

Nissan Tokyo Sales Holdings Co., Ltd.

8291

Tokyo Stock Exchange Prime Market

20-Jan.-2023

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Summary

For an era of great reforms, has set a new corporate philosophy and formulated a new medium-term management plan

1. One of the largest auto-dealerships in Japan selling new Nissan brand vehicles and other vehicles

Nissan Tokyo Sales Holdings Co., Ltd. <8291> (hereafter, also “the Company”) is a holding company under whose umbrella includes vehicle sales subsidiaries affiliated with Nissan Motor Corporation <7201>. It conducts businesses including sales of new Nissan and Renault brand vehicles, trade-ins and sales of used vehicles, and vehicle maintenance. The Company is one of the largest auto-dealerships in Japan, with a sales area covering nearly 90% of the population of metropolitan Tokyo. The net sales composition of the Company’s vehicle-related business for 1H FY3/23 stood at about 96%, accounting for most of its net sales. In peripheral businesses, it also conducts original businesses that do not rely on the Nissan brand. In addition, TOKYO NISSAN COMPUTER SYSTEM CO., LTD. <3316>, a publicly listed subsidiary, is engaged in an information systems-related business, centered on a solutions-provider business. In July 2021, the Company integrated the three Nissan Motor sales subsidiaries under its umbrella and established Nissan Tokyo Sales Co., Ltd.

2. Strengths include is an EV pioneer and has recurring businesses and a dealership network

The features of the Company’s business model are that it provides customers with a one-stop service for their car lives (mobility) and maximizes their LTV (lifetime value). The strengths that support this business model are that it is an EV pioneer and has recurring businesses and a dealership network. Specifically, as an EV pioneer, it has sales and service systems and provides expertise, an infrastructure, and an enhanced EV lineup for which it has accumulated a customer base of 350,000 transactions, and against this backdrop, it is developing its recurring businesses and moreover a network of dealerships that are based in local communities and that covers the expansive Tokyo area. Another strength is that it is a dealership for Nissan Motor that is gaining momentum through “best practices” for the rapid sharing and horizontal development of expertise and information and by focusing on EV.

3. New electrified vehicle models, such as the new kei car (minicar) EV SAKURA, are proving popular, and achieved record high operating profit in 1H

In the 1H FY3/23 results, net sales were ¥66,681mn (down 3.1% year-on-year (YoY)) and operating profit was ¥3,090mn (up 109.3%), so profits increased significantly and operating profit recorded a new record high. The vehicle-supply shortage is continuing, but the main reasons for the improved earnings were that the Company’s number of new vehicle sales (on a registration basis) grew significantly, including as the popularity grew of electrified vehicles such as the EV SAKURA kei car (minicar) model, which won the Japan Car of the Year Award for the first time. For the FY3/23 results outlook, the Company is forecasting net sales of ¥140,000mn (up 1.2% on the previous period) and operating profit of ¥5,500mn (up 24.8%). Against the backdrop of the strong 1H results, it has upwardly revised the operating profit forecast by ¥1,000mn, but it is considered that the result may exceed even this upwardly revised forecast, including because of the continuing excellent results of new models and as we can still expect the effects of the integration of the three Nissan sales companies even though one year has passed since the integration.

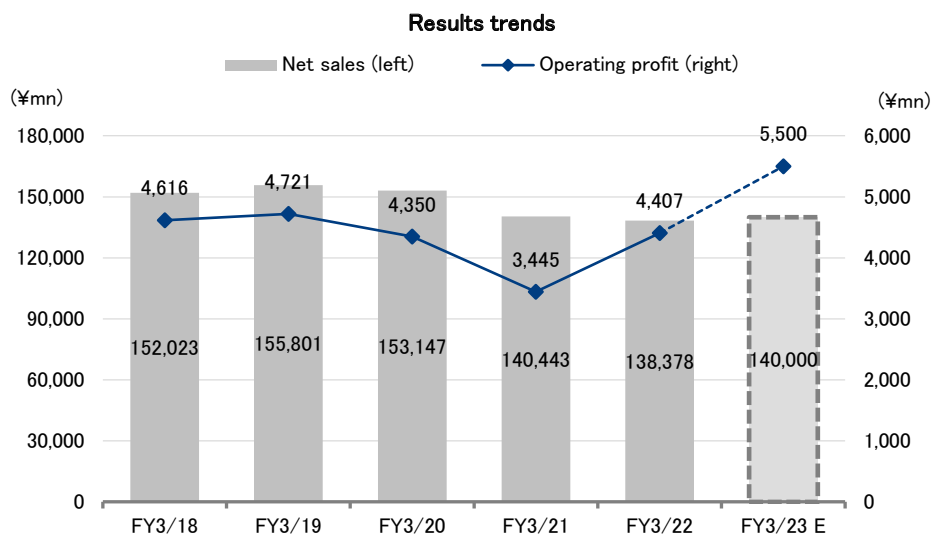
Summary

4. Has formulated a new medium-term management plan and is targeting operating profit of ¥6.5bn in FY3/27

Against the backdrop of the rapid developments of cutting-edge technologies, environmental problems, and other factors, it is said that the automotive industry has entered a “period of great reforms that occurs once every 100 years.” Therefore, the Company has set a new corporate philosophy of “We will accelerate the evolution of mobility to open up a whole new era. We will keep moving forward toward a future full of smiles.” and it has identified four materialities (important issues), including responding to climate change and realizing a safe and secure society. To realize them, it has formulated a new four-year medium-term management plan (FY3/24 to FY3/27) and as the priority strategies, it intends to be a leader in vehicle electrification and to progress safety and driving-support technologies and the mobility business. Through these strategies, it is aiming to recover the number of new vehicle sales to the same level as before the novel coronavirus pandemic (hereafter, COVID-19), as well as to accumulate the recurring businesses and to optimize equipment costs and other costs. For FY3/27, its financial targets including achieving operating profit of ¥6.5bn, while its non-financial targets include realizing a passenger vehicle electrification ratio of at least 90%.

Key Points

- Strengths include that it is an EV pioneer and has recurring businesses through a customer base and a dealership network
- Despite the vehicle-supply shortage, in 1H achieved record high profits, including due to the popularity of the new SAKURA mini model and other EV models
- In the new medium-term management plan, the FY3/27 targets include operating profit of ¥6.5bn and a passenger vehicle electrification ratio of at least 90%



Source: Prepared by FISCO from the Company's financial results

Company outline

Japan's largest Nissan Motor-affiliated auto-dealership

1. Company outline and history

The Company is the holding company that supervises 5 consolidated subsidiaries, including Nissan Motor-affiliated auto-dealerships (Nissan Tokyo Sales) and 3 non-consolidated subsidiaries. It conducts a business of selling Nissan and Renault brand vehicles based in Tokyo, which is the center of Japan with a large population concentration, and boasts one of the largest dealerships among Tokyo's auto dealerships even among nationwide Nissan-affiliated dealerships. A feature of the Company is that it provides a one-stop service for its customers' car lives, and it mainly sells cutting edge-vehicles, such as the EV of Nissan Motor and its group companies, and purchased parts. Its businesses also include trade-ins and sales of used vehicles and conducting vehicle body maintenance and mandatory vehicle inspections. TOKYO NISSAN COMPUTER SYSTEM, which is a listed company, provides support to Nissan Tokyo Sales in the DX area, such as an efficient sales system that utilizes big data. In addition, as a managed services* company, it conducts the information systems-related business, which is primarily a solutions provider business.

