

Nissan reports record full-year profit but warns on outlook

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Nissan warned that next year could get choppy

Japanese car giant Nissan on Monday reported a record full-year net profit thanks to US tax cuts but warned about the outlook for the next 12 months owing to a strong yen.

Nissan's [net profit](#) for the fiscal year to March rose 12.6 percent to 746.9 billion yen (\$6.8 billion), as sales edged up 2.0 percent to 11.95 trillion yen.

Operating [profit](#) was squeezed by swelling costs, including growing incentives in the US market, and the negative impact of a damaging inspection scandal.

But US [tax cuts](#) offset the negative factors, resulting in a "sizeable" profit gain, said executive officer Hiroto Saikawa.

Nissan, however, said its net profit for the current fiscal year to March 2019 is forecast to drop 33.1 percent to 500 billion yen because of foreign exchange losses and growing costs of raw materials.

"The Japanese auto industry benefited from US tax cuts for the fiscal year," said Satoru Takada, an analyst at TIW, a Tokyo-based research and consulting firm.

"Foreign exchange gains have contributed to their earnings but the impact is decreasing as the yen has gotten stronger recently," Takada told AFP.

Nissan was forced to recall more than a million vehicles after admitting in October that staff without proper authorisation had conducted final inspections on some vehicles intended for the domestic market before they were shipped to dealers.

The automaker suspended all domestic production for a few weeks, sending its passenger car sales plummeting more than 55 percent in Japan in October.

Despite the inspection scandal, Nissan sold 5.77 million vehicles in the

past fiscal year—a gain of 2.6 percent year-on-year.

Last week, Toyota also reported a record full-year net profit thanks to a weaker yen and US tax cuts, but warned about the outlook for the current fiscal year.

Honda Motor has said its annual net profit grew more than 70 percent but net profit is forecast to drop more than 46 percent chiefly due to a higher yen.

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