
INVESTMENT INTELLIGENCE REPORT

Nissan: Still Standing, But For How Long?

Global relevance, structural fragility,
and the gap between strategy and slogan

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EXECUTIVE SUMMARY

No Narrative Yet. Only Numbers, and the Numbers Are Difficult.

Nissan in April 2026 is a company that has survived the worst of its financial crisis through aggressive cost cutting, asset sales, and a partial North American market recovery. It is not a company that has solved its structural problems. The Re:Nissan plan is executing ahead of schedule on costs, and behind schedule on the more fundamental questions: what Nissan's competitive position is in a world defined by Chinese EV dominance, and whether the company retains the software and electrification capabilities to remain a globally relevant automaker through the end of this decade.

The Honda merger collapse in February 2025 is the most important diagnostic event in recent Nissan history — not because of the merger itself, but because of what the collapse revealed about Nissan's governance culture. The Renault alliance continues as a cross-shareholding structure with no strategic energy, after Renault wrote off \$11B of its Nissan investment. And the "Mobility Intelligence for Everyday Life" vision announced April 14, 2026 carries the hallmarks of AI-tailwind positioning rather than demonstrated capability.

Four Findings That Define This Thesis

The Honda Mirror. The merger collapse exposed a company that prioritized institutional pride over survival economics. Walking away from what was essentially a rescue offer because it refused subsidiary status is the clearest signal of the governance dysfunction that created the crisis in the first place.

The Renault Dead Weight. After Renault wrote off \$11B and moved to market-value accounting for its Nissan stake, the alliance is structurally inert. It provides neither capital nor strategic direction. It remains a governance overhang with no resolution in sight.

The Global OEM Question. At 3.2 million units with production falling below 3 million, Nissan is operating at the lower boundary of genuine global OEM scale. Its footprint outside North America and China is marginal. The label is technically accurate. The strategic reality it implies is not.

The AI Vision Risk. "AI-Defined Vehicles" and "Mobility Intelligence for Everyday Life" are announced while the company projects a \$4.2B net loss. The first vehicle to carry this technology launches summer 2026. No software partner of substance has been named. This is branding ahead of capability.

I. THE FINANCIAL POSITION

Losses Narrowing, But Not Closed

Nissan's financial trajectory over fiscal year 2025 tells a story of genuine operational improvement within a context of still-serious structural losses. The Re:Nissan plan is delivering cost savings ahead of schedule. The question is whether cost efficiency alone can restore a competitive position that has been eroding for seven years.

FULL-YEAR NET REVENUE ¥11.9T ~\$77.3B; down from prior year.	FULL-YEAR NET LOSS ¥650B ~\$4.2B; primarily non-cash charges.
FULL-YEAR OPERATING LOSS ¥60B Improving from prior ¥275B forecast.	TOTAL LIQUIDITY ¥3.6T Includes ¥2.2T gross cash buffer.

Re:Nissan Plan — Progress vs. Targets

EXHIBIT 1 — RE:NISSAN EXECUTION SCORECARD

Initiative	Target	Progress (Jan 2026)	Status
Variable cost reduction	¥250B total	¥240B implemented	Ahead of schedule
Fixed cost reduction	¥250B by FY26	¥160B YTD	On track
Plant consolidation	17 plants to 10 by FY27	7 sites restructured in 10 months	Ahead of schedule
Workforce reduction	20,000 by FY27	9,000 initially announced	On track
Break-even volume	3.1M to 2.5M units	Progressing via combined cost actions	On track
Engineering cost-per-hour	20% reduction	15% achieved	On track

Source: Nissan Re:Nissan plan disclosures; Q3 FY2025 earnings release; Alice Ventures analysis.

The critical distinction. Re:Nissan is a cost restructuring plan, not a competitive repositioning plan. Cutting 20,000 jobs and consolidating 7 plants does not restore Nissan's competitive position in EVs, software, or in China. It lowers the floor. It does not raise the ceiling. The Q3 FY2025 standalone operating profit of ¥17.5B validates that cost actions are real. The full-year net loss of ¥650B is dominated by non-cash restructuring charges and equity-method losses from the China joint venture, not by cash operating deterioration.

II. THE HONDA COLLAPSE

Failure to Launch, and What It Revealed

The Honda-Nissan merger talks of late 2024 and early 2025 deserve to be treated as background context of the most important kind. The collapse of a \$60B combination is not simply a failed deal. It is a diagnostic event that tells investors more about Nissan's structural condition and governance culture than any earnings release.

