

Briefing for Institutional Investors

June 2023

Nissan Shatai Co., Ltd.

1. Greeting

Now, we will take up the first objective of this meeting and give a report on the Items to be reported, that is, Item Number 1, the 100th fiscal Business Report and Consolidated Financial Statements for the period between April 1, 2022, and March 31, 2023, which will be followed by Item Number 2, the 100th fiscal Financial Statements for the period between April 1, 2022, and March 31, 2023.

2. The current status of the Nissan corporate group

First, out of the items pertaining to the current state of the corporate group, I will explain our operations and business 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 supply chains caused by the Shanghai lockdown until the second quarter, a 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.

Net sales

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.

Income and loss

Next, 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.

Furthermore, 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.

Regarding financing

Next, there were no funding activities to be reported during the fiscal 2022.

Capital expenditure

Next, I will report on capital expenditures for fiscal 2022.

The total amount of capital expenditures was approximately 13.1 billion yen. This was for the improvement of product attractiveness with new products and minor changes of existing products, as well as for the enhancement of plants and equipment by streamlining manufacturing facilities, the improvement of welfare facilities, and workplace environment improvements.

Consolidated financial statements

Consolidated balance sheet

Next, regarding internal controls at our company and at corporate group companies.

First, I would like to give an overview of the consolidated balance sheet as of March 31, 2023.

Our total assets reached 249.1 billion yen.

This consisted of 123.1 billion yen in current assets and 126.0 billion yen in fixed assets for a year-on-year increase of 17.9 billion yen.

Meanwhile, our total liabilities reached 76.1 billion yen.

This consisted of 70.9 billion yen in current liabilities and 5.2 billion yen in fixed liabilities for a year-on-year increase of 17.1 billion yen.

The total amount of net assets reached 172.9 billion yen.

This consisted of 169.4 billion yen in shareholder's equity, while accumulated other comprehensive income was 3.5 billion yen for a year-on-year increase of 0.8 billion yen.

Consolidated statement of income

Next, I would like to give an overview of our consolidated statement of income for our 100th fiscal year.

As for the result of the business activities of our company and consolidated subsidiaries that I already explained, ordinary profit for the fiscal period reached 5.1 billion yen.

For special profits, 0.5 billion yen including a reversal of recall-related costs was registered, with the result of the losses attributable to the owners of the parent company for the fiscal period being 3.8 billion yen after deducting corporate taxes and other items.

3. Initiatives to address major challenges

Continuing, we will report on our initiatives to address challenges.

Previous Medium-term Management Plan

First, I will review the previous Medium-term Management Plan that we implemented from fiscal 2017 to fiscal 2022.

I will look at each of the pillars of the plan – “more competitive vehicles,” “more competitive plants,” “more competitive technologies and skills,” and “the foundation for all activities.”

More competitive vehicles

The first pillar is “more competitive vehicles.”

We renewed the exterior and deployed cutting-edge advanced safety equipment in our flagship Patrol and Patrol NISMO and Elgrand. We also addressed stricter legal regulations while boosting fuel economy with a new diesel engine that significantly enhances fuel economy and quietness in the Caravan and other renewals of the powertrain, including in the AD and NV200 Vanette. We aimed to increase production volume with continuous efforts to maintain and expand vehicles competitiveness. Auto Works Kyoto launched a new model “PARAMEDIC” for the first time in 20 years and took the opportunity of the end of production of mass-produced vehicle models to be reborn as a plant specializing in specially equipped vehicles and work toward enhancing its product variations.

More competitive plants

The second pillar is “more competitive plants.” In the initial quality evaluation for the Nissan group domestic market models in fiscal 2022, Nissan Shatai secured first- to third-place rankings with the AD, NV200, and Elgrand. It dominated the top positions just as in fiscal 2021. During the six years of the previous Medium-term Management Plan, Nissan Shatai’s product stayed at the top level.

Next, I’ll review initiatives at each plant.

We reallocated equipment processes in accordance with production volume at the Shonan plant.

Additionally, Nissan Shatai Kyushu took steps to improve the productivity of frame vehicles.

We placed emphasis on quality, such as utilizing results from the quality survey and enhancing durability over time and continued to pursue minimization of loss costs, optimization of fixed costs and variable costs, and improvement in overall facility efficiency.

With the aim of bolstering competitiveness in plant quality, costs, and delivery time, we intend to flexibly address requests from the global market.

More competitive technologies and skills.

The third pillar is “more competitive technologies and skills.” This covers the main technology themes that we have pursued up to now. In the past six years, we accumulated LCV technology and also established technology that is vital to production of frame vehicles. In the future, we plan to move these items to the volume-production phase for next model vehicles. We intend to continue improvements in LCV product capabilities and the accumulation of new items for future CASE.

For skills, our employees continued to participate in various competitive events. In the previous fiscal year too, events took place at Nissan Motor’s Tochigi plant, Oppama plant, and other locations, and Nissan Shatai won medals in all classes at the “Vehicle Assembly Basic Skills Competition.” Employees from Nissan Shatai Group delivered healthy results. Female employee empowerment

stands out too. This is the result of Nissan Shatai's promotion of diversity.

the foundation for all our activities.

The final pillar is "the foundation for all our activities."

Nissan Shatai promoted diversity with focus on female empowerment and enhanced programs, such as Childcare leave and family support leave.

It also implemented measures to strengthen compliance following the completed vehicle inspection issue in 2017 and promoted improvements for matters affecting employees and enhancements in customer satisfaction.

I will introduce a number of examples of activities that contribute to regional areas and society.

The first is workplace vaccination for the COVID-19 vaccine. Nissan Shatai implemented vaccinations in Shonan, Kyushu, and Kyoto in 2021 and 2022 in collaboration with regional areas and medical entities. More than 13,000 people participated, including employees and their families as well as people from nearby companies.

Another example is plant tours. While many children normally come to plant tours, Nissan Shatai conducted "online plant tours" during the pandemic that connected a new dedicated studio and schools. Utilizing a communications app, these events distributed video teaching materials and staff provided live explanations from the studio. The events received positive reception as pandemic responses. Just over 24,000 people participated in fiscal 2022, including "on-site classes" in which our staff visited schools. This was the highest result among Nissan-related domestic plants.

New Medium-term Management Plan environmental changes and issues

The above description provided a review of the previous Medium-term Management Plan.

Next, I will explain the new Medium-term Management Plan that started in fiscal 2023. I will begin with an introduction of environmental changes and issues that we considered in formulating the new Medium-term Management Plan.

First is the necessity of 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.

Another factor is changes in the needs of the market. Nissan Shatai is responding to the diversification of consumer needs and changes in market requirements and therefore products and services utilizing a variety of technologies which can meet those needs and requirements are required. Companies are also facing calls for increased social responsibility. They need to tackle global social issues and fulfill social responsibility and continuously bolster the management base from the perspective of SDGs and ESG aimed at achieving sustainable growth.

Finally, there is 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., it is necessary to further perception is also diversifying, so the building of a sustainable corporate foundation which enables the employees to work energetically and with motivation is necessary.

Nissan Shatai's three major businesses

Considering the changes in the business environment described above, we aim to expand the following three major businesses as our focus areas.

The first business is “Commercial vehicles and premium cars.”

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.

The second business is “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.

The third business is “Support businesses.”

We will work toward expansion of production volume and business volume in our full range of support businesses, including service parts, engineering consignments, prototyping, molds and tools, and equipment.

Next is the fundamental policy of the Medium-term Management Plan based on the above-mentioned points. This is a five-year plan that covers from fiscal 2023 to fiscal 2027. The new Medium-term Management Plan clearly defined Nissan Shatai's vision. This vision is “contribute to society in commercial vehicles, premium cars, specially equipped vehicles, and support businesses and become the one only presence trusted by our customers.” Nissan Shatai described the vision in terms of the three major businesses where it intends to focus explained above. It also stipulated three pillars for realizing the vision. I review the pillars below.

Sustainable corporate foundation

The first pillar is “Sustainable corporate foundation.” The “Sustainable corporate foundation” aims to realize carbon neutral by 2050. And 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. Key initiatives are utilization of renewable energy, electrification of equipment, and energy-savings. Another goal is the coexistence of diverse values and the building of workplaces in which anyone can work comfortably. This includes “diversity, equity & inclusion” that adds fairness and acceptance to diversity, workplace environment development, safety, and health initiatives. Nissan Shatai will work toward harmonious coexistence with local communities through a variety of initiatives by the company. Some examples

are exchanges with local communities, plant tours, and disaster response.

Creation of appealing products

The second pillar is “Creation of appealing products.” In “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.

As initiatives, as commercial vehicle and premium car professionals, we will provide products which are praised by our customers. We also will enhance our specially equipped vehicles and propose new products which meet diversifying needs in a timely manner to our customers. We will also work toward the expansion of businesses such as CASE, etc., including service parts and vehicle electrification.

Evolution and deepening of uniqueness

The third pillar is “Evolution and deepening of uniqueness.” In “evolution and deepening of uniqueness,” Nissan Shatai will continue to explore innovation, efficiency and flexibility through technologies and ideas brimming with uniqueness. As initiatives, both Shonan plant and Nissan Shatai Kyushu plant will pursue an efficient production system in line with the number of units produced.

We will build the optimal production technologies and methods for high-mix low-volume products and improve the technologies specific to commercial vehicles, premium cars, and specially equipped vehicles in order to become a trusted presence.

The above explanation summarizes the new Medium-term Management Plan that covers fiscal 2023 to fiscal 2027.

CARAVAN 50th Anniversary

Finally, Nissan Shatai’s Caravan arrived in February 2023, 50 years since its original launch.

Since the first-generation E20 model released in February 1973, many customers have loved the series, and we have manufactured a total of 2.2 million units thus far. We intend to continue building vehicles that meet the needs of our customers’ lives and work. Here is the “Caravan MY ROOM concept,” a concept car for a livable vehicle based on the Caravan just introduced. Thanks to extensive reactions to our exhibits at various events since the first unveiling at Tokyo Auto Salon 2022, Nissan Shatai decided to proceed with the commercialization of “Caravan MY ROOM.” We intend to proceed with an announcement and release in fiscal 2023. Please look forward to this launch.

That concludes the explanation of our initiatives to address challenges.

In the first fiscal year of the new Medium-term Management Plan, Nissan Shatai wants to further enhance trust from stakeholders by bolstering integrated manufacturing operations that extend from

development to production, which is our strength, and working to improve legal compliance and corporate governance.

I have reported on the contents of the business report and the consolidated financial statements.

4. Business Outlook for fiscal 2023

Now, I will explain our business outlook for fiscal 2023.

First, we expect net sales of 339.4 billion yen.

Additionally, we expect operating income and ordinary income of 8.8 billion yen and 8.9 billion yen, respectively, and we expect profit attributable to owners of parent of 5.6 billion yen.

That concludes the business outlook for fiscal 2023.

5.Dividends

Regarding dividends, based on our dividend policy of continuously paying stable dividends, then the annual dividend for fiscal 2022 will be 13 yen.

For fiscal 2023, we plan to continue paying a dividend of 13 yen.

6. Closing Speech

We would like to ask you, as shareholders, to give us even more support and advice going forward.