

94th Interim Shareholders' Report

April 1 to September 30, 2016

2016 Interim report



NISSAN SHATAI CO., LTD.

To Our Shareholders

We would like to thank all our shareholders for your continued support, and are pleased to submit this interim report concerning our performance in the first half of the current fiscal year (April 1 to September 30, 2016).

We sincerely ask all our shareholders for their understanding and support.

Operating results

I . Highlights of the Results for the First Half of FY2016

Over the first half of this fiscal year, the Japanese economy continuously showed signs of gradual recovery due to continuous effect of the economic policy as well as the monetary easing. However, the outlook remained uncertain for a number of reasons that include concerns about the effects of the recent appreciation of the yen and an economic downturn in China, emerging countries, Middle East and other areas.

Amidst such economic situation, the volume of orders from Nissan Motor Co., Ltd. increased for the NV350 Caravan and the Armada for North America that production started in June 2016. However, orders were down for the Quest, Patrol (Y61) and Infiniti QX80, all for export. As a result, sales volume decreased by 3.0% year-on-year to 101,869 units and net sales decreased by 4.4% to 241.8 billion yen. Operating income decreased by 37.4% to 2.8 billion yen mainly because of decreasing net sales and other factors. Ordinary income decreased by 35.2% to 3.0 billion yen, and profit attributable to owners of parent decreased by 56.9% to 1.3 billion yen due to a 1.0 billion yen extraordinary loss resulting from additional special extra retirement payments.

II. Outlook for This Fiscal Year

For this fiscal year, we forecast consolidated sales of 510.0 billion yen, consolidated operating income of 11.5 billion yen, consolidated ordinary income of 12.0 billion yen and consolidated profit attributable to owners of parent of 7.3 billion yen.

III. Fundamental Policy for Earnings Distributions and Current Fiscal Year Dividend

Maintaining a stable dividend backed by initiatives to strengthen the company's earnings base and improve its financial position is the fundamental policy of Nissan Shatai. In addition, we use internal reserve effectively for capital investments and other measures to develop new models and improve productivity as well as to strengthen our financial soundness. For the current fiscal year, we plan to pay a dividend of 11 yen per share, the sum of first half and year-end dividends of 5.5 yen each.



President

Shouhei Kimura

Consolidated Financial Results

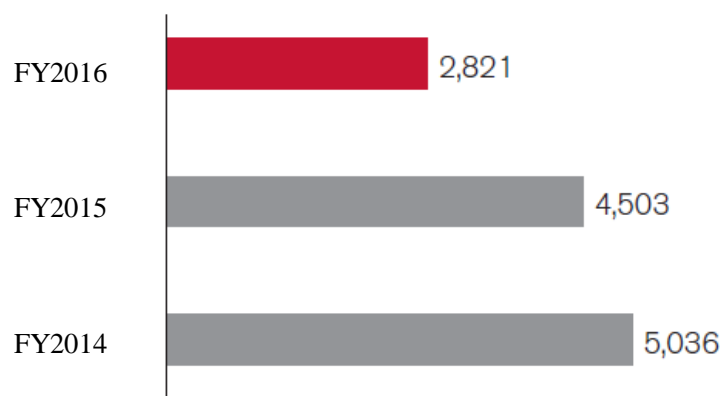
Net Sales

(1H Unit: million yen)



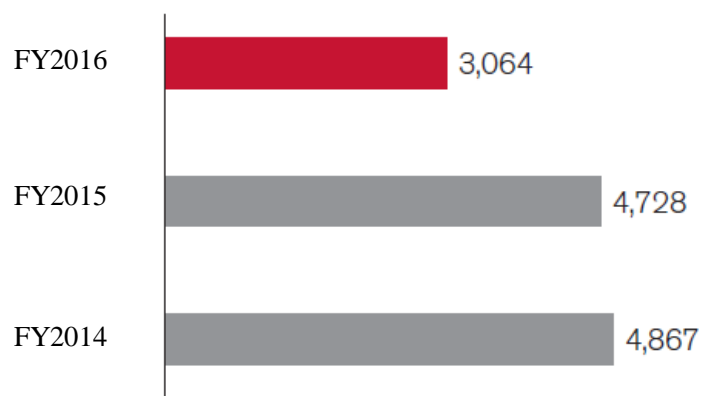
Operating Income

(1H Unit: million yen)



