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100th Ordinary General Shareholders Meeting: Notice of Convocation

Date and Time: Wednesday, June 28, 2023, at 10:00 a.m.

Venue: Head Office Main Building, Nissan Shatai Co., Ltd.
2-1 Tsutsumicho, Hiratsuka, Kanagawa



NISSAN SHATAI CO., LTD.

(Code no.: 7222)

June 7, 2023

Dear shareholders:

2-1 Tsutsumicho, Hiratsuka, Kanagawa
NISSAN SHATAI CO., LTD
Haruhiko Yoshimura, President

100th Ordinary General Shareholders Meeting: Notice of Convocation

Notice is hereby given that the 100th Ordinary General Shareholders Meeting of the Company (the “Meeting”) will be held as described below. You are cordially invited to attend the Meeting.

When convoking this general shareholders meeting, we have taken measures for electronic provision regarding the information consisting of the Reference Materials for General Shareholders Meeting, etc. (Electronic Provision Measures Matters) and have posted the information on the Nissan Shatai website on the Internet, so please access the following website to confirm it.

Note that the paper-based documents we send out also serve as the paper-based documents stating the Electronic Provision Measures Matters stipulated in the items in the Companies Act, Article 325-3, Paragraph 1 which should be delivered to all of the shareholders who requested the delivery of paper-based documents.

Nissan Shatai website: <https://www.nissan-shatai.co.jp/IR/TOPPAGE/index.html>



(Please confirm the information by accessing the above website and selecting from the menus in the order “FOR INVESTORS,” “Stocks & Bonds,” “General Shareholders Meeting,” “100th Ordinary General Shareholders Meeting: Notice of Convocation.”)

Furthermore, the Electronic Provision Measures Matters are posted on the website of the Tokyo Stock Exchange in addition to the Nissan Shatai website, so please confirm them at the following link.

Tokyo Stock Exchange website (Listed Company Search)
<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



(Please confirm the information by accessing the above Tokyo Stock Exchange website, entering and searching for the securities code (7222) in “Issue name (company name)” or “Code,” selecting the items in the order of “Basic information” and “Documents for public inspection/PR information,” and accessing the “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” field under “Filed information available for public inspection.”)

Note that when not attending the Meeting in person, you can submit votes in writing or electronically (Internet, etc.), so please study the Reference Materials for General Shareholders Meeting and submit votes no later than 5:30 p.m. on June 27, 2023 (Tuesday).

Particulars

1. Date and Time

Wednesday, June 28, 2023 at 10:00 a.m.

2. Venue

Head Office Main Building

Nissan Shatai Co., Ltd.

2-1 Tsutsumicho, Hiratsuka, Kanagawa

3. Agenda Items

Matters to be reported:

1. 100th fiscal Business Report (April 1, 2022 to March 31, 2023)
Consolidated Financial Statements, and Audit Reports by Accounting Auditor and the Board of Statutory Auditors
2. 100th fiscal Financial Statements (April 1, 2022 to March 31, 2023)

Matters to be resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Election of Six Directors

Proposal 3: Election of Two Statutory Auditors

Proposal 4: Election of one Substitute Statutory Auditor

4. Information concerning voting at the general shareholders meeting

- (1) If voting forms are returned without any votes entered for any proposals, the shareholder will be counted as having voted yes.
- (2) If a shareholder uses the Internet, etc. to vote more than once, the last votes by the Internet, etc. received will be counted.
- (3) If a shareholder submits votes by using both the voting form and the Internet, etc., irrespective of the time the votes were received, the votes received using the Internet, etc. will be counted.

- When attending the Meeting in person, please present the enclosed voting form at reception.
- If any revisions are made to the Electronic Provision Measures Matters, the fact that an amendment has been made, the matters before the amendment and the matters after the amendment will be posted on the above Nissan Shatai website and the Tokyo Stock Exchange website on the Internet.

Reference Materials for General Shareholders Meeting

Proposals and Matters for Reference

Proposal 1: Appropriation of Surplus

Taking into account business performance in this fiscal year and the Company policy of paying stable dividends on an ongoing basis, it is proposed to pay a year-end dividend as detailed below.

Including the interim dividend already paid, this will result in a total dividend for this fiscal year of 13 yen per share, the same as in the previous fiscal year.

Details of Year-End Dividend

- (1) Distribution of year-end dividend to shareholders and total amount:
 - 6.5 yen per share of common stock in the Company
 - Total amount: 880,443,597 yen

- (2) Effective date of distribution of surplus:
 - June 29, 2023

Proposal 2: Election of Six Directors

The terms of office of all current directors (six directors) will expire at the close of the shareholders meeting. Therefore, the Company proposes to elect six directors.

The candidates for directors are as follows:

Candidate Number	Name (Date of Birth)	Brief Personal Record, Positions, Responsibilities, and Important Positions at Other Companies	Number of Shares of the Company Owned
1	Haruhiko Yoshimura (June 25, 1959) Male Reappointment	<p>Apr 1983: Joined Nissan Motor Co., Ltd.</p> <p>Apr 2011: Plant Manager, Oppama Plant, Nissan Motor Co., Ltd.</p> <p>Apr 2014: Alliance Global Director, Vehicle Process Engineering No.2 / VP, Vehicle Production Engineering, Nissan Motor Co., Ltd.</p> <p>Aug 2015: Alliance Global VP, Vehicle Production Engineering, Nissan Motor Co., Ltd.</p> <p>Apr 2016: Corporate Vice President, Nissan Motor Co., Ltd.</p> <p>Alliance Global VP Vehicle Production Engineering, Nissan Motor Co., Ltd.</p> <p>Apr 2020: Executive Vice President, Nissan Shatai Co., Ltd.</p> <p>Jun 2020: President, Nissan Shatai Co., Ltd. (Current Position)</p> <p>Responsibilities at Nissan Shatai Co., Ltd.: Internal Audit Office, Division General Manager Corporate Quality Assurance Div.</p> <p>Important positions at other companies: President, Nissan Shatai Kyushu Co., Ltd.</p>	11,900 shares
<p>Reason for selection as a director candidate</p> <p>Mr. Yoshimura, who is currently a director and the President of Nissan Shatai, oversees all business operations by using his strong leadership and many years of experience and extensive knowledge as a corporate manager. Since Mr. Yoshimura is well suited for achievement of the Medium-Term Management Plan formulated for the sustained growth of Nissan Shatai and the medium to long-term growth of corporate value and for the improvement of corporate governance, he is a candidate for re-election as a director.</p>			
<p>Notes:</p> <ol style="list-style-type: none"> 1. There is no special interest between Nissan Shatai and Mr. Yoshimura. 2. Within the past 10 years, Mr. Yoshimura was an executive officer of Nissan Motor, which is the parent company of Nissan Shatai. Information about Mr. Yoshimura's titles and duties at Nissan Motor during the past 10 years is shown above in "Brief 			

Personal Record, Positions, Responsibilities, and Important Positions at Other Companies.”

3. In accordance with Article 430-3, Paragraph 1 of the Companies Act, Nissan Shatai has concluded an officer liability limitation insurance policy with an insurance company that limits the liability of Mr. Yoshimura. A summary of the terms of this policy is on page 27 of this report. If Mr. Yoshimura is re-elected at the shareholders meeting as proposed, he will continue to be covered by this insurance policy. Furthermore, Nissan Shatai plans to renew this policy during Mr. Yoshimura’s term of office.

Candidate Number	Name (Date of Birth)	Brief Personal Record, Positions, Responsibilities, and Important Positions at Other Companies	Number of Shares of the Company Owned
2	<p>Shin Kotaki (January 12, 1963) Male</p> <p>Reappointment</p>	<p>Apr 1985: Joined Nissan Shatai Co., Ltd.</p> <p>Apr 2006: Assigned to Nissan Motor Co., Ltd. Deputy General Manager, Renault-Nissan Purchasing Organization</p> <p>Apr 2009: Supplier Account Officer, Nissan Motor Co., Ltd.</p> <p>Apr 2014: General Manager, Purchasing Dept., Nissan Shatai Co., Ltd.</p> <p>Apr 2015: Corporate Vice President, Nissan Shatai Co., Ltd.</p> <p>Jun 2018: Director and Senior Vice President, Nissan Shatai Co., Ltd. (Current Position)</p> <p>Responsibilities at Nissan Shatai: Overall supervision of General & Administration Div., Secretariat; Internal Control Dept.; Administration Dept.</p>	12,500 shares
<p>Reason for selection as a director candidate</p> <p>Mr. Kotaki is currently a director and senior vice president of Nissan Shatai who oversees administrative operations. He has used his many years of experience and extensive knowledge as a corporate manager to oversee activities for building a stronger foundation for supporting all business activities. Since Mr. Kotaki is well suited for achievement of the Medium-Term Management Plan formulated for the sustained growth of Nissan Shatai and the medium to long-term growth of corporate value, he is a candidate for re-election as a director.</p>			
<p>Notes:</p> <ol style="list-style-type: none"> 1. There is no special interest between Nissan Shatai and Mr. Kotaki. 2. Within the past 10 years, Mr. Kotaki was an executive officer of Nissan Motor, which is the parent company of Nissan Shatai. Information about Mr. Kotaki's titles and duties at Nissan Motor during the past 10 years is shown above in "Brief Personal Record, Positions, Responsibilities, and Important Positions at Other Companies." 3. In accordance with Article 430-3, Paragraph 1 of the Companies Act, Nissan Shatai has concluded an officer liability limitation insurance policy with an insurance company that limits the liability of Mr. Kotaki. A summary of the terms of this policy is on page 27 of this report. If Mr. Kotaki is re-elected at the shareholders meeting as proposed, he will continue to be covered by this insurance policy. Furthermore, Nissan Shatai plans to renew this policy during Mr. Kotaki's term of office. 			

Candidate Number	Name (Date of Birth)	Brief Personal Record, Positions, Responsibilities, and Important Positions at Other Companies	Number of Shares of the Company Owned
3	<p>Masayuki Yabe (July 23, 1962) Male</p> <p>Reappointment</p>	<p>Apr 1986: Joined Nissan Motor Co., Ltd.</p> <p>Apr 2006: Chief Vehicle Engineer, Vehicle Development, Vehicle Planning Dept. No. 3, Nissan Motor Co., Ltd.</p> <p>Apr 2008: Deputy General Manager, Vehicle Project Purchasing Dept., Renault Nissan Purchasing Organization, Nissan Motor Co., Ltd.</p> <p>Apr 2012: SVP, Dongfeng Motor Co Ltd.</p> <p>Apr 2015: SVP, Nissan Motor Asia Pacific Co., Ltd.</p> <p>Apr 2017: General Manager, Nissan Product Development No. 3, Nissan Motor Co., Ltd.</p> <p>Apr 2018: General Manager, Nissan Product Development No. 2, Nissan Motor Co., Ltd.</p> <p>Apr 2020: Corporate Vice President, Nissan Shatai Co., Ltd.</p> <p>Apr 2021: Senior Vice President, Nissan Shatai Co., Ltd.</p> <p>June 2021: Director and Senior Vice President, Nissan Shatai Co., Ltd. (Current Position)</p> <p>Responsibilities at Nissan Shatai: Overall supervision of Research and Development Div., Project Engineering Dept.</p>	6,000 shares
<p>Reason for selection as a director candidate</p> <p>Mr. Yabe is currently a director and senior vice president of Nissan Shatai who oversees research and development. He has used his many years of experience and extensive knowledge as a corporate manager to oversee activities for more competitive vehicles, technologies, and skills. Since Mr. Yabe is well suited for achievement of the Medium-Term Management Plan formulated for the sustained growth of Nissan Shatai and the medium to long-term growth of corporate value, he is a candidate for re-election as a director.</p>			
<p>Notes:</p> <ol style="list-style-type: none"> 1. There is no special interest between Nissan Shatai and Mr. Yabe. 2. Within the past 10 years, Mr. Yabe was an executive officer of Nissan Motor, which is the parent company of Nissan Shatai. Information about Mr. Yabe's titles and duties at Nissan Motor during the past 10 years is shown above in "Brief Personal Record, Positions, Responsibilities, and Important Positions at Other Companies." 3. In accordance with Article 430-3, Paragraph 1 of the Companies Act, Nissan Shatai has concluded an officer liability limitation insurance policy with an insurance company that limits the liability of Mr. Yabe. A summary of the terms of this policy is on page 27 of this report. If Mr. Yabe is re-elected at the shareholders meeting as 			

proposed, he will continue to be covered by this insurance policy. Furthermore, Nissan Shatai plans to renew this policy during Mr. Yabe's term of office.

Candidate Number	Name (Date of Birth)	Brief Personal Record, Positions, Responsibilities, and Important Positions at Other Companies	Number of Shares of the Company Owned
4	<p>Takuya Nakamura (July 6, 1962) Male</p> <p>Reappointment</p>	<p>Apr 1988: Joined Nissan Motor Co., Ltd.</p> <p>Apr 2011: Deputy General Manager, Vehicle Assembly Engineering Dept., Vehicle Production Engineering Div., Nissan Motor Co., Ltd.</p> <p>Apr 2013: General Manager, Vehicle Assembly Engineering Dept., Vehicle Production Engineering Div., Nissan Motor Co., Ltd.</p> <p>Aug 2015: Alliance Global Director, Vehicle Production Engineering No.2, Nissan Motor Co., Ltd.</p> <p>Apr 2017: VP, Plant Manager of Tochigi Plant, Nissan Motor Co., Ltd.</p> <p>Apr 2021: Senior Vice President, Nissan Shatai Co., Ltd.</p> <p>Jun 2021: Director and Senior Vice President, Nissan Shatai Co., Ltd. (Current Position)</p> <p>Responsibilities at Nissan Shatai: Overall supervision of Production Div.; Safety and Environment Administration Dept.; Production Administration Dept.; Prototype Production Engineering Dept.; Stamping Production Engineering Dept.; Body Assembly Production Engineering Dept.; Vehicle Production Engineering Dept.; New Vehicle Production Engineering Dept.</p> <p>Important positions at other companies: Senior Managing Director, Nissan Shatai Kyushu Co., Ltd.</p>	3,400 shares
<p>Reason for selection as a director candidate</p> <p>Mr. Nakamura is currently a director and senior vice president of Nissan Shatai who oversees manufacturing. He has used his many years of experience and extensive knowledge as a corporate manager to oversee activities for more competitive plants, technologies, and skills. Since Mr. Nakamura is well suited for achievement of the Medium-Term Management Plan formulated for the sustained growth of Nissan Shatai and the medium to long-term growth of corporate value and for the improvement of corporate governance, he is a candidate for re-election as a director.</p>			
<p>Notes:</p> <ol style="list-style-type: none"> 1. There is no special interest between Nissan Shatai and Mr. Nakamura. 2. Within the past 10 years, Mr. Nakamura was an executive officer of Nissan Motor, which is the parent company of Nissan Shatai. Information about Mr. Nakamura's titles and duties at Nissan Motor during the past 10 years is shown above in "Brief Personal Record, Positions, Responsibilities, and Important Positions at Other Companies." 			

3. In accordance with Article 430-3, Paragraph 1 of the Companies Act, Nissan Shatai has concluded an officer liability limitation insurance policy with an insurance company that limits the liability of Mr. Nakamura. A summary of the terms of this policy is on page 27 of this report. If Mr. Nakamura is re-elected at the shareholders meeting as proposed, he will continue to be covered by this insurance policy. Furthermore, Nissan Shatai plans to renew this policy during Mr. Nakamura's term of office.

