

# Briefing for Institutional Investors

June 2024

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 101st fiscal Business Report and Consolidated Financial Statements for the period between April 1, 2023 and March 31, 2024, which will be followed by Item Number 2, the 101st fiscal Financial Statements for the period between April 1, 2023 and March 31, 2024.

## 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 2024, a moderate recovery of the Japanese economy was seen due to the improvement in the employment situation and income environment, while on the other hand a condition continued in which monitoring the impact of price rises and the situation in the Middle East region, etc. was necessary.

Regarding the environment surrounding the Nissan Shatai Group, production activities recovered compared to the previous fiscal year which was impacted by the constraint on economic activities arising from the spread of the COVID-19 infections and supply problems for some parts, but we ended up in a tough situation due to component supply shortages caused by the impact of the Noto Peninsula Earthquake which occurred in January 2024, and other factors such as demand fluctuations.

### Net sales

In this environment, the volume of orders from Nissan Motor Co., Ltd. decreased by 2.0% compared to the previous fiscal year to 139,121 units. Net sales decreased by 2.1% to 301 billion yen mainly due to a decrease in the volume of orders for passenger vehicles such as the ARMADA, etc., even though sales of commercial vehicles such as the NV200 Vanette, etc. grew.

### Income and loss

Looking at income and loss, the operating income/loss decreased by 77.7% to 900 million yen due to the decrease in the volume of orders, deterioration of model mix, impact of market fluctuations, and other factors, ordinary income decreased by 72.8% to 1.3 billion yen, and profit attributable to owners of parent decreased by 89.5% to 400 million yen.

### Regarding financing

Next, there were no funding activities to be reported during the fiscal 2023.

### Capital expenditure

Next, I will report on capital expenditures for fiscal 2023.

The total amount of capital expenditures was approximately 37.1 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, 2024.

Our total assets reached 258.3 billion yen.

This consisted of 140.0 billion yen in liquid assets and 118.3 billion yen in fixed assets for a year-on-year increase of 92.0 billion yen.

Meanwhile, our total liabilities reached 84.0 billion yen.

This consisted of 68.3 billion yen in liquid liabilities and 15.6 billion yen in fixed liabilities for a year-on-year increase of 7.9 billion yen.

The total amount of net assets reached 174.3 billion yen.

This consisted of 168.0 billion yen in shareholder's equity, while accumulated other comprehensive income was 6.2 billion yen for a year-on-year increase of 1.4 billion yen.

##### Consolidated statement of income

Next, I would like to give an overview of our consolidated statement of income for our 101st 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 1.3 billion yen.

For special gains, a gain on sales of fixed assets of 140 million yen was registered, with the result of the profit attributable to owners of parent for the fiscal period being 400 million yen after deducting corporate taxes.

### 3. Initiatives to address major challenges

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

#### New Medium-term Management Plan

Last fiscal year, Nissan Shatai has started a Medium-Term Management Plan covering fiscal years 2023-2027 with an awareness of the environmental changes of “the necessity of a response to climate change,” “changes in the needs of the market,” “increase in the societal responsibilities required of companies” and “changes in the working population and the awareness of employees.”

Nissan Shatai's vision for the future

Taking into account these environmental changes, 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 are working to expand these three major businesses.

#### 2023-2027 Medium-term Management Plan

Under the 2023-2027 Medium-term Management Plan we formulated in the last fiscal year, we will tackle "Sustainable corporate foundation," "Creation of appealing products," and "Evolution and deepening of uniqueness" as our three priority issues.

#### Sustainable corporate foundation

The first pillar is a "Sustainable corporate foundation."

In this Medium-term Management Plan, we advocate a "Sustainable corporate foundation" in as the central pillar of our activities, and we are tackling ESG issues, namely "environmental," "social" and "governance" issues to promote business activities centered on sustainability.

Firstly, regarding initiatives for achieving carbon neutral by 2050, we have set the goal of reducing CO<sub>2</sub> emissions per unit by 52% by 2030. Our energy-saving activities include advancing the visualization of our electricity use with electrical surveillance monitors and advancing specific measures based on the results of data analysis.

Regarding lighting, we are planning to convert all of our lights to LEDs by FY2025 and at the end of FY2023 we had finished 50% of the lights as planned.

Next, for the introduction of renewable energy, last fiscal year we installed outdoor lights which use solar power.

Furthermore, going forward we will advance specific studies regarding the installation of solar panels.

Next are our initiatives for DE&I, diversity, equity and inclusion.

We positioned last fiscal year as the year for restarting the fostering of a corporate culture in which the officers and employees thoroughly understand the meaning of DE&I, and we advanced training and other measures for that purpose. In the current fiscal year, we added activities to deepen understanding of unconscious bias.

Furthermore, last fiscal year we cleared the first stage of the certification conditions for "Eruboshi" certification, which can be acquired by companies which are promoting active participation of women. In the current fiscal year we have applied for the first stage and we are working to acquire even higher

certification.

