

**NISSAN SHATAI
NISSAN SHATAI KYUSHU**

Integrated Report 2024



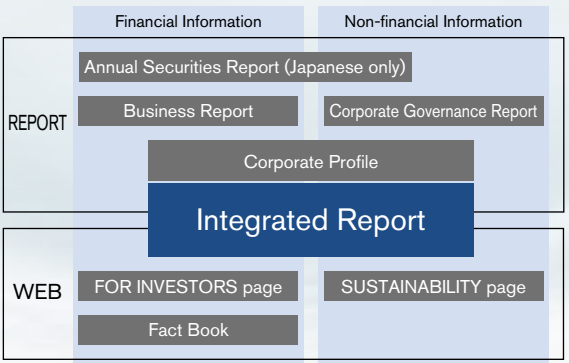


CONTENTS

Message from the President	4	Sustainability	18
		Sustainability at Nissan Shatai /	
		Materiality (Key issues)	
Medium to Long-term Value Creation	6	Environmental	
Corporate Purpose · Mission, etc.		Social	
The Value Creation Drivers of Nissan Shatai		Governance	
Medium to Long-term Value Creation Process			
The trajectory of value creation	8	Outline	46
(history of Nissan Shatai)		Nissan Shatai	
		Nissan Shatai Kyushu	
Major Businesses	10	Affiliates	
FY2023-2027		Financial Data / Non-Financial Data	51
Medium-term Management Plan	12		
Sustainable corporate foundation		Models	54
Creation of appealing products			
Evolution and deepening of uniqueness			

Editorial policy
This report is published for the purpose of enabling a wide range of stakeholders to understand the overall vision for our medium to long-term value creation process, and for explaining in an understandable manner the financial and non-financial information of Nissan Shatai, including management strategies, etc.
Going forward we will continuously endeavor to transmit information in order to gain the understanding of all of our stakeholders for the activities of Nissan Shatai.

Positioning of the Integrated Report (this report)



The period covered by the scope of this report
From April 1, 2023 to March 2024. The content of activities outside this period is partially included.

Range of report target
Nissan Shatai Co., Ltd. , Nissan Shatai Kyushu Co., Ltd. and affiliates

Issued August 2024

NISSAN SHATAI Homepage
<https://www.nissan-shatai.co.jp/>

NISSAN SHATAI KYUSHU Homepage
<https://www.nissan-shatai.co.jp/nissan-shatai-kyushu/>

X
https://x.com/Nissan_ShataiJP

Facebook
<https://www.facebook.com/NissanShataiJP>

YouTube
<https://www.youtube.com/channel/UCnJxqDw0WuSkZnVMqUINlZg>

This document has been translated from the Japanese original for reference purposes only. In the any discrepancy between this translated document and the Japanese original, the original shall prevail.

We at Nissan Shatai, as a trusted company,
Nissan Shatai Group responding to provide unique and
delivering attractive, high-quality vehicles and services
to our customers in timely manner.

I am Takashi Tomiyama, newly appointed President of Nissan Shatai Co., Ltd.

Nissan Shatai began as a car body manufacturer for train cars and automobiles in 1949. In 1951, it became a member of the Nissan Group and has since then expanded steadily in the Shonan area in Kanagawa, as well as Uji City in Kyoto. In 2000, the company consolidated the production of its mass-produced vehicles in the Shonan area. Following that, it established Nissan Shatai Kyushu as a new company in 2007 with the aim of establishing a business foundation that can be sustained into the future. The new plant in Kyushu commenced operations in January 2010.

Nissan Shatai has two production bases - Shonan Plant and Nissan Shatai Kyushu. Shonan Plant produces two models including light commercial vehicles (LCV) such as the AD and the NV200 Vanette while Nissan Shatai Kyushu produces five models including the Elgrand minivan, the Armada full-size SUV (Sport Utility Vehicle) and the Caravan LCV, etc.

Nissan Shatai owns proprietary expertise in the development and production of LCV and frame-vehicles and is responsible for their development and production within the Nissan Group.

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.

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.

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

Our three major businesses are as follows.

The first business is "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.

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 facilities.

Last fiscal year, Nissan Shatai has started a Medium-Term Management Plan covering fiscal years 2023 to 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."

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.

The first pillar is "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.

The second pillar is "Creation of appealing products."

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

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. The

third pillar is "Evolution and deepening of uniqueness."

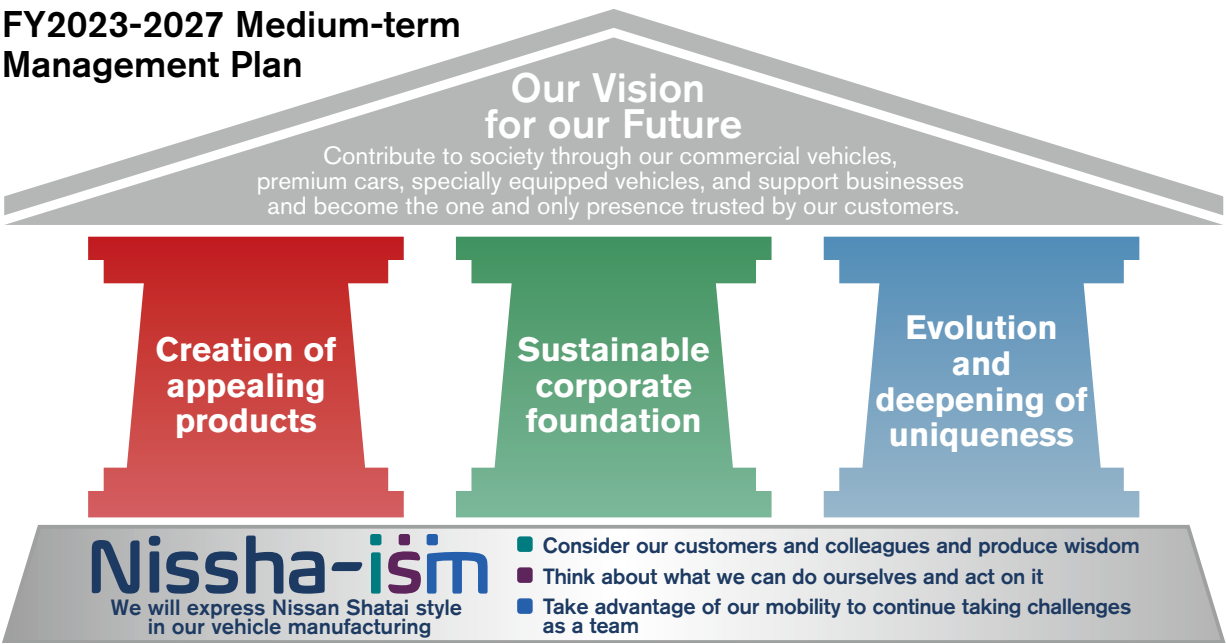
Regarding technology development, From the current fiscal year onward, we will continue to work on the buildup of technologies which realize the efficient production of service parts, as well as new items focused on CASE* going forward.

In the second fiscal year of the 2023-2027 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. Going forward, we will continue to devote ourselves to manufacturing high-quality, safe and environmentally friendly vehicles that offer our customers reliability and satisfaction.

August 2024

*CASE : Connected, Autonomous, Shared & Services, Electric

FY2023-2027 Medium-term
Management Plan



President

Takashi Tomiyama

Medium to Long-term Value Creation

Nissan Shatai aims to “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” based on the three pillars of “Sustainable corporate foundation,” “Creation of appealing products” and “Evolution and deepening of uniqueness.”

Corporate Purpose · Mission, etc.

Corporate Purpose

Driving innovation to enrich people’s lives.

Mission

As a trusted company, Nissan Shatai Group responding to provide unique and delivering attractive, high-quality vehicles and services to our customers in timely manner.

DNA

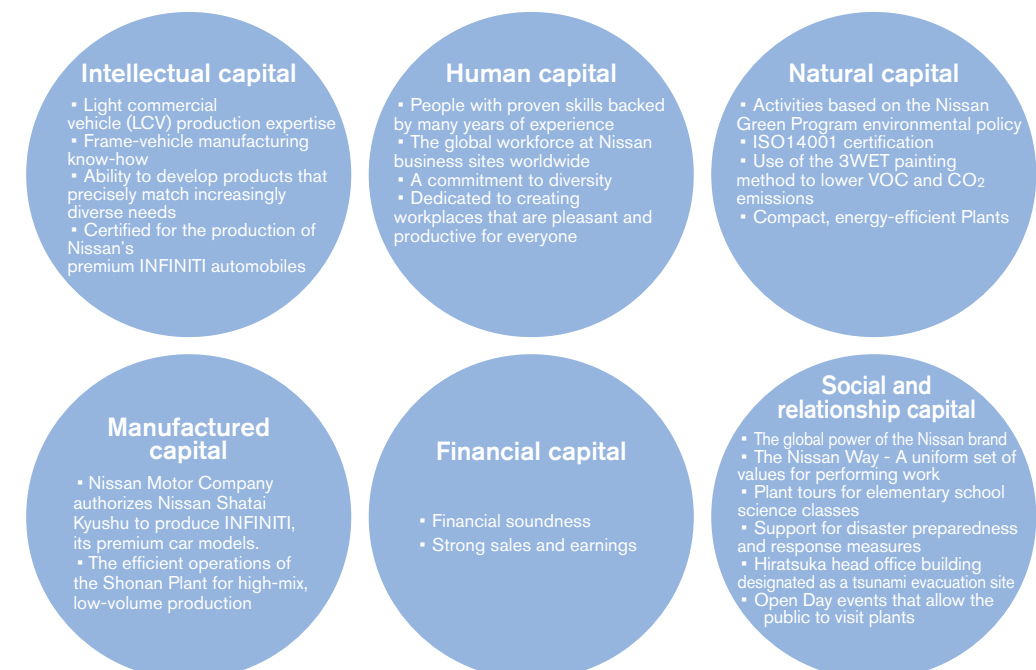
Do what others don’t dare to do
passionate innovative challenger agile

Nissha-ism

We will express Nissan Shatai style in our vehicle manufacturing.

