

RE:NISSAN

FY2025 First Quarter Financial Results

30 JULY 2025



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(CEO Ivan Espinosa)

Good evening, everyone.

I hope all of you are safe in light of the tsunami warning. Please take all necessary precautions and stay close to your loved ones.

Eleven weeks ago, I announced the Re:Nissan plan and outlined the scale of our recovery efforts.

Since then, we've made meaningful progress. We have a clear understanding of the work ahead and have mobilized teams across the organization to execute the plan with discipline and urgency.

While our financial results for FY25, especially H1, reflect the magnitude of the challenge we face, they also reinforce why the Re:Nissan transformation is so critical—and why our disciplined approach must continue.

Let me begin by recapping the plan and detailing the concrete actions we've taken so far.

- Re:Nissan Progress
- Q1 Financial Results
- Q2 Outlook



■ Re:Nissan Progress



Recovery Plan

RE:NISSAN

Key drivers

- 01 Reduce cost structure
- 02 Redefine market and product strategy
- 03 Reinforce partnerships

**Positive
auto operating
profit & free
cash flow**

BY FY 26



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As a reminder, the focus of Re:Nissan is to restore auto profitability and achieve positive free cash flow by fiscal 2026.

This is not the final goal—it is the foundation. To drive a robust and sustainable recovery, we are executing a comprehensive recovery across three key drivers:

- We are implementing measures to reduce costs.
- We are redefining our approach to products and markets, aligning offerings more precisely with real market demand.
- We are reinforcing key partnerships to unlock economies of scale and deliver value at significantly lower cost.

■ Cost Targets by FY2026

RE:NISSAN

Targeting
savings to total

500B JPY

VS FY24 ACTUALS

Variable
Cost

▼ **250B** JPY

Fixed
Cost

▼ **250B** JPY

Vs FY24 actuals | FY26 forex assumption at 140 yen



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Today, I will update progress on two drivers.

First: Reducing costs – We are reshaping our cost structure aiming to save 500 billion yen through both fixed and variable cost reductions.

Variable Cost - Actions & Decisions

RE:NISSAN

RAPID MOBILIZATION: 3-MONTH HIGH-INTENSITY DEPLOYMENT



TdC* Transformation

- 3 months intensive ideation
- 300 experts engaged in specialized efforts
- 3,000 cross-functional employees temporarily reassigned

EXECUTION PHASE BEGINS...



4,000

IDEAS GENERATED

1,600

IDEAS READY FOR
IMPLEMENTATION

* Total delivered cost

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We have taken decisive action to reduce variable cost, and the Obeya Office is now driving this transformation forward with speed, discipline, and measurable impact.

The Obeya team brings together 300 specialized experts, backed by 3,000 colleagues who've temporarily shifted from long-term product work.

For three months, they're focused entirely on reengineering how we approach cost reductions—working in fast-paced sprints to deliver impact quickly.

The team has already generated over 4,000 cost-saving ideas—1,600 of which are now implementation-ready.

We have already identified actions that are giving us visibility into two-thirds of the net cost savings, underscoring our commitment to disciplined cost management and rapid delivery.

In addition, we are eliminating inefficiencies that still exist in some areas and challenging legacy practices with discipline and urgency.

The momentum is real, and the transformation is underway.

Fixed cost - actions & decisions

RE:NISSAN

EFFICIENCY THROUGH COST DISCIPLINE



Restructure Manufacturing

Announced 5 of 7 consolidated sites

- **Argentina plant**
Stop production of Nissan vehicles
- **RNAIPL, India plant**
No longer a consolidated Nissan plant
- **Oppama plant**
Stop production and transfer to Nissan Motor Kyushu
- **Nissan Shatai Shonan plant**
Stop production of Nissan vehicles
- **Civac Plant**
Stop production and transfer to Aguascalientes plant

OTHER ACTIONS

- Thailand line integration
- Streamlined shifts across US and UK plants



Reduce & Rationalize

Cost task force to audit entire value chain

>30B JPY cost savings materialized in Q1

ACTIONS TAKEN

- Clear roadmap in place to reduce average engineering cost per hour by 20%
- Marketing expense efficiency complemented by AI integration
- Voluntary separation packages: US, UK, Japan

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We are still in the early stages of our recovery, but we're already making steady progress in reducing fixed costs. Of the seven manufacturing sites we plan to reduce from our footprint, five have already been announced.