Candidate Number	Name (Date of Birth)	Brief Personal Record, Positions, Responsibilities, and Important Positions at Other Companies	Number of Shares of the Company Owned
5	<p>Yasuyuki Ohira (March 25, 1961) Male</p> <p>Reappointment/ Outside director/ Independent director</p>	<p>Apr 1984: Joined Sapporo Breweries Ltd. (Currently Sapporo Holdings Ltd.)</p> <p>Mar 2006: Director of Engineering Department of Sapporo Breweries Ltd.</p> <p>Mar 2011: Operating Officer and Director of Chiba Brewery of Sapporo Breweries Ltd.</p> <p>Sep 2012: Director (Member of the Board) and Operating Officer, Director of Corporate Planning Department of Sapporo Breweries Ltd.</p> <p>Mar 2014: Director (Member of the Board) and Operating Officer of Sapporo Breweries Ltd.</p> <p>Mar 2016: Director (Member of the Board), Managing Executive Officer, Director of Research and Development Headquarters of POKKA SAPPORO Food & Beverage Ltd.</p> <p>Mar 2017: Director (Member of the Board) and Managing Executive Officer of POKKA SAPPORO Food & Beverage Ltd.</p> <p>Mar 2019: Director (Member of the Board), Director of Research and Development Division of Sapporo Holdings Ltd.</p> <p>Mar 2020: Director (Member of the Board) of Sapporo Holdings Ltd.</p> <p>Mar 2022: Advisor of Sapporo Holdings Ltd. (Current Position)</p> <p>Jun 2022: Director of Nissan Shatai (Current Position)</p>	0 shares
<p>Reason for selection as an outside director candidate and expected roles</p> <p>Mr. Ohira offers valuable opinions in his current role as an outside director for the Company from an independent and objective position. Furthermore, Mr. Ohira is a candidate for election as an outside director based on the judgment that he can utilize his abundant experience and broad insight as a corporate manager in another industry to perform the roles of making decisions about important items concerning management and for the oversight of how business operations are conducted going forward. If Mr. Ohira is re-elected at the shareholders meeting as proposed, Nissan Shatai plans to have him continue to serve as a member of the Nominations and Remuneration Committee and the Business Monitoring Committee. He will be an objective and neutral participant in these committees, which discuss candidates for election as officers, remuneration of officers and significant transactions.</p>			
Notes:			

1. There is no special interest between Nissan Shatai and Mr. Ohira.
2. Mr. Ohira is a candidate for an outside director post.
3. Mr. Ohira is currently an outside director of the Company who will complete his first year in this position at the end of this shareholders meeting.
4. If shareholders approve the re-election of Mr. Ohira, he will continue to be an independent director as stipulated by Tokyo Stock Exchange, Inc.
5. Nissan Shatai has concluded a limited liability contract with Mr. Ohira based on the provisions of the Articles of Incorporation. Furthermore, if the shareholders approve the re-election of Mr. Ohira in this General Meeting, the Company and Mr. Ohira plan to renew the limited liability contract that limits his liability regarding Nissan Shatai to a certain level.

The main terms of this contract are as follows.

- (1) If directors (excluding directors who are executives of the Company) become liable for damages to the Company due to neglect of their duties, the liability will be limited to the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act.
 - (2) The liability limit in the preceding paragraph will apply only in cases where the director (excluding directors who are executives of the Company) concerned acted in good faith and there was no gross negligence concerning the duties liable for damages.
6. In accordance with Article 430-3, Paragraph 1 of the Companies Act, Nissan Shatai has concluded an officer liability limitation insurance policy with an insurance company that limits the liability of Mr. Ohira. A summary of the terms of this policy is on page 27 of this report. If Mr. Ohira is re-elected at the shareholders meeting as proposed, he will continue to be covered by this insurance policy. Furthermore, Nissan Shatai plans to renew this policy during Mr. Ohira's term of office.

Candidate Number	Name (Date of Birth)	Brief Personal Record, Positions, Responsibilities, and Important Positions at Other Companies	Number of Shares of the Company Owned
	<p>Hideaki Shinada (June 12, 1956) Male</p> <p>New candidate/ Outside director/ Independent director</p>	<p>Apr 1980: Joined Ajinomoto Co., Inc.</p> <p>Jun 2002: Director of Ajinomoto Frozen Foods Co., Inc.</p> <p>Jul 2004: General Manager, Kyushu Branch, Seasonings and Food Products Company, Marketing Div., Ajinomoto Co., Inc.</p> <p>Jul 2006: General Manager, Processed Food Products Dept., Food Products Company, Ajinomoto Co., Inc.</p> <p>Jun 2009: Executive Officer and General Manager, Tokyo Branch, Ajinomoto Co., Inc.</p> <p>Jun 2013: Member of the Board and Corporate Vice President, and General Manager, Food Products, Ajinomoto Co., Inc.</p> <p>Jun 2015: Member of the Board and Corporate Senior Vice President, Ajinomoto Co., Inc.</p> <p>Jun 2016: Representative Director and President, Ajinomoto AGF, Inc.</p> <p>Jun 2021: Resigned Ajinomoto AGF, Inc.</p>	0 shares
6	<p>Reason for selection as an outside director candidate and expected roles</p> <p>Mr. Shinada has abundant and extensive knowledge concerning corporate management and corporate governance through his many years of experience in another industry. Mr. Shinada is a candidate for election as an outside director based on the judgment that he can perform the roles of making decisions about important items concerning management and for the oversight of how business operations are conducted. If Mr. Shinada is elected at the shareholders meeting as proposed, Nissan Shatai plans to have him serve as a member of the Nominations and Remuneration Committee and the Business Monitoring Committee. He will be an objective and neutral participant in these committees, which discuss candidates for election as officers, remuneration of officers and significant transactions.</p>		
	<p>Notes:</p> <ol style="list-style-type: none"> 1. There is no special interest between Nissan Shatai and Mr. Shinada. 2. Mr. Shinada is a candidate for an outside director post. 3. If shareholders approve the election of Mr. Shinada, he will be an independent director as stipulated by Tokyo Stock Exchange, Inc. 4. If shareholders approve the election of Mr. Shinada, the Company plans to conclude a limited liability contract with Mr. Shinada that limits his liability regarding Nissan Shatai to a certain level. <p>The main terms of this contract are as follows.</p> <p>(1) If directors (excluding directors who are executives of the Company) become liable for damages to the Company due to neglect of their duties, the liability</p>		

will be limited to the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act.

(2) The liability limit in the preceding paragraph will apply only in cases where the director (excluding directors who are executives of the Company) concerned acted in good faith and there was no gross negligence concerning the duties liable for damages.

5. If shareholders approve the election of Mr. Shinada, he will be covered by the officer liability limitation insurance policy concluded by Nissan Shatai with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act. A summary of the terms of this policy is on page 27 of this report. Furthermore, Nissan Shatai plans to renew this policy during Mr. Shinada's term of office.

Proposal 3 Election of Two Statutory Auditors

The terms of office of two statutory auditors, Izumi Inoue and Tomonori Ito, will expire at the close of the shareholders meeting. Therefore, the Company proposes to elect two statutory auditors.

The Board of Statutory Auditors has agreed to this proposal.

The candidates for statutory auditors are as follows:

Candidate number	Name (Date of Birth)	Brief Personal Record, Positions, Responsibilities, and Important Positions at Other Companies	Number of Shares of the Company Owned
1	Tomonori Ito (February 29, 1964) Male Reappointment/ Outside statutory auditor/ Independent statutory auditor	<p>Apr 1986: Joined The Bank of Yokohama, Ltd.</p> <p>Apr 2008: General Manager, Credit Dept. II, The Bank of Yokohama, Ltd.</p> <p>Apr 2009: General Manager, Corporate Planning, Association Business, The Bank of Yokohama, Ltd.</p> <p>Jun 2011: General Manager, Corporate Administration Dept., The Bank of Yokohama, Ltd.</p> <p>May 2012: Executive Officer, The Bank of Yokohama Ltd.</p> <p>Apr 2016: Managing Director, Yokohama Stadium Co., Ltd.</p> <p>Aug 2017: Corporate Advisor, Yokohama Guarantee Co., Ltd.</p> <p>May 2018: Director, Kanagawa Association of Corporate Executives (Current Position)</p> <p>Jun 2019: Statutory Auditor, JATCO Ltd (Current Position)</p> <p>Jun 2019: Substitute Statutory Auditor, Nissan Shatai Co., Ltd.</p> <p>Jun 2020: Substitute Statutory Auditor, Nissan Shatai Co., Ltd.</p> <p>Jun 2021: Statutory Auditor, Nissan Shatai Co., Ltd. (Current Position)</p> <p>Important positions at other companies: Director, Kanagawa Association of Corporate Executives Statutory Auditor, JATCO Ltd</p>	600 shares

Reason for selection as an outside statutory auditor candidate and expected roles due to his long career at a financial institution and another industry outside the automobile industry, Mr. Ito has considerable experience and knowledge concerning finance and accounting and corporate management. Currently, as the outside statutory auditor of Nissan Shatai Co., Ltd. and a Nissan Motor Co., Ltd. group company, Mr. Ito is properly auditing the performance of the company's directors, including providing opinions and advice, etc. He is a candidate for election as an outside statutory auditor based on the judgment that he can further strengthen auditing functions. If Mr. Ito is re-elected at the shareholders meeting as proposed, Nissan Shatai plans to have him continue to serve as a member of the Business Monitoring Committee. He will be an objective and neutral participant in this committee, which discusses significant transactions.

Notes:

1. There is no special interest between Nissan Shatai and Mr. Ito.
2. Mr. Ito is a candidate for an outside statutory auditor post.
3. Mr. Ito is currently a Nissan Shatai outside statutory auditor who will complete his second year in this position at the end of this shareholders meeting.
4. If shareholders approve the re-election of Mr. Ito, he will continue to be an independent statutory auditor as stipulated by Tokyo Stock Exchange, Inc.
5. Nissan Shatai has concluded a limited liability contract with Mr. Ito based on the provisions of the Articles of Incorporation. Furthermore, if the shareholders approve the re-election of Mr. Ito in this General Meeting, the Company and Mr. Ito plan to renew the limited liability contract that limits his liability regarding Nissan Shatai to a certain level.

The main terms of this contract are as follows.

- (1) If a statutory auditor becomes liable for damages to the Company due to neglect of their duties, the liability will be limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.
 - (2) The limit of liability in the above paragraph will apply only in cases where the statutory auditor concerned acted in good faith and there was no gross negligence concerning the duties liable for damages.
6. In accordance with Article 430-3, Paragraph 1 of the Companies Act, Nissan Shatai has concluded an officer liability limitation insurance policy with an insurance company that limits the liability of Mr. Ito. A summary of the terms of this policy is on page 27 of this report. If Mr. Ito is re-elected at the shareholders meeting as proposed, he will continue to be covered by this insurance policy. Furthermore, Nissan Shatai plans to renew this policy during Mr. Ito's term of office.

Candidate Number	Name (Date of Birth)	Brief Personal Record, Positions, Responsibilities, and Important Positions at Other Companies	Number of Shares of the Company Owned
2	Nobutaka Kanaji (March 18, 1960) Male New candidate/ Outside statutory auditor/ Independent statutory auditor	Apr 1983: Joined Sumitomo Corporation Oct 2007: Manager, Net Business Dept., Sumitomo Corporation Oct 2008: Manager, Mobile & Internet Business Dept., Sumitomo Corporation Jun 2013: Outside Director, T-Gaia Corporation Apr 2014: Director, Executive Vice President, T-Gaia Corporation Apr 2017: President and Chief Executive Officer, T-Gaia Corporation Apr 2022: Director, Chairman of the Board, T-Gaia Corporation (Current Position)	0 shares
	<p>Reason for selection as an outside statutory auditor candidate and expected roles Mr. Kanaji has many years of experience and extensive knowledge concerning corporate management. For example, he was involved in the information and communications field over many years in another industry, and subsequently oversaw a variety of business divisions, including each of the sales divisions and the corporate division, etc. He is a candidate for election as an outside statutory auditor based on the judgment that he can audit the operations of the directors of Nissan Shatai. If Mr. Kanaji is elected at the shareholders meeting as proposed, Nissan Shatai plans to have him serve as a member of the Business Monitoring Committee. He will be an objective and neutral participant in this committee, which discusses significant transactions.</p>		

Notes:

1. There is no special interest between Nissan Shatai and Mr. Kanaji.
2. Mr. Kanaji is a candidate for an outside statutory auditor post.
3. If shareholders approve the election of Mr. Kanaji, he will be an independent statutory auditor as stipulated by Tokyo Stock Exchange, Inc.
4. Mr. Kanaji is a Director and Chairman of the Board at T-Gaia Corporation, but he plans to resign from those positions at the close of the Ordinary General Meeting of Shareholders of that company to be held in June 2023.
5. T-Gaia Corporation, where Mr. Kanaji is in office as a director, was recognized to have committed actions in violation of the provision of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, Article 4, Paragraph 1, Item 3 (prohibition of the reduction of the amount of subcontract proceeds), so the company received a recommendation from the Japan Fair Trade Commission on June 23, 2021.
6. If shareholders approve the election of Mr. Kanaji, the Company plans to conclude a limited liability contract with Mr. Kanaji that limits his liability regarding Nissan Shatai to a certain level.
The main terms of this contract are as follows.
 - (1) If a statutory auditor becomes liable for damages to the Company due to neglect of their duties, the liability will be limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.
 - (2) The limit of liability in the above paragraph will apply only in cases where the statutory auditor concerned acted in good faith and there was no gross negligence concerning the duties liable for damages.
7. If shareholders approve the election of Mr. Kanaji, he will be covered by the officer liability limitation insurance policy concluded by Nissan Shatai with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act. A summary of the terms of this policy is on page 27 of this report. Furthermore, Nissan Shatai plans to renew this policy during Mr. Kanaji's term of office.

Reference

Directors and statutory auditors as well as composition of advisory committees for the Board of Directors after appointments

The planned composition of the Nominations and Remuneration Committee and the Business Monitoring Committee is as follows if shareholders approve proposals 2 and 3 with no revisions.

Name	Positions at Nissan Shatai	Outside director	Independent director	1)Nominations and Remuneration Committee	2)Business Monitoring Committee
Haruhiko Yoshimura	President			●	
Shin Kotaki	Director				
Masayuki Yabe	Director				
Takuya Nakamura	Director				
Yasuyuki Ohira	Director	●	●	●	●
Hideaki Shinada	Director	●	●	●	●
Kiyoshi Aoji	Statutory Auditor				
Tomonori Ito	Statutory Auditor	●	●		●
Nobutaka Kanaji	Statutory Auditor	●	●		●

Roles of the committees

1) Nominations and Remuneration Committee

In response to requests from the Board of Directors or the President for advice, the members of this committee discuss the following items concerning nominations and remuneration and submit their advice to the Board of Directors.

- (1) Policies and procedures for the selection or termination of a representative director and for selections of director and statutory auditor candidates
- (2) Proposals at shareholders meetings for the election or termination of directors and statutory auditors
- (3) Succession plan for the president (chief executive officer)
- (4) Policy for determining the remuneration of directors
- (5) Remuneration for individual directors
- (6) Other items as required by the Board of Directors concerning the preceding items

2) Business Monitoring Committee

In response to requests from the Board of Directors or the President for advice, the members of this committee discuss significant transactions with related parties and submit their advice to the Board of Directors.

Skill matrix of directors and statutory auditors after appointments

If shareholders approve proposals 2 and 3 with no revisions, the skill matrix for major professional skills and experience of Nissan Shatai's directors and statutory auditors will be as follows.

Name	Title	Primary Expertise / Experience							
		Corporate Management	Automotive Industry	Governance/ Internal Controls	Legal/ Risk Management	Finance /Accounting	Human Resources	Manufacturing/ Product Technology	Global
Haruhiko Yoshimura	President	•	•	•	•			•	•
Shin Kotaki	Director	•	•	•		•	•	•	•
Masayuki Yabe	Director	•	•	•				•	•
Takuya Nakamura	Director	•	•		•			•	•
Yasuyuki Ohira	Director (Independent, Outside)	•		•	•		•	•	
Hideaki Shinada	Director (Independent, Outside)	•		•	•			•	•
Kiyoshi Aoji	Statutory Auditor	•	•	•	•		•	•	
Tomonori Ito	Statutory Auditor (Independent, Outside)	•		•	•	•	•		
Nobutaka Kanaji	Statutory Auditor (Independent, Outside)	•	•	•	•				•

Proposal 4 Election of One Substitute Statutory Auditor

To be prepared in the event that the number of statutory auditors falls below the number designated by laws and regulations, the Company proposes to elect one substitute statutory auditor.

This substitute statutory auditor will become a statutory auditor only if the number of statutory auditors falls below the legally designated number and the term of office will be the remainder of the term of office of the statutory auditor who is replaced.

The Board of Statutory Auditors has agreed to this proposal.

The candidate for a substitute statutory auditor is as follows.