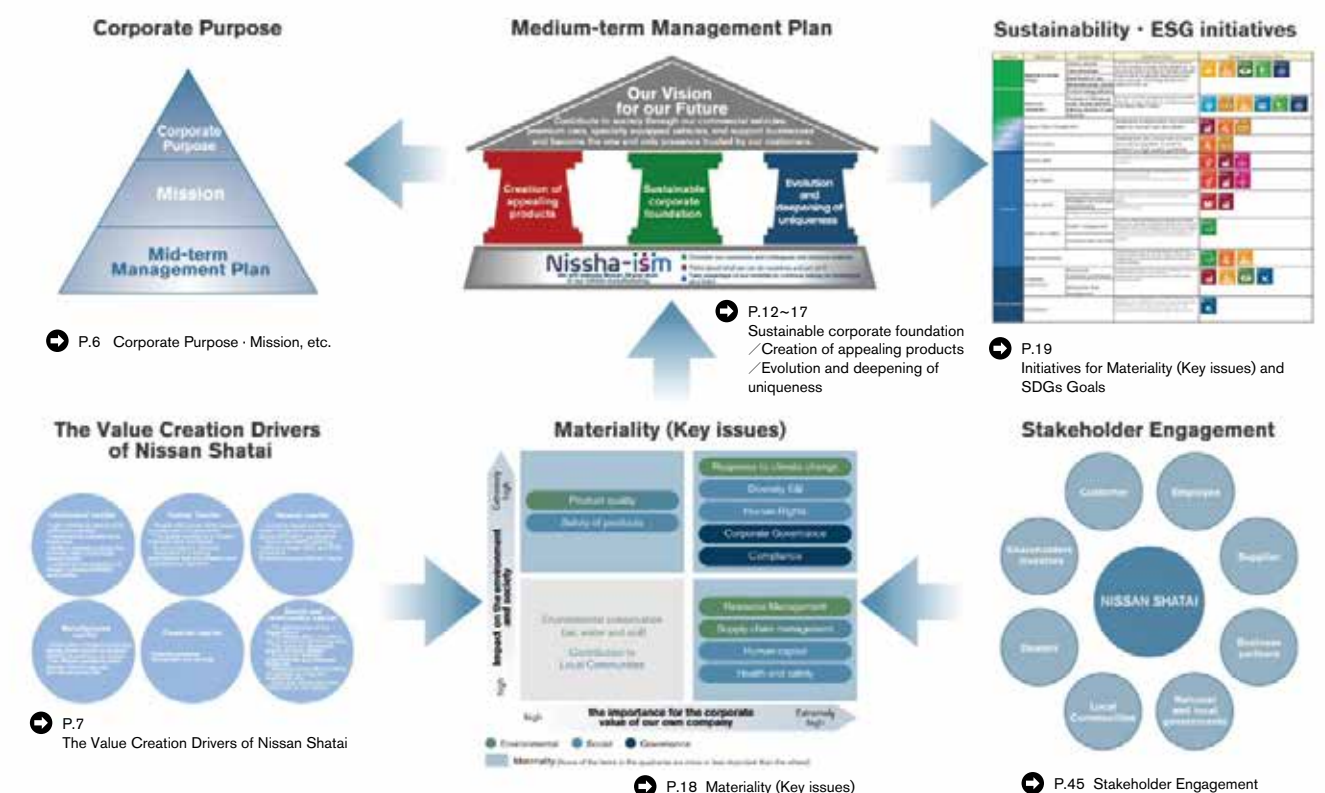
- Consider our customers and colleagues and produce wisdom
- Think about what we can do ourselves and act on it
- Take advantage of our mobility to continue taking on challenges as a team

The Value Creation Drivers of Nissan Shatai



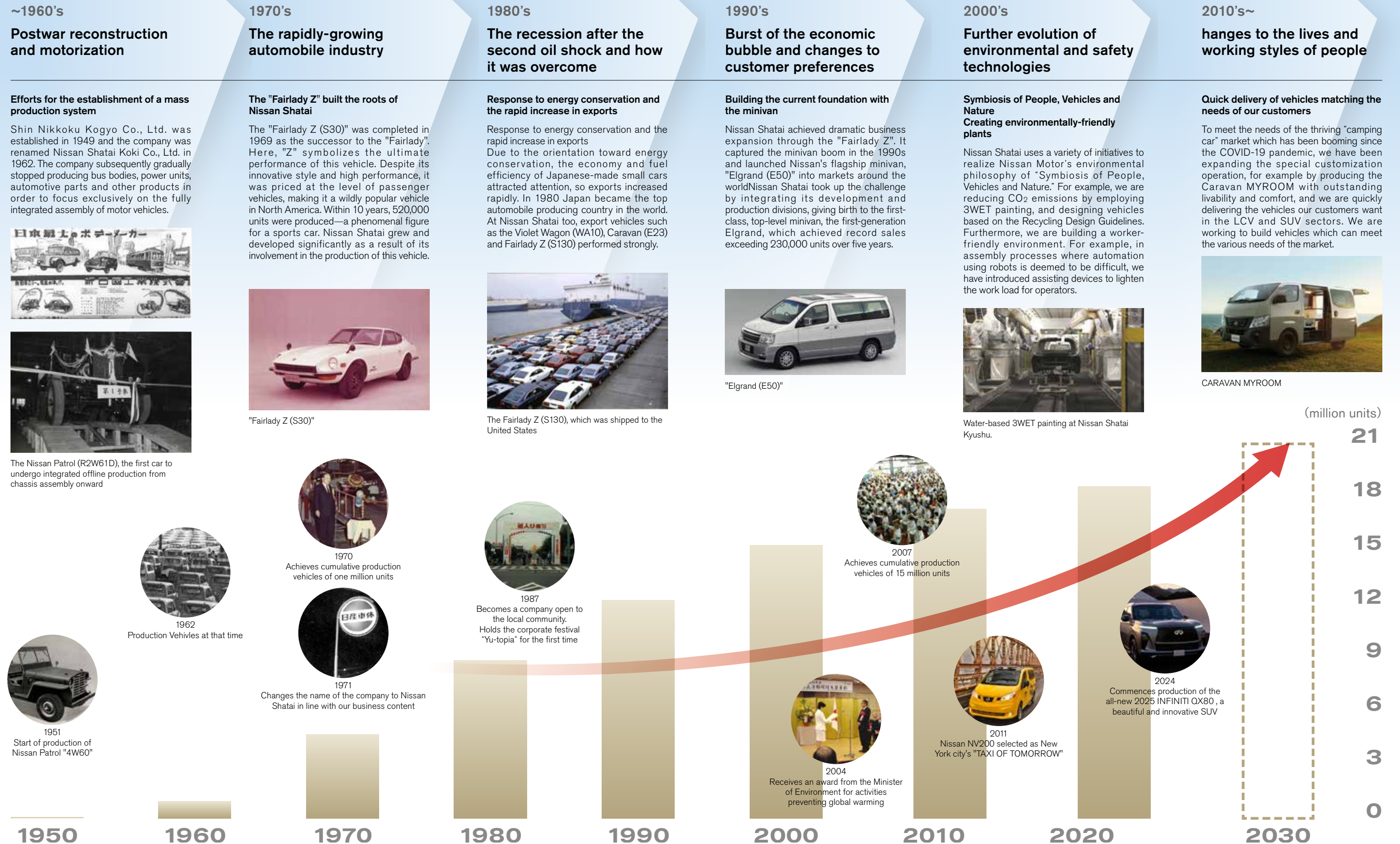
Medium to Long-term Value Creation Process

Based on the expectations of our stakeholders and social demands, we have identified materiality(Key issues) items that we put highest priority and integrated them into our 2023-2027 Medium-term Management Plan. We will promote initiatives for sustainability and ESG. This will enable us to realize our Mission and Corporate Purpose.



