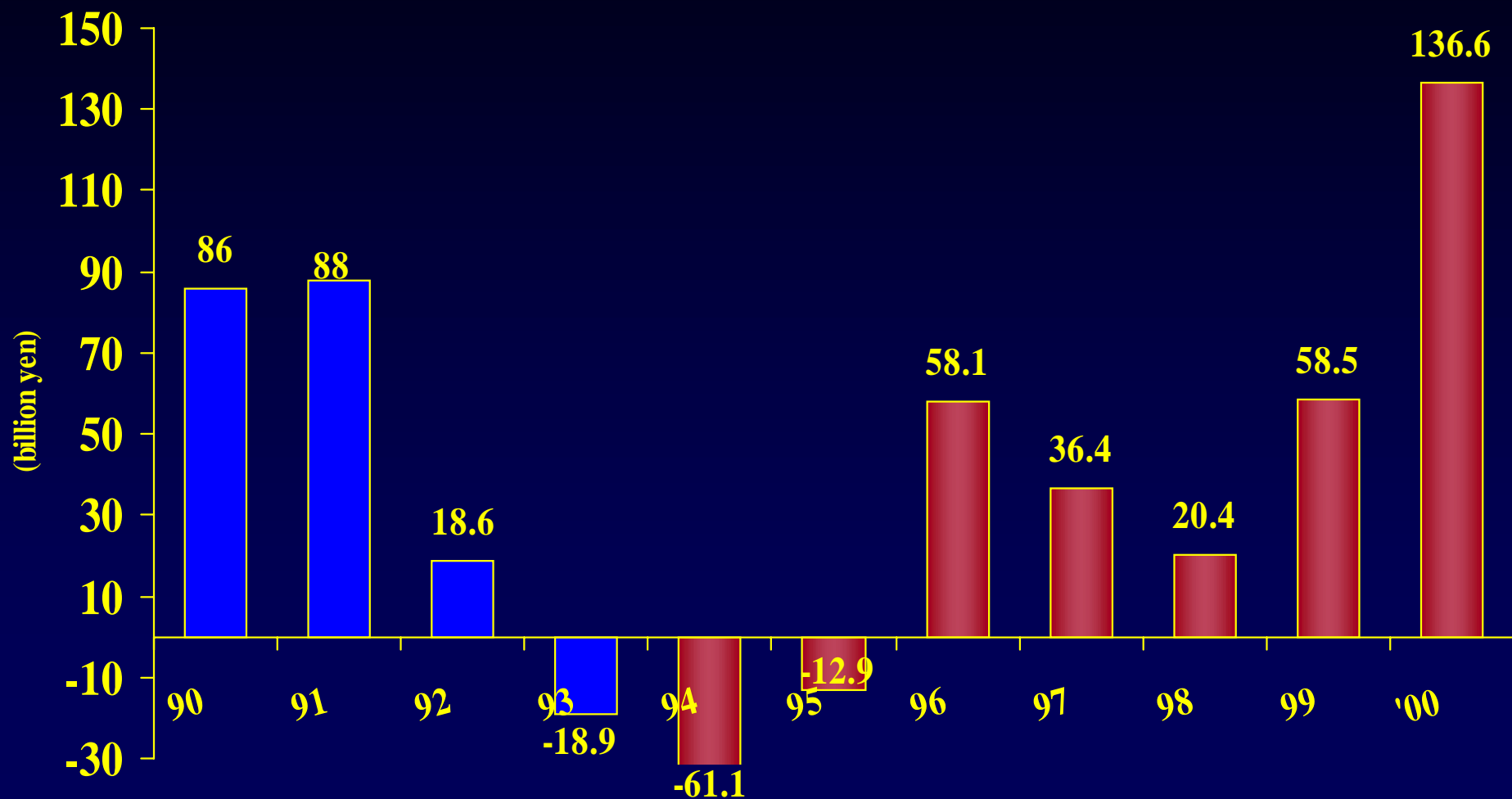




# Summary Review

(billion yen)	9/99	9/00	% Change
<b>Unit Sales</b> (consolidated retail, thousand units)	1,265,000	1,337,000	+5.7%
<b>Net Sales (revenue)</b>	3,045	3,050	+0.2%
<b>Operating Profit</b>	58.5	<b>136.6</b>	+134%
<b>Operating Margin</b>	1.9%	<b>4.5%</b>	2.6 points

