Nissan’s Global Strategy
Nomura Investment Forum

Toshiyuki Shiga
Chief Operating Officer
December 6, 2012
<table>
<thead>
<tr>
<th></th>
<th>Changes Surrounding Auto Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Nissan’s Global Growth Strategy</td>
</tr>
<tr>
<td>3</td>
<td>Talent Management to Support Strategy Implementation</td>
</tr>
<tr>
<td>4</td>
<td>Nissan Risk Management to Support Growth Strategy</td>
</tr>
</tbody>
</table>
Environment Surrounding Global Auto Industry

- Major 3 + 1 changes

1. Expanding Emerging Countries
2. Various Environmental Technologies
3. Downsizing / Lower Prices

4. IT changes to automobile society
1. Expanding Emerging Countries

Transition in global total industry volumes:
Clear expansion of emerging markets

(million units)

<table>
<thead>
<tr>
<th>Year</th>
<th>BRIC (11)</th>
<th>Others (54)</th>
<th>Japan/US/Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>5</td>
<td>4</td>
<td>45</td>
</tr>
<tr>
<td>2000</td>
<td>11</td>
<td>5</td>
<td>40</td>
</tr>
<tr>
<td>2001</td>
<td>16</td>
<td>6</td>
<td>38</td>
</tr>
<tr>
<td>2002</td>
<td>21</td>
<td>7</td>
<td>32</td>
</tr>
<tr>
<td>2003</td>
<td>27</td>
<td>9</td>
<td>34</td>
</tr>
<tr>
<td>2004</td>
<td>31</td>
<td>11</td>
<td>38</td>
</tr>
<tr>
<td>2005</td>
<td>37</td>
<td>15</td>
<td>38</td>
</tr>
<tr>
<td>2006</td>
<td>41</td>
<td>19</td>
<td>39</td>
</tr>
<tr>
<td>2007</td>
<td>46</td>
<td>23</td>
<td>30</td>
</tr>
<tr>
<td>2008</td>
<td>51</td>
<td>26</td>
<td>23</td>
</tr>
<tr>
<td>2009</td>
<td>56</td>
<td>29</td>
<td>15</td>
</tr>
<tr>
<td>2010</td>
<td>61</td>
<td>32</td>
<td>17</td>
</tr>
<tr>
<td>2011</td>
<td>66</td>
<td>35</td>
<td>19</td>
</tr>
<tr>
<td>2016</td>
<td>76</td>
<td>39</td>
<td>21</td>
</tr>
</tbody>
</table>

BRIC: Brazil, Russia, India, China
Potential future based on vehicle ownership per 1,000 people

- US: 800
- France: 600
- Japan: 600
- Russia: 250
- Brazil: 160
- China: 50
- Indonesia: 40
- India: 15

Opportunity for further expansion in China and India, as populations are larger with fewer vehicles owned.

2. Dealing with Various Environmental Technologies

Japan: HEV/Fuel-efficient gasoline engine/CVT
Europe: Diesel/Downsizing/DCT transmission
US: High-output fuel-efficient gasoline engine/HEV
China: Fuel-efficient gasoline engine/EV recommended by government
3. Global Trend of Downsizing and Lower Prices

Structure of new car demand

First Purchase
Replacement

Specific and unique product specifications and services for customers in emerging markets
<table>
<thead>
<tr>
<th></th>
<th>Changes Surrounding Auto Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td><strong>Nissan’s Global Growth Strategy</strong></td>
</tr>
<tr>
<td>3</td>
<td>Talent Management to Support Strategy Implementation</td>
</tr>
<tr>
<td>4</td>
<td>Nissan Risk Management to Support Growth Strategy</td>
</tr>
</tbody>
</table>
Nissan’s Global Growth Strategy

1. Aggressive Strategy
   - Strategy for emerging countries
   - Strategy for lower-priced/compact vehicles
     - V-Platform
     - DATSUN
     - VENUCIA

2. Leadership Strategy
   - Zero Emission
   - PURE DRIVE XTRONIC CVT
   - PURE DRIVE HYBRID
   - PURE DRIVE dCi

3. Partnership Strategy
   - Renault-Nissan Alliance
   - DAIMLER
   - DONG FENG
   - MITSUBISHI MOTORS
   - RENAULT NISSAN
   - ASHOKLEYLAND
   - AVTOVAZ
Global Development Structure

29 overseas sites/offices

Europe

Vietnam

China

Taiwan

United States

NTCE(‘88)

NTV(‘03)

ZNTC(‘93)

DNTC(‘03)

NCIC(‘04)

YNTC(‘80)