To go through these again:

- Production in Argentina of the Frontier and Navara pickups is being transferred to Mexico.
- We have sold our 51 percent in our joint venture plant in India to our partner Renault – which will continue to produce Nissan vehicles in future.
- Here in Japan, we will transfer production from the Oppama plant to our Kyushu production base, with vehicle assembly in Oppama ending by fiscal 2027.
- Production of the NV200 van at the Shatai Shonan plant will end by fiscal 2026, marking the end of Nissan model production at the site.
- And, today, we announced the 5th production site in Mexico. We will transfer production from the Civac plant to our Aguascalientes production site, with vehicle assembly in Civac ending by fiscal 2025.

Beyond this, we continue to execute measures for efficiency and so far, we have consolidated production at the plant in Thailand, moving to a single assembly line and announced changes to shifts in US and UK plants.

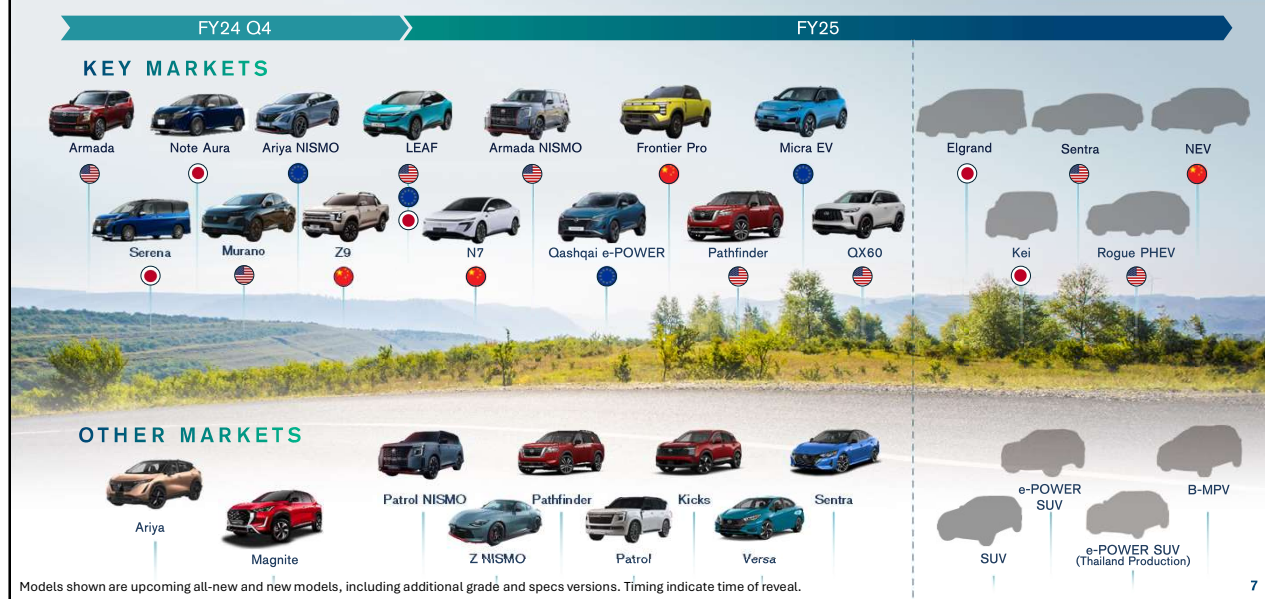
To drive fixed cost reductions beyond manufacturing, we have formed a dedicated cost task team. These efforts are already delivering results, showing more than 30B realized in Q1, providing strong visibility for the full fiscal year. We also have a clear roadmap to achieve our target of 20% reduction in the average engineering cost per hour.

