

# FY 2009 first-half financial results

November 4, 2009  
Nissan Motor Co., Ltd.

FY09 first-half financial results

## Key performance indicators – Financial results

(billion yen)

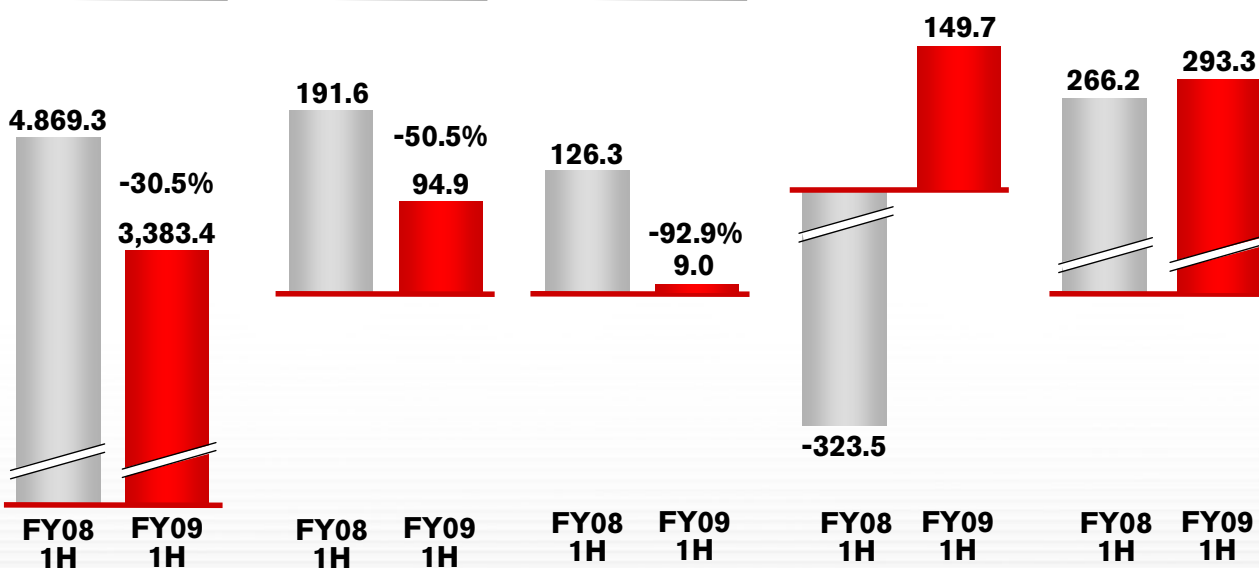
**Net revenue**

**Operating profit**

**Net income**

**Free cash flow (Auto)**

**Net debt (Auto)**



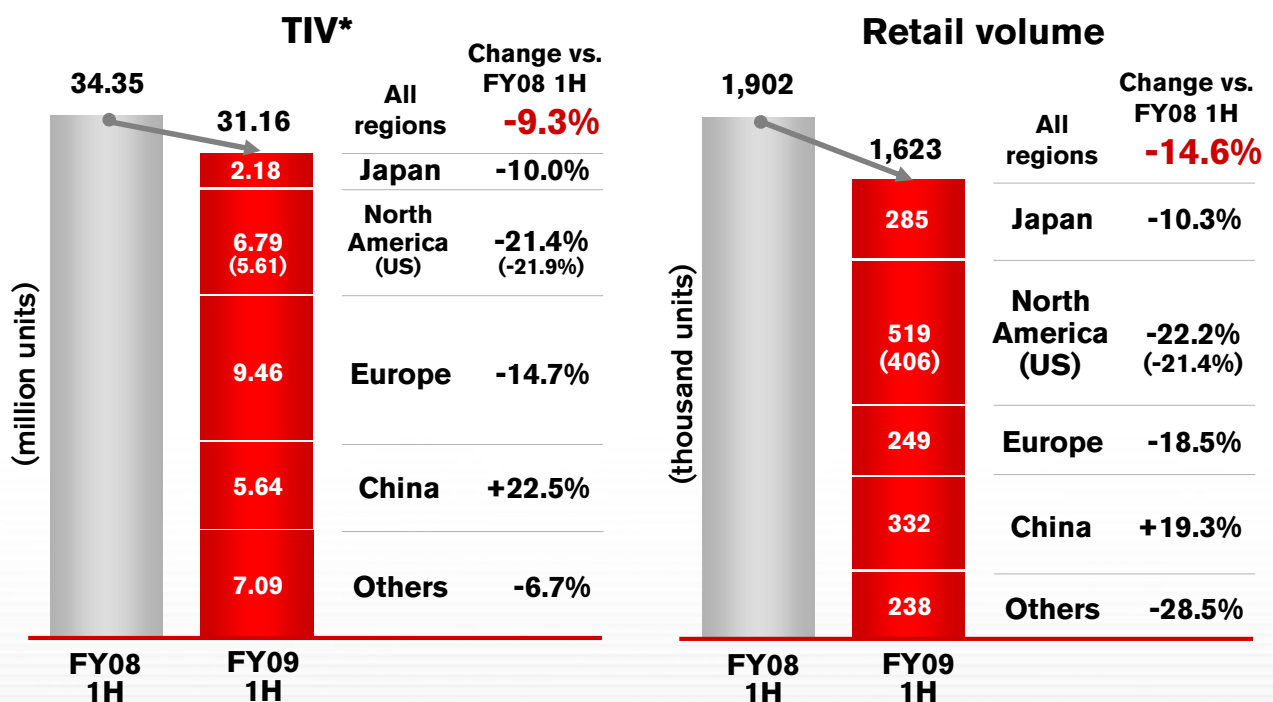
# FY09 first-half performance

Recovery plan progress

FY09 outlook

Future priorities

## Sales performance: Global



# FY09 first half all-new product launches

## Europe

**PIXO**  
**G37 Convertible**



## Japan

**NV200 Vanette**  
**Skyline Crossover**



## North America

**G37 Convertible**  
**cube**



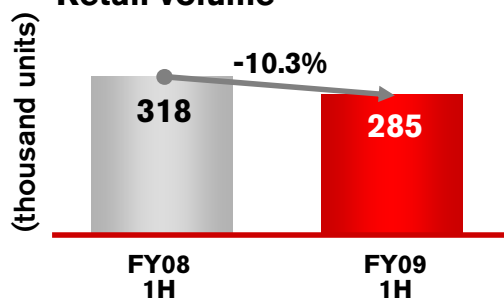
## Other markets

**Teana**  
**370Z**

**All-new global launches**  
**Regional launches**

# Sales performance: Japan

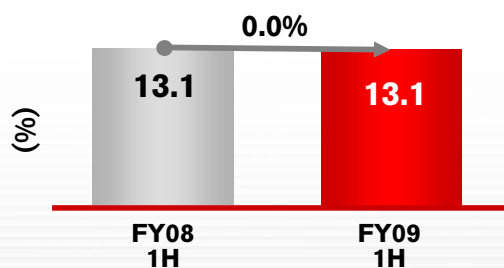
## Retail volume



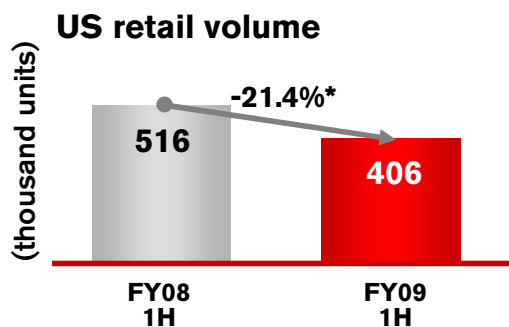
■ TIV decreased 10.0% to 2.2 million units in first half

