

NISSAN MOTOR CORPORATION



# FY2014 first-half financial results

Nissan Motor Co., Ltd  
November 4, 2014

## Key performance indicators: financial results (TSE report basis - China JV Equity basis)

(billion yen)

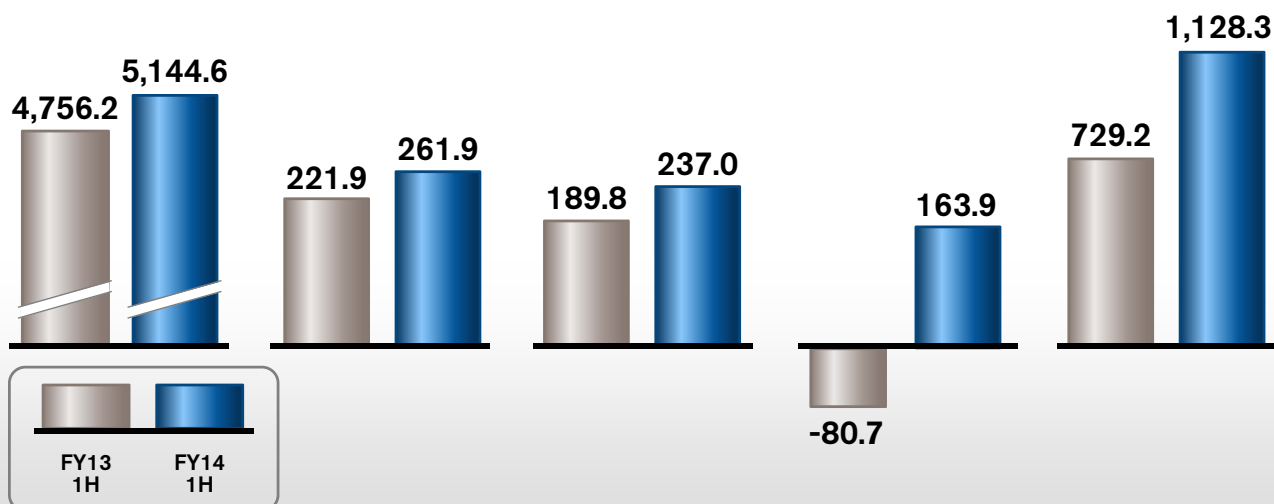
Net revenue

Operating profit

Net income

Free cash flow  
(Auto)

Net cash  
(Auto)



## FY14 business update

### FY14 1st half sales performance

### FY14 1st half consolidated financial performance

### FY14 outlook

## FY14 business update

### Product momentum

#### Successful Crossovers

- Strong sales of CMF continues



- Sunderland plant produces 2 millionth Qashqai



#### New models

- Public debut of new Pulsar at Paris Motor Show



# FY14 business update

## Infiniti

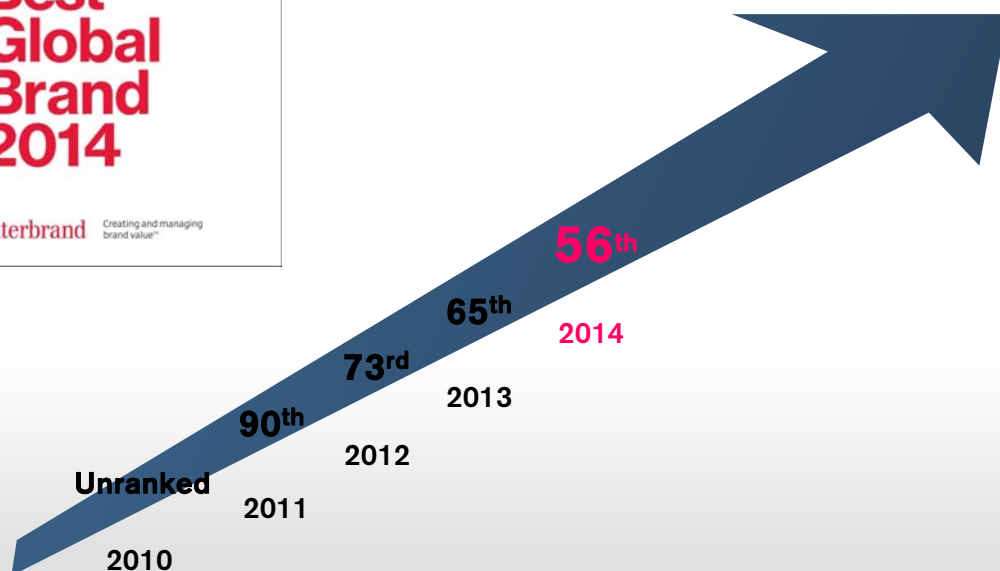
- Inspiration design concept unveiled at Paris Motor Show



