

NISSAN SHATAI CO., LTD.

# FY 2019 Financial Results

(Fiscal year ended March 31, 2020)



May 2020

**FY 2019**

# Events and Major Achievements in FY2019

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## 【The final vehicle inspection issue】

Following the discovery in September 2017 of the final vehicle inspection issue at Nissan Shatai Group plants, we have continuously implemented preventive measures and reexamined our operations. The group has implemented activities for all 93 items in the preventive measures and will continue to implement these items rigorously. We will further strengthen compliance activities and produce documents concerning the adherence to rules and standards.

### [1 ] More competitive vehicles (Producing highly appealing vehicles to increase production and sales )

- The NV200 Vanette has undergone minor changes. Vehicles have advanced safety features that includes automatic emergency braking to reduce collision damage when a pedestrian is detected in the vehicle's path. All passenger vehicles made by Nissan Shatai for sale in Japan are eligible for the Japanese government subsidy for age 65 and older buyers of automobiles that support safe driving.
- The Patrol (Y62) has undergone significant minor changes that include a different exterior design and a next-generation navigation system.

### [2] More competitive plants (Operating plants with the best quality that can earn the trust of customers )

- The NV150 and NV200 retained their rankings at the top level of the Nissan Group Japanese Market Initial Quality Assessment.

### [3] More competitive technologies and skills (Establishing global technology bases for LCV and frame-vehicle manufacturing)

- A new NV200 Vanette model has been launched that has automatic emergency braking to reduce collision damage and other advanced safety features. These features are one result of the ongoing advanced development of technologies for safety regulations compliance of LCVs.

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# Earnings Results Highlights

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Production volume is down significantly because of COVID-19, but improvements involving cost resulted in higher earnings despite a decline in sales.

## Vehicle sales volume

Production volume was down 20.7% to 182 thousand units as COVID-19 forced plants to suspend operations and the demand for new vehicles fell sharply.

## Net sales

Decreased 17.3% year-on-year to 498.8 billion yen due to lower vehicle sales volume.

## Operating income

Although net sales decreased, operating income increased 19.5% year-on-year to 9.3 billion yen due to improvement of productivity and reduction in cost.

## Profit attributable to owners of parent

Although there was a special loss of 0.9 billion yen associated with the end of supplementary production of the Armada at the Shonan Plant, profit attributable to owners of parent increased 4.3% year-on-year to 5.8 billion yen because of the increases in operating income.

## Capital expenditure

About 8.6 billion yen mainly for investments for new vehicles, minor changes that make vehicles more appealing, and for the rationalization and improvement of manufacturing facilities.