■ Thanks to Nissan ECO Series models, especially Serena and Note, sales in second quarter same as last year

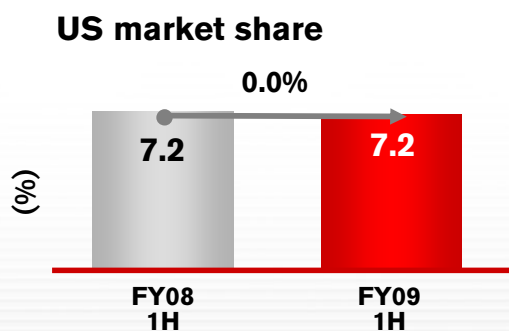
## Market share



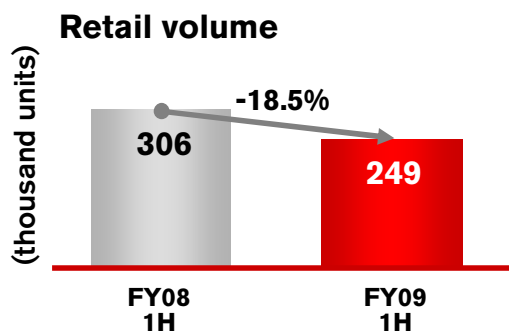
# Sales performance: North America



- TIV decreased 21.9%\* to 5.6 million units in US
- US market share stable at 7.2%
- 8.7% of market share from CARS program
- Canada: Sales down 6.3% to 45.3 k units, market share improved 0.3% to 5.4%
- Mexico: Sales down 33.9% to 67.3 k units, market share decreased 0.3% to 20.1%



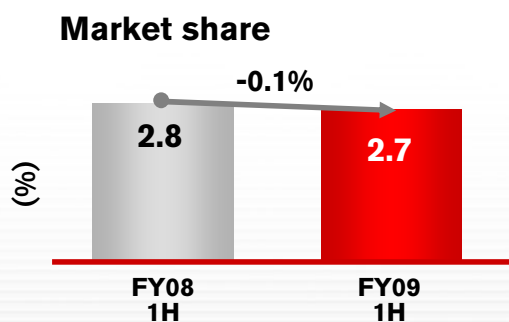
# Sales performance: Europe



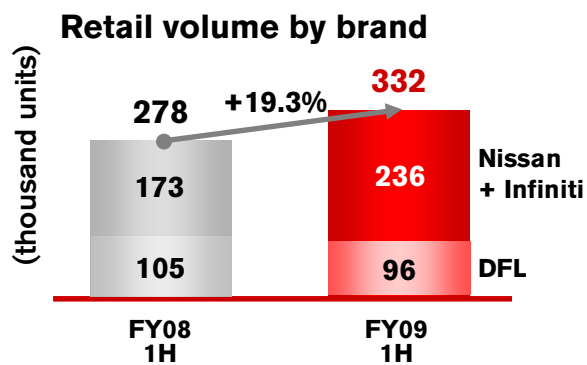
- TIV decreased 14.7% to 9.5 million units
- Sales in Western Europe increased by 4.4% due to continuous government scrap incentives (increased by 18.0% in 2Q)
- Sales in Russia dropped 64.2% from 85.8 k units to 30.7 k units

■ Market share:

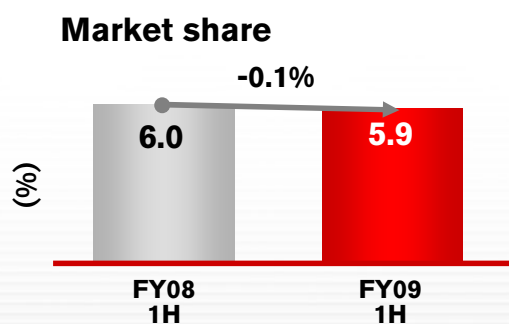
	FY08 1H	FY09 1H
Russia	5.3%	4.3%
Europe excl. Russia	2.3%	2.5%



## Sales performance: China (January to June)



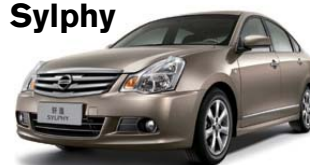
- TIV increased 22.5% to 5.6 million units
- Sales of DFL-PV increased 41.3% to 225.1 k units
- Sylphy's minor change boosted its sales
- Nissan sales increased 71.6% to 209.2 k units in FY09 3Q (July to September)
- Due to strong demand, Huadu plant in Guangzhou introduced three-shift system in October 2009



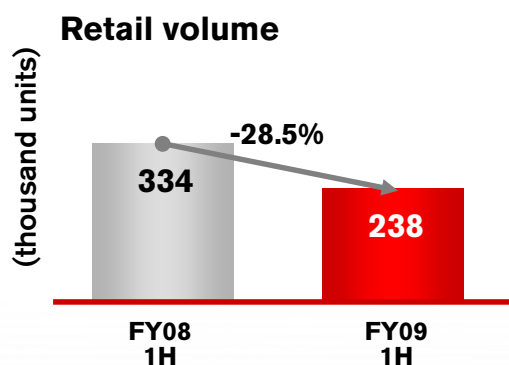
Tiida



Sylphy



## Sales performance: Other markets



- Sales in Middle East dropped 39.1% to 78.7 k units
- In Australia, sales down 13.9% to 25.9 k units
- Sales in Thailand decreased 5.8% to 14.5 k units