The task team is conducting a comprehensive review of expense overheads and auditing capital expenditures across the value chain to ensure every opportunity for cost efficiency is captured.

We will continue to share updates as they become available.

■ Ensuring product momentum

RE:NISSAN



Now, moving to the next driver—redefining our product and market strategy.

Since the launch of Re:Nissan, we've taken decisive steps to reshape our market approach and align our product offerings with customer demand across key regions. The models introduced in Q4 of last fiscal year are gaining traction, and we are building on that momentum.

In Q1 of this year, we introduced additional new models, and we will continue to expand our lineup throughout the remainder of the year and beyond.

Highlight for Q1 is our new heartbeat model - the all-new LEAF which will be introduced in US, Europe and Japan. In addition, we are focused on high-demand models including the next-generation Kei car and the Elgrand in Japan.

In the U.S., we are expanding our SUV portfolio with the PHEV Rogue, alongside the Armada, Pathfinder, and INFINITI QX60. A new Sentra will also be introduced as a core model for North America.

In Europe, where electrification continues to drive demand, we have launched the Micra EV and the Qashqai with next-generation e-POWER.

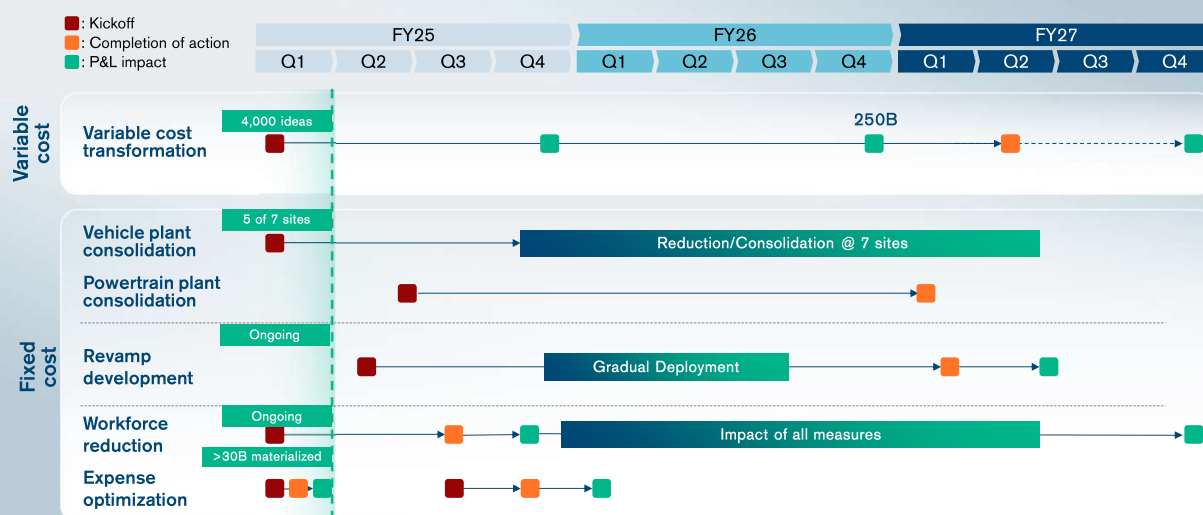
In Mexico, Nissan maintained its leadership position, with successful launches like Magnite contributing to solid sales and segment dominance.

In China, the new N7 NEV is already proving to be a sales success, and we are preparing to export China-made vehicles to other markets.

Our product offensive is accelerating, and further model announcements are planned for the months ahead.

Progress Chart

RE:NISSAN



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Let me stress again. Re:Nissan recovery is a two-year plan, and we are progressing with discipline and intent at the right pace.

Fiscal 2025 is our transition year—the year in which we are taking decisions as we simultaneously execute actions. These actions are being delivered in structured phases, each with clear milestones and accountability.

While we expect to see tangible impact of our variable cost transformation by the end of this fiscal year we acknowledge that variable cost will take a bit of time to show in our results. This is due to the nature of changes we need to implement in our operations framework.

The consolidation of our manufacturing footprint is on track for completion by fiscal 2027. We are also working on the consolidation of our powertrain production and will share progress in due course.