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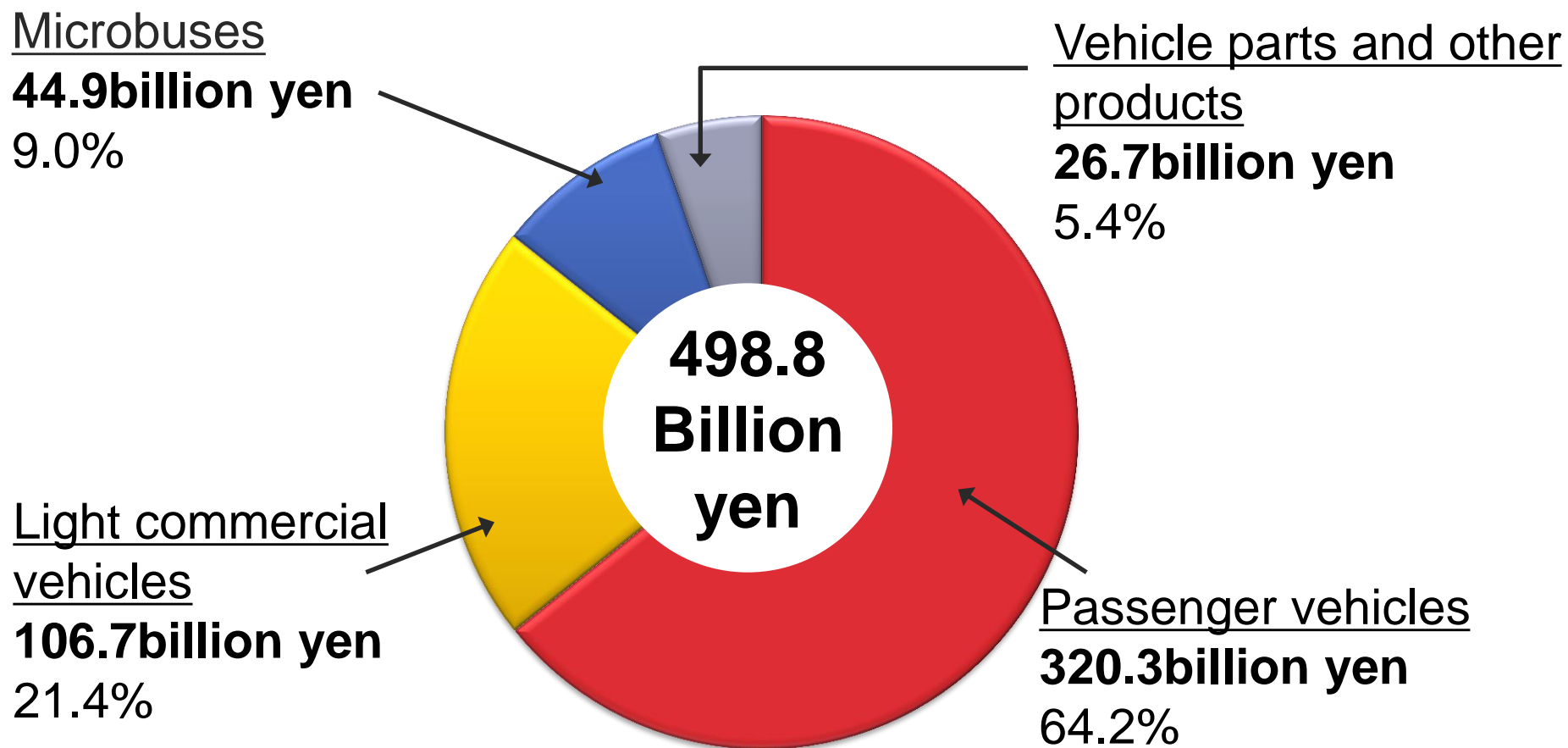
# Financial Performance Highlights

	FY2018 (2019/3)	FY2019 (2020/3)	Variance	Change vs. FY18 (%)
Net sales	602.8	498.8	(104.0)	(17.3%)
Operating income	7.7	9.3	1.5	19.5%
Ordinary income	8.1	9.8	1.6	19.9%
Profit attributable to owners of parent	5.5	5.8	0.2	4.3%

(Billion yen)

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# Sales Breakdown by Product Area