In December 2024, Nissan and Honda announced a memorandum of understanding to explore a business integration by 2026, including Mitsubishi Motors as a tripartite structure. By February 2025, both boards agreed to terminate the MOU. Honda had proposed making Nissan a subsidiary rather than an equal merger partner. Nissan walked away.

The governance diagnostic. An insider close to the negotiations said plainly: "We have 12 or 14 months to survive." A company operating that close to the edge of survival, with no credible standalone path to EV competitiveness, and no other merger partner of comparable strategic fit, chose institutional pride over operational survival. That is not a rational capital allocation decision. It is a governance failure dressed as independence. Investors pricing Nissan on the assumption that current management will make optimal decisions under pressure need to account for this record.

What Was Lost

EXHIBIT 2 — COMBINED ENTITY VS. NISSAN STANDALONE

Dimension	Combined Entity (Pro Forma)	Nissan Standalone
Annual Volume	~7.4M units (world #3)	3.2M units (world ~#8)
R&D Budget	Scale to compete with Toyota / VW	Constrained; advanced programs paused
EV Platform	Honda EV architecture + Nissan e-POWER	Developing independently at reduced pace
China Position	Combined leverage vs. domestic OEMs	Both declining independently
Software / SDV	Combined investment pool	AI vision with no named partners

Source: Industry estimates; Alice Ventures analysis.

One year after the collapse, conversations between the three companies have shifted to practical forms of cooperation rather than structural integration, but no material agreements have been announced. The strategic optionality that a merger would have created is gone. Nissan is navigating one of the most demanding automotive environments in decades, and it is doing so alone, by choice.

II. THE HONDA COLLAPSE (continued)

The Renault Overhang: Dead Weight, Confirmed

The Renault-Nissan alliance saved Nissan from bankruptcy in 1999. In 2026, it is structurally inert. Renault wrote off \$11B in the first half of 2025, moving to market-value accounting for its 37.5% Nissan stake — a formal acknowledgment that the investment, as originally valued, no longer exists. The cross-shareholding remains in place providing no capital, no strategic direction, and no path to resolution. It is governance complexity without governance benefit.

RENAULT WRITE-OFF (H1 2025)

\$11B

Move to market-value accounting on the 37.5% Nissan stake.

RENAULT STAKE IN NISSAN

37.5%

Cross-shareholding intact; no resolution timeline.

What the Overhang Costs

The cost of the Renault overhang does not appear in any Nissan filing. It shows up in the friction of every strategic decision that must navigate Renault's interests as a 37.5% shareholder with its own balance-sheet pressures. Every M&A path, every alliance, every capital structure decision passes through a shareholder whose own equity holders have already written the position down.

Why the overhang persists. Resolving the cross-shareholding requires either Nissan repurchasing the stake — which the current balance sheet cannot support — or Renault selling into a market that has demonstrated, through the write-off itself, that it does not value the stake at carrying cost. Neither path has a credible near-term trigger. The overhang is structural, not cyclical.

III. IS NISSAN STILL A GLOBAL OEM?

Examining the Evidence by Market

At 3.2 million units in 2025, Nissan retains the technical scale to claim global OEM status. But scale alone does not define global relevance. Nissan is not a global OEM in the sense that Toyota, Volkswagen, or Hyundai are. It is a North America-anchored OEM with a shrinking China presence and marginal relevance in every other major market.

UNITED STATES

THE LIFELINE · CAUTIOUS RECOVERY

873,307 units sold in 2025, essentially flat year-over-year. Q1 2026 showed genuine momentum: Frontier up 48%, Pathfinder up 45%, Rogue up 13%. Nissan is claiming the title of fastest-growing mainstream brand in the U.S. since August 2025. The target is 1 million U.S. sales by 2027. New U.S.-made trucks, including the revived Xterra and redesigned Pathfinder, are driving dealer optimism that has shifted from open revolt in early 2025. The risk: Nissan imports more than 40% of its U.S. sales, making it among the most tariff-exposed Japanese manufacturers.

CHINA

STRUCTURAL RETREAT

An 18% year-over-year sales decline is projected. Nissan ranked 10th by brand share in China as of early 2026. This is survival-level positioning in the world's most important automotive market. The China JV generates equity-method losses that are the primary driver of the ¥650B net loss. Nissan has reduced China production capacity from 1.5M to 1M units. BYD, Li Auto, NIO, XPeng, and Huawei-partnered brands have made the Chinese market nearly impenetrable for legacy foreign OEMs without a credible local EV and software stack. The Baidu generative AI MOU from April 2024 has produced no production vehicle deployment.