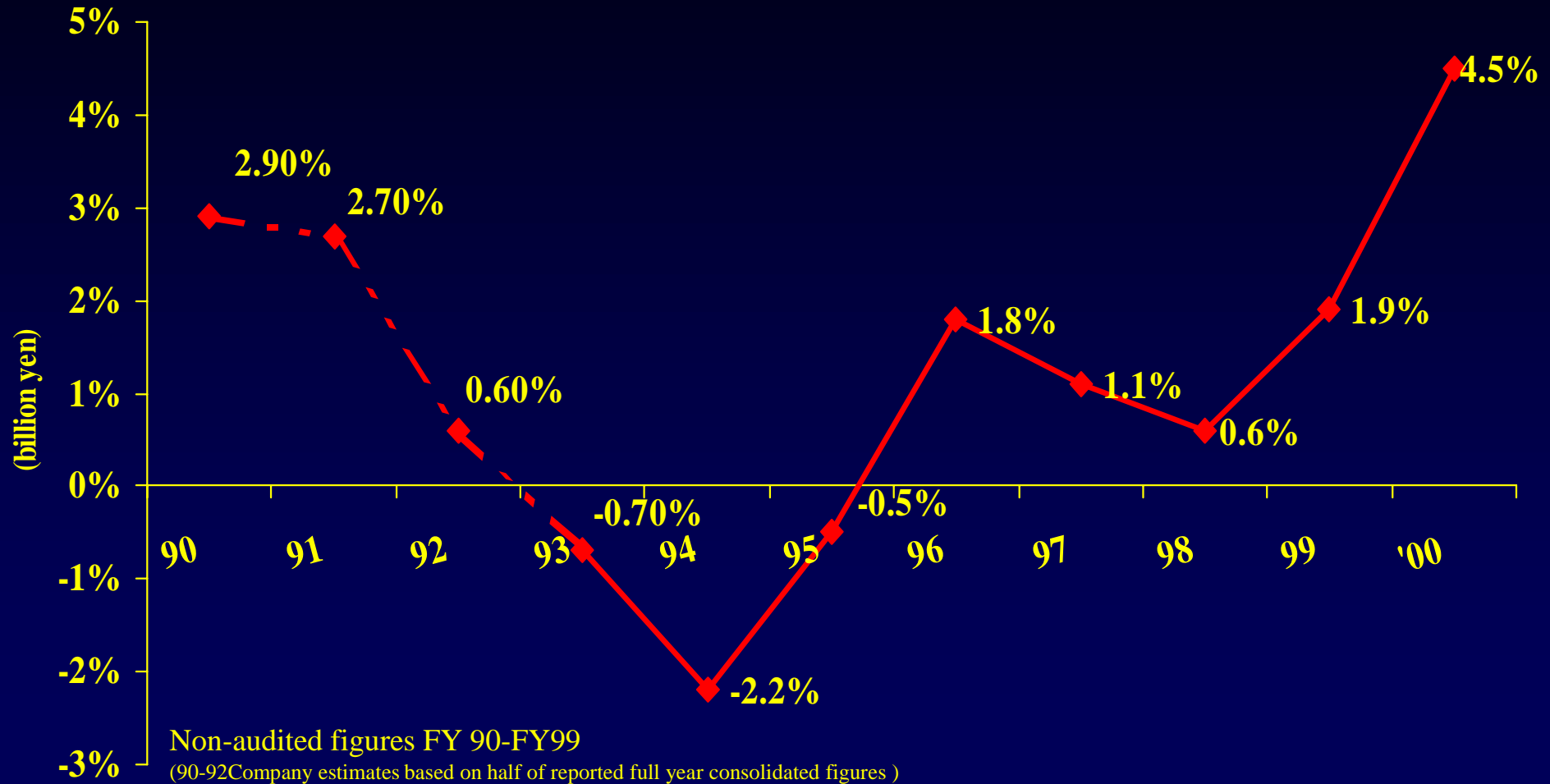
# Consolidated Operating Profit First Half FY1990-2000