Our workforce reduction is progressing in phases, aligned with the timing of operational changes across locations.

In parallel, we are executing actions to optimize G&A expenses—an area where we are already seeing progress.

Our focus on streamlining development activities is on track with benefits expected to begin showing in the first half of fiscal 2027.

Let me conclude with reaffirming that each stage of the Re:Nissan plan is being implemented with discipline, dedication and a with focus on delivering enduring value.

With that, I will hand over to Jeremie, our CFO, to present the Q1 results.



■ Q1 Financial Results

(CFO Jeremie Papin)

Good evening everyone.

As Ivan noted, we are advancing steadily with Re:Nissan, and that progress is encouraging.

At the same time, the magnitude of our challenge remains significant—as reflected in our Q1 results—which reinforces the urgency of continued, disciplined execution.

■ Q1 Key Takeaways



Financial Performance

- Muted start as expected in Q1 with retail sales down by 10%
- Operating loss of -79.1B, better than forecast including one-time gain
- Fixed cost discipline starting to materialize in results
- Negative auto free cash flow of -390.5B, cash remains solid at 2.1T

Liquidity & Funding

- Raised 860B in funds (straight bond and convertible) in July 2025 and diversified funding with long-term maturities
- FY25-26 auto debt maturities fully covered
- Total liquidity at 3.1T and an additional 1.8T in unused credit lines

Outlook & Recovery Path

- FY25 retail sales volume forecast confirmed, OP to remain break-even before tariff
- Q2 operating loss forecast at 100B, showing sequential improvement vs. one-time adjusted Q1
- Q2 free cash flow outlook at -350B, with H2 expected to be positive

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Let me begin with a brief overview of our Q1 performance.

As expected, we had a muted start to the fiscal year, with retail sales down by 10 percent.

Our operating loss of ¥79 billion was better than we had guided in May—thanks to one-time gain and early signs that our fixed cost controls are starting to take effect.

Free cash flow was negative at ¥390 billion, but our automotive gross cash position remains solid with more than 2T yen.

To reinforce our financial flexibility, we raised ¥860 billion in July through straight and convertible bonds, fully covering FY25 debt maturities.

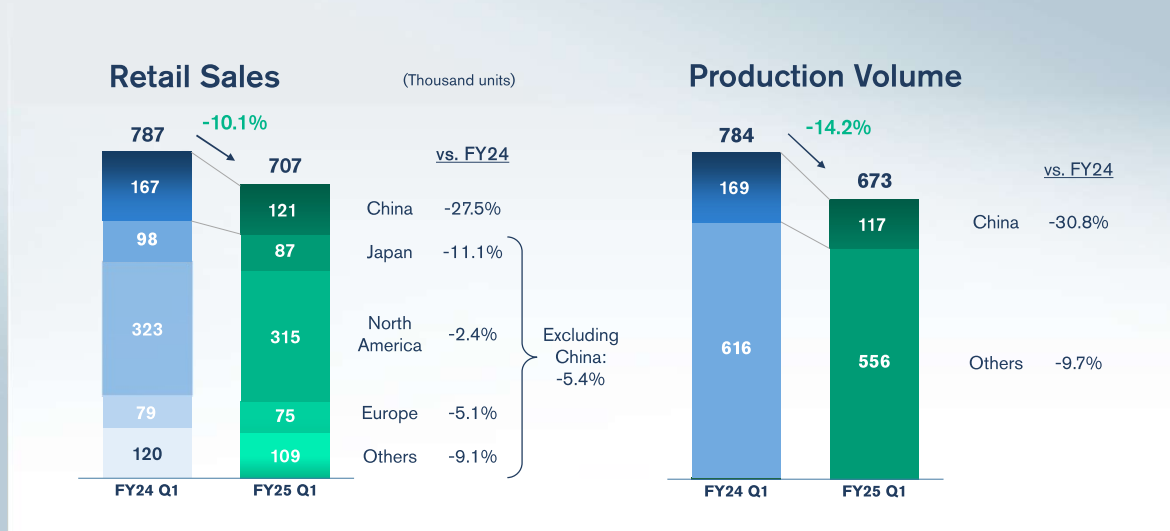
At the end of June, our total automotive liquidity stands at ¥3.1 trillion, including ¥2.1 trillion cash on hand and 1.0 trillion auto cash loan to Sales Finance. On top of this 3.1 trillion, we also have access to ¥1.8 trillion in committed unused credit lines.