Teana

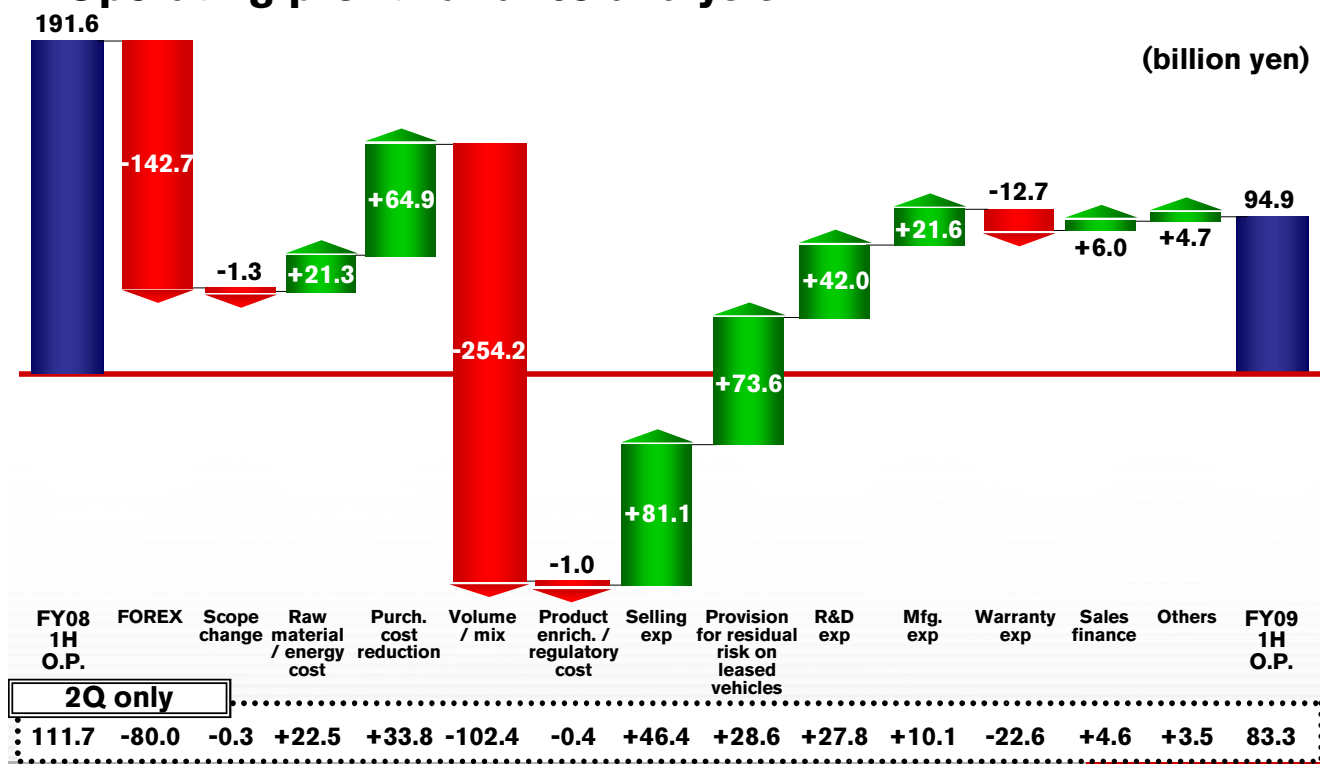


## FY09 first-half financial performance

(billion yen)	FY08 1H	FY09 1H	Variance
Net revenue	4,869.3	3,383.4	-1,485.9
Operating profit	191.6	94.9	-96.7
<i>Non-operating</i>	11.1	-61.7	
Ordinary profit	202.7	33.2	-169.5
<i>Extraordinary</i>	-33.4	-12.9	
Profit before tax	169.3	20.3	-149.0
<i>Taxes</i>	-33.8	-11.6	
<i>Minority interest</i>	-9.2	0.3	
Net income	126.3	9.0	-117.3
FX rate	106.1 JPY/USD 162.8 JPY/EUR	95.5 JPY/USD 133.2 JPY/EUR	-10.6 JPY/USD -29.6 JPY/EUR

## FY09 first-half financial performance

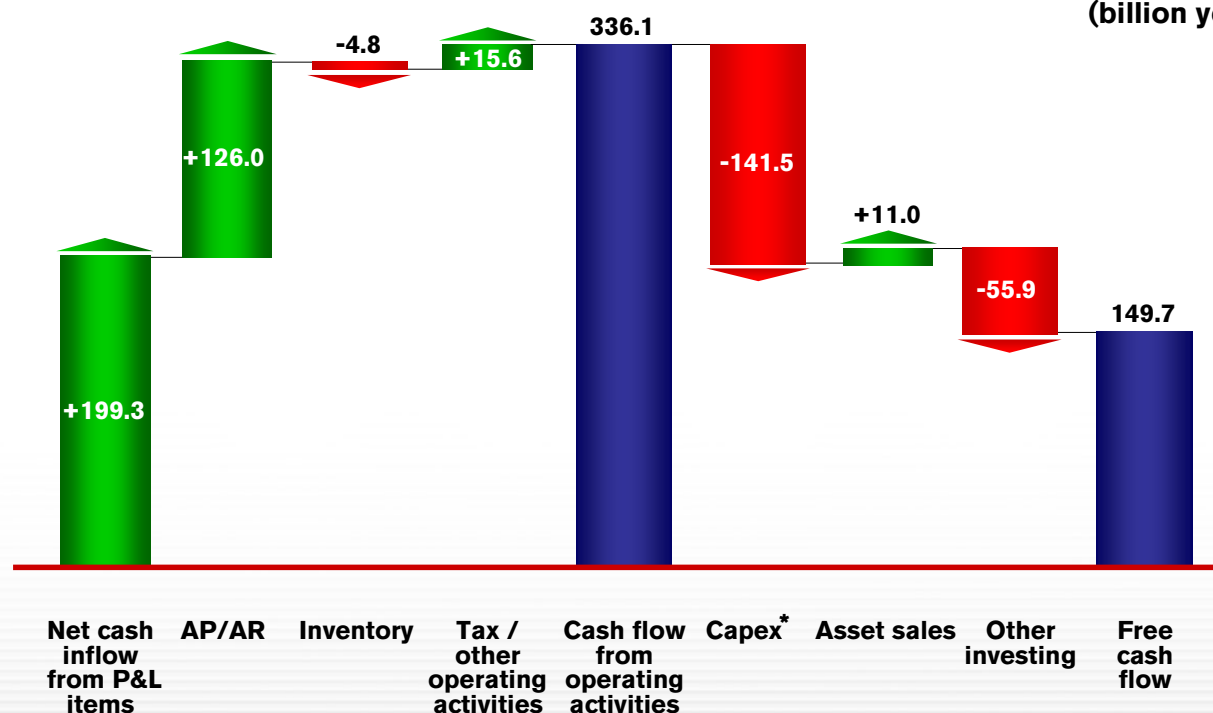
### Operating profit variance analysis



## FY09 first-half financial performance

### Free cash flow (Auto business)

(billion yen)



12 \* Capex does not include finance lease-related investments

FY09 first-half financial results

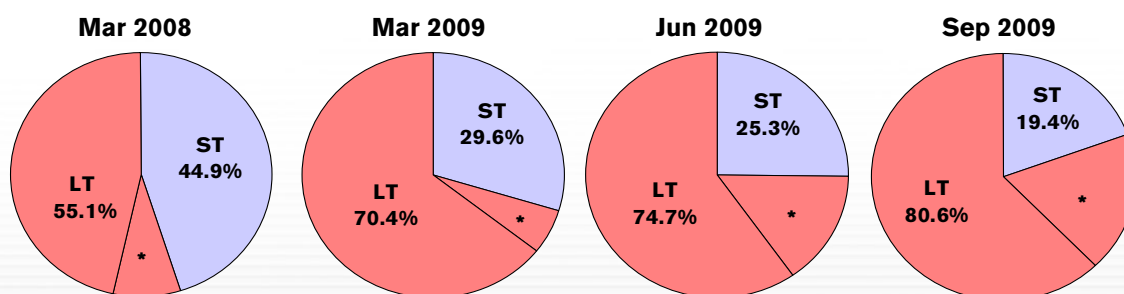
## FY09 first-half financial performance

### Debt structure (Auto business)

#### ■ Stabilization of auto debt

(billion yen)	Mar-08	Mar-09	Jun-09	Sep-09
Gross debt (Auto)	394.7	1,113.6	988.1	972.9
Net debt (Auto)	-180.3	387.9	405.3	293.3

#### ■ Continued consolidation of auto debt by decreasing short-term borrowings and increasing long-term borrowings



\* Current portion of Long-term debt

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FY09 first-half financial results