* Managed services: Outsourcing services to provide support to customer companies for situations like consolidating core work and improving work efficiency and productivity, not only by administering, managing and monitoring customer companies' information assets, but also by utilizing IT to continuously provide new value.

July 2021 Integration of the three Nissan sales companies

2. History

The Company was founded in Tokyo City in 1942 as Tokyo Prefecture Automobile Supply Co., Ltd., based on the Ministry of Commerce and Industry's Guidelines to Establish an Automobile and Automobile Parts Supply Structure. After the war in 1946, it changed its company name to Tokyo Nissan Auto Sales Co., Ltd., and subsequently its business scope gradually expanded alongside motorization, and in 1961, it was listed on the Tokyo Stock Exchange (TSE) 1st Section. In 1989, it established TOKYO NISSAN COMPUTER SYSTEM to enter the systems business; in 2002, it established Shakenkan to strengthen mandatory vehicle inspections; and then in 2004, TOKYO NISSAN COMPUTER SYSTEM was listed on the JASDAQ market. Also, in the same year, it transitioned to a holding company structure through a company split and changed the company name to East Japan Car Life Group Co., Ltd. In 2008, it conducted a capital increase through a third-party allocation for NISSAN NETWORK HOLDINGS COMPANY LIMITED, which is a subsidiary of Nissan Motor, and it became an equity-method affiliate of Nissan Motor. In 2011, it made the three Tokyo-based companies--Nissan Auto Sales Co., Ltd., Nissan Prince Tokyo Sales Co., Ltd., and Nissan Prince West Tokyo Sales Co., Ltd.--into Group companies, thereby significantly expanding its Nissan vehicles dealership business, including undertaking practically all sales of Nissan vehicles in Tokyo. Alongside the transition to the new holding company structure, it changed its company name to the current Nissan Tokyo Sales Holdings Co., Ltd. The Company integrated the three Nissan sales companies in July 2021, 10 years after they joined the Group, to establish Nissan Tokyo Sales to further improve efficiency and scale merits, thereby forming the largest auto-dealership in Japan in both name and reality. Against the backdrop of the rapid developments of cutting-edge technologies, environmental problems, and other factors, the automotive industry is currently undergoing dramatic changes to its business environment to the extent that it is said to be in a "period of great reforms that occurs once every 100 years." The Company is presently conducting proactive management to respond to these changes to its business environment.

Nissan Tokyo Sales Holdings Co., Ltd.
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<https://www.nissan-tokyo-hd.co.jp/ir/>

Company outline

History

Date	Description
November 1942	Established as Tokyo Prefecture Automobile Supply Co., Ltd., in Kyobashi Ward, Tokyo City
October 1943	Changed company name to Metropolitan Tokyo Automobile Maintenance Supply Co., Ltd.
February 1946	Changed company name to Tokyo Auto Sales Co., Ltd.
December 1946	Changed company name to Tokyo Nissan Auto Sales Co., Ltd.
September 1955	Relocated the Head Office to Tameike, Minato Ward
October 1961	Listed on the TSE 1st Section
January 1971	Relocated Head Office to Roppongi, Minato Ward
March 1977	Made Tokyo Nissan Motor Co., Ltd., a base and accepted some personnel
April 1982	Established Tohnichi Services Co., Ltd.
July 1985	Acquired part of the sales of New Tokyo Nissan Auto Sales Co., Ltd.
March 1989	Established TOKYO NISSAN COMPUTER SYSTEM CO., LTD.
June 1999	Established Showajima Service Center Co., Ltd.
July 2000	Relocated the Head Office to Nishi Gotanda, Shinagawa Ward
October 2002	Established Shakenkan Co., Ltd.
August 2003	Tohnichi Services conducted an absorption merger of Showajima Service Center and changed the company name to Ace Auto Services Co., Ltd.
March 2004	TOKYO NISSAN COMPUTER SYSTEM was listed on the JASDAQ market
April 2004	Transitioned to a holding company structure through a company split and changed the company name to East Japan Car Life Group Co., Ltd.
February 2008	Conducted a capital increase through a third-party allocation of shares for NISSAN NETWORK HOLDINGS COMPANY LIMITED
April 2011	Made subsidiaries of Nissan Prince Tokyo Sales Co., Ltd., and Nissan Prince West Tokyo Sales Co., Ltd.
April 2011	Transitioned to a new holding company structure for the greatly expanded Nissan dealership business and changed the company name to Nissan Tokyo Sales Holdings Co., Ltd.
April 2012	Changed the company name of Ace Auto Services to NT AUTO SERVICE INC.
July 2019	Made a subsidiary of Gtnet, Inc.
July 2021	Will integrate the three Nissan-affiliated vehicle sales subsidiaries (scheduled) Integrated the three Nissan-affiliated vehicle sales subsidiaries, established Nissan Tokyo Sales Co., Ltd.
March 2022	Terminated the capital and business alliance with GTNET
April 2022	Listing was transferred to the TSE Prime Market

Source: Prepared by FISCO from the Company's securities report, etc.

Must adapt to a “period of great reforms that occurs once every 100 years”

3. The integration of the Nissan sales companies and the industry environment

Recent events that are important for the future of the Company are the integration of the three Nissan sales companies and the changes to the automotive industry’s environment. The Company’s base is all of the Tokyo area except for its eight central wards* and it covers nearly 90% of Tokyo’s population of approximately 14mn people. Up until recently, three companies of the former Tokyo Nissan Auto Sales, the former Nissan Prince Tokyo Sales (including the virtual company Renault NT Sales), and the former Nissan Prince West Tokyo Sales operated separately in their respective areas. But these three companies integrated in July 2021 in order to more effectively utilize this rich base. As a result, currently synergies are being realized in various areas, including sales, maintenance, and dealership management. On the other hand, against the backdrop of the rapid developments of cutting-edge technologies such as electrification and autonomous driving, and also environmental problems, the automotive industry is currently experiencing dramatic changes to its business environment to the extent that it is said to be in a “period of great reforms that occurs once every 100 years,” and in order to survive in this environment, both vehicle manufacturers and dealerships must adapt to these changes. The integration of the three Nissan sales companies by the Company is also a response to these changes when looked at from a broad perspective. However, in addition to further deepening the synergies generated by the integration, it must further evolve in aspects such as its business areas, DX (digital transformation), and dealership and sales operations. Therefore, the Company has formulated a new medium-term management plan to start in FY3/24 with the idea of overcoming the changes and maintaining growth.

