

95th Interim Shareholders' Report

April 1 to September 30, 2017

2017 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, 2017).

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

Operating results

I . Highlights of the Results for the First Half of FY2017

In the first half of this fiscal year, the volume of orders from Nissan Motor Co., Ltd. decreased for Patrol (Y61 and Y62) for the Middle East and other vehicles. However, orders were up for the Armada for North America that production started in June 2016, Infiniti QX80 for North America and other vehicles. As a result, sales volume increased by 10.4% year-on-year to 112,452 units and net sales increased by 20.2% to 290.6 billion yen. Operating income increased by 44.3% to 4.0 billion yen mainly because of increasing net sales and other factors. Ordinary income increased by 40.6% to 4.3 billion yen and the loss attributable to owners of parent was 0.2 billion yen.

The loss was due mainly to a loss of 4.5 billion yen for the cost of vehicle recall campaigns. In September 2017, the Japanese Ministry of Land, Infrastructure, Transport and Tourism notified Nissan Motor Co., Ltd. that certain parts of the final vehicle inspection process were improper. Nissan Motor Co., Ltd. announced recall campaigns and we recorded a special loss for the estimated cost of re-inspecting vehicles manufactured by Nissan Shatai that are subject to these recall campaigns. The estimate is based on facts and other information currently available. A final confirmation of this estimate will be made after holding discussions with Nissan Motor Co., Ltd.

II. Outlook for This Fiscal Year

For this fiscal year, we forecast consolidated sales of 640.0 billion yen, consolidated operating income of 12.5 billion yen, consolidated ordinary income of 13.1 billion yen and consolidated profit attributable to owners of parent of 5.4 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 13 yen per share, the sum of first half and year-end dividends of 6.5 yen each.



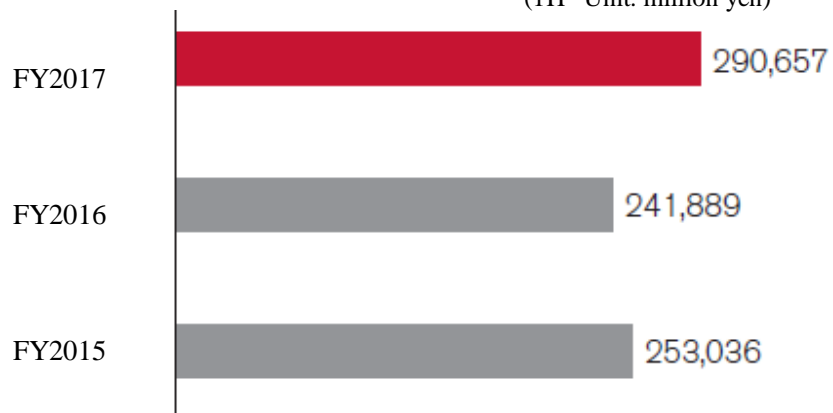
President

Shouhei Kimura

Consolidated Financial Results

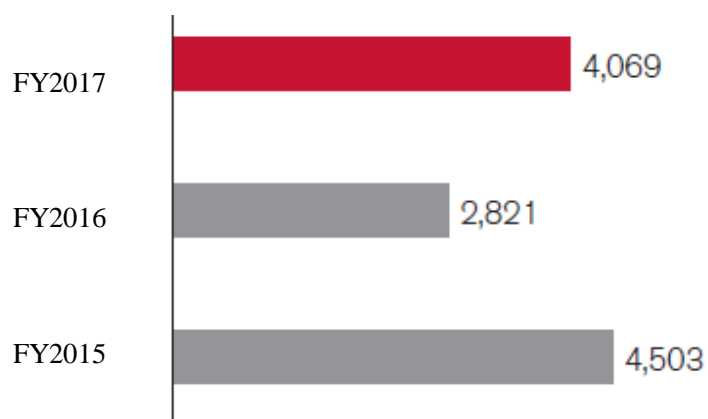
Net Sales

(1H Unit: million yen)



