

93rd Ordinary General Shareholders Meeting: Notice of Convocation

Date and Time: Tuesday, June 28, 2016, 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, 2016

NISSAN SHATAI CO., LTD.

2-1 Tsutsumicho, Hiratsuka, Kanagawa

Dear shareholders:

93rd Ordinary General Shareholders Meeting: Notice of Convocation

Notice is hereby given that the 93rd Ordinary General Shareholders Meeting of the Company (the “Meeting”) will be held as described below. You are cordially invited to attend the Meeting.

If you are unable to attend the Meeting in person, you may exercise your voting right in writing. After reviewing the Reference Materials for General Shareholders Meeting below, please indicate your votes for or against the proposal on the enclosed voting form and return it to the Company so that it arrives no later than 5:30 p.m. on Monday, June 27, 2016.

Yours sincerely,

Yoshiaki Watanabe
President

Particulars

1. Date and Time

Tuesday, June 28, 2016, 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. Fiscal 2015 Business Report (April 1, 2015 to March 31, 2016), Consolidated Financial Statements, and Audit Reports by Accounting Auditor and the Board of Statutory Auditors
2. Fiscal 2015 Financial Statements (April 1, 2015 to March 31, 2016)

Matters to be resolved:

Proposal 1 : Appropriation of Surplus
Proposal 2 : Election of Three Directors
Proposal 3 : Election of Two Statutory Auditors

- When attending the Meeting in person, please present the enclosed voting form at reception.
- If any revisions are made to the Reference Materials for General Shareholders Meeting, the Business Report, or the Consolidated or Nonconsolidated Financial Statements, amended versions will be posted on the corporate website:
<http://www.nissan-shatai.co.jp/IR/NEWS/>

Reference Materials for General Shareholders Meeting

Proposal 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 11 yen per share, 2 yen higher than the dividend for 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: 961,546,833 yen

(2) Effective date of distribution of surplus:

June 29, 2016

Proposal 2: Election of Three Directors

Since directors Yoshiaki Watanabe and Masashi Mizunuma will resign at the close of this General Meeting, it is proposed to elect two directors to fill vacancy. Moreover, Nissan Shatai wishes to further strengthen its management structure by increasing the number of directors and electing one new director.

It is proposed to elect Mr. Shohei Kimura and Mr. Yuichi Mabuchi to fill the vacancy to be left by Mr. Watanabe and Mr. Mizunuma.

In accordance with the provisions of Article 22, Paragraph 2 of the Nissan Shatai's Articles of Incorporation, the terms of office of three directors elected at this General Meeting shall expire at the same time as the terms of office of the other directors already holding office.

Candidates for director are as follows:

No.	Name (Date of Birth)	Brief Personal Record, Positions, Responsibilities, and Important Positions at Other Companies	Number of Shares of the Company Owned
1	Shohei Kimura (March 12, 1957) New candidate	Apr 1979: Joined Nissan Motor Co., Ltd. Apr 2006: Plant Manager, Oppama Plant, Nissan Motor Co., Ltd. Apr 2009: Corporate Vice President, Nissan Motor Co., Ltd. Apr 2014: Alliance EVP, Executive Vice President, Nissan Motor Co., Ltd. Aug 2015: Executive Vice President, Nissan Shatai Co., Ltd. (Current position) Responsibilities at Nissan Shatai: President Assistant	2,100 shares
<p>Reason for selection as a director candidate</p> <p>Mr. Kimura has been involved with manufacturing operations at Nissan Motor Co., Ltd. and has considerable experience and many accomplishments regarding all aspects of manufacturing. In his current position as an Executive Vice President of Nissan Shatai, Mr. Kimura is exercising strong leadership to oversee all of Nissan Shatai's operations, including operations contributing to earnings growth. Since he is well suited for implementing the mid-term management plan and improving corporate governance, he is a candidate for a director.</p>			
Note: There is no special interest between Nissan Shatai and Mr. Kimura.			
2	Yuichi Mabuchi (December 19, 1959) New candidate	Apr 1982: Joined Nissan Motor Co., Ltd. Apr 2011: General Manager, Vehicle Production Engineering Control Dept., Nissan Motor Co., Ltd. Apr 2014: Senior Vice President, Nissan Motor Asia Pacific Co., Ltd. Apr 2016: Senior Vice President, Nissan Shatai Co., Ltd. (Current position) Responsibilities at Nissan Shatai: Overall supervision of Production Div.; Safety and Environment Administration Dept.; Production Administration Dept.; Shonan Plant	None
<p>Reason for selection as a director candidate</p> <p>Mr. Mabuchi has been involved with manufacturing operations at Nissan Motor Co., Ltd. and has considerable experience and many accomplishments regarding factory operations in Japan and overseas. In his current position as a Senior Vice President of Nissan Shatai, Mr. Mabuchi oversees manufacturing, and performs</p>			

