NISSAN

Nissan's Global Strategy

Nomura Investment Forum

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Chief Operating Officer
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www.nissan-global.com

Environment Surrounding Global Auto Industry

■ Major 3 ＋ 1 changes

1. Expanding Emerging Countries

2. Various Environmental Technologies

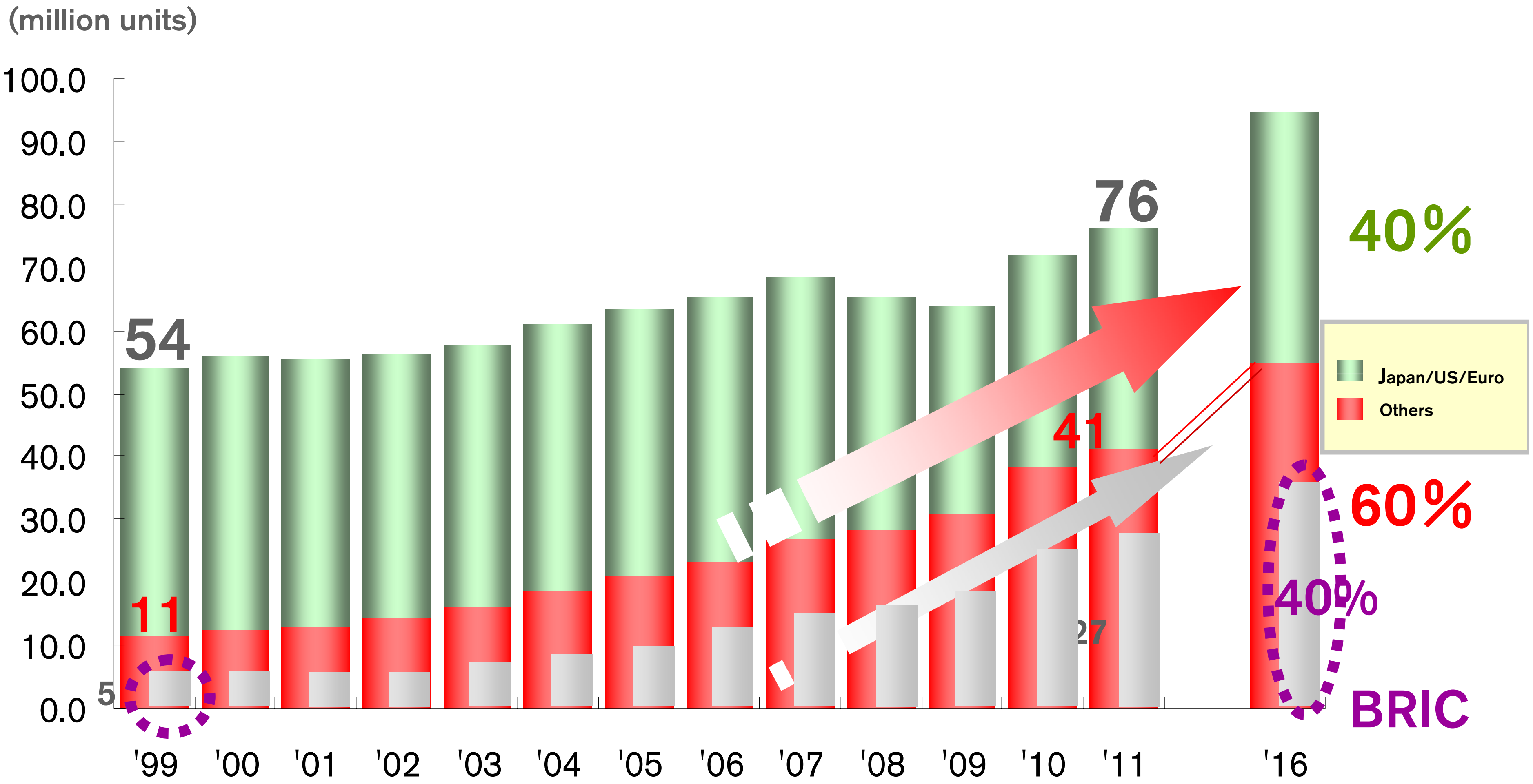
3. Downsizing /Lower Prices

＋

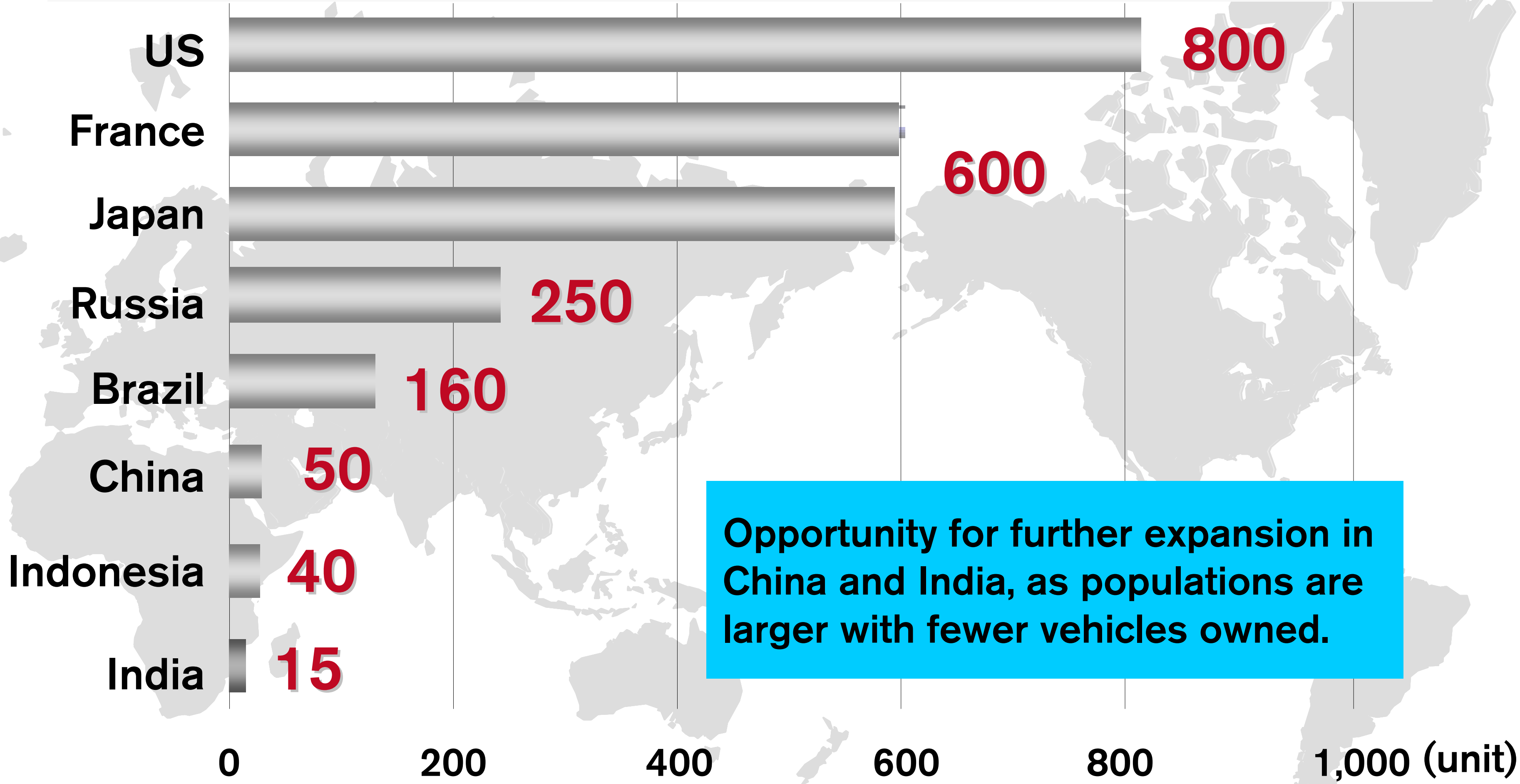