Non-audited figures FY 90-FY99

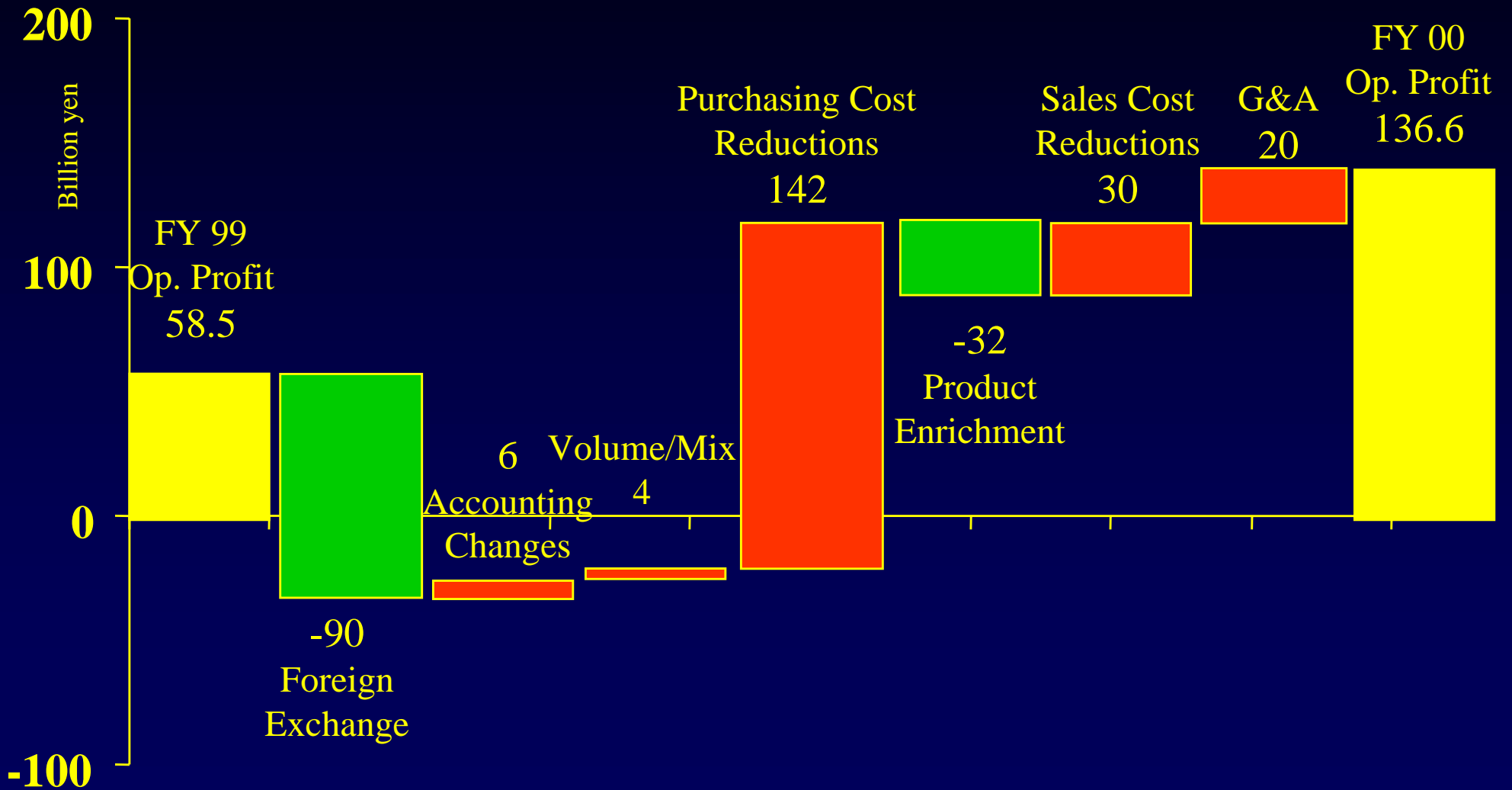
(90-92 Company estimates based on half of reported full year consolidated figures )