	other duties including operations contributing to higher manufacturing productivity. Since he is well suited to continue contributing to growth in corporate value, he is a candidate for a director.		
	Note: There is no special interest between Nissan Shatai and Mr. Mabuchi.		
3	Seiichiro Ichikawa (December 8, 1953) New candidate/ Outside director/ Independent director	Apr 1976: Joined Sapporo Breweries Ltd. Mar 2005: Managing Officer, Sapporo Breweries Ltd. Mar 2008: Managing Executive Officer, Sapporo Breweries Ltd. Mar 2009: Director and Managing Executive Officer, Sapporo Breweries Ltd. Mar 2013: Senior Managing Director, Sapporo Breweries Ltd. Mar 2016: Resigned Sapporo Breweries Ltd.	None
Reason for selection as an outside director candidate Mr. Ichikawa has been involved with manufacturing operations in a different industry and has much experience and knowledge concerning management. Since he is well suited to oversee the execution of business operations from an independent perspective and to strengthen Nissan Shatai's corporate governance, he is a candidate for an outside director.			
Notes: 1. There is no special interest between Nissan Shatai and Mr. Ichikawa. 2. Mr. Ichikawa is a candidate for an outside director post. 3. If Mr. Ichikawa is elected in accordance with the proposal, he will be an independent director as stipulated by Tokyo Stock Exchange, Inc. 4. If Mr. Ichikawa is elected in accordance with the proposal, it is intended that the Company will conclude the contracts limiting their liability for damages vis-à-vis Nissan Shatai to a certain level with both persons. The details of this contract are as follows: (1) If directors (excluding executive directors and the like) become liable for damages to the Company due to neglect of their duties, such liability shall be limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. (2) The limit of liability described in the above paragraph shall apply only in cases where the director (excluding executive directors and the like) concerned is without knowledge and not grossly negligent in performing his/her duties liable for damages.			

Proposal 3: Election of Two Statutory Auditors

At the closing of this Meeting, Statutory Auditors Koichiro Esaki and Masahiko Otsuka will complete their terms of office. Accordingly, it is proposed to elect two statutory auditors to fill these vacancies.

The Board of Statutory Auditors has agreed to this proposal.

The Candidates for statutory auditor are as follows:

No.	Name (Date of Birth)	Brief Personal Record, Positions, and Important Positions at Other Companies	Number of Shares of the Company Owned
1	Koichiro Esaki (January 25, 1952) Reappointment	Apr 1974: Joined Nissan Shatai Co., Ltd. Apr 2007: Senior General Manager and General Manager, Shonan Plant, Nissan Shatai Co., Ltd. Apr 2008: Corporate Vice President and General Manager, Shonan Plant, Nissan Shatai Co., Ltd. Apr 2010: Corporate Vice President, Nissan Shatai and Managing Director, Nissan Shatai Kyushu Co., Ltd. Apr 2012: President, Auto Works Kyoto Co., Ltd. Apr 2015: Corporate Adviser, Auto Works Kyoto Co., Ltd. Jun 2015: Auditor, JATCO Ltd. (Current position) Jun 2015: Full-time Statutory Auditor, Nissan Shatai Co., Ltd. (Current position) Important positions at other Companies: Auditor, JATCO Ltd. Auditor, Nissan Shatai Kyushu Co., Ltd.	11,000 shares
Reason for selection as a statutory auditor candidate Mr. Esaki has considerable experience and knowledge concerning management from his involvement in Nissan Shatai's manufacturing operations and the Nissan Shatai Group's management. As a Full-time Statutory Auditor of Nissan Shatai, he has provided the proper audit of the performance of the directors. Since he is well suited to make auditing functions even stronger, he is a candidate for statutory auditor.			
Notes: 1. There is no special interest between Nissan Shatai and Mr. Esaki. 2. Based on the Articles of Incorporation, Nissan Shatai has concluded a limited liability contract with Mr. Esaki. If he is re-elected as proposed at this			