* Incidentally, the eight wards, which are Chiyoda, Chuo, Minato, Shinjuku, Bunkyo, Taito, Shibuya and Toshima wards, correspond to metropolitan Tokyo’s city center, and this area is slated for a business being developed by a Nissan Motor consolidated subsidiary, mainly for corporate demand

Business description

The Group is acquiring a wide range of users

1. Business description

The Company’s business is divided into three business segments: the vehicle-related business, the information systems-related business, and other businesses. The vehicle-related business is further subdivided into new vehicle sales, used vehicle sales, maintenance, and others. In 1H FY3/23, the vehicle-related business contributed the majority of net sales, of approximately 96%, while new vehicle sales constituted more than half of these sales. The relationship between Nissan Motor and Nissan Tokyo Sales is mainly that Nissan Tokyo Sales purchases vehicles and parts from Nissan Motor and then sells them to general consumers and others. However, Nissan Tokyo Sales also plays the role of connecting Nissan Motor to the consumer, such as for conducting PR and holding test drive events for cutting-edge technologies like EV, Pro-PILOT (a driver assistance technology), e-POWER*, e-4ORCE (a four-wheel control technology), and expanding installations of rapid chargers.

* e-POWER: used only for generating engine power in Nissan’s proprietary hybrid unit, it has the same driving feel as an EV.

Business description

(1) The vehicle-related business

Nissan Tokyo Sales sells new Nissan vehicles, while its businesses also include trade-ins and sales of used vehicles, and other services such as maintenance and vehicle inspections. Naturally it handles all of Nissan's models. Sales of new vehicles improve the turnover of used vehicle sales and it has formed a stable value chain by accumulating sales from recurring businesses such as maintenance, and it can be said to have a good sales balance between new vehicle, used vehicle, and maintenance. In terms of earnings, maintenance forms a stable earnings base, while the supply of used vehicles is largely dependent on new vehicles for purchases, so new vehicles play the role of driving the earnings of the Group as a whole. Temporarily there was period in which Nissan Motor launched few new models compared to other companies, but in the last few years and as explained below, it has revitalized its sales including by actively launching new models, and new customer numbers are also trending upward. Alongside this, the Company has introduced NISSAN TOKYO Virtual test drive*, which enables people to experience test driving vehicles with cutting-edge technologies, while to meet the expectations and lifestyles of diversifying customers, it is also sequentially launching dealerships based on the Nissan Retail Concept (NRC), which is its next-generation dealership concept. For Renault vehicles, the Renault Sales Department within Nissan Tokyo Sales manages 5 sales dealerships that specialize in Renault vehicles, and in nationwide dealerships, it ranks No.1 for the number of vehicles sold (from a FY2021 Renault Japon Co., Ltd. survey).

* NISSAN TOKYO Virtual test drive: a joint development with Panasonic System Design Co., Ltd. and others, it is a system that enables you to take a virtual test drive using a large monitor without having to wear VR goggles. It has been installed in the permanent exhibition hall of a shopping mall. It is a system that enables you to experience virtually that excitement of driving cars that you could not normally experience, including with advanced technologies like the Intelligent Emergency Brake and Pro-PILOT, which is a driving-support technology that can be used on the expressway, and to drive the powerful NISSAN GT-R, a specialty sports car that Nissan is proud of.

**New Vehicles Hiroba Murayama dealership
(a dealership that has introduced NRC)**



NISSAN TOKYO Virtual test drive



Source: Reprinted from the Company's financial results briefing materials

Business description

(2) Vehicle-related other than new vehicles

Trade-ins and sales of used vehicles is one pillar of earnings but at the same time also has the aspect of promoting sales of new vehicles. Trade-ins are provided through Nissan Kauzo, a service managed by the Nissan dealership network including the Company, which offers trade-ins at high prices by eliminating the intermediary margin. For sales, it handles used vehicles that are certified by Nissan Motor at its Quality Shops after they clear the Company's strict service levels, and they are provided with a full warranty and after-sales services. On the Nissan Motor official used vehicles website, shoppers can compare and review around 17,000 vehicles from approximately 600 dealerships nationwide. Maintenance is conducted as one of the pillars of Nissan Tokyo Sales' recurring businesses, and the subsidiary NT AUTO SERVICE, which is a large-scale, comprehensive vehicle maintenance company, plays the role of being the Group's concentrated center for services, including vehicle body panel work and painting, mandatory vehicle inspections, and maintenance of purchased vehicles through services with assured levels of quality and the latest equipment as its specialized business. It has 7 service centers in Tokyo and 1 in Saitama (as of November 2022) that are equipped with industry-leading technologies that can deal with the aluminum bodies of luxury imported vehicles, and they have a track record of conducting mandatory vehicle inspections for 39,060 vehicles and have conducted body panel work and painting for a total of 18,446 vehicles (FY3/22). Vehicle inspection work is also carried out by Nissan Tokyo Sales, as well as Shakenkan, an operator of specialist vehicle inspection workshops, including for non-brand vehicles. Shakenkan has a network of 12 specialist vehicle inspection workshops in Tokyo, Kanagawa, Saitama, and Chiba., and the selling points include that all of its workshops are designated plants with the latest equipment and that employees with national certification use assured technologies to inspect the vehicles.

(3) Personal leasing P.O.P

Against the backdrop of factors such as its declining birthrate and aging population, declining population, and the downward trend in the vehicle ownership rate, Japan is currently in an era when the number of new vehicle sales nationwide is trending unchanged at around 5mn vehicles. So in order for dealerships to grow as companies, they must increase the profitability of new and used vehicle sales through scale merits and consolidation and also develop proprietary strategies to promote growth other than from sales of new vehicles. For this, the Company is focusing on P.O.P personal car leasing service for which it has a history of more than 25 years and a high market share. In particular, the "zero deposit, tax and charges included, and a fixed price" P.O.P is a service that is extremely convenient for consumers who consider it acceptable to use a vehicle without owning it. For the Company as well, compared to the usual purchase-replacement cycle of over 10 years, in the case of P.O.P., more than 70% of customers change to their next vehicle in 3 years, so it is a business with excellent sales efficiency. For this reason, P.O.P. is expected to act as one driver of growth and to boost the Company's profits. It also conducts other businesses including a general insurance and life insurance agency business, a vehicle transportation and registration agency business, a dealership specialized in campervans that use a Nissan vehicle as the base vehicle, and real estate rentals, and diversifying to these businesses that are peripheral to vehicle sales is leading to increased Group synergies and acquisitions of a wide range of users.

Business description

The website of the personal leasing P.O.P. brand



Source: The Company's website

(4) The information systems-related business

As a managed services company, TOKYO NISSAN COMPUTER SYSTEM sells hardware and software, including the “ITte” integrated management service, to auto-dealerships nationwide. It also manages information assets such as data centers and provides support for management and monitoring work and to improve work efficiency and productivity. It is listed on the TSE Standard Market and is the Company's subsidiary (the Company's equity is 53.8%), but its reliance on the Nissan Tokyo Sales Group is extremely low and it can be basically said to be independent. The IT industry, to which TOKYO NISSAN COMPUTER SYSTEM belongs, is expected to grow in the context of the shift to online due to COVID-19 and DX in society as a whole. In this sort of business environment, TOKYO NISSAN COMPUTER SYSTEM has established its vision of being an “ICT solutions company that considers the future of customers to co-create businesses” and aims to be the best partner that supports its customers' sustainable growth as a managed services company that creates value for customers. Also, against the backdrop of DX for society as a whole, the Company is also being required to conduct DX, so this company is providing a framework so that the big data accumulated in the Group, such as on customers, vehicles sold, and various driving conditions and traffic conditions, can be utilized for business. Going forward, TOKYO NISSAN COMPUTER SYSTEM can have an extremely important presence for the Company in terms of improving its sales efficiency.