# Consolidated Operating Margin First Half FY1990-2000



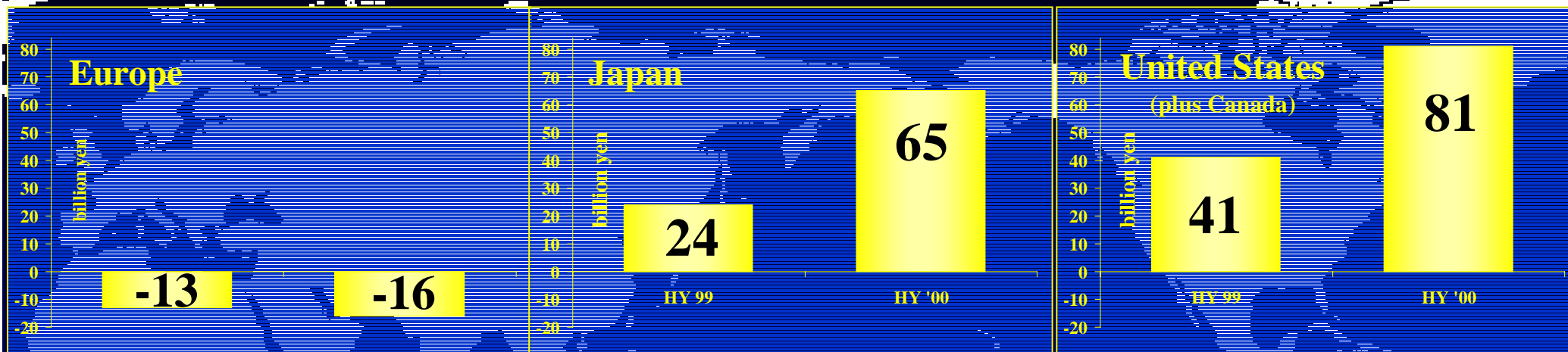
# Impacts On Operating Profit

## First Half FY 99 -v- 00



# Operating Profit By Region

## Estimated for First Half FY 2000



### Eliminations: bn yen

FY 99: 6

FY 00: -9

# Summary Review

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<b>Ordinary Profit</b>	42.6	<b>133.5</b>	+213%

# Impacts on Ordinary Profit

## First Half FY 99 -v- 00

<u>Non-operating Profit &amp; Loss</u>	<u>99</u>	<u>00</u>
• Net Financial Costs:	-36.2	-20.0
• Sale of Marketable Securities:	11.9	16.2
• Ongoing Pension Expenses:	0.0	-12.9
• <u>Others*:</u>	<u>8.4</u>	<u>13.6</u>
• Total	-15.9	-3.1

\* 85% of improvement in “others” comes from recovery of profits from domestic parts suppliers on a consistent basis

# Summary Review

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Operating Profit	58.5	<b>136.6</b>	+134%
Operating Margin	1.9%	<b>4.5%</b>	2.6 points
Ordinary Profit	42.6	<b>133.5</b>	+213%
Income before tax	-347.1	<b>173.1</b>	--



# Impacts on Net Income

<u>Extraordinary Profits</u>	<u>Billion yen</u>
* Sale of Real Estate:	32.7
* Sale of Investment Securities:	9.0
* <u>Others</u>	<u>-2.1</u>
* Total	39.6