Name (Date of Birth)	Brief Personal Record, Positions, Responsibilities, and Important Positions at Other Companies	Number of Shares of the Company Owned
<p>Kazuhiro Okada (December 29, 1961) Male</p> <p>Reappointment/ Outside Statutory Auditor/ Independent statutory auditor</p>	<p>Apr 1986: Joined The Bank of Yokohama, Ltd. Sep 2005: General Manager, Omori Branch, The Bank of Yokohama, Ltd. Apr 2007: General Manager, Jiyugaoka Branch, The Bank of Yokohama, Ltd Apr 2009: General Manager, Credit Dept., The Bank of Yokohama, Ltd. Feb 2010: General Manager, Noborito Branch, The Bank of Yokohama, Ltd May 2012: General Manager, Chigasaki Branch, The Bank of Yokohama, Ltd. Apr 2013: Executive Officer, The Bank of Yokohama Ltd. Apr 2015: Managing Executive Officer, The Bank of Yokohama Ltd. Jun 2018: Director and Managing Executive Officer, The Bank of Yokohama Ltd Apr 2021: Director, The Bank of Yokohama Ltd. Jun 2021: Substitute Statutory Auditor, Nissan Shatai Co., Ltd. Jun 2021: Part-time Statutory Auditor, JUST AUTOMOBILE LEASING CO.,LTD. (Current Position) Jun 2021: Senior Managing Director, TOCAD ENERGY CO.,LTD. (Current Position) Jul 2021: Outside Director, Daisei every24 Co.,Ltd. (Current Position) Jun 2022: Substitute Statutory Auditor, Nissan Shatai (Current Position)</p> <p>Important positions at other companies: Senior Managing Director, TOCAD ENERGY CO.,LTD.</p>	<p>0 shares</p>

Reason for selection as a substitute statutory auditor candidate

Due to his long career at a financial institution, Mr. Okada has considerable experience and knowledge concerning finance and accounting as well as corporate management. As Mr. Okada is well suited to perform auditing operations if the number of auditors at Nissan Shatai falls below the number required by laws and regulations, he is a candidate for election as a substitute statutory auditor.

Notes:

1. There is no special interest between Nissan Shatai and Mr. Okada.
2. Mr. Okada is a candidate for a substitute outside statutory auditor post.
3. If Mr. Okada is elected a substitute statutory auditor at the general shareholders meeting as proposed and subsequently becomes a statutory auditor, he will be an independent statutory auditor as stipulated by Tokyo Stock Exchange, Inc.
4. If Mr. Okada is elected a substitute statutory auditor at the general shareholders meeting as proposed and subsequently becomes a statutory auditor, Nissan Shatai plans to conclude a limited liability contract with Mr. Okada that limits his liability regarding Nissan Shatai to a certain level.

The main terms of this contract are as follows.

- (1) If a statutory auditor becomes liable for damages to the Company due to neglect of their duties, the liability will be limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.
 - (2) The limit of liability in the above paragraph will apply only in cases where the statutory auditor concerned acted in good faith and there was no gross negligence concerning the duties liable for damages.
5. If Mr. Okada is elected a substitute statutory auditor at the general shareholders meeting as proposed and subsequently becomes a statutory auditor, he will be covered by the officer liability limitation insurance policy concluded by Nissan Shatai with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act. A summary of the terms of this policy is on page 27 of this report.

(Attached Documents) Business Report

(From April 1, 2022 to March 31, 2023)

1. Current State of Corporate Group

(1) Operations and results

In the fiscal year that ended in March 2023, movement toward an economic recovery was seen, but great care continued to be necessary regarding shortages of semiconductors and other parts, commodity price rises and rapid fluctuations of foreign currency exchange rates, etc.

Regarding the environment surrounding the Nissan Shatai Group, the uncertain outlook continued. In addition to the chaos in the supply chains caused by the Shanghai lockdown until the second quarter, the situation in which the supply of parts was restricted as a consequence of the semiconductor shortages continued. From the third quarter onwards, production activities greatly recovered compared to the previous fiscal year which was greatly impacted by the semiconductor shortages, but price rises for materials and energy had an impact.

In this environment, the volume of orders from Nissan Motor Co., Ltd. increased 24.8% year-on-year to 141,983 units. Net sales increased by 92.1 billion yen year-on-year to 307.5 billion yen because sales of passenger vehicles such as the Patrol and Armada, etc. grew. Looking at income and loss, operating income increased by 7.9 billion yen to 4.3 billion yen due to the increase in the volume of orders and other factors, ordinary income increased by 7.6 billion yen to 5.1 billion yen, and profit attributable to owners of parent increased by 6.1 billion yen to 3.8 billion yen due to the booking of extraordinary income of reversal of recall expenses, and other factors.

Sales Breakdown

Category	Volume (Units)	Amount (Million yen)	Year-on-year change (%)
Passenger vehicles	85,436	220,409	+60.5%
Commercial vehicles	45,421	51,775	+7.8%
Microbuses	11,126	14,566	+53.0%
Vehicle parts, etc.	—	20,769	+1.3%
Total	141,983	307,521	+42.8%

(2) Funding activities

There were no funding activities to be reported during the fiscal year under review.

(3) Capital expenditures

Capital expenditures during the fiscal year under review totaled approximately 13.1 billion yen. This was for the improvement of product attractiveness through the new products and minor changes of existing products, as well as for the enhancement of plant and equipment by such means as the rationalization of manufacturing facilities, the improvement of welfare facilities, and environmental improvements.

(4) Issues and outlook for the year ahead

In fiscal 2017, Nissan Shatai started a Medium-Term Management Plan covering fiscal years 2017 to 2022. The plan's fundamental direction is building a powerful and long-lasting foundation for success by focusing on LCV and frame-vehicle technological expertise to supply vehicles with outstanding quality and appeal to customers. This plan has three major goals: (1) Produce highly appealing vehicles to increase production and sales; (2) Operate plants with the best quality that can earn the trust of customers; and (3) Establish global technology bases for LCV and frame-vehicle manufacturing. During this period, Nissan Shatai started producing new models of the Paramedic for the first time in 20 years, the Patrol NISMO as well as the Patrol and the Elgrand with refurbished external appearances and advanced safety features. Regarding commercial vehicles, we installed in the Caravan a new model diesel engine which greatly enhances fuel efficiency and quietness.

When formulating the new Medium-term Management Plan, Nissan Shatai perceived the following environmental changes and decided the issues to tackle in order to realize its business portfolio.

<The necessity of a response to climate change>

Global-scale warming caused by social activities is progressing and an enormous impact on our living environment and the ecosystem is starting to appear, so reduction of the CO₂ emitted by corporate behavior and CO₂ emissions in the lifecycle of products is required.

<Changes in the needs of the market>

Nissan Shatai is responding to the diversification of consumer needs and changes to market requirements and therefore products and services utilizing a variety of technologies which can meet those needs and requirements are required.

<Increase in the societal responsibilities required of companies>

It is necessary to continue fulfilling our societal responsibilities and strengthening our management foundation from the perspectives of the SDGs and ESG in order to respond to global social issues and aim for sustainable growth.

<Changes in the working population and the awareness of employees>

The working population is continuing to decline due to the falling birthrate and aging society. Furthermore, perception is also diversifying, so the building of a sustainable corporate foundation which enables the employees to work energetically and with motivation is necessary.

[Major businesses]

Nissan Shatai will work toward expansion of the following major businesses in the new Medium-term Management Plan which is stipulated for the five years from 2023 to 2027. For that reason, we expect investment of more than 90 billion yen in the period of this Medium-term Management Plan.

<Commercial vehicles and premium cars>

Through the evolution and deepening of uniqueness, we will work toward the enhancement of manufacturing technological capabilities and productivity, and raise the added value of the products to expand profits and the number of units sold.

<Specially equipped vehicles>

In the specially equipped vehicle business, in which future growth potential and high profitability can be expected, we will work toward business expansion by responding rapidly to the diversifying needs of our customers.

<Support businesses>

We will work toward expansion of production volume and business volume in our full range of support businesses, including service parts production, engineering services, and vehicle electrification support.

In the 2023-2027 Medium-term Management Plan we have defined our Vision for our Future as "Contribute to society through our commercial vehicles, premium cars, specially equipped vehicles, and support businesses and become the one and only presence trusted by our customers." And we will tackle the three issues of "Sustainable corporate foundation," "Creation of appealing products," and "Evolution and deepening of uniqueness."

“Sustainable corporate foundation”

Nissan Shatai will realize carbon neutral by 2050.

Through the efforts of all of our employees we will realize a company climate in which anyone can work with motivation and peace of mind.

“Creation of appealing products”

Nissan Shatai will meet the diversifying needs of our customers in a timely manner and create products and value which excite our customers.

“Evolution and deepening of uniqueness”

Nissan Shatai will continue to explore innovation, efficiency and flexibility through technologies and ideas brimming with uniqueness.

In the first fiscal year of the new Medium-term Management Plan, we will continue to take full advantage of the integrated manufacturing infrastructure extending from development to production that is our greatest strength in order to establish manufacturing operations that can adapt with flexibility to market trends. There will also be measures to reinforce measures for compliance with laws and regulations and corporate governance. By taking these actions, we are determined to earn even greater confidence among customers, shareholders, business partners, communities, employees and all other stakeholders.

(5) Financial performance highlights

Item	Fiscal term	97th Fiscal term (Ended March 31, 2020)	98th Fiscal term (Ended March 31, 2021)	99th Fiscal term (Ended March 31, 2022)	100th Fiscal term (Ended March 31, 2023)
Net sales	(Million yen)	498,831	362,869	215,359	307,521
Ordinary income (loss)	(Million yen)	9,802	1,973	(2,541)	5,118
Profit (loss) attributable to owners of parent	(Million yen)	5,827	1,917	(2,217)	3,883
Earnings (loss) per share	(Yen)	43.02	14.16	(16.37)	28.67
Total assets	(Million yen)	264,709	261,052	231,233	249,149
Net assets	(Million yen)	168,792	175,176	172,190	172,987
Book value per share	(Yen)	1,246.13	1,293.27	1,271.22	1,277.11

Notes:

1. Earnings (loss) per share is calculated on the basis of the average number of shares outstanding during each fiscal term, after deduction of treasury stock.
2. Nissan Shatai has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) etc. effective from the beginning of the previous fiscal year and the consolidated financial statements for this fiscal year onward incorporate this standard, etc.

(6) Principal parent company and subsidiaries

a) Parent company

Nissan Shatai's parent company Nissan Motor Co., Ltd. holds 67,726 thousands shares (50.0% of all voting rights) of the total number of Nissan Shatai's shares outstanding, and accounts for 99.8% of Nissan Shatai's net sales.

b) Transactions with the parent company

- 1) Points considered to prevent detrimental effects to Nissan Shatai's interest as a result of these transactions and reason for judgement by the Board of Directors if these transactions are detrimental to Nissan Shatai's interest or not

Transactions with the parent company are carried out according to the Master Production Service Agreement and transaction prices for automobile to the parent company are determined by negotiations that take into account the total cost of manufacturing.

In addition, the background to and details of the negotiations are deliberated by the Business Monitoring Committee, which consists of independent outside directors and independent outside statutory auditors, reported to the Board of Directors, and confirmed by the Board of Directors.

- 2) Opinion concerning transactions with the parent company in the event that the decision of the Board of Directors differs from the opinion of the outside director
Not applicable.

c) Principal subsidiaries

Company name	Capital (Million yen)	Share of voting rights (%)	Main business
Nissan Shatai Kyushu Co., Ltd.	10	100	Vehicle manufacture
Nissan Shatai Manufacturing Co., Ltd.	432	100	Pressing and assembly of auto parts, molding and assembly of resin products
Nissan Shatai Engineering Co., Ltd.	40	100	Machinery maintenance and servicing, equipment installation, logistics
Auto Works Kyoto Co., Ltd.	480	100	Vehicle conversion
Nissan Shatai Computer Service Co., Ltd.	100	100	System and program development
Pro Staff Co., Ltd.	90	100	Temporary staff placement

Note: Shares of voting rights include those held indirectly.

(7) Principal business operations The Nissan Shatai Group's principal business is the manufacture and sale of motor vehicles and auto parts, other business activities including servicing related to the aforesaid.

Its principal products are as follows:

Category	Product names
Passenger vehicles	NV200 Vanette, Caravan, Elgrand, Patrol (Y61/Y62), Armada, QX80
Commercial vehicles	AD, NV200 Vanette, Caravan, Patrol Pickup
Microbuses	Caravan
Vehicle parts, etc.	Vehicle parts, other items and vehicle conversion

(8) Principal offices, facilities, and plants

a) Nissan Shatai

Office / facility / plant	Location
Head Office	Hiratsuka, Kanagawa Prefecture
Kyushu Office	Kanda-machi, Miyako-gun, Fukuoka Prefecture
Development Division	Hiratsuka, Kanagawa Prefecture
Hadano Office	Hadano, Kanagawa Prefecture
Tochigi Office	Kaminokawa-machi, Kawachi-gun, Tochigi Prefecture
Production Division	Hiratsuka, Kanagawa Prefecture
Shonan Plant	Hiratsuka, Kanagawa Prefecture
Quality Assurance Kyushu, Quality Administration Group	Kanda-machi, Miyako-gun, Fukuoka Prefecture
Kyoto Office	Uji, Kyoto Prefecture

b) Subsidiaries

Nissan Shatai Kyushu Co., Ltd.	Head Office and plant: Kanda-machi, Miyako-gun, Fukuoka Prefecture
Nissan Shatai Manufacturing Co., Ltd.	Head Office and Plant: Hiratsuka, Kanagawa Prefecture
Nissan Shatai Engineering Co., Ltd.	Head Office: Hiratsuka, Kanagawa Prefecture Plants: Hiratsuka, Kanagawa Prefecture; Kanda-machi, Miyako-gun, Fukuoka Prefecture
Auto Works Kyoto Co., Ltd.	Head Office: Uji, Kyoto Prefecture Plants: Uji, Kyoto Prefecture; Hiratsuka, Kanagawa Prefecture; Kanda-machi, Miyako-gun, Fukuoka Prefecture

(9) Employee information

a) Group employees

Number of employees	Change from end of previous fiscal year
3,951	(65)

b) Nissan Shatai employees

Number of employees	Change from end of previous fiscal year
1,698	(32)

2. Share Data

- (1) Total number of shares authorized to be issued 400,000,000
- (2) Total number of shares issued 157,239,691
(including 21,786,830 shares of treasury stock)
- (3) Number of shareholders at fiscal year-end 4,260
- (4) Ten largest shareholders

Name	Number of shares (Thousands)	Ratio of issued shares (%)
Nissan Motor Co., Ltd.	67,726	50.0
MLI for Segregated PB Client	21,000	15.5
Goldman Sachs International	16,665	12.3
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,411	3.3
Nissan Shatai Supplier Stock Ownership Plan	2,495	1.8
ECM MF	2,182	1.6
Custody Bank of Japan, Ltd. (Trust Account)	1,223	0.9
JP Morgan Chase Bank 385781	789	0.6
The Tachibana Securities Co., Ltd.	764	0.6
INTERTRUST TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF JAPAN-UP	749	0.6

Note: Nissan Shatai holds 21,786,830 shares of treasury stock, but has been excluded from the above list of ten largest shareholders. The ratios of issued shares have been calculated after excluding treasury stock.

3. Directors and Statutory Auditors

(1) List of directors and statutory auditors (at March 31, 2023)

Title	Name	Responsibilities	Important positions at other companies
President*	Haruhiko Yoshimura	Internal Audit Office, Division General Manager Corporate Quality Assurance Div.	President, Nissan Shatai Kyushu Co. Ltd.
Director	Shin Kotaki	Overall supervision of General & Administration Div. Internal Control Office, Secretariat; Administration Dept.	
Director	Masayuki Yabe	Overall supervision of Research and Development Div. Project Engineering Dept.	
Director	Takuya Nakamura	Overall supervision of Production Div. Safety and Environment Administration Dept., Production Administration Dept.	
Director (Outside)	Masayuki Imai		Director and Executive Vice President, Kanagawa Chuo Kotsu Co.,Ltd. President, Oyama Kanko Dentetsu Co.,Ltd.
Director (Outside)	Yasuyuki Ohira		
Statutory Auditor	Kiyoshi Aoji	Full-time	Statutory Auditor, Nissan Shatai Kyushu Co., Ltd., Statutory Auditor, Auto Works Kyoto Co., Ltd.
Statutory Auditor (Outside)	Izumi Inoue		Chief Executive Officer, Japan Risk Solution Co., Ltd.
Statutory Auditor (Outside)	Tomonori Ito		Director, Kanagawa Association of Corporate Executives Statutory Auditor, JATCO Ltd.

Notes:

1. * indicates a representative director.
2. Mr. Imai and Mr. Ohira are outside directors.
3. Mr. Inoue and Mr. Ito are outside statutory auditors.
4. Directors, Mr. Imai, Mr. Ohira, Statutory auditors, Mr. Inoue and Mr. Ito are independent directors or statutory auditors as stipulated by Tokyo Stock Exchange, Inc.
5. Mr. Ito, who is a statutory auditor, has considerable knowledge concerning finance and accounting due to many years of experience at financial institutions.
6. Director Seiichiro Ichikawa and statutory auditor Toshikatsu Hamaji resigned as director and statutory auditor, respectively, at the end of the 99th General Meeting that was held on June 23, 2022.
7. Yasuyuki Ohira was newly elected as a director in the 99th General Meeting that was held on June 23, 2022.
8. Kiyoshi Aoji was newly elected as a statutory auditor at the 99th General Meeting that was held on June 23, 2022.
9. There are no capital ties between Nissan Shatai and Kanagawa Chuo Kotsu Co., Ltd. Nissan Shatai uses Kanagawa Chuo Kotsu's bus, taxi and hotel services as a general customer. Sales of Kanagawa Chuo Kotsu to Nissan Shatai were insignificant (less than 1% of annual consolidated sales) in FY2022. Nissan Shatai recorded no sales to this company.
10. There are no capital ties and business relations between Nissan Shatai and Oyama Kanko Dentetsu Co., Ltd.
11. There are no capital ties and business relations between Nissan Shatai and Japan Risk Solution Co., Ltd.
12. There are no capital ties and business relations between Nissan Shatai and Kanagawa Association of Corporate Executives.
13. JATCO Ltd is a subsidiary of Nissan Motor Co., Ltd., Nissan Shatai's parent company.