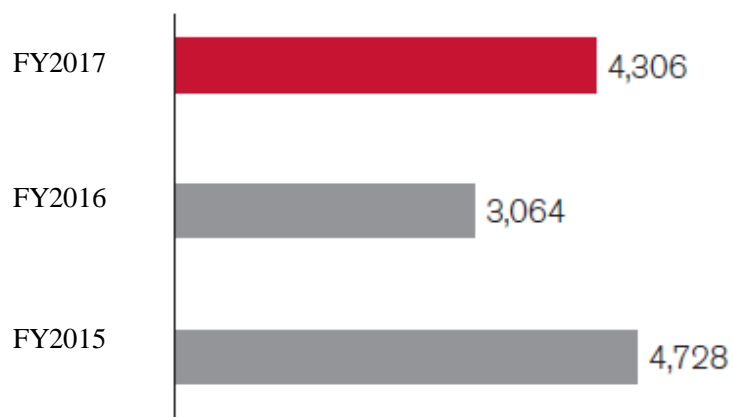
Operating Income

(1H Unit: million yen)



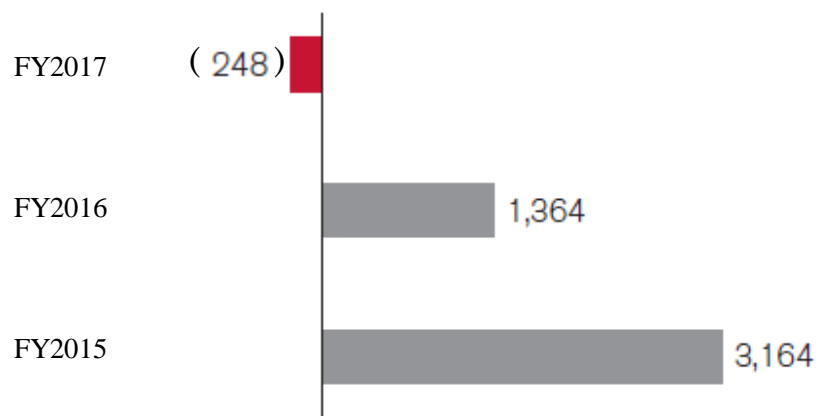
Ordinary Income

(1H Unit: million yen)



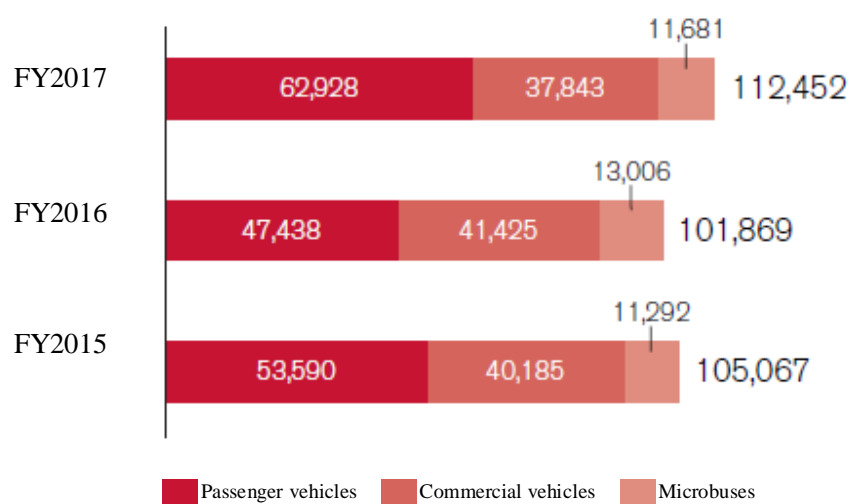
Profit attributable to owners of parent

(1H Unit: million yen)



Vehicle sales volume category

(1H Unit: units)



Quarterly Consolidated Balance Sheet

(As of September 30, 2017)

(Unit: million yen)