- Begin production of Infiniti Q50L in China

# FY14 business update

## Brand and sales power

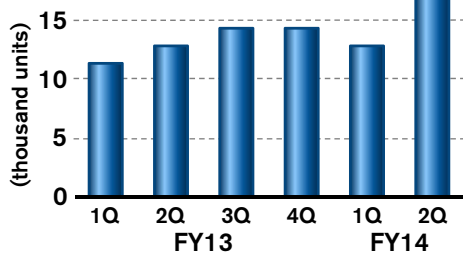


# FY14 business update

## Zero-emission leadership

### Nissan LEAF

- Cumulative global sales of Nissan LEAF reached 142,000 units



### New EV models

- Venucia e30 launched



- e-NV200 launched



# FY14 business update

## Alliance and strategic cooperation



- Renault Samsung begins export of Rogue to the US



- Accelerate cooperation with Daimler

3 projects → 12 projects



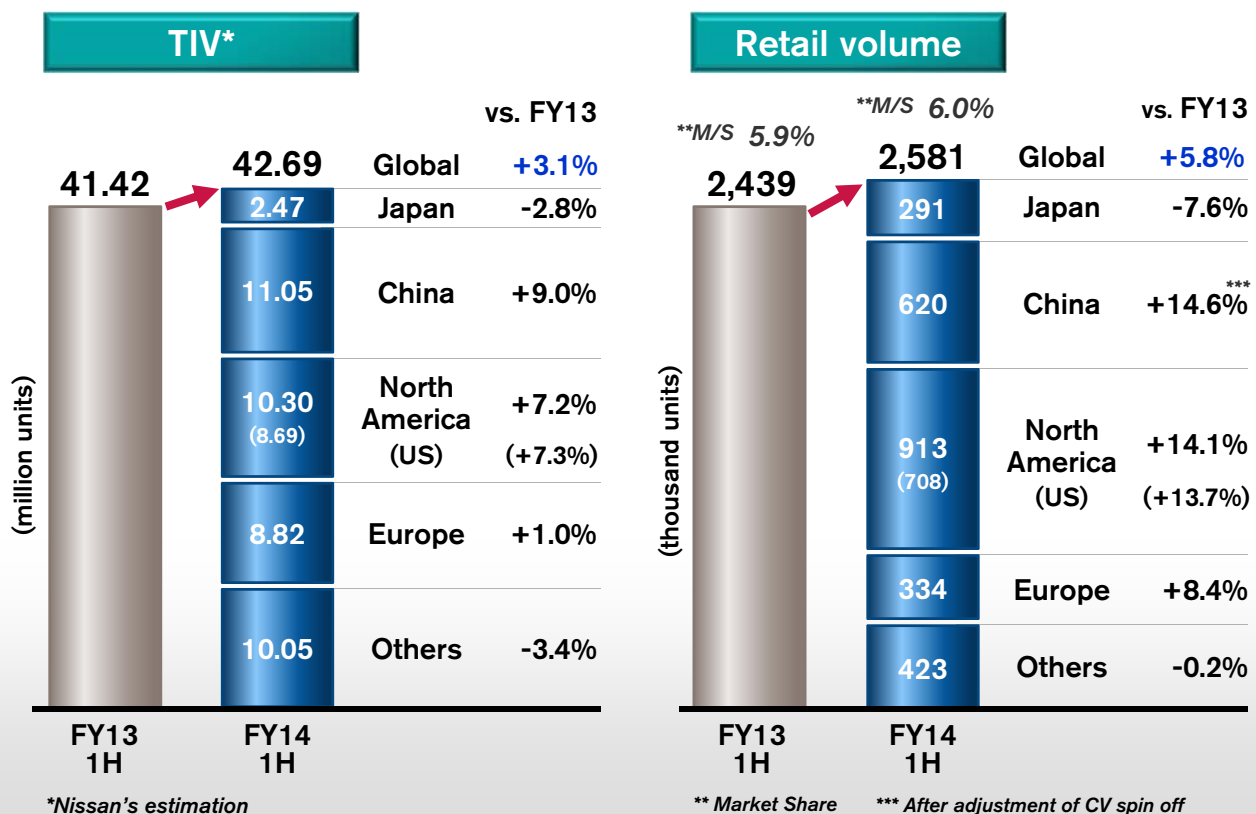
# FY14 business update

## FY14 1st half sales performance

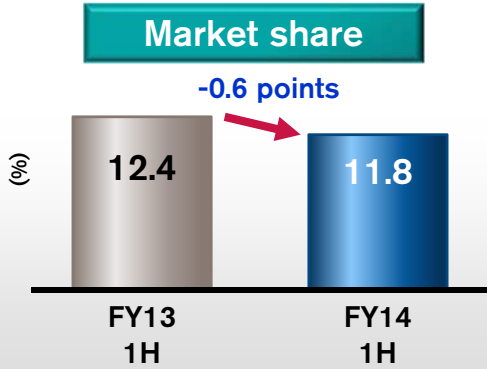
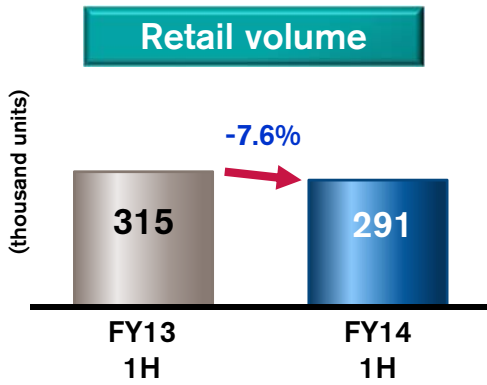
### FY14 1st half consolidated financial performance

### FY14 outlook

## FY14 1st half sales performance: Global



# FY14 1st half sales performance: Japan



- TIV: 2.47 million units, -2.8%
- Sales: 291 k units, -7.6%
- Market share: 11.8%, -0.6 points
- New X-Trail: 20.2 k units
- DAYZ / DAYZ ROOX: 79.5 k units

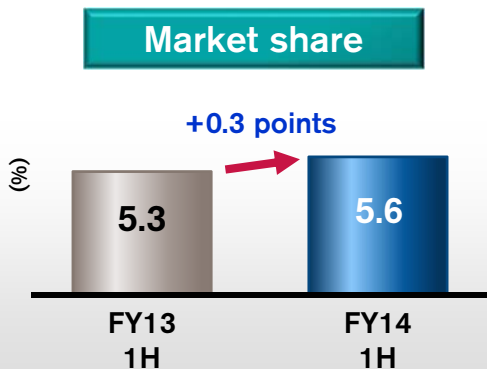
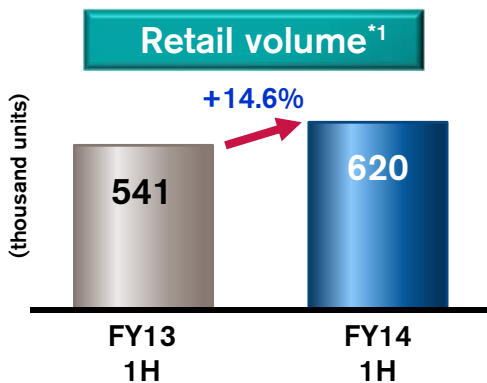
X-Trail



DAYZ ROOX



# FY14 1st half sales performance: China (Jan. to Jun.)



- FY14 1H (Jan. to Jun.)
  - TIV<sup>\*2</sup>: 11.05 million units, +9.0%
  - Sales: 620 k units, +14.6%<sup>\*3</sup>
  - Market share: 5.6%, +0.3 points<sup>\*3</sup>
  - Sylphy sales: 145 k units, +29.3%
- FY14 3Q (Jul. to Sep.)
  - TIV<sup>\*2</sup>: 5.07 million units, +4.9%
  - Sales: 259 k units, -12.0%
  - Market share: 5.1%

X-Trail



Sylphy

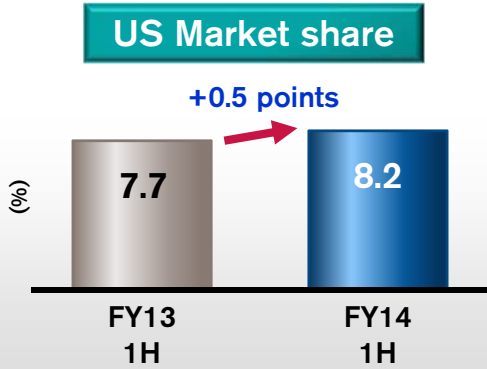
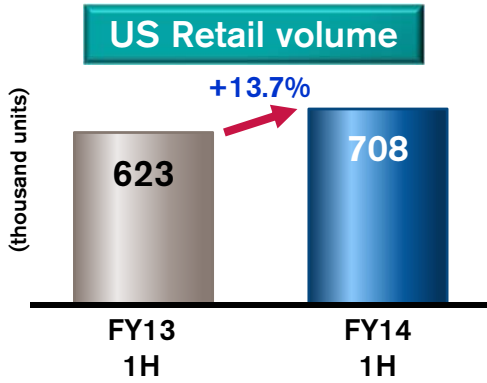


\* 1: Sales to dealers

\* 2: TIV for China : Passenger and LCV only

\* 3: After adjustment of CV spin off

# FY14 1st half sales performance: North America



## ■ US

- TIV: 8.69 million units, +7.3%
- Sales: 708 k units, +13.7%
- Market share: 8.2%, +0.5 points

## ■ Canada

- Sales: 66 k units, +30.6%
- Market share: 6.2%, +1.2 points

## ■ Mexico

- Sales: 138 k units, +9.3%
- Market share: 25.6%, +0.7 points

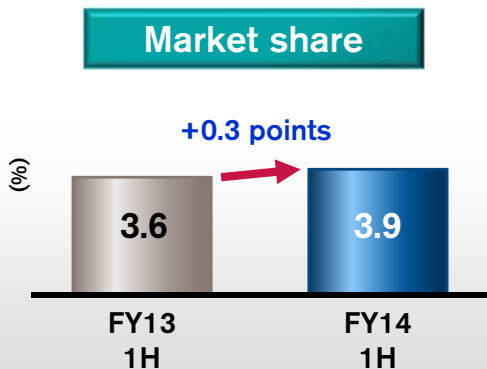
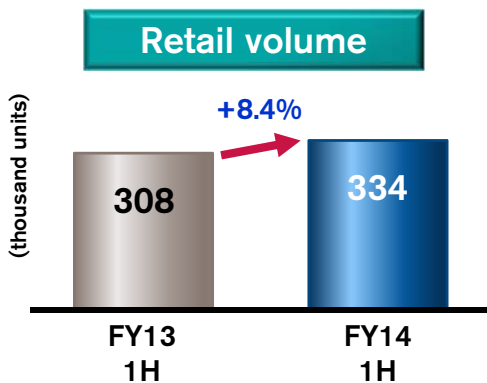
## Altima



## Rogue



# FY14 1st half sales performance: Europe



■ TIV: 8.82 million units, +1.0%

■ Europe excluding Russia: 261 k units, +9.5%

■ Russia: 73 k units, +4.4%

■ Market share:

	FY13 1H	FY14 1H
Europe excl. Russia	3.3%	3.5%
Russia	4.9%	6.2%

## Qashqai



## Note



# FY14 1st half sales performance: Other markets

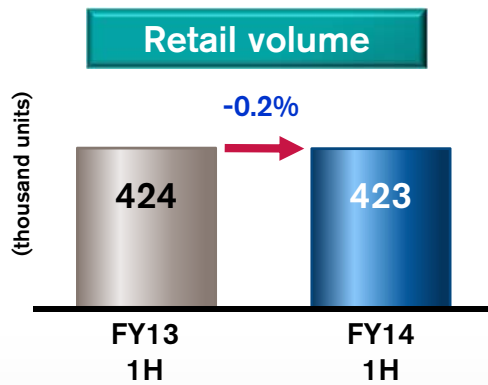
■ Estimated TIV: 10.0 million units, -3.4%

■ Sales: 423 k units, -0.2%

Asia & Oceania: 180 k units, +1.2%

Latin America: 88 k units, -11.6%

Middle East: 110 k units, +14.4%



NP300 Navara



Datsun GO+ Panca



## FY14 business update

## FY14 1st half sales performance

## FY14 1st half consolidated financial performance

## FY14 outlook



# FY14 1st half financial performance (TSE report basis - China JV Equity basis)

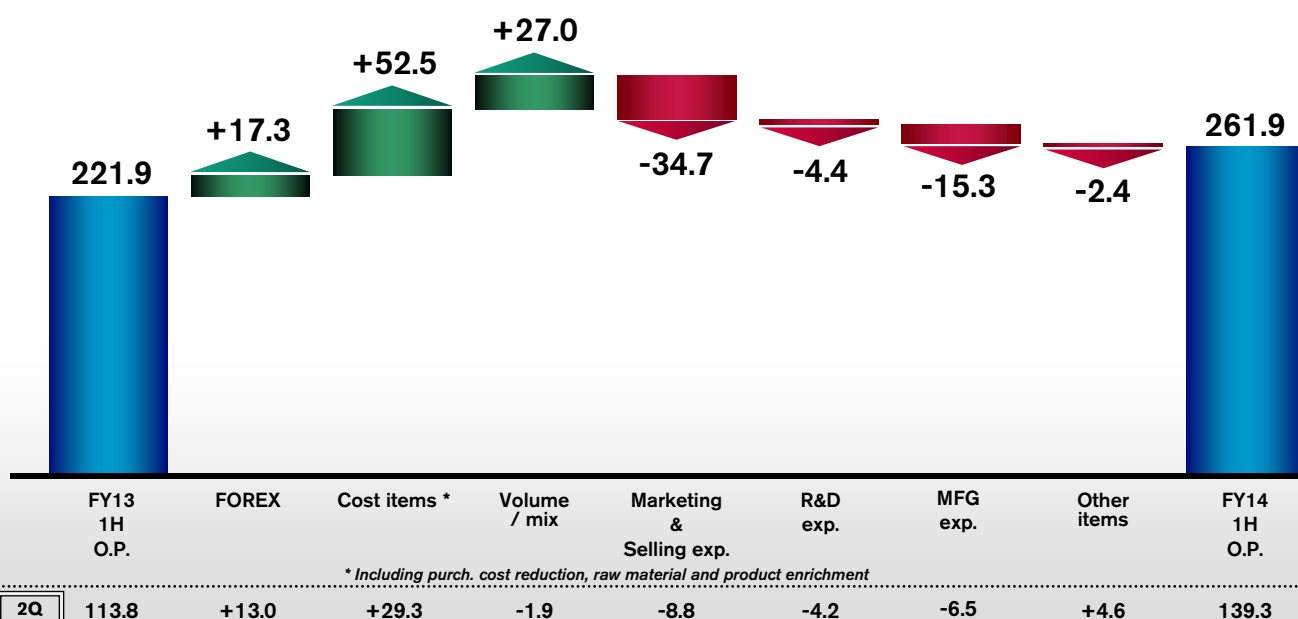
(billion yen)

	FY13 1H	FY14 1H	Variance	Change vs. FY13 (%)
Net revenue	4,756.2	5,144.6	+388.4	+8.2%
Operating profit	221.9	261.9	+40.0	+18.0%
<i>OP margin</i>	4.7%	5.1%		
<i>Non-operating</i>	9.4	66.3		
Ordinary profit	231.3	328.2	+96.9	+41.9%
<i>Extraordinary</i>	-2.0	-3.9		
Profit before tax	229.3	324.3	+95.0	+41.4%
<i>Taxes</i>	-30.3	-76.7		
<i>Effective tax rate</i>	13.2%	23.7%		
<i>Minority interest</i>	-9.2	-10.6		
Net income	189.8	237.0	+47.2	+24.9%
<i>FX rate</i>	98.9 JPY/USD 130.0 JPY/EUR	103.0 JPY/USD 138.9 JPY/EUR	+4.1 JPY/USD +8.9 JPY/EUR	

# FY14 1st half financial performance (TSE report basis - China JV Equity basis)

## Operating profit variance analysis

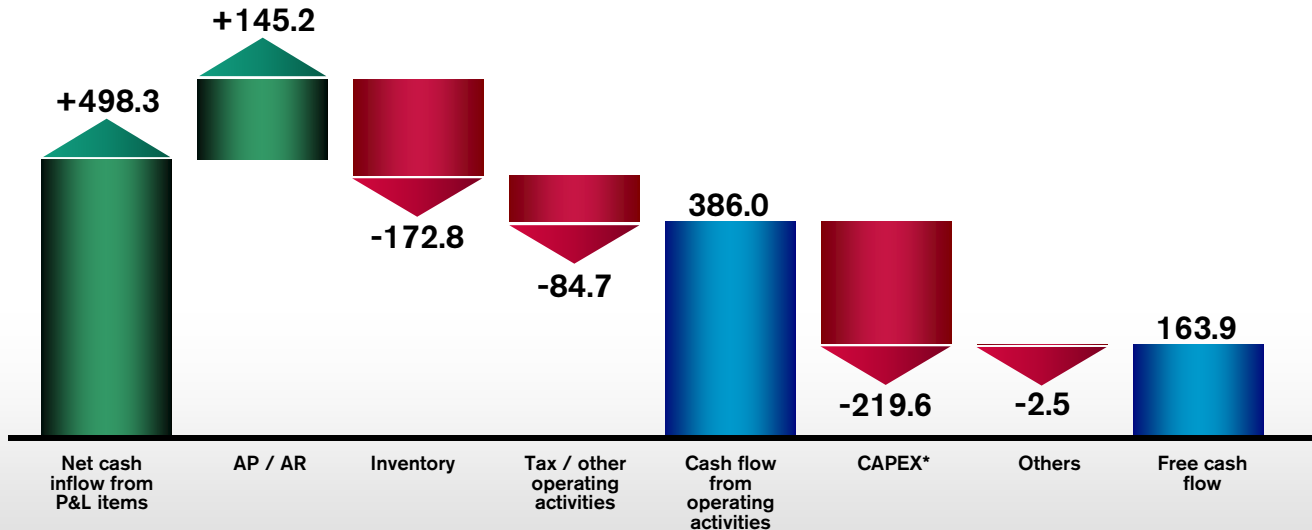
(billion yen)