The Company strengths are that it is a EV sales pioneer and has recurring businesses and a dealership network

2. Strengths support its one-stop service for customers' car lives

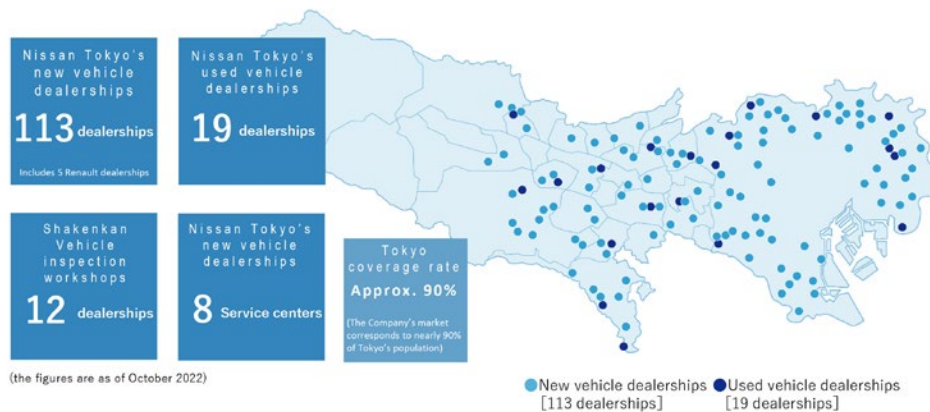
The features of the Company's business model are that it provides customers with a one-stop service for their car lives (mobility) and maximizes their LTV (lifetime value) through its lineup of products and services and its proposals for added value. Through its one-stop car life services, it can provide to customers all the services relating to their car lives from a single Company base, including sales of new and used vehicles, personal leasing, after-sales services like vehicle inspections, regular inspections, maintenance and repairs, sales of optional parts such as car navigation systems and drive recorders, and sales of insurance and financial products (credit leasing). Moreover, for the Company as well, these one-stop car life services are recurring income-type businesses that stabilize its corporate earnings as by conducting trade-ins of used vehicles, it can build a value cycle of customers returning to the dealership to buy a new vehicle and subsequently providing them with various services. These one-stop car life services can be said to be a feature of the Company's business model.

Business description

The three strengths that support the Company's business model are that it is a pioneer in EV sales and that it has recurring businesses with a customer base of 350,000 transactions, and a network of dealerships that are based in local communities. Its strengths as a pioneer of EV sales include a track record characterized by industry leading EV sales and service systems and expertise, which is symbolized by its track record for sales and leasing, of vehicle sales reaching 10,000 vehicles as the 12-year total (December 2022 forecast) and a complete lineup; for maintenance, of 700 Nissan EV certified maintenance engineers and three EV heavy machinery maintenance plants; and for infrastructure, of 100 rapid vehicle chargers, which constitute one third of such chargers in Tokyo, and 65 Power Mover emergency power sources to be used during a disaster. These rapid chargers can be used 24 hours a day, 365 days a year and are able to cope with charging more than 20,000 times a month. The recurring businesses with a customer base of 350,000 transactions are also a strength and are accumulating a track record, including servicing approximately 700,000 vehicles a year and having around 120,000 maintenance pack members, a financial product usage rate of approximately 50%, and around 130,000 insurance contracts for used vehicles, and therefore the recurring businesses operating expenses coverage rate* has reached nearly 90%. Personal leasing is also a recurring business, and the Company has a high market share of the Tokyo personal leasing market of around 40% against the backdrop of its independent product development tailored to all-in-one convenience and the times, the effects of the high reuse rate of a retention rate of more than 80% within 5 years, rapid vehicle replacements (replacement purchases), securing purchases of used vehicles through resales of previously leased vehicles, and a track record of 25 years of operations. Its network of dealerships that are based in local communities is also a strength, and 90% of Tokyo's population is covered by its network of real bases comprised of Nissan Tokyo Sales' 113 new vehicle dealerships (including Renault) including dealerships that have introduced the Nissan Retail Concept, 19 used vehicle dealerships, 12 Shakenkan vehicle inspection workshops, and 8 NT AUTO service centers. They serve as the backbone for the development of the mobility business' network in the metropolitan area, centered on Tokyo.

* The recurring businesses operating expenses coverage rate: The rate that operating expenses are covered by gross profit other than from new vehicles

A network of dealerships based in local communities



Source: Reprinted from the Company's financial results briefing materials

Nissan Motor is accelerating the roll out of new models with cutting-edge technologies

3. Strengths include “best practices” and Nissan Motor dealerships

Another of the Company’s strengths is considered to be its “best practices” of the rapid sharing and horizontal development of expertise and information, which it has continuously conducted up to the present time since the three Nissan sales companies joined the Group. The benefits generated by this strength of “best practices” include increasing the hit rate of the Company’s sales promotions and sales, improving its ability to propose products tailored to meet customer needs, and increasing the sales unit price per vehicle. These benefits are the reason why its auto-dealerships are able to achieve a comparatively high operating profit margin even while being located in Tokyo, a high-cost area.

The fact that the Group is a dealership for Nissan Motor, which focused on EV before other companies and is riding the wave of the times, can also be said to be a strength. In Nissan NEXT, which is the four-year medium-term plan that it is currently implementing, on the one hand Nissan Motor intends to sell more than 2.5mn Pro-PILOTs by 2026 through strengthening the development of electrified vehicles* equipped with the latest driver-support technologies through electrification and smart-vehicle technologies, while on the other hand, it intends to market launch all-solid-state batteries, which are next-generation batteries, by 2028, and to install next-generation, high-performance LiDAR (a core technology for automated driving) in most of its new vehicle models by 2030. As a result, Nissan Motor is aiming to launch 23 new electrified models, including 15 new EVs, by FY2030 and to increase the global electrification sales mix (the global model mix of electrified vehicles) to more than 50%. NISSAN INTELLIGENT MOBILITY, which is described in Nissan NEXT, is a concept that will enable the vehicle to recognize the driver as its partner and to communicate, learn, predict, and charge. Such a campaign concept that shows Nissan Motor’s advanced technologies and proactive approach not only enables drivers to drive with peace of mind, but also to have new experiences that connect them to the world around them and is a concept that provides a completely new driving experience. Ultimately, the aim is to realize a society with “zero emissions” and “zero traffic accident fatalities.”

* Electrified vehicles: Electric vehicles (EV), plug-in hybrid vehicles (PHEV, PHV), hybrid vehicles (HEV, HV), and fuel cell vehicles (FCEV, FCV). In the case of the Company, EV, e-POWER, and hybrid vehicles.

