

Looking to the New Fiscal Year

Nissan will continue to grow in fiscal 2005. Even assuming a relatively flat total industry volume of 61 million units globally, Nissan's sales are forecast to come to 3,618,000 units, a 6.8 percent increase over the prior year.

Worldwide, we will launch six all-new models—five in Japan, one in Europe—leading to twenty regional product events.

Our sales objectives

- Japan: 933,000 units, a 10 percent increase over last year
- U.S.: 1,047,000 units, an increase of 3.3 percent
- Europe: 550,000 units, a 1.1 percent increase over last year
- General Overseas Markets: 1,088,000 units, a 10.7 percent increase

Our financial outlook

Any new fiscal year brings risks and opportunities, and 2005 brings very high levels of uncertainty and risks—volatility in exchange rates, higher interest rates, higher commodity prices, higher energy prices, higher incentives and uncertainty about growth in the U.S. and Japan. The opportunity is in following through on the NISSAN Value-Up plan quickly and effectively.

In light of these factors, our forecast for fiscal 2005 is as follows. This is based on a foreign exchange rate assumption for the year of ¥105 per dollar and ¥130 per euro:

- Net revenue is predicted to be ¥9 trillion, up 4.9 percent.
- Operating profit is expected to be ¥870 billion, up 1 percent.
- Ordinary profit is expected to reach ¥860 billion, up 0.5 percent.
- Net income is predicted to be ¥517 billion, up 0.9 percent.
- Capital expenditures are expected to reach ¥540 billion, up 13.1 percent.
- R&D expenses are forecast to reach ¥450 billion, or 5 percent of net sales, up 13.0 percent.
- ROIC is expected to remain at or above 20 percent.