The trajectory of value creation (history of Nissan Shatai)

Creating new value through our commercial vehicles, premium cars, specially equipped vehicles, and support businesses



Major Businesses

Nissan Shatai is a vehicles manufacturer which has manufacturing functions from development to assembly

Nissan Shatai is a vehicle manufacturer that is engaged in the processes from development to production upon consignment from Nissan Motor Co., Ltd.

When producing a new car, based on the concept and design for the car, it carries out processes from development including design, prototyping, and testing, to preparations for production such as plant assembly line design and introduction of assembly facilities, pressing, welding of car body, painting, vehicle assembly, and quality assurance.

■ Development

Through technologies such as virtual analysis, and over repeated cycles of checks for high productivity before mass production and testing on the test courses, we carry out efficient design work aiming to “zero design changes”.

■ Production preparation

Based on the concept of the Nissan Production Way (NPW), we have established highly productive, quality plants through the introduction of cutting-edge technology and facilities.

■ Production

At our two production bases, the Shonan Plant and Nissan Shatai Kyushu, we are improving production efficiency and producing quality cars while remaining environmentally friendly.

■ Specially equipped vehicles

Nissan Shatai is also injecting effort into built-to-order manufacturing for specially equipped vehicles, which serve different purposes from one vehicle to the next. Specially equipped vehicles are produced by a group company, Auto Works Kyoto, which delivers specially equipped vehicles that meet the needs of customers through an integrated system from development to production.

■ Development and production support that leverages the know-how we have cultivated

Nissan Shatai is not only carrying out vehicle manufacturing processes at our domestic bases but also providing support for the development of LCVs and the production of new vehicle models at global Nissan plants and for the preparation and establishment of new plants and production lines.

amount
of sales

Support businesses

Expansion of production volume and business volume

Specially equipped vehicles

Response to customer needs

Commercial vehicles Premium cars

Enhancement of the added value of the products

Enhancement of technological capabilities and productivity

Nissan Shatai Group will work toward expansion of the following major businesses in the Medium-term Management Plan starting from FY2023.

1. 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.

2. 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.

3. 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.

* Support businesses
service parts, engineering services, trial production, dies and jigs, equipment, and others

2023

2027

Sustainable corporate foundation



Water-based 3WET painting which reduces our environmental impact.
This is a production method which consecutively paints on three layers, the middle coat and topcoat color base and the clear coat, and then bakes them all on at once. This results in a great reduction in CO₂ and in addition the adoption of water-based paint reduces VOC emissions as well.

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.

Whilst pursuing growth in earnings, Nissan Shatai, as a member of the Nissan Group, also aims to be a company that can co-exist harmoniously with society, nature and the environment.

Regarding our environmental response, we have stipulated an Environmental Policy in accordance with Nissan Shatai's Environmental Principle based on the Environmental Principle of the Nissan Group and are endeavoring to promote initiatives from all perspectives.

In particular, we actively advance the manufacturing of environmentally responsible vehicles as a vital mission of the automobile industry, and going forward we will continue to work on the utilization of renewable energy, the electrification of equipment, and energy-saving.

Furthermore, for the coexistence of diverse values and the building of workplaces in which anyone can work comfortably, we will promote activities for diversity, equity & inclusion, workplace environment development, safety, and health. Moreover, we think of our employees as "human resources" rather than "personnel," consider the training of our employees to be one of our important management strategies, and will actively work on the development of our human resources.

In addition, we will work toward harmonious coexistence with local communities through a variety of initiatives by the company.

We will continue to actively interact with communities and conduct community welfare activities and volunteer activities for disaster recovery, as well as learning support activities for elementary school students.



We are promoting a variety of initiatives to realize carbon neutral by 2050



We are working on diversity, equity & inclusion for the building of workplaces in which anyone can work comfortably



Training to master painting skills which uses a large screen instead of an actual vehicle. We are introducing education and training which are adapted to the current era

We are engaged in community contribution activities as an open company.



Plant Tours for elementary school students



Company festivals



Participation in community beautification activities



Tsunami evacuation site -Head office building-

Nissan Shatai interacts with communities in many ways. Every year, the Shonan Plant welcomes approximately 20,000 students from nearby elementary schools for tours in conjunction with social studies lessons. The Shonan Plant also has a festival that is open to the public and the plant supports and participates in various community events.



We are promoting working style reforms that recognize the needs of our people. We have received Platinum Kurumin¹ certification and have been recognized and honored as a White 500 Company² as well.

※1 : Certification based on Article 13 of the Act on Advancement of Measures to Support Raising Next-Generation Children

※2 : Certification under the Certified Health and Productivity Management Organization Recognition Program promoted jointly by Japan's Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi

Creation of appealing products



This is the 70th anniversary model of the Patrol (limited version for the Gulf region), a very popular model in the Middle East. This model offers a luxurious design, top-class comfort, advanced technology that improves safety and enjoyment, and Patrol-style power and premium quality.

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

As commercial vehicle and premium car professionals, Nissan Shatai will provide products which are praised by our customers. We will enhance our specially equipped vehicles and propose new products which meet diversifying needs in a timely manner to our customers.

Our Caravan (export name: URVAN) features a wide variety of variations. Since their introduction, we've continued to strengthen the line's appeal through adding advanced safety equipment, increasing grades, improving fuel efficiency, and enhancing designs, etc. This has led to a line of vehicles that have an excellent reputation in both the domestic and overseas markets.

Sales of our Caravan and Patrol continue to increase in the Middle East gulf region, Africa, and in ASEAN nations. Through directly communicating with local customers and sales companies, we are continuing to discover new needs.

Our premium brand INFINITI QX80 and our North American Armada SUV, evidenced high praise through the results of our global market surveys and comments from local vehicle journalist associations. In addition, the creation of the NV200 Vanette 4WD model for regions with low temperatures and high snowfall. This has led to a definite increase in sales numbers.

Going forward, we will continue to aim for rapid vehicle planning based upon market surveys, swift vehicle commercialization and pro-active sales support, production of service parts and also aim to expand the CASE* businesses including electrification, and we will further strengthen the unique initiatives of our companies that allow us to meet a wide variety of customer needs.

※CASE : Connected, Autonomous, Shared & Services, Electric



With the Caravan MYROOM, we are proposing new in-car accommodation which enables you to relax by bringing your favorite room into nature.



The INFINITI QX80 produced by Nissan Shatai Kyushu. Only plants which have met strict quality standards are permitted to produce this vehicle

The Caravan specially equipped vehicles which ensure that our customers' needs have been met swiftly and accurately



The specially equipped Caravan has many variations of the Caravan all feature leading-edge safety, functionality, and convenience, while ensuring that our customers' needs have been met swiftly and accurately. The customization of these vans is performed by Auto Works Kyoto, a Nissan Shatai group company. The lineup includes a high-spec ambulance "NISSAN PARAMEDIC", emergency / medical vehicles, fire-fighting vehicles, and kindergarten buses (with abandonment prevention devices installed).



The two-tone version of the NV200 Vanette Multi-Bed Wagon. Due to its approachable appearance, it was very popular at the Tokyo Motor Show



The AD commercial van combines spacious storage space with a comfortable ride. We have enhanced its features and improved its safety.

Evolution and deepening of uniqueness



This is the assembly line at Nissan Shatai Kyushu which efficiently produces five models, including the Elgrand minivan, the Patrol (Y62) frame-vehicle, and the Caravan LCV (light commercial vehicle)

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

Nissan Shatai has two production locations including our Shonan Plant and Nissan Shatai Kyushu. The two plants have incorporated the Nissan Production Way (NPW) and are carrying out high-mix, low-volume production, where vehicles with structural differences are produced on the same line.^{*1}

Our plants are supported by one of the strengths of our company: integrated manufacturing. Nissan Shatai has development divisions that focus on design and production of test vehicles, as well as and tool & machinery engineering divisions that focus on designing and producing equipment for production facilities. There are also test divisions to check every aspect of our vehicles, with development, production and quality control all being part of the same integrated process. Both the Shonan Plant and Nissan Shatai Kyushu are leveraging this integrated manufacturing system to pursue an efficient production system in line with the number of units produced. Moreover, they build the optimal production technologies and methods for high-mix low-volume products.

Nissan Shatai has a central role amongst global Nissan in terms of commercial vehicles, premium cars and specially equipped vehicles manufacturing. Based around next generation frame-vehicles, the development divisions are working to strengthen manufacturing technologies and make use of ITS^{*2} techniques. The production divisions are aiming to create "Production lines that are kind to humans" and are moving forward in a planned fashion by placing focus on the company's unique production processes.

Nissan Shatai will further improve the specific technologies it has cultivated to date with the aim of becoming a trusted presence in the manufacturing of commercial vehicles, premium cars, and specially equipped vehicles.

^{*1} Producing multiple vehicle models on the same line, such as monocoque vehicles (a production method for passenger vehicles and commercial vans where the framework and body are produced as one part) and Frame-vehicles (vehicles where the body is installed on a strong frame such as SUVs, trucks etc.)

^{*2} Intelligent Transport Systems.