Looking ahead, we are maintaining our FY25 retail sales forecast, with Q2 operating loss expected at ¥100 billion.

Free cash flow is forecast at approximately negative 350 billion for Q2, with a return to positive territory anticipated in the second half of the year in line with our seasonal pattern.

Let me now go through the details of Q1 results.

■ FY25 First Quarter Volume Results



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Unit sales for Q1 were down mainly due to continued challenges in China. Competition in China remains intense, the non-premium JV segment continues to shrink, and the price war has escalated further. As a result, our unit sales in China dropped 27.5 percent.

We faced an 11 percent decline in Japan with returning competition in the Kei car segment and consumer hesitation towards Nissan.

The 2.4 percent decline in North America is partly due to our adjustments to the tariff impacts that are reshaping the competitive landscape. In particular, we focused our sales efforts on U.S.-produced vehicles and prioritized private retail channels, while scaling back rental fleet sales. This strategy is beginning to gain traction, as seen in month-over-month improvements in our US retail market share trend. A notable highlight is Nissan being ranked the #1 Mass Market Brand in J.D. Power's Initial Quality Survey—an achievement that could positively influence both our brand image and sales performance.

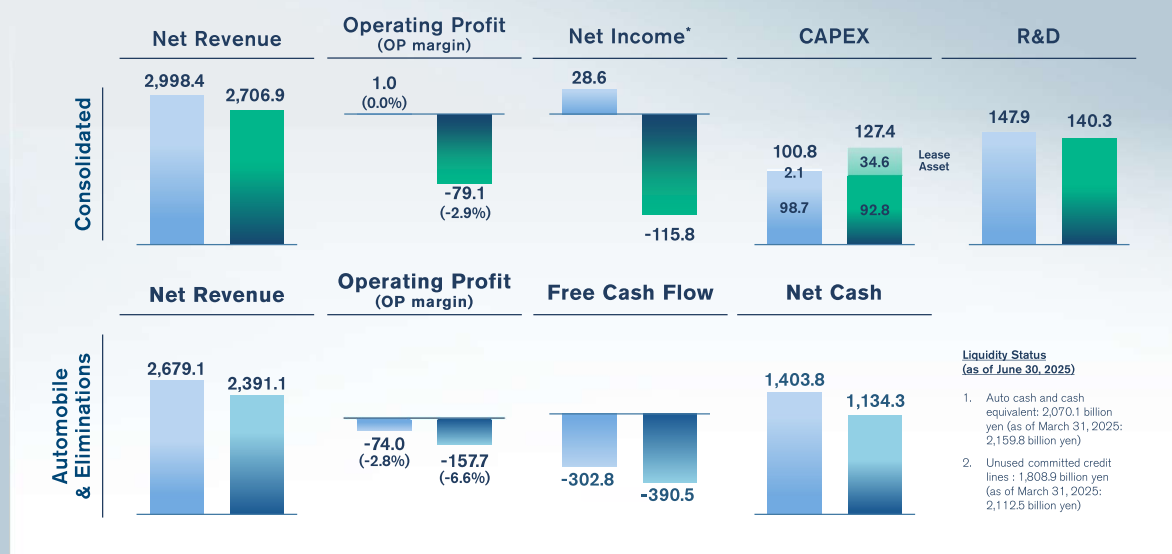
In Europe, we saw a 5 percent decline, primarily driven by reduced overall demand for electrification—particularly due to the LEAF full model change—and the end of production for the NV400.

The 9% decline in other markets was mainly driven by the Kicks model change in Brazil. On a positive note, volume growth in the Middle East was fuelled by strong demand for the Magnite and the introduction of the new Patrol.