■ Business trends

A pioneer in a “period of great reforms that occurs once every 100 years”

1. Trends in the automotive industry

The global confusion in production and distribution due to COVID-19 and other factors remains, and in this situation, on the one hand demand is increasing for information devices, home appliances, vehicles and other products because of the economic recovery, while on the other hand, because of the increasing sophistication of functions, the volume of semiconductors used per product is organically growing and therefore there continues to be a shortage of semiconductors and various other components in the manufacturing industries. In the automotive industry, the shortages of semiconductors and components is destabilizing the industry's just-in-time production method, and it seems that the opinion of many is that the vehicle-supply shortage will continue throughout all of 2022. In this way, the automotive industry's environment will be severe in the short term, but in the medium to long term it is predicted that its scope will further expand as technologies become more advanced and as movement-related services are created. The focus is also being placed on industry trends from the viewpoint of responding to this environment. Among them, CASE is a trend that has been attracting attention in recent years in the automotive industry. CASE is an acronym of C (Connected), A (Autonomous), S (Shared & Services) and EV (E: Electric) that expresses the “period of great reforms that occurs once every 100 years” that is occurring in the automotive industry. Also, a trend occurring in parallel with CASE is MaaS (Mobility as a Service), which is a concept in which to respond to movement needs on the unit of the individual, the optimal combinations of various transport methods are planned, reserved, and paid for as a one-stop service, and it is an idea that ascertains movement (mobility) itself to be a service. With regards to this concept, the Company is already realizing Pro-PILOT and other technologies for autonomous driving, offering personal leasing P.O.P and other services for shared, and providing leading EV such as LEAF and SAKURA for the environment, and its position is that of a pioneer in the Japanese market (for the shift to IoT, the communication infrastructure is a bigger issue).

Alongside the great reforms, EVs are being rapidly adopted primarily in Europe and China, but it is difficult to say that EVs are being widely adopted in Japan as a priority issue. This is because Nissan Motor is basically the only company that has entered Japan's EV sector in earnest, and the ratio of EVs to the number of new vehicles sold is still very small. For this reason, retailers and gas stations with parking lots that could help with the build out of EV infrastructure such as chargers are unable to fully commit to investment in light of the cost and the prospects for recovery. Furthermore, the lack of a sufficient number of chargers is also making consumers hesitate to purchase EVs. In this situation, the Company, which can be described as a flagbearer for EVs, has been the only player to continue to actively invest in EV infrastructure. For example, the Company has installed rapid chargers at its dealerships and made them available for use to all EVs, including those of other automakers. Toyota Motor Corporation <7203>, which is the automotive industry's largest manufacturer, has so far thought to be focusing on hybrid vehicles and FCVs (Fuel Cell Vehicles). However, Toyota Motor has now entered the EV sector with an expansive lineup of vehicles. Of course, these Toyota EVs will compete with those of the Company. However, even more than this increased competition, the expansion of choice of EVs will have a sizable effect on energizing the market by increasing the number of EVs. It will also reduce the bar for investment, such as for charger facilities, and it is now more likely that the build out of EV infrastructure in Japan will proceed sooner. This can be described as a welcome development for the Company, which has served as a pioneer in the EV sector.

Despite the vehicle-supply shortage, operating profit and ordinary profit recorded record highs for a fiscal half

2. 1H FY3/23 results

In the 1H FY3/23 results, net sales were ¥66,681 mn (down 3.1% YoY), operating profit was ¥3,090mn (up 109.3%), ordinary profit was ¥3,001mn (up 108.7%), and profit attributable to owners of parent was ¥1,844mn (up 127.8%). So profits increased significantly and both operating profit and ordinary profit recorded new record highs. When considering that GTNET (net sales of ¥3bn and operating profit of around ¥70mn) has been removed from the scope of consolidated following the termination of the capital and business alliance, it can be said that sales actually increased.

1H FY3/23 results

	1H FY3/22		1H FY3/23		(% change)
	Result	% of sales	Result	% of sales	
Net sales	68,827	100.0%	66,681	100.0%	-3.1%
Gross profit	15,709	22.8%	16,243	24.4%	3.4%
SG&A expenses	14,233	20.7%	13,152	19.7%	-7.6%
Operating profit	1,476	2.1%	3,090	4.6%	109.3%
Ordinary profit	1,438	2.1%	3,001	4.5%	108.7%
Profit attributable to owners of parent	809	1.2%	1,844	2.8%	127.8%

Source: Prepared by FISCO from the Company's financial results

Due to the vehicle-supply shortage, which is mainly being caused by the semiconductor shortage, in 1H FY3/23 the number of new vehicle sales nationwide declined 6.2% YoY and the number of new vehicle sales in Tokyo, which is the Company's base, also slumped, declining 11.2% (both on a registration basis). In this sort of environment, the Company worked to secure orders and profits by proposing sales, including the NOTE and NOTE AURA e-POWER models, the new model X-TRAIL, the new model KICKS, the new EV models of the ARIYA and the minicar SAKURA, and the LEAF and the SERENA that have had excellent reputations for a long time. As a result, the Company's number of new vehicle sales based on the registration reference date increased 7.7% and performed extremely well, while based on the delivery reference date as well, which reflects business performance, the number of new vehicle sales trended solidly, declining only 1.0%. The new models in 1H were the new kei car (minicar) EV SAKURA in June and the X-TRAIL in July, while three dealerships introduced the Nissan Retail Concept; the Yahara dealership, the Machida Tsurukawa dealership and the New Vehicles Hiroba Murayama dealership.

Business trends

Among the new vehicles, orders for SAKURA, which was launched on June 15, 2022 as the first EV minicar, reached 1,000 orders in just 21 days from its launch, while orders for the new model X-TRAIL, which was launched on July 25 and is equipped with the third-generation e-POWER, reached 1,000 orders in 48 days from its launch, so sales of the new models launched in 1H were extremely strong. The impact of the vehicle-supply shortage on the Company was small compared to its impact on other companies, and in the background to this is thought to be its vehicles' cutting-edge image through TV commercials and their rising popularity matched by the appeal of the new vehicles. In particular, EVs are performing strongly and it seems that the reasons why customers' intent to purchase EV has been increasing year by year is that they offer numerous benefits, including that their lineup has increased, their driving range has been extended, they accelerate faster than gasoline engine vehicles (SAKURA in particular has a driving feel that cannot be said to be that of a minicar), they are powerful but also very quiet, they are highly compatible with advanced safety technologies such as Pro-PILOT, and they are eligible for subsidies and are kind to the environment. As a result, the electrified vehicles sales ratio for passenger cars is maintaining the high level of 87.3%, and in particular, the sales ratio of EV including ARIYA and SAKURA, which won the 2022-2023 Japan Car of the Year Award, increased significantly from 1.9% in the same period in the previous year to 10.0% and contributed. 2022 has been called "The first year of EV" and it can be said that the Company's results express the effects of it being more than 10 years ahead of other companies in terms of EV manufacturing and sales.