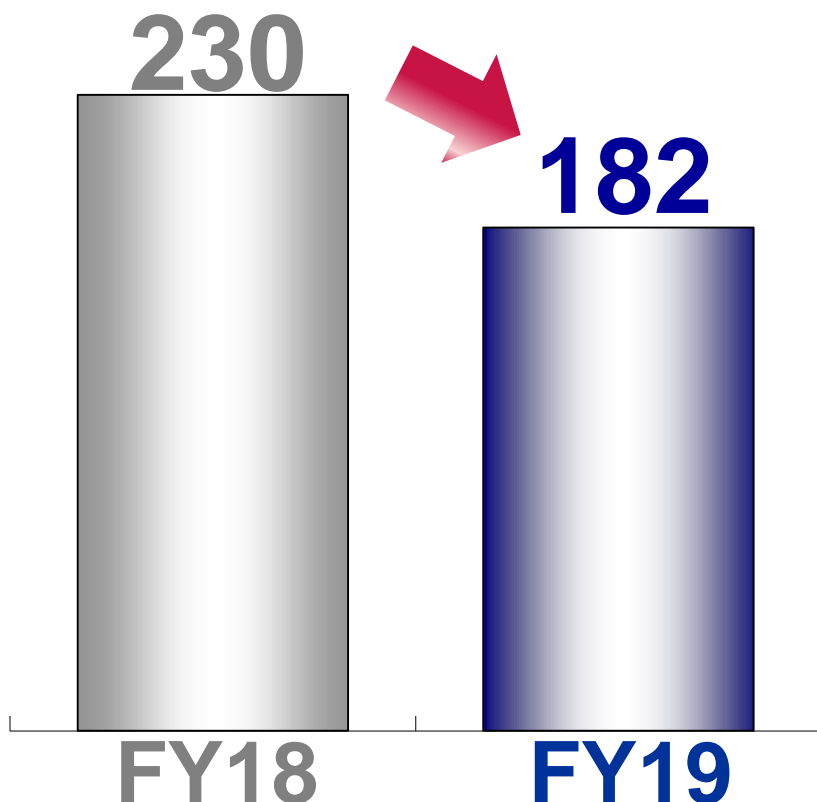


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# Vehicle Sales Volume

The number of vehicles sold decreased by 20.7% to the 182 thousand units. The main causes were a decline in overall demand and COVID-19.

(Thousand units)



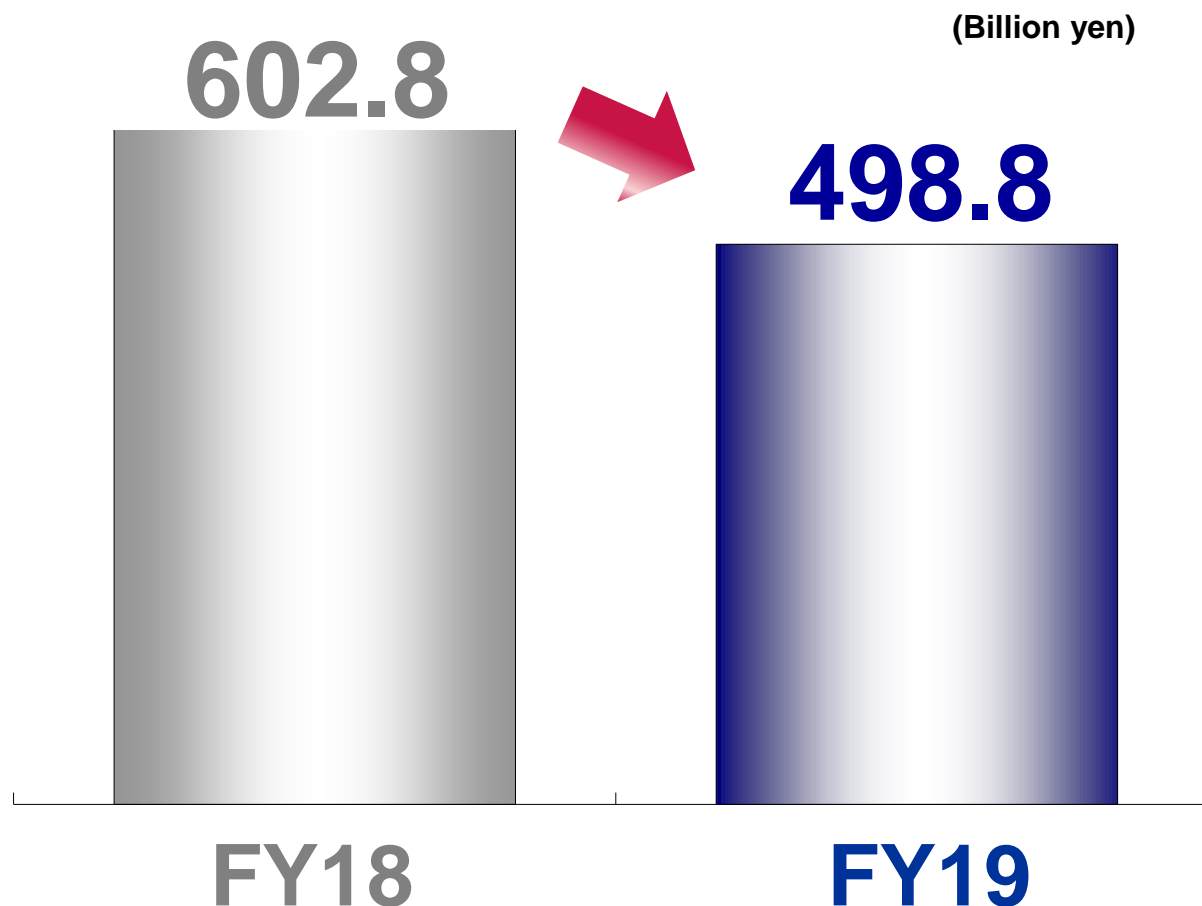
(Unit: thousand units)