④ IT changes to automobile society

1. Expanding Emerging Countries

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



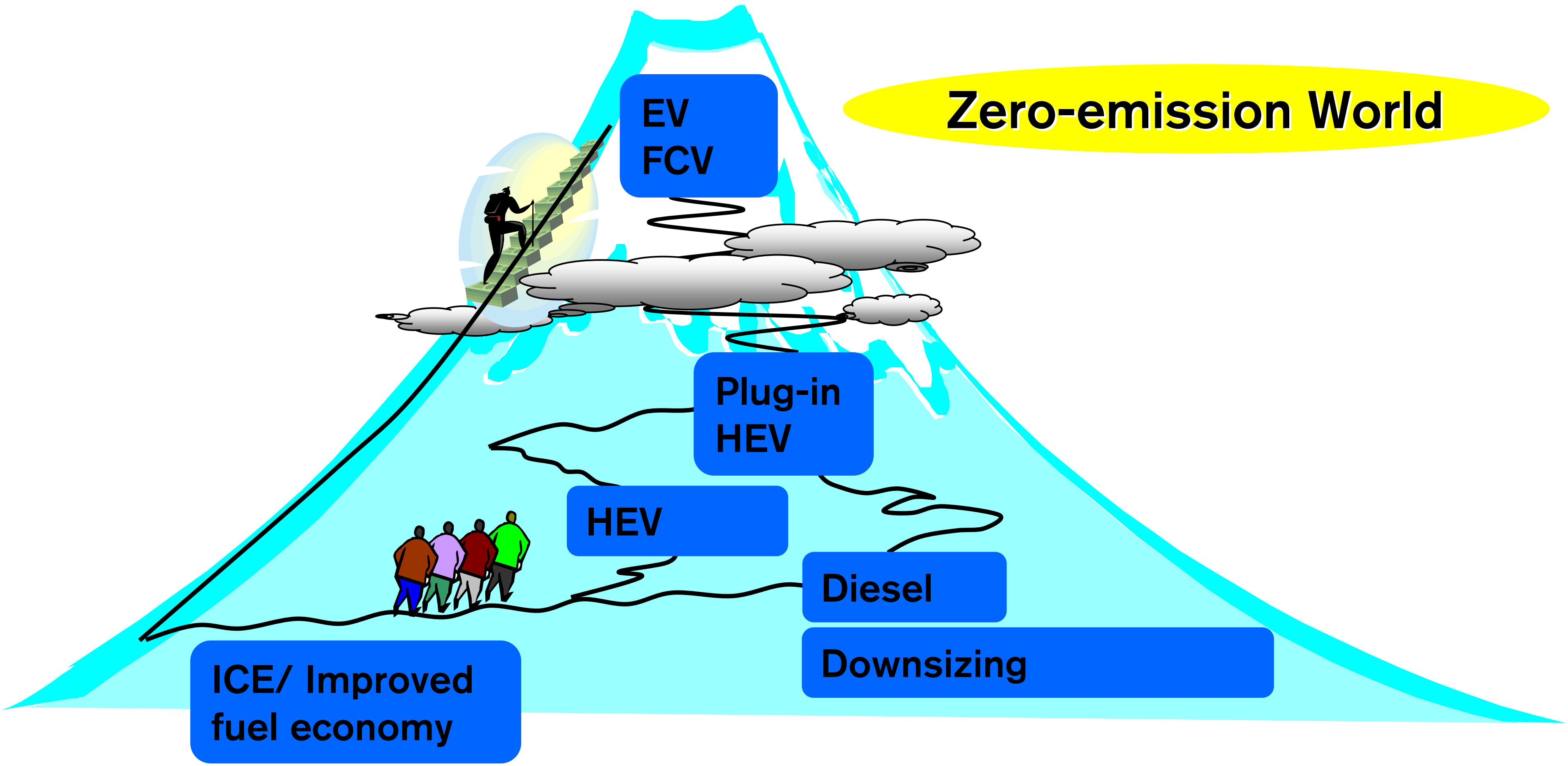
Potential future based on vehicle ownership per 1,000 people



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

Source: JAMA "World Motor Vehicle Statistics 2012" (data as of 2010)

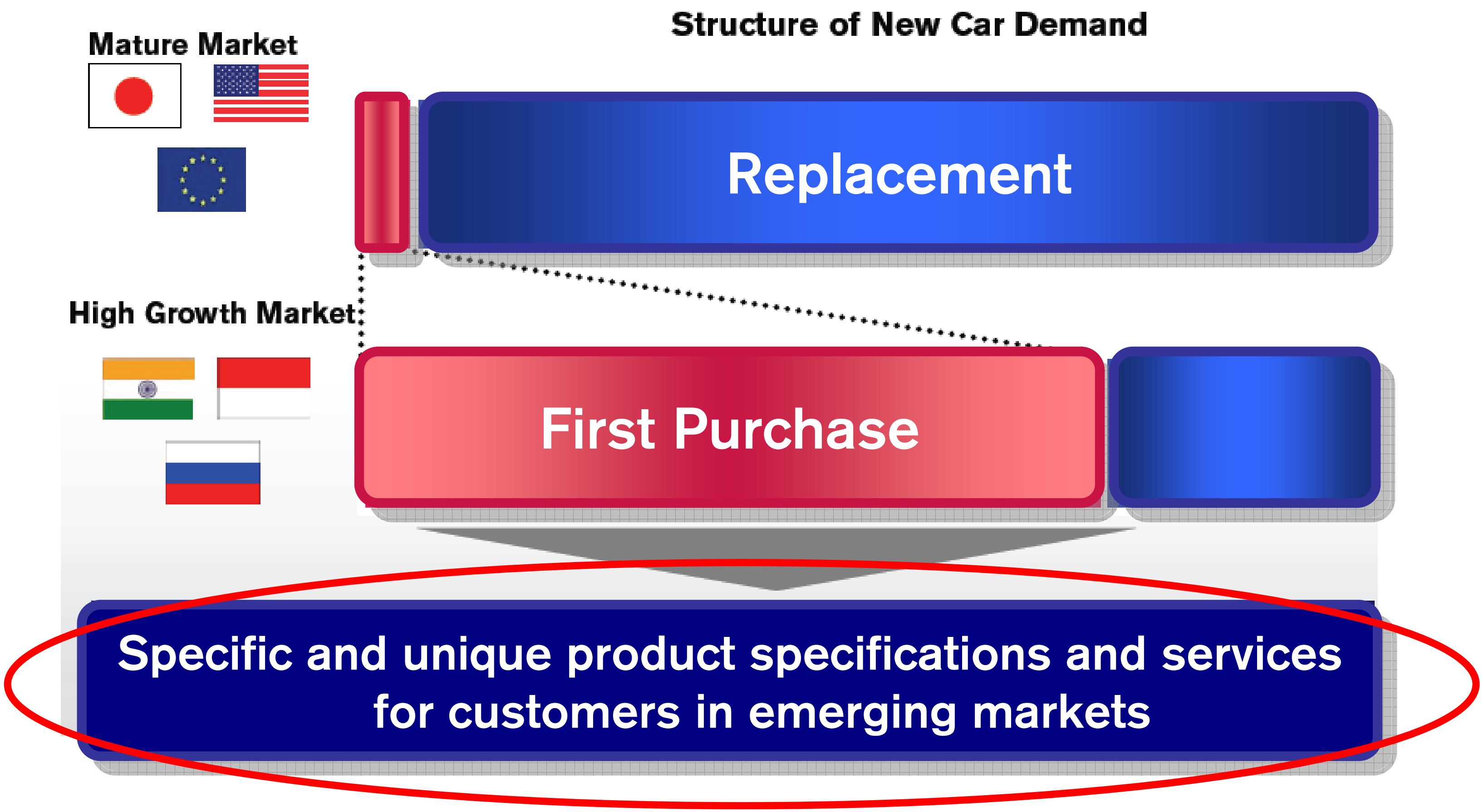
2. Dealing with Various Environmental Technologies