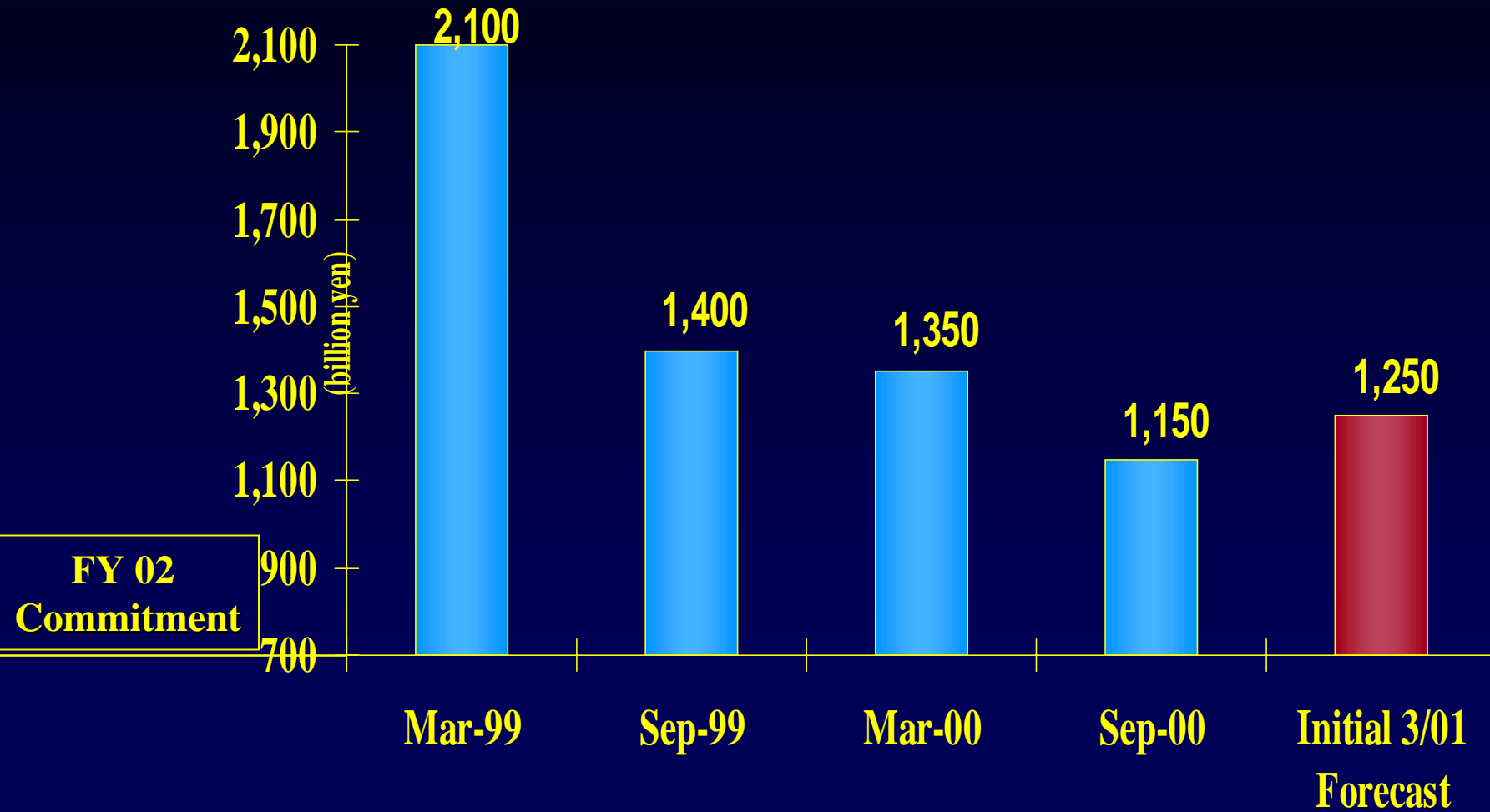
# Impacts on Net Income

	<u>Billion yen</u>
• Current Taxes:	-37.8
• Deferred Tax Assets:	54.4
• Minority Interests:	-19.5

# Summary Review

(billion yen)	9/99	9/00	% Change
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<b>Net Sales (revenue)</b>	3,045	3,050	+0.2%
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<b>Operating Margin</b>	1.9%	<b>4.5%</b>	2.6 points
<b>Ordinary Profit</b>	42.6	<b>133.5</b>	+213%
<b>Income before tax</b>	-347.1	<b>173.1</b>	--
<b>Net income</b>	-323.5	<b>170.2</b>	--