	<p>General Shareholders Meeting, it is intended that the contract limiting their liability for damages vis-à-vis Nissan Shatai to a certain level will be renewed. The details of these contracts are as follows:</p> <p>(1) If statutory auditors become liable for damages to the Company due to neglect of their duties, such liability shall be limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p> <p>(2) The limit of liability described in the above paragraph shall apply only in cases where the statutory auditors concerned is without knowledge and not grossly negligent in performing his/her duties liable for damages.</p>		
2	<p>Shoichi Miyatani (February 1, 1957)</p> <p>New candidate/ Outside statutory auditor</p>	<p>Apr 1979: Joined Nissan Motor Co., Ltd.</p> <p>Apr 2004: Vice President, Nissan Motor Co., Ltd.</p> <p>Apr 2006: Corporate Vice President, Nissan Motor Co., Ltd.</p> <p>Apr 2010: Corporate Vice President, Nissan Motor Co., Ltd. and President/CEO, Nissan Motorsports International Co., Ltd.</p> <p>Apr 2012: President/CEO, Nissan Motorsports International Co., Ltd. and President/CEO, Autech Japan, Inc.</p> <p>Apr 2016: Corporate Adviser, Autech Japan, Inc. (Current position)</p>	None
<p>Reason for selection as an outside statutory auditor candidate</p> <p>Mr. Miyatani was involved with overseas marketing at Nissan Motor Co., Ltd. and has considerable experience and knowledge involving management of the Nissan Group. Since he is well suited to strengthen auditing functions concerning the performance of the directors, he is a candidate for an outside statutory auditor.</p>			
<p>Notes:</p> <p>1. There is no special interest between Nissan Shatai and Mr. Miyatani.</p> <p>2. Mr. Miyatani is a candidate for an outside statutory auditor post.</p> <p>3. If Mr. Miyatani is elected in accordance with the proposal, it is intended that Nissan Shatai will conclude the contracts limiting their liability for damages vis-à-vis the Company to a certain level with both persons. The details of this contract are as follows:</p> <p>(1) If statutory auditor become liable for damages to the Company due to neglect of their duties, such liability shall be limited to the minimum</p>			

	<p>liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p> <p>(2) The limit of liability described in the above paragraph shall apply only in cases where the statutory auditor concerned is without knowledge and not grossly negligent in performing his/her duties liable for damages.</p>
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(Attached Documents)

Business Report

(From April 1, 2015 to March 31, 2016)

1. Current State of Corporate Group

(1) Operations and results

In the fiscal year, the Japanese economy showed signs of gradual recovery due to continuous effect of the economic policy as well as the monetary easing. Also, in the United States, the economy remained in the gradual recovery phase, but the outlook for the global economy is still unclear because of slowing economic growth in emerging countries including China, and the recent collapse of crude oil price and other factors.

Amidst such economic situation, the volume orders of passenger vehicles from Nissan Motor Co., Ltd. increased for Infinity QX80 and Quest for the United States and other vehicles. As a result, sales volume increased by 12.6% year-on-year to 102,600 units and net sales increased by 10.6% to 296.5 billion yen.

For light commercial vehicles, there were increases in production of the NV350 Caravan and other vehicles. As a result, sales volume increased by 1.1% to 86,138 units and net sales increased to 130.1 billion yen.

In the microbus category, there were increases in production of the NV350 Caravan and other vehicles, sales volume increased by 28.4% to 24,897 units and net sales increased by 27.8% to 50.4 billion yen.

Overall, compared with the previous fiscal year, vehicle sales volume increased by 9.2% to 213,635 units. Including vehicle parts and other products, consolidated net sales increased by 7.2% to 509.4 billion yen.

Operating income increased by 11.2% to 11.4 billion yen mainly because of the growth in sales volume. Ordinary income increased by 7.9% to 11.9 billion yen because of a 1.1 billion yen decline in non-operating income resulting from lower amount of reversal of removal cost, etc. related to restructuring of the Shonan plant and a 800 million yen decline in non-operating expenses following the end of amortization of net retirement benefit obligation at transition. Profit attributable to owners of parent decreased by 49.2% to 7.9 billion yen. Factors affecting profit attributable to owners of parent included a 14.2 billion yen decline on the sale of Zone 1 of Shonan Plant and other items.