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



1 Changes Surrounding Auto Industry

2 **Nissan's Global Growth Strategy**

3 Talent Management to Support Strategy Implementation

4 Nissan Risk Management to Support Growth Strategy

Nissan's Global Growth Strategy

① Aggressive Strategy

Strategy for emerging countries

Strategy for lower-priced/compact vehicles

V-Platform

DATSUN

启辰 VENUCiA

② Leadership Strategy

Zero Emission

PURE DRIVE XTRONIC CVT

PURE DRIVE HYBRID

PURE DRIVE dCi

③ Partnership Strategy

Renault-Nissan Alliance

RENAULT NISSAN

DAIMLER

DONG FENG

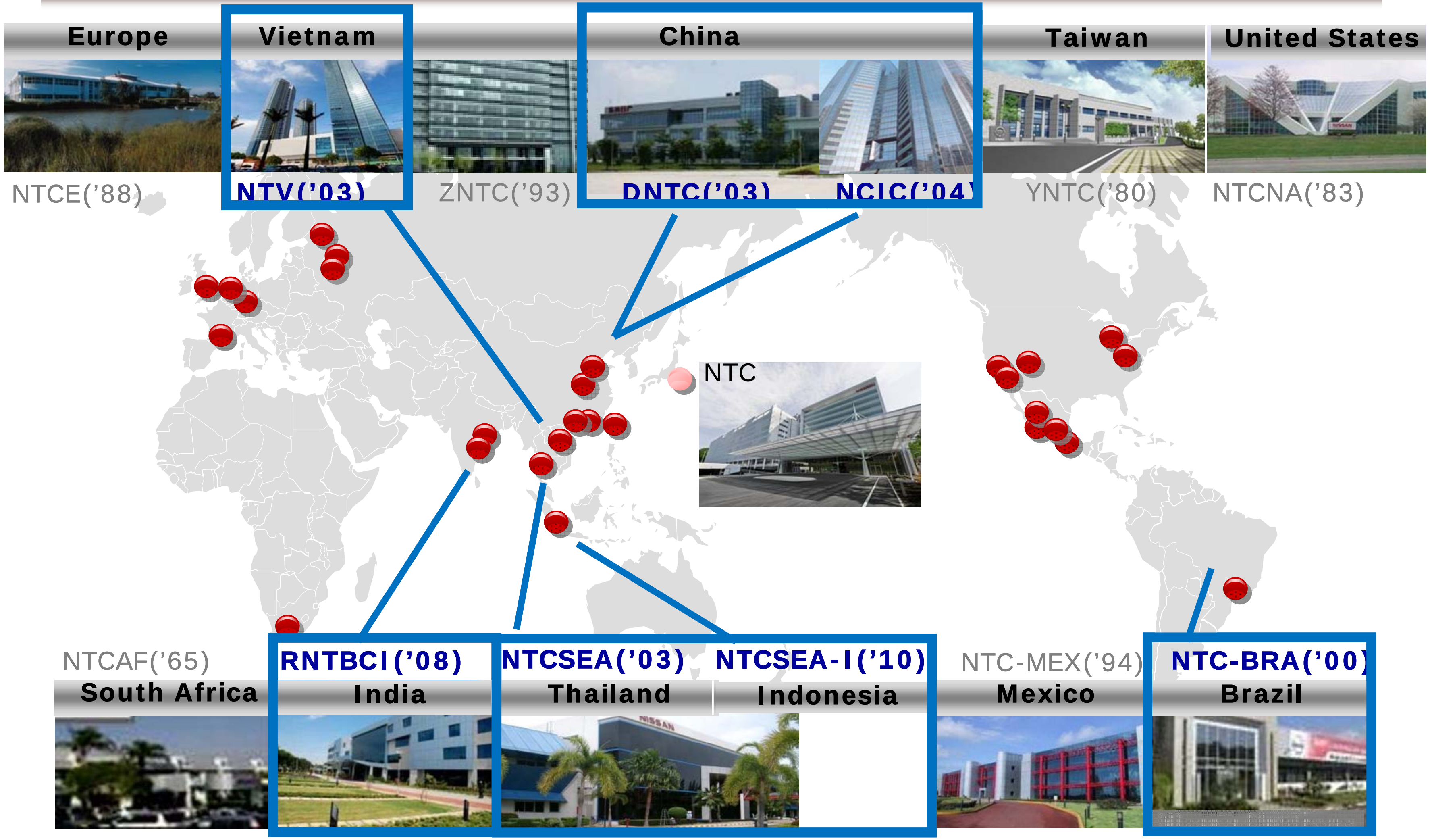
MITSUBISHI MOTORS

ASHOK LEYLAND

AVTOVAZ

Global Development Structure

29 overseas sites/offices



Emerging Countries Offensive: China

DONG FENG

Zhengzhou Plant
（Henan province ）

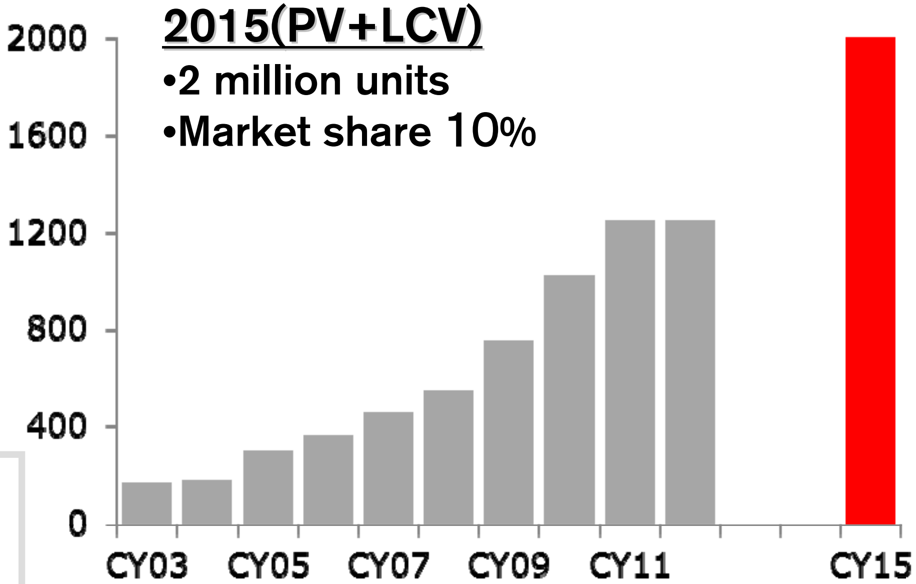
Xiangyang Plant
（Hubei Province ）

Huadu Plant
(Guangzhou City)

New plant
（Dalian City）

＊Announced in July, 2011

2015(PV+LCV)
•2 million units
•Market share 10%



LCV

Tiida

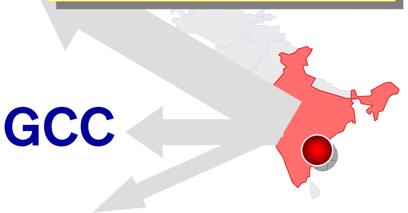
Venucia D50

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

RENAULT NISSAN

✓ Local Partnership

NISSAN ASHOK LEYLAND

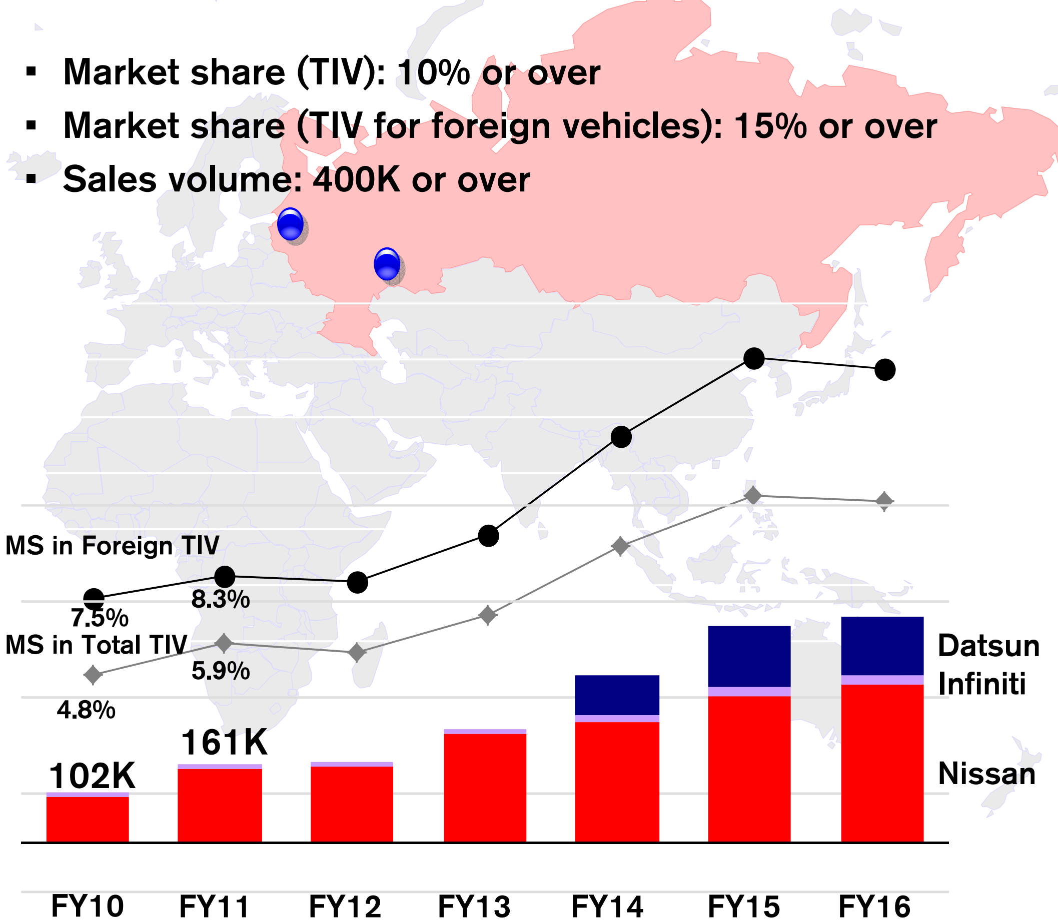
Develop LCV

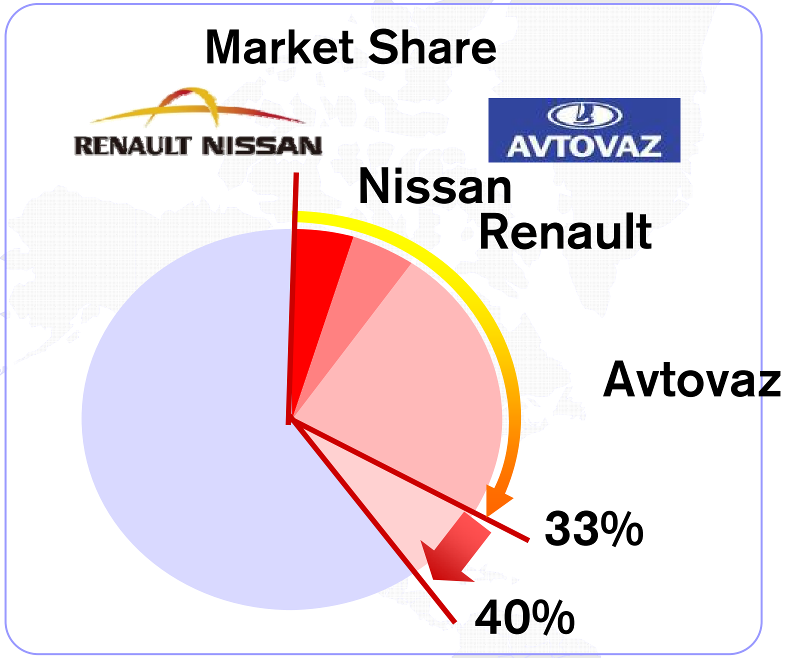

Emerging Countries Offensive:
Partnership strategy in Russia

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





ALMERA, 1st local production model

Emerging Countries Offensive:
Alliance strategy in Brazil

Increase Alliance market share to 13% by 2016
(Present: 6.5%)