The characteristic of the Shonan Plant is flexible manufacturing on a compact line. It continues to pursue the optimal methods for high-mix low-volume production



A meeting to present QFD (Quality Function Deployment) technologies in which the attendees learn the ideas essential for technology development. Not only the development divisions but also the production and management divisions participate

Inspiring the joy of creating things in our employees and motivating them to engage in technology development! New Products and New Technologies Expo & Ideas Contest



New Products and New Technologies Expo



Ideas Contest

Attempting to inspire the joy of creating things in our employees and connect this joy to the motivation to engage in technology development, Nissan Shatai holds a New Products and New Technologies Expo & an Ideas Contest inside the company once a year. The New Products and New Technologies Expo is an event which is essential as a forum for sharing information about the technologies which have been developed. All Nissan Shatai Group employees may apply to the Ideas Contest, and many employees from all of the divisions and of all ages participate. Sometimes their ideas are adopted in actual vehicles.



A CAE analysis image used to consider frame designs. We will further deepen the manufacturing technologies unique to Nissan Shatai, such as next generation frame-vehicles, etc.



A seat equipped with spinal support in the Caravan which enables the driver to avoid tiredness even on a long drive. It was adopted for the first time in commercial vehicles

Sustainability

Sustainability at Nissan Shatai

View of sustainability

Nissan Shatai and Nissan Shatai Kyushu approach the environment, society, employees, and respect for human rights as management issues from the standpoint of sustainability, and one of the pillars of our 2023-2027 Medium-term Management Plan advocates establishment of a “sustainable corporate foundation.” The “sustainable corporate foundation” mainly involves promotion of initiatives aimed at realizing carbon neutrality in 2050 and also company climate in which anyone can work with motivation and peace of mind.

Sustainability Strategy Promotion Structure

We report initiatives related to sustainability to the Board of Directors at appropriate times.

Risk management

We establish a Risk Management Committee with the Director & President as the Committee Chair to promote risk management, discover and identify matters that interfere with business continuity and risks that threaten stakeholder safety and reassurance, and review and implement necessary measures. These processes aim to prevent risks ahead of time and minimize damages and prevent reoccurrence if they occur. We identify and assess risks based on the frequency of occurrence and scale of damages and manage serious risks via the Risk Management Committee.

Nissan Shatai’s Commitment to Sustainable Development Goals

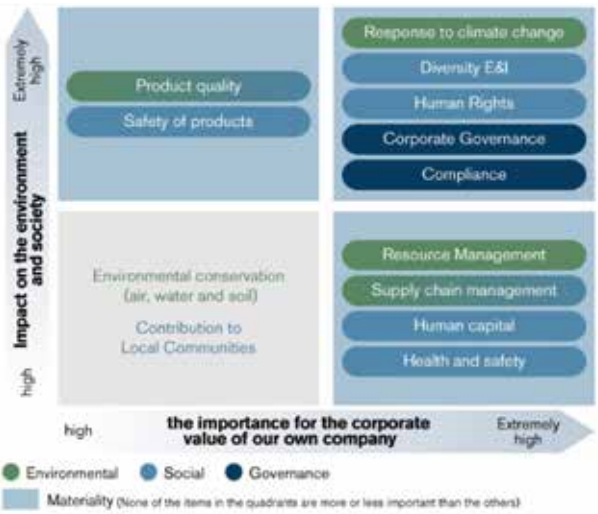
Values and activities like this at the Nissan Shatai Group are making a contribution to accomplishing the sustainable development goals.



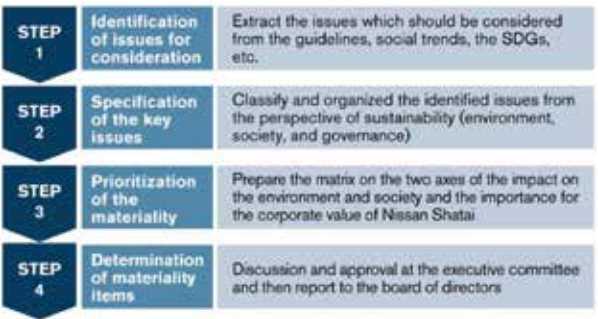
Materiality (Key issues)

Of the 13 items extracted with the purposes of the sustainable growth of the company and the realization of a sustainable society through ESG initiatives and contribution to the SDGs for global environmental and social issues, we specified 11 items as Materiality (Key issues) which Nissan Shatai should give top priority to tackling.

Based on the concept of double materiality, we organized a matrix on the two axes of “the impact on the environment and society” and “the importance for the corporate value of our own company.”



The process for determining Materiality (Key issues)



Initiatives for Materiality (Key issues) and SDGs Goals

category	Materiality	Action items	Initiative Policy	Goals of contributing SDGs
E) Environmental	Response to climate change	Carbon neutral	In addition to the steady execution of existing items, such as renewals to energy-saving facilities, etc., we will promote various activities for realization of carbon neutral by 2050, including the deployment of clean energy, promotion of technology development to respond to CASE, etc.	
		Clean exhaust gas		
		Electrification of cars		
		Renewable energy utilization		
	Resources management	Pursuit of energy efficiency	Promotion of vehicle development based on the 3Rs. Reduction of water utilization for manufacturing based on the Nissan Green Program	
		Effective utilization of water resources		
E) Environmental / S) Social	Supply chain management		Developing a relationship with suppliers based on mutual trust and benefit	
	Product quality		Development and production divisions are working together in order to construct a “high quality guarantee process.”	
S) Social	Diversity · Equity & Inclusion		With a basic policy of “being a company where all workers can fully utilize their talent,” we promote diversity, fairness, and acceptability	
	Human Rights		We respect the human rights of all stakeholders and do not condone any discrimination. We prevent forced labor and child labor in the supply chain	
	Human capital	Human Resource Development	We have developed a personnel evaluation system and training operations aimed at our employees and company growing together Enhancement of employee satisfaction through the improvement of problem solutions	
		Workplace environment improvements Promotion of work-life balance		
	Health and safety	Health management	Promotion of health maintenance and enhancement activities based on the corporate policy that “Only people with sound mind and body are able to work with vigor, peace of mind, and integrity” Promotion of improvement of both hard and soft aspects of the workplace environment aimed at a “safe and people-friendly workplace”	
		Occupational Safety and Health		
G) Governance	Safety of products		Safety enhancement of commercial vehicles, premium cars, specially equipped vehicles, and the support business through the application of cutting-edge technologies and responses to social requirements	
	Corporate Governance	Strengthen corporate governance	Effective implementation of the Corporate Governance Code and establishment of internal control systems Enhancement of security measures based on the business continuity plan (BCP)	
		Strengthen Risk Management		
	Compliance		Development and dissemination of a Code of Conduct, quick identification and rectification of problems using an internal and external hotline system, determination of solutions in the Compliance Committee and implementation of the solutions	

Sustainability Environmental

Realization of carbon free society

In environment-related initiatives, based on recommendations by the Task Force on Climate-Related Financial Disclosures (TCFD), we intend to build governance and risk management that address climate change and review risks and opportunities as well as responses in accordance with the climate change scenario. We plan to advance responses recognized risks and opportunities and promote initiatives to realize a "sustainable corporate foundation."

Governance

We formed an Environment Committee and are promoting organizational activities to reduce the environmental burden by formulating environment-related policies, targets, and goals, confirming progress with the environmental management plans of each department, and discussing revisions to the environment management system. The Director & Senior Vice President, who is responsible for the overall supervision of environment-

related activities, chairs the Environment Committee and periodically reports content from the Environment Committee at the Executive Committee chaired by the Director & President. The Director & Senior Vice President reports discussions and decision items from the Environment Committee at the Board of Directors.

Environmental audits

In order to confirm whether or not the system is being operated appropriately, we regularly implement internal environmental audits, which adopt an auditor system comprised of in-house certified auditors, and external environmental examinations conducted by third-party organizations.

Internal environmental audits

In the internal environmental audits, in-house auditors who have received auditor education check the operating status and effectiveness of the environmental management systems, and confirm whether the environmental management systems are being operated properly in each division.



ISO14001 internal auditor training education

External environmental examinations

We implement external environmental examinations in order to confirm that the environmental management systems conform with the requirements of ISO14001, are being operated appropriately, and are being improved continuously. These include renewal examinations carried out once every three years and maintenance examinations carried out every year. In 2023 we underwent a maintenance examination in November. As a result of the examination we received the evaluation that the systems satisfied the requirements of ISO14001 and are being operated appropriately.