# FY14 1st half financial performance (TSE report basis - China JV Equity basis)

## Free cash flow (Auto business)

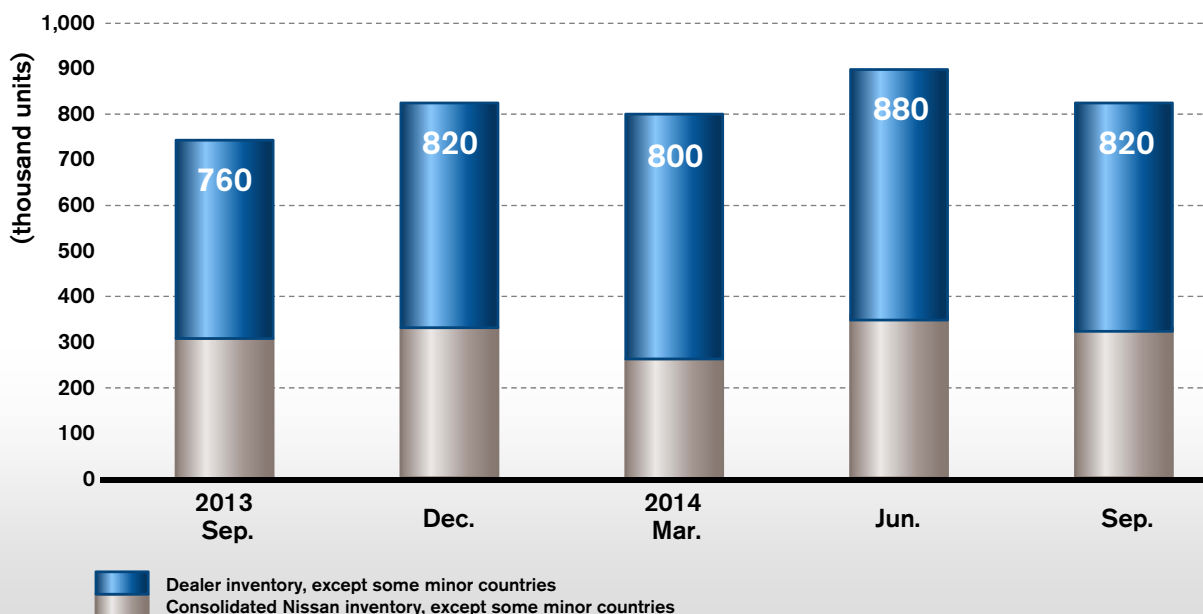
(billion yen)



\* CAPEX does not include finance lease-related investments

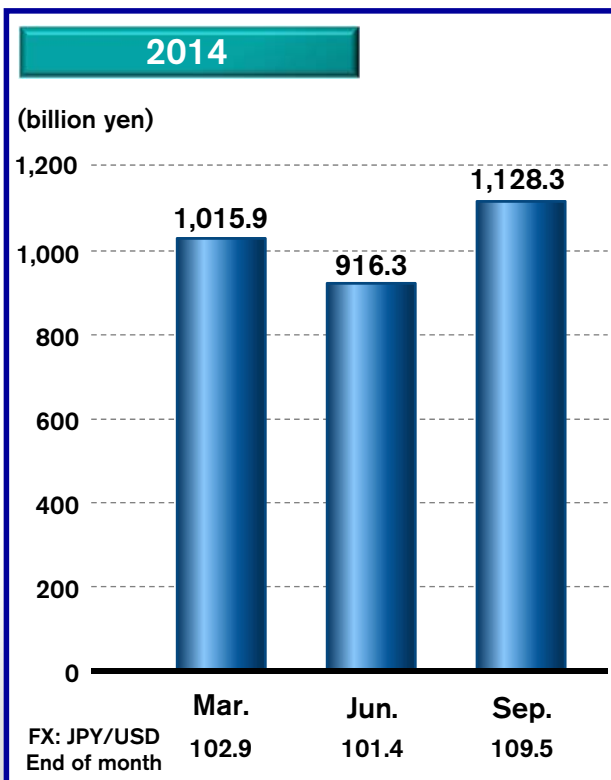
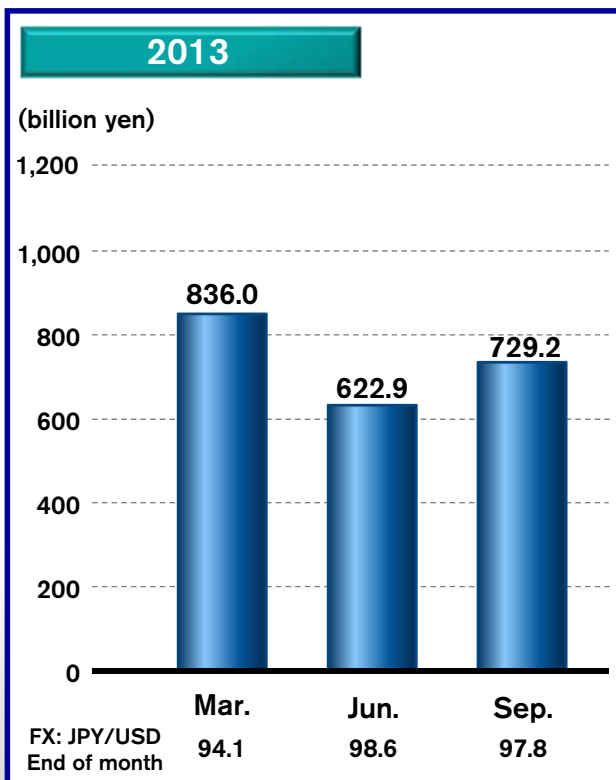
# Inventory management (excluding China JV)

## Inventory status



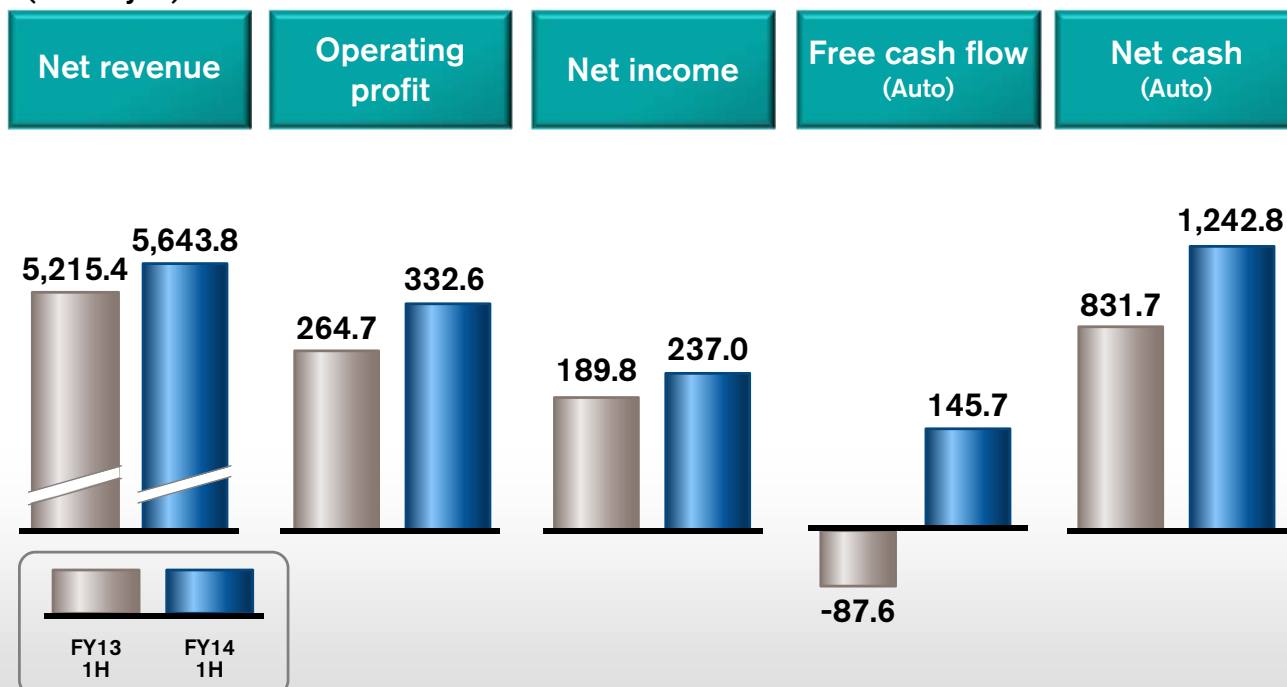
■ Dealer inventory, except some minor countries  
■ Consolidated Nissan inventory, except some minor countries

# Net Cash Auto business (TSE report basis - China JV Equity basis)



## Key performance indicators: financial results (management pro forma basis\*)

(billion yen)



\* Based on continuation of proportionate consolidation of China JV

# FY14 1st half financial performance (management pro forma basis\*)

(billion yen)	FY13 1H	FY14 1H	Variance	Change vs. FY13 (%)
Net revenue	5,215.4	5,643.8	+428.4	+8.2%