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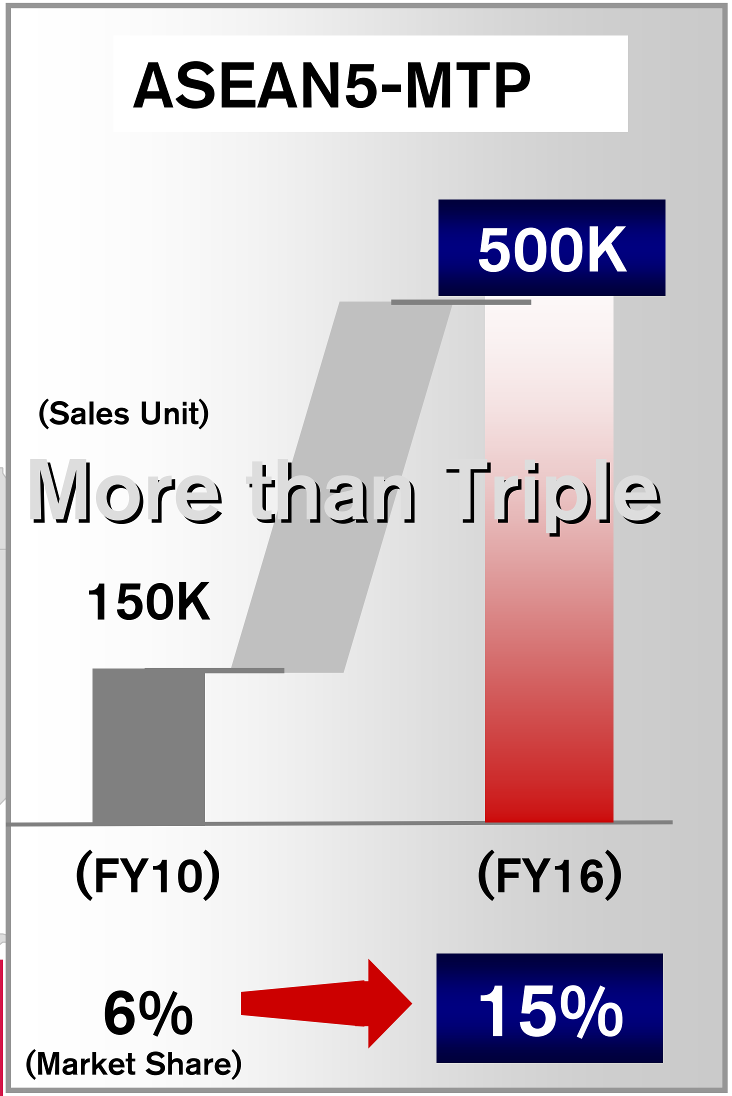
Emerging Countries Offensive:
ASEAN 5 (Thailand, Indonesia, Malaysia, Philippines and Vietnam)

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

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



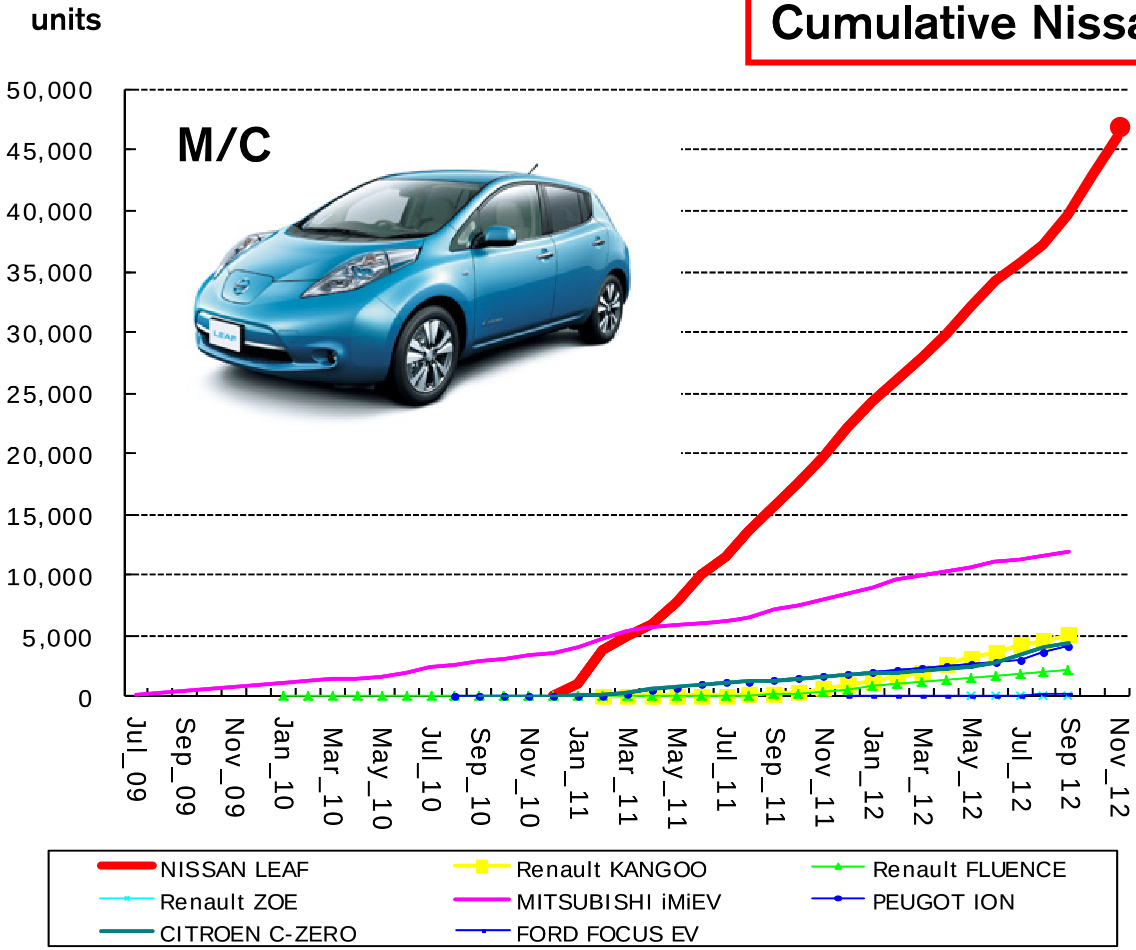
Emerging Countries Offensive: Lower-priced/Downsizing strategy

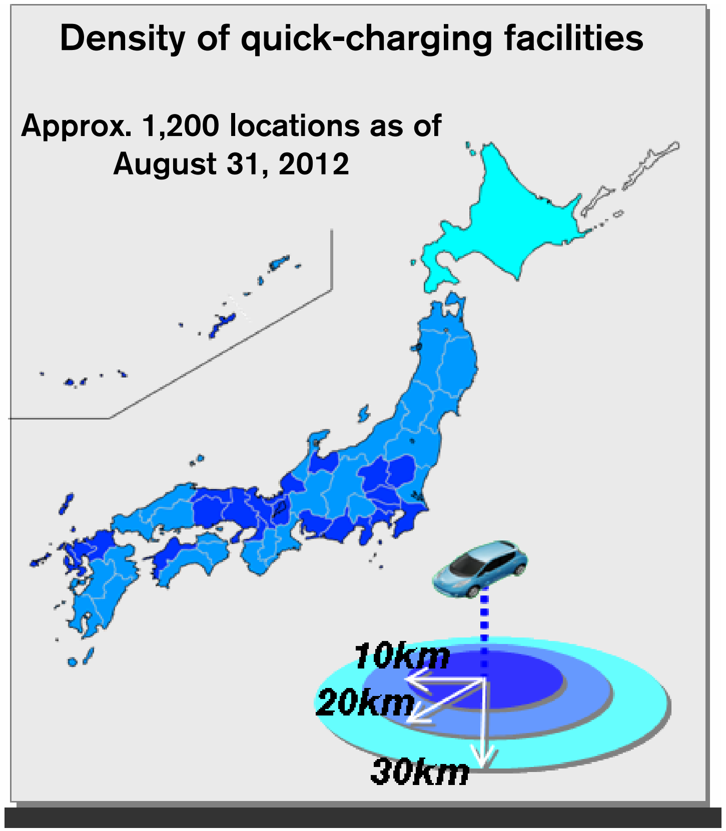
Datsun brand to be launched in India, Indonesia and Russia