Strategies, risks and opportunities

For our review of climate change risks and opportunities that affect business, we envisioned a society based on the

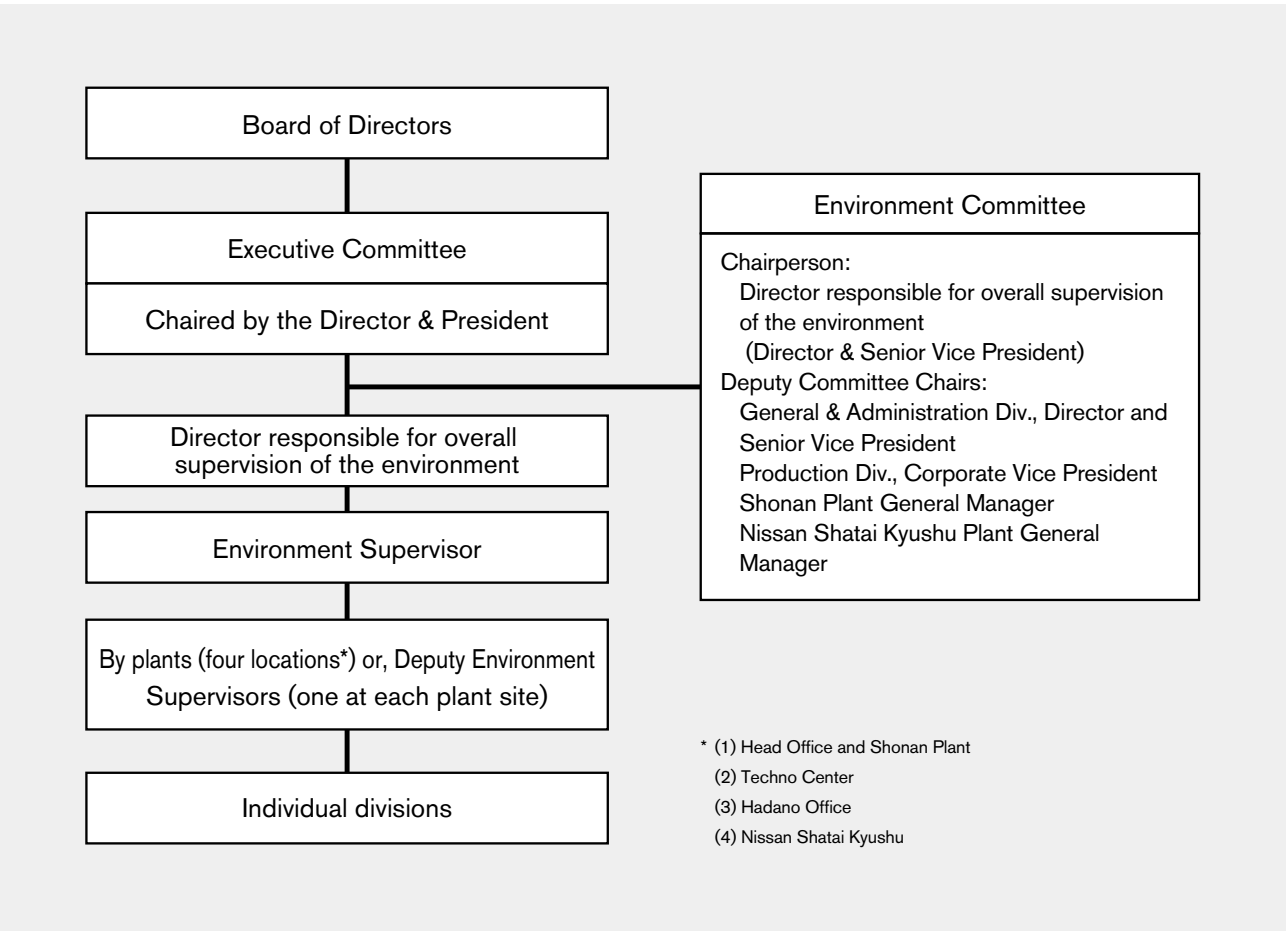
IEA's 4°C and 2°C scenarios and the IPCC's 1.5°C special report. The following table presents recognized risks and opportunities. We also intend to cautiously review impact on the company's financial conditions.

Responses to risks and opportunities

In the 2023-2027 Medium-term Management Plan, Nissan Shatai Group intends to implement the following activities aimed at minimizing recognized climate change risks and maximizing opportunities.

Realization of technology that improves the global environment via carbon neutrality and responds to customer needs

- ◇ Rigorous utilization of existing technology items
 - Promotion of LEDs for all lighting, renewals to energy-saving facilities, further visualization of energy consumption, and promotion of eco-friendly offices
- ◇ Deployment of clean energy
 - Deployment of solar power and other renewable energy
- ◇ Development of technologies needed for responses to CASE and other trends
- ◇ Realization of quality that exceeds customer expectations
- ◇ Response to legal and social requirements



Category		Risks and opportunities
Risks	Policy and legal regulations	Impact of technology development and production costs to comply with even stricter car fuel economy and emission regulations
		Increase in energy costs due to deployment and expansion of a carbon tax
	Market change	Decline in new vehicle sales volume due to change in consumer sentiment such as increased use of public transportation, bicycles, and mobility services
	Price upturn	Upturn in raw material prices accompanying increase in demand related environmental responses
Opportunities	Abnormal weather	Plant disaster accompanying abnormal weather related to hotter temperatures (suspended operations, restoration investments, etc.)
		Severing of the supply chain by abnormal weather related to hotter temperatures
	Increase in demand driven by development of CASE-related products	
		Reduction of energy costs through expansion of investments in

* IEA: International Energy Agency
IPCC: Intergovernmental Panel on Climate Change
CASE: Connected, Autonomous, Shared & Services, Electric

Sustainability Environmental

- Preparation for disasters and a business continuity plan (BCP)
 - ◇ Preparation for serious disasters
 - ◇ Response to parts supply issues

Risk management

Nissan Shatai Group intends to review issues and responses and proceed with actions in addressing risks related to climate change by operating the Risk Management Committee, Environment Committee, and Environment Management System.

GHG emissions long-term reduction targets

Nissan Shatai will realize carbon neutral by 2050.

Metrics and targets

Nissan Shatai Group set a goal pertaining to climate change of reducing CO₂ emissions per unit by 52% by 2030, premised on attaining carbon neutrality in 2050. As a consequence of the announcement of the Nissan Green Program 2030, we have revised the base point to fiscal 2018. And both Nissan Shatai and Nissan Shatai Kyushu have the goal of 3.0%/year reduction.

The scope 1 and 2 GHG emissions of Nissan shatai and Nissan shatai kyushu are shown on p.52.



Environmental Management

Environmental Policy and Environmental Principle

Nissan Group's Environmental Principle
Symbiosis of People, Vehicles and Nature

Nissan Shatai's Environmental Principle
Nissan Shatai recognizes the importance of protecting the environment, strives to produce vehicles that are kind to nature, to people and society and contributes to protecting the environment and to the development of a prosperous society.

Nissan Shatai & Nissan Shatai Kyushu Environmental Policy

Each and every one of our employees must have environmental awareness and work toward improvements aimed at achieving carbon neutral by 2050.

1. We must comply with all environmental requirements, including prefectural and local government ordinances as well as national laws and regulations.
2. To protect the environment, we are committed to the following:
 - 1) Efficient use of energy in production facilities and offices with the objective of reducing CO₂ emissions.
 - 2) Appropriate management and reduction of waste materials and increase in the recycling of resources.
 - 3) Prevention of events that could lead to environmental pollution.
3. In designing and developing vehicles, we must consider their environmental impact in terms of factors including fuel consumption, emissions, and recycling.
4. As well as nurturing a corporate climate that values harmonious community relations, we must strive to communicate effectively with local residents by proactively sharing information.
5. To achieve even higher levels of environmental performance, we must continually improve our environmental management systems.

Chief Environmental Officer
Director and Senior Vice President
Takuya Nakamura

ISO14001

Nissan Shatai is aiming to be a company which can co-exist in harmony with society, and we are actively tackling environmental activities. We are aware of the importance of our social responsibility as a company with respect to the environment, and we have acquired accreditation for ISO14001, which is the international standard for environmental management.

■ Acquisition of accreditation

ISO14001 accreditation has been acquired for Nissan Shatai companywide. Initially, accreditation was acquired individually in the production division and the product development division, but in FY2010 we acquired accreditation in a form that integrated these two accreditations and in FY2011 the integration was expanded to Nissan Shatai Kyushu as well. In this way, we are building consistent environmental management systems for the entire group and organizationally promoting sustained environmental impact reduction activities, rather than building individual systems with respect to the production bases and the product development process.

Acquisition of accreditation by the production division

· December 26, 1997

Acquisition of accreditation by the product development division (Techno Center Development Division)

· December 14, 1999

Acquisition of integrated accreditation by the production division and the product development division

· January 21, 2011

Acquisition of expanded accreditation by Nissan Shatai Kyushu

· January 20, 2012



Nissan Shatai Co., Ltd. ISO14001 accreditation registration certificate

Environmental Education

As presented in our environmental policies, we believe that "fostering a mindset of valuing the environment in each and every employee" is most important in order to continue being an environmentally-friendly company. For that reason, Nissan Shatai is carrying out the following kinds of initiatives.

■ Education and training

Nissan Shatai and Nissan Shatai Kyushu conduct environmental education for all of their employees every year.

■ Environmental management systems education

We conduct education every year in order for our employees to understand the content of our environmental management systems and perceive their importance. Regarding the environmental policies of the company, the environmental work plan and the role of each division, etc., at the beginning of the fiscal year the Environmental Management Administrator implements manager education, and each manager implements education for the section employees in his/her own division.