(2) Remuneration of directors and statutory auditors

1) Total amount of remuneration of directors and statutory auditors

Office	Total amount of remuneration (Million yen)	Total amount of remuneration (Thousand yen)			No. of persons
		Base salary	Remuneration linked to results of operations, etc.	Non-monetary remuneration, etc.	
Directors	124	100	23	—	7
Statutory Auditors	31	31	—	—	4
Total	155	131	23	—	11

Notes:

1. This table includes one director and one statutory auditor who resigned at the end of the 99th General Meeting that was held on June 23, 2022.
2. The remuneration paid to three outside directors and two outside statutory auditors during the fiscal year under review totaled 32 million yen.
3. Remuneration linked to results of operations, etc. is the amount of this remuneration for FY2021 that was confirmed in June 2022. Remuneration linked to results of operations, etc. for FY2022 had not been confirmed when this publication was prepared. Consequently, the remuneration linked to results of operations for FY2022 is not included in the table shown above.
4. Outside directors and outside statutory auditors of Nissan Shatai received aggregate remuneration of 8 million yen for duties performed as directors or statutory auditors at Nissan Motor or a subsidiary of Nissan Motor.

2) Remuneration linked to results of operations

Remuneration linked to results of operations ratio is calculated by multiplying the payment ratio that is established for each title of directors who are also Nissan Shatai corporate officers (40% of FY base salary for the president and 30% for other directors) by the degree to which each individual's targets concerning financial indicators and other performance were achieved in the applicable fiscal year. Financial indicators used for remuneration linked to results of operations are major indicators for the preservation of a sound foundation for business operations for many more years and include consolidated operating income, consolidated free cash flows and other items. Furthermore, these indicators are consistent with the current medium-term management plan and are reexamined as needed to reflect changes in the business climate. To evaluate personal accomplishments, targets for quality and productivity improvements and other items are established that reflect each individual's duties. These items are selected in each fiscal year upon agreement by the president and each director who is also a corporate officer.

Major performance indicators and results of operations in FY2022 for remuneration linked to results of operations, etc.

Performance indicators	Target (Billion yen)	Actual (Billion yen)	Achievement rate (%)
Operating income	95.0	43.9	46.2%
Free cash flow	(67.2)	16.8	—

Note: This table shows the major targets for results of operations and actual results of operations that have been confirmed concerning FY2022 remuneration linked to

results of operations, etc. As there are other indicators for which results of operations had not been confirmed when this publication was prepared, FY2022 performance-based remuneration, etc. has not yet been confirmed.

3) Shareholders meeting resolutions concerning remuneration, etc. of directors and statutory auditors

At the 59th General Meeting that was held on June 30, 1982, shareholders approved resolutions to limit total monthly remuneration to 30 million yen for directors and 5 million yen for statutory auditors. At the end of this meeting, there were 15 directors and 2 statutory auditors.

4) Method for determining remuneration for individual directors

1. Policy and method for determining remuneration for individual directors

On March 22, 2022, the Board of Directors approved a resolution concerning a partial amendment of the policy for determining remuneration for individual directors. Before this resolution was approved, the Nominations and Remuneration Committee discussed the proposed policy and submitted their findings to the Board of Directors.

2. Summary of the remuneration policy

There are two components of remuneration, both monetary, for directors. One is a fixed base salary. The other is remuneration linked to results of operations that is determined in accordance with the achievement of major Nissan Shatai performance targets and the performance of each director. Outside directors receive only the base salary.

- The base salary is a fixed monthly payment that is determined by taking into consideration executive titles, duties, Nissan Shatai's results of operations, the contributions of each director and other factors.
- Remuneration linked to results of operations is monetary remuneration that reflects performance indicators for results of operations in each fiscal year. This remuneration is paid in addition to the monthly base salary.
- Remuneration linked to results of operations is determined by using companies in similar industries as benchmarks and establishing a standard ratio of the base salary for each executive title. These standard ratios are determined by the Board of Directors after taking into account the results of a discussion of this matter by the Nominations and Remuneration Committee.

3. Reason for the Board of Directors' judgment that FY2022 remuneration for individual directors is consistent with the remuneration determination policy.

The Board of Directors has concluded that FY2022 remuneration for individual directors is consistent with the remuneration determination policy because the method used to determine this remuneration and the content of this remuneration are consistent with the policy and because the Nominations and Remuneration Committee confirmed compliance with the policy.

5) Delegation by the Board of Directors of authority for determination of remuneration for individual directors

The Board of Directors has given Nissan Shatai President Haruhiko Yoshimura the authority to determine the base salary and remuneration linked to results of operations of individual directors. The reason is the judgment of directors that this delegation of authority is appropriate because, with the involvement of the Nominations and Remuneration Committee, the company president is able to evaluate the performance of the business units supervised by individual directors. The president prepares an initial proposal for remuneration and submits the proposal to the Nominations and Remuneration Committee. The president then takes the results of the committee's discussions into consideration and makes final decisions concerning remuneration.

(3) Outline of limited liability contract

Under Article 423, Paragraph 1 of the Companies Act, the Company has concluded limited liability contracts with outside directors and statutory auditors, with limits as prescribed in Article 425, Paragraph 1 of the Companies Act.

(4) Summary of terms of liability insurance policies for executives and other

Nissan Shatai has purchased liability insurance policies as stipulated in Article 430, Paragraph 3-1 of the Companies Act for directors, statutory auditors, executive officers and important employees (including individuals who were at a Nissan Shatai group company during the applicable fiscal year) of Nissan Shatai and the subsidiaries listed in "1-(6)-c Principal subsidiaries." Nissan Shatai pays all premiums for these policies.

These policies provide payments for losses incurred by an insured individual who has been required to pay damages due to an activity (including neglect) associated with the individual's job. These policies are purchased every year.

This liability insurance does not cover payments resulting from actions by Nissan Shatai demanding the payment of damages and does not cover losses caused by a criminal act or intentionally illegal activity of an insured individual. These exemptions are provided for the purpose of ensuring that liability insurance does not have a detrimental effect on the proper performance of duties by individuals who are insured.

(5) Matters related to outside directors and outside statutory auditors

- 1) Outside directors and outside statutory auditors' material concurrent employments and relationships between the Company and the Company's concurrent counterparties
As stated in "(1) List of directors and statutory auditors"

2) Principal activities in the term under review

Category	Name	Summary of attendance, participation and expected roles
Director	Masayuki Imai	Mr. Imai attended all 18 meetings of the Board of Directors during the fiscal year. He adequately performed the role required of an outside director with activities including stating many opinions that used his extensive knowledge of corporate finance

		<p>and accounting acquired at a company in a different industry.</p> <p>In addition, he attended all 4 meetings of the Nominations and Remuneration Committee and all 8 meetings of the Business Monitoring Committee during the fiscal year, and was chairman of both committees, which are voluntary advisory committees for the Board of Directors. Mr. Imai used his independent and objective perspective to play a central role in the oversight function concerning the selection of director and statutory auditor candidates, the determination of remuneration for directors and statutory auditors, and the determination of terms for business transactions with Nissan Motor.</p>
Director	Yasuyuki Ohira	<p>Following his election on June 23, 2022 as a director, Mr. Ohira has attended all 14 meetings of the Board of Directors during the fiscal year. He adequately performed the role required of an outside director with activities including stating many opinions that used his extensive knowledge of all aspects of management acquired through long experience in the engineering division at a company in a different industry and serving as the head of the production technology division and research and development division and the president of a group company.</p> <p>In addition, he attended the 2 meetings of the Nominations and Remuneration Committee and all 6 meetings of the Business Monitoring Committee during the fiscal year from June 23, 2022 onwards as a member of these committees, which are voluntary advisory committees for the Board of Directors. Mr. Ohira used his independent and objective perspective to perform the oversight function concerning the selection of director and statutory auditor candidates and the determination of terms for business transactions with Nissan Motor.</p>
Statutory Auditor	Izumi Inoue	<p>Mr. Inoue attended all 18 meetings of the Board of Directors and all 14 meetings of the Board of Statutory Auditors during the fiscal year. He provided advice from an independent perspective by using his many years of experience as a manager in the non-life insurance and other industries and particularly his extensive knowledge concerning business risk management and corporate governance. He adequately performed the role required of an outside statutory auditor.</p> <p>In addition, he attended all 8 meetings during the fiscal year of the Business Monitoring Committee as a member</p>

		of this committee, which is a voluntary advisory committee for the Board of Directors. At this committee, he performed the functions of an outside statutory auditor by making statements from an independent and objective perspective concerning the determination of terms for business transactions with Nissan Motor.
Statutory Auditor	Tomonori Ito	Mr. Ito attended 18 meetings of the Board of Directors and all 14 meetings of the Board of Statutory Auditors during the fiscal year. He performed the role required of an outside statutory auditor by using his many years of financial institution management experience and extensive knowledge of finance and accounting to provide advice. In addition, Mr. Ito attended 7 of the 8 meetings of the Business Monitoring Committee during the fiscal year as a member of this committee, which is a voluntary advisory committee for the Board of Directors. At this committee, he performed the functions of an outside statutory auditor by making statements from an independent and objective perspective concerning the determination of terms for business transactions with Nissan Motor.

4. Accounting Auditor

(1) Name of accounting auditor

Ernst & Young ShinNihon LLC

(2) Amount of remuneration, etc., of accounting auditor for the fiscal year under review

- a) Amount of remuneration as accounting auditor for the fiscal year under review: 43 million yen
- b) Total amount of monetary or other property benefits to be paid by Nissan Shatai or its subsidiaries: 43 million yen

Note: In the audit agreement between Nissan Shatai and the accounting auditor, there is no demarcation of the remuneration for audits based on the Companies Act and the remuneration for audits based on the Financial Instruments and Exchange Act, and since in essence it is not possible to demarcate them, the amount in a) above represents the combined sum of the two.

(3) Policy regarding decisions on the dismissal or non-reappointment of the Accounting Auditor

When accounting auditors are recognized as meeting the conditions of Article 340, Paragraph 1 of the Companies Act, the accounting auditors are dismissed by the Board of Statutory Auditors with the concurrence of all statutory auditors.

Further, if in addition it is adjudged that there are obstacles to execution of proper audits by the accounting auditors from the standpoints of independence and professionalism, the decision may be made by the Board of Statutory Auditors to dismiss or deny reappointment, and based on a Board of Directors resolution the relevant proposal is presented by the Board of Directors to the General Shareholders Meeting.

(4) Reason that Board of Statutory Auditors consent for remuneration, etc. for the accounting auditor

The Board of Statutory Auditors used documents and reports obtained as needed from associated Company departments and the accounting auditor to perform an examination of the auditing plan, the services provided in the previous fiscal year, the basis for calculating estimated remuneration and other items concerning the accounting auditor. This examination resulted in the decision that the remuneration, etc. for the accounting auditor was suitable and consent was given as stated in Article 399, Paragraph 1 of the Companies Act.

5. Outline of the contents of the resolution on the establishment of a system to ensure the appropriateness of business

(1) Systems to ensure that directors and employees comply with laws, ordinances, and the Articles of Incorporation in the execution of their duties

Recognizing the importance of directors and employees of Nissan Shatai acting with sound judgment as members of society, Nissan Shatai develops the Nissan Shatai Code of Conduct—Our Promise in the aim of ensuring legal compliance and proper execution of duties. In-house training and other courses promote dissemination of the Code of Conduct, and all directors and employees submit written oaths of compliance with the Code of Conduct. Furthermore, each Nissan Shatai group company develops own code of conduct based on Nissan Shatai's code and promote dissemination of their respective code.

The Internal Control Department performs all activities involving internal controls in order to ensure that these controls are used and to make improvements. The Internal Audit Office also conducts audits of Nissan Shatai and its group companies, primarily to check compliance with laws, ordinances, and the Articles of Incorporation.

Nissan Shatai and its group companies introduce hotline system(internal and external) so that employees of Nissan Shatai and its group companies can freely and directly submit opinions, questions or requests and provide information about suspected actions of none compliance, and such issues are promptly identified and rectified. If a matter that could contravene the Code of Conduct is reported, a solution is immediately discussed at meeting of the Nissan Shatai Compliance Committee or its group companies' Compliance Committees and implemented.

Nissan Shatai and its group companies are resolute in its opposition to anti-social forces. In the event that directors or employees are approached in any way by members of antisocial groups, they quickly report the matter to their superiors and relevant divisions and follow their instructions. Directors and employees shall not, directly or indirectly, engage in dishonest or criminal conduct such as fraud or blackmail in the course of their business activities. If they encounter such situation, they shall act resolutely against it and they quickly report such matter to their superiors and relevant divisions, and follow their instructions.

Furthermore, Nissan Shatai and its group companies strive to enhance internal control mechanisms to ensure the reliability of financial reporting in accordance with the Financial Instruments and Exchange Law together with its related rules and standards.

(2) Systems for storage and management of information relating to the exercise of directors' duties

Nissan Shatai and its group companies' minutes of general shareholders meetings and of Board of Directors meetings, together with records of decisions made pursuant to the authority criteria and documentation on other decisions, are stored and managed in accordance with laws and internal regulations at Nissan Shatai and its group companies respectively. Directors, statutory auditors and some others have access to such documentation for the purpose of performing their business activities.

Nissan Shatai and its group companies implement Information Security Policy respectively to enhance proper and strict retention and management of information and to prevent

improper use of information and unintended disclosure of such information. Furthermore, Nissan Shatai and its group companies have Information Security Committee respectively, which is engaged in overall management of information security and make decisions with respect to information security matters.

(3) Risk management regulations and systems

Nissan Shatai and its group companies prevent the occurrence of risks that could hinder business continuity or threaten stakeholder safety or security and, if they occur, mitigate the magnitude of losses and prevent recurrence by discovering and identifying such risks early and implementing appropriate countermeasures.

The Risk Management Committee chaired by Nissan Shatai's president is responsible for the management of Nissan Shatai and its group companies' risk, which implements necessary measures and monitor the progress of such measures.

Key risks for Nissan Shatai and its group companies include environmental, quality, and safety issues. Nissan Shatai regularly convenes meetings of specialist committees including Environmental Committee, Quality Committee, and Safety Council, and develops regulations, standards, manuals and other rules and conduct rigorous training programs in order to prevent the occurrence and, if they occur, mitigate the magnitude of losses and prevent recurrence.

(4) Systems to ensure efficient execution of duties by directors

Nissan Shatai has Board of Directors, which decides material business activities of Nissan Shatai and monitors the activities of individual directors. In addition, statutory auditors who comprise Board of Auditors audit the activities of the directors.

Nissan Shatai's Board of Directors is relatively small, so it is structured with a transparent and logical system of delegation, by which the authority to perform business activities is properly delegated to corporate officers and other employees.

The Executive Committee consisting of corporate officers and other key managers meets once a week in principle to discuss specific management issues.

Nissan Shatai enacts Responsibilities of Each Department for the purpose of defining the responsibilities of each department and enacts Delegation of Authority for the purpose of clarifying the deciders and decision making processes, and speeding up the execution of business activities. Likewise, its group companies enact objective and transparent Responsibilities of Each Department and Delegation of Authority. Nissan Shatai and its group companies periodically review those Responsibilities of Each Department and Delegation of Authority to assure prompt and efficient decision making.

Nissan Shatai ensures the efficient and effective management of its business by determining and sharing management policy and business direction in Nissan Shatai and its group companies through establishment of the mid-term management plan and the annual business plan.

(5) Systems to ensure proper conduct of work in the corporate group consisting of Nissan Shatai and its parent company and subsidiaries

1) Systems to ensure efficient execution of duties by subsidiaries' directors and the like

To achieve consistency and efficiency in group management, Nissan Shatai holds regular meetings with the parent company and Nissan Shatai group companies respectively and shares with management policies and other important information. Each department of Nissan Shatai enhances cooperation with corresponding function of the group companies and achieves consistency and efficiency in group management.