DATSUN

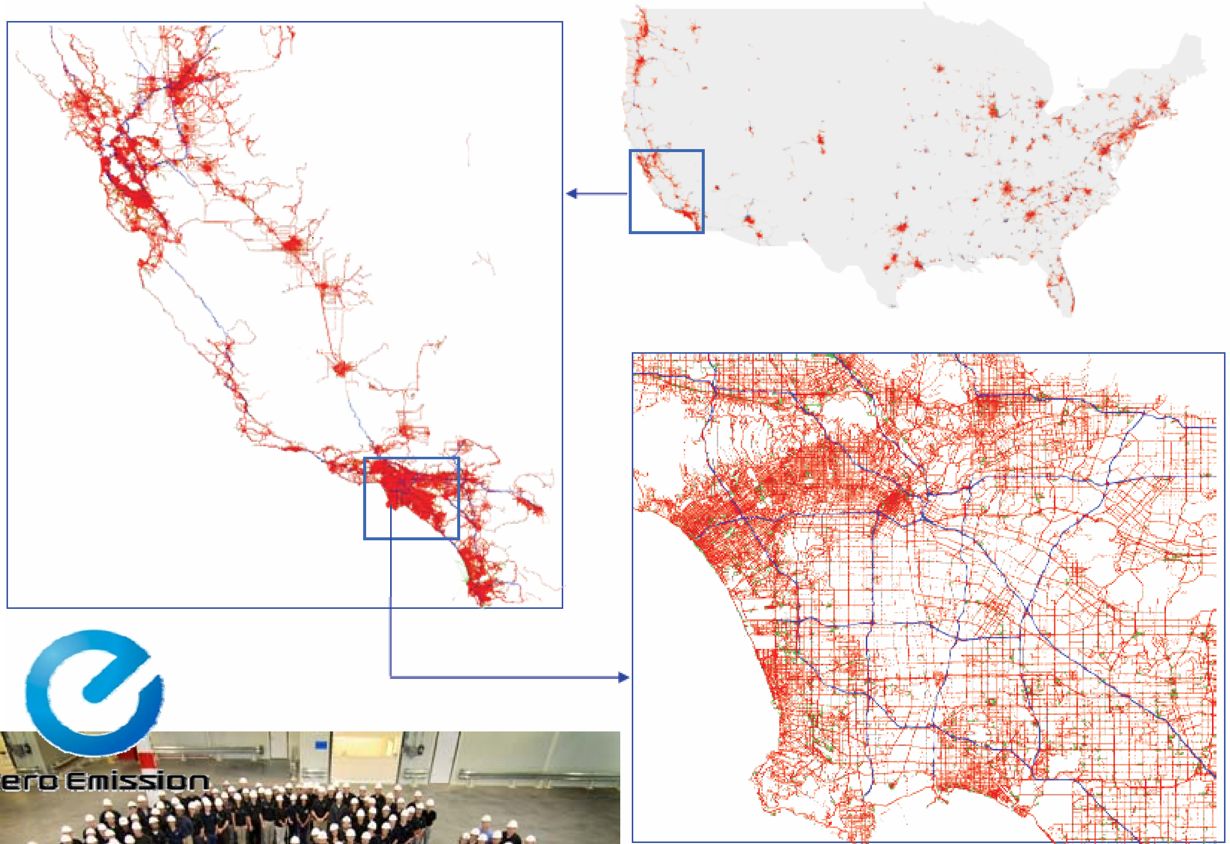
Zero-emission Leadership

Cumulative Nissan LEAF sales：46 k units

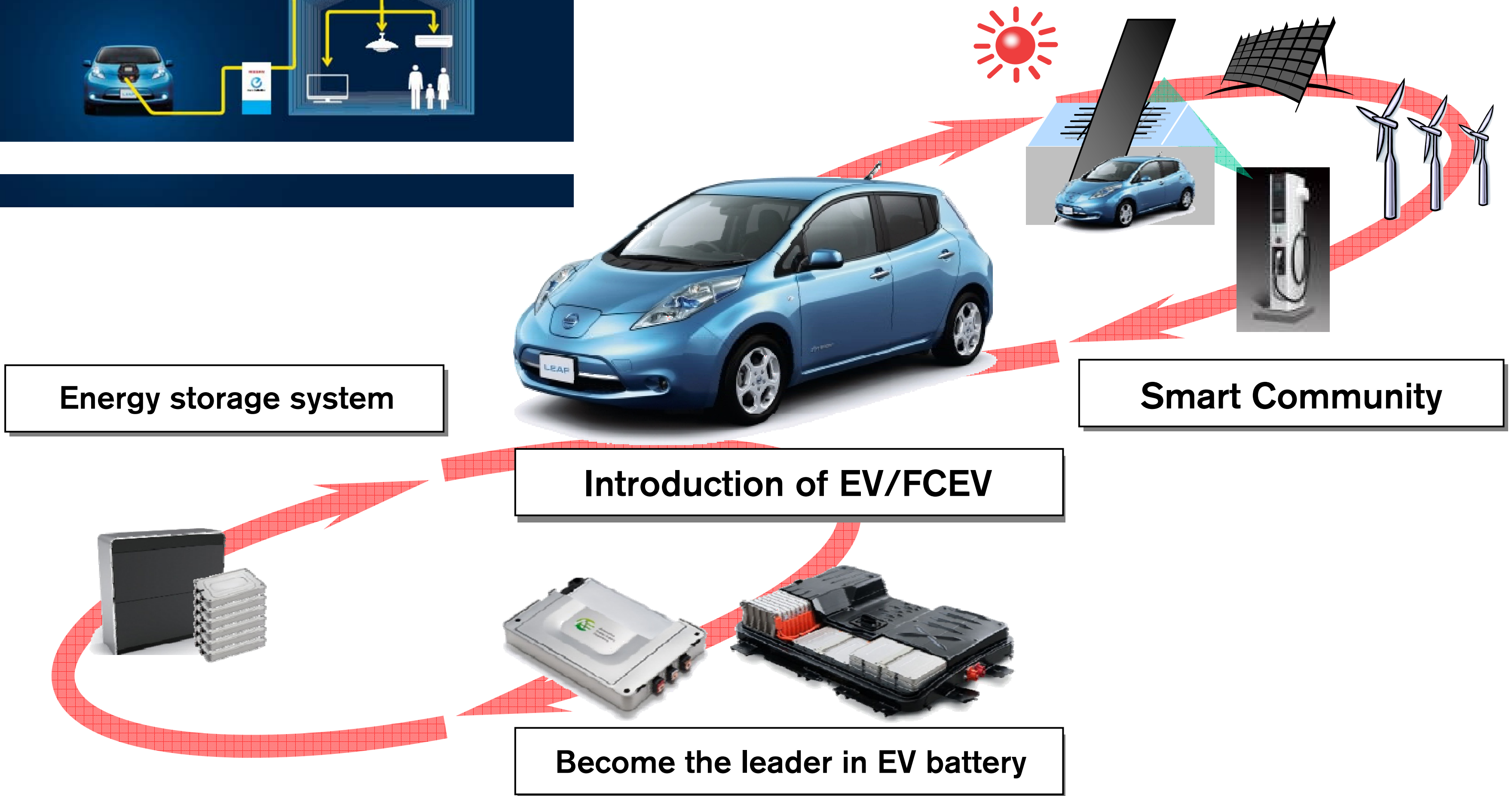




Zero-emission Leadership



Zero-emission Leadership



Zero-emission Leadership

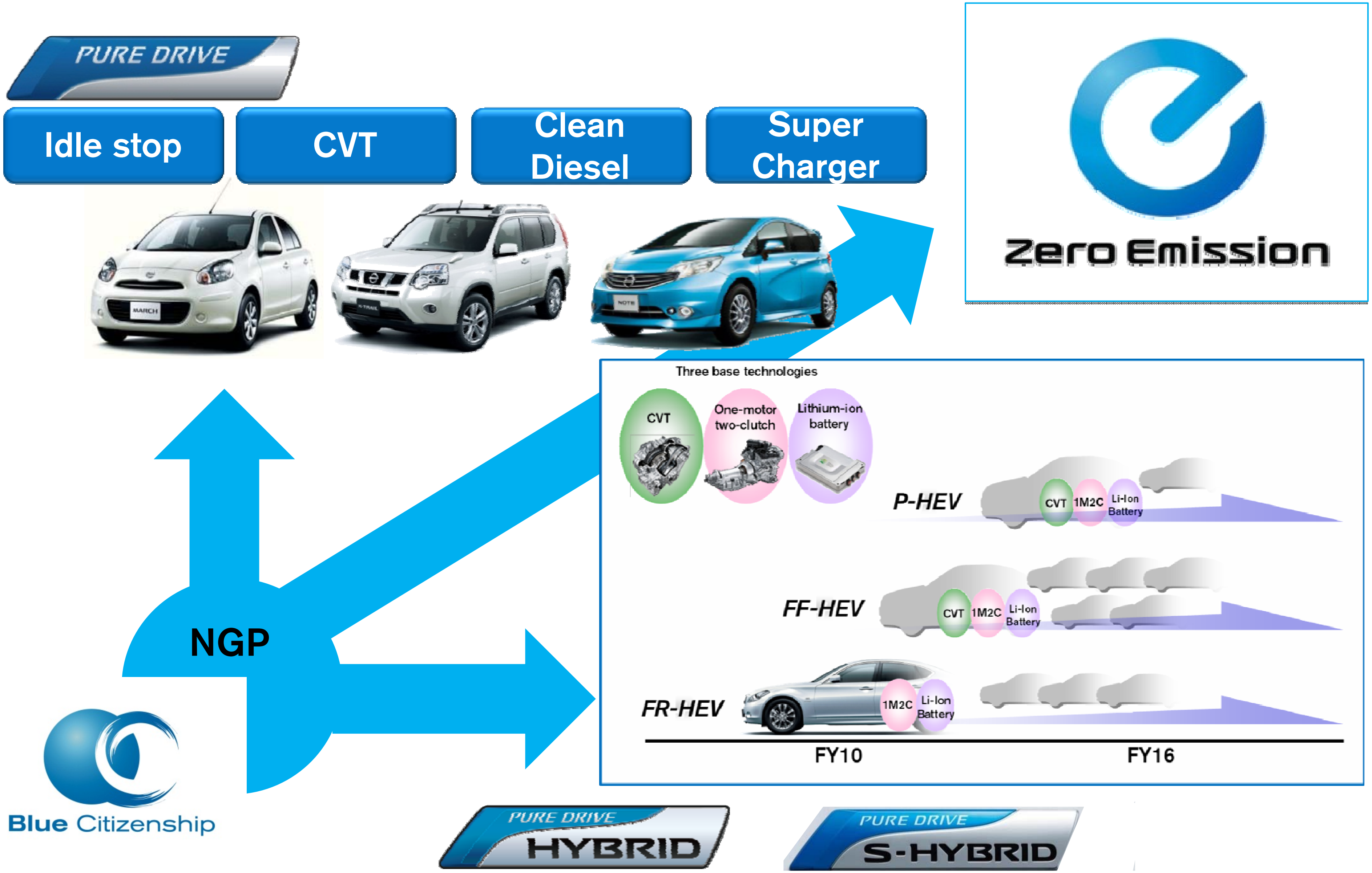
Evaluating joint development with Daimler for mass-production of fuel cell vehicles