	FY2018	FY2019	Variance
Passenger vehicles	127	93	(26.2%)
Light commercial vehicles	84	67	(20.0%)
Microbuses	19	22	12.5%
<b>Total</b>	<b>230</b>	<b>182</b>	<b>(20.7%)</b>

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# Net Sales

Net sales down 17.3% year-on-year to 498.8 billion yen mainly because of lower vehicle sales volume

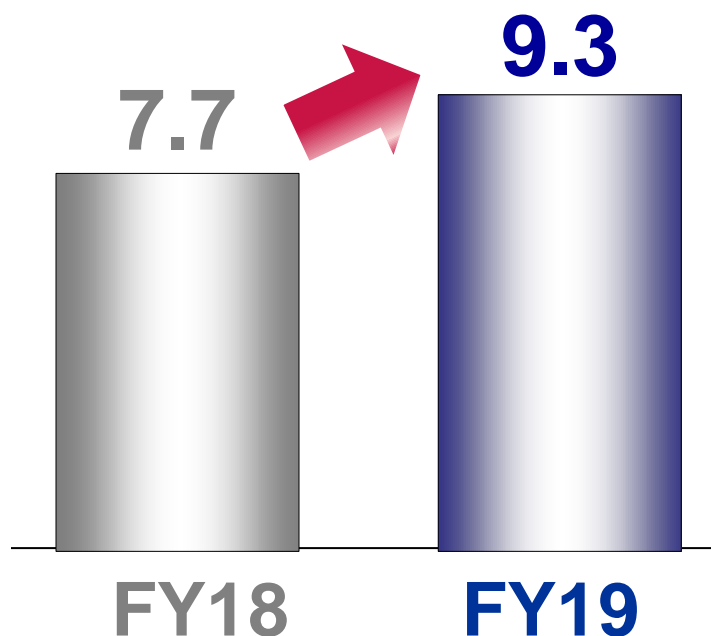


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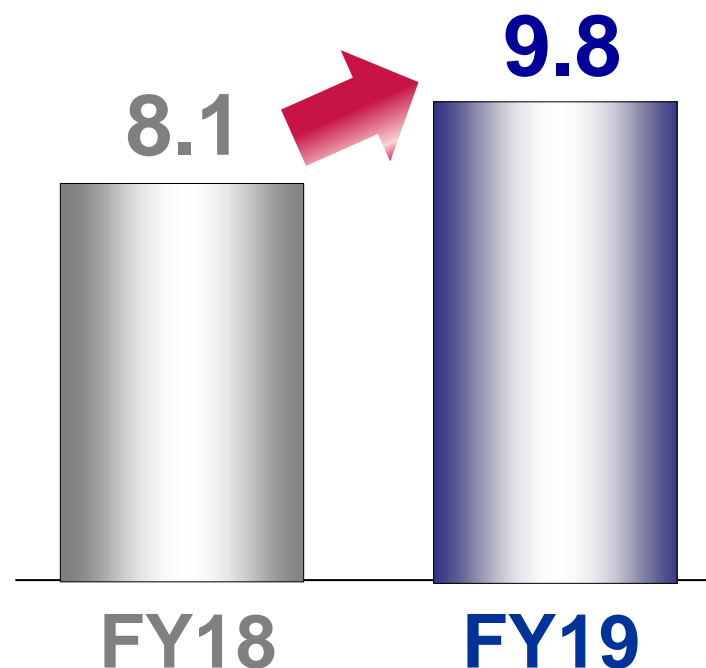
# Operating Income/Ordinary Income

Although sales decreased, operating income and ordinary income were higher than in the previous fiscal year because of higher productivity, cost cutting and other measures.

