

96th Interim Shareholders' Report

April 1 to September 30, 2018

2018

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, 2018).

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

Operating results

I . Highlights of the Results for the First Half of FY2018

In the first half of this fiscal year, the volume of orders from Nissan Motor Co., Ltd. decreased for Armada for North America and other vehicles. However, orders were up for Patrol (Y61 and Y62) for the Middle East, Infiniti QX80 for North America and other vehicles. As a result, sales volume increased by 3.6% year-on-year to 116,525 units and net sales increased by 4.4% to 303.3 billion yen. Operating income decreased by 17.7% to 3.3 billion yen mainly because of the increasing prices of raw materials. Ordinary income decreased by 17.9% to 3.5 billion yen. Profit attributable to owners of parent increased to 2.4 billion yen because of a decrease in special losses and other factors.

II. Outlook for This Fiscal Year

For this fiscal year, we forecast consolidated sales of 630.0 billion yen, consolidated operating income of 12.6 billion yen, consolidated ordinary income of 13.0 billion yen and consolidated profit attributable to owners of parent of 8.7 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.



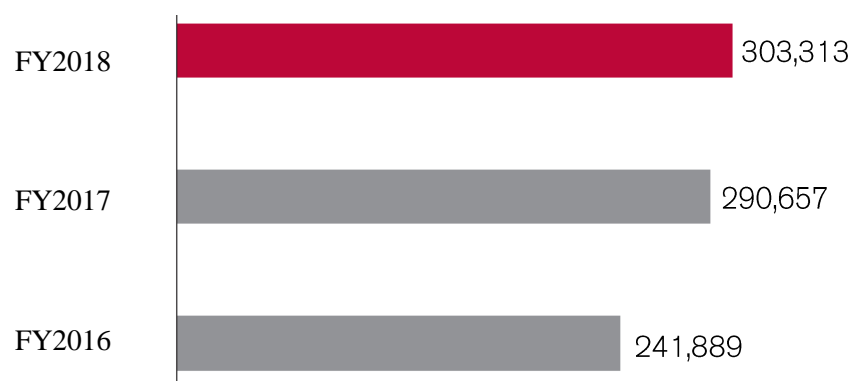
President

Shouhei Kimura

Consolidated Financial Results

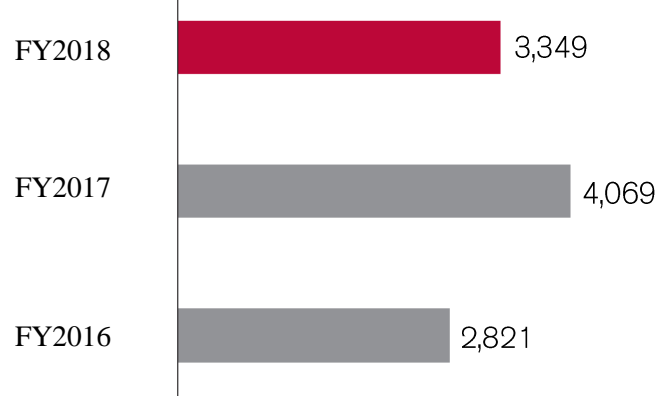
Net Sales

(1H Unit: million yen)



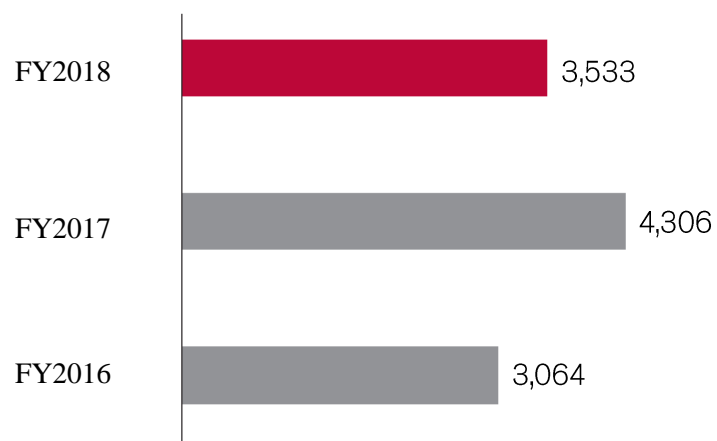
Operating Income

(1H Unit: million yen)