■ Special environmental education

With respect to employees carrying out operations in facilities which could have a marked impact on the environment through air pollution and water contamination, etc., we conduct education to make them perceive the importance of environmental management in their work, in order to raise their awareness.

■ Environmental accident response training

Departments that use facilities that have the potential to significantly impact the environment conduct training once a year in the event of an accident or emergency. This training is designed to minimize damage and prevent spills outside the company in the event of an accident.



Environmental accident response training

Sustainability Environmental

Product Development

Improving Fuel Efficiency

Improving fuel efficiency constitutes the competitiveness of the products, which are vehicles, and at the same time is the social demand imposed on us from the perspective of the conservation of limited global resources. A wide range of technological innovations are necessary for these improvement activities, including alternative energy compatibility and combustion technology development, as well as development of the materials for making cars lighter, making drive-trains highly efficient, reducing air resistance, etc.

Outcomes of the activities

Product Initiatives for improving fuel efficiency

With the goal of improving the environmental performance of development vehicles, Nissan Shatai is complying with strict CO₂ emissions regulations while continuously advancing the development of products with outstanding fuel efficiency performance.

The Caravan is a diesel vehicle which, depending on the grade, has achieved the "fiscal 2022 fuel efficiency standard," "95% of the fiscal 2022 fuel efficiency standard" or "90% of the fiscal 2022 fuel efficiency standard."

The NV200 Vanette Van 2WD has achieved "105% of the fiscal 2022 fuel efficiency standard" and the AD 2WD has achieved "100% of the fiscal 2022 fuel efficiency standard."



CARAVAN DX



NV200 VANETTE 2WD

Exhaust gas cleaning

We are aiming to deliver as many environmentally-friendly clean exhaust gas vehicles as possible to our customers. For that reason, we are collaborating with Nissan Motor to stipulate voluntary target values, and are actively tackling technology development and commercialization.

Promotion of product development for realization of an environmentally-friendly vehicle society

Nissan Shatai, which consistently manages development, manufacturing, and product guarantees, has set the environmental goal of "promotion of commercialization conforming with voluntary standard values stricter than the exhaust gas regulatory values stipulated in the law" and is constantly advancing product development based on the Nissan Green Program, which considers the four issues of "climate change," "air quality," "resource dependency" and "water resources" to be the important issues.

Initiative to expand commercialization of low exhaust gas vehicles

In order to provide more environmentally-friendly vehicles at more affordable prices and to introduce exhaust gas cleaning technology to as many of our vehicles as possible in order to meet the demands of society, we are working toward the goal of acquiring low exhaust gas vehicle certification for the vehicles we sell domestically.

Regarding production vehicles in Nissan Shatai, in the WLTC mode* the NV200 Vanette Van 2WD, AD 2WD, and Elgrand vehicles have all achieved the 2018 standard exhaust gas 50% reduction level. The NV200 Vanette Van 4WD, AD 4WD, and Caravan vehicles have all conformed with the 2018 standard exhaust gas regulations.

* WLTC mode is an international driving mode comprised of the average use time allocation for each driving mode: "city," "suburb" and "high-speed road." City mode: anticipates comparatively slow driving impacted by traffic lights and traffic congestion, etc. Suburb mode: anticipates driving which is not impacted much by traffic lights, traffic congestion, etc. High-speed road mode: anticipates driving on high-speed roads, etc.



AD 2WD

Reduction and improvement of the recyclability of environment-impacting substances

In order to encourage the recycling of cars as a part of the efficient circulation of resources, it is necessary to design new model vehicles while considering from the design stage what happens to the vehicles after they have been used. For that reason, we are advancing the improvement of material aspects, including restrictions on the use of substances which have a marked impact on the environment and the active adoption of materials which can be recycled easily, etc.

Reduction of environment-impacting substances

Based on the global policy of Nissan Motor, we ascertain and manage the chemical substances contained in our products and are advancing the elimination of the following kinds of environment-impacting substances.

Reduction of heavy metal compounds (lead, mercury, cadmium, hexavalent chromium)

Lead: Eliminated (some exclusions including batteries, electronic circuit boards and electrical application solder, etc.)
Mercury: Elimination completed (some exclusions including discharge headlamps and fluorescent lamps for displays). Furthermore, we have eliminated cadmium.
Hexavalent chromium: Eliminated (some territories excluded but in these cases (North America, general exports, etc.) Nissan has set its own targets and is working to reduce use).

Reduction of specified bromine flame retardants, etc.

Specified bromine flame retardants (pentabromodiphenyl ether, octabromodiphenyl ether): Elimination completed.

Reduction of VOCs (Volatile Organic Compounds) inside vehicles

VOCs is the collective term for Volatile Organic Compounds such as formaldehyde and toluene, etc. which are thought to be the cause of irritation in the nose and throat.

In the NV350 Caravan, in order to reduce VOCs inside the vehicle, we have reduced the volatilization amount of the seats and door trim, floor carpet, etc. by revising the members and adhesive agents used in them. Furthermore, we have reduced the level of the 13 substances stipulated

by the Ministry of Health, Labour and Welfare* to below the indoor concentration guideline values.

* The 13 substances stipulated by the Ministry of Health, Labour and Welfare: the 13 substances which are VOCs (Volatile Organic Compounds) that cause sick car and sick house syndrome for which the Ministry of Health, Labour and Welfare has stipulated indoor concentration guideline values (formaldehyde, toluene, xylene, para-dichlorobenzene, ethylbenzene, styrene, chlorpyrifos, di-n-butyl phthalate, tetradecane, di-2-ethylhexyl phthalate, diazinon, acetaldehyde, and fenobucarb)

Improvement of recycling Efficiency

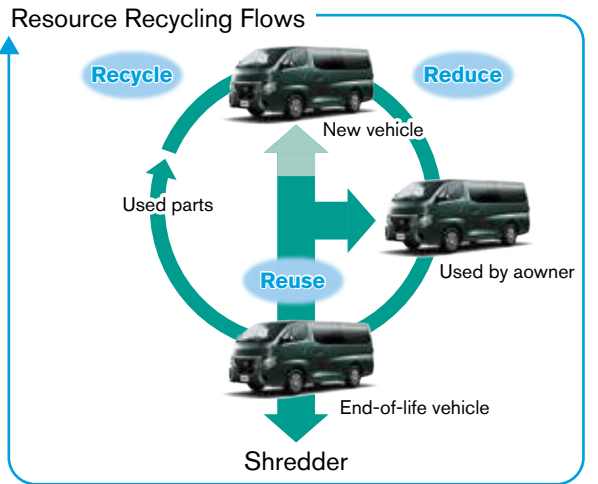
With the aim of building a recycling-oriented society, and based on the 3Rs (reduce, reuse, recycle) approach, we have prepared the Recycling Design Guidelines incorporating a variety of improvement proposals for carrying out the design of new model vehicles.

<The 3 R>

Reduce: Reducing from the start any materials which will become waste.

Reuse: Reusing used parts as secondhand parts.

Recycle: Using removed parts as raw materials (Recycle)



Content of recycling improvement

Content of the recycling	Response of the NV350 Caravan
· Adoption of materials which can be recycled easily	· Promotion of parts design with a single material · Expanded adoption of thermos-reversible resin · Implementation of labels for each material (marking)
· Active adoption of the materials of parts collected from the market	· Utilization of recycled parts from bumpers · Utilization of shredder residue

Recycling rate is over 95%.

Examples of the main parts recycled in the NV350 Caravan



Sustainability Environmental

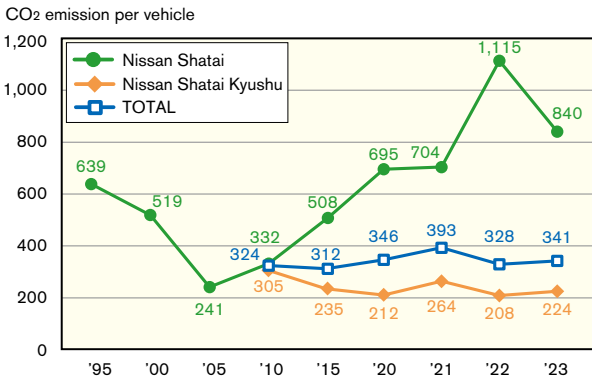
Production

Curbing Global Warming

Energy is necessary for the production of vehicles and CO₂ is generated by the consumption of energy. In recent years, Nissan Shatai has endeavored to curb global warming by working to improve its operational and management methods.

FY2023 Achievements

Trends in CO₂ emissions per production vehicle



3WET painting greatly reduces CO₂

In the painting of vehicles there is a process involving bake-drying the paint at a high temperature, and the CO₂ emissions from the painting plant constitute approximately one quarter of the emissions of the entire plant. Nissan Shatai Kyushu has adopted 3WET which eliminates the bake-drying after the application of the middle coat in order to reduce CO₂ emissions.