Operating income (Billion yen)



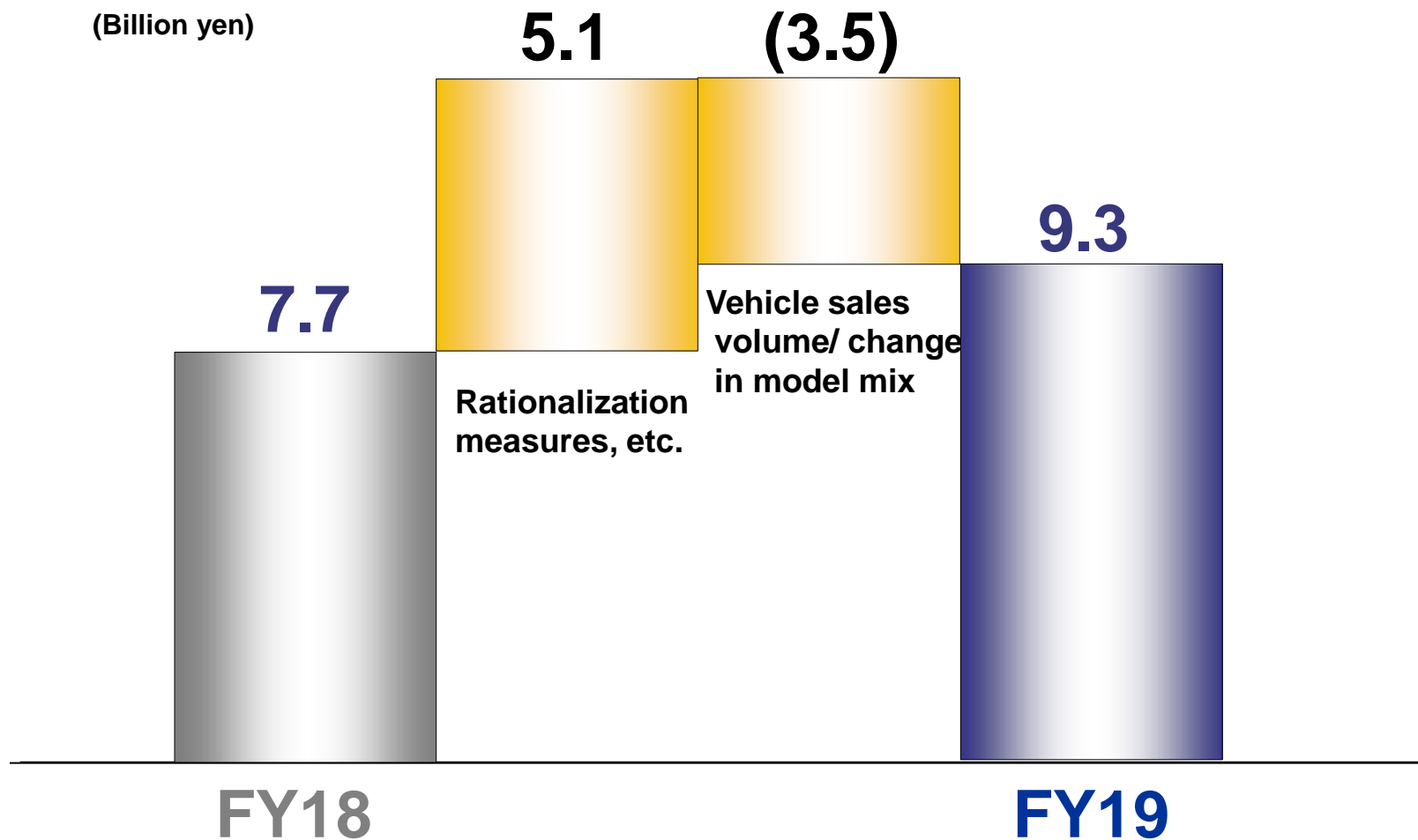
Ordinary income (Billion yen)





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# Factors for Operating Income