- 2) Systems to ensure that directors and the like and employees comply with laws, ordinances, and the Articles of Incorporation in the execution of their duties

To ensure that directors and employees of Nissan Shatai group companies' comply with laws, ordinances, and the Articles of Incorporation, Nissan Shatai implements the measures described in "(1) Systems to ensure that directors and employees comply with laws, ordinances, and the Articles of Incorporation in the execution of their duties". Nissan Shatai's code of conduct is made in compliance with the parent company's code of conduct and sets out consistent philosophies on matters such as compliance and information security. In addition, Nissan Shatai implements hot line system by which employees of Nissan Shatai group companies are able to submit information to its parent company.

When necessary, directors and employees of Nissan Shatai are appointed concurrently as directors or auditors in its group companies and supervise execution of duties and accounting practices on an ongoing basis.

Furthermore, statutory auditors of Nissan Shatai and its group companies periodically have Group Statutory Auditors Meeting for the purpose of ensuring effective auditing of group companies and share information and exchange opinions from the viewpoint of consolidated management.

- 3) Risk management regulations and systems of the subsidiaries

To manage risk of Nissan Shatai group companies, Nissan Shatai implements the measures described in "(3) Risk management regulations and systems".

- 4) Systems for reporting from directors and the like to the company about the execution of their duties

Nissan Shatai requests its group companies to report about important information of their duty executions.

- (6) Matters relating to employees appointed to assist Nissan Shatai's statutory auditors in their duties and the independence of such employees from directors, and systems to ensure the effectiveness of instruction by statutory auditors

To improve the effectiveness of audits by Nissan Shatai's statutory auditors and enable the statutory auditors to perform audits smoothly, the Secretariat has been staffed with managers and other employees to assist the statutory auditors in their duties, and they perform their duties under the instruction and supervision of statutory auditors. To ensure the independence of these employees from the directors, their appointment,

dismissal, appraisal, transfer to another department and disciplinary action require prior consent from the statutory auditors.

(7) Systems for reporting to Nissan Shatai's statutory auditors and systems to ensure that a person who reported to the statutory auditors is not unfairly treated because of making such report

1) Systems for reporting to Nissan Shatai's statutory auditors from its directors and employees

When Nissan Shatai's directors or employees find any issues that had or may have a material impact on the management of Nissan Shatai or its group companies, and caused or may cause material violation of code of conduct, they promptly report such issues to the Nissan Shatai's statutory auditors. In addition, Nissan Shatai's directors and employees are required to make an ad-hoc report to the statutory auditors regarding the situation of business activities when so requested.

In accordance with annual audit plan, Nissan Shatai's statutory auditors attend meetings of the Board of Directors and representative of statutory auditors attends Executive Committee meetings to identify important decisions made by Nissan Shatai and its group companies and to ascertain the execution status of such decisions. Progress with implementation and issues under consideration are also reported to statutory auditors during regular business hearings of divisions. Moreover, the Internal Audit Office provides reports regularly about audit plan and audit result to the Board of Statutory Auditors.

2) Systems for reporting to Nissan Shatai's statutory auditors from directors, statutory auditors, the like, and employees of subsidiaries or a person who received information from them

Directors and statutory auditors, other executives, and employees of Nissan Shatai group companies report promptly to directors and employees of Nissan Shatai when any issues that should be reported to Nissan Shatai's statutory auditors occur. And then directors and employees who are reported about such issues report them to Nissan Shatai's statutory auditors. In addition, directors and statutory auditors, other executives, and employees of Nissan Shatai group companies are required to make an ad-hoc report to Nissan Shatai's statutory auditors regarding the situation of business activities and any other issues when so requested.

3) Systems to ensure to prevent disadvantageous treatment of those who made a report as stated in 1) and 2) above on the basis of making such report

Nissan Shatai prohibits disadvantageous treatment of those who made a report as stated in 1) and 2) above on the basis of making such report. Nissan Shatai takes necessary measures to protect those who made such report and takes strict actions, including disciplinary actions, against directors and employees of Nissan Shatai and its group companies who gave disadvantageous treatment to those who made such report.

- (8) System for advance payment or settlement of expenses arising from the execution of the duties of Nissan Shatai's statutory auditors and the policy for settlement of expenses arising from the execution of their duties

Nissan Shatai promptly processes advance payment or settlement of expenses and liabilities arising from the execution of their duties when statutory auditors so requests. In accordance with Companies Law, except when it is proven that the expenses and liabilities are unnecessary. Appropriate amount of budget for audit activities is secured.

- (9) Other systems to ensure effective audits by statutory auditors

At least 50% of the statutory auditors are outside statutory auditors. The statutory auditors hold meetings of the Board of Statutory Auditors and Statutory Auditors Meeting periodically in order to share tasks by exchanging information and opinions. Ad-hoc meetings are also held whenever necessary.

Nissan Shatai's statutory auditors and president periodically hold meetings to exchange information and views about the financial condition, tasks to be tackled and risks associated with Nissan Shatai's business activities. Statutory auditors receive periodic audit reports from the accounting auditor.

6. Overview of Operations of Internal Control System

This section presents an overview of the status of the operations in the 100th fiscal term of the systems to ensure appropriate business conduct (hereinafter “Internal Control System”) of Nissan Shatai and its group companies. The Internal Control Department confirms the status and operations of the Internal Control System on a regular basis and submits reports to the Board of Directors.

(1) Compliance

Nissan Shatai maintains a code of conduct for directors and employees that complies with the parent company code of conduct. The Compliance Committee was established as a body to oversee matters pertaining to compliance and meetings are convened regularly (12 times in the current fiscal year). In order to improve compliance in Nissan Shatai and its group companies, the Compliance Committee has developed and implemented action plans, including provision of regular compliance education for employees of Nissan Shatai and its group companies. Furthermore, group companies of Nissan Shatai also hold similar committee meetings regularly and engage in activities to improve compliance.

The discovery of the final vehicle inspection issue showed that there is a need to expand compliance activities throughout the Nissan Shatai Group. A comprehensive inspection of compliance programs was performed and continued in fiscal 2022. The suitable functioning of all systems that have been established has been confirmed. Nissan Shatai and its group companies have an internal reporting system for submitting reports to the Nissan Shatai Human Resources Dept. or to a designated third party. Furthermore, the Code of Conduct states that individuals who submit reports will be protected and this provision is strictly enforced.

(2) Risk management

The Risk Management Committee was established as a body to oversee matters pertaining to risk and meetings are convened regularly (3 times in the current fiscal year). The Risk Management Committee has specified major risks concerning Nissan Shatai and its group companies and implemented activities to prevent the occurrence and minimize the impact of risk. Furthermore, group companies of Nissan Shatai also hold similar committee meetings regularly and engage in risk management activities. The Information Security Committee was established to oversee matters pertaining to information security and meetings are held regularly (12 times in the current fiscal year). The committee creates and implements action plans that include activities such as regular education programs about the Information Security Policy at Nissan Shatai and its group companies, the strict handling of information according to its classification, and periodic self-assessments. Furthermore, group companies of Nissan Shatai also hold similar committee meetings regularly and engage in activities to improve information security.

The Environmental Committee, Quality Committee, and Safety Council were established as bodies to oversee matters pertaining to environment, quality and safety, respectively, and meetings have been convened regularly, in which the status of progress on risk management promotion activities was reviewed. Furthermore, group companies of Nissan Shatai also hold similar committee meetings regularly and engage in related activities.

(3) Execution of duties by Directors

With the objective of strengthening the monitoring functions of the Board of Directors and incorporating an external perspective on management, two outside directors are elected. In the current fiscal year the Board of Directors met 18 times, where important company matters were reported, deliberated and decided.

Nissan Shatai established a Nominations and Remuneration Committee for the purpose of increasing the transparency and objectivity of the procedure used for decisions concerning nominations of director and statutory auditor candidates and remuneration for directors. This committee met 4 times during the fiscal year. Nissan Shatai also established a Business Monitoring Committee for the purpose of increasing the transparency and objectivity of the procedure used for decisions concerning significant transactions between Nissan Shatai and a related party in order to prevent these transactions from harming Nissan Shatai and the interests of its shareholders. This committee held 8 meetings during the fiscal year. In the current fiscal year the Executive Committee met weekly in principle, and engaged in discussions on specific individual management-related matters arising from the conduction of business. To ensure the efficient execution of the duties of the Directors, reviews of the Delegation of Authority and Responsibilities of Each Department were conducted and necessary revisions were implemented. In addition, similar revisions were made as necessary at Nissan Shatai group companies.

(4) Execution of duties by Statutory Auditors

Nissan Shatai has two outside statutory auditors for the purposes of strengthening the auditing function of the Board of Statutory Auditors and incorporating an external perspective in audits. During the fiscal year that ended in March 2023, this board held 14 meetings where the statutory auditors discussed the performance of the directors, the reliability of financial reports and other subjects.

The statutory auditors, including outside statutory auditors, audit the performance of the directors and confirm the existence and implementation of internal control systems by participating in meetings of the Board of Directors, Corporate Officers meetings and other important meetings, periodically sharing opinions with the directors, and periodically receiving reports from the accounting auditor, Internal Control Department and Internal Audit Office.

Employees who perform their duties exclusively under the instruction and supervision of statutory auditors have been deployed to the Secretariat and, in order to ensure independence from Directors, personnel matters such as appraisal, etc. are implemented with the consent of the Board of Statutory Auditors.

(5) Internal audit

Based on the Internal Audit Plan, an internal audit of the entire operations of Nissan Shatai and its group companies was conducted.

Consolidated Balance Sheet (As of March 31, 2023)

		(Million yen)	
Assets		Liabilities	
Current assets		Current liabilities	
Cash on hand and in banks	396	Trade notes and accounts payable	39,355
Notes and accounts receivable - trade, and contract assets	67,852	Electronically recorded obligations-operating	12,901
Work in process	832	Lease obligations	1,721
Raw materials and supplies	4,127	Accounts payable-other	2,756
Accounts receivable-other	629	Accrued expenses	8,242
Deposits paid	49,031	Income taxes payable	877
Other	254	Deposits received	223
Total current assets	123,124	Deposits received from employees	2,681
Fixed assets		Accrued warranty costs	168
Property, plant and equipment		Other	2,011
Buildings and structures	11,072	Total current liabilities	70,938
Machinery, equipment and vehicles	11,757	Long-term liabilities	
Tools, furniture and fixtures	4,375	Lease obligations	550
Land	14,228	Accrued warranty costs	252
Construction in progress	8,809	Net defined benefit liabilities	2,833
Total property, plant and equipment	50,244	Asset retirement obligations	1,124
Intangible fixed assets	1,906	Other	461
Investments and other assets		Total long-term liabilities	5,222
Investment securities	324	Total liabilities	76,161
Long-term loans receivable	70,000	Net assets	
Deferred tax assets	3,221	Shareholders' equity	
Other	327	Common stock	7,904
Total investments and other assets	73,873	Capital surplus	8,517
Total fixed assets	126,025	Retained earnings	175,639
		Treasury stock	(22,636)
		Total shareholders' equity	169,425
		Accumulated other comprehensive income	
		Remeasurements of defined benefit plans	3,561
		Total accumulated other comprehensive income	3,561
		Total net assets	172,987
Total assets	249,149	Total liabilities and net assets	249,149

Consolidated Statement of Income (From April 1, 2022 to March 31, 2023)

	(Million yen)
Net sales	307,521
Cost of sales	295,930
Gross profit	11,590
Selling, general and administrative expenses	7,199
Operating income	4,390
Non-operating income	
Interest income	342
Dividends income	3
Rent income on fixed assets	214
Subsidies for employment adjustment	251
Other	136
Total non-operating income	949
Non-operating expenses	
Interest expense	56
Rent expenses on fixed assets	139
Depreciation and amortization	8
Other	18
Total non-operating expenses	221
Ordinary income	5,118
Special gains	
Gain on sales of fixed assets	1
Reversal of recall expenses	560
Total special gains	562
Special losses	
Loss on retirement of fixed assets	491
Total special losses	491
Income before income taxes	5,189
Income taxes-current	753
Income taxes-deferred	552
Total income taxes	1,306
Net income	3,883
Profit attributable to owners of parent	3,883

Consolidated Statement of Changes in Net Assets (From April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	7,904	8,517	173,517	(22,635)	167,303
Changes of items during the period					
Cash dividends paid			(1,760)		(1,760)
Profit attributable to owners of parent			3,883		3,883
Purchase of treasury stock				(0)	(0)
Net changes of items other than those in shareholders' equity					
Total changes of items during the period	-	-	2,122	(0)	2,122
Balance at the end of current period	7,904	8,517	175,639	(22,636)	169,425

(Million yen)

	Accumulated other comprehensive income	Total net assets
	Remeasurements of defined benefit plans	
Balance at the beginning of current period	4,886	172,190
Changes of items during the period		
Cash dividends paid		(1,760)
Profit attributable to owners of parent		3,883
Purchase of treasury stock		(0)
Net changes of items other than those in shareholders' equity	(1,324)	(1,324)
Total changes of items during the period	(1,324)	797
Balance at the end of current period	3,561	172,987

Notes to Consolidated Financial Statements

1. Basis of Consolidated Financial Statements

(1) Scope of consolidation

Consolidated subsidiaries: 6

Nissan Shatai Kyushu Co., Ltd., Nissan Shatai Manufacturing Co., Ltd., Nissan Shatai Engineering Co., Ltd., Auto Works Kyoto Co., Ltd., Nissan Shatai Computer Service Co., Ltd., Pro Staff Co., Ltd.

(2) Significant Accounting Policies

1) Valuation methods for assets

- Securities

Other securities

Non-marketable stocks and others

Cost calculated by the moving average method

- Inventories

Work in process, raw materials and supplies

Primarily stated at cost determined by the first-in and first-out method (cost of inventories is written-down when their carrying amounts become unrecoverable).

2) Depreciation

- Property, plant and equipment (excluding leased assets)

Primarily the straight-line method using the estimated life as the useful life and an effective residual value for the residual value

The main useful lives are as follows.

Buildings and structures: ten years to 50 years

Machinery, equipment and vehicles; five years to ten years

- Intangible fixed assets (excluding leased assets)

Straight-line method, but software for internal use is depreciated using the straight-line method over a 5-year period, which is the time that software can be used internally.

- Leased assets

Straight-line method using the estimated life as the useful life and an effective residual value for the residual value

3) Basis for reserves and allowances

- Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on past experience for normal receivables and on an estimate of the collectability of receivables from companies in financial difficulty.

- Accrued warranty costs

Accrued warranty costs are provided to cover the cost of all complaints about products anticipated to be incurred during the period based on past experience.

4) Standard for recognition of revenue and expenses

For revenue in major businesses from contracts between Nissan Shatai and its consolidated subsidiaries and their customers, the primary performance obligations and normal time when these obligations are fulfilled (normal time for revenue recognition) are as follows.

i. Revenue from the sale of products

For revenue from the manufacture of vehicles and automotive parts by Nissan Shatai and its consolidated subsidiaries, the fulfillment of performance obligations is recognized primarily when products are delivered to customers, resulting in the transfer of the control of these products to customers. Payment for the fulfillment of performance obligations is generally received within four months of the fulfillment of these obligations in accordance with separately specified payment terms and there is no significant financing component. For transactions where the supplier is obligated to buy back products that were sold (chargeable subcontracting), in cases where Nissan Shatai and its consolidated subsidiaries are purchasers, net revenue is recognized because Nissan Shatai and its consolidated subsidiaries do not have control of the supplied products.

Basic contracts for outsourcing manufacturing with customers concerning the sale of automobiles and automotive parts include a product quality assurance obligation provision. This obligation requires a warranty that products will comply with the specifications in the contract with the customer. As a result, accrued warranty costs for expenses associated with this guarantee are recognized.

ii. Subcontracting revenue

For performance obligations for subcontracting activities involving automobiles and system development services that require a specific length of time for fulfillment, Nissan Shatai and its consolidated subsidiaries recognize revenue over this period based on estimates of the degree of progress with fulfilling the obligation. In cases where it is not possible to determine a reasonable estimate of this progress and expenses for the project are expected to be recovered, revenue is recognized by using the cost recovery method. Payments for these transactions are generally received based on progress with fulfilling the obligation, such as by using contractual milestones. The payment is usually received within two months of completion of the fulfillment of the obligation and also there is no significant financing component.

5) Accounting for retirement benefits

- Method for calculating the retirement benefit obligation

For calculating the retirement benefit obligation, the benefit formula basis has been adopted for attributing projected benefits to periods.

- Actuarial gains and losses and past service cost

Actuarial gain and loss are amortized in the year following the year in which actuarial gain and loss are recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees (Principally 12 to 15 years).

Past service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees (15 years).

6) Adoption of group tax sharing system

Beginning with the fiscal year ending in March 2023, Nissan Shatai and its consolidated subsidiaries have adopted the group tax sharing system.

