

## NISSAN MOTOR Announced Statement on Alliance—JCR Will Watch for Realization of Synergies and Financial Impact

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the "Statement on Alliance" announced by NISSAN MOTOR CO., LTD. (security code: 7201).

- (1) The "Statement on Alliance" announced by NISSAN MOTOR CO., LTD. ("NISSAN" or the "Company") on January 30 includes the following: NISSAN will invest in a new EV company to be established by the Renault Group; NISSAN and the Renault Group will hold 15% of each other's shares, and both companies can freely exercise up to 15% of the voting rights attached to their shareholdings. The Alliance members plan to make an announcement immediately after the board approvals.
- (2) JCR believes that the collaboration by the Japanese and French three-party alliance, including Mitsubishi Motors Corporation (security code: 7211), has generated decent synergies, such as cost reductions and improved investment efficiency. In addition, JCR has been seeing that the impact of Renault's creditworthiness on the Company's rating is small due to factors including the following: (i) the Alliance is based on the premise that both the Company and Renault are equal partners and both can benefit from synergies, (ii) brand differentiation is a top priority even as chassis and parts are increasingly being communalized, and (iii) the Company is larger in terms of business and earnings sizes, and both companies have a foundation that allows them to continue to operate independently in different areas for their overseas expansion. Therefore, even if the Renault Group's voting rights decline to around 15% in the future, JCR does not believe that the change in voting rights would have a significant impact on the Company's rating. On the other hand, the Statement does not mention the amount of the Company's investment in the new EV company to be established by the Renault Group or the possibility of the Company's acquiring its own shares if the Renault Group sells its shares. JCR will follow the progress in maintaining the effectiveness of the Alliance and strengthening earnings power through business restructuring, in addition to the financial impact of these measures, and reflect the results in the rating if necessary.

Mikiya Kubota, Akio Kamimura

<Reference>

Issuer: NISSAN MOTOR CO., LTD.

Long-term Issuer Rating: A                      Outlook: Negative

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