Item		Item	
Assets	273,293	Liabilities	109,183
Current assets	214,962	Current liabilities	94,917
Cash and deposits	581	Notes and accounts payable-trade	59,322
Notes and accounts receivable-trade	80,336	Income taxes payable	337
Work in process	5,236	Provision for product warranties	171
Raw materials and supplies	3,186	Other	35,085
Deposits paid	120,857	Non-current liabilities	14,266
Other	4,764	Provision for product warranties	203
Non-current assets	58,331	Net defined benefit liabilities	10,200
Property, plant and equipment	54,117	Other	3,862
Buildings and structures	11,587	Net assets	164,110
Machinery, equipment and vehicles	17,133	Shareholders' equity	166,233
Tools, furniture and fixtures	6,611	Capital stock	7,904
Land	15,684	Capital surplus	8,517
Construction in progress	3,101	Retained earnings	172,446
Intangible assets	975	Treasury shares	(22,635)
Investments and other assets	3,238	Accumulated other comprehensive income	(2,122)
		Remeasurements of defined benefit plans	(2,122)
Total assets	273,293	Total liabilities and net assets	273,293

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, 2017)
(Unit: million yen)

Item	
Net sales	290,657
Cost of sales	283,007
Gross profit	7,649
Selling, general and administrative expenses	3,579
Operating income	4,069
Non-operating income	
Interest income	157
Rent income on non-current assets	102
Other	96
Total non-operating income	356
Non-operating expenses	
Interest expense	22
Rent expense on non-current assets	56
Commission for purchase of treasury stock	23
Other	17
Total non-operating expenses	119
Ordinary income	4,306
Extraordinary gains	
Gain on sales of non-current assets	0
Total extraordinary gains	0
Extraordinary losses	
Loss on retirement of non-current assets	80
Recall expenses	4,584
Total extraordinary losses	4,664
Loss before income taxes	357
Income taxes	(108)
Loss	248
Loss attributable to non-controlling interests	ô
Loss attributable to owners of parent	248

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 21,786,117 shares of treasury stock)
Number of shareholders at the end of First Half	4,388
	(Decrease from the end of previous fiscal year :397)
Ten largest shareholders	

Name	Number of shares held (thousands)	Ratio of issued shares (%)
Nissan Motor Co., Ltd.	67,726	50.0
ECM MF	16,082	11.9
MLI for Client General Omni Non Collateral Non Treaty-PB	13,022	9.6
Nissan Shatai Supplier Stock Ownership Plan	2,669	2.0
Japan Trustee Services Bank, Ltd.(Trust account)	2,570	1.9
The Master Trust Bank of Japan, Ltd. (Trust account)	2,160	1.6
Bank of New York GCM Client Account JPRD AC ISG (FE-AC)	1,948	1.4
Japan Trustee Services Bank, Ltd. (Trust account 5)	1,541	1.1
Government of Norway	1,273	0.9
Japan Trustee Services Bank, Ltd. (Trust account 1)	1,257	0.9

Notes:

1. Amounts less than one thousand shares are rounded down.
2. Nissan Shatai holds 21,786,117 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		23	11,367	7.2
Securities Companies		30	956	0.6
Other Corporations		112	72,422	46.1
Foreign Shareholders	Individuals Only	7	1	0.0
	Other than Individuals	189	43,269	27.5
Individuals and Other		4,026	29,221	18.6
Total		4,388	157,239	100.0

Note: Amounts less than one thousand shares are rounded down.

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	1,919 (As of September 30, 2017)

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	Toshikatsu Hamaji
Director	Yuichi Mabuchi
Director	Hiroyuki Otsuka
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

Ordinary general shareholders meeting

June of each year

Date of record for ordinary general shareholders meeting

March 31 each 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.

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



ARMADA



PATROL Y62



Infiniti QX80



**NV350
CARAVAN**



ELGRAND



**NV150
AD**



**NV200
VANETTE**



PATROL Y61



PATROL PICKUP



NV200



CIVILIAN



ATLAS F24

NISSAN SHATAI CO., LTD.