Furthermore, in accordance with the provisions of Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (Practical

Solution No. 42, August 12, 2021), Nissan Shatai is carrying out the accounting processing for income tax and local income taxes, the accounting processing for the tax effect accounting related to these taxes, and disclosures.

2. Note concerning change in presentation method

(Consolidated balance sheet)

“Long-term prepaid expenses” was a separate item under “investments and other assets” in prior fiscal years but is included in “other” due to a decline in its monetary importance.

“Long-term prepaid expenses” for the Consolidated Statement of Income for the fiscal year ended March 2023 are 1 million yen.

(Consolidated Statement of Income)

“Interest income” and “dividends income” were included in “interest income and dividends income” in the non-operating income section in prior fiscal years and “rent income on fixed assets” was included in “other” but are separate items beginning with the Consolidated Statement of Income for the fiscal year ended March 2023 for consistency with the presentation method for the consolidated financial statements in the securities reports.

The previous fiscal year “interest income” is 340 million yen, “dividends income” is 3 million yen, and rent income on fixed assets is 212 million yen.

“Rent expenses on fixed assets” and “depreciation and amortization” were included in “other” in the non-operating expenses section in prior fiscal years but are separate items beginning with the Consolidated Statement of Income for the fiscal year ended March 2023 for consistency with the presentation method for the consolidated financial statements in the securities reports.

The previous fiscal year “rent expenses on fixed assets” is 133 million yen and “depreciation and amortization” is 5 million yen.

3. Note concerning accounting estimates

(1) Impairment of fixed assets

1) Amount in consolidated statement of income for the fiscal year ended March 2023 :

Property, plant and equipment: 50,244 million yen

Intangible fixed assets: 1,906 million yen

2) Other information useful for enabling users of the consolidated statement of income to understand accounting estimates

i. Calculation method for amounts in the consolidated statement of income for the fiscal year ended March 2023

The Nissan Shatai uses business segments (motor vehicles, equipment maintenance, information processing, temporary staffing) for grouping assets. For assets expected to be disposed of because there is no plan for use in the future and idle assets, decisions about the need for impairment are made for assets individually.

In the fiscal year ended March 2023, the impact due to the semiconductor shortage and other reasons is in a recovery trend, so the decision was made that there are no indications of a need for asset impairment because earnings are expected to be stable in the following fiscal year and afterward and there are no other events that are a reason for impairment.

ii. Major assumptions used for calculating figures in the consolidated statement of income for the fiscal year ended March 2023

Decisions about indications of the need for impairment and the determination of the amount that can be recovered are based on estimated future cash flows based on certain assumptions. Currently, one of the risk factors that may have a significant effect on the consolidated financial statements in the motor vehicles business segment is that production was limited by shortages of semiconductors and other parts. Although the severity of these shortages was in a recovery trend as of the end of March 2023, the outlook remains unclear. Due to this situation, the assumption for the number of vehicles sold, which has a significant effect on the uncertainty of estimates of future cash flows, is based on the premise that shortages of semiconductors will affect the number of vehicles sold for a certain length of time.

iii. Effects on consolidated financial statements for the fiscal year ending March 2023

Regarding potential risk factors and uncertainties, there may be a need for an impairment loss due to a reduction in future cash flows and the amount of assets that can be caused by unforeseeable events such as but not limited to a change in the policy of parent company Nissan Motor concerning its sales strategy and production system and restrictions on manufacturing activities caused by shortages of semiconductors and other parts. An impairment loss may have a significant effect on the consolidated financial statements in the fiscal year ending March 2024.

(2) Recoverability of deferred tax assets

1) Total deferred tax assets in the consolidated financial statements for the fiscal year ended March 2023: 3,221 million yen

2) Other information to better enable users of the consolidated financial statements to understand accounting estimates

i. Calculation method for amounts in the consolidated financial statements for the fiscal year ended March 2023

Deferred tax assets are recognized by using reasonable estimates of the timing and amounts of taxable income in the future based on business plans.

Nissan Shatai, which accounts for a significant share of deferred tax assets, represents 2,085 million yen of the deferred tax assets in the consolidated financial statements for the fiscal year ended March 2023. Nissan Shatai believes that all future deductible temporary differences that can be scheduled and tax loss carryforward, in comparison with estimated future taxable income, can be used.

ii. Major assumptions used for calculating amounts in the consolidated financial statements for the fiscal year ended March 2023

Deferred tax assets at the end of March 2023 are calculated by using certain assumptions concerning the timing and amounts of future taxable income. Currently, one of the risk factors that may have a significant effect on the consolidated financial statements in the motor vehicles business segment is that production was limited by shortages of semiconductors and other parts. Although the severity of these shortages was in a recovery trend as of the end of March 2023, the outlook remains unclear. Due to this situation, the assumption for the number of vehicles sold, which has a significant effect on the uncertainty of estimates of future cash flows, is based on the premise that shortages of semiconductors and other parts will affect the number of vehicles sold for a certain length of time. Deferred tax assets include no future deductible

temporary differences that cannot be scheduled for which the timing of the elimination of these differences is uncertain.

iii. Effects on the consolidated financial statements for the fiscal year ending in March 2024

Estimates of future taxable income calculated by using the figures determined in item ii sufficiently exceed the amount of future deductible temporary differences and tax deductible losses brought forward based on amounts that can be scheduled. However, risk factors and uncertainties include but not limited to a change in the policy of parent company Nissan Motor concerning its sales strategy and production system, and restrictions on manufacturing activities caused by shortages of semiconductors and other parts. If unforeseeable events significantly reduce the number of vehicles produced, the timing and amounts of actual taxable income may differ from estimates because of a decline in profitability. This may have a significant effect on the amount of deferred tax assets recognized in the consolidated financial statements in the following fiscal years.

As a result, although the primary assumptions in item ii are based on premises using the best possible estimates, there may be a difference between estimates and future results of operations because of shortages of semiconductors and other parts and change in the economy or other events.

4. Notes to consolidated balance sheet

- (1) Receivables and contract assets from contracts with customers are included in notes and accounts receivable and contract assets. Contract liabilities are included in other current liabilities. The amounts of receivables, contract assets and contract liabilities associated with contracts with customers are in “8. Note concerning revenue recognition (3) Information for understanding the amount of revenue in the fiscal year ended March 2023 and following fiscal years.”
- (2) Accumulated depreciation of property, plant and equipment: 227,272 million yen
- (3) Contingent liabilities
As guarantor of employees' housing loans from banks and others: 509 million yen

5. Notes to consolidated statement of income

In sales, revenue from contracts with customers and from other sources are not shown separately. Revenue from contracts with customers is in “8. Note concerning revenue recognition (1) Separate information about income from contracts with customers.”

6. Notes to consolidated statement of changes in net assets

- (1) Shares issued and outstanding (as of March 31, 2021)
Common stock: 157,239 thousand shares
- (2) Dividend from retained earnings
 - 1) Cash dividends paid

Resolution	Type of shares	Total dividends (million yen)	Dividends per share (yen)	Record date	Effective date
Ordinary General Shareholders Meeting on June 23, 2022	Common stock	880	6.50	March 31, 2022	June 24, 2022
Meeting of the Board of Directors	Common stock	880	6.50	September 30, 2022	December 1, 2022

on November 9, 2022					
Total	-	1,760	-	-	-

- 2) Dividend with a record date in the fiscal year ended March 31, 2023 and a payment date after the end of the fiscal year
Nissan Shatai plans to submit the following resolution for approval at the 100th Ordinary General Shareholders Meeting to be held on June 28, 2023
- Total dividend payments: 880 million yen
 - Source of dividends: Retained earnings
 - Dividend per share: 6.50 yen
 - Record date: March 31, 2023
 - Effective date: June 29, 2023

7. Notes to financial instruments

(1) Overview of financial instruments

1) Initiatives and policies with respect to financial instruments

The Nissan Shatai Group places cash only in short-term deposits, etc. Internal resources are used to fund working capital and capital expenditures; no funds are procured from external sources for these requirements.

2) The content and risks of financial instruments

Notes and accounts receivable are receivables associated with business operations which are generated as a consequence of normal business activities so deposits paid are funds placed with a Nissan group finance company for the purpose of earning a return on a temporary surplus of cash. Investment securities are stocks of companies that are not listed. Long-term loans receivable are cash loans to a Nissan finance company for the purpose of using surplus funds. Notes and accounts payable and electronically recorded debt, which are obligations involving business operations, are all due within one year. In addition, lease obligations associated with finance leases are mainly the balance due to suppliers for metal dies.

Notes and accounts receivable, which are receivables associated with business operations, are vulnerable to credit risk involving customers.

3) The risk management structure for financial instruments

i Management of credit risk (risks pertaining to the non-performance of contracts, etc. by counterparties)

In accordance with the accounting regulations, Nissan Shatai periodically monitors the situation of its major counterparties regarding receivables associated with business operations and loans receivable, etc., manages the payment deadlines and balances for each transaction partner, and works to quickly ascertain and alleviate concerns about debt recovery caused by a worsening financial position, etc. It also carries out the same management of the consolidated subsidiaries in compliance with the regulations of Nissan Shatai.

ii Management of market risk (risks of fluctuation in exchange rates, interest rates, etc.)

Stocks, which are investment securities in Nissan Shatai, are unlisted stocks and non-marketable stocks, etc., but periodically Nissan Shatai obtains information from the company which issues those stocks to endeavor to ascertain the financial position, etc.

iii Management of liquidity risk pertaining to funds procurement (the risk of being unable to make payment on the payment date)

Nissan Shatai does not carry out external funds procurement, so it believes that this risk is minor.

4) Supplementary explanation of matters concerning the fair value, etc. of financial instruments

Fluctuation factors are incorporated in the measurement of the fair value of financial instruments, so said value may fluctuate due to the adoption of differing preconditions, etc.

5) Concentration of credit risk

96.9% of the receivables associated with business operations as of the consolidated account closing day for the fiscal year that ended in March 2023 were receivables with respect to Nissan Motor Corporation.

(2) Fair value of financial instruments

The following table indicates the carrying value in the consolidated balance sheet, the fair value and the unrealized gain (loss) on March 31, 2023 (the consolidated account closing day for the fiscal year that ended in March 2023). Cash on hand and in banks, notes and accounts receivable - trade, deposits paid, trade notes and accounts payable, electronically recorded obligations-operating, and accrued expenses are all items that are either cash or that will be settled within a short time. These items are omitted because their book values are very similar to their fair values.

	Carrying value* ¹ (million yen)	Estimated fair value* ¹ (million yen)	Unrealized gain (loss) (million yen)
Long-term loans receivable	70,000	68,845	1,155
Lease obligations (Current liabilities)	(1,721)	(1,708)	(12)
Lease obligations (Long-term liabilities)	(550)	(518)	(32)

* ¹ Liabilities are in parentheses.

* ² Non-listed stocks (324 million yen in the consolidated balance sheet) are not included in this table because these stocks do not have market prices.

(3) Item concerning fair values of financial instruments grouped into different levels
Fair values of financial instruments are grouped into the following three levels that are based on the observability and importance of input used to calculate fair values.

Level 1 fair value: Of the inputs used for calculating observable fair values, fair values calculated by using market prices for assets and liabilities used for the calculation of fair values determined by markets with a high trading volume

Level 2 fair value: Of the inputs used for calculating observable fair values, fair values calculated by using fair value calculation inputs other than the inputs used in level 1

Level 3 fair value: Fair values calculated by using inputs for calculating fair values that are not observable

When more than one input that has a significant impact on the calculation of fair value is used, the fair value is classified by using the input with the lowest level of priority for determining fair value.

- 1) Financial instruments shown at fair value on the consolidated balance sheet:
Not applicable
- 2) Financial instruments other than those shown at fair value on the consolidated balance sheet:

	Level 1 (million yen)	Level 2 (million yen)	Level 3 (million yen)	Total (million yen)
Long-term loans receivable	—	68,845	—	68,845
Lease obligations	—	(2,227)	—	(2,227)

* Liabilities are in parentheses.

Note: Explanation of valuation methods used to calculate fair value and inputs used to calculate fair value

Long-term loans receivable

Fair values of long-term loans receivable are categorized as level 2 when, for each category of these loans based on their length and on their credit risk rating used for credit management, present values of future cash flows are calculated by using an interest rate obtained by adding a credit spread to a suitable interest rate indicator such as the yield on Japanese government bonds.

Lease obligations

Fair values of lease obligations are categorized as level 2. Fair value is calculated by using the total of principal and interest and the current value method using a discount rate that has been adjusted to reflect the remaining time and credit risk of individual leases.

8. Note concerning revenue recognition

(1) Separate information about income from contracts with customers

	Motor vehicles (million yen)	Others ^{Note 1} (million yen)	Total (million yen)
Passenger vehicles	220,409	—	220,409
Commercial vehicles	51,775	—	51,775
Microbuses	14,566	—	14,566
Vehicle parts, etc.	14,161	6,607	20,769
Sales to external customers	300,913	6,607	307,521

Note 1. Others is a business segment that is not included in the reportable segments.

Activities include the equipment maintenance, information processing and temporary staffing businesses.

2. When the revenue of Nissan Shatai and its consolidated subsidiaries is divided by region, Japan is the only source of revenue.

3. Revenue shown here for product and service categories is sales to external customers after eliminating intersegment sales and transfers.

4. Sales to external customers are derived from revenue from contracts with customers.

(2) Information for understanding revenue from contracts with customers

This information is omitted because it is the same as the information in “1. Notes to Consolidated Financial Statements (2) Significant Accounting Policies 4) Standard for recognition of revenue and expenses.”

(3) Information for understanding revenue in the fiscal year that ended in March 2023 and following fiscal years

1) Contract assets and contract liabilities

Balances of receivables, contract assets and contract liabilities from contracts with customers are as follows.

	Beginning of fiscal year ended March 2023 (million yen)	End of fiscal year ended March 2023 (million yen)
Receivables from contracts with customers	49,291	65,539
Contract assets	2,118	2,313

On the consolidated balance sheet, receivables and contract assets resulting from contracts with customers are included in “Notes and accounts receivable and contract assets.” The amount of contract liabilities at Nissan Shatai and its consolidated subsidiaries is negligible.

Contract assets are primarily the portion of payments due for outsourced automotive development activities for which invoices have not been issued and are primarily related to the rights of Nissan Shatai and its consolidated subsidiaries.

There were no significant changes in contract assets during the fiscal year that ended in March 2023. In addition, during this fiscal year, there was no significant revenue recognized due to the fulfillment (or partial fulfillment) in prior fiscal years of performance obligations. There were no significant contract liabilities at Nissan Shatai or its consolidated subsidiaries.

2) Transaction prices allocated to residual performance obligations

At Nissan Shatai and its consolidated subsidiaries, the note about the allocation of transaction prices to residual performance obligations does not include contracts where the contract period is initially expected to be not more than one year to simplify business processes. The total amount of transaction prices allocated to residual performance obligations and expected period for the recognition of revenue are as follows.

	Fiscal year ended March 2023 (million yen)
Up to one year	2,527
More than one year to two years	623
More than two years to three years	49
Total	3,200

9. Notes to per share information

(1) Net assets per share: 1,277.11 yen

(2) Net income per share: 28.67 yen

10. Notes to significant subsequent events

Not applicable

11. Other

Amounts less than one million yen are rounded down.