Operating profit	264.7	332.6	+67.9	+25.7%
<i>OP margin</i>	5.1%	5.9%	+0.8%	

Net income	189.8	237.0	+47.2	+24.9%
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FX rate

98.9 JPY/USD  
130.0 JPY/EUR

103.0 JPY/USD  
138.9 JPY/EUR

+4.1 JPY/USD  
+8.9 JPY/EUR

\* Based on continuation of proportionate consolidation of China JV

## FY14 business update

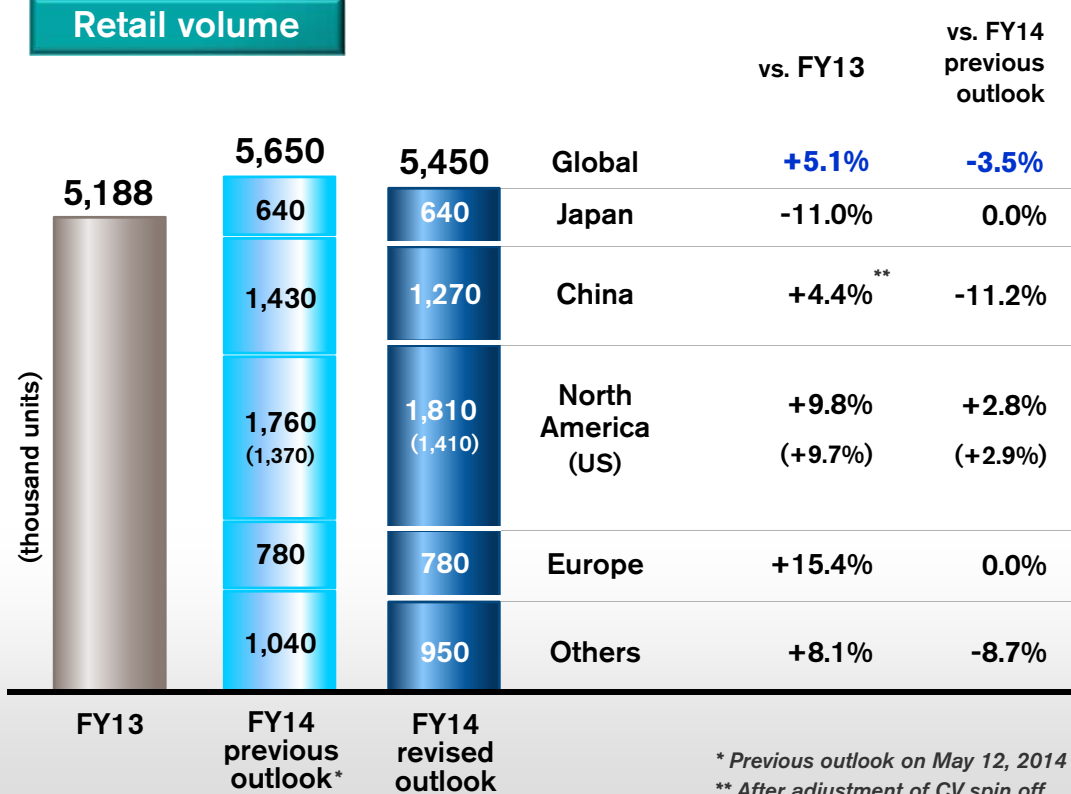
### FY14 1st half sales performance

### FY14 1st half consolidated financial performance

### FY14 outlook

# FY14 sales outlook

## Retail volume



## FY14 outlook (TSE report basis - China JV Equity basis)

(billion yen)	FY14 previous outlook	FY14 revised outlook	
Retail volume	5,650 k units	5,450 k units	↓
Net revenue	10,790	10,800	✓
Operating profit	535	535	✓
Net income	405	405	✓
FX rate (JPY/USD)	100	104	↑
FX rate (JPY/EUR)	140	138	

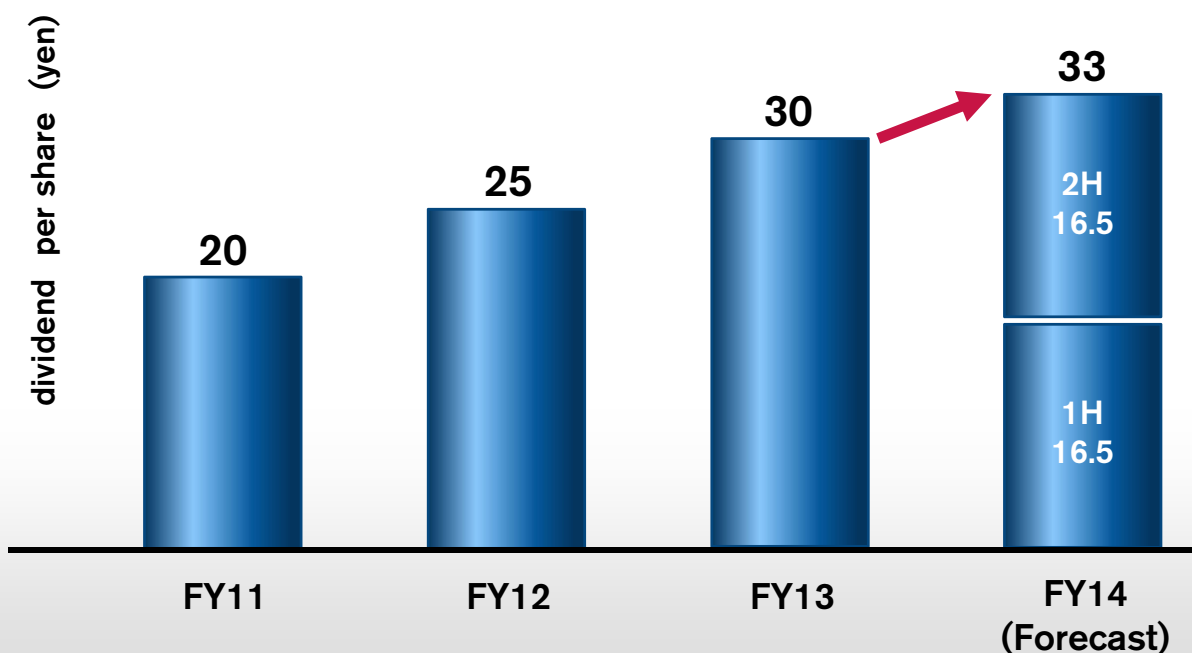
■ While volume forecast is adjusted downwards, profit outlook maintained as cost reduction and FX benefit will compensate

## FY14 outlook (TSE report basis - China JV Equity basis)

(billion yen)	FY13 Actual (A)	FY14 previous outlook (B)*	FY14 revised outlook (C)	vs. previous outlook (C)-(B)	Change vs. previous outlook (C)/(B)
<b>Net revenue</b>	10,482.5	10,790.0	10,800.0	10.0	0.1%
<b>Operating profit</b>	498.4	535.0	535.0	0.0	0.0%
<i>OP margin</i>	4.8%	5.0%	5.0%	0.0%	
<b>Ordinary profit</b>	527.2	620.0	620.0	0.0	0.0%
<b>Net income</b>	389.0	405.0	405.0	0.0	0.0%
<i>Net income ratio</i>	3.7%	3.8%	3.8%	0.0%	
<b>CAPEX</b>	536.3	525.0	525.0	0.0	0.0%
<i>Sales ratio</i>	5.1%	4.9%	4.9%	0.0%	
<b>R&amp;D</b>	500.6	500.0	500.0	0.0	0.0%
<i>Sales ratio</i>	4.8%	4.6%	4.6%	0.0%	
<b>FX rate assumptions</b>					
(JPY/USD)	100.2	100.0	104.0 (2H:105.0)	+4.0	
(JPY/EUR)	134.2	140.0	138.0 (2H:137.0)	-2.0	

