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Nissan reports first-half results for fiscal year 2018

YOKOHAMA, Japan (Nov. 8, 2018) – Nissan Motor Co., Ltd. today announced financial results for the six-month period to Sept. 30, 2018.

In the first half, the company's net revenue fell 2.1% to 5.53 trillion yen. Operating profit fell 25.4% to 210.3 billion yen, equivalent to an operating profit margin of 3.8%. This was largely due to a planned decrease in wholesale volume as part of the company's ongoing efforts to reduce dealer inventory levels and improve the quality of sales. Thanks to the strength of Nissan's operations in China, net income¹ fell less steeply, declining 10.9% to 246.3 billion yen.

The company's overall operations improved steadily in the first half despite consistently challenging market conditions. Optimization of global dealer inventory levels is ongoing, and to that end, planned adjustments were made to wholesale volumes in the second quarter. This resulted in a decrease in revenue, although retail sales volumes remained essentially the same as the previous year.

On a regional basis, substantial progress was made in improving the quality of sales by reducing inventories and optimizing incentive levels in the U.S. market. Sales in Japan recovered from the impact of last year's final vehicle inspection issue. Meanwhile, sales volumes in Thailand, the Philippines and Latin America, in particular, increased substantially. The company's operations in China also performed well during the period. Nissan will continue efforts to strengthen its business, with the aim of ensuring that performance recovers in the second half.

First-half financial highlights

The following table summarizes Nissan's financial results for the six-month period to Sept. 30, 2018, calculated under the equity accounting method for the group's China joint venture.

(TSE report basis – China JV equity basis)²

	<i>FY17 H1</i> <i>(billions of yen)</i>	<i>FY18 H1</i> <i>(billions of yen)</i>	<i>% change</i> <i>(vs. year earlier)</i>
<i>Revenue</i>	5,652.5	5,532.7	-2.1
<i>Operating profit</i>	281.8	210.3	-25.4
<i>Operating margin %</i>	5.0	3.8	-1.2 ppt
<i>Ordinary profit</i>	369.5	329.9	-10.7
<i>Net income¹</i>	276.5	246.3	-10.9

NISSAN MOTOR CORPORATION



On a management pro forma basis, which includes the proportionate consolidation of results from Nissan's joint venture operation in China, operating profit was 306.7 billion yen, equivalent to an operating margin of 4.9%. Net income¹ was 246.3 billion yen.

Sales performance

For the six-month period to Sept. 30, 2018, Nissan's global vehicle sales fell 1.8% to 2.68 million units. This was equivalent to a global market share of 5.8%, down 0.2 percentage point from a year earlier.

In Japan, Nissan's sales rose 0.5% to 285,000 vehicles, equivalent to a market share of 11.5%, up 0.1 percentage point from a year earlier, even as Japan's total industry volume remained little changed at 2.48 million vehicles. Minivehicle model changeovers partly impacted sales figures. However, sales increased from a year earlier thanks to strong demand for models that embody the company's Nissan Intelligent Mobility vision, including the new Nissan LEAF electric vehicle, the Serena e-POWER minivan, which went on sale in March, and the Nissan Note compact car, which led registered vehicle sales in Japan in the first half of the fiscal year.

In China, where Nissan reports figures by calendar year, vehicle sales rose 10.7% to 720,000 units, representing a market share of 5.4%, up 0.2 percentage point from a year earlier. Strong demand for models including the Nissan Sylphy, X-Trail and Kicks, as well as the Venucia D60, drove the increase.

In the U.S., Nissan's sales fell 9.1% to 709,000 vehicles, equivalent to a market share of 8.1%.

Nissan sales in Europe, including Russia, fell by 12.1% to 330,000 vehicles, equivalent to a market share of 3.4%. Sales in Russia increased 2.4% to 50,000, equivalent to a market share of 5.6%.

In other markets, including Asia and Oceania, Latin America, the Middle East and Africa, Nissan's sales rose 4.3% to 407,000 vehicles. Specifically, sales volume increased substantially in Thailand, the Philippines and Brazil.

1. Net income attributable to owners of the parent

2. Since the beginning of fiscal year 2013, Nissan has reported figures calculated under the equity method accounting for its joint venture with Dongfeng in China. Although net income reporting remains unchanged under this accounting method, the equity-accounting income statements no longer include Dong-Feng-Nissan's results in revenues and operating profit.

For detailed Nissan financial information and presentations:

<https://www.nissan-global.com/EN/IR/FINANCIAL/>

About Nissan Motor Co., Ltd.

