**Nissan, Renault Agree on Alliance Shake-Up**

**French auto maker says it will lower its stake in its Japanese partner to 15% from 43%**

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[Nissan](https://www.wsj.com/market-data/quotes/NSANY) [NSANY](https://www.wsj.com/market-data/quotes/NSANY?mod=chiclets) Motor Co. and its French partner, [Renault](https://www.wsj.com/market-data/quotes/FR/XPAR/RNO) SA,  said Monday they have agreed to reorganize their alliance, more than two decades old, in a deal that includes reducing Renault’s stake in Nissan.

The Japanese auto maker achieved its long-sought goal of limiting its partner’s control over its management, while the French company got an investment in its electric-vehicle business, as it had wanted. The amount of the investment wasn’t disclosed.

Under the agreement, which requires approval from the two companies’ boards, Renault will eventually reduce its 43% stake in Nissan to 15%, to match the stake Nissan holds in Renault.

Top executives from Nissan and Renault have been working for months to hammer out a deal. The companies said their goal was to “strengthen the ties of the alliance and maximize value creation for all stakeholders.”

Nissan and Renault had initially hoped to announce the restructuring as early as November, but snags emerged. One issue was the treatment of intellectual property jointly developed by the companies over the past two decades.

The companies made progress with discussions recently. Earlier this month, Nissan’s independent directors signaled support for a deal, people familiar with the matter said. The Wall Street Journal [reported its outlines last week](https://www.wsj.com/articles/renault-nissan-near-deal-on-alliance-shake-up-11674750979?mod=article_inline).

The companies said that to reduce its Nissan stake to 15%, Renault would transfer the excess shares into a French trust. Voting rights tied to those shares would be neutralized for most decisions, but dividends and other proceeds will continue to go to Renault until the shares are sold, the companies said. The trustee designated by Renault to sell Nissan shares will do so “if commercially reasonable for Renault,” with no obligation to sell within a specific period, the companies said.

Under French law, Nissan hasn’t been able to vote its longstanding 15% stake in the French company because Renault holds a greater than 40% stake in Nissan. The deal announced Monday means Nissan will now be able to vote its Renault shares, although the companies said the Japanese car maker’s voting rights would be capped at 15%.

Assuming approval from the companies’ boards, as anticipated, a formal announcement of the deal is slated for Feb. 6, people familiar with the companies’ plans have said.

The companies also said they planned to work on a number of joint projects in Latin America, India and Europe.

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