

Nissan Motor (NSANY US)

FUNDAMENTAL VIEW ¹

As of 20 Aug 2025

- While management has not yet provided consolidated operating profit guidance for FY25, it lowered its FY25 tariff impact estimate by one-third and pointed to “green shoots” in retail vehicle sales trends in North America and China. At the same time, management’s formal retail vehicle sales guidance implies a 1% YoY decline for the balance of the year – not what we would call a bullish outlook. Management is making progress on its manufacturing plant reduction, having announced five of the seven planned plant closures, although it will take time to wind down production and relocate it to other plants. Overall, we remain hopeful but not optimistic regarding management’s Re: Nissan turnaround plan and view the cadence of its monthly retail sales as the best indicator of the plan’s progress.

RISKS & CATALYSTS

As of 20 Aug 2025

- Management reaffirmed its FY25 guidance for global automotive production, global automotive retail sales, and revenue. However, full-year guidance for operating profit, net income, and automotive free cash flow is still “to be determined” owing to uncertainty related to the potential impact of tariffs and additional restructuring costs that are currently being assessed.
- Management expects automotive free cash flow to improve from ¥(390) bn in F1Q25 to ¥(350) bn in F2Q25, including the estimated tariff impact, before turning positive in 2H25. **The combined automotive free cash flow of ¥(740) bn in 1H25 – roughly US\$4.9 bn – currently represents our worst-case scenario for FY25 automotive free cash flow**, assuming the company is automotive free cash flow breakeven in the back half of the year. FY25 automotive free cash flow upside can be achieved if the company generates positive free cash flow in 2H25 as management expects based on its seasonal patterns of working capital usage and cash generation.

CREDIT QUALITY SCORE (CQS) ²

As of 17 Oct 2025

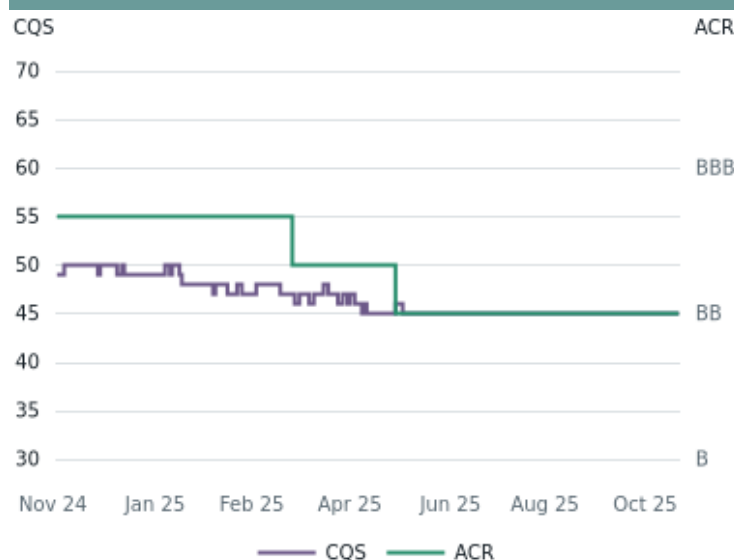
CURRENT CQS

45

CQS OUTLOOK ³

NEGATIVE STABLE POSITIVE

HISTORICAL RATINGS: AVERAGE AGENCY RATING (ACR) ⁴ VS CQS



KEY METRICS

As of 20 Aug 2025

JPY BN	FY21	FY22	FY23	FY24	LTM F1Q25
Revenue	7,393	9,573	11,524	11,371	11,083
EBIT	(78)	218	394	(78)	(256)
EBIT Margin	(1%)	2%	3%	(1%)	(8%)
EBITDA	211	535	745	286	77
EBITDA Margin	2.9%	5.6%	6.5%	2.5%	(5.2%)
Total Liquidity	3,601	3,658	4,196	4,272	2,670
Net Debt	(728)	(1,213)	(1,546)	(1,498)	(1,134)
Total Debt	973	687	468	661	936
Gross Leverage	n/m	1.3x	0.6x	2.3x	12.1x
Net Leverage	-3.4x	-2.3x	-2.1x	-5.2x	-14.7x

BUSINESS DESCRIPTION

As of 20 Aug 2025

- Nissan, with headquarters in Yokohama, Japan, is a leading global automotive manufacturer with a market presence in many countries around the globe. The company’s growth investments are focused primarily on Japan, North America, and China, core markets with large profit pools in which Nissan has a meaningful market share. The company’s business in China is conducted through a joint venture with Dongfeng Motor Corporation.
- Nissan’s Sales Financing segment supports the sale of its vehicles by providing financing solutions to its customers and dealers. To enhance their creditworthiness, Nissan maintains keepwell (support) agreements with its wholly owned financial subsidiaries including Nissan Motor Acceptance Corporation (NMAC) in the United States and Nissan Financial Services (NFS) in Japan.
- The Renault-Nissan-Mitsubishi Alliance was established in 1999 to enhance member company scale in product development and raw material purchasing. The alliance includes equity participation, which led to Nissan holding ownership stakes in Renault (15% non-voting) and Mitsubishi (34%) and Renault holding an ownership stake in Nissan (43%). The Alliance’s automobile production volume is the third largest globally behind Toyota and Volkswagen.

GLOSSARY

¹ The **Fundamental View** is our current assessment of credit quality and our expectation of how credit quality will trend over the next year or longer.

² The **Credit Quality Score (CQS)** is a number between 5 and 100. It is a medium-term credit score for corporates and financial institutions that utilizes a combination of sector fundamental scores and equity market signals. Values of CQS above 50 generally indicate investment grade credit quality.

³ The **Credit Quality Score (CQS) Outlook** is the near-term (3 month) outlook for the CQS, based on its trend, volatility and distance from the adjacent CQS risk bucket.

⁴ The **Agency Composite Rating (ACR)** is the average senior unsecured rating from one or more major rating agencies.

Quantitative scores provided by CreditSights Analytics, LLC. Scores are shown are for the lesser of (1) 2 years and (2) date of CreditSights inception of quantitative coverage.

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