## **FY09 first-half performance**

### **Recovery plan progress**

## **FY09 outlook**

## **Future priorities**

## **Recovery plan progress**

### **Recovery-related activities are on track**

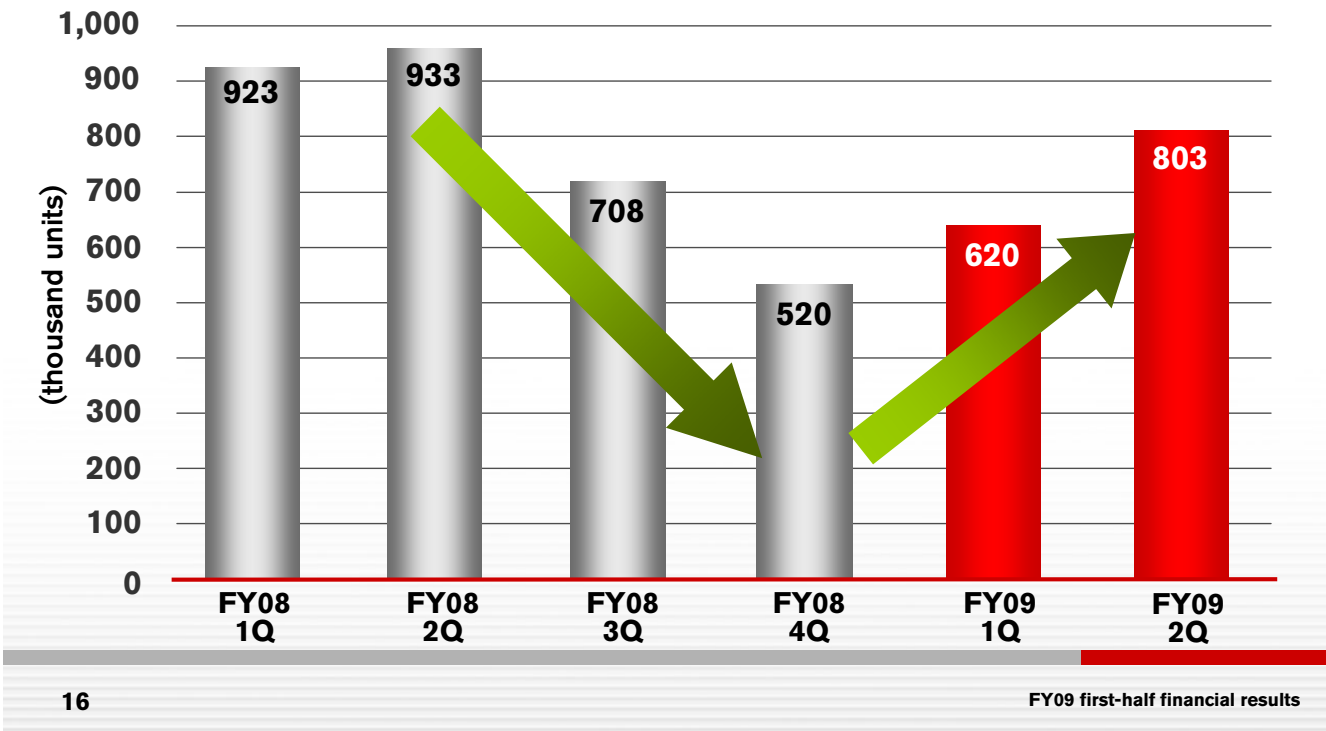
#### **Recovery Committee Scorecard**

- **Global TIV**
- **Sales volume / Market share**
- **Operating profit**
- **Free cash flow**
- **Resourcing**
- **Parts cost reduction**
- **Model profit optimization**
- **G&A expense**
- **AP/AR**
- **Inventory**