# Net Consolidated Automotive Debt

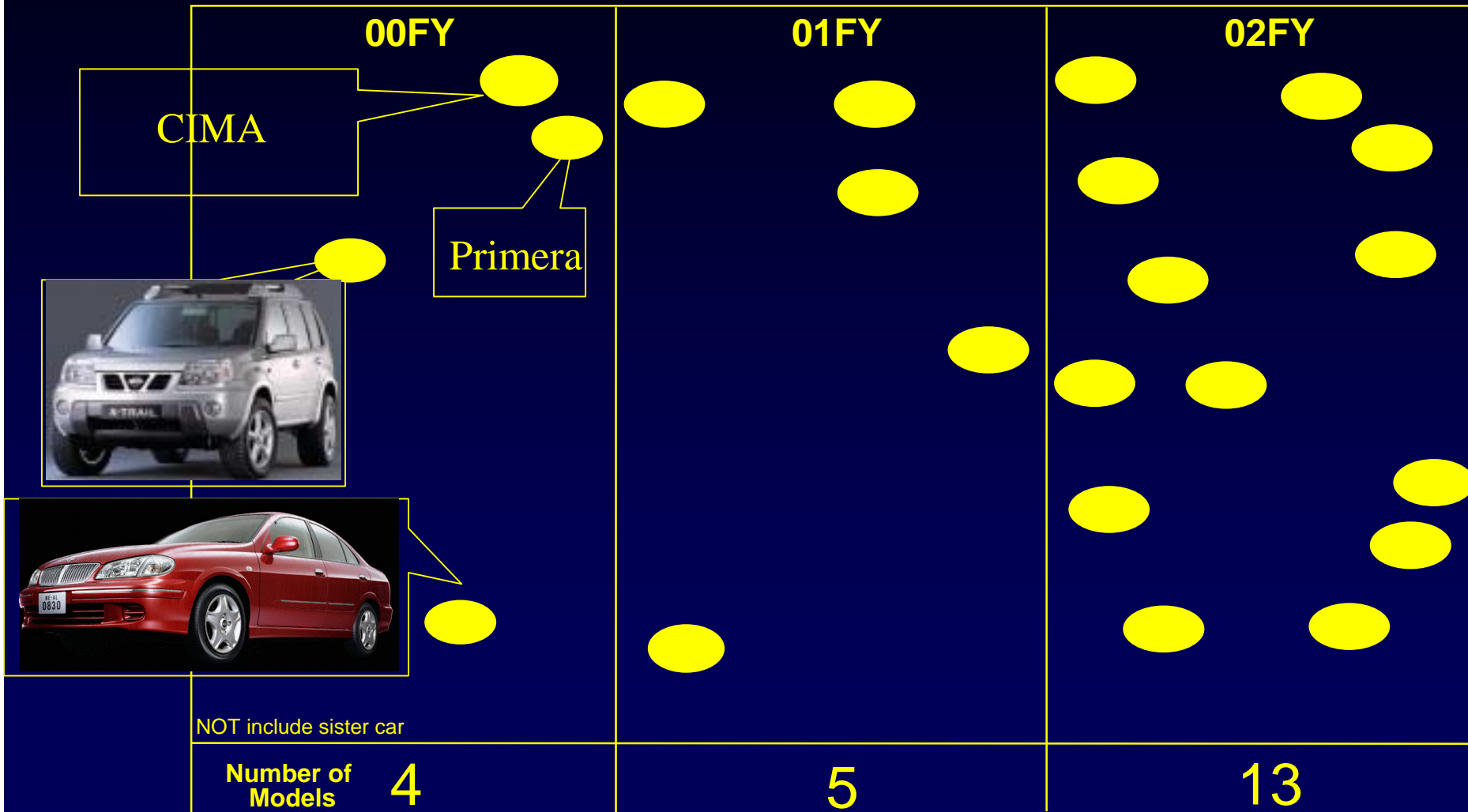


# Summary Review

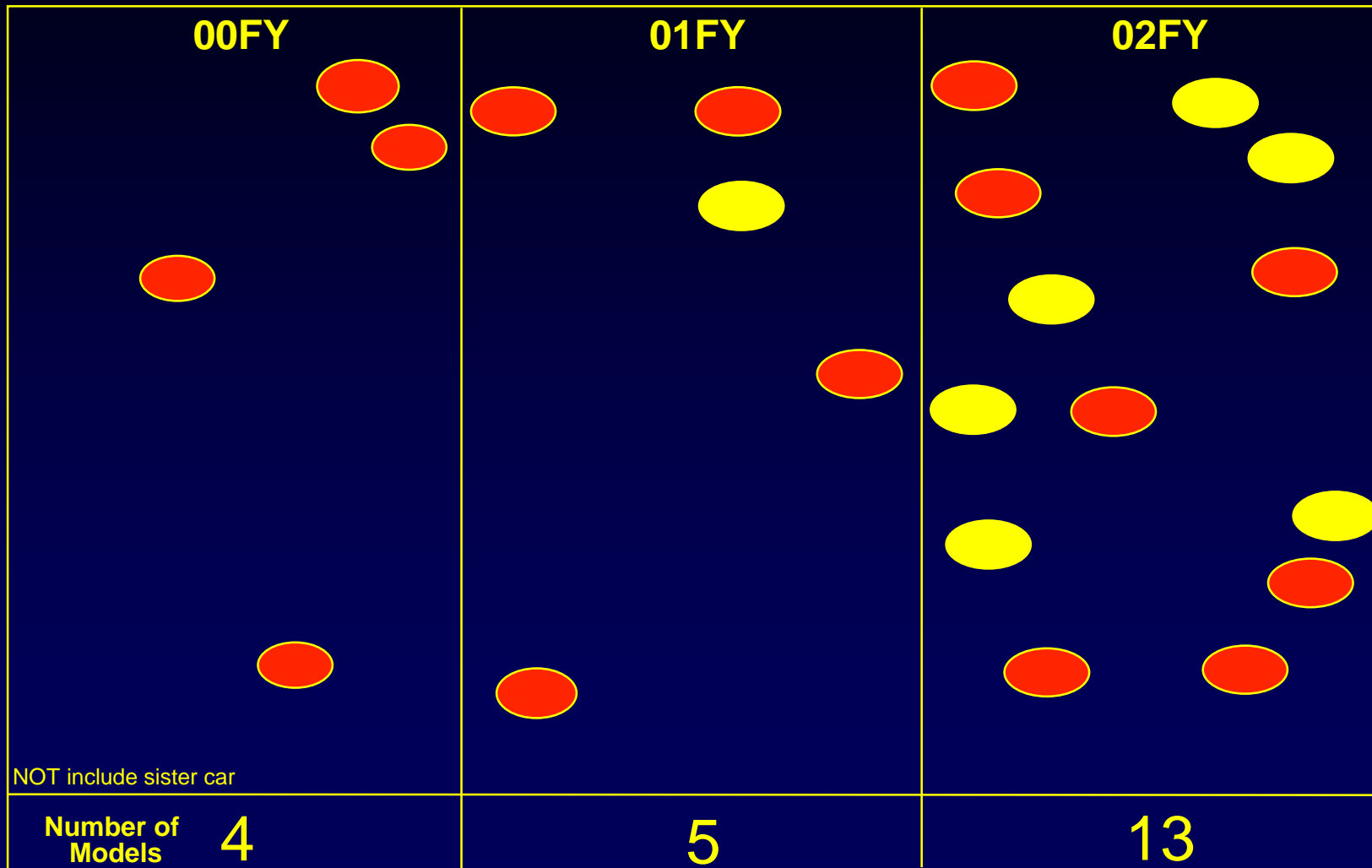
## Non-consolidated HY 00

(billion yen)	9/99	9/00
Net Sales (revenue)	1,487.8	<b>1,464.9</b>
Operating Profit	12.1	<b>44.9</b>
Ordinary Profit	13.7	<b>46.3</b>
Net income	- 524.2	<b>97.9</b>