\* Previous outlook on May 12, 2014

## FY14 shareholder return outlook

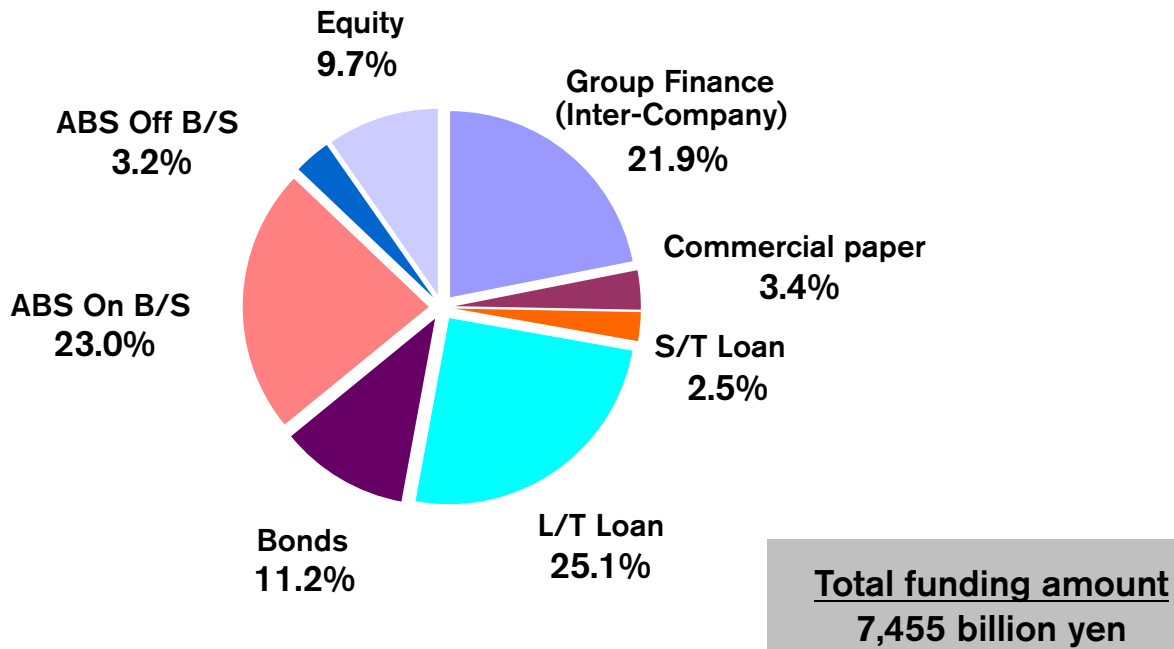




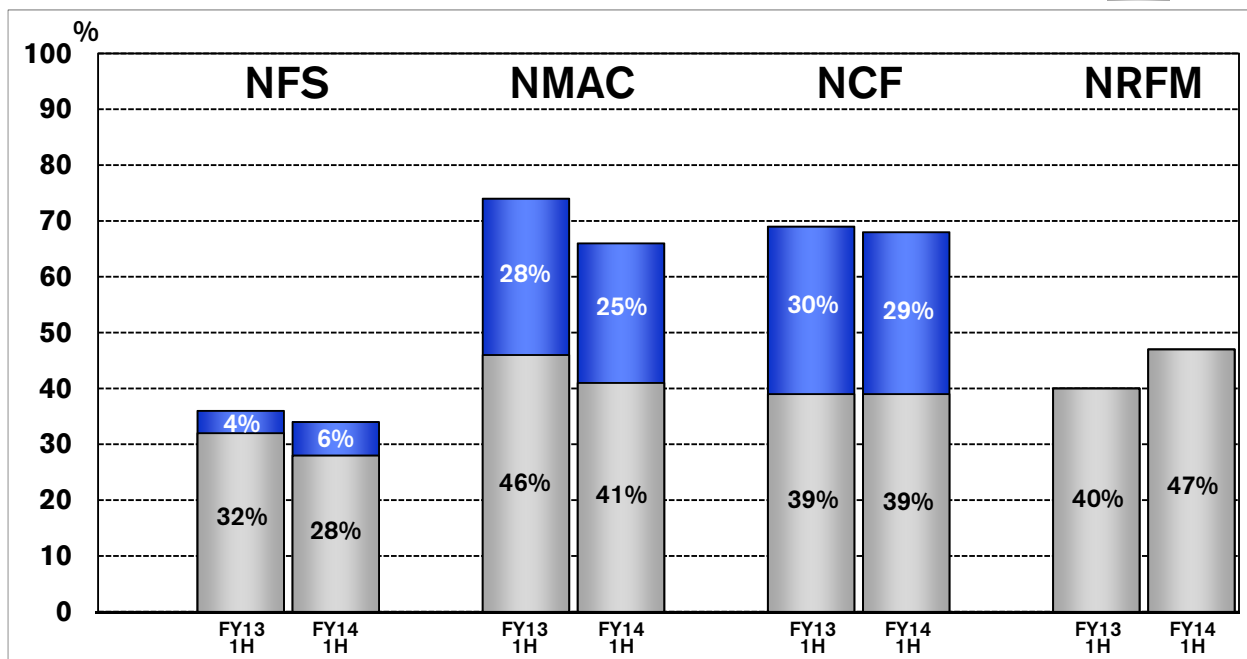
# Appendix

# Sales financing: Funding sources

(As of September 2014)



# Sales financing: penetration



NFS: Nissan Financial Services, sales finance company in Japan

NMAC: Nissan Motor Acceptance Corporation, sales finance company in US

NCF: Sales financing division of Nissan Canada Inc

NRFM: NR Finance Mexico, sales finance company in Mexico



## Sales financing: net credit loss ratio

	FY13 1H	FY14 1H	Variance
<b>NFS</b>	Lease: 0.03% Retail: 0.15%	Lease: 0.04% Retail: 0.13%	Lease: +0.01% Retail: -0.02%
<b>NMAC</b>	Lease: 0.20% Retail: 0.73%	Lease: 0.22% Retail: 0.71%	Lease: +0.02% Retail: -0.02%
<b>NCF</b>	Lease: 0.12% Retail: 0.23%	Lease: 0.16% Retail: 0.44%	Lease: +0.04% Retail: +0.21%

NFS: Nissan Financial Services, sales finance company in Japan

NMAC: Nissan Motor Acceptance Corporation, sales finance company in US

NCF: Sales financing division of Nissan Canada Inc

## Sales financing: operating profit & asset

(NFS : billion yen, NMAC : million USD, NCF : million CAD, NRFM : million Peso)

	FY13 1H	FY14 1H	Variance
<b>NFS</b>	Asset: 1,121.0 OP: 12.9	Asset: 1,193.8 OP: 12.8	Asset: +72.8 OP: -0.1
<b>NMAC</b>	Asset: 45,594 OP: 468	Asset: 50,399 OP: 488	Asset: +4,805 OP: +20
<b>NCF</b>	Asset: 4,065 OP: 65	Asset: 4,479 OP: 52	Asset: +414 OP: -13
<b>NRFM</b>	Asset: 48,926 OP: 1,075	Asset: 61,489 OP: 1,100	Asset: +12,563 OP: +25

NFS: Nissan Financial Services, sales finance company in Japan

NMAC: Nissan Motor Acceptance Corporation, sales finance company in US

NCF: Sales financing division of Nissan Canada Inc

NRFM: NR Finance Mexico, sales finance company in Mexico

# FY14 1st half financial performance

(TSE report basis - China JV Equity basis)

## Operating profit variance analysis

(billion yen)

### 1. Foreign exchange impact **+17.3**

USD	+25.7	(98.9 to 103.0)	RUB	-6.3	(3.07 to 2.90)
CAD	-2.1	(95.9 to 94.6)	EUR*	+0.2	
AUD	+0.7	(94.2 to 95.8)	Others	-0.9	

\* including other European currencies (excluding RUB)