NISSAN DAIMLER

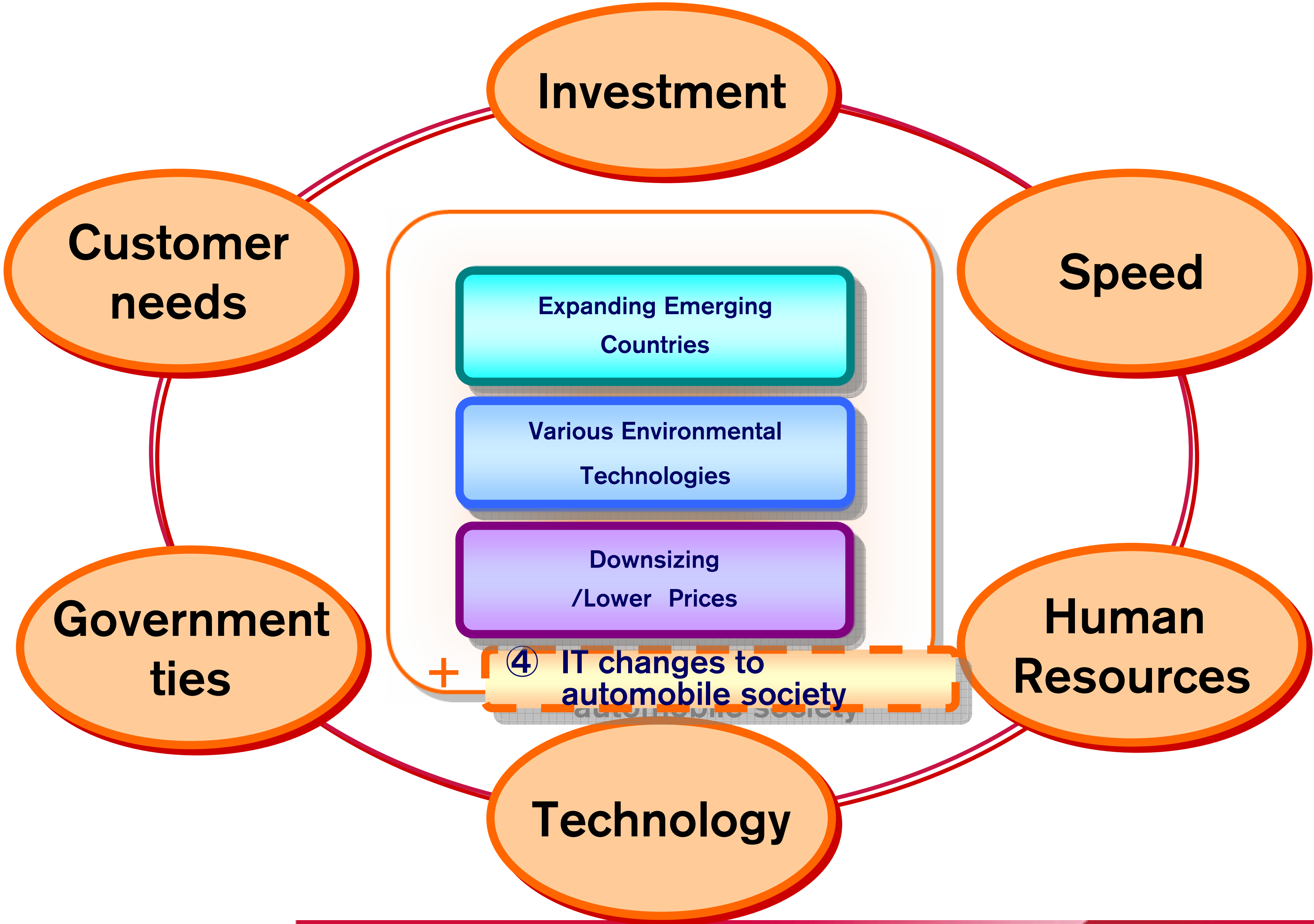
X-TRAIL FCV

Mercedes-Benz B-class F-CELL

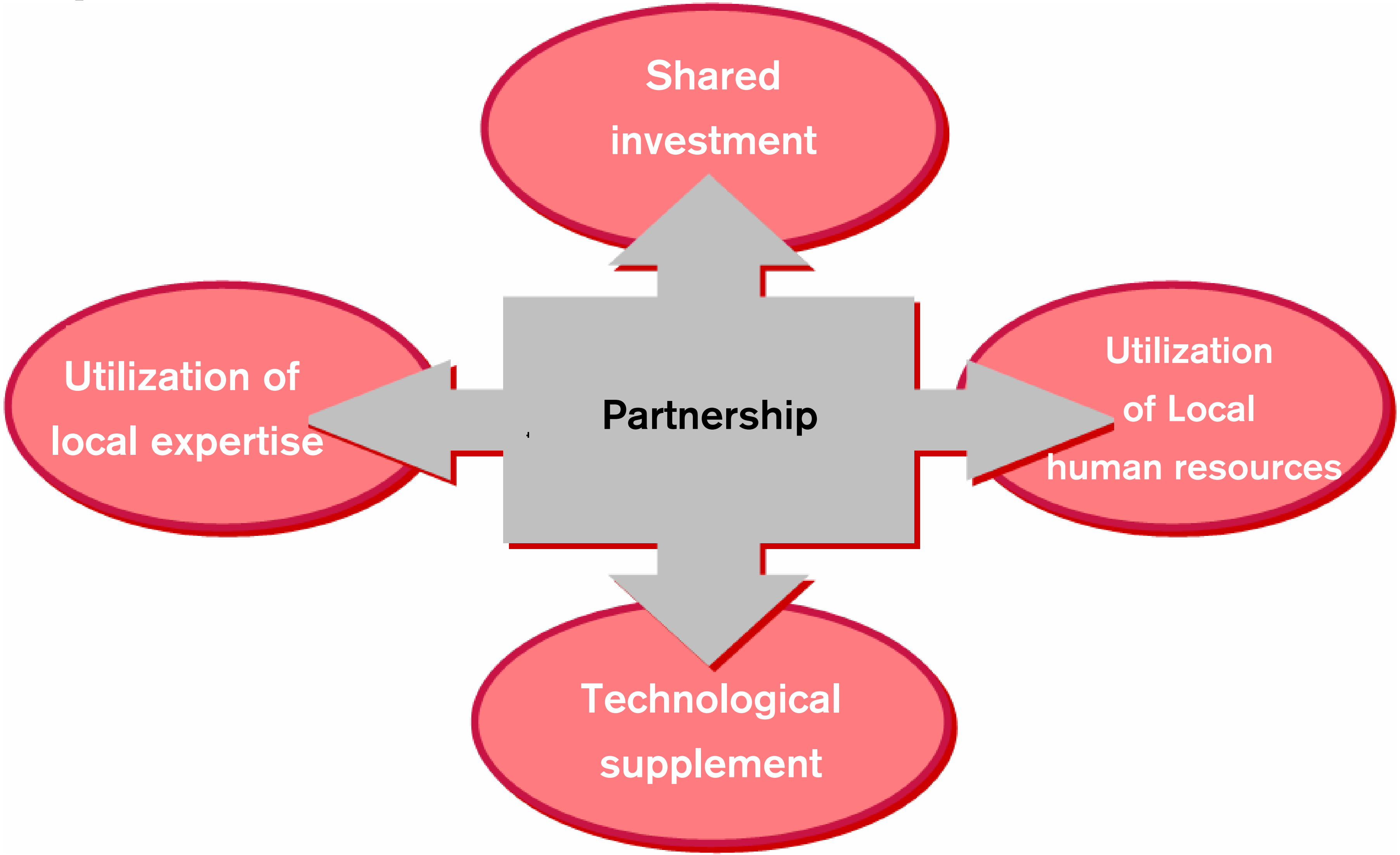
Industry-leading environmental technology strategy