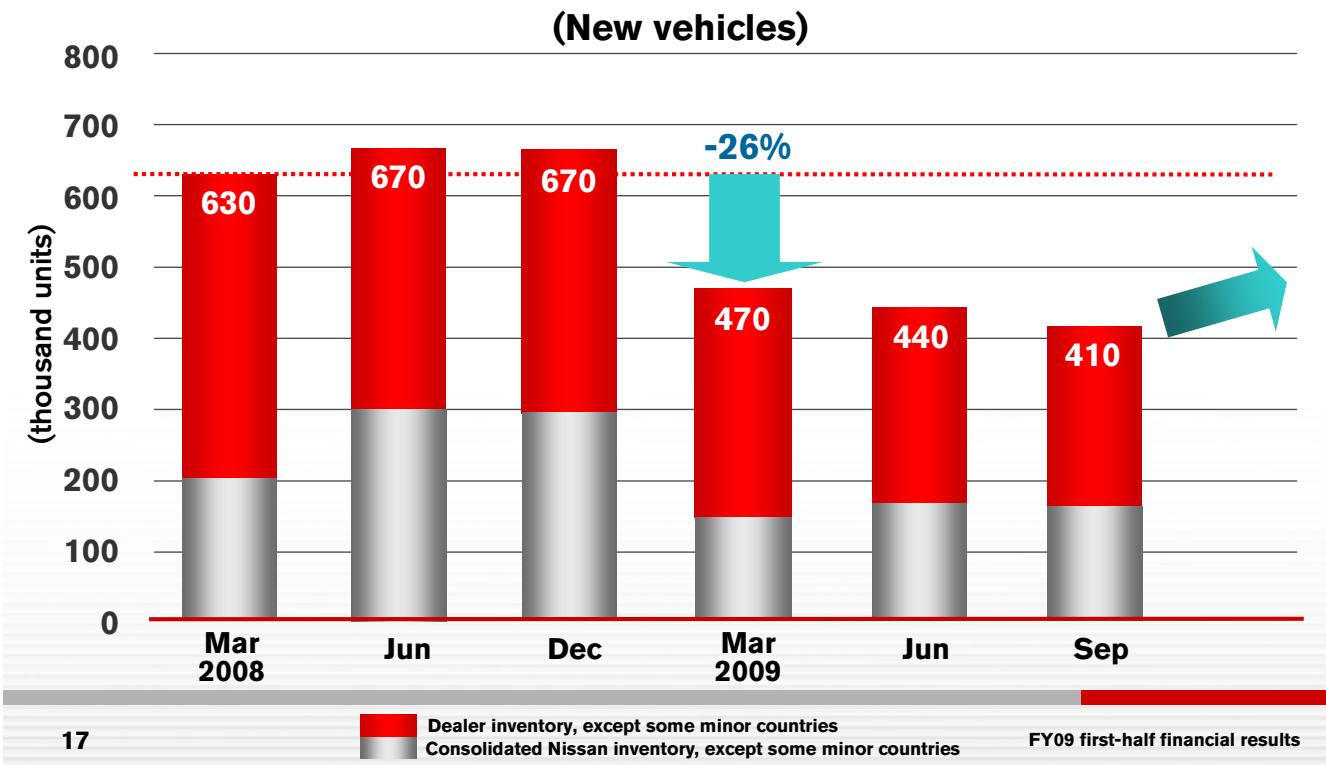
# Production volume

**Production volume recovered gradually**



# Inventory management

**Inventory volume remains at low level**



# FY09 first-half performance

## Recovery plan progress

### FY09 outlook

## Future priorities

## FY09 risks and opportunities

### Risks

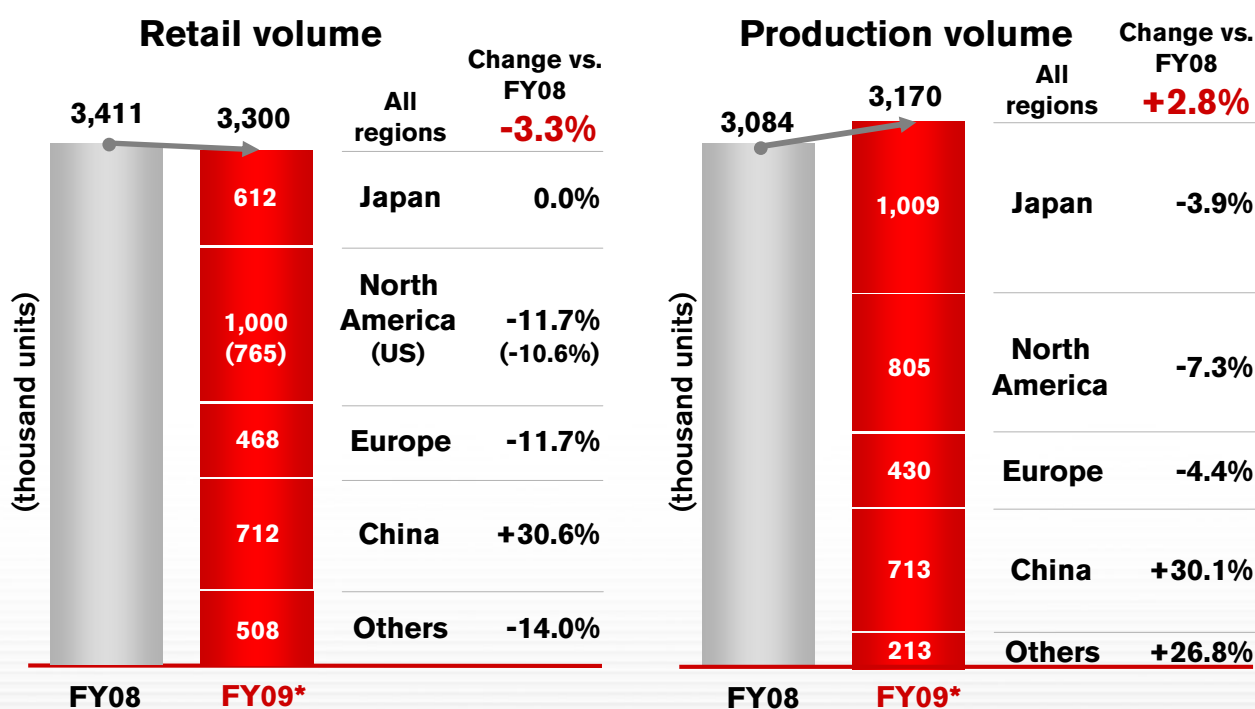
- Foreign exchange
- Raw material price rebound
- Distressed suppliers
- Further deterioration of TIV

### Opportunities

- Foreign exchange
- China
- Synergies with Renault

# FY09 outlook

## Retail sales forecast and production plan



20 \* Forecast

FY09 first-half financial results

# FY09 outlook

Revised on November 4, 2009

(billion yen)	(A) FY08 (Full Year)	(1H)	FY09 (2H)*	(B) (Full Year)*	(B)-(A) Variance (Full Year)
Net revenue	8,437.0	3,383.4	3,616.6	7,000.0	-1,437.0
Operating profit	-137.9	94.9	25.1	120.0	+257.9
Ordinary profit	-172.7	33.2	-13.2	20.0	+192.7
Net income	-233.7	9.0	-49.0	-40.0	+193.7
R&D	455.5	171.1	223.9	395.0	-60.5
<i>sales ratio</i>	5.4%	5.1%	6.2%	5.6%	
CAPEX	383.6	88.9	236.1	325.0	-58.6
<i>sales ratio</i>	4.5%	2.6%	6.5%	4.6%	
FX rate assumption	JPY/USD 100.7	95.5	85.0	90.0	-10.7
	JPY/EUR 144.1	133.2	130.0	131.6	-12.5

21 \* Forecast

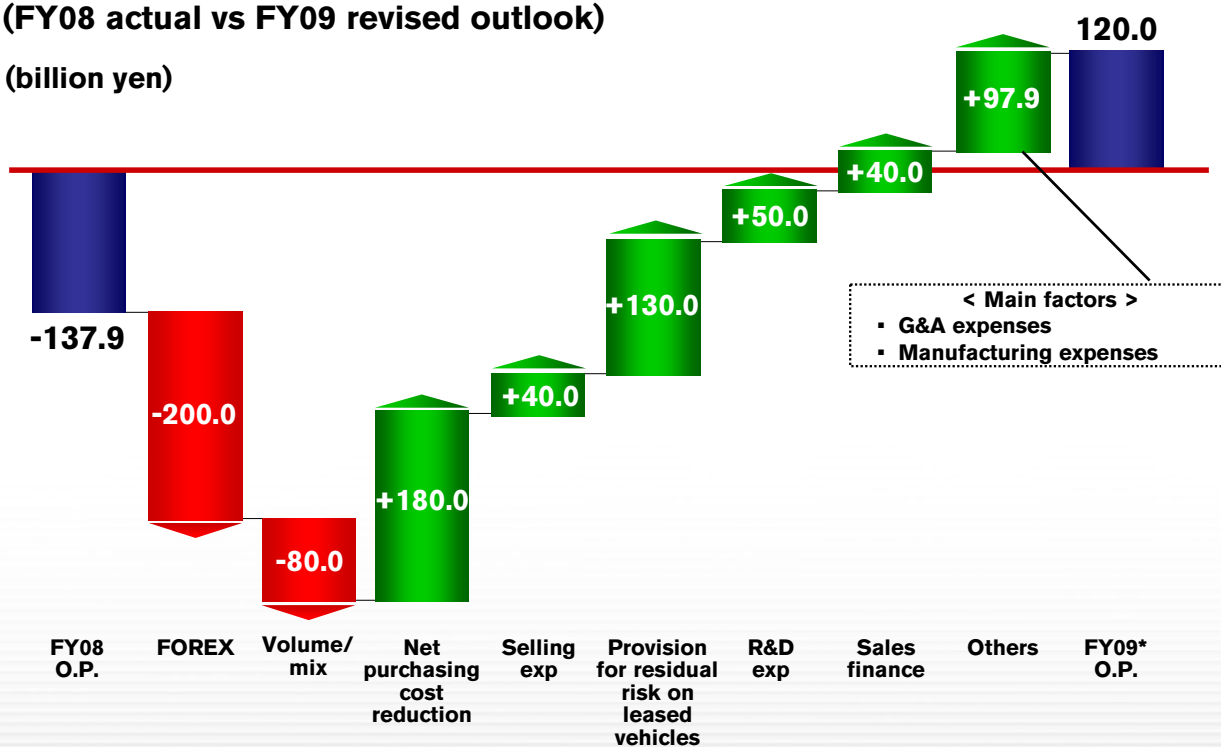
FY09 first-half financial results

# FY09 outlook

## Operating profit variance analysis

(FY08 actual vs FY09 revised outlook)

(billion yen)



22 \* Forecast as of November 4, 2009

FY09 first-half financial results

# FY09 first-half performance

## Recovery plan progress

# FY09 outlook

# Future priorities

## Global compact car launch

**Satisfying fast-growing global demand  
for affordable mobility**

**Lineup of three global vehicles over three years,  
starting from March 2010 in Thailand**



## Zero-emission leadership

**Moving forward with mass-market  
zero-emission mobility**

- **EV lineup: Three planned models (LEAF, LCV and compact luxury model), one concept in development (LandGlider)**
- **Nissan to begin accepting reservations for LEAF in Japan, the United States and Europe in early 2010**
- **Nissan and Sumitomo to initiate “second-life” business for electric-car batteries**
- **Nissan and Showa Shell study joint development of a quick charging system using solar panels and lithium-ion batteries**