In profits, the gross profit margin improved greatly, including because the Group even more thoroughly conducted proposal-based sales tailored to meet customer needs, and also as sales of highly profitable new vehicles increased, the ratio of vehicles with high unit prices such as EV rose, while the profitability of used vehicles also improved as their unit prices increased due to the shortage of stock during the COVID-19 pandemic. In addition, SG&A expenses decreased on a monetary basis, as although water and heating expenses increased, against the backdrop of the synergies from the integration of the three Nissan sales companies implemented in July 2021, the Group worked to improve the efficiency of operating expenses, while it also reduced direct sales expenses through the integration of advertising, and the optimal allocation of test drive vehicles became possible through sharing. As a result, operating profit increased significantly and recorded a new record high for a fiscal half. Comparing results to the initial forecasts, the effects on new vehicle sales of the decline in the vehicle supply and other factors are continuing, but even in this situation, the Group worked to secure orders, mainly of electrified vehicles, so sales were basically as forecast. Conversely, operating profit was higher than forecast because in addition to the excellent market prices of used vehicles, productivity improved from the benefits of the integration of the three Nissan sales companies and also as the effects of the reduction of SG&A expenses were greater than anticipated.

The new model X-TRAIL that is equipped with the third-generation e-POWER



The new kei car (minicar) EV SAKURA that won the Japan Car of the Year Award for the first time



Source: Reprinted from the Company's financial results briefing materials

In new vehicles, the unit price rose due to the strong performance of electrified vehicles, while vehicles sales declined only slightly

3. Trends by segments

By segment, in the vehicle-related business, net sales were ¥63,821mn (down 3.3% YoY) and segment profit (operating profit) was ¥3,309mn (up 92.6%). Breaking down net sales, sales of new vehicles were ¥35,132mn (up 4.6%), of used vehicles were ¥10,378mn (down 24.8%), of maintenance were ¥14,573mn (down 1.8%), and of other businesses were ¥3,736mn (down 0.5%). In the information systems-related business, net sales were ¥2,673mn (up 0.6%) and segment profit was ¥202mn (up 71.1%).

1H FY3/23 results by segment (before adjustments)

Net sales	1H FY3/22		1H FY3/23		
	Result	% of sales	Result	% of sales	% change
	(¥mn)				
Vehicle-related business	65,996	95.9%	63,821	95.7%	-3.3%
New vehicle	33,591	48.8%	35,132	52.7%	4.6%
Used vehicle	13,809	20.1%	10,378	15.6%	-24.8%
Maintenance	14,839	21.6%	14,573	21.9%	-1.8%
Other	3,755	5.5%	3,736	5.6%	-0.5%
Information systems-related business	2,656	3.9%	2,673	4.0%	0.6%
Other businesses	174	0.3%	186	0.3%	6.9%

Segment profit	1H FY3/22		1H FY3/23		
	Result	Profit margin	Result	Profit margin	% change
Vehicle-related business	1,717	2.6%	3,309	5.2%	92.6%
Information systems-related business	118	4.4%	202	7.6%	71.1%
Other businesses	67	38.5%	75	40.3%	11.9%

Note: Results shown for new vehicle, used vehicle and other are for FY2/22.
 Source: Prepared by FISCO from the Company's financial results

In the vehicle-related business, the vehicle-supply shortage is continuing, but even in this situation the Group has been working to further increase orders, mainly of electrified vehicles, and to secure earnings. In new vehicles, the unit price rose driven by the SAKURA and X-TRAIL new models, while models such as the SERENA, NOTE, and NOTE AURA also performed strongly, so the number of new vehicle sales declined only 1.0% and as a result, an increase in sales was secured. In used vehicles, there were few trade-in vehicles due to COVID-19, so prices rose at auctions and profitability improved. Maintenance is operating at a cruising speed and results were as forecast. In the information systems-related business, IT investment is becoming more active and therefore results trended strongly in the managed services business. In personal leasing that the Group is focusing on, following the integration of the three Nissan sales companies, the number of dealerships that can sell this service has increased significantly, so the number of leases sold also steadily increased.

The Company's forecasts are conservative and results may again be higher than forecast in the 2H

4. FY3/23 results outlook

For the FY3/23 results outlook, the Company is forecasting net sales of ¥140,000mn (up 1.2% on the previous period), operating profit of ¥5,500mn (up 24.8%), ordinary profit of ¥5,200mn (up 24.1%), and profit attributable to owners of parent of ¥2,700mn (up 28.5%). Against the backdrop of the strong 1H results, it has upwardly revised the operating profit and ordinary profit forecast by ¥1,000mn and the profit attributable to owners of parent forecast by ¥500mn. In a comparison excluding GTNET that has been removed from the scope of consolidation, net sales are actually forecast to increase by around 6%, but it seems this will have basically no effect on operating profit. A new vehicle in the 2H is the new model SERENA (the SERENA e-POWER will be launched around the spring) in November, which is in addition to the SAKURA and X-TRAIL launches in 1H, so the number of new models over the full fiscal year is higher than in a typical year. Also, 5 dealerships plan to introduce the Nissan Retail Concept in the 2H, of the Koto dealership, the Kamiyama dealership, the Ome dealership, the Nishiarai Shikahama dealership, and the Hajimabashi dealership, for a forecast total of 16 dealerships.

FY3/23 results outlook

	FY3/22		FY3/23		
	Result	% of sales	Forecast	% of sales	% change
Net sales	138,378	100.0%	140,000	100.0%	1.2%
Gross profit	32,793	23.7%	-	-	-
SG&A expenses	28,386	20.5%	-	-	-
Operating profit	4,407	3.2%	5,500	3.9%	24.8%
Ordinary profit	4,188	3.0%	5,200	3.7%	24.1%
Profit attributable to owners of parent	2,100	1.5%	2,700	1.9%	28.5%

Source: Prepared by FISCO from the Company's financial results

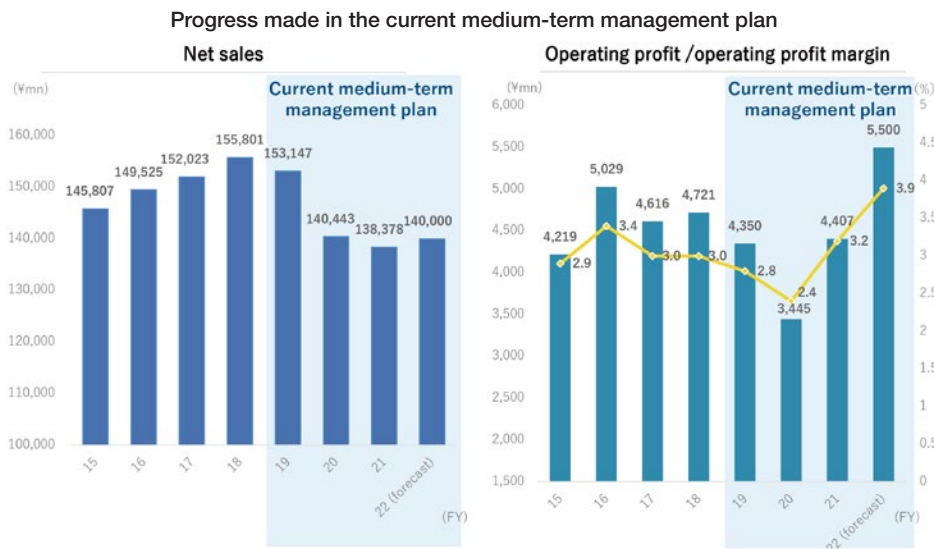
The risk factors are continuing, such as the prolonging of the COVID-19 pandemic, the vehicle-supply shortage that is mainly being caused by the semiconductor shortage, the sharply rising raw materials and fuel costs, and the weak yen, and therefore conditions in the automotive industry remain uncertain. As its initial policy in response to this situation, the Company plans to improve its market share through initiatives for the advanced technologies being progressed by Nissan Motor and by enhancing its lineup, mainly of electrified vehicles, and it is aiming to increase profitability by improving added value through proposal-based sales and by increasing sales efficiency. The 1H results were excellent as a result of these efforts, but from the 3Q onwards as well, vehicle-supply conditions will remain uncertain and it is anticipated that costs will increase due to the rises in commodity prices and as the effects of the integration will level-off, and therefore the 2H results are expected to progress in line with the initial forecasts. However, it is considered that the gross profit margin may improve even further against the backdrop of the changes to the product mix from the increase in the sales ratio of the new models that are selling well and the high prices of strongly performing used vehicles. Also, by further refining the effects of the integration of the three Nissan sales companies, these effects may continue even after one year has passed since the integration. When thinking this way and also as the Company had many registered vehicles in 1H, there may still be room to upwardly revise the 2H operating profit forecast. But on considering the many risks, it is also reasonable to leave unchanged the Company's forecasts that appear to be set based on conservative premises.