Proceeding to the right-hand side of the chart - our production volume declined by 14 percent, primarily due to a 30.8 percent reduction in China. This was driven by ongoing restructuring efforts and production optimization, including reduced operating hours and capacity adjustments. In parallel, we proactively managed lower dealer inventories ahead of the model year change in the U.S. and the launch of new models in Europe and Japan, aligning production with anticipated demand and managing impacts to our free cash flow.

FY25 First Quarter Financial Performance

FY24 Q1 FY25 Q1 (Billion Yen)



* Net income attributable to owners of the parent

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Consolidated net revenues for the period were 2.7 trillion, with an operating loss of 79 billion and a net income loss of 116 billion.

Excluding Sales and Lease Back operations, CAPEX remained largely flat year-over-year.

Through disciplined control of core R&D spending, we reduced R&D expenses from 148B to 140B.

In the core automotive operations, after eliminations, revenues were 2.39 trillion, reflecting lower whole sale volumes and roughly 200B negative foreign exchange impact.

Our operating loss deepened to 158 billion, including a tariff impact of nearly 70B.

Consequently, free cash flow in the automotive business was a negative 390 billion.

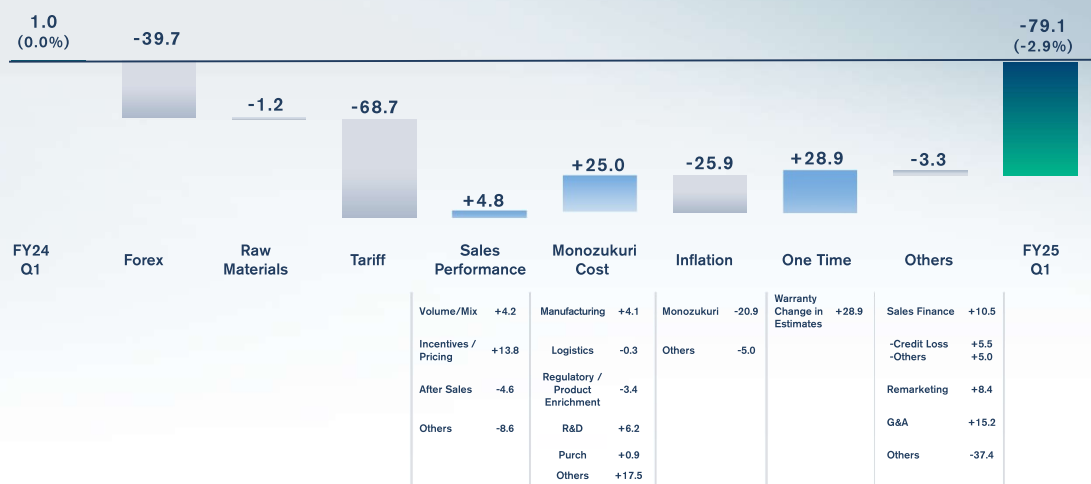
This was expected due to seasonal factors—specifically, lower payables in Q1 that adversely affected working capital.

At the end of the quarter, net cash stood at 1.1 trillion.

■ Operating Profit Variance Analysis

(Billion Yen)

FY25 Q1 Actual vs. Previous Year



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The operating loss of 79 billion for the period reflects some specific factors. Of these, we were adversely impacted by 39.7 billion of FOREX effects, mainly due to the weakening of US and Canadian dollar.

There was a 68.7 billion negative impact from tariffs.

Sale performance resulted in 4.8B positive reflecting a positive momentum from volume/mix and incentive/pricing. However, this was offset by declines in aftersales mainly due to lower wholesales volume.

Monozukuri costs resulted in positive 25 billion burdened by higher variable cost but benefitting from better fixed cost and lower depreciation on production assets.

Inflation came in at -25.9 billion.