NTCNA(‘83)

South Africa

NTCAF(‘65)

RNTBCI(‘08)

India

NTCSEA(‘03)

Thailand

NTCSEA-I(‘10)

Indonesia

Mexico

Brazil

Italy

Norway

Spain

Europe

Vietnam

China

Taiwan

United States

South Africa

India

Thailand

Mexico

Brazil

Global Development Structure

29 overseas sites/offices

NISSAN

(C) Copyright NISSAN MOTOR CO., LTD. 2012 All rights reserved.

www.nissan-global.com
Emerging Countries Offensive: China

*Announced in July, 2011

- 2 million units
- Market share 10%

**2015 (PV+LCV)**

**LCV**

**Tiida**

**Venucia D50**

Zhengzhou Plant (Henan province)

Xiangyang Plant (Hubei Province)

Huadu Plant (Guangzhou City)

New plant (Dalian City)
Emerging Countries Offensive: Partnership Strategy in India

Plan to increase production capacity from 200K to 400K units
Establish partnership to strengthen product competitiveness and promote localization

✓ Alliance Plant
✓ Local Partnership

Emerging Countries Offensive: Partnership Strategy in India

Europe

GCC

Africa

Chennai

Alliance Plant

Local Partnership

Develop LCV
## Alliance market share > 40%

### Nissan mid-term plan

- Market share (TIV): 10% or over
- Market share (TIV for foreign vehicles): 15% or over
- Sales volume: 400K or over

<table>
<thead>
<tr>
<th>Year</th>
<th>Nissan</th>
<th>Infiniti</th>
<th>Datsun</th>
<th>Nissan Mid-term Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10</td>
<td>102K</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY11</td>
<td>161K</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY12</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY13</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY14</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY16</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Market Share

- Nissan
- Renault
- Avtovaz

ALMERA, 1st local production model in Russia
Emerging Countries Offensive: Alliance strategy in Brazil

Increase Alliance market share to 13% by 2016
(Present: 6.5%)
Emerging Countries Offensive: ASEAN 5 (Thailand, Indonesia, Malaysia, Philippines and Vietnam)

Production Capacity
FY12: 220K units/year
FY14~: 370K units/year

Production Capacity
FY12: 100K units/year
FY14: 250K units/year

ASEAN5-MTP

500K

More than Triple

150K

(Sales Unit)

(FY10)

(FY16)

6%

15%

(Market Share)
Emerging Countries Offensive: Lower-priced/Downsizing strategy

Datsun brand to be launched in India, Indonesia and Russia
Zero-emission Leadership

Cumulative Nissan LEAF sales: 46 k units

Density of quick-charging facilities
Approx. 1,200 locations as of August 31, 2012

NISSAN LEAF   Renault KANGOO   Renault FLUENCE
Renault ZOE   MITSUBISHI IMIEV   PEUGOT ION
CITROEN C-ZERO   FORD FOCUS EV
Zero-emission Leadership
Zero-emission Leadership

Energy storage system

Introduction of EV/FCEV

Become the leader in EV battery

Smart Community
Zero-emission Leadership

Evaluating joint development with Daimler for mass-production of fuel cell vehicles

NISSAN

DAIMLER

X-TRAIL FCV

Mercedes-Benz B-class F-CELL
Industry-leading environmental technology strategy

- Idle stop
- CVT
- Clean Diesel
- Super Charger

Three base technologies:
- CVT
- One-motor two-clutch
- Lithium-ion battery

P-HEV
FF-HEV
FR-HEV

FY10
FY16

Blue Citizenship

NISSAN
Difficult for one company to deal with ongoing changes

- Customer needs
- Government ties
- Speed
- Human Resources
- Technology

- Investment

- Expanding Emerging Countries
- Various Environmental Technologies
- Downsizing / Lower Prices

④ IT changes to automobile society
Importance of Partners

![Diagram showing the importance of partnerships with various elements such as shared investment, utilization of local expertise, technological supplement, and utilization of local human resources.](Image)

- **Shared investment**
- **Utilization of local expertise**
- **Technological supplement**
- **Utilization of Local human resources**
Our Partnerships

RENAULT NISSAN

DAIMLER

RENault NISSAN

AVTOVAZ

DONG FENG

ASHOK LEYLAND

NISSAN
<table>
<thead>
<tr>
<th></th>
<th>Changes Surrounding Auto Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Nissan’s Global Growth Strategy</td>
</tr>
<tr>
<td>3</td>
<td>Talent Management to Support Strategy Implementation</td>
</tr>
<tr>
<td>4</td>
<td>Nissan Risk Management to Support Growth Strategy</td>
</tr>
</tbody>
</table>
Nissan Global Management

Based on global organization/human affairs/culture, maximize Nissan group’s overall performance with optimal allocation and full utilization of human resources and competencies.

