

NISSAN Chairman Carlos Ghosn Was Arrested Over Allegation of Violations of Financial Instruments and Exchange Act—JCR will Watch Alliance among the 3 Companies and Impact on Synergistic effects

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the fact that chairman of Renault SA, NISSAN MOTOR CO., LTD. (security code: 7201) and Mitsubishi Motors Corporation (security code: 7211), Carlos Ghosn, was arrested over allegation of violations of Financial Instruments and Exchange Act (misstatements in its securities report).

- (1) NISSAN MOTOR CO., LTD. ("NISSAN") said that Mr. Ghosn has been reporting compensation amounts in its securities report that were less than the actual amount in order to reduce the disclosed amount of his compensation and that numerous other significant acts of misconduct have been uncovered including his personal use of company assets. NISSAN said that it would propose to the Board of Directors to promptly remove Ghosn from his positions as Chairman and Representative Director.
- (2) Most of the 3 companies' recent business results have been supported by cost reduction and higher investment efficiency thanks to the synergistic effects from their alliance. NISSAN said that it would make efforts to ensure that the incident will not have any impact on the partnership relations among the 3 companies. It is considered that the alliance has partly relied on Mr. Ghosn's leadership. NISSAN also said that it would continue to work to identify its governance and compliance issues, and to take appropriate measures. JCR will watch NISSAN's initiatives for improvement of governance, alliance among the 3 companies, management structure, impact on synergistic effects, etc. and reflect them in the rating, as necessary.

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<Reference>

Issuer: NISSAN MOTOR CO., LTD.

Long-term Issuer Rating: AA- Outlook: Stable

Issuer: Renault SA

Foreign Currency Long-term Issuer Rating: A- Outlook: Positive

Issuer: NISSAN FINANCIAL SERVICES CO., LTD.

Long-term Issuer Rating: AA- Outlook: Stable

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