JAPAN & REST OF WORLD

HOLDING POSITION ONLY

Japan remains a home-market base but not a growth engine. Mexico is a production hub and a meaningful sales market where Nissan has maintained the number one position for 18 consecutive years, driven by volume and price-sensitive demand that does not support premium margin expansion. Europe remains marginal. The Renault-Nissan-Mitsubishi Alliance's combined European production is declining, and Nissan's independent European footprint is not competitive against VW Group, Stellantis, or Hyundai on EV transition.

THE HONEST GLOBAL ASSESSMENT

LABEL ACCURATE; REALITY MORE CONSTRAINED

3.2 million units globally sounds like scale. When 873,000 of those units are in one country, China is declining at 18%, and every other region is marginal or contracting, the global label obscures more than it reveals. Investors should underwrite Nissan as a North American recovery play with a China tail risk, not as a diversified global OEM with balanced exposure. The definition of "global OEM" is being stretched. The company passes the technical test. The strategic reality it implies does not hold up under scrutiny.

IV. THE AI VISION

"Mobility Intelligence for Everyday Life" — Strategy or Slogan?

On April 14, 2026, one week before publication of this report, Nissan announced its long-term vision under the banner "Mobility Intelligence for Everyday Life," centering on what the company calls AI-Defined Vehicles (AIDV). The vision covers two technology pillars: Nissan AI Drive for autonomous driving, targeting 90% of the lineup over the long term, and Nissan AI Partner for in-cabin intelligence. The timing of this announcement, during the final year of a painful cost restructuring and while the company projects a \$4.2B net loss, demands careful analytical scrutiny.

EXHIBIT 3 — AIDV VISION: CLAIMS VS. CURRENT REALITY

Component	Nissan's Claim	Current Reality	Assessment
Nissan AI Drive	90% lineup coverage long-term	ProPILOT at L2. No L3 deployment. No L3 timeline.	Aspirational
Nissan AI Partner	In-cabin AI across car, phone, cloud	No named software partner. No production platform.	No substance yet
First AIDV Model	New Elgrand, summer 2026	One model. Japan market. Not a global platform launch.	Narrow proof point
End-to-end autonomy	By end of FY2027	No partner named. Baidu MOU (2024) no deployment.	Unsubstantiated
Lineup rationalization	56 models to 45	Concrete and credible. Reduces complexity cost.	Credible
e-POWER electrification	Hybrid expansion; diverse powertrain mix	e-POWER is genuine and differentiated. Rogue PHEV incoming.	Credible

Source: Nissan global.nissannews.com, April 14, 2026 announcement; Alice Ventures analysis.

No named software partner. Tesla has full-stack proprietary control. Mercedes has Drive Pilot in production. Stellantis has named Applied Intuition and Microsoft. Nissan's AIDV vision names no external technology partner for the AI layer. The Baidu generative AI MOU from April 2024 — the only named AI partnership in Nissan's recent history — has produced no production vehicle deployment in two years. A long-term vision without a named execution partner is not a technology strategy. It is a positioning statement.

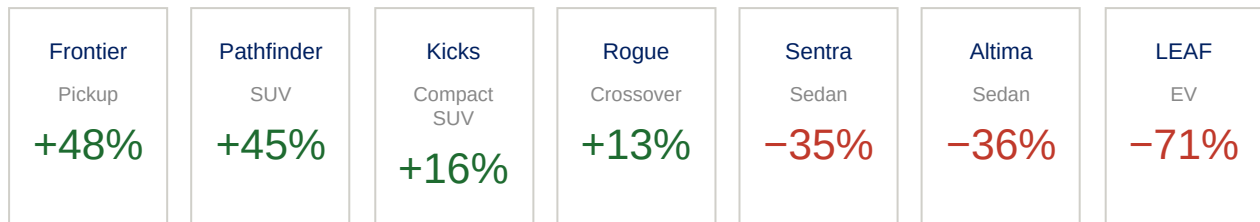
The timing signal. Nissan announced its long-term AI vision while projecting a \$4.2B net loss, having paused advanced product development programs to fund Re:Nissan, and having named no software technology partner for the AI layer. The announcement came one week after Stellantis' Microsoft deal and one week after Google's AAOS SDV open-source announcement. Nissan joined the automotive AI positioning race on April 14. Whether it has the technical and financial resources to compete in it is a different question entirely.

