

Nissan reports surging profit amid strong sales, easing chip crunch

May 11 2023, by Yuri Kageyama



Logos at a Nissan showroom are seen in Ginza shopping district in Tokyo on March 31, 2023. Japanese automaker Nissan reported Thursday, May 11, a seven-fold surge in January-March profit and forecast strong sales for this fiscal year riding on the popularity of its new model offerings. Credit: AP Photo/Eugene Hoshiko

Japanese automaker Nissan reported Thursday a seven-fold surge in January-March profit and forecast strong sales for this fiscal year riding on the popularity of its new model offerings.

Nissan Motor Co.'s net profit for the fiscal fourth quarter totaled 106.9 billion yen (\$798 million), up dramatically from 14.2 billion yen a year ago.

Quarterly sales jumped 36% to 3.097 trillion yen (\$23 billion), amid an easing of the supply shortage of computer chips and other parts, which had been caused by social restrictions related to the coronavirus pandemic.

Chief Executive Makoto Uchida told reporters the automaker was preparing all-solid-state batteries for its electric models, as the world makes a rapid shift toward green zero-emissions technology.

He acknowledged serious challenges remained but promised to boost Nissan's profitability, especially in key markets like China.

A midterm plan will be outlined later this year "to transform Nissan into a truly healthy and resilient company, aiming to achieve both sustainable growth and [financial stability](#)," said Uchida.

For the [fiscal year](#) through March 2024, Nissan expects 315 billion yen (\$2.4 billion) in profit on 12.4 trillion yen (\$93 billion) in sales. The sales, if achieved, would be a record for Nissan.

That would also mark an improvement over 221.9 billion yen (\$1.7 billion) in profit recorded for the fiscal year that just ended in March, which was up 3% from the previous fiscal year.

Sales totaled nearly 10.6 trillion yen (\$79 billion) for the fiscal year

ended in March, up nearly 26% on year, according to Nissan, based in the port city of Yokohama.

A shutdown in China over COVID-19 hurt the global supply of auto parts, slamming the world's automakers, including Nissan. That is gradually easing, while automakers also work to find alternative suppliers.

Uchida pointed to China as a market that is ahead in EVs where Nissan hoped to appeal to buyers. In the U.S. market, the Rogue and Pathfinder sport-utility vehicles were popular. In China, Nissan's Sylphy is No. 1 in sedan sales.

Nissan is forecasting vehicle sales to grow this fiscal year across regions, including Japan, the U.S., China and Europe.

Nissan has been in an alliance with Renault SA of France since 1999, when Carlos Ghosn was sent in by Renault to a then-struggling Nissan to lead a turnaround. Ghosn first served as [chief executive](#) and later chairman before he was arrested in late 2018 on various financial misconduct charges.

The French-Brazilian Ghosn, who says he is innocent, jumped bail in late 2019. He is now in Lebanon, the country of his ancestry, which has no [extradition treaty](#) with Japan.

© 2023 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Nissan reports surging profit amid strong sales, easing chip crunch (2023, May 11) retrieved 18 April 2024 from

<https://techxplore.com/news/2023-05-nissan-surgng-profit-strong-sales.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.