

Nissan Quarterly Profit Dives On China Sales Slump

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TOKYO (AP) — Nissan Motor Co. suffered a 35 percent plunge in October-December profit to 54.1 billion yen (\$579 million) as global sales languished, especially in China, where anti-Japanese sentiment flared over a territorial dispute.

Quarterly sales dipped 5.3 percent from a year earlier to 2.2 trillion yen (\$23.5 billion), Yokohama-based Nissan said Friday. Nissan's earnings fell short of the 61 billion yen (\$652 million) profit forecast by a FactSet survey of analysts.

All the Japanese automakers have reported sales declines in China, where a territorial dispute set off anti-Japanese riots and boycotts in the last months of 2012. A slowdown in Europe added to Nissan's woes. Nissan also struggled in the key U.S. market, which was booming for rival Toyota Motor Corp.

Corporate Vice President Joji Tagawa acknowledged Nissan's performance had not reached its targets, but promised a recovery.

China sales in January showed some recovery and Nissan was also planning new models in the U.S., he told reporters.

Nissan's sales were strong in other parts of the world, including Brazil, the Middle East and Asia excluding China as well as Japan.

Nissan, based in the port city of Yokohama, stuck to its forecasts for a 320 billion yen (\$3.4 billion) profit on 9.82 trillion yen (\$105 billion) sales in the fiscal year ending March, despite the solid perk it is getting from a weaker yen.

Nissan, which makes the Leaf electric car, the Infiniti luxury model and March subcompact, gained 21.9 billion yen (\$234 million) in operating profit for the latest quarter from the weakening yen. Earlier this week, the yen was a near three-year low against the dollar on expectations of super easy monetary policy under Prime Minister Shinzo Abe.

"This should work as a plus for our business," Tagawa told reporters of the cheap yen. "The overly expensive yen is finally getting corrected."

Nissan left unchanged its global vehicle sales forecast for the fiscal year at 5.08 million vehicles, up 5 percent from the previous year, when Japanese automakers were hurt by parts supply disruptions caused by the earthquake and tsunami in northeastern Japan.

Other Japanese automakers have also reported upbeat quarterly results, helped by

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the yen.

Toyota raised its fiscal year profit forecast after reporting its October-December profit jumped 23 percent to 99.91 billion yen (\$1.09 billion). Toyota is now expecting annual profit of 860 billion yen (\$9.3 billion). It had initially expected a 780 billion yen (\$8.5 billion) profit for the fiscal year ending March.

Earlier this week, Mazda Motor Corp. raised its annual profit forecast to 26 billion yen (\$278 million) from 10 billion yen (\$107 million).

Tokyo-based Honda Motor Co.'s quarterly profit surged nearly 63 percent to 77.4 billion yen (\$850 million), but it lowered its full-year profit forecast slightly because of sales losses in China.

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