

## Three Automakers Including NISSAN to Create a New Alliance Operating Board—Whether This Will Result in Efficient Alliance Operation Will Be Closely Watched

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the announcement made by NISSAN MOTOR CO., LTD. (security code: 7201), Renault and MITSUBISHI MOTORS CORPORATION (security code: 7211) on March 12 to express their intention to create a new Alliance operating board.

- (1) The aforementioned three automakers forming the Alliance announced on March 12 that they will create a new Alliance operating board (the "Board"), which will be the sole body overseeing the operations and governance in the Alliance in lieu of previous management companies, Renault Nissan B.V. and Nissan-Mitsubishi B.V. Renault's Chairman Jean-Dominique Senard will chair the Board, joined by the CEOs of NISSAN, Renault and MITSUBISHI. The operating decisions taken by the Board will be consensus-based, furthering the Alliance's "win-win" approach.
- (2) The three automakers' performance in recent years has been underpinned largely by cost reductions and more efficient investments through synergy creation by the Alliance. Meanwhile, JCR has been worried that progress in numerous strategic projects might be affected by the uncertain future direction of the Alliance ever since the arrest of Carlos Ghosn in November 2018. In such a situation, the announcement made it clear that the Alliance is being strengthened on an ongoing basis, which JCR views will help stabilize the Alliance. Looking ahead, JCR will keep monitoring the status of reviews on capital relationship while closely watching whether the creation of the Board will result in quick decision-making and efficient implementation of strategic projects.

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### <Reference>

Issuer: NISSAN MOTOR CO., LTD.

Long-term Issuer Rating: AA- Outlook: Stable

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