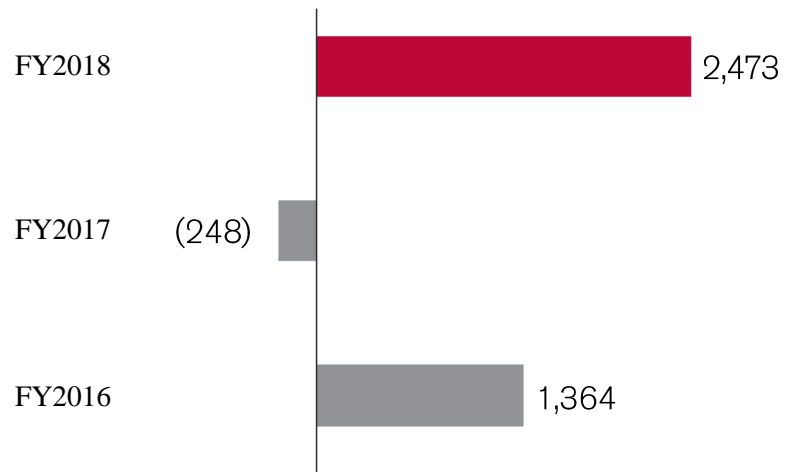


Ordinary Income

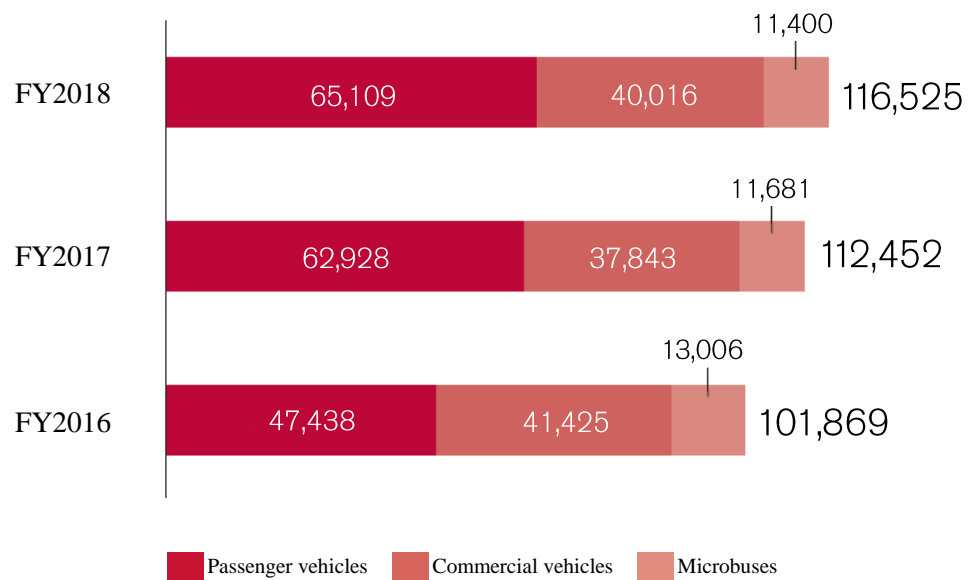
(1H Unit: million yen)



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, 2018)
(Unit: million yen)