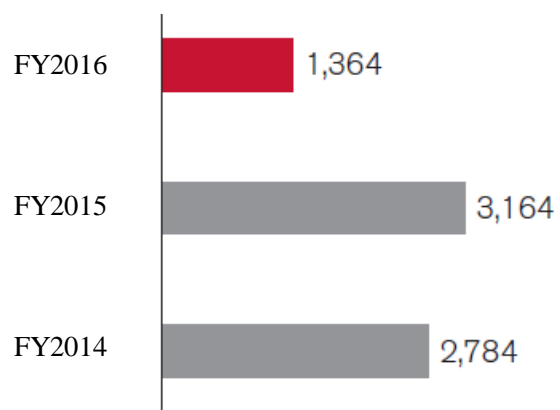
Ordinary Income

(1H Unit: million yen)



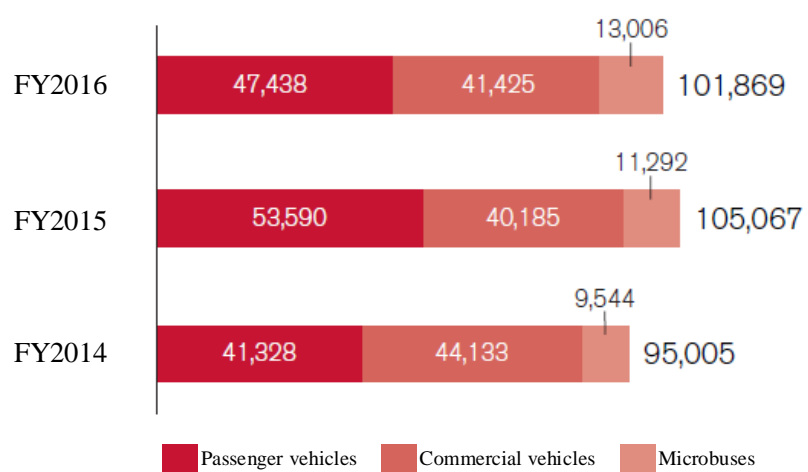
Profit attributable to owners of parent

(1H Unit: million yen)



Vehicle sales volume category

(1H Unit: units)



Quarterly Consolidated Balance Sheet

(As of September 30, 2016)

(Unit: million yen)

Item		Item	
Assets	268,883	Liabilities	98,060
Current assets	211,588	Current liabilities	80,796
Cash and deposits	348	Notes and accounts payable-trade	54,418
Notes and accounts receivable-trade	74,163	Income taxes payable	888
Work in process	4,771	Provision for product warranties	126
Raw materials and supplies	2,559	Other	25,362
Deposits paid	125,300	Non-current liabilities	17,263
Other	4,446	Provision for product warranties	156
Non-current assets	57,294	Net defined benefit liabilities	13,473
Property, plant and equipment	52,048	Other	3,634
Buildings and structures	11,778	Net assets	170,823
Machinery, equipment and vehicles	18,447	Shareholders' equity	175,819
Tools, furniture and fixtures	5,209	Capital stock	7,904
Land	15,684	Capital surplus	8,517
Construction in progress	928	Retained earnings	167,759
Intangible assets	854	Treasury shares	(8,362)
Investments and other assets	4,391	Accumulated other comprehensive income	(4,996)
		Remeasurements of defined benefit plans	(4,996)
Total assets	268,883	Total liabilities and net assets	268,883

Note: Amounts less than one million yen are rounded down.

Quarterly Consolidated Statements of Income

Second Quarter (Fiscal year-to-date)
(April 1 to September 30, 2016)
(Unit: million yen)

Item	
Net sales	241,889
Cost of sales	235,628
Gross profit	6,260
Selling, general and administrative expenses	3,439
Operating income	2,821
Non-operating income	
Interest income	166
Rent income on non-current assets	100
Other	66
Total non-operating income	332
Non-operating expenses	
Interest expense	21
Rent expense on non-current assets	39
Other	28
Total non-operating expenses	89
Ordinary income	3,064
Extraordinary gains	
Gain on sales of non-current assets	0
Total extraordinary gains	0
Extraordinary losses	
Loss on retirement of non-current assets	102
Additional special extra retirement payments	1,028
Total extraordinary losses	1,131
Income before income taxes	1,933
Income taxes	569
Profit	1,364
Profit attributable to non-controlling interests	ô
Profit attributable to owners of parent	1,364

Note: Amounts less than one million yen are rounded down.