Nissan is a global full-line vehicle manufacturer that sells more than 60 models under the Nissan, INFINITI and Datsun brands. In fiscal year 2017, the company sold 5.77 million vehicles globally, generating revenue of 11.9 trillion yen. On April 1, 2017, the company embarked on *Nissan M.O.V.E. to 2022*, a six-year plan targeting a 30% increase in annualized revenues to 16.5 trillion yen by the end of fiscal 2022, along with cumulative free cash flow of 2.5 trillion yen. As part of *Nissan M.O.V.E. to 2022*, the company plans to extend its leadership in electric vehicles, symbolized by the world's best-selling all-electric vehicle in history, the Nissan LEAF. Nissan's global headquarters in Yokohama, Japan, manages operations in six regions: Asia & Oceania; Africa, the Middle East & India; China; Europe; Latin America; and North America. Nissan has partnered with French manufacturer Renault since 1999 and acquired a 34% stake in Mitsubishi Motors in

NISSAN MOTOR CORPORATION



2016. Renault-Nissan-Mitsubishi is today the world's largest automotive partnership, with combined sales of more than 10.6 million vehicles in calendar year 2017.

For more information about our products, services and commitment to sustainable mobility, visit nissan-global.com. You can also follow us on [Facebook](#), [Instagram](#), [Twitter](#) and [LinkedIn](#) and see all our latest videos on [YouTube](#).

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CONSOLIDATED FINANCIAL INFORMATION -1

(November 8, 2018)
 NISSAN MOTOR CO., LTD.
 Global Communications Division

	RESULTS		RESULTS		RESULTS		RESULTS	
(BILLIONS OF YEN)	1st half of FY2018 18/4-18/9		1st half of FY2017 17/4-17/9		2nd quarter of FY2018 18/7-18/9		2nd quarter of FY2017 17/7-17/9	
NET SALES (1)	5,532.7	-2.1%	5,652.5	6.2%	2,816.1	-2.6%	2,892.1	8.5%
JAPAN	2,263.4	-2.9%	2,329.9	14.1%	1,156.6	-6.0%	1,230.8	16.2%
NORTH AMERICA	2,896.9	-6.7%	3,105.8	5.9%	1,460.8	-2.8%	1,503.3	3.2%
EUROPE	893.4	-4.4%	934.5	7.7%	445.4	-13.2%	513.3	21.2%
ASIA	768.1	3.7%	740.7	-2.7%	393.3	1.7%	386.7	1.7%
OTHERS	539.8	23.4%	437.6	-6.5%	267.4	17.4%	227.8	-3.7%
SUB-TOTAL	7,361.6	-2.5%	7,548.5	6.8%	3,723.5	-3.6%	3,861.9	8.6%
ELIMINATION	-1,828.9	-	-1,896.0	-	-907.4	-	-969.8	-
OPERATING INCOME (1)	210.3	-25.4%	281.8	-17.0%	101.2	-21.3%	128.5	-21.6%
JAPAN	114.0	-37.5%	182.4	19.0%	56.4	-35.4%	87.2	2.3%
NORTH AMERICA	85.4	3.2%	82.8	-42.0%	36.0	12.5%	32.0	-49.6%
EUROPE	-17.0	-	-5.2	-	-12.2	-	-2.5	-
ASIA	29.6	4.3%	28.3	-20.9%	11.7	8.2%	10.8	-16.3%
OTHERS	0.1	-	-7.8	-	0.2	-	-6.7	-
SUB-TOTAL	212.1	-24.4%	280.5	-18.4%	92.1	-23.8%	120.8	-23.9%
ELIMINATION	-1.8	-	1.3	-	9.1	-	7.7	-
ORDINARY INCOME	329.9	-10.7%	369.5	-6.9%	171.0	-4.9%	179.9	-9.4%
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	246.3	-10.9%	276.5	-2.1%	130.4	-7.9%	141.6	-3.1%
BASIC EARNINGS PER SHARE(YEN)	62.97		70.69		33.35		36.20	
DILUTED EARNINGS PER SHARE (YEN)	62.97		70.69		33.35		36.20	
FOREIGN EXCHANGE RATE								
YEN/USD	110.3		111.0		111.4		111.0	
YEN/EUR	129.8		126.3		129.6		130.4	
CAPITAL EXPENDITURE (2)	179.1		162.4		118.6		86.7	
DEPRECIATION (2)	187.1		185.0		88.8		94.4	
RESEARCH & DEVELOPMENT COSTS	254.5		229.5		131.7		115.7	
TOTAL ASSETS (3)	19,130.6		19,186.1					
NET ASSETS (3)	5,776.7		5,386.0					
EQUITY RATIO (%) (3)	28.6		26.6					
PERFORMANCE DESCRIPTION	Decreased net sales and profit		Increased net sales and decreased profit		Decreased net sales and profit		Increased net sales and decreased profit	

Notes:

* TSE report basis / China JV Equity basis

* The % figures, unless otherwise described, show the changes over the same period of the previous FY.