The medium-term management plan

Forecast is to basically achieve the operating profit target in the current medium-term management plan

1. Progress made in the current medium-term management plan

The numerical targets in the current medium-term management plan (FY3/21 to FY3/23) are net sales of ¥175bn, operating profit of ¥5.5bn, and a dividend payout ratio of 30%. The forecasts for FY3/23, which is the final fiscal year of the medium-term management plan, are net sales of ¥140bn, operating profit of ¥5.5bn, and a dividend payout ratio of 30%, and except for net sales, the Company expects to achieve these forecasts. It has been implementing the following strategies; conduct proposal-based sales by even more thoroughly implementing “best practices,” strengthen value-added sales, invest in dealerships and reform sales methods on the axis of IT, develop new sales styles and new products including developing products that provide customers with peace of mind and convenience, and expand scale through conducting M&A relating to the Group’s businesses. But for net sales, although the growth of sales of car life products and personal leasing contributed to earnings, the target was not achieved due to the impact of the uncertain market environment, including the vehicle-supply shortage because of COVID-19. Conversely, despite net sales being below target, the operating profit target could be achieved as profitability improved significantly, including due to the launches of the new models and the integration of the three Nissan sales companies.



Source: Reprinted from the Company's financial results briefing materials

Based on the changes to the market environment, has formulated a new corporate philosophy and medium-term management plan

2. The new corporate philosophy and new medium-term management plan

During the period of the current medium-term management plan, the speed of the changes in the environment surrounding the Company has accelerated and the urgency of the issues that need to be addressed has increased. These environmental changes include the increased awareness in society as a whole about becoming carbon neutral, that customers' way of thinking about vehicles is changing from owning to sharing, that customers' purchasing process is also changing from sales discussions at dealerships to sales discussions online, and a human resources strategy that responds to the population decline and diverse workstyles, and the impression is that these changes have accelerated even more. With regards to this, the issues that the Company needs to tackle include contributing to realizing a carbon neutral society through spreading the use of EV and EV-peripheral products, conducting sales that utilize its expertise in personal leasing and developing the mobility business so that it utilizes its dealership network and test drive vehicles, building a network of dealerships that integrates the real and the digital and that promotes brand experiences, and improving work and management structures and conducting DX toward workstyle reforms and improved productivity. In addition to resolving these issues, in order to continue to provide universal values such as the pleasure of movement and safe and comfortable driving, the Company has set a new corporate philosophy of "We will accelerate the evolution of mobility to open up a whole new era. We will keep moving forward toward a future full of smiles.", while it has also identified four materialities of responding to climate change and realizing a safe and secure society, respecting human rights and enhancing human capital, and contributing to local communities, that should be tackled from a long-term perspective in its sustainability management. The new four-year medium-term management plan (FY3/24 to FY3/27) was formulated as the point to pass through in order to clear these issues, and the Company plans to progress its priority strategies to achieve its targets.

The priority strategies are to be an electrification leader, safety and driving-support technologies, and the mobility business

3. The new medium-term management plan's priority strategies

As its growth strategy, the Company plans to increase sales of electrified vehicles and Pro-PILOT vehicles premised on CASE, and to contribute directly to the sustainability of society through its businesses. Its priority strategies for this are to be an electrification leader, safety and driving-support technologies, and the mobility business.

The medium-term management plan

(1) An electrification leader

An electrification leader means to utilize its strengths as a pioneer of EV and other electrified vehicles to spread around the world the excitement and emotions of driving electrified vehicles, and to contribute directly to the promotion of carbon neutrality. In Japan, despite the fact that there have been hardly any fully fledged entrants in the EV sector other than Nissan Motor, consumers' interest in EV has been rising and their intent to purchase an EV has reached 11%*. So the Company intends to utilize what it has accumulated in more than 10 years in this field, of EV sales expertise and systems, a complete lineup, a maintenance system and facilities, and an infrastructure (100 rapid charging stations), and it is aiming to achieve an electrified vehicles ratio of at least 90% and annual EV sales of 10,000 vehicles. Therefore, the Company's policy is to actively sell EV, but as Nissan Motor is also planning to globally launch 15 new EV models by 2030, the EV lineup will become even more complete and it is forecast that sales will grow. Also, by aiming to reduce CO₂ emissions by 16,000 tons through EV sales and building a network of dealerships that can respond to emergencies through providing an EV power supply and that use renewable energy, it intends to strengthen its direct contributions to the environment and to society.

* The Japan Automobile Manufacturers Association FY 2021 Passenger Car Market Trends in Japan. Sales of EV from January to June 2022 (percentage of total sales) were 0.9% (from the Company's financial briefing materials).

(2) Safety and driving-support technologies

The Company's policy is to provide many customers with safety and security through its advanced driving-support technologies and to supports customers' safety and security every day through its maintenance system that supports these advanced driving-support technologies. Specifically, its dealerships utilize test drives, VR driving experiences, "e-share mobi" and other services to widen opportunities for customers to experience its advanced driver-support systems like Pro-PILOT. Also, it seems that it is introducing maintenance equipment toward acquisitions of specified maintenance system certification, further improving the technical skills of the maintenance engineers who are already skilled and experienced, and constructing an "electronic control system maintenance" structure that directly connects to customers' safe and secure car lives.

(3) The mobility business

The Company's policy is to respond precisely to the trend of changing from owning to sharing by increasing the use of personal leasing and strengthening the mobility business. For personal leasing, which it started in 1997, it intends to improve the usage rate and retention rate by utilizing its expertise in personal leasing as best practices throughout the Group and appealing to customers for its benefits, which is consider will promote vehicle replacements. As previously explained, through replacement purchases at an early stage, this business is expected to grow in the future and contribute to improving the Company's earnings. It also intends to deploy rental cars at all its dealership and at the same time, to increase the number of vehicles managed, to expand deployments of e-share mobi*, and to strengthen the mobility business. Through these initiatives, it is aiming to improve customer convenience and generate profits through the rental car business and "e-share mobi," and also to promote understanding of electrified vehicles by increasing opportunities for test drives and touch points.

