The Renault-Nissan Alliance

Nissan has greatly increased its global footprint and achieved dramatic economies of scale through the Renault-Nissan Alliance, a unique and highly scalable strategic partnership founded in 1999. In 2011, 8.03 million cars* were sold by the Renault-Nissan Alliance, amounting to a 10.7% global share. We are marketing vehicles under the brands of Nissan, Infiniti, Renault, Renault Samsung Motors and Dacia.

* This figure includes Lada sales (AvtoVAZ of Russia).

The Alliance's Vision

Although it was initially considered a unique arrangement in the late 1990s, the Alliance quickly became a model for similar partnerships in the auto industry. The Alliance itself has entered cooperative relationships with Germany's Daimler, China's Dongfeng Motor Corp., Russia's AvtoVAZ and others, and it continues to prove itself as the industry's most enduring and successful partnership.

The Alliance is based on the rationale that substantial cross-shareholding investments compel each company to act in the financial interest of the other, while maintaining individual brand identities and independent corporate cultures. Renault currently has a 43.4% stake in Nissan, and Nissan holds a 15.0% stake in Renault. The cross-shareholding arrangement requires mutual trust and respect, as well as a transparent management system focused on speed, accountability and performance.

Please see our website for more information on the Renault-Nissan Alliance.
http://www.nissan-global.com/EN/COMPANY/PROFILE/ALLIANCE/RENAULT01/index.html

Alliance Objectives

The Alliance pursues a strategy of profitable growth with three objectives:

1. To be recognized by customers as being among the best three automotive groups in the quality and value of its products and services in each region and market segment

2. To be among the best three automotive groups in key technologies, each partner being a leader in specific domains of excellence

3. To consistently generate a total operating profit among the top three automotive groups in the world, by maintaining a high operating margin and steady growth

The Alliance remains committed to developing synergies through such common organizations as the Renault-Nissan Purchasing Organization (RNPO), joint working groups and shared platforms, components and industrial facilities. In its second decade of existence, the Alliance also keenly focuses on maintaining its clear lead in sustainable transportation.

Zero-Emission Leadership

The Alliance invested a total of approximately €4 billion in research, engineering, product development and manufacturing to develop the first wave of zero-emission cars—electric vehicles (EVs). Unlike other carmakers, the Alliance focused on development of a unique, purpose-built EV that could be mass-produced at affordable prices for mainstream consumers. The first tangible result of the investment was the groundbreaking Nissan LEAF, which went on sale in December 2010. In fiscal 2011, 23,000 units were sold, contributing to a cumulative total of 30,000 units since launch. This makes Nissan LEAF the best-selling EV globally. Additionally, under the Renault brand, the Kangoo Z.E., the Fluence Z.E. and the Twizzy are currently being sold. We plan to launch eight models of EVs across the Alliance by 2014.

The Alliance is also working hard on the production of batteries for EVs. Production in Japan started in 2010. We also plan to use batteries produced in the United Kingdom, the United States and France. By making maximum use of the expertise we have as an automobile manufacturer, we develop and mass-produce high-quality EV batteries, making us very competitive in the EV space.

This advanced technology and total supply chain control means that the Renault-Nissan Alliance holds an unmatched position in the global automotive industry. The merits of holding this lead over other companies when entering new markets are immeasurable. This frontrunner advantage in EV development does more than allow Nissan and Renault to raise awareness of their brands among consumers; it also lets us review real-world data. Both companies aim to sell a cumulative total of 1.5 million electric vehicles by 2016, leading the way in the automotive industry. Meanwhile, we will continue to work on fuel-cell electric vehicles and other future strategies in advanced zero-emission technology.

Strategic Cooperation with Daimler

Since the Alliance's strategic cooperation with Daimler AG was announced in April 2010, the relationship between both groups has gone from strength to strength. In the second half of 2012, we plan to introduce to market a new model in the entry-level light commercial vehicle range. The companies will jointly develop car bodies for the next-generation Smart and the Renault Twingo. These models will be brought to market in the first quarter of 2014. The 3-cylinder gasoline engine installed in the Twingo will be provided for Daimler's Smart model. A 4-cylinder diesel engine will go into the new light commercial vehicle to be jointly developed by both groups, as well as into Mercedez Benz's next-generation premium compact cars. Furthermore, from 2014 we will begin production of 4-cylinder gasoline engines for Mercedez Benz and Infiniti models at Nissan's plant in Decherd, Tennessee. The production capacity is expected to reach 250,000 engines a year.

Cooperation with Mitsubishi Motors

In September 2011, Nissan and Mitsubishi Motors agreed to extend the scope of their OEM supply agreements in the Japanese market. The latest agreements are part of the core agreement signed in December 2010 to expand cooperation between the two companies. In the summer of 2012, Nissan will start supplying the Fuga, a luxury sedan, to Mitsubishi Motors. Within fiscal 2012, Mitsubishi Motors will start supplying the Minicab MiEV, a light commercial electric vehicle, to Nissan. These new OEM projects continue from the previous supply of Nissan's NV200 Vanette compact van to Mitsubishi Motors. Along with the establishment of NMKV Co., a joint venture for the minicar business, these initiatives are intended to strengthen the competitiveness of both companies in Japan.