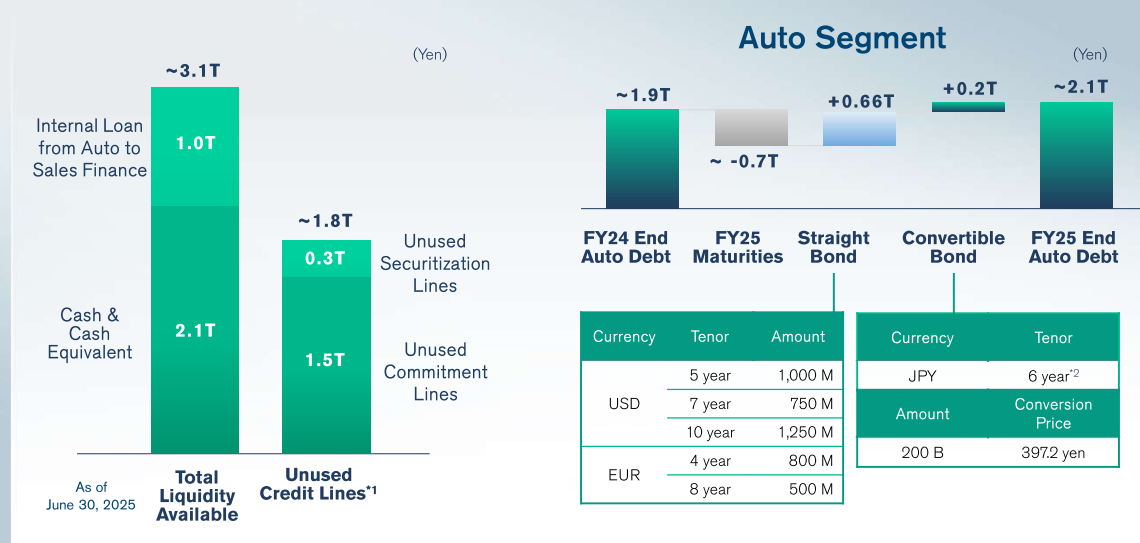
This quarter, we recognized a 29 billion improvement in one-time item, thanks to revised provisions for warranty costs.

Sales Finance and Re-marketing also contributed positively, with a 19 billion improvement year on year. However, we had to accrue costs related to CO₂ emission compliance.

Our first-quarter operating loss of 79 billion was better than the initial outlook, as we had taken a cautious stance at the start of FY25 to account for potential risks.

Adjusted for one-time positives, our underlying Q1 consolidated operating profit stands at negative 109 billion. Several factors outperformed expectations, including lower tariffs, a greater positive impact from product mix, lower credit losses in Sales Finance and stronger remarketing results. We also benefitted from solid fixed cost reductions.

Funding and Liquidity Status



*1 Unused securitization lines are related to Sales Finance. Unused commitment lines split into Auto Business ~600B and Sales Finance ~900B
 *2 Includes put option after 4 years

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We continue to actively manage our Automotive liquidity.

In early July, we issued 660 billion in euro and dollar straight bonds with maturities ranging from 4 to 10 years, and 200 billion in convertible bonds with a 6-year maturity.

Proceeds from the straight bonds will be used to refinance 700 billion of debt maturing this fiscal year.

The net proceeds from the convertible bonds are intended to be used by fiscal year 2030 for investment in new products and technologies such as electrification and software-defined vehicles.

For Q1, prior to the bond issuance, we ended the period with total available liquidity of 3.1 trillion.

This includes 2.1 trillion of Auto cash and cash equivalents on hand, and around 1 trillion of Auto cash loans outstanding to sales finance companies.

In first quarter, Sales Finance repaid some of the cash it borrows from Auto while increasing its securitized funding.

Additionally, we have 1.8 trillion in unused committed credit lines if needed.