<table>
<thead>
<tr>
<th>Resource management</th>
<th>Global HR Management (H/C, L/C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent management</td>
<td>NAC (Corporate, by Function, by Region) *1</td>
</tr>
<tr>
<td></td>
<td>HPP Nomination by Career Coaches</td>
</tr>
<tr>
<td></td>
<td>Global Training (GET, LEAD, G-NRDP) *2</td>
</tr>
<tr>
<td></td>
<td>CDP for HPPs</td>
</tr>
<tr>
<td></td>
<td>Succession Plan for Key Posts</td>
</tr>
<tr>
<td>Corporate culture</td>
<td>Commitment &amp; Target</td>
</tr>
<tr>
<td></td>
<td>CFT / V-up</td>
</tr>
<tr>
<td></td>
<td>NISSAN WAY</td>
</tr>
<tr>
<td></td>
<td>Diversity</td>
</tr>
</tbody>
</table>

Diversity of Top Management

<table>
<thead>
<tr>
<th>Category</th>
<th>Non-Japanese</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Committee members</td>
<td>44%</td>
</tr>
<tr>
<td>CVP or above @NML</td>
<td>24%</td>
</tr>
<tr>
<td>100 major global posts</td>
<td>49%</td>
</tr>
</tbody>
</table>

Promote diversity at top management levels
<table>
<thead>
<tr>
<th></th>
<th>Changes Surrounding Auto Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Nissan’s Global Growth Strategy</td>
</tr>
<tr>
<td>3</td>
<td>Talent Management to Support Strategy Implementation</td>
</tr>
<tr>
<td>4</td>
<td>Nissan Risk Management to Support Growth Strategy</td>
</tr>
</tbody>
</table>
Selling and General Administrative Expenses

SG&A expenses to sales ratio

- FY 2005: 16.1%
- FY 2006: 15.9%
- FY 2007: 15.0%
- FY 2008: 17.3%
- FY 2009: 14.1%
- FY 2010: 12.3%
- FY 2011: 11.6%
- FY 2012 1H: 11.2%
Extended Adoption of CMF

- Extended adoption of CMF along with increased volume
  → Economies of scale + Synergies from commonization
- CMF: 12% (2013) ⇒ Challenge to 58% (2016)
Increase Commonality Ratio with Renault

- Achieve commonality ratio of approximately 50% with Renault through CMF

*Vehicle turnover basis
Total delivered Cost (TdC) Challenge

Comprehensive cost competitiveness and enhancement activities including parts purchasing as well as vehicle assembly and logistics

TdC Scope (Total delivered Cost)

R&D

Purchased parts

Parts logistics

Production

Vehicle logistics

Standpoint of TdC

<table>
<thead>
<tr>
<th>R&amp;D</th>
<th>Parts production</th>
<th>Parts logistics</th>
<th>Nissan in-house plants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carry-over/carry-across</td>
<td>LCC utilization</td>
<td>Number of molds</td>
<td>Reviwng routes</td>
</tr>
<tr>
<td>Weight reduction</td>
<td>Localization</td>
<td>Operating ratio improvement</td>
<td>Inventory reduction</td>
</tr>
<tr>
<td>Spec review</td>
<td>Increased carry-over/carry-across</td>
<td>Yield improvement</td>
<td>Bara-ka</td>
</tr>
<tr>
<td>Improved packaging for designing</td>
<td>Improved packaging</td>
<td>Optimized allocation</td>
<td>Improved packaging</td>
</tr>
<tr>
<td>Quality (including warranty)</td>
<td>Fill rate improvement</td>
<td>Optimized allocation</td>
<td>Fill rate improvement</td>
</tr>
<tr>
<td>Reduction of variations</td>
<td>Inventory reduction</td>
<td>In/On-site</td>
<td>Logistics quality improvement</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Customs</td>
</tr>
</tbody>
</table>

Standpoints to be strengthened by TdC
Summary

Growth Strategy

1. **Aggressive strategy**
   - Emerging countries
   - Compact vehicles/Lower-priced vehicles

2. **Leadership strategy**
   - Zero-emission
   - Pure Drive

3. **Partnership strategy**

Prudent Management

1. Optimization of fixed cost
   - Investment efficiency
   - High operating rate
   - GFS

2. Management of selling and G&A cost

3. CMF

4. TdC Challenge