# Zero-emission leadership

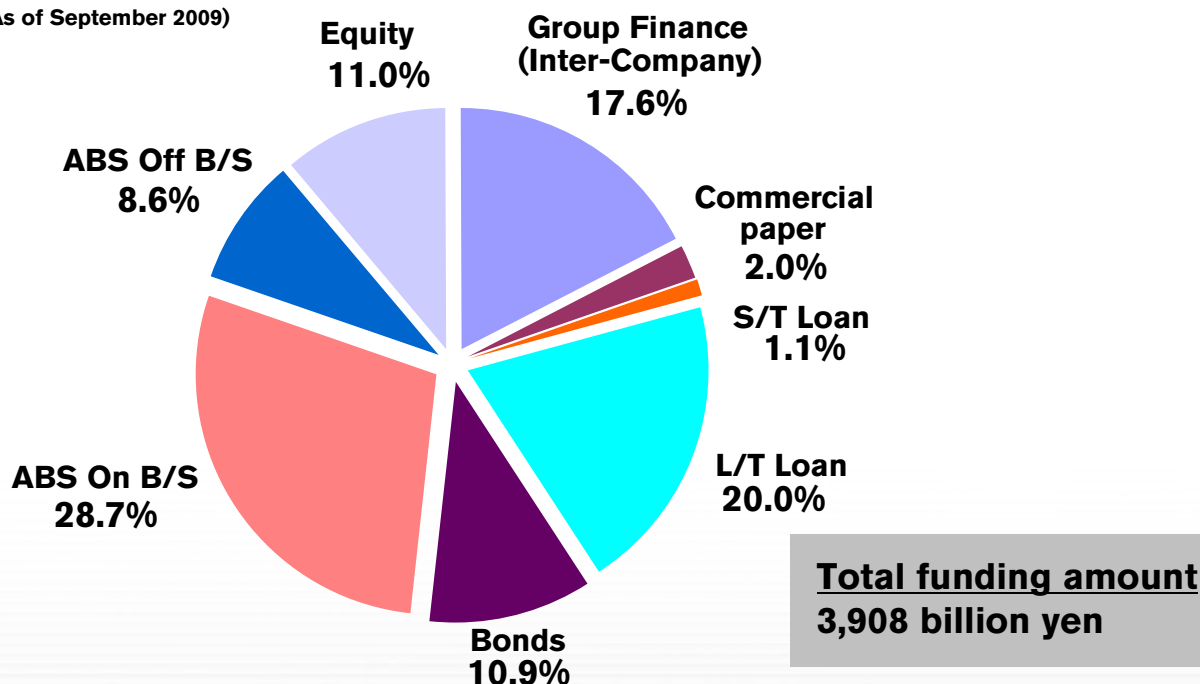
Moving forward with mass-market zero-emission mobility



# Appendix

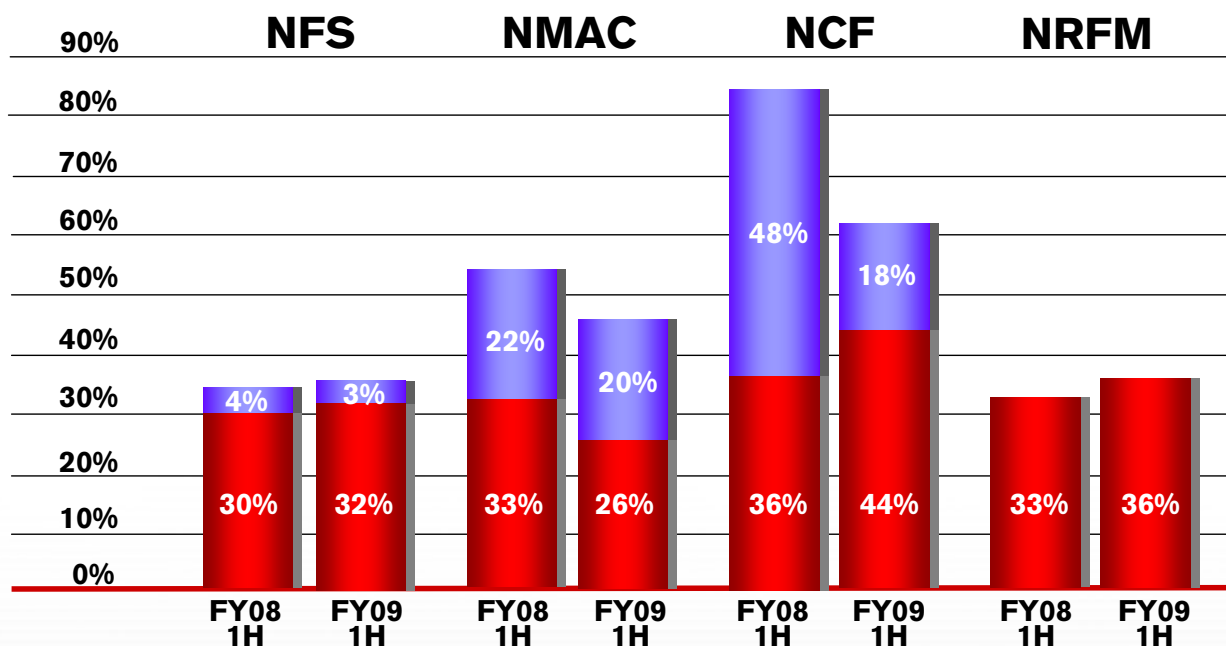
# Sales financing : Funding sources

(As of September 2009)



# Sales financing: penetration

Lease  
Retail



NFS: Nissan Financial Service, sales finance company in Japan  
 NMAC: Nissan Motor Acceptance Corporation, sales finance company in USA  
 NCF: Sales financing division of Nissan Canada Inc  
 NRFM: NR Finance Mexico, sales finance company in Mexico

## Sales financing: net credit loss ratio

	FY08 1H	FY09 1H	Variance
<b>NFS</b>	Lease: 0.06% Retail: 0.21%	Lease: 0.07% Retail: 0.26%	Lease: +0.01% Retail: +0.05%
<b>NMAC</b>	Lease: 0.93% Retail: 1.69%	Lease: 0.92% Retail: 1.96%	Lease: -0.01% Retail: +0.27%
<b>NCF</b>	Lease: 0.16% Retail: 0.25%	Lease: 0.19% Retail: 0.15%	Lease: +0.03% Retail: -0.10%

**NFS:** Nissan Financial Service, 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)

	FY08 1H	FY09 1H	Variance
<b>NFS</b>	Asset: 1,289.5 OP: 9.9	Asset: 1,148.5 OP: 7.8	Asset: -141.0 OP: -2.1
<b>NMAC</b>	Asset: 35,678 OP: 181	Asset: 31,067 OP: 265	Asset: -4,611 OP: +84
<b>NCF</b>	Asset: 4,352 OP: 43	Asset: 4,145 OP: 45	Asset: -207 OP: +2
<b>NRFM</b>	Asset: 25,246 OP: 461	Asset: 24,727 OP: 312	Asset: -519 OP: -149

**NFS:** Nissan Financial Service, 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



# FY09 first-half financial performance

## Operating profit variance analysis

(billion yen)

### 1. Foreign exchange impact **-142.7**

<b>USD</b>	<b>-54.5</b> (106.1 to 95.5)	<b>RUB</b>	<b>-25.9</b> (4.44 to 3.02)
<b>CAD</b>	<b>-22.2</b> (103.5 to 84.3)	<b>EUR*</b>	<b>-15.4</b>
<b>AUD</b>	<b>-13.2</b> (97.3 to 76.0)	<b>Others</b>	<b>-11.5</b>

### 2. Volume / mix **-254.2**

<b>Japan</b>	<b>-17.5</b>	<b>US</b>	<b>-108.9</b>	<b>EUR</b>	<b>-69.3</b>	<b>MEX&amp;CAN</b>	<b>-11.3</b>
Vol: -12.5		Vol: -105.3		Vol: -70.6		Others	<b>-47.2</b>
Mix: -5.0		Mix: -3.6		Mix: +1.3			

### 3. Selling expenses **+81.1**

<b>Japan</b>	<b>+14.2</b>	<b>US&amp;CAN</b>	<b>+66.8</b>	<b>EUR</b>	<b>+6.6</b>	<b>Others</b>	<b>-6.5</b>
Incentives: +1.1		Incentives: +34.6		Incentives: -21.6		Incentives: -0.7	
Others: +13.1		Others: +32.2		Others: +28.2		Others: -5.8	

32 \* including other European currencies (excluding RUB)

FY09 first-half financial results

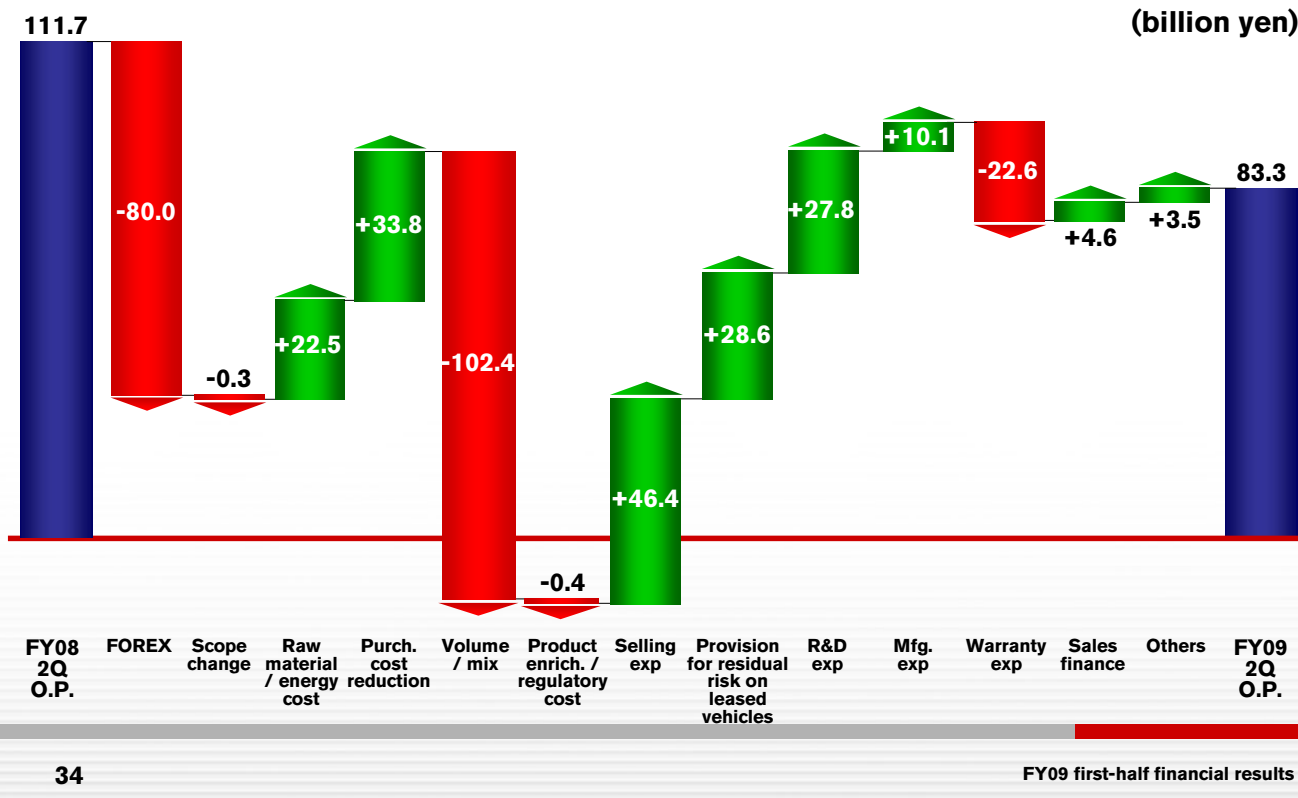
# FY09 second-quarter financial performance

(billion yen)	FY08 2Q	FY09 2Q	Variance
<b>Net revenue</b>	<b>2,522.1</b>	<b>1,868.5</b>	<b>-653.6</b>
<b>Operating profit</b>	<b>111.7</b>	<b>83.3</b>	<b>-28.4</b>
<i>Non-operating</i>	<b>8.5</b>	<b>-24.0</b>	
<b>Ordinary profit</b>	<b>120.2</b>	<b>59.3</b>	<b>-60.9</b>
<i>Extraordinary</i>	<b>-26.2</b>	<b>-10.4</b>	
<b>Profit before tax</b>	<b>94.0</b>	<b>48.9</b>	<b>-45.1</b>
<i>Taxes</i>	<b>-13.8</b>	<b>-19.4</b>	
<i>Minority interest</i>	<b>-6.7</b>	<b>-4.0</b>	
<b>Net income</b>	<b>73.5</b>	<b>25.5</b>	<b>-48.0</b>
<b>FX rate</b>	107.7 JPY/USD 162.2 JPY/EUR	93.7 JPY/USD 133.8 JPY/EUR	-14.0 JPY/USD -28.4 JPY/EUR

# FY09 second-quarter financial performance

## Operating profit variance analysis

(billion yen)



# FY09 second-quarter financial performance

## Operating profit variance analysis

(billion yen)

### 1. Foreign exchange impact -80.0

<b>USD</b>	-40.1 (107.7 to 93.7)	<b>RUB</b>	-11.4 (4.45 to 3.00)
<b>CAD</b>	-10.2 (103.5 to 85.2)	<b>EUR*</b>	-6.9
<b>AUD</b>	-6.6 (95.9 to 77.9)	<b>Others</b>	-4.8

### 2. Volume / mix -102.4

<b>Japan</b> +2.1	<b>US</b> -46.4	<b>EUR</b> -31.2	<b>MEX&amp;CAN</b> -7.3
Vol: +2.4 Mix: -0.3	Vol: -42.5 Mix: -3.9	Vol: -26.8 Mix: -4.4	<b>Others</b> -19.6

### 3. Selling expenses +46.4

<b>Japan</b> +5.2	<b>US&amp;CAN</b> +47.3	<b>EUR</b> -3.9	<b>Others</b> -2.2
Incentives: 0.0 Others: +5.2	Incentives: +33.4 Others: +13.9	Incentives: -15.6 Others: +11.7	Incentives: -0.7 Others: -1.5

## FY09 first-half financial performance

### Detail of non-operating income/expenses

(billion yen)	FY08 1H	FY09 1H	Variance
• Finance cost	-2.2	-7.4	-5.2
• FX translation	3.6	-12.5	-16.1
↳ <i>NML</i>	-0.6	-11.3	-10.7
↳ <i>NMEX</i>	9.2	-11.2	-20.4
↳ <i>Others</i>	-5.0	10.0	+15.0
• Profit under equity methods	24.1	-31.2	-55.3
• Amortization of net retirement benefit	-5.5	-5.5	0.0

## FY09 first-half financial performance

### Detail of extraordinary gains/losses

(billion yen)	FY08 1H	FY09 1H	Variance
• Sale/disposal of fixed assets	-5.9	-3.1	+2.8
• Sale of investment securities	0.3	2.3	+2.0
• Impairment loss on fixed assets	-2.5	-4.3	-1.8
• Voluntary Transition Program in US	-20.1	-1.5	+18.6

## FY09 second-quarter financial performance

### Detail of non-operating income/expenses

(billion yen)	FY08 2Q	FY09 2Q	Variance
• Finance cost	-1.7	-2.8	-1.1
• FX translation	9.7	5.6	-4.1
↳ <i>NML</i>	-5.2	-10.4	-5.2
↳ <i>NMEX</i>	16.6	6.0	-10.6
↳ <i>Others</i>	-1.7	10.0	+11.7
• Profit under equity methods	13.0	-15.9	-28.9
• Amortization of net retirement benefit	-2.8	-2.7	+0.1

## FY09 second-quarter financial performance

### Detail of extraordinary gains/losses

(billion yen)	FY08 2Q	FY09 2Q	Variance
• Sale/disposal of fixed assets	-3.7	-1.8	+1.9
• Sale of investment securities	0.2	0.5	+0.3
• Impairment loss on fixed assets	-0.3	-3.4	-3.1
• Voluntary Transition Program in US	-20.1	0.0	+20.1

# FY09 first-half financial performance

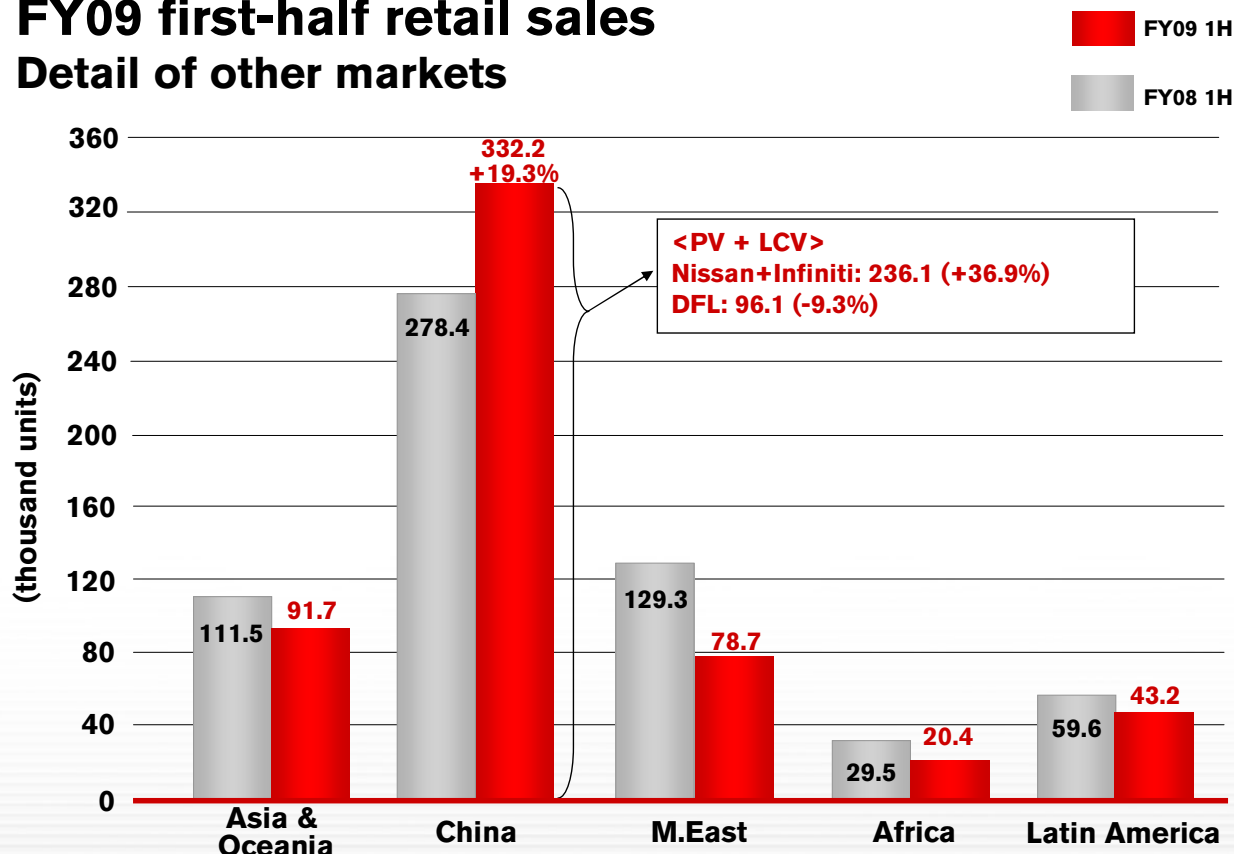
## Free cash flow (Auto business) variance

(billion yen)

	FY08 1H	FY09 1H	Variance
Net cash inflow from P&L items	436.0	199.3	-236.7
AP/AR	-109.7	126.0	+235.7
Inventory	-255.6	-4.8	+250.8
Tax/Others	-178.2	15.6	+193.8
<b>Operating activities</b>	<b>-107.5</b>	<b>336.1</b>	<b>+443.6</b>
Capex	-216.9	-141.5	+75.4
Asset sales	18.5	11.0	-7.5
Others	-17.6	-55.9	-38.3
<b>Investing activities</b>	<b>-216.0</b>	<b>-186.4</b>	<b>+29.6</b>
<b>Free cash flow</b>	<b>-323.5</b>	<b>149.7</b>	<b>+473.2</b>

# FY09 first-half retail sales

## Detail of other markets

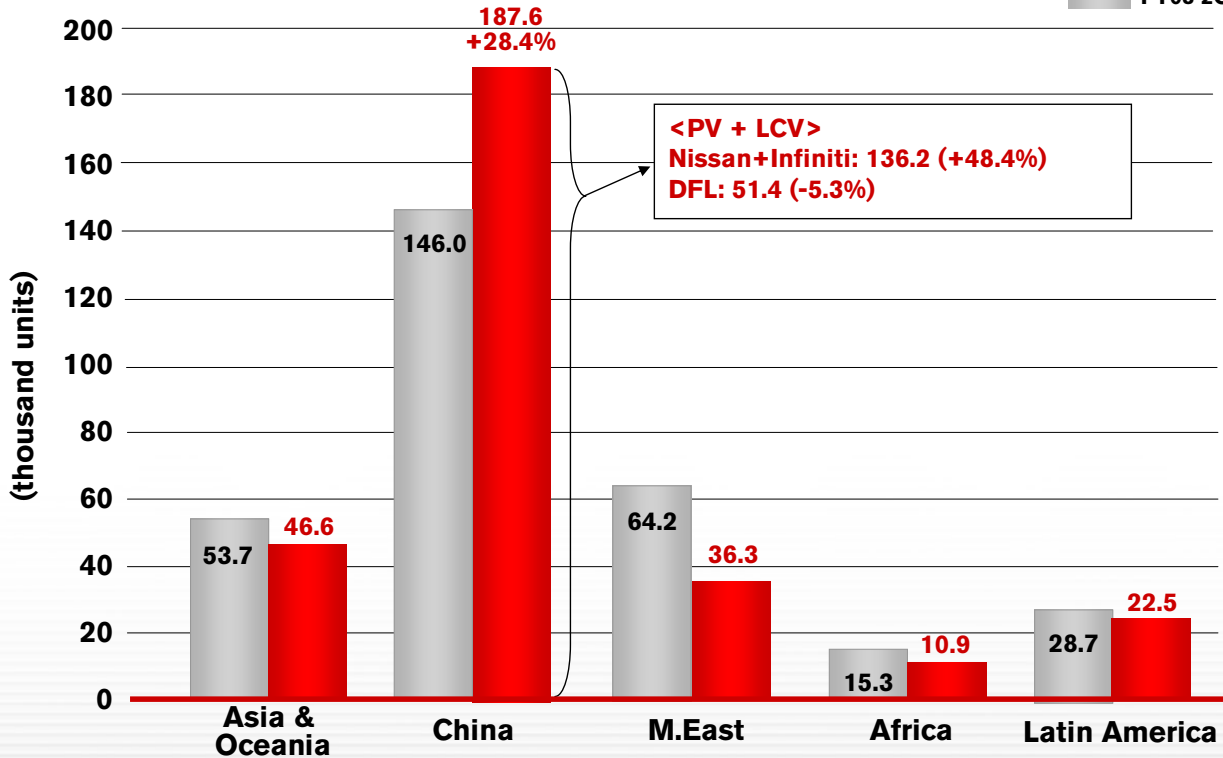


# FY09 second-quarter retail sales

## Detail of other markets

■ FY09 2Q

■ FY08 2Q



# FY09 all-new product launches

**Remaining 5 all-new global launches**