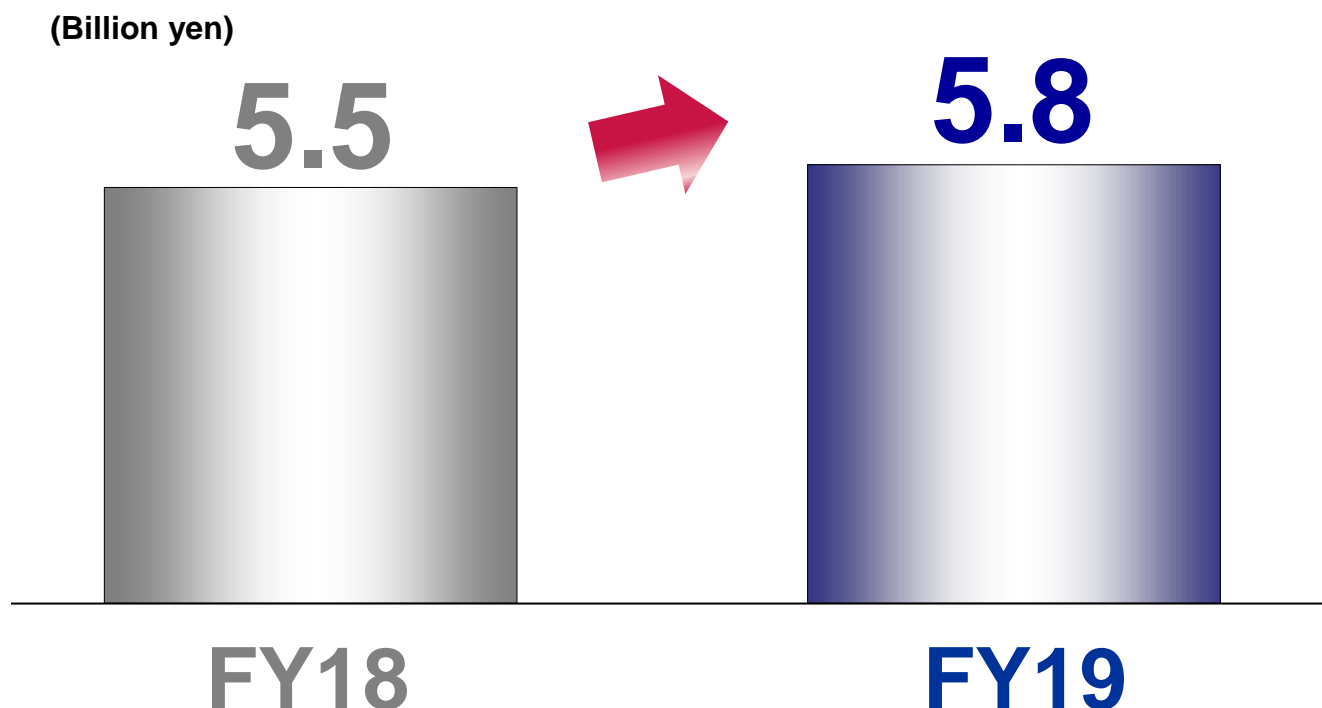


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## Profit Attributable to Owners Parent

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Although there was a special loss of 0.9 billion yen associated with the end of supplementary production of the Armada at the Shonan Plant, profit attributable to owners of parent increased 4.3% year-on-year to 5.8 billion yen because of the increases in operating income and ordinary income.



# **FY2020 Forecast**

## **Consolidated**

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## FY 2020 Forecast

# Major Initiatives in FY2020

### < Operating environment for the automotive industry >

Challenging business climate due to impact of COVID-19 pandemic and accompanying decrease in demand in the automotive industry.

### < Major Initiatives >

#### [1] More competitive vehicles (Producing highly appealing vehicles to increase production and sales )

- Increase production volume by enhancing activities to raise sales in the Middle East, North Africa and South East Asia.
- Aiming increase sales of conversion vehicle.

#### [2] More competitive plants (Operating plants with the best quality that can earn the trust of customers )

- An integrated manufacturing infrastructure extending from development to production is the greatest strength of Nissan Shatai. We will use this strength in order to improve quality by creating designs, processes and procedures that increase the ease of producing vehicles.

#### [3] More competitive technologies and skills (Establishing global technology bases for LCV and frame-vehicle manufacturing)

- Looking ahead to the expected growth of the LCV and frame-vehicle categories, Nissan Shatai will continue to take on technological challenges in order to meet social requirements, create vehicles that are even more competitive, and incorporate ITS and other highly advanced technologies in these vehicles.

# Forecast of Operating Results for FY2020

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The worldwide COVID-19 pandemic has disrupted supply chains required for producing vehicles and reduced demand for automobiles. As a result, it is extremely difficult to determine a production plan. Consequently, establishing a reasonable forecast for the fiscal year ending in March 2021 is impossible at this time. We will announce a forecast promptly when it becomes possible to determine a forecast.

# **Return to Shareholders**

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# Return to Shareholders

## Dividends

Steady dividend with a view to sustainable growth