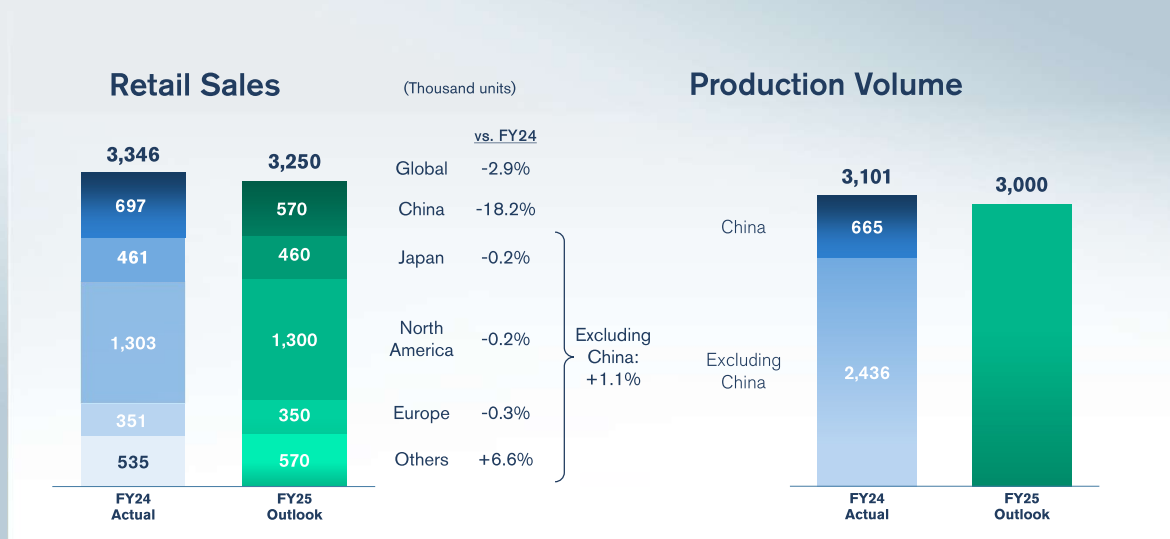
We maintain ample liquidity for upcoming maturities and to cover our funding needs as we continue to restructure the business.

■ Q2 Outlook



I will now move to the outlook.

■ FY25 Volume Outlook (unchanged)



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We are confirming our previous forecast, provided in May.

We expect retail sales to reach 3.25 million vehicles this fiscal year, down by 2.9 percent, mainly due to a projected 18.2 percent decline in China.

Sales in Japan, North America, and Europe are likely to be flat, while other markets are forecast to grow 6.6 percent.

As explained by Ivan earlier today, we are ensuring our global product momentum. This will enable us to reverse Q1 and grow our global retail sales starting from Q2 onwards.

Production volume is projected to be 3 million units as we continue to manage inventories.

■ FY25 Outlook

(Billion Yen)

	FY24 Actual	FY25 Outlook	Variance vs FY24	FY25 Q2 Outlook (Including Tariff Impact)
Net Revenue	12,633.2	12,500.0	-133.2	2,800.0
Operating Profit	69.8	TBD	-	-100.0
OP Margin	0.6%	TBD	-	-3.6%
Net Income*	-670.9	TBD	-	TBD
FX Rate (USD/JPY)	153	145	-8	145
(EUR/JPY)	164	159	-5	159
Auto FCF	-242.8	TBD		-350.0
Dividend per Share	0 yen	0 yen		

* Net income attributable to owners of the parent

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We expect net revenue of 12.5 trillion for the current fiscal year. But given the external market environment in particular ongoing uncertainty related to tariffs, we are not able to provide a detailed full-year forecast.

I would like to share our current visibility for the second quarter:

Revenue of 2.8trillion

An operating loss of 100 billion

And automotive free cash flow of negative 350 billion

These results reinforce the urgency of executing the Re:Nissan plan. At the same time, they show some improvement compared to the first quarter - once adjusted for one-time gain.

Let me reiterate Ivan's words. Re:Nissan is more than a plan—it's a company-wide commitment.

With clear oversight and cross-functional execution, it's helping us rebuild competitiveness.

We truly appreciate our employees' and partners' commitment and support on this journey.

Thank you.

This presentation contains forward-looking statements, based on judgments and estimates that have been made on the basis of currently available information. By nature, such statements are subject to uncertainty and risk. Therefore, you are advised that the final results might be significantly different from the aforementioned statements due to changes in economic environments related to our business, market trends and exchange rate, etc.