Sales Breakdown

Category	Volume (Units)	Amount (Million yen)	Year-on-year change (%)
Passenger vehicles	102,600	296,535	10.6
Commercial vehicles	86,138	130,175	(0.0)
Microbuses	24,897	50,445	27.8
Vehicle parts, etc.	—	32,265	(14.0)
Total	213,635	509,421	7.2

(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 totalled approximately 6.4 billion yen. This was for the improvement of product attractiveness through the 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

To become more competitive worldwide, Nissan Shatai started the current medium term management plan in fiscal 2011. The plan has four medium-term pillars: “Make this plant global benchmarks for overall capabilities in quality, cost, and time (QCT)” (Nissan Shatai Kyushu), “Create flexible manufacturing facility for high-mix, low-volume production” (Shonan Plant), “Strengthen global light commercial vehicles (LCV) business capability” and “Actively expand production and sales.”

Due to these activities, Nissan Shatai Kyushu, which started operating in 2010, has operated at full output capacity consistently during the past three years while establishing a foundation for stable quality. There were also other actions to become even more competitive. We restructured our Shonan production operations, completed the relocation of head office functions, and reorganized operations to maximize the benefits of centralizing activities.

In fiscal 2016, the final year of the current medium-term management plan, we will continue to build an even more powerful base of operations while fully utilizing the respective strengths of Nissan Shatai Kyushu and the Shonan Plant.

The globalization of manufacturing continues to advance, we will continue to build on our strengths: integrated manufacturing operations extending from product development to production and the distinctive manufacturing operations of Nissan Shatai Kyushu and the Shonan Plant. In addition, we will continue the workforce diversity measures that started in fiscal 2015. Through these activities, we will further boost the confidence of customers, shareholders, business partners, communities, employees, and other stakeholders by continuing to increase corporate value.

(5) Financial performance highlights

Item	Fiscal year	FY2012 (Ended March 31, 2013)	FY2013 (Ended March 31, 2014)	FY2014 (Ended March 31, 2015)	FY2015 (Ended March 31, 2016)
Net sales	(Million yen)	464,871	474,239	475,367	509,421
Ordinary income	(Million yen)	9,434	10,020	11,084	11,962
Profit attributable to owners of parent	(Million yen)	3,487	6,701	15,639	7,939
Earnings per share	(Yen)	22.97	45.30	105.72	53.67
Total assets	(Million yen)	239,782	260,368	264,484	262,507
Net assets	(Million yen)	149,132	151,044	167,302	169,949
Book value per share	(Yen)	1,008.09	1,021.05	1,130.95	1,148.85

Notes:

1. Earnings per share is calculated on the basis of the average number of shares outstanding during each fiscal year, after deduction of treasury stock.
2. In accordance with Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 21, September 13, 2013), etc., net income has been renamed profit attributable to owners of parent beginning with the fiscal year that ended on March 31, 2016.

(6) Principal parent company and subsidiaries

a) Parent company

Nissan Shatai's parent company Nissan Motor Co., Ltd. holds 67,726,000 (45.8% of all voting rights) of the total number of Nissan Shatai's shares outstanding, and accounts for 99.9% 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
Transaction prices for automobile to the parent company are determined by negotiations that take into account the total cost of manufacturing. Nissan Shatai's Board of Directors confirms the process and contents of these negotiations.
- 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 manufacture
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	Elgrand, Quest, Wingroad, Infiniti QX80, Patrol (Y62), Patrol (Y61), NV200 Vanette, NV350 Caravan
Commercial vehicles	AD, AD Expert, NV200 Vanette, NV350 Caravan, Patrol Pickup, Atlas F24
Microbuses	NV350Caravan, Civilian
Vehicle parts, etc.	Vehicle parts and other items

(8) Principal offices, facilities, and plants

a) Nissan Shatai

Office / facility / plant	Location
Head Office Kyushu Office	Hiratsuka, Kanagawa Prefecture 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, Production Administration Department	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: Hiratsuka, Kanagawa Prefecture Plants: Hiratsuka and Hadano, 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	Decrease from end of previous fiscal year
3,903	132

b) Nissan Shatai employees

Number of employees	Decrease from end of previous fiscal year
1,861	81

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 9,309,409 shares of treasury stock)
- (3) Number of shareholders at fiscal year-end 5,478
- (4) Ten largest shareholders