Status of Shares

Number of shares authorized to be issued	400,000,000
Number of shares issued	157,239,691
	(Including 9,309,535 shares of treasury stock)
Number of shareholders at the end of First Half	5,090
	(Decrease from the end of previous fiscal year :388)
Ten largest shareholders	

Name	Number of shares held (thousands)	Ratio of issued shares (%)
Nissan Motor Co., Ltd.	67,726	45.8
State Street Bank and Trust Company 505224	17,724	12.0
Royal Bank of Canada Trust Company (Cayman) Limited	16,082	10.9
MLI For Client General Non Treaty-PB	13,000	8.8
Nissan Shatai Supplier Stock Ownership Plan	2,574	1.7
Japan Trustee Services Bank, Ltd.(Trust account)	2,562	1.7
The Master Trust Bank of Japan, Ltd. (Trust account)	1,690	1.1
Goldman Sachs International	1,206	0.8
Japan Trustee Services Bank, Ltd. (Trust account 5)	1,007	0.7
Japan Trustee Services Bank, Ltd. (Trust account 6)	1,006	0.7

Notes:

1. Amounts less than one thousand shares are rounded down.
2. Nissan Shatai holds 9,309,535 shares of treasury stock, but has been excluded from the above list of ten largest shareholders. The ratios of issued shares have been calculated after excluding treasury stock.

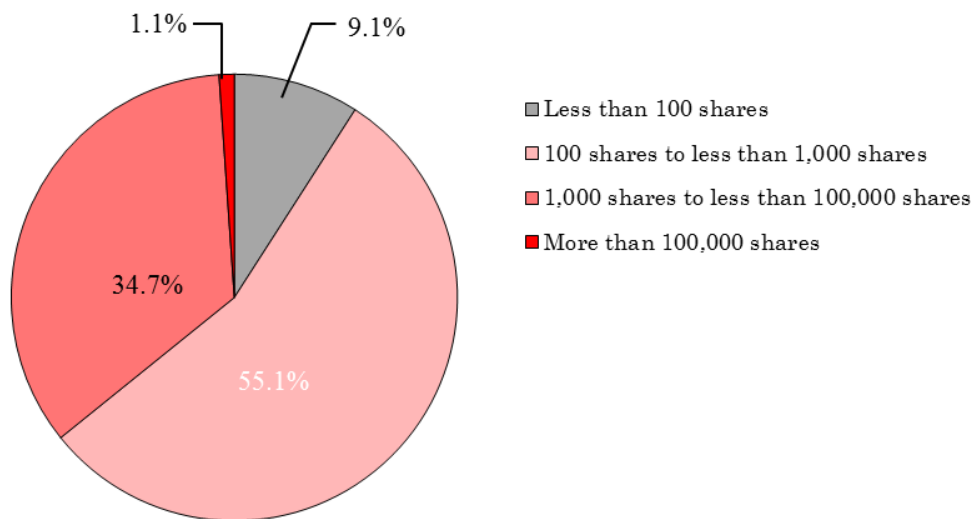
Details of Shareholders

Classification		Number of Shareholders (persons)	Number of Shares (thousands)	Ratio (%)
National and Local Governments		1	0	0.0
Financial Institutions		24	11,315	7.2
Securities Companies		30	437	0.3
Other Corporations		118	72,560	46.1
Foreign Shareholders	Other than Individuals	189	55,769	35.5
	Individuals Only	8	2	0.0
Individuals and Other		4,720	17,154	10.9
Total		5,090	157,239	100.0

Note:

Amounts less than one thousand shares are rounded down.