# 22 New Product in 3 Years



# 22 New Product in 3 Years



# Enhanced R&D

- R&D
  - \* Increase program development effectiveness by 20%
  - \* 1000 new engineers
- Nissan 3-3-3
  - \* 55,000 suggestions



# Technology Advancements

- Technological Advancements with Suppliers
- Fuel Cell development program
  - \* 5 years
  - \* 85 billion yen investment
  - \* 300 engineers

# Global Production

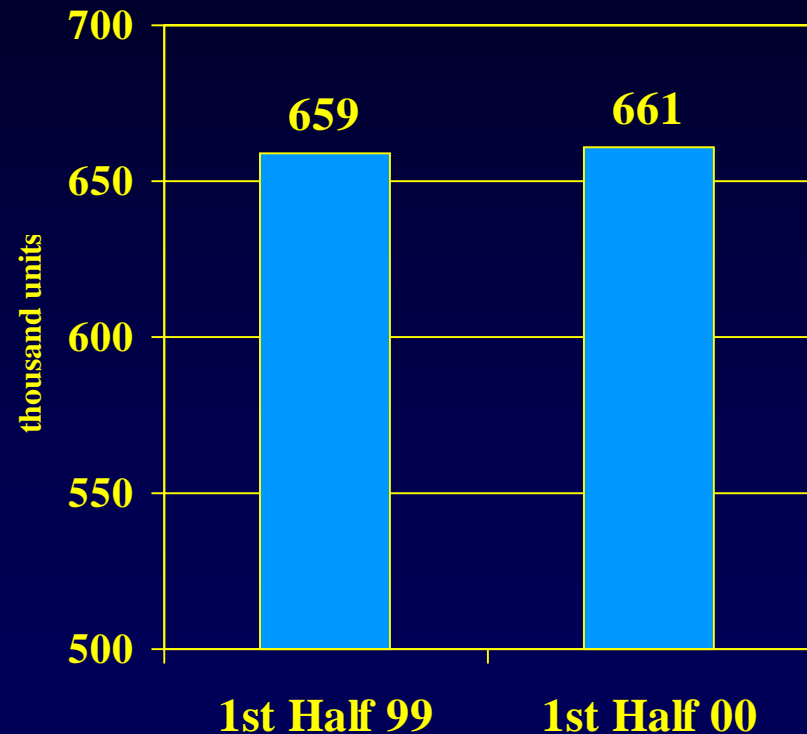
## First Half\* FY 99 -v- 00

	Japan	U.S.	Mex.	U.K.	Spain	S. Africa*	Others (Taiwan Thailand)	Total (thousand units)
<b>First Half FY 99</b>	659	163	103	135	51	13	39	1,163
<b>First Half FY 00</b>	661	187	171	165	66	18	46	1,314
<b>Change</b>	0.3%	15%	66%	22%	29%	38%	18%	13%

\*All production figures based on April - September period

# Production Status: Japan

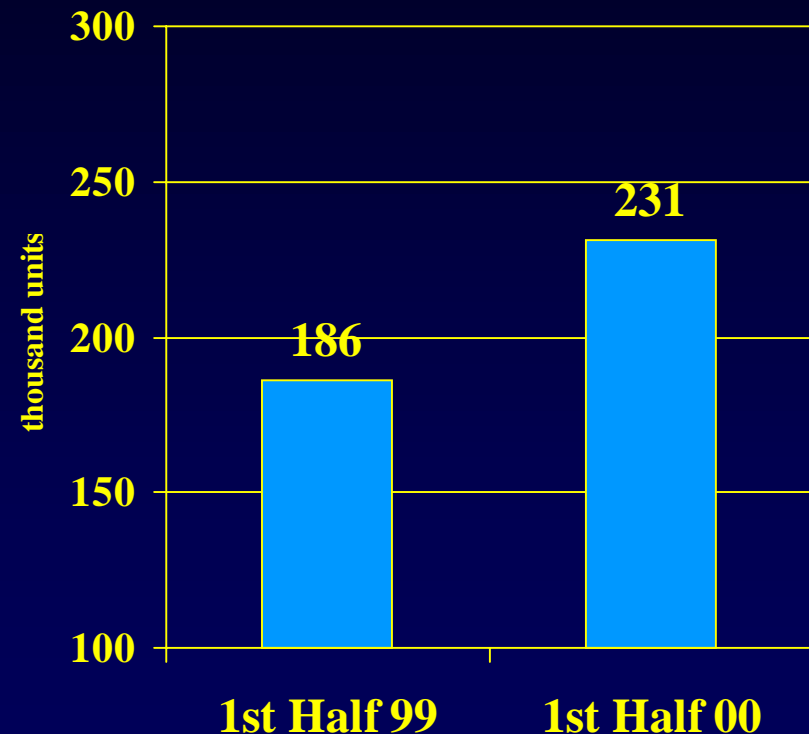
- Up 0.3% first half
  - No disruptions in supply
  - Capacity reduction on schedule
  - Second Half plan
    - \* Tochigi
    - \* Oppama
    - \* Kyushu
    - \* Shonan
- Up 20-40%