Difficult for one company to deal with ongoing changes



Importance of Partners



Supplement | Synergy | Substitute | Offset

Our Partnerships

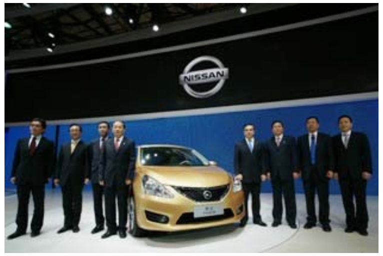
RENAULT NISSAN

RENAULT

DAIMLER

AVTOVAZ

DONG FENG



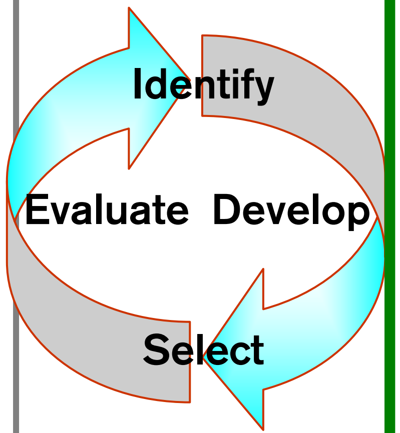
ASHOK LEYLAND

MITSUBISHI MOTORS

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

Resource management	**Global HR Management (H/C, L/C)**
Talent management	**NAC (Corporate, by Function, by Region)** *1
	HPP Nomination by Career Coaches
	Global Training (GET*2, LEAD, G-NRDP) *3
	CDP for HPPs
	Succession Plan for Key Posts
Corporate culture	**Commitment & Target**
	CFT / V-up
	NISSAN WAY
	Diversity



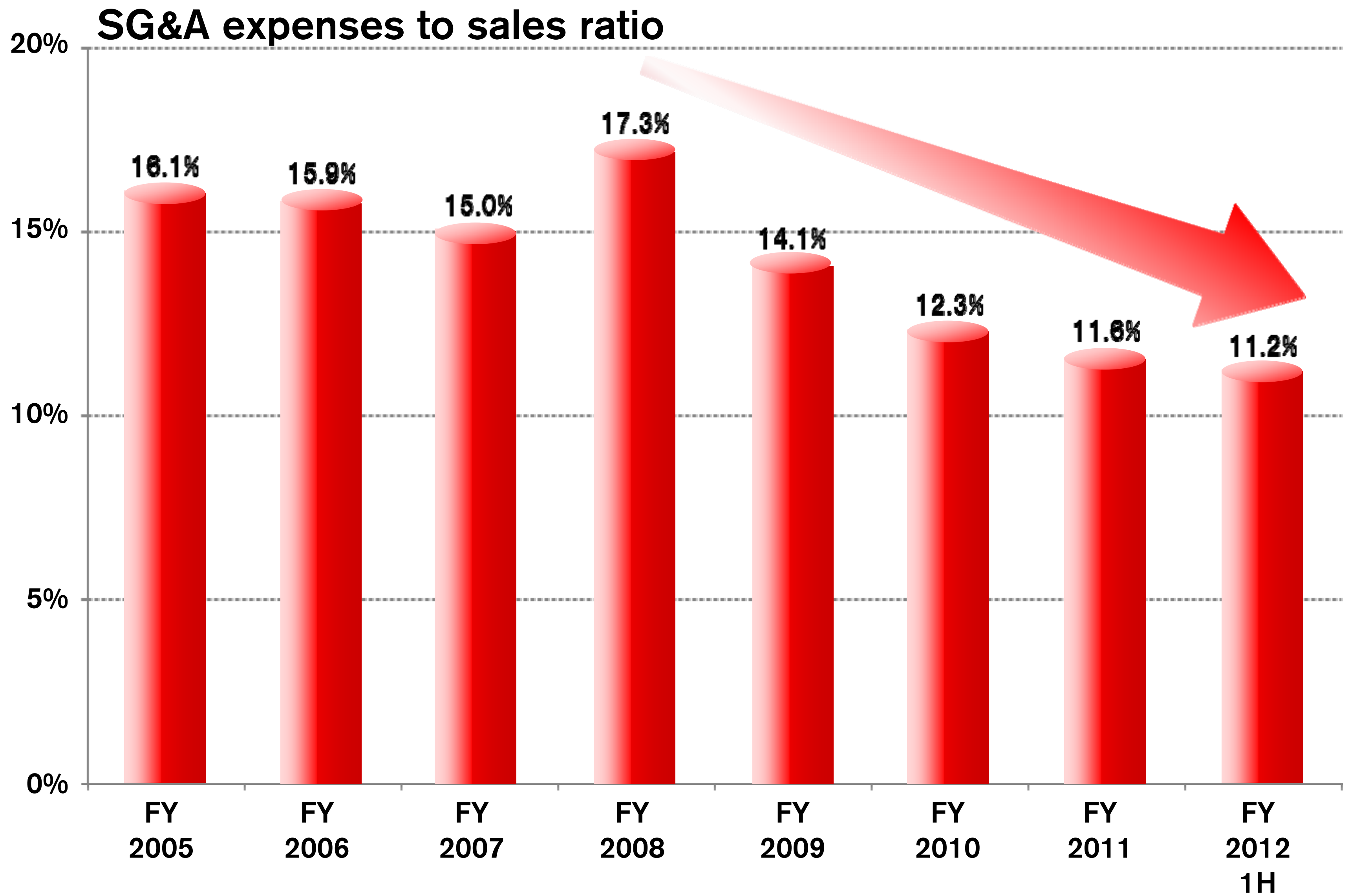
*1) NAC: Nomination Advisory Council, *2) GET: Global Executive Training, *3) NRDP: Nissan Rotational Development Plan

Diversity of Top Management

Promote diversity at top management levels

	Non-Japanese
Management Committee members	44%
CVP or above @NML	24%
100 major global posts	49%

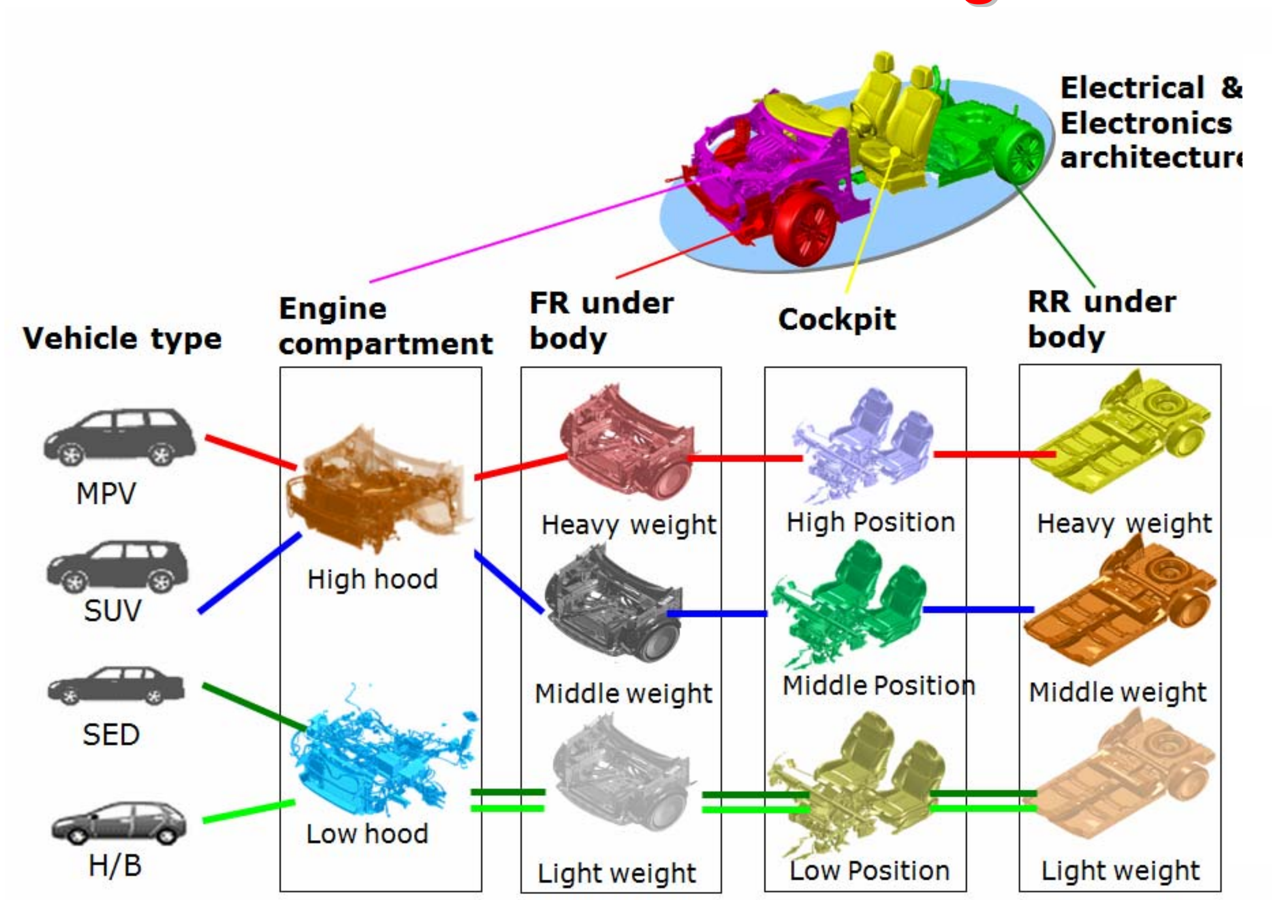
Selling and General Administrative Expenses