V. THE NORTH AMERICA RECOVERY

The Only Green Shoot That Matters

North America is the singular bright spot in Nissan's global picture, and it is genuinely bright. It is also the thesis's most important single variable. If North American momentum sustains through 2026 and 2027, Re:Nissan has a credible path to operating profitability. If it stalls — due to tariffs, competitive response, or product cycle gaps — there is no other regional engine to compensate.

EXHIBIT 4 — U.S. MODEL PERFORMANCE, Q1 2026 (SELECTED)



Source: Nissan North America Q1 2026 sales report; Alice Ventures analysis.

The truck and SUV performance is genuine and driven by product cycle. The Rogue briefly outsold the Toyota RAV4 in Q1, which is a meaningful market signal. The Murano relaunch has performed strongly. These are real commercial wins.

The EV collapse signal. LEAF sales fell from 2,323 to 668 units in Q1 2026, and the Ariya fell from 4,148 to just 56 units year-over-year in 2025. The LEAF, once a pioneer EV, has been structurally outcompeted by newer vehicles at similar or lower price points. The Ariya has failed to gain traction against Tesla, Ford, and a growing Korean competitor set. Nissan's EV story is not delivering. The Rogue PHEV — initially imported before U.S. production begins in 2027 — is a more credible near-term product for mass-market demand, but it arrives under tariff headwinds that will compress the economics of an imported vehicle at the moment Nissan most needs retail pricing power.

VI. SCENARIO MODELLING

Three Paths Through 2026–2028

The forward path bifurcates around two questions: whether the North American product cycle sustains beyond Q1 2026, and whether the China joint venture stabilizes or accelerates downward. Each scenario below assumes a different combination of those two outcomes.

BASE CASE	BULL CASE	BEAR CASE
<p>Managed Decline to Stability</p> <p>40%</p> <p>DYNAMICS</p> <p>Re:Nissan delivers positive operating profit by end of FY2026. North American volume stabilizes at 900K–950K units. China continues declining to ~500K–600K units. AI vision produces no material product through 2027. Stock trades as a distressed-multiple recovery story.</p> <p>IMPLICATIONS</p> <p>Positive operating profit achieved in FY2026 but margin remains thin at 1–2%. Global volume stabilizes at 3.0–3.2M units. Not growth — managed stability.</p> <p>LONG / OVERWEIGHT</p> <p>NSANY at distressed multiples (3-yr min)</p> <p>e-POWER as licensing asset if balance sheet weakens</p> <p>SHORT / AVOID</p> <p>China volume recovery thesis</p> <p>AI vision software revenue by 2027</p>	<p>North America Rescues the Business</p> <p>25%</p> <p>DYNAMICS</p> <p>U.S. volume reaches 1M units in 2027. Rogue PHEV is a commercial success. New truck platform drives market share gains. Nissan announces a credible software partner for AIDV, validating the AI vision. Tariff environment stabilizes.</p> <p>IMPLICATIONS</p> <p>Operating margin recovers to 3–4% by FY2027. Re:Nissan declared successful. Multiple re-rates as North America offsets China structural decline.</p> <p>LONG / OVERWEIGHT</p> <p>NSANY: 40–60% upside to normalized multiple</p> <p>Infiniti as premium sub-brand (QX65 traction)</p> <p>SHORT / AVOID</p> <p>U.S. truck competitors slow to respond</p>	<p>China Accelerates, U.S. Stalls</p> <p>35%</p> <p>DYNAMICS</p> <p>China JV losses worsen. U.S. volume growth stalls due to tariff cost absorption and competitive response from Ford and GM on trucks. Liquidity buffer begins to shrink materially. Partnership or M&A becomes existential rather than strategic.</p> <p>IMPLICATIONS</p> <p>Debt refinancing becomes more expensive or constrained. Foxconn or another partner enters discussions on unfavorable terms for Nissan equity holders.</p> <p>LONG / OVERWEIGHT</p> <p>Distressed debt if equity dislocates</p> <p>e-POWER IP & NA assets in break-up</p> <p>SHORT / AVOID</p> <p>NSANY equity on 12–18 month horizon</p> <p>Renault equity (37.5% NSANY exposure)</p>

Why the bear case carries 35% weight. The asymmetry between base and bear for Nissan is tighter than for Stellantis. Filosa at Stellantis has two good quarters of hard evidence. Espinosa at Nissan has cost cuts and a North American product cycle. If the product cycle disappoints, or tariff costs compound beyond what the cost program can absorb, there is no secondary engine. The 35% bear case probability reflects that narrowness of margin.