Name	Number of shares (Thousands)	Ratio of issued shares (%)
Nissan Motor Co., Ltd.	67,726	45.8
Royal Bank of Canada Trust Company (Cayman) Limited	29,082	19.7
State Street Bank and Trust Company 505224	18,901	12.8
Nissan Shatai Supplier Stock Ownership Plan	2,815	1.9
Japan Trustee Services Bank, Ltd. (Trust account)	2,384	1.6
The Master Trust Bank of Japan, Ltd. (Trust account)	1,464	1.0
Goldman Sachs International	1,202	0.8
Japan Trustee Services Bank, Ltd. (Trust account 5)	1,000	0.7
Japan Trustee Services Bank, Ltd. (Trust account 2)	985	0.7
Japan Trustee Services Bank, Ltd. (Trust account 3)	983	0.7

Note: Nissan Shatai holds 9,309,409 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, 2016)

Title	Name	Responsibilities	Important positions at other companies
President*	Yoshiaki Watanabe	Internal Audit Office	President, Nissan Shatai Kyushu Co. Ltd.
Director	Masashi Mizunuma	Overall supervision of Production Div.; Safety and Environment Administration Dept.; Production Administration Dept.; Shonan Plant	
Director	Yuzo Sakita	Overall supervision of Development Div.; Product Development Administration Department; Project Engineering Center; Conversion Development Dept., Vehicle Evaluation & Test Dept.; General Manager, Corporate Quality Assurance Div.	
Director	Toshikatsu Hamaji	Overall supervision of General & Administration Div.; Corporate Management Dept.; Human Resources Dept.; Secretariat; Finance Dept.; Vehicle Cost Management Dept.; Conversion Business Promotion Office	Director, Nissan Shatai Manufacturing Co., Ltd., Statutory Auditor, Auto Works Kyoto Co., Ltd.
Director (Outside)	Yoshiyuki Oki		Managing Director; General Manager, Business Planning Dept., Kanagawa Chuo Kotsu Co., Ltd.

			President, Kanachu Accounting Service Co., Ltd.
Statutory Auditor (Outside)	Masahiko Otsuka	Full-time	Outside Statutory Auditor, Nissan Kohki Co., Ltd.
Statutory Auditor	Koichiro Esaki	Full-time	Outside Statutory Auditor, JATCO Ltd. Auditor, Nissan Shatai Kyushu Co., Ltd.
Statutory Auditor (Outside)	Toshio Wakui		Managing Director, Kanagawa Association of Corporate Executives Outside Statutory Auditor, YURINDO Co., LTD, Outside Director, OBAYASHI ROAD CORPORATION
Statutory Auditor (Outside)	Izumi Inoue		Chief Executive Officer, Japan Risk Solution Co., Ltd.

Notes:

1. * indicates a representative director.
2. Mr. Oki is an outside director.
3. Mr. Otsuka, Mr. Wakui and Mr. Inoue are outside statutory auditors.
4. Mr. Oki, Mr. Wakui and Mr. Inoue are independent director or statutory auditor as stipulated by Tokyo Stock Exchange, Inc.
5. Statutory auditor Mr. Masao Takoshima resigned at the close of the 92nd General Meeting that was held on June 25, 2015.
6. Mr. Esaki and Mr. Inoue were newly elected as statutory auditors at the 92nd General Meeting that was held on June 25, 2015.
7. Both Kanagawa Chuo Kotsu Co., Ltd and Kanachu Accounting Service Co., Ltd. do not have capital ties and business relations with Nissan Shatai.
8. Nissan Kohki Co., Ltd. that is a subsidiary of Nissan Motor Co., Ltd., the parent company of Nissan Shatai.
9. Both YURINDO Co., LTD and OBAYASHI ROAD CORPORATION do not have capital ties and business relations with Nissan Shatai.
10. There are no capital ties and business relations between Nissan Shatai and Japan Risk Solution Co., Ltd.