Moreover, in response to the increase in CO₂ due to the water-based topcoat color base paint we adopted to reduce VOCs (Volatile Organic Compounds) (drying equipment for evaporating the moisture is necessary), we have adopted the "Air Shield Integrated with a Painting Machine " which integrates drying equipment with the paint gun (jointly developed with Taikisha Ltd.), cutting in half the moisture evaporation time. Due to this, we have reduced the CO₂ emissions from the topcoat color base to the clear paint by 25% (the highest level in the world). Due to these measures, we have reduced CO₂ emissions in the painting plant overall by 16%.

Content of the main initiatives in FY2023

◆ Improvement of energy-saving at the production plant facilities

In FY2023 we were not able to make improvements to energy-saving which entail large capital investments, but we continued daily improvements in order to advance activities to curb global warming.

The Progress of the Initiatives

'01	Installation of a co-generation system in Area #1 <Amount of electricity generated> 6,750KW <Amount of steam generated> 13.9 tons/hour <Use of waste heat> Amount of water recycled: 20 tons/hour <Effect> Reduction of CO ₂ emissions: down 7,800 tons/year) Stopped in October 2010 Streamlining through the integration of the Kyoto Plant into the Shonan Plant
'03	Adoption of a building cooling system which uses photocatalysts Construction of an energy monitoring system
'04	Implementation of the downsizing of the boilers in Area #1 Construction of an improvement system for compressor control Installation of freon recovery equipment
'05	Installation of a co-generation system in the Techno Center <Gas engine> Water-cooled 4 cycle, V20 cylinder, 48,700cc <Amount of electricity generated> 920KW <Use of exhaust heat> Used in refrigeration using an absorption refrigerating machine Used in feed-water heating of the boiler <Effect> Reduction of CO ₂ emissions: down 650 tons/year Implementation of the downsizing of the boilers in the Techno Center
'06	Adoption of energy-saving lamps Management of truck transportation
'07	Stopping of the A color topcoat painting production line in Area #1
'10	Commencement of production at Nissan Shatai Kyushu Consolidation of production of the three vehicle models produced in Area #1 into Area #2
'11	Implementation of special summertime power saving activities (July to September) (night shift for operating times, changes to holidays, etc.) Stopping of the Area #1 painting plant due to the consolidation of the painting process
'13	All of the buildings and facilities in the areas subject to closure in Area #1 are consolidated into other zones
'14	Nissan Shatai: Inverterization of the paint electrodeposition circulation pump Nissan Shatai Kyushu: Adoption of the microfine particle painting method
'15	Nissan Shatai: Improvement of production efficiency by converting the resin plant into a single production line
'16	Nissan Shatai: Conversion of the welfare building fluorescent lights and mercury lights into LEDs Nissan Shatai Kyushu: Conversion of the lighting into LEDs
'17	Nissan Shatai: Reduction of the temperature in the resin painting ovens
'18	Nissan Shatai: Renewal of the Techno Center refrigerating machines
'19	Conversion of the Techno Center Main Design Building fluorescent lights into LEDs
'20	Conversion of the Hadano Experiment Department office building fluorescent lights into LEDs
'21	Conversion of some of the Techno Center Processing Machines Administration Building fluorescent lights into LEDs Conversion of the Hadano Experiment Department workspace fluorescent lights into LEDs
'22	Nissan Shatai: Energy saving through the use of small air compressors at the sheet metal plant of the press factory Nissan Shatai Kyushu: Energy saving by improving electrodeposited chiller function
'23	Promotion of the conversion of lighting to LEDs at Nissan Shatai and Nissan Shatai Kyushu

Reduction of waste

We are working to encourage recycling of the waste generated in the vehicle production process. Furthermore, we tackle activities to reduce the amount of waste, and advance activities in accordance with our Plan on the Reduction of Generation of By-products, etc. based on the Act on the Promotion of Effective Utilization of Resources, to maintain our recycling rate at 100%.

FY2023 Achievements

◆ Reduction of the amount of waste generated

Results in FY2023

	Target	Achievement
Nissan Shatai Co., Ltd.	518 tons or less	437 tons
Nissan Shatai Kyushu Co. Ltd.	2,236 tons or less	2,780 tons*

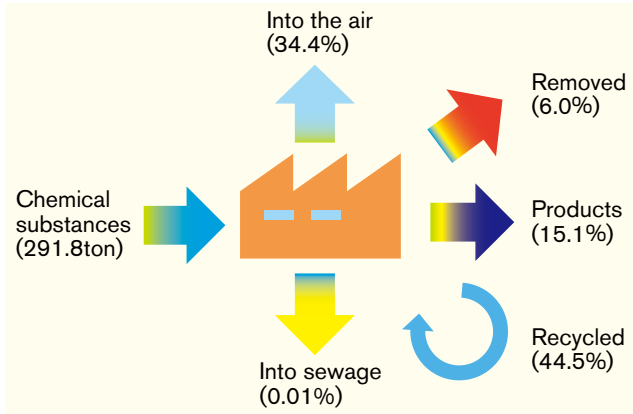
* We replaced the alkaline cleaning solution to preserve the paint.

The Progress of the Initiatives

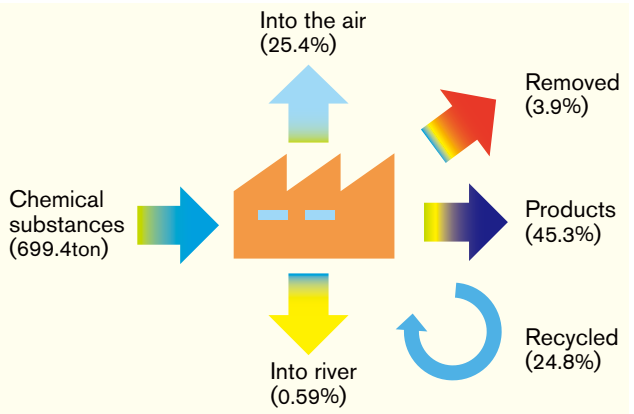
'10	Commencement of electronic manifest operation
'11	Nissan Shatai Kyushu: Commencement of the reuse of waste sealants
'12	Nissan Shatai Kyushu: Reduction of the amount of sludge generated through reduction of the water content ratio of paint sludge (paint sludge reduced 50%)
'13	Reduction of the amount of waste generated through upgrades of the glass sealing supply facilities (40% reduction in the amount of waste in one drum)
'14	Nissan Shatai: Reduction of the amount of sludge generated through reduction of the water content ratio of paint sludge (adoption of the Nissan Shatai Kyushu items)
'16	Nissan Shatai: Techno Center and the Hadano Plant Cost reduction and waste reduction by changing from bumper waste treatment to valuable sales
'17	Nissan Shatai: Proper storage of cardboard (prevention of cardboard becoming industrial waste due to wetness from rain)
'19	Prevention of scattering due to Styrofoam being converted into microplastics when it is collected Extraction of valuable purchased goods due to changes to the waste plastic sorting method
'20	Nissan Shatai: Creating value through engine hanger sorting and collection Nissan Shatai: Expansion of resources recycling by strengthening sorting through the development of waste storage places
'22	Nissan Shatai: Expansion in the creation of value due to separate collection of iron and aluminum
'23	We improved our waste treatment overfenders to make them valuable

FY2023 Waste Treatment Procedure

Shonan Plant Material Balance



Nissan Shatai Kyushu Plant Material Balance



Sustainability Environmental

Reduction of Chemical Substances

The use of chemical substances has a close relationship to regional environmental conservation, so we are working to reduce the amount of chemical substances we use and release.

FY2023 Achievements

VOCs*1 account for more than 90% of the chemical substances released by Nissan Shatai. Nissan Shatai has set the target of 43.0g/m² or less and Nissan Shatai Kyushu has set the target of 20.5g/m² or less and they achieved these targets in FY2023. Nissan Shatai Kyushu has set a lower target value than Nissan Shatai by adopting water-based paint in a part of the painting process.