VII. CONCLUSIONS

Definitive Findings

01 Re:Nissan is executing — solving the right short-term problem and the wrong long-term one.

Cost cuts, plant consolidations, and workforce reductions are delivering ahead of schedule. This does not address why Nissan lost competitive ground to BYD in China, Tesla in the U.S. EV market, or Korean OEMs in price-sensitive global segments. Operational efficiency buys time. It does not restore competitive advantage.

02 The Honda collapse is the most important event in recent Nissan history — and still underweighted by the market.

Walking away from a rescue offer because it meant accepting subsidiary status, while an insider acknowledged 12–14 months of survival runway, is a governance record investors should price explicitly. The same leadership culture that made that decision is now executing Re:Nissan and announcing an AI vision.

03 Nissan is a global OEM in name. In practice it is a North America-dependent OEM with a China problem.

Investors should underwrite Nissan as a North American recovery play with a China tail risk, not as a diversified global OEM with balanced exposure. The global label obscures more than it reveals.

04 The AI vision is premature positioning, not demonstrated capability.

"Mobility Intelligence for Everyday Life" and "AI-Defined Vehicles" are announced without a named software partner, without a production platform, and with a single vehicle proof point in one market. The e-POWER hybrid and lineup rationalization are real. The AI framing surrounding them is calibrated to the investment environment of April 2026, not to Nissan's current software execution capability.

05 The Renault overhang has no resolution timeline — treat it as a persistent governance cost.

Renault's \$11B write-off is not a resolution. It is an accounting acknowledgment that the investment is impaired. The 37.5% stake remains. Any major Nissan strategic move must navigate Renault's interests. This is a friction cost on every decision that will not disappear without a formal restructuring of the cross-shareholding.

VII. CONCLUSIONS (continued)

Our Position

Nissan is not uninvestable. At current distressed multiples, patient capital with a 3-year horizon and high tolerance for execution risk may find an asymmetric entry point. But the asymmetry is tighter than Stellantis': there is no second engine if North America stalls. The thesis hinges on a single regional product cycle holding through 2027, against tariff headwinds that arrive in the same window.

CLOSING POSITION

"Cost cuts confirm a company can survive. They do not confirm a company can compete. The distinction, for Nissan, has never been more consequential."

ALICE VENTURES — STRATEGIC INTELLIGENCE DIVISION · APRIL 2026

Three Signals to Watch

Signal 1 — A named AIDV software partner. The single largest catalyst available to Nissan management is the announcement of a credible software partner for the AI Drive and AI Partner platforms. Until that partner is named — and named with terms — the AIDV vision remains positioning, not strategy. Watch any Tier-1, hyperscaler, or specialist partner announcement through 2026.

Signal 2 — Q2 and Q3 2026 U.S. volume durability. The Q1 2026 Frontier and Pathfinder gains must hold through quarters that include the full impact of tariff pass-through and the competitive response from Ford and GM. Watch monthly U.S. unit volumes, dealer inventory days, and incentive spending per unit. A return to flat-to-declining trajectory before year-end would invalidate the bull case.

Signal 3 — China joint venture trajectory. The 18% projected decline must stabilize, not accelerate. Watch Dongfeng-Nissan monthly sales disclosures and any announcement of restructuring, partner change, or further capacity reduction. Acceleration of the China decline below 500K annualized units would push the equity-method losses past the level Re:Nissan cost actions can absorb.

APPENDIX · METHODOLOGY & DISCLOSURES

Data Sources and Analytical Methodology

Primary sources: Nissan Motor Co. FY2025 H1 and Q3 earnings releases; Nissan Re:Nissan plan announcements (May 2025); Nissan "Mobility Intelligence for Everyday Life" long-term vision announcement (April 14, 2026); Nissan North America Q1 2026 sales report; Best-Selling-Cars.com full-year 2025 Nissan global and U.S. data; S&P Global Market Intelligence FY2026 analyst consensus; Nissan U.S. model-level sales data; Mexico Business News; WardsAuto; CBT News; Automotive World; The Drive; Renault H1 2025 results disclosures; Alice Ventures proprietary analysis.

Estimation Methodology

All financial figures are sourced from Nissan audited filings and disclosed shipment data unless otherwise indicated. U.S. volume and model-level performance figures are derived from Nissan North America disclosures and validated against industry sales trackers. Scenario probability weights and forward-looking assessments are Alice Ventures estimates and represent analytical judgment, not company guidance. No forward-looking statement should be treated as a forecast or commitment by either Alice Ventures or Nissan.

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