(2) Total amount of remuneration of directors and statutory auditors

Office	No. of persons	Payment	Remuneration ceiling stipulated by general shareholders meeting
Directors	6	120,356,000 yen	The ceiling for remuneration of directors is 30 million yen per month (resolution of June 30, 1982)
Statutory Auditors	6	33,555,000 yen	The ceiling for remuneration of statutory auditors is 5 million yen per month (resolution of June 30, 1982).
Total	12	153,911,000 yen	

Notes:

1. At the end of the fiscal year under review, there were five directors and four statutory auditors.
2. The remuneration paid to the one outside director and three outside statutory auditors during the fiscal year under review totaled 29,913,000 yen.
3. Besides the above, total remuneration for outside directors the Company accepts from its parent company or the parent company's subsidiaries is 6,000,000 yen.

(3) 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	Principal contributions	Attendance record	
			Board of Directors	Board of Statutory Auditors
Director	Yoshiyuki Oki	As necessary based on experience and insights	100%	—
Statutory Auditor	Masahiko Otsuka	As necessary based on experience and insights	100%	100%
Statutory Auditor	Toshio Wakui	As necessary based on experience and insights	100%	100%
Statutory Auditor	Izumi Inoue	As necessary based on experience and insights	100%	100%

3) Outline of limited liability contract

Under Article 423, Paragraph 1 of the Companies Act, limited liability contracts have been concluded with the Company, with limits as prescribed in Article 425, Paragraph 1 of the Companies Act.

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: 30 million yen
- b) Total amount of monetary or other property benefits to be paid by Nissan Shatai or its subsidiaries: 40 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) Content of non-audit work

Nissan Shatai outsourced advisory work related to International Financial Reporting Standards (IFRS) to Ernst & Young ShinNihon LLC

(4) 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.

(5) Item concerning business suspension penalty imposed on the accounting auditor during past two years

Summary of an administrative order on December 22, 2015 by the Financial Services Agency

a) Organization

Ernst & Young ShinNihon LLC

b) Penalty

Three-month suspension of acceptance of new engagements (January 1 to March 31, 2016)

Order to improve its operations (improvements to business management system)

c) Reasons

The firm had, in negligence of due care, attested the financial statements of TOSHIBA CORPORATION for FY2009, FY2011 and FY 2012 (for years that ended March 31, 2010, 2012 and 2013) containing material misstatements as if the statements contained no material misstatement.

The firm's operations were significantly inappropriate.

(6) 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. Policy regarding Internal Control Systems

(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 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. The Compliance Committee provides monthly reports to the Executive Committee on its activities.

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 sensing such risks as early as possible 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 directly 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, Auditors Office has been established and staffed with managers and/or other employees and perform its duties under the instruction and supervision of statutory auditors.

To ensure the independence of the managers and other employees, their appointment, dismissal, appraisal, transfer to another department and disciplinary action require prior consent from the Board of 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

Nissan Shatai regularly reviews the operations of systems to ensure appropriate business conduct (hereinafter "Internal Control System") of Nissan Shatai and its group companies and reports outcomes to the Board of Directors. An overview of the status of Internal Control System for Nissan Shatai during the current fiscal year is as follows.

(1) Compliance

Nissan Shatai has formulated and maintains a Code of Conduct in compliance with the parent company's 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.

Nissan Shatai and its group companies have established a hotline system and maintain structures whereby matters are reported to the Human Resources Dept., or to a designated third party. Furthermore, provision has been stipulated in the Code of Conduct to protect informers.

(2) Risk management

The Risk Management Committee was established as a body to oversee matters pertaining to risk and meetings are convened regularly (Three times in the current fiscal year). The Committee has specified major risks to 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 as a body to oversee matters pertaining to information security and meetings are convened regularly (12 times in the current fiscal year). The Committee has developed and implemented action plans, including provision of regular education about Information Security Policy at Nissan Shatai and its group companies, the strict handling of information according to its classification, and the implementation of regular self-assessment. 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, one outside director is elected. In the current fiscal year the Board of Directors met 18 times, where important company matters were reported, deliberated and decided. Furthermore, pursuant to the stipulations of Article 370 of the Companies Act, one written resolution was implemented.

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, regular reviews of the Delegation of Authority and Responsibilities of Each Department were conducted and necessary revisions were implemented.

(4) Execution of duties by Statutory Auditors

Through attendance of Statutory Auditors, including outside Statutory Auditors, at meetings of the Board of Directors, attendance of a representative of Statutory Auditors at important meetings of the Executive Committee and others, and through regular reports from the accounting auditor and the Internal Audit Office, the Statutory Auditors perform an audit of the execution of duties by Directors and confirm the maintenance and status of operations of Internal Control Systems.