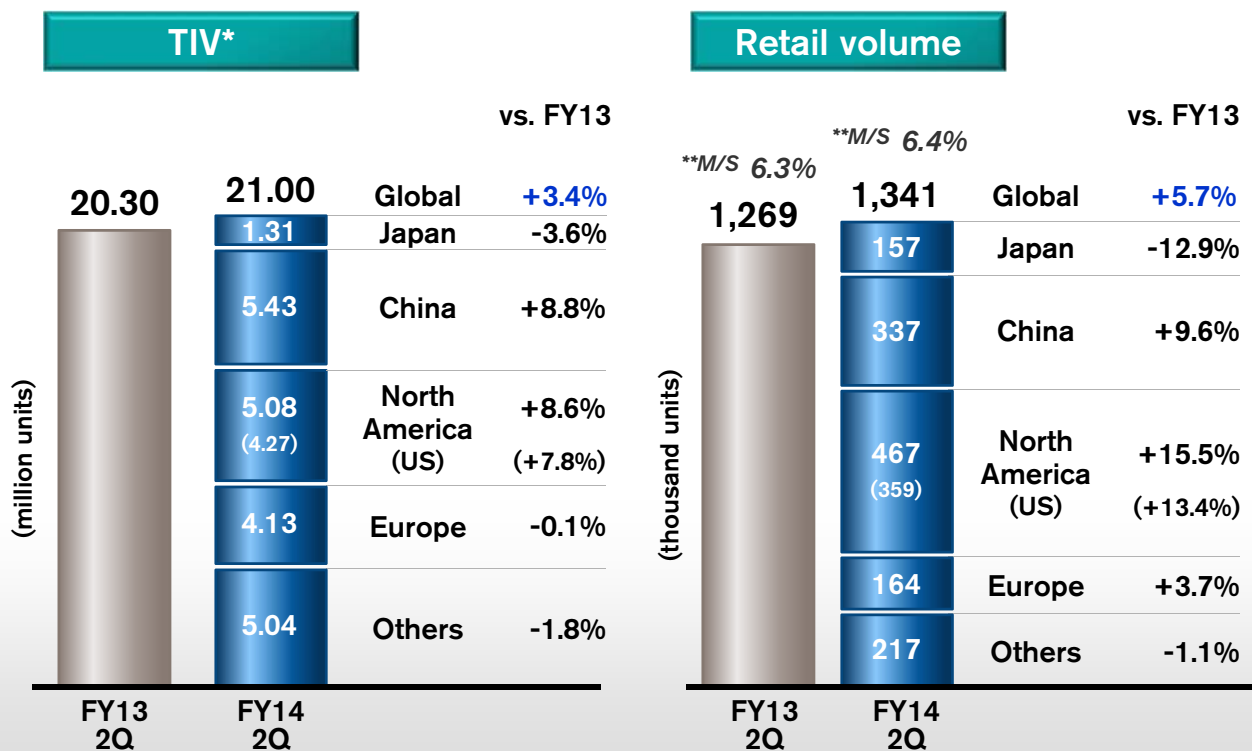
### 2. Volume / mix **+27.0**

Japan	+4.5	US	-15.0	EUR	+2.4	MEX&CAN	+11.2
Vol :	-4.8	Vol :	+36.5	Vol :	+17.8	Others	+23.9
Mix :	+9.3	Mix :	-51.5	Mix :	-15.4		

### 3. Selling expenses **-34.7**

Japan	+1.1	US&CAN	-17.4	EUR	+3.7	Others	-22.1
Incentives :	+2.1	Incentives :	-20.0	Incentives :	+9.3	Incentives :	-11.6
Others :	-1.0	Others :	+2.6	Others :	-5.6	Others :	-10.5

## FY14 2nd quarter sales performance : Global (3 months)



\*Nissan's estimation

\*\* Market Share

## FY14 2nd quarter financial performance (3 months)

(TSE report basis - China JV Equity basis)

(billion yen)

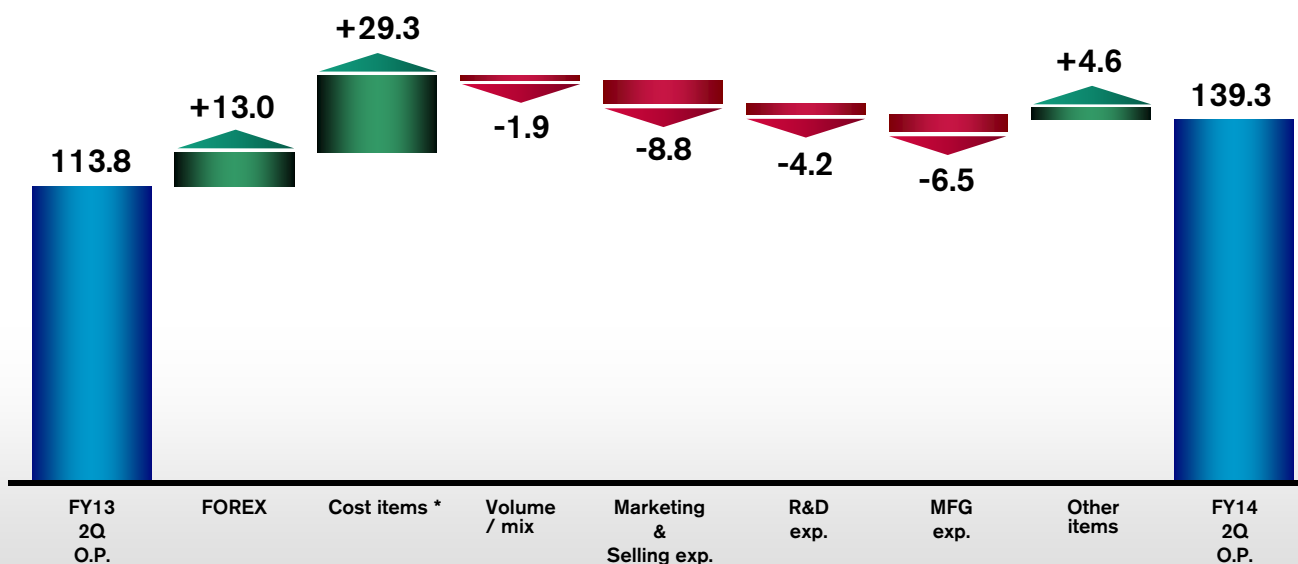
	FY13 2Q	FY14 2Q	Variance	Change vs. FY13
<b>Net revenue</b>	2,523.3	2,679.0	+155.7	+6.2%
<b>Operating profit</b>	113.8	139.3	+25.5	+22.4%
<i>OP margin</i>	4.5%	5.2%		
<i>Non-operating</i>	2.7	40.1		
<b>Ordinary profit</b>	116.5	179.4	+62.9	+54.0%
<i>Extraordinary</i>	-2.2	-2.4		
<b>Profit before tax</b>	114.3	177.0	+62.7	+54.8%
<i>Taxes</i>	-2.5	-45.9		
<i>Effective tax rate</i>	2.2%	25.9%		
<i>Minority interest</i>	-4.0	-6.2		
<b>Net income</b>	107.8	124.9	+17.1	+15.8%
<i>FX rate</i>	98.9JPY/USD 131.0JPY/EUR	103.8JPY/USD 137.8JPY/EUR	+4.9JPY/USD +6.8JPY/EUR	

## FY14 2nd quarter financial performance

(TSE report basis - China JV Equity basis)

### Operating profit variance analysis

(billion yen)



\* Including purch. cost reduction, raw material and product enrichment

## FY14 2nd quarter financial performance (3 months)

(TSE report basis - China JV Equity basis)

### Operating profit variance analysis

(billion yen)

#### 1. Foreign exchange impact **+13.0**

USD	+16.0 (98.9 to 103.8)	RUB	-2.7 (3.02 to 2.88)
CAD	+0.4 (95.2 to 95.5)	EUR*	+1.9
AUD	+1.2 (90.6 to 96.2)	Others	-3.8

\* including other European currencies (excluding RUB)

#### 2. Volume / mix **-1.9**

Japan -3.8	US -22.0	EUR +4.0	MEX&CAN +6.4
Vol : -7.1	Vol : +13.5	Vol : +7.7	Others +13.5
Mix : +3.3	Mix : -35.5	Mix : -3.7	