Nonconsolidated Balance Sheet (As of March 31, 2023)

			(Million yen)
Assets		Liabilities	
Current assets		Current liabilities	
Cash on hand and in banks	22	Trade notes payable	18
Accounts receivable - trade, and contract assets	64,882	Electronically recorded obligations-operating	12,901
Work in process	217	Trade accounts payable	82,651
Raw materials and supplies	797	Short-term borrowings payable to subsidiaries and affiliates	6,960
Short-term loans receivable from subsidiaries and associates	2,238	Lease obligations	1,769
Accounts receivable-other	44,701	Accounts payable-other	3,351
Deposits paid	49,031	Accrued expenses	5,490
Other	253	Income taxes payable	714
Total current assets	162,144	Deposits received	96
Fixed assets		Deposits received from employees	2,681
Property, plant and equipment		Accrued warranty costs	33
Buildings	9,564	Other	1,285
Structures	965	Total current liabilities	117,953
Machinery and equipment	11,326	Long-term liabilities	
Vehicles	168	Lease obligations	555
Tools, furniture and fixtures	4,299	Accrued warranty costs	57
Land	13,141	Accrued retirement benefits	5,621
Construction in progress	8,775	Asset retirement obligations	1,098
Total property, plant and equipment	48,242	Other	437
Intangible fixed assets		Total long-term liabilities	7,771
Software	1,978	Total liabilities	125,725
Other	14		
Total intangible fixed assets	1,993	Net assets	
Investments and other assets		Shareholders' equity	
Investment securities	323	Common stock	7,904
Investments in subsidiaries and affiliates	1,282	Capital surplus	
Long-term loans receivable	70,000	Legal capital surplus	8,317
Deferred tax assets	2,085	Other capital surplus	200
Other	206	Total capital surplus	8,517
Total investments and other assets	73,897	Retained earnings	
Total fixed assets	124,133	Legal reserve	1,976
		Other retained earnings	
		Reserve for reduction entry of replaced property	2,958
		Reserve for reduction entry	24
		General reserve	22,848
		Retained earnings brought forward	138,959
		Total retained earnings	166,766
		Treasury stock	(22,636)
		Total shareholders' equity	160,553
		Total net assets	160,553
Total assets	286,278	Total liabilities and net assets	286,278

Nonconsolidated Statement of Income (From April 1, 2022 to March 31, 2023)

	(Million yen)
Net sales	298,964
Cost of sales	288,937
Gross profit	10,027
Selling, general and administrative expenses	5,667
Operating income	4,360
Non-operating income	
Interest income and dividend income	348
Rent income on fixed assets	307
Subsidies for employment adjustment	71
Other	95
Total non-operating income	823
Non-operating expenses	
Interest expense	60
Rent expenses on fixed assets	270
Other	20
Total non-operating expenses	350
Ordinary income	4,832
Special income	
Reversal of recall expenses	560
Total special income	560
Special losses	
Loss on retirement of fixed assets	490
Total special losses	490
Income before income taxes	4,902
Income taxes-current	959
Income taxes-deferred	327
Total income taxes	1,287
Net income	3,615

Nonconsolidated Statement of Changes in Net Assets
(From April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus		Retained earnings	
		Legal capital surplus	Other capital surplus	Legal reserve	Other retained earnings
					Reserve for reduction entry of replaced property
Balance at the beginning of current period	7,904	8,317	200	1,976	2,993
Changes of items during the period					
Reversal of reserve for reduction entry of replaced properties					(34)
Reversal of reserve for reduction entry					
Cash dividends paid					
Net income					
Purchase of treasury stock					
Total changes of items during the period	-	-	-	-	(34)
Balance at the end of current period	7,904	8,317	200	1,976	2,958

	Shareholders' equity					Total net assets
	Retained earnings			Treasury stock	Total shareholders' equity	
	Other retained earnings					
	Reserve for reduction entry	General reserve	Retained earnings brought forward			
Balance at the beginning of current period	25	22,848	137,069	(22,635)	158,699	158,699
Changes of items during the period						
Reversal of reserve for reduction entry of replaced properties			34		-	-
Reversal of reserve for reduction entry	(0)		0		-	-
Cash dividends paid			(1,760)		(1,760)	(1,760)
Net income			3,615		3,615	3,615
Purchase of treasury stock				(0)	(0)	(0)
Total changes of items during the period	(0)	-	1,889	(0)	1,854	1,854
Balance at the end of current period	24	22,848	138,959	(22,636)	160,553	160,553

Notes to Nonconsolidated Financial Statements

1. Significant Accounting Policies

- (1) Valuation method for assets
 - 1) Securities
 - Equity securities issued by subsidiaries: Cost calculated by the moving average method
 - Other securities
 - Non-marketable stock and others: Cost calculated by the moving average method
 - 2) Inventories
 - Work in process, raw materials and supplies: Primarily stated at cost determined by the first-in and first-out method (cost of inventories is written-down when their carrying amounts become unrecoverable).
- (2) Depreciation
 - 1) Property, plant and equipment (excluding leased assets)
 - Straight-line method using the estimated life as the useful life and an effective residual value for the residual value
 - The main useful lives are as follows.
 - Buildings: ten years to 50 years
 - Machinery and equipment; ten years
 - 2) Intangible fixed assets (excluding leased assets)
 - Straight-line method, but software for internal use is depreciated using the straight-line method over a 5-year period, which is the time that software can be used internally.
 - 3) Leased assets
 - Straight-line method using the estimated life as the useful life and an effective residual value for the residual value
- (3) Basis for reserves and allowances
 - 1) Allowance for doubtful accounts
 - Allowance for doubtful accounts is provided based on past experience for normal receivables and on an estimate of the collectability of receivables from companies in financial difficulty.
 - 2) Accrued warranty costs
 - Accrued warranty costs are provided to cover the cost of all complaints about products anticipated to be incurred during the period based on past experience.
 - 3) Accrued retirement benefits
 - Accrued retirement benefits or prepaid pension costs are recorded at an amount calculated based on the retirement benefit obligation and the fair value of pension plan assets at the end of current fiscal year.
 - Method for calculating the retirement benefit obligation
 - For calculating the retirement benefit obligation, the benefit formula basis has been adopted for attributing projected benefits to periods.
 - Actuarial gains and losses and past service cost
 - Actuarial gain and loss are amortized in the year following the year in which actuarial gain and loss are recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees (12 to 15 years).
 - Past service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees (15 years).

4) Standard for recognition of revenue and expenses

For revenue in major businesses from contracts between Nissan Shatai and its customers, the primary performance obligations and normal time when these obligations are fulfilled (normal time for revenue recognition) are as follows.

i. Revenue from the sale of products

For revenue from the manufacture of vehicles and automotive parts by Nissan Shatai, the fulfillment of performance obligations is recognized primarily when products are delivered to customers, resulting in the transfer of the control of these products to customers. Payment for the fulfillment of performance obligations is generally received within four months of the fulfillment of these obligations in accordance with separately specified payment terms and there is no significant financing component. For transactions where the supplier is obligated to buy back products that were sold (chargeable subcontracting), in cases where Nissan Shatai and its consolidated subsidiaries are purchasers, net revenue is recognized because Nissan do not have control of the supplied products.

Basic contracts for outsourcing manufacturing with customers concerning the sale of automobiles and automotive parts include a product quality assurance obligation provision. This obligation requires a warranty that products will comply with the specifications in the contract with the customer. As a result, accrued warranty costs for expenses associated with this guarantee are recognized.

ii. Subcontracting revenue

For performance obligations for subcontracting activities involving automobiles services that require a specific length of time for fulfillment, Nissan Shatai recognize revenue over this period based on estimates of the degree of progress with fulfilling the obligation. In cases where it is not possible to determine a reasonable estimate of this progress and expenses for the project are expected to be recovered, revenue is recognized by using the cost recovery method. Payments for these transactions are generally received based on progress with fulfilling the obligation, such as by using contractual milestones. The payment is usually received within two months of completion of the fulfillment of the obligation and also there is no significant financing component.

5) Accounting for retirement benefits

The accounting method used for unrecognized actuarial gains and losses and unrecognized past service cost is not the same as the accounting method used for these items in the consolidated financial statements.

2. Note concerning accounting estimates

The following is a list of items based on accounting estimates that are included in the nonconsolidated financial statements for the fiscal year that ended on March 31, 2023 and that may have a significant effect on the nonconsolidated financial statements for the following fiscal year.

(1) Impairment of fixed assets

1) Amount in nonconsolidated statement of income for the fiscal year ended March 2023

Property, plant and equipment: 48,242 million yen

Intangible fixed assets: 1,993 million yen

2) Information concerning the reasons for this estimate

Information concerning the reasons for this estimate is the same as the information provided in “Notes to Consolidated Financial Statements, 3. Note concerning accounting estimates.”

(2) Recoverability of deferred tax assets

1) Amount in nonconsolidated statement of income for the fiscal year ended March 2023: 2,085 million yen

2) Information concerning the reasons for this estimate

Information concerning the reasons for this estimate is the same as the information provided in “Notes to Consolidated Financial Statements, 3. Note concerning accounting estimates.”

3. Notes to nonconsolidated balance sheet

(1) Accumulated depreciation of property, plant and equipment: 201,033 million yen

(2) Contingent liabilities

As guarantor of employees' housing loans from banks and others: 509 million yen

(3) Monetary receivables from and payables to subsidiaries and affiliates

Short-term monetary receivables: 107,407 million yen

Long-term monetary receivables: 171 million yen

Short-term monetary payables: 50,829 million yen

Long-term monetary payables: 5 million yen

4. Notes to nonconsolidated statement of income

(1) Transactions with subsidiaries and affiliates

Net sales: 298,423 million yen

Purchase: 395,202 million yen

Transactions other than operating transactions: 3,261 million yen

5. Notes to nonconsolidated statement of changes in net assets

The types and the total number of treasury shares at the end of current period

Common stock: 21,786 thousand shares

6. Note to deferred tax assets and liabilities

(1) Major components of deferred tax assets and deferred tax liabilities

	(Million yen)
Deferred tax assets	
Accrued bonuses	523
Warranty costs	138
Securities valuation losses	284
Excess depreciation	241
Allowance for retirement benefits	1,688
Asset retirement obligations	328
Tax loss carryforward	117
Loss on valuation of inventories	348
Other	353
Sub-total	4,025
Valuation allowance	(657)
Total	3,368
Deferred tax liabilities	
Reserve for reduction of replacement cost of specified properties	(1,270)
Other	(12)
Total	(1, 282)
Net deferred assets	2,085

(2) Accounting processing of income tax and local income taxes and accounting processing for the tax effect accounting related to these taxes

Beginning with the fiscal year ending in March 2023, Nissan Shatai has adopted the group tax sharing system. Furthermore, in accordance with the provisions of Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (Practical Solution No. 42, August 12, 2021), Nissan Shatai is carrying out the accounting processing for income tax and local income taxes, the accounting processing for the tax effect accounting related to these taxes, and disclosures.

7. Note to related party transactions

(1) Parent company and major corporate shareholders

Category	Name	Address	Capital	Activities	Voting rights held by the parent company	Relationship									
						Shared directors, etc.	Business relation								
Parent company	Nissan Motor Co., Ltd.	Kanagawa-ku, Yokohama, Kanagawa	(Million yen)	Manufacture and sale of automobiles and others	Direct 50.0 Indirect 0.0	Transferred	(Persons)	3	Nissan Shatai purchases engine and other components from Nissan Motor and sells automobiles to Nissan Motor.						
			605,813				Description of transactions			Amount	Item	FY-end balance			
													(Million yen)	Accounts receivable - trade, and contract assets	(Million yen)
			Business transactions												
	Purchase of parts, etc.	6,910	Payables	3,309											
	Non-business transactions	Reversal of recall expenses	560	-	-										

Terms and conditions of transactions and policies on deciding terms and conditions

- 1) Prices of automobiles sold to Nissan Motor are determined by negotiations while taking into account the total cost. The Nissan Shatai board of directors confirms the progress and contents of these negotiations.
- 2) Regarding the reversal of recall expenses, the reversal amount is determined when five years have passed after the recall campaign started and after examining the expected amount of expenses generated going forward.

(2) Subsidiaries

Category	Name	Address	Capital	Activities	Voting rights held by Nissan Shatai	Relationship									
						Shared directors, etc.	Business relation								
Subsidiary	Nissan Shatai Kyushu Co., Ltd.	Miyakogun, Fukuoka	(Million yen)	Manufacture of automobile chassis	Direct 100.0	Concurrent	(Persons)	6	Sale of parts and purchase of chassis						
			10				Description of transactions			Amount	Item	FY-end balance			
													(Million yen)	Accounts receivable-other	(Million yen)
			Business transactions												
	Purchase of parts, etc.	378,932	Payables	43,237											
	Non-business transactions	Group financing loans receivable	(584)	Short-term loans receivable	2,238										

Terms and conditions of transactions and policies on deciding terms and conditions

- 1) For prices of parts purchased from subsidiaries, Nissan Shatai submits a requested price based on the market price and, after negotiations, a price is determined that is the same as for ordinary transactions.
- 2) For loans payable and receivable, a reasonable interest rate is determined based.

3) Figures for group financing loans receivable are the differences from the end of the previous fiscal year.

(3) Other companies with affiliations

Category	Name	Address	Capital	Activities	Voting rights held by Nissan Shatai	Relationship	
						Shared directors, etc.	Business relation
Subsidiary of parent company	Nissan Group Finance Co., Ltd.	Nishi-ku, Yokohama, Kanagawa	(Million yen) 90	Finance business	(%) -	(Persons) -	Manages funds of the Nissan Shatai Group
		Description of transactions			Amount	Item	FY-end balance
		Fund management			(Million yen) (3,432)	Deposits paid	(Million yen) 49,031
		Interest income			310	Long-term loans receivable Accounts receivable-other	70,000 47

Terms and conditions of transactions and policies on deciding terms and conditions.

- 1) For terms for the management of funds, Nissan Group Finance submits terms (interest rate and other items) and the final terms are determined after taking into account ordinary short-term market interest rates.
- 2) Figures for fund management are the differences from the end of the previous fiscal year.

8. Note concerning revenue recognition

Information for understanding revenue from contracts with customers is the same as the information in “Notes to Consolidated Financial Statements 8. Note concerning revenue recognition.”

9. Notes to amounts per share

- (1) Net assets per share: 1,185.31 yen
- (2) Net income per share: 26.69 yen

10. Notes to significant subsequent events

Not applicable.

11. Other

Amounts less than one million yen are rounded down.

Copy of Independent Auditors' Report on Consolidated Financial Statements

Report of Independent Auditors

May 17, 2023

The Board of Directors
Nissan Shatai Co., Ltd.

Ernst & Young ShinNihon LLC
Designated and Engagement Partner
Certified Public Accountant Mika Nezu
Designated and Engagement Partner
Certified Public Accountant Masanori Enomoto

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to consolidated financial statements of Nissan Shatai Co., Ltd applicable to the 100th fiscal year from April 1, 2022 through March 31, 2023.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position and results of operations of the Nissan Shatai Group, which consisted of Nissan Shatai and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2023 in conformity with accounting principles generally accepted in Japan.

Basis for this opinion

We performed this audit in conformity with auditing standards generally accepted in Japan. Our responsibility concerning the audit standards is prescribed in "Responsibilities of Auditors for Audits of Consolidated Financial Statements." We are independent of Nissan Shatai and its consolidated subsidiaries in accordance with rules in Japan concerning business ethics. In addition, we fulfilled other ethical responsibilities in our role as an auditor. We believe that we received sufficient and suitable audit evidence for the basis of our opinion.

Other information

Other information is in the business report and related supplementary information. Management is responsible for the preparation and disclosure of other information. The statutory auditors and Board of Statutory Auditors are responsible for establishing a reporting process for other information and supervising the performance of the directors concerning the use of this process.

Other information is not included in our auditing opinion concerning the consolidated financial statements.

Our responsibility concerning the audit of the consolidated financial statements is to read over the other information and determine if there are any significant discrepancies between this information and the consolidated financial statements or knowledge acquired by us during the auditing process. In addition, we look for indications of any significant errors in other information other than the significant discrepancies.

If we conclude that there are no significant errors in other information, based on our auditing activities, we are required to report this conclusion.

There are no items that we should report concerning other information.

Responsibility of Management, Statutory Auditors and the Board of Statutory Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan. This responsibility includes the design and operation of internal controls that management determines necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

whether due to fraud or error.

When preparing the consolidated financial statements, management must determine if it is appropriate to prepare the statements based on the going concern assumption. Management has a responsibility to disclose information regarding this assumption if there is a need for this disclosure based on accounting principles generally accepted in Japan.

The statutory auditors and Board of Statutory Auditors are responsible for supervising the performance of the directors regarding the design and operation of the financial reporting process.

Auditors' Responsibility

Our responsibility is to express an opinion in the audit report, from an independent standpoint, on the consolidated financial statements based on our audit. This opinion is based on a reasonable assurance about if the consolidated financial statements are free from material misstatements, whether due to fraud or error. Misstatements can occur due to fraud or error. We judge these misstatements to be material if they, either singularly or collectively, can be reasonably expected to influence decisions by users of the consolidated financial statements.

For this audit, we used an audit process in conformity with auditing standards generally accepted in Japan. We used this process to make judgments as business ethics professionals and to perform the following tasks while retaining professional skepticism.

- We identify and evaluate the risk of material misstatements due to fraud or errors and create proposals for audit procedures to deal with the risk of material misstatements and implement those procedures.

The procedures selected and implemented depend on the auditor's judgment. Furthermore, we obtain sufficient and appropriate audit evidence for use as the basis of our opinion.

- The purpose of the audit of the consolidated financial statements is not to express an opinion about the effectiveness of internal controls. For making these risk assessments, we consider internal controls relevant to the audit in order to design audit procedures that are appropriate for current circumstances.

- We evaluate the suitability of accounting policies used by management and how those policies are applied. We also evaluate the rationality of accounting estimates made by management as well as the validity of the associated notes.