All production numbers based on April - September period

# Production Status: Europe

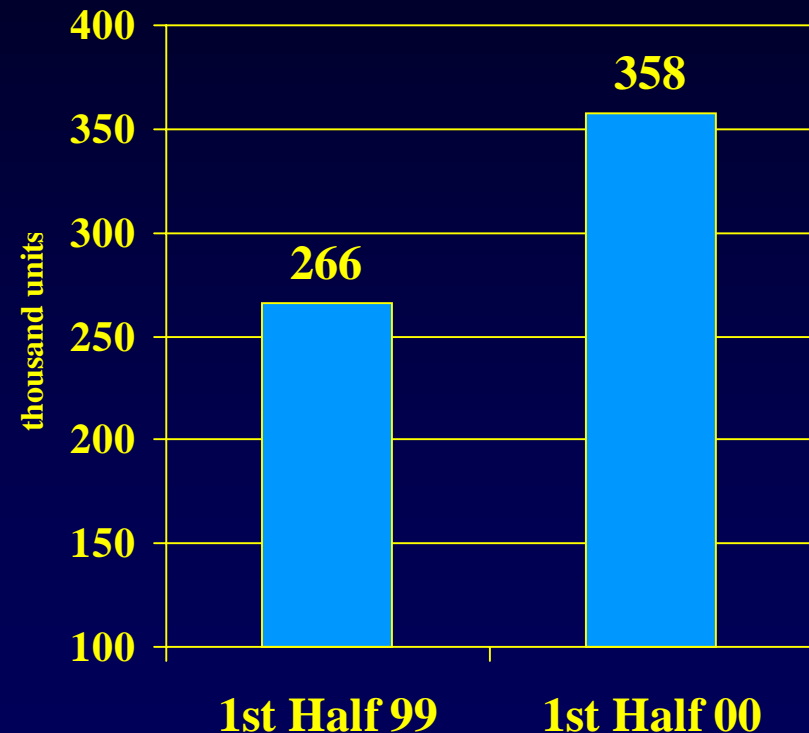
- Up 24%
  - \* Barcelona added third shift in Sept
  - \* Sunderland increased capacity negotiated



Includes both U.K and Spain plants  
All production numbers based on April - September period

# Production Status: U.S. & Mexico

- Up 35%
  - \* New Investment in Decherd and Smyrna
  - \* Mexico strong with Sentra production
  - \* Future Growth Projects exist



Includes both U.S. and Mexican plants  
All production numbers based on April - September period

# Risks & Opportunities

## Risks

- ¥/€-- Weaker Euro
- Higher Interest Rates
- Price of Energy and Precious Metals
- More than expected Slowdown in US Market

## Opportunities

- ¥/\$ -- Stronger Dollar
- Alliance with Renault
- NRP

# Forecast for FY 2000

(billion yen)

<u>FY 2000 as of:</u>	<u>May 19</u>	<u>October 30</u>
Net Sales	6,100	6,100
Operating Profit	110	220
Ordinary Profit	40	200
Net Income	60	250
Capital Expenditures	300	310
Net Automotive Debt	≤1,250	≤1,100

# **FY 2000 Assumptions**

**(as of October 30, 2000)**

## **2<sup>nd</sup> half FY00 Foreign Exchange Rate**

**Yen/Dollar: 103**

**Yen/Euro: 95**

*\*Revised full year forecast*

*yen/dollar: 105*

*yen/euro: 99*



# NRP Commitments

- FY 00 Return to profitability
- FY 02 Reduce net consolidated debt to 700 billion yen
- FY 02 Operating profit  $\geq 4.5\%$  of sales

