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ALLIANCE NEW COOPERATION BUSINESS MODEL TO SUPPORT MEMBER-COMPANY COMPETITIVENESS AND PROFITABILITY

• Alliance partners to leverage leader-follower scheme to enhance efficiency and competitiveness in products and technologies
• Individual members to be reference for the regions where they have key strengths, acting as a gateway and support mechanism for partners’ competitiveness
• Alliance continues to benchmark performance in products, technologies and markets against top industry standards

Groupe Renault, Nissan Motor Co., Ltd. and Mitsubishi Motors Corporation, the members of one of the world’s leading automotive alliances, today announced several initiatives as part of a new cooperation business model to enhance the competitiveness and profitability of the three partner companies.

The member companies plan to build on existing Alliance benefits in areas such as joint purchasing by leveraging their respective leadership positions and geographic strengths to support their partners’ business development.

“The Alliance is a unique strategic and operational partnership in the automotive world and gives us a strong edge in the ever-changing global automotive landscape,” said Jean-Dominique Senard, Chairman of the Alliance Operating Board and Renault. “The new business model will enable the Alliance to bring out the most of each company’s assets and performing capabilities, while building on their respective cultures and legacies. The three companies of the Alliance will cover all vehicle segments and technologies, across all geographies, for the benefit of every customer, while increasing their respective competitiveness, sustainable profitability and social and environmental responsibility.”

The leaders of the three companies have endorsed the principles of the leader-follower scheme for vehicles, in which they will cooperate to:

• push the Alliance’s standardization strategy further, from platforms to upper bodies;
• per product segment, focus on one mother vehicle (leader car) and sister vehicles engineered by the leading company, with the support of the followers’ teams;
• ensure that leader and follower vehicles for each brand are produced using the most competitive setup, including grouping production where appropriate; and,
• continue to build on product sharing in light commercial vehicles, where the leader-follower model is already applied

The leader-follower scheme is expected to deliver model investment reductions of up to 40% for vehicles fully under the scheme. Those benefits are expected to come in addition to conventional synergies that are already delivered today.

The Alliance also endorsed the principle of naming different parts of the world as “reference regions,” with each company focusing on its core regions with the aim to be among the most competitive and to serve as a reference for the others to enhance their competitiveness.

Under this part of the scheme, Nissan will be the reference for China, North America and Japan; Renault in Europe, Russia, South America and North Africa; and Mitsubishi Motors in ASEAN and Oceania.
With each company becoming a reference company in respective regions, the opportunities for sharing will increase to maximize fixed cost sharing, as well as leveraging each company's assets.

The companies’ product portfolio updates will follow the leader-follower scheme, and leader and follower vehicles will be produced using the most competitive setup. For instance:

- The renewal of the C-SUV segment post-2025 will be led by Nissan, while the future renewal of the B-SUV segment in Europe will be led by Renault.
- In Latin America, the B-product platforms will be rationalized, evolving from four variants to only one for both Renault and Nissan products. This platform will be produced in two plants each producing for both Renault and Nissan.
- In Southeast Asia and Japan, Alliance members will pursue select opportunities under the same scheme, such as the kei car collaboration between Nissan and Mitsubishi Motors.

With all of the above taken together, close to 50% of Alliance models will be developed and produced under the leader-follower scheme by 2025.

In terms of technology efficiency, the Alliance members will continue their capitalization of existing assets to ensure that each member company continues to share the investment in platforms, powertrains and technologies. This sharing has proven its efficiency in powertrain and platform development and enabled the successful launch of the CMF-B platform for the Renault Clio and Nissan Juke, as well as the kei car platform for the Nissan Dayz and Mitsubishi eK Wagon. The CMF-C/D and CMF-EV platforms will follow soon.

The leader-follower scheme will be extended from platforms and powertrains to all key technologies, with leadership assigned as follows:

- Autonomous driving: Nissan
- Connected-car technologies: Renault to lead Android-based platform and Nissan in China
- E-body, the core system of the electric-electronic architecture: Renault
- e-PowerTrain (ePT): CMF-A/B ePT - Renault; CMF-EV ePT – Nissan
- PHEV for C/D segment: Mitsubishi

This new business model will enable members companies to bring out the most of their expertise and competitiveness to reinforce the Alliance as a whole in a radically changing global automotive environment.

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