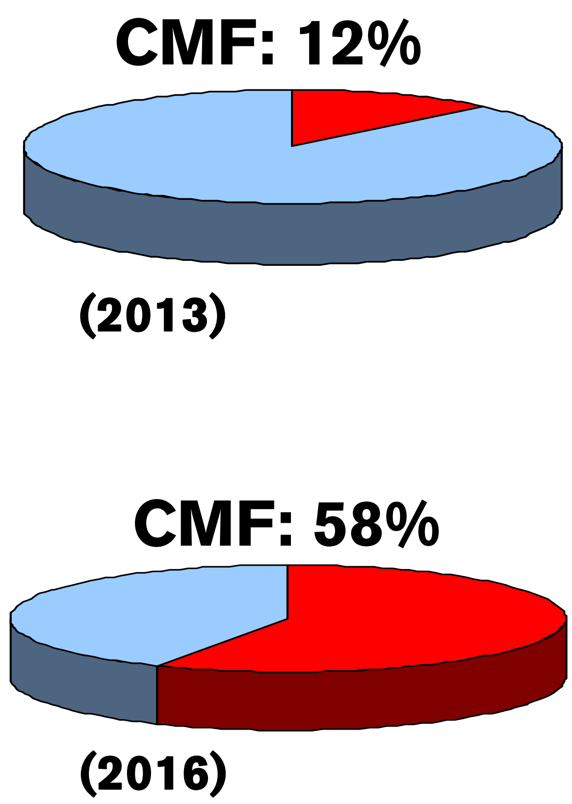


Extended Adoption of CMF

■Extended adoption of CMF along with increased volume
→ Economies of scale ＋ Synergies from commonization

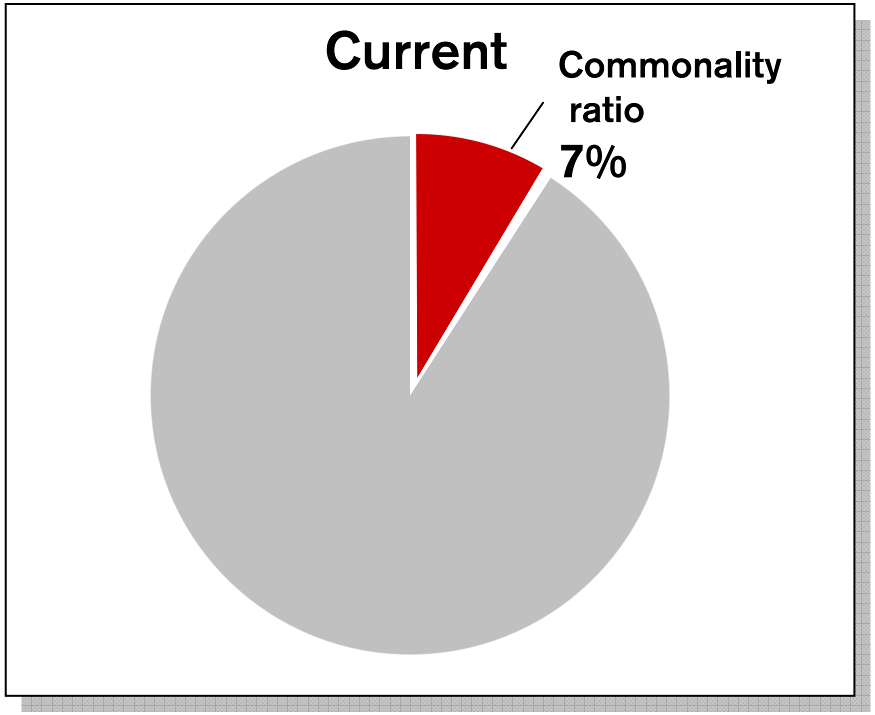
➢ CMF : 12% (2013) ⇒ ***Challenge to 58% (2016)***

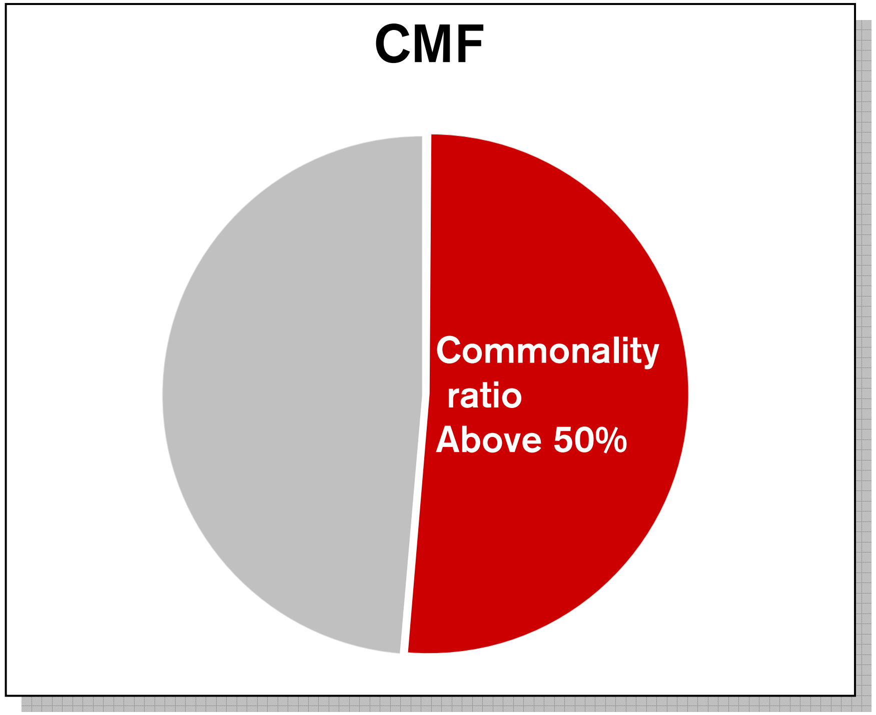




Increase Commonality Ratio with Renault

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

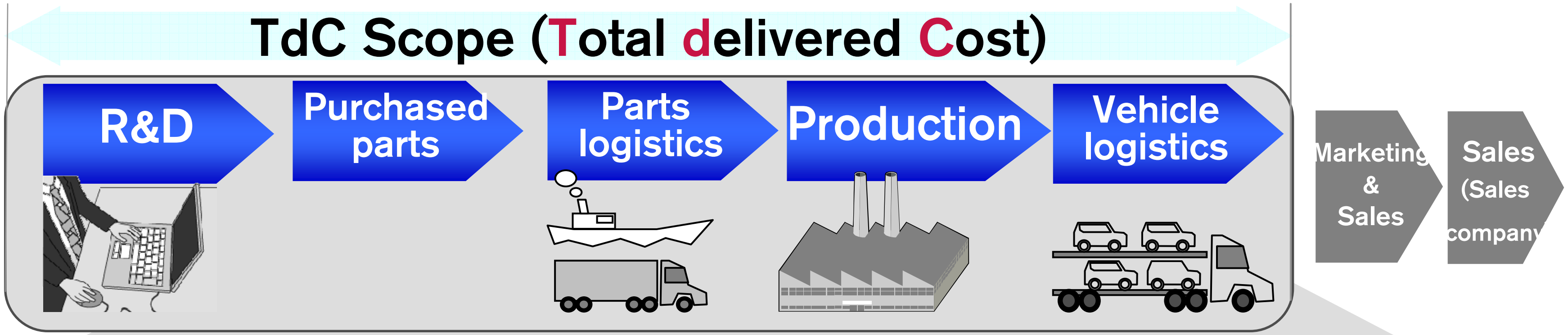




*Vehicle turnover basis

Total delivered Cost (TdC) Challenge

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



Standpoint of TdC

R&D	Procurement of materials and components	Parts production	Parts logistics	Nissan in-house plants
Carry-over/carry-across	LCC utilization	Number of molds	Reviwing routes	In/On-site
Weight reduction	Localization	Takt time improvement	Inventory reduction	Optimized allocation
Spec review	Increased carry-over/carry-across	Operating ratio improvement	Bara-ka	
Improved packaging for designing	Improved packaging	Yield improvement	Improved packaging	
Quality (including warranty)	Fill rate improvement	Optimized allocation	Fill rate improvement	
Reduction of variations	Inventory reduction	In/On-site	Logistics quality improvement	
	Customs	Localization	Customs	

Standpoints to be strengthened by TdC (shown in red)

Summary

NISSAN POWER 88

CHALLENGE

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

Growth

Competitiveness/Tolerance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