Item		Item	
Assets	270,577	Liabilities	107,019
Current assets	210,543	Current liabilities	94,056
Cash and deposits	562	Notes and accounts payable-trade	57,096
Notes and accounts receivable-trade	82,037	Income taxes payable	1,572
Work in process	4,343	Provision for product warranties	170
Raw materials and supplies	2,756	Other	35,216
Deposits paid	118,277	Non-current liabilities	12,963
Other	2,565	Provision for product warranties	215
Non-current assets	60,033	Net defined benefit liabilities	9,551
Property, plant and equipment	52,815	Other	3,196
Buildings and structures	11,278	Net assets	163,557
Machinery, equipment and vehicles	17,832	Shareholders' equity	164,896
Tools, furniture and fixtures	7,158	Capital stock	7,904
Land	15,684	Capital surplus	8,517
Construction in progress	862	Retained earnings	171,109
Intangible assets	1,125	Treasury shares	(22,635)
Investments and other assets	6,092	Accumulated other comprehensive income	(1,339)
		Remeasurements of defined benefit plans	(1,339)
Total assets	270,577	Total liabilities and net assets	270,577

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, 2018)
(Unit: million yen)

Item	
Net sales	303,313
Cost of sales	296,673
Gross profit	6,640
Selling, general and administrative expenses	3,290
Operating income	3,349
Non-operating income	
Interest income	153
Rent income on non-current assets	107
Other	36
Total non-operating income	297
Non-operating expenses	
Interest expense	25
Rent expense on non-current assets	62
Other	25
Total non-operating expenses	113
Ordinary income	3,533
Extraordinary gains	
Gain on sales of non-current assets	0
Total extraordinary gains	0
Extraordinary losses	
Loss on retirement of non-current assets	63
Other	0
Total extraordinary losses	63
Income before income taxes	3,470
Income taxes	996
Net income	2,473
Income attributable to non-controlling interests	—
Profit attributable to owners of parent	2,473

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 21,786,301 shares of treasury stock)

Number of shareholders at the end of First Half 4,454

(Decrease from the end of previous fiscal year :10)

Ten largest shareholders

Name	Number of shares held (thousands)	Ratio of issued shares (%)
Nissan Motor Co., Ltd.	67,726	50.0
MLI for Client General Omni Non Collateral Non Treaty-PB	22,098	16.3
ECM MF	7,082	5.2
Nissan Shatai Supplier Stock Ownership Plan	2,692	2.0
Bank of New York GCM Client Account JPRD AC ISG (FE-AC)	2,463	1.8
The Master Trust Bank of Japan, Ltd. (Trust account)	2,287	1.7
Japan Trustee Services Bank, Ltd.(Trust account)	1,940	1.4
Japan Trustee Services Bank, Ltd. (Trust account 5)	1,257	0.9
Northern Trust Co. (AVFC) RE HCR00	1,210	0.9
Japan Trustee Services Bank, Ltd. (Trust account 1)	1,205	0.9

Notes:

1. Amounts less than one thousand shares are rounded down.
2. Nissan Shatai holds 21,786,301 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	10,933	7.0
Securities Companies		32	656	0.4
Other Corporations		115	72,548	46.1
Foreign Shareholders	Individuals Only	10	3	0.0
	Other than Individuals	186	43,759	27.8
Individuals and Other		4,087	29,338	18.7
Total		4,454	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	1,861 (As of September 30, 2018)

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	Yuichi Mabuchi
Director	Hiroyuki Otsuka
Director	Shin Kotaki
Director(Outside)	Yoshiyuki Ooki
Director(Outside)	Seiichiro Ichikawa
Standing statutory auditor	Toshikatsu Hamaji
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

Principal Products



ARMADA



PATROL Y62



Infiniti QX80



**NV350
CARAVAN**



ELGRAND



**NV150
AD**



**NV200
VANETTE**



PATROL Y61



PATROL PICKUP



NV200



CIVILIAN



ATLAS F24

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 (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	<i>Nissan Shatai Kabushikikaisha</i>
English version of name	Nissan Shatai Co., Ltd.

NISSAN SHATAI CO., LTD.