#### 3. Selling expenses **-8.8**

Japan +5.0	US&CAN -2.4	EUR -3.0	Others -8.4
Incentives : +3.2	Incentives : -11.4	Incentives : +3.3	Incentives : -3.4
Others : +1.8	Others : +9.0	Others : -6.3	Others : -5.0

## FY14 1st half financial performance

(TSE report basis - China JV Equity basis)

### Detail of non-operating income/expenses

(billion yen)

	FY13 1H	FY14 1H	Variance
▪ Interest income / expenses	-7.3	-3.1	+4.2
▪ FX translation	-27.1	20.2	+47.3
▪ Derivative gain / loss	8.9	-11.2	-20.1
▪ Profit/Loss under equity methods	32.9	56.1	+23.2
▪ Amortization of net retirement benefit	-4.5	-4.6	-0.1
▪ Dividends income	5.7	5.8	+0.1
▪ Others	0.8	3.1	+2.3

# FY14 1st half financial performance

(TSE report basis - China JV Equity basis)

## Detail of extraordinary gains/losses

(billion yen)

	FY13 1H	FY14 1H	Variance
▪ Sale/disposal of fixed assets	-1.4	-2.4	-1.0
▪ Sale of investment securities	0.0	-0.4	-0.4
▪ Impairment loss on fixed assets	-0.6	-0.7	-0.1
▪ Gain on transfer of business	0.0	0.7	+0.7
▪ Negative goodwill amortization	0.3	0.0	-0.3
▪ Others	-0.3	-1.1	-0.8

# FY14 2nd quarter financial performance (3 months)

(TSE report basis - China JV Equity basis)

## Detail of non-operating income/expenses

(billion yen)

	FY13 2Q	FY14 2Q	Variance
▪ Interest income / expenses	-3.6	-1.1	+2.5
▪ FX translation	-10.1	19.7	+29.8
▪ Derivative gain / loss	1.7	-7.6	-9.3
▪ Profit under equity methods	15.7	28.8	+13.1
▪ Amortization of net retirement benefit	-2.3	-2.3	0.0
▪ Dividends income	0.5	0.2	-0.3
▪ Others	0.8	2.4	+1.6

## FY14 2nd quarter financial performance (3 months)

(TSE report basis - China JV Equity basis)

### Detail of extraordinary gains/losses

(billion yen)

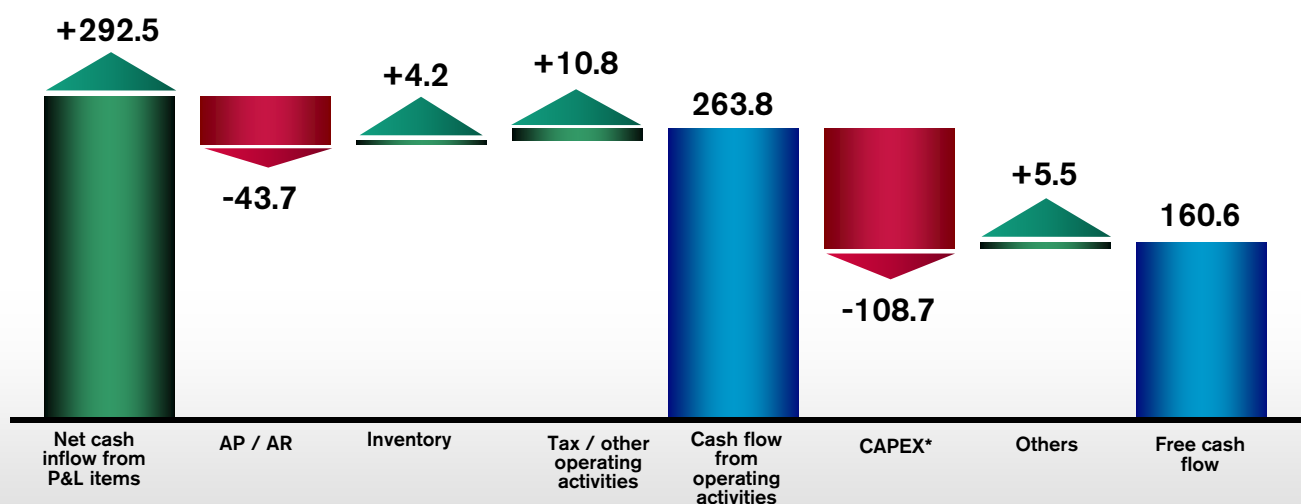
	FY13 2Q	FY14 2Q	Variance
▪ Sale/disposal of fixed assets	-1.6	-1.8	-0.2
▪ Sale of investment securities	0.0	-0.2	-0.2
▪ Impairment loss on fixed assets	-0.6	-0.1	+0.5
▪ Others	0.0	-0.3	-0.3

## FY14 2nd quarter financial performance

(TSE report basis - China JV Equity basis)

### Free cash flow (Auto business)

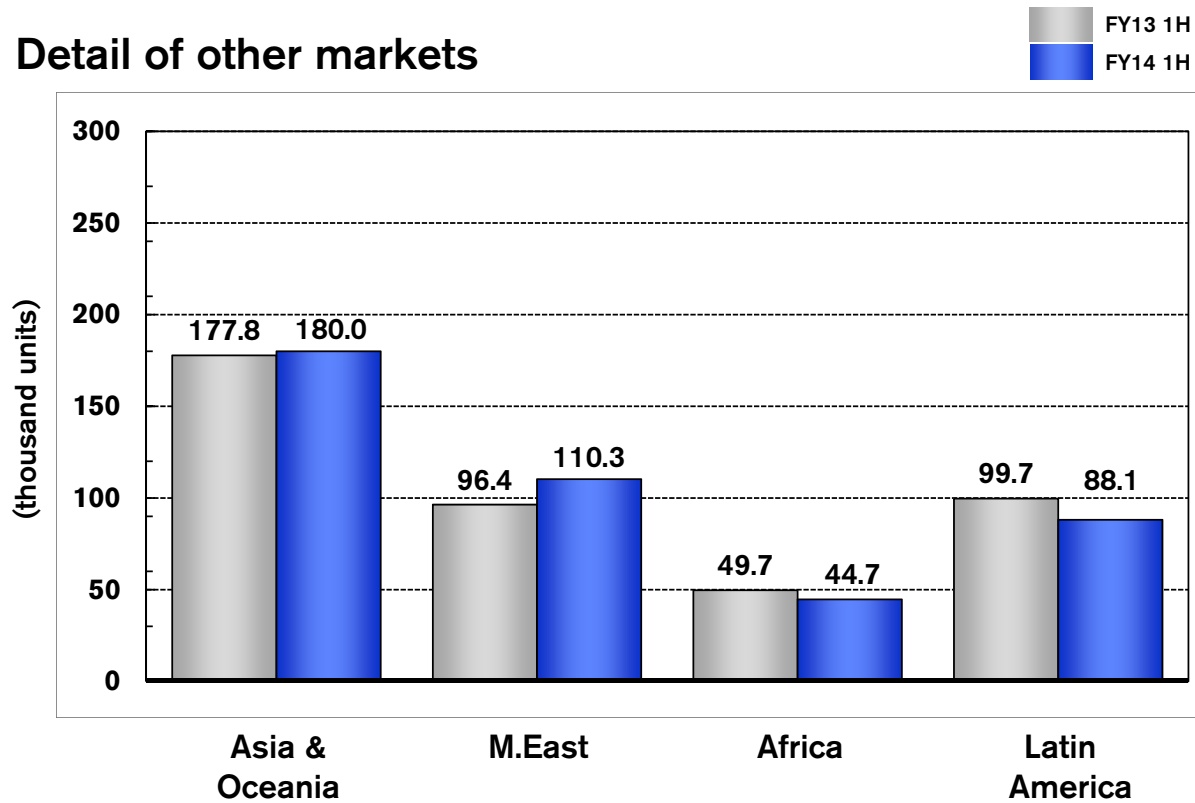
(billion yen)



\* CAPEX does not include finance lease-related investments

# FY14 1st half retail sales

## Detail of other markets



# FY14 2nd quarter retail sales

## Detail of other markets