* e-share mobi: A car sharing service that enables users to experience the advanced technologies of Nissan Motor, such as the EV SAKURA and the AURA e-POWER.

In FY3/27, is targeting operating profit of ¥6.5bn and a dividend payout ratio of at least 30%

4. Targets in the new medium-term management plan

In the new medium-term management plan, the Company has set both medium-term financial targets and long-term non-financial targets. Through its priority strategies, it is aiming to recover the number of new vehicle sales to the same level as before COVID-19 and to increase sales and profits in its dealership business, which is its main business. In the recurring businesses as well, it intends to accumulate earnings, and for costs, on the one hand to strengthen investment in human resources and digital resources, and on the other hand, to optimize equipment expenses and other expenses. Moreover, it is progressing developments toward becoming carbon neutral. Through these efforts, in FY3/27 it plans to achieve its medium-term financial targets, which include net sales of ¥155bn, operating profit of ¥6.5bn, and a dividend payout ratio of at least 30%, and also the milestones for the long-term non-financial targets of a passenger vehicle electrification ratio of at least 90% and reducing CO₂ emissions by 16,000 tons through EV sales.

To achieve these targets, in addition to investing in existing areas, the Company is also more actively investing in its focus areas, and it plans to conduct total investment of ¥30bn over four years. Breaking down this amount, it intends to invest ¥25bn to update the network, to respond to the environment, and to rebuild the business portfolio in order to strength the existing businesses for sustainable growth; to invest ¥2bn to improve efficiency and productivity through IT, to diversify its businesses and to strengthen best practices for human resources and DX that will be the driving force behind reforms; and to invest ¥3bn in mobility-related, EV-peripheral businesses, and other businesses in order to expand its business areas by launching new businesses and through capital and business alliances. It also intends to improve ROE (Return on Equity) from 4.6% in FY3/22 to 7.0% in FY3/27. It will achieve this by the stable earnings from value-added sales, one of its strengths, and also by updating the network, building customer touchpoints, and investing in efficiency improvements, as well as by conducting other initiatives, to increase the operating profit margin from 3.2% to 4.2% and to improve ROA (Return on Assets) from 2.2% to 3.4% through investments to increase earnings and by effectively utilizing assets (reducing unnecessary assets). By aiming to optimize the capital structure while securing financial stability, it plans to raise the D/E ratio from 0.12 times to 0.26 times.

Numerical targets in the new medium-term management plan

		Targets in the current medium-term management plan FY2022	FY2022 Forecasts as of November	FY2026 (outlook)
Financial targets	Net sales	¥175bn	¥140bn	¥155bn
	Operating profit	¥5.5bn	¥5.5bn	¥6.5bn
	Dividend payout ratio	30%	At least 30%	At least 30%
	ROE	—	5.7%	7.0%
	Operating profit margin	3.0%	3.9%	4.2%
Non-financial targets	Electrification ratio (passenger vehicles)	—	87.3%	At least 90%
	Reduction of CO ₂ emissions through EV sales	—	5,000 tons	16,000 tons

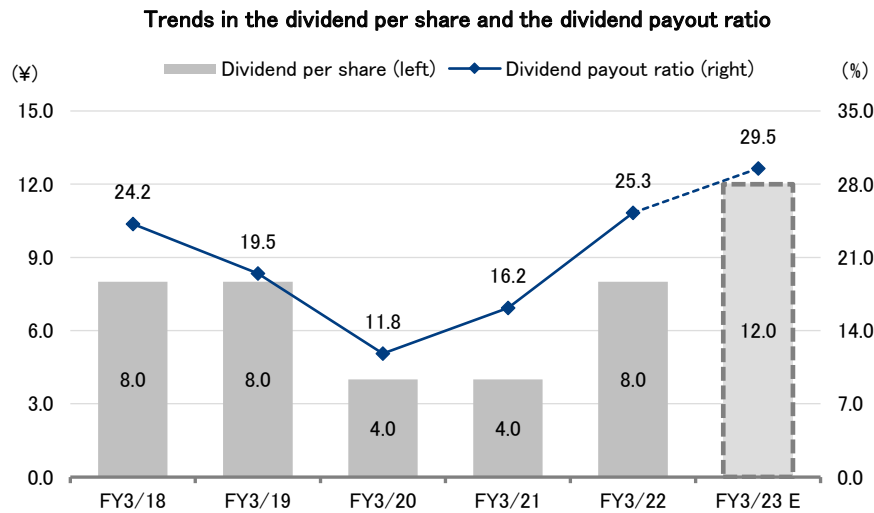
Source: Reprinted from the Company's financial results briefing materials

Shareholder return policy

Is strengthening returns to shareholders, including targeting maintaining a dividend payout ratio in the 30% range

1. Dividend policy

The Company is aware that returning profits to shareholders is one of its most important management issues, and its basic policy is to stably pay dividends while considering retaining internal reserves to secure growth potential. In consideration of this basic policy and also that in 1H FY3/23 it upwardly revised the full fiscal year results forecasts, it plans to pay an annual dividend of ¥12 (interim dividend ¥5, period-end dividend, ¥7), which is an increase of ¥2 on the initial forecast. The Company has left in place its target of maintaining a dividend payout ratio in the 30% range and it will respond flexibly depending on results, and we can clearly see that it has strengthened returns to shareholders, so we can expect shareholder returns in the future.



Source: Prepared by FISCO from the Company's financial results

Gives an original QUO card

2. Shareholder benefits program

The Company has introduced a shareholder benefits program in order to express its gratitude to its investors for their support, and also to increase the appeal of investing in its shares and to encourage as many investors as possible to hold its shares over the medium- to long-term. The shareholders eligible for the shareholder benefit program are those who hold at least 5 units (500 shares) of the Company shares and who were recorded or registered in the shareholders' registry as of the date of record (March 31). In this program, the Company plans to give an original QUO card featuring a design of the Company's popular car models and worth ¥1,000 to shareholders holding 500 to 999 shares and worth ¥2,000 to those holding 1,000 to 4,999 shares. It will give a card worth ¥3,000 to shareholders continuously holding 5,000 or more shares for less than 2 years, and a card worth ¥5,000 to those continuously holding them for 2 years or longer. As the gift-giving period, the Company plans to give the cards once a year after the end of the ordinary general meeting of shareholders (sometime in the second half of June).

Gift to shareholders of original QUO cards

108th period



109th period



Source: The Company's website

Information security

The Company complies with all relevant laws and ordinances, including the Act on the Protection of Personal Information and the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (My Number Act), as well as in-Company regulations. It appropriately collects and uses the personal information handled by each Group Company and information that can be used to identify specific individuals, including personal numbers and other information that identifies an individual (personal information including the personal number and its content). It also appropriately manages and handles personal information securely and in an up-to-date condition, protects the personal information of customers, business partners, and Company employees, and works to respond to the trust they place in it.



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