Breakdown by number of shares held



Outline of Company

Trade name	<i>Nissan Shatai Kabushikikaisha</i>
Established in	July 1, 1941
Incorporated	April 1, 1949
Capital	7,904,951,279 yen
Employees	1,863 (As of September 30, 2016)

Offices & Plants

Head Office

2-1, Tsutsumicho, Hiratsuka, Kanagawa Prefecture, 254-8610
Tel:+81-463-21-8001

Kyushu Office

1-3, Shinhama-cho, Kanda-machi, Miyako-gun, Fukuoka Prefecture, 800-0321
Tel: +81-50-3789-9774

Development Division

Techno Center (Development Division)

2909, Ookami, Hiratsuka, Kanagawa Prefecture, 254-0012
Tel: +81-463-21-8305

Hadano Office

233, Horiyamashita, Hadano, Kanagawa Prefecture, 259-1304
Tel: +81-463-87-2972

Tochigi Office (At the Tochigi Plant of Nissan Motor Co., Ltd.)

2500, Kamigamo Kaminokawa-machi, Kawachi-gun, Tochigi Prefecture, 329-0617
Tel: +81-285-56-1574

Production Division

Shonan Plant

2-1, Tsutsumicho, Hiratsuka, Kanagawa Prefecture, 254-8610
Tel: +81-463-21-8108

Quality Assurance Kyushu, Quality Administration Group, Production Administration Department

1-3, Shinhama-cho, Kanda-machi, Miyako-gun, Fukuoka Prefecture, 800-0321
Tel: +81-50-3789-9579

Kyoto office

1-1, Nishinohata, Okubo-cho, Uji, Kyoto Prefecture, 611-8523
Tel: +81-774-46-7287

Executives

Title	Name
President*	Shohei Kimura
Director	Yuzo Sakita
Director	Toshikatsu Hamaji
Director	Yuichi Mabuchi
Director(Outside)	Yoshiyuki Ooki
Director(Outside)	Seiichiro Ichikawa
Standing statutory auditor	Koichiro Esaki
Standing statutory auditor(Outside)	Shoichi Miyatani
Statutory auditor(Outside)	Toshio Wakui
Statutory auditor(Outside)	Izumi Inoue

Notes:

1. * Indicates a representative director.
2. Mr. Ooki and Mr. Ichikawa are independent directors and Mr. Wakui and Mr. Inoue are independent statutory auditors as stipulated by Tokyo Stock Exchange.

Accounting Auditor: Ernst & Young ShinNihon LLC

Memorandum for Shareholders

Fiscal year

From April 1 to March 31 of the following year

Date of record for year-end dividends

March 31 each year.

When an interim dividend is declared, the date of record therefor is September 30.

Ordinary general shareholders meeting

June of each year

Date of record for ordinary general shareholders meeting

March 31 each year

Administrator of shareholder register

Sumitomo Mitsui Trust Bank, Limited
1-4-1 Marunouchi, Chiyoda-ku, Tokyo

Administrator of special account

Sumitomo Mitsui Trust Bank, Limited
1-4-1 Marunouchi, Chiyoda-ku, Tokyo

Postal address

Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited
2-8-4 Izumi, Suginami-ku, Tokyo 168-0063

Notices

Reporting change of address, requesting purchase of shares less than one unit, etc.

Please inform the securities company where your account is held. Shareholders for whom a special account has been opened because they do not hold an account with a securities company are requested to inform Sumitomo Mitsui Trust Bank, Limited, the administrator of the special account.

Payment of unpaid dividends

Please contact Sumitomo Mitsui Trust Bank, Limited, the administrator of the shareholder register.

Dividend statement

The dividend statement sent when dividends are paid also serves as a notice of payment as provided for in the Act on Special Measures Concerning Taxation. Please use that document as an attachment when filing your tax return.

For shareholders who have opted for proportional distribution, their securities company or other relevant institution will calculate the amount of tax to be withheld at source. Please contact the securities company, etc., concerned with regard to documents to attach to your tax return.

Note: Shareholders intending to file tax returns are advised to store this document carefully.

Trade name

Nissan Shatai Kabushikikaisha

English version of name

Nissan Shatai Co., Ltd.

Principal Products



Infiniti QX80



QUEST



ARMADA



**NV350
CARAVAN**



ELGRAND



PATROL Y62



**NV200
VANETTE**



PATROL Y61



PATROL PICKUP



AD/AD EXPERT



CIVILIAN



ATLAS F24

NISSAN SHATAI CO., LTD.