

NISSAN MOTOR Will Begin Talks on Business Integration with Honda—JCR Will Keep Close Eye on Outcome of Talks and Progress of Restructuring Measures

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on NISSAN MOTOR CO., LTD. (security code: 7201)'s announcement that it will begin discussions and considerations with Honda Motor Co., Ltd. (security code: 7267) regarding a business integration.

- (1) On December 23, NISSAN MOTOR CO., LTD. (the "Company") announced that it had agreed to begin discussions and consideration regarding a business integration with Honda Motor Co., Ltd. ("Honda"). The two companies plan to establish a joint holding company and make both companies wholly owned subsidiaries of the joint holding company. The two companies aim to conclude a final contract in June 2025 and to make the joint share transfer effective in August 2026. In addition, it was also announced that there is a possibility that Mitsubishi Motors Corporation (security code: 7211) would also participate and involve in the discussions and considerations for the business integration of the two companies.
- (2) On November 8, JCR placed the Company's rating on Credit Monitor (Negative) in light of the recent deterioration in its business performance and the announcement of a large-scale restructuring measure. JCR will continue to watch the impact of restructuring measures on the Company's business performance and financial position, prospects for improvement in earnings capacity over the medium term, including the restructuring of the U.S. and China businesses. On the other hand, if the business integration realizes, it is expected to bring about economies of scale as well as mutual complementation in production, development, purchasing, etc., and synergy effects in electrification, and there is a strong possibility that the creditworthiness of the entire group, including Honda, will be reflected in the Company's rating. JCR plans to reflect the outcome of these discussions and the specific synergy effects expected from the business integration in the Company's rating, after confirming these factors.

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<Reference>

Issuer: NISSAN MOTOR CO., LTD.

Long-term Issuer Rating: #A/Negative

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