The Auditor's Office was established as a body to assist in the duties of the Statutory Auditors, and in order to ensure independence from Directors, personnel matters such as the appointment and dismissal and appraisal of manager in the Auditor's Office 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.

Memorandum to Shareholders

Fiscal year	From April 1 to March 31 of the following year
Date of record for year-end dividends	March 31 each year. When an interim dividend is declared, the date of record therefor is September 30.
Ordinary general shareholders meeting	June of each year
Date of record for ordinary general shareholders meeting	March 31 each year
Administrator of shareholder register	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Administrator of special account	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Postal address (Telephone inquiries)	Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063

Notices

Reporting change of address, requesting purchase of shares fewer than one unit, etc.

Please inform the securities company where your account is held. Shareholders for whom a special account has been opened because they do not hold an account with a securities company are requested to inform Sumitomo Mitsui Trust Bank, Limited, the administrator of the special account.

Payment of unpaid dividends

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

Dividend statement

The dividend statement sent when dividends are paid also serves as a notice of payment as provided for in the Act on Special Measures Concerning Taxation. Please use that document as an attachment when filing your tax return.

For shareholders who have opted for proportional distribution, their securities company or other relevant institution will calculate the amount of tax to be withheld at source. Please contact the securities company, etc., concerned with regard to documents to attach to your tax return.

Note: Shareholders intending to file tax returns are advised to store this document carefully.

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

Principal Products



Infiniti QX80



QUEST



* Production starts in summer 2016

ARMADA



**NV350
CARAVAN**



ELGRAND



PATROL Y62



**NV200
VANETTE**



PATROL Y61



PATROL PICKUP



AD/AD EXPERT



CIVILIAN



ATLAS F24

Direction for the Meeting

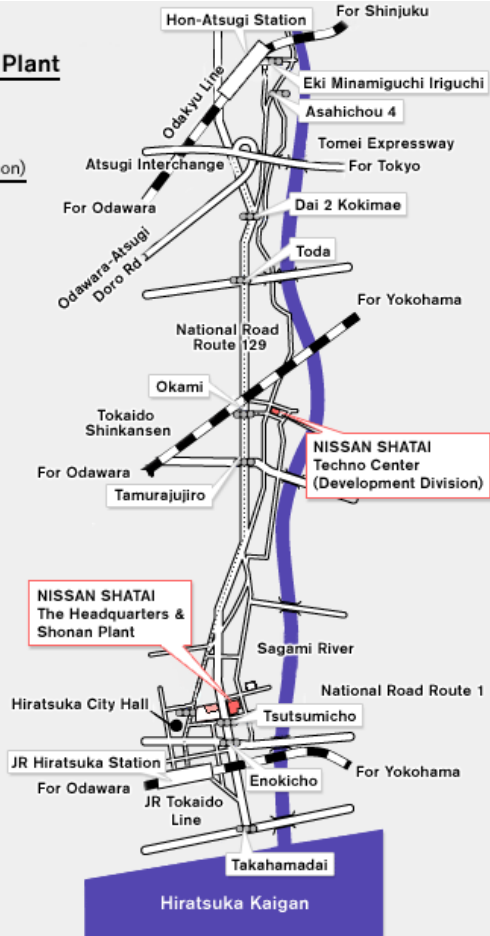
NISSAN SHATAI

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) $\xrightarrow[\text{about 30 min.}]{\text{on foot}}$ NISSAN SHATAI The Headquarters & Shonan Plant

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

By car:

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

Techno Center

Public transportation:

JR Hiratsuka Station (JR Tokaido Line) $\xrightarrow[\text{about 25 min.}]{\text{Kanachu Bus for Hon-Atsugi Minamiguchi}}$ Yanaginouchi Bus stop $\xrightarrow[\text{about 2 min.}]{\text{on foot}}$ Techno Center

Hon-Atsugi Station (Odakyu Line) $\xrightarrow[\text{about 25 min.}]{\text{Kanachu Bus for Hiratsuka Kitaguchi}}$ Yanaginouchi Bus stop $\xrightarrow[\text{about 2 min.}]{\text{on foot}}$ Techno Center

By car:

About 10min. from Tomei Expressway "Atsugi Interchange".