Substances included in the PRTR*2

Amounts of substances included in the PRTR released and transferred in FY2023
Data aggregation period: April 1, 2023 to March 31, 2024

[Head office and Shonan Plant]				Release and transfer destination							Unit: kg/year
Type	Sub-stance number	Name of sub-stance	Handled quantity	Releases to the air	Releases to water areas (sewers)	Tran-sfer as waste	In-house land-fill	Recycled	Chemical change	Product consum-ption amount	
Specific	400	Benzene	1,270	2						1,269	
1	1	Water-soluble compounds of zinc	1,852		13	43				1,796	
1	53	Ethyl-benzene	88,173	29,067		7		54,999	4,101		
1	594	Ethylene Glycol Monobutyl Ether	23,666	8,506		6		13,124	2,030		
1	80	Xylene	78,631	27,076		8		39,341	4,392	7,815	
1	627	Diethylene Glycol Monobutyl Ether	2,165	2,031				65	68		
1	629	Cyclo hexane	1,866	1,279				56	532		
1	691	trimethyl-benzene	20,934	8,062				3,028	1,247	8,597	
1	300	Toluene	58,972	21,990		1		15,496	4,296	17,188	
1	302	Naphthalene	1,192	764				36	392		
1	720	2-tert-Butoxy ethanol	3,417	583				2,834			
1	392	Hexane	7,425	19						7,406	
1	737	Methyl isobutyl ketone	2,233	1,155				948	130		
Total			291,797	100,533	13	65	0	129,927	17,187	44,071	

[Hadano area]				Release and transfer destination						
Type	Sub-stance number	Name of sub-stance	Handled quantity	Releases to the air	Releases to water areas (sewers)	Tran-sfer as waste	In-house land-fill	Recycled	Chemical change	Product consum-ption amount
1	80	Xylene	1,355	7						1,347
1	691	trimethyl-benzene	2,060	8						2,052
1	300	Toluene	1,316	9		1				1,306
Total			4,731	24		1				4,706

[Techno Center]				Release and transfer destination						
Type	Sub-stance number	Name of sub-stance	Handled quantity	Releases to the air	Releases to water areas (sewers)	Tran-sfer as waste	In-house land-fill	Recycled	Chemical change	Product consum-ption amount
1	300	Toluene	1,036	140		7				889
Total			1,036	140		7				889

[Nissan Shatai Kyushu]				Release and transfer destination						
Type	Sub-stance number	Name of sub-stance	Handled quantity	Releases to the air	Releases to water areas (sewers)	Tran-sfer as waste	In-house land-fill	Recycled	Chemical change	Product consum-ption amount
Specific	309	Nickel compound	2,204		53	1,402				749
Specific	400	Benzene	5,297	6		4			7	5,279
1	1	Water-soluble compounds of zinc	12,723		38	1,616				11,069
1	53	Ethyl-benzene	123,884	49,726		50		60,162	1,568	12,377
1	80	Xylene	145,181	41,873	2	114		48,869	1,632	52,691
1	300	Toluene	217,093	24,639	3	76		28,577	2,728	161,069
1	392	Hexane	19,740	56	3	14			25	19,643
1	412	Manganese and its compounds	3,611		65	1,313				2,233
1	594	Ethylene Glycol Monobutyl Ether	100,566	32,787	3,802	6,708		8,724	6,756	41,789
1	627	Diethylene Glycol Monobutyl Ether	2,268	1,561				68	638	
1	629	Cyclo hexane	3,788	3,447				114	227	
1	720	2-tert-Butoxy ethanol	27,200	11,832				15,368		
1	731	Heptane	6,100	3,808	69	29		178	2,015	
1	737	Methyl isobutyl ketone	29,699	7,997	76	433		11,535		9,657
Total			699,353	177,733	4,111	11,759		173,596	15,597	316,556

Mechanism for substance management

In the case that we wish to newly introduce raw materials, we judge whether or not they should be adopted by evaluating in advance the risks of the chemical substances to the environment and safety based on the New Raw Materials Management System.

*1 VOCs (Volatile Organic Compounds): the toluene, xylene, etc. used in paint solvents, etc.
*2 PRTR (Pollutant Release and Transfer Register): Companies, etc. prepare an inventory of the amount of pollutants released into air and water and amount produced as waste (the transferred amount) for each type of pollutant, etc. and register the catalog with the government, etc. Doing this encourages the voluntary reduction of pollutants.

Odor Prevention and Paint Mist Scattering Prevention

We are actively taking a variety of countermeasures based on our perception that it is necessary to minimize the impact on the neighborhood of the odor and paint mist which are mainly generated from the painting plant.

Content of the main initiatives

The sources of generation of odor and paint mist and our main initiatives are shown in the following diagram.

Painting booth exhaust odor countermeasures and paint mist scattering prevention

- Air freshener spray (exhaust odor)

Nissan Shatai's painting plant adjacent to a residential area has introduced an air freshener spray diffusing system as a countermeasure against odor caused by exhaust from the painting booth. We are also changing our air freshener to a more effective one. In 2019, we expanded the scope of the air freshener spraying to strengthen the prevention of diffusion of the odor.

- High performance filter (paint mist)

fter we have carried out primary removal of the paint mist (fine particles) contained in the painting booth exhaust using wet exhaust cleaning equipment with a water shower, we carry out secondary removal with an even higher performance filter (with a particle diameter of 10 μm and a filtration rate of 99.3%) to achieve clean exhaust.

Odor countermeasures

In order to ensure that solvent odor does not leak into the region from Nissan Shatai Shonan's painting plant, in addition to the air freshener diffusion we have adopted previously, we have also installed plasma deodorization

equipment to reduce the odor emitted from the exhaust ducts. Moreover, we commenced the introduction of odor reduction by installing activated charcoal filters on the exhaust routes.

- Agglomeration collection equipment (paint sludge collection system)

The dirty water and paint residue inside the circulation water tank can easily decompose and emit bad smells of hydrogen sulfide, etc. Therefore, we are preventing decomposition by pumping in air using an aeration nozzle. Furthermore, we use a pump to collect the paint sludge which is the origin of the odor, send the paint sludge to a thickening tank, and then remove its moisture content before sending it for recycling.

Drying oven exhaust odor countermeasures

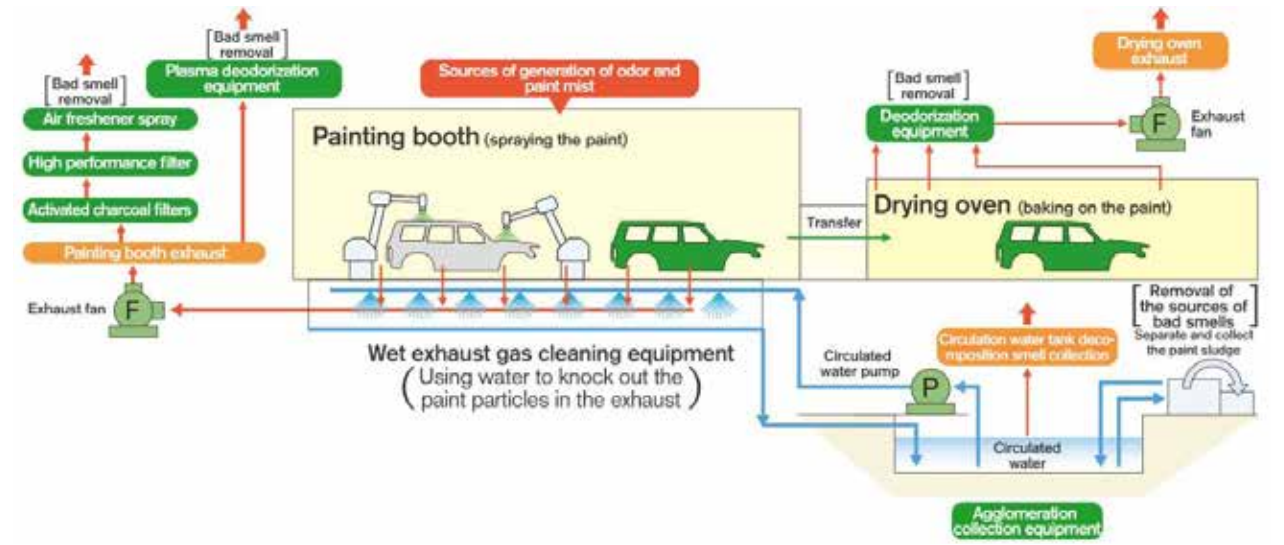
- Deodorization equipment

Cars painted in the painting booth are dried in drying ovens, but they have quite a strong thinner smell. We have installed deodorization equipment in all of the drying ovens, and currently we are using platinum catalyst type deodorization equipment or heat storage type deodorization equipment, depending on the application. The platinum catalyst type is air freshening equipment which breaks down the VOCs by heating them to about 350 °C and is effective for countermeasures against VOCs released from drying ovens.



Painting booth exhaust duct High-performance filters
Countermeasures against paint mist from the painting process

Plasma deodorization equipment



Sustainability Environmental

Effective Utilization of Water Resources

We are working on the protection of water resources to contribute to the objective of "enhance water risk management at manufacturing sites" in the Nissan Green Program. Nissan Shatai is also advancing activities in line with this objective.

Content of the main initiatives

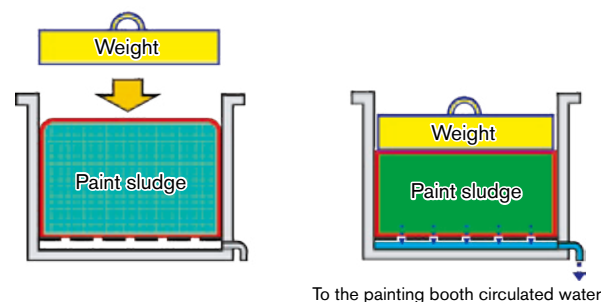
◆ Introduction of the paint sludge collection system (agglomeration collection equipment)

This is a system which reduces the amount of water used by collecting the paint sludge mixed into the water circulating between the painting booth and the sedimentation tank to clean the circulated water and use it repeatedly.



Paint sludge moisture content extraction equipment

This system is also useful for odor prevention. There are a lot of moisture content still remains in the collected paint sludge. We also use this moisture content as booth circulated water by placing a weight on it to squeeze it out as shown in the diagram below, and we are producing good results with respect to reduction in the amount of waste as well.



