



<TRANSLATION>

May 13, 2025

Company Name	Nissan Motor Co., Ltd.
Code No.	7201
Inquiry	IR Department (TEL 045-523-5523)

Notice regarding Rationalization of Headcount Reductions, etc.

Nissan Motor Co., Ltd. (the “Company”) announces that it has formulated a new Nissan recovery plan, “Re:Nissan,” under a fresh focus with new management, reassessing its targets and conducting a comprehensive review of key initiatives, introducing further measures to ensure a strong recovery.

1. Reasons

In the face of challenging fiscal year 2024 performance and rising variable costs, compounded by an uncertain environment, the Company must prioritize self-improvement with greater urgency and speed, aiming for profitability that relies less on volume. As new management, we are taking a prudent approach to reassess its targets and actively seek every possible opportunity to implement further measures that will ensure a robust recovery. “Re:Nissan” is an action-based recovery plan - grounded in reality and driven by determined actions to reduce costs, redefine our strategy, and reinforce partnerships.

With “Re:Nissan” the Company targets a total cost savings of 500 billion yen versus fiscal year 2024 actuals in fixed and variable cost savings. These savings will establish a framework to secure operating profitability and free cash flow in the automotive business by fiscal year 2026.

2. Details of “RE: Nissan”

(1) Variable cost reduction

In the new plan, the Nissan has set an aggressive cost reduction target of 250 billion yen. To achieve this, the Company is accelerating engineering and cost efficiencies while implementing a rigorous governance model. A dedicated cross-functional transformation office under Chief Total delivered Cost (TdC) Officer staffed by around 300 experts, has been established and is empowered to make cost decisions.

Additionally, the Company will temporarily pause advanced and post-fiscal year 2026 product activities to mobilize 3,000 people to focus on cost reduction initiatives. This reprioritization was made possible through the Company's swift implementation of a shortened development process that reduces lead time and ensures no delays in product launches.

A key aspect of this transformation involves rethinking the supply chain, the Company will restructure its supplier panel to secure more volume for fewer suppliers, eliminating inefficiencies and challenging legacy standards.

(2) Fixed cost reduction

While maintaining a strong focus on variable costs, the Company will continue to seek additional opportunities to reduce fixed costs, targeting a total reduction of 250 billion yen by fiscal year 2026 compared to its fiscal year

2024 actuals.

- Restructuring manufacturing base and refine efficiencies

The Company will consolidate its vehicle production plants from 17 to 10 by fiscal year 2027. Additionally, the Company will streamline its powertrain plants and accelerate job reformation, work shift adjustments, and capital expenditure reductions, including the cancellation of the planned Lithium Iron Phosphate battery plant in Kyushu.

- Reduction of workforce

The Company aims to reduce its workforce by a total of 20,000 employees between fiscal years 2024 and 2027, which includes the previously announced reduction of 9,000. This workforce reduction globally covers direct/ indirect roles and contractual roles in manufacturing, SG&A and R&D functions. Additionally, the Company will implement further measures under SG&A, including expanding the scope of shared services and identifying efficiencies in marketing.

- Revamp Development

The Company is revamping its development processes by reducing engineering costs, complexity, and improving development speed. Through various initiatives such as rationalizing global R&D facilities and allocating work to competitive locations, the Company aims to reduce the workforce's average cost per hour by 20%.

The Company will reduce parts complexity by 70%, while the integration and optimization of platforms will decrease the number of platforms from 13 to 7 by fiscal year 2035. The Company will advance its efforts to significantly shorten the development lead time of the first vehicle to 37 months and subsequent family vehicles to 30 months. Models developed under this process include the all-new Nissan Skyline, the all-new global C SUV, and the all-new INFINITI compact SUV.

(3) Redefined market & product strategy

The Company redefined its market approach to better match local customer needs and tailor product strategy to align with the updated market approach. This will enable the Company to focus on internal engineering resources in core businesses to ensure growth while securing profit.

The Company is reshaping its product strategy to be more market-focused and more brand-oriented. Commitment to innovation will accelerate, bringing exciting advancements to valued customers. It will be centered around signature Nissan models that deliver strong nameplates which represent the heartbeat of Nissan globally, volume-driving models that will be the key drivers of the Company's performance and growth.

The market-specific approach will be positioning the U.S., Japan, China and Europe, Middle East and Mexico as key markets and adopt a customized approach to other markets. In the U.S., it includes addressing rapidly expanding segments such as hybrids and revitalizing the INFINITI brand through synergies with the Nissan brand. In Japan, expansion of model coverage will contribute to reinforcing the brand in its home market. The approach in China will focus on enhancing domestic performance with NEVs. Also exports from China will support catering to diverse and global needs. In Europe, the focus will be on B and C segment SUVs. Nissan will leverage partnerships with the Renault Group and partners from China to further diversify offerings. In the Middle East, the Company will focus on large SUVs while exploring products from China to enhance competitive offerings. Mexico will continue to serve as an important export hub, contributing significantly to profit and growth.

(4) Reinforce Partnerships

The Company will collaborate with partners to deliver models that complement its portfolio and meet unique market needs. Several projects with its alliance partners, Renault and Mitsubishi Motors (MMC) are underway,

including the recently announced initiative for an all-new battery electric vehicle (BEV) based on the next-generation LEAF for MMC's North American market. Additionally, Nissan and MMC will collaborate on a new van for the Philippines, set to be introduced in 2025. Nissan and Honda will continue their collaboration in vehicle intelligence and electrification.

“Re:Nissan” clarifies the necessary steps to recover performance and establishes clear timelines following a comprehensive review of the Company's current situation. Although the targets are ambitious, the strategies and actions are well-defined. Nissan remains committed to the steady implementation of this plan to recover performance.

3. Financial impact on business performance

The Company is currently examining the costs required for this rationalization. The Company will promptly announce them once they are clarified.

- END -