- We reached conclusions about whether it is appropriate for management to prepare the consolidated financial statements based on the going concern assumption and whether there are any material uncertainties regarding events or conditions that create significant doubt about the going concern assumption. If we believed there were material uncertainties about the going concern assumption, we would ask management in the audit report to include a precautionary statement in the notes to the consolidated financial statements. If the inclusion of this note about the material uncertainty would not be appropriate, we would be obligated to submit a modified opinion. Our conclusions are based on audit evidence obtained by the date of the audit report. Future events or conditions may prevent the company from remaining a going concern.

- We evaluated whether the presentation and notes of the consolidated financial statements conform with accounting principles generally accepted in Japan and whether the presentation, composition and contents of the consolidated financial statements, including the associated notes, and the transactions and accounting activities that are the basis for the consolidated financial statements are presented properly.

- We obtain sufficient and appropriate audit evidence concerning the financial information of Nissan Shatai and its consolidated subsidiaries in order to form an opinion concerning the consolidated financial statements. We are responsible for instructions, supervision and execution of audits of the consolidated financial statements. Our responsibility is to submit an audit opinion of our own.

We report to the statutory auditors and the Board of Statutory Auditors the scope of the audit we have planned, when the audits will be performed, significant items discovered during audits, including significant problems involving internal controls that were identified during an audit, and other items required by the audit standards.

We report to the statutory auditors and the Board of Statutory Auditors that we are complying with rules concerning business ethics in Japan regarding our independence. If there are any items that could

reasonably have an effect on our independence or any safeguards for eliminating or reducing obstacles concerning our independence, we report this information as well to the statutory auditors and the Board of Statutory Auditors.

Conflicts of Interest

We have no interest in the Company and its consolidated subsidiaries which should be disclosed in compliance with the Certified Public Accountants Act

Copy of Independent Auditors' Report on Financial Statements

Report of Independent Auditors

May 17, 2023

The Board of Directors
Nissan Shatai Co., Ltd.

Ernst & Young ShinNihon LLC

Designated and Engagement Partner
Certified Public Accountant Mika Nezu
Designated and Engagement Partner
Certified Public Accountant Masanori Enomoto

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to financial statements and the related supplementary schedules of Nissan Shatai Co., Ltd. applicable to the 100th fiscal year from April 1, 2022 through March 31, 2023

In our opinion, these financial statements present fairly, in all material respects, the financial position and results of operations of the Nissan Shatai applicable to the fiscal year ended March 31, 2023 in conformity with accounting principles generally accepted in Japan.

Basis for this opinion

We performed this audit in conformity with auditing standards generally accepted in Japan. Our responsibility concerning the audit standards is prescribed in "Responsibilities of Auditors for Audits of the Financial Statements." We are independent of Nissan Shatai in accordance with rules in Japan concerning business ethics. In addition, we fulfilled other ethical responsibilities in our role as an auditor. We believe that we received sufficient and suitable audit evidence for the basis of our opinion.

Other information

Other information is in the business report and related supplementary information. Management is responsible for the preparation and disclosure of other information. The statutory auditors and Board of Statutory Auditors are responsible for establishing a reporting process for other information and supervising the performance of the directors concerning the use of this process.

Other information is not included in our auditing opinion concerning the consolidated financial statements.

Our responsibility concerning the audit of the nonconsolidated financial statements is to read over the other information and determine if there are any significant discrepancies between this information and the nonconsolidated financial statements or knowledge acquired by us during the auditing process. In addition, we look for indications of any significant errors in other information other than the significant discrepancies.

If we conclude that there are no significant errors in other information, based on our auditing activities, we are required to report this conclusion.

There are no items that we should report concerning other information.

Responsibility of Management, Statutory Auditors and the Board of Statutory Auditors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan. This responsibility includes the design and operation of internal controls that management determines are necessary to enable the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the financial statements, management must determine if it is appropriate to prepare the statements based on the going concern assumption. Management has a responsibility to disclose

information regarding this assumption if there is a need for this disclosure based on accounting principles generally accepted in Japan.

The statutory auditors and Board of Statutory Auditors are responsible for supervising the performance of the directors regarding the design and operation of the financial reporting process.

Auditors' Responsibility

Our responsibility is to express an opinion in the audit report, from an independent standpoint, on the financial statements based on our audit. This opinion is based on a reasonable assurance about if the financial statements are free from material misstatements, whether due to fraud or error. Misstatements can occur due to fraud or error. We judge these misstatements to be material if they, either singularly or collectively, can be reasonably expected to influence decisions by users of the financial statements. For this audit, we used an audit process in conformity with auditing standards generally accepted in Japan. We used this process to make judgments as business ethics professionals and to perform the following tasks while retaining professional skepticism.

- We identify and evaluate the risk of material misstatements due to fraud or errors and create proposals for audit procedures to deal with the risk of material misstatements and implement those procedures.

The procedures selected and implemented depend on the auditor's judgment. Furthermore, we obtain sufficient and appropriate audit evidence for use as the basis of our opinion.

- The purpose of the audit of the financial statements is not to express an opinion about the effectiveness of internal controls. For making these risk assessments, we consider internal controls relevant to the audit in order to design audit procedures that are appropriate for current circumstances.

- We evaluate the suitability of accounting policies used by management and how those policies are applied. We also evaluate the rationality of accounting estimates made by management as well as the validity of the associated notes.

- We reached conclusions about whether it is appropriate for management to prepare the financial statements based on the going concern assumption and whether there are any material uncertainties regarding events or conditions that create significant doubt about the going concern assumption. If we believed there were material uncertainties about the going concern assumption, we would ask management in the audit report to include a precautionary statement in the notes to the financial statements. If the inclusion of this note about the material uncertainty would not be appropriate, we would be obligated to submit a modified opinion. Our conclusions are based on audit evidence obtained by the date of the audit report. Future events or conditions may prevent the company from remaining a going concern.

- We evaluated whether the presentation and notes of the financial statements conform with accounting principles generally accepted in Japan and whether the presentation, composition and contents of the financial statements, including the associated notes, and the transactions and accounting activities that are the basis for the financial statements are presented properly.

We report to the statutory auditors and the Board of Statutory Auditors the scope of the audit we have planned, when the audits will be performed, significant items discovered during audits, including significant problems involving internal controls that were identified during an audit, and other items required by the audit standards.

We report to the statutory auditors and the Board of Statutory Auditors that we are complying with rules concerning business ethics in Japan regarding our independence. If there are any items that could reasonably have an effect on our independence or any safeguards for eliminating or reducing obstacles concerning our independence, we report this information as well to the statutory auditors and the Board of Statutory Auditors.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Copy of Audit Report of Board of Statutory Auditors

Audit Report

Regarding the performance of duties by directors for the 100th business year beginning April 1, 2022, and ending March 31, 2023, the Board of Statutory Auditors hereby submits its audit report, which has been prepared through discussions based on the audit reports prepared by the respective statutory auditors, as follows:

1. Methods and Contents of Audit by the Statutory Auditors and the Board of Statutory Auditors

- 1) The Board of Statutory Auditors determined, among other things, the auditing policies and plan, the division of responsibilities and other matters for the fiscal year that ended on March 31, 2021. The board received reports from individual statutory auditors concerning the performance of audits and results. In addition, the board received reports from directors, employees and the independent auditors concerning the performance of their duties and, when necessary, asked them to provide explanations.
- 2) In accordance with the statutory auditors' auditing standards specified by the Board of Statutory Auditors, and in conformity with the auditing policies and plan and the division of responsibilities for the fiscal year that ended on March 31, 2021, the statutory auditors communicated effectively, including through online channels, with the directors, employees in the internal audit division and other relevant employees for the purposes of collecting information and maintaining a proper auditing environment. The statutory auditors also used the following methods to conduct audits.
 - (i) To examine business operations and assets of the head office and other major business sites, the statutory auditors attended meetings of the Board of Directors and other important meetings; received reports from the directors and relevant employees regarding the performance of their duties; asked them to provide explanations when necessary; and examined important decision documents and associated information. For subsidiaries, the statutory auditors communicated effectively with directors, statutory auditors and other individuals at subsidiaries and exchanged information with these individuals. When necessary, the statutory auditors received business reports from subsidiaries.
 - (ii) The statutory auditors expressed an opinion concerning the framework needed to ensure that the performance of duties by the directors, as listed in the business report, comply with laws, regulations and the Articles of Incorporation. This opinion also covered resolutions by the Board of Directors and the establishment of frameworks (internal control system) based on these resolutions concerning the maintenance of systems prescribed in Article 100, Paragraphs 1 and 3 of the Enforcement Regulations of the Companies Act to ensure that the Nissan Shatai Group (Nissan Shatai Co., Ltd. and its subsidiaries) operates properly. For this purpose, statutory auditors regularly received regular reports from directors, employees and others regarding the status and implementation of these systems and asked them to provide explanations when necessary.
 - (iii) The statutory auditors used the status of the Board of Directors and other meetings to examine the precautionary items of Companies Act Ordinance of Enforcement Article 118 5-a that are listed in the business report as well as the judgments and reasons for item 5-b of this article.
 - (iv) The statutory auditors monitored and verified whether the independent auditors were maintaining their independence and properly performing audits; received reports from the independent auditors about the performance of their duties and asked them for explanations when necessary. The statutory auditors also received a notice from the independent auditors confirming the establishment of a "system to ensure proper performance of duties" (items stipulated in all paragraphs of Article 131 of Corporate Accounting Rules) in accordance with Standards on Quality Control for Audit (October 28, 2015, Business Accounting Deliberation Council) and other relevant standards.

By using these methods, the statutory auditors examined the business report and supplementary schedules, the nonconsolidated financial statements (nonconsolidated balance sheet, income statement, statement of changes in net assets and notes to these statements) and supplementary schedules, and the consolidated financial statements (consolidated balance sheet, income statement, statement of changes in net assets and notes to consolidated financial statements).

2. Audit results

- 1) Audit results concerning business reports, etc.
 - (i) In our opinion, the business reports and supplementary schedules fairly represent the condition of Nissan Shatai in accordance with the related laws and regulations and the Articles of Incorporation.
 - (ii) With regard to the performance of duties by the directors, we found no evidence of wrongful actions or material violations of related laws and regulations or the Articles of Incorporation.
 - (iii) We acknowledge that the resolutions of the Board of Directors regarding the internal control system are appropriate. We found no matters requiring attention concerning the execution of duties by the directors regarding the internal control system.
 - (iv) For business report information about parent company, etc. transactions, there were no items requiring attention concerning precautions to prevent negative effects on Nissan Shatai's interests from these transactions or concerning judgments by the Board of Directors, and reasons for those judgments, about whether or not these transactions had a negative effect on Nissan Shatai's interests.
- 2) Results of audits of nonconsolidated financial statements and supplementary schedules
In our opinion, the auditing methods and results of the independent auditors, Ernst & Young ShinNihon LLC, are fair and reasonable.
- 3) Audit results concerning consolidated financial statements
In our opinion, the auditing methods and results of the independent auditors, Ernst & Young ShinNihon LLC, are fair and reasonable.

May 23, 2023

The Board of Statutory Auditors Nissan Shatai Co., Ltd.

Full-time Statutory Auditor
Statutory Auditor (Outside Statutory Auditor)
Statutory Auditor (Outside Statutory Auditor)

Kiyoshi Aoji
Izumi Inoue
Tomonori Ito

Memorandum to Shareholders

Fiscal year	From April 1 to March 31 of the following year
Ordinary general shareholders meeting	June of each year
Record Date	March 31 each year
Ordinary general shareholders meeting	March 31 each year
Year-end dividends	March 31 each year
Interim dividends	September 30 each year
Administrator of shareholder register and special account	Sumitomo Mitsui Trust Bank, Limited
Administrator of shareholder register management office	Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
(Postal address)	Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063
(Telephone inquiries)	Tel: 0120-782-031 (free dial) Reception hours: 9:00 to 17:00 (excluding Saturdays, Sundays, and public holidays)
Internet home page URL	https://www.smtb.jp/personal/procedure/agency/
(Frequently asked questions (FAQ))	https://faq-agency.smtb.jp/?site_domain=personal

Notices

Change of address, request for purchase of shares fewer than one unit and other procedures

Shareholders who have an account at a securities company should ask the securities company to perform the procedure. Sumitomo Mitsui Trust Bank, Limited is unable to perform these procedures if shares are held in a securities company account. Shareholders who do not have a securities company account should contact Sumitomo Mitsui Trust Bank by using the above telephone number. Information about performing shareholder procedures and answers to frequently asked questions are available on the Sumitomo Mitsui Trust Bank frequently asked questions website above.

Payment of unpaid dividends

Please contact Sumitomo Mitsui Trust Bank, Limited, the administrator of the shareholder register.

Trade name	<i>Nissan Shatai Kabushikikaisha</i>
English version of name	Nissan Shatai Co., Ltd.

Principal Products



ARMADA



PATROL Y62



QX80



CARAVAN



ELGRAND



AD



**NV200
VANETTE**



PATROL Y61



PATROL PICKUP

Direction for the Meeting

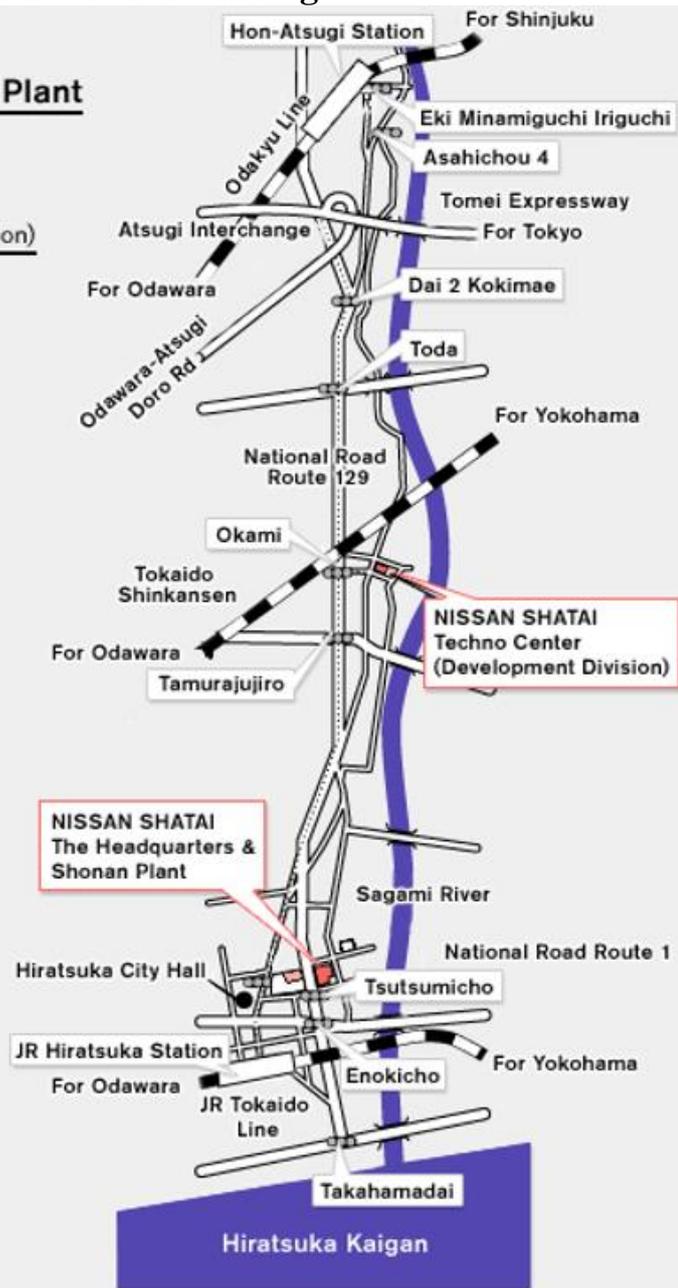
NISSAN SHATAI

The Headquarters & Shonan Plant

2-1, Tsutsumicho, Hiratsuka,
Kanagawa, 254-8610

Techno Center (Development Division)

2909, Okami, Hiratsuka,
Kanagawa, 254-0012



The Headquarters & Shonan Plant

Public transportation:

JR Hiratsuka Station (JR Tokaido Line) $\xrightarrow{\text{on foot}}$ NISSAN SHATAI The Headquarters & Shonan Plant
about 30 min.

JR Hiratsuka Station (JR Tokaido Line) $\xrightarrow{\text{Kanachu Bus for Hiratsuka Eki Kitaguchi Iki Junkan}}$ Kogyo Danchi Iriguchi Bus Stop $\xrightarrow{\text{on foot}}$ NISSAN SHATAI The Headquarters & Shonan Plant
about 5 min. about 1 min.

By car:

About 30 min. from Tomei Expressway "Atsugi Interchange".

NISSAN SHATAI CO., LTD.