(1) Sales and profits or losses by region: Major countries and areas which belong to segments other than Japan are as follows:

* North America: U.S.A., Canada and Mexico

* Europe: France, U.K., Spain, Russia and other European countries

* Asia: China, Thailand, India and other Asian countries

* Others: Oceania, Middle East, South Africa, and Central & South America excluding Mexico

(2) Including finance leases related amount.

(3) Results for the 1st half and 2nd quarter of FY2017 are restated by changes in accounting policies due to the revision of the accounting standards

	RESULTS		RESULTS		RESULTS		RESULTS	
(THOUSAND UNITS)	1st half of FY2018 18/4-18/9		1st half of FY2017 17/4-17/9		2nd quarter of FY2018 18/7-18/9		2nd quarter of FY2017 17/7-17/9	
SALES VOLUME								
GLOBAL RETAIL								
JAPAN (INCL.MINI)	285	0.5%	283	34.1%	155	1.6%	152	25.6%
NORTH AMERICA	942	-9.0%	1,035	-1.3%	460	-8.4%	502	-3.3%
USA ONLY	709	-9.1%	779	-0.4%	344	-8.6%	377	-2.2%
EUROPE	330	-12.1%	375	3.6%	168	-11.5%	190	6.3%
ASIA	878	7.7%	815	4.8%	466	11.3%	419	5.7%
CHINA ONLY	720	10.7%	651	6.7%	384	14.3%	336	8.0%
OTHERS	248	10.6%	225	5.6%	125	4.5%	120	7.9%
TOTAL	2,683	-1.8%	2,733	4.6%	1,374	-0.7%	1,383	4.2%
PRODUCTION VOLUME								
GLOBAL BASIS								
JAPAN	446	-14.4%	522	20.9%	217	-21.4%	276	25.2%
NORTH AMERICA (1)	776	-11.3%	875	-5.0%	389	-7.0%	418	-8.2%
EUROPE (2)	334	-11.5%	377	6.4%	143	-20.3%	179	9.4%
ASIA (3)	985	3.5%	952	4.7%	519	2.7%	505	5.7%
OTHERS (4)	88	34.6%	65	29.0%	45	12.2%	40	65.6%
TOTAL	2,629	-5.8%	2,791	4.7%	1,313	-7.5%	1,418	5.7%

Notes:

* The % figures, unless otherwise described, show the changes over the same period of the previous FY.

* Global Retail and Production volume of China and Taiwan are results for the Jan - Dec period.

(1) U.S.A. and Mexico production

(2) Spain, U.K., Russia and France production

(3) Taiwan, Thailand, Philippines, Indonesia, China, India, and Korea production

(4) South Africa, Brazil and Egypt production

	RESULTS		RESULTS		RESULTS		RESULTS	
(THOUSAND UNITS)	1st half of FY2018 18/4-18/9		1st half of FY2017 17/4-17/9		2nd quarter of FY2018 18/7-18/9		2nd quarter of FY2017 17/7-17/9	
CONSOLIDATED								
WHOLESALE VOLUME								
JAPAN	270	-0.9%	272	34.7%	145	-2.1%	148	32.6%
OVERSEAS	1,614	-11.4%	1,822	-1.4%	811	-11.4%	916	-2.3%
TOTAL	1,884	-10.0%	2,094	2.1%	956	-10.1%	1,064	1.4%
CONSOLIDATED								
PRODUCTION VOLUME								
JAPAN	446	-14.4%	522	20.9%	217	-21.4%	276	25.2%
OVERSEAS CONSOLIDATED SUBSIDIARIES	1,310	-9.1%	1,440	-6.9%	632	-10.1%	704	-7.5%
TOTAL	1,756	-10.5%	1,962	-0.8%	849	-13.3%	980	-0.1%

Notes:

* Consolidated wholesale volume and production volume are based on financial statements.