Regarding contributions to the region and society, as support for the victims of the Noto Peninsula Earthquake which occurred in January, Nissan Shatai provided two Caravans to the afflicted area. One Caravan had wide high roof specifications and was utilized for in-car accommodation for earthquake victims, taking advantage of its spacious interior. The other Caravan was a ten-seater wagon, and was utilized to pick up and drop off the employees of our suppliers who had suffered from the earthquake. In the same way, in our activities to contribute to the region and society, in addition to the online plant tours we started during the COVID-19 pandemic, we resumed plant visiting tours for the first time in four years.

Furthermore, we implemented disaster-preparedness drills with neighborhood associations as preparation for times of disaster. In the event that a major tsunami warning is issued, the rooftops of the main building Area #2 can be used as temporary emergency evacuation sites by neighborhood residents.

Regarding corporate festivals, we implemented both “Yu-topia” in the Shonan area and “Niihama-sai” in Kyushu for the first time in four years. We are resuming a variety of these activities which were stopped due to COVID-19, and we are working to achieve symbiosis with local communities.

#### Creation of appealing products

Next is the second pillar, “Creation of appealing products.”

Firstly, there is the new model INFINITI “QX80” for North America which Nissan Shatai Kyushu commenced mass producing in April.

With this full model change, we have adopted many world-first and segment-first technologies such as the latest driver-assistance technology, a newly-developed frame and air suspension, and in addition the Invisible Hood View which enables the driver to confirm what is in front of the vehicle through the hood, the “Flush Door Handle” which electrically stores away the door handles, and more, enabling us to launch the new model on the North American market with overwhelming product attractiveness.

In the current fiscal year, we plan to gradually commence mass production of new model frame vehicles for the Near and Middle East and other vehicles, including variant models. We will proceed with our meticulous preparations for production, so please look forward to the new vehicles.

Next, we will discuss events for the current models. Regarding the Caravan, which celebrated its 50th anniversary last year, we launched a specially customized vehicle featuring an exclusive black grill and a color exclusive to this model. Furthermore, we implemented minor changes in order to ensure each vehicle complies with all regulations and to enhance product attractiveness; in particular, we implemented minor changes to the AD to conform with the latest legal requirements and to enhance its safety features.

Regarding specially equipped vehicles, we launched the Caravan MYROOM which is customized by Auto Works Kyoto. This model meets needs for in-car accommodation. For example, it employs seats which can change from drive mode to a bed and sofa with a simple operation, and it can also be used as a theater room using the special feature of a rollup screen.

The PARAMEDIC gained orders for 200 units, the highest number ever, due to the effect of our enhanced bid participation rate, our stronger sales support measures such as sales company workshops, and other factors.

Going forward, we will work to expand the business by enhancing products in areas where we sell using the unique commercial distribution of Auto Works Kyoto.

In addition, there is the quality of Nissan Shatai production vehicles.

In the initial quality evaluation in the Nissan Group domestic market for FY2023, Nissan Shatai's NV200 Vanette gained the top ranking and the Caravan gained the second ranking.

Continuing on from the previous Medium-term Management Plan period, Nissan Shatai's products have continued to maintain their top level quality.

#### Evolution and deepening of uniqueness

Regarding technology development, last fiscal year we completed the development of nine projects, including mass production application technologies for new model frame vehicles. From the current fiscal year onward, we will continue to work on the buildup of technologies which realize the efficient production of service parts, as well as new items focused on CASE going forward.

Next, there is our success in Nissan Group's basic skill competitions. Last fiscal year, they were held again in each region, such as at the Nissan Motor Oppama Plant, and Nissan Shatai Group employees achieved great results. For example, they won medals at all grades in the vehicle assembly basic skill competition.

We feel reassured that this is a result of our constant and disciplined efforts aimed at stable production and further enhancement of quality. In order to enhance the education which supports these front line capabilities, we opened the Nissan Shatai Training Center last fiscal year. It implements education for new employees, in-house education such as the development and promotion of multiskilling of highly skilled workers, and hands-on training for building safe workplaces. In addition to in-house education, the center is also used for the Nissan Group's basic skills competitions and for the training of external organizations such as the Japan Auto-Body Industries Association.

#### Initiatives to address challenges.

In the second fiscal year of the 2023-2027 Medium-term Management Plan, we will uphold the "Nissha-ism" presented here as the shared values of the people working at Nissan Shatai and 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.

#### 4. Business Outlook for fiscal 2024

Now, I will explain our business outlook for fiscal 2024.

First, we expect net sales of 328.7 billion yen.

Additionally, we expect operating income and ordinary income of 8.7 billion yen and 9.0 billion yen, respectively, and we expect profit attributable to owners of parent of 5.4 billion yen.

That concludes the business outlook for fiscal 2024.

#### 5.Dividends

Regarding dividends, based on our dividend policy of continuously paying stable dividends, then the annual dividend for fiscal 2023 will be 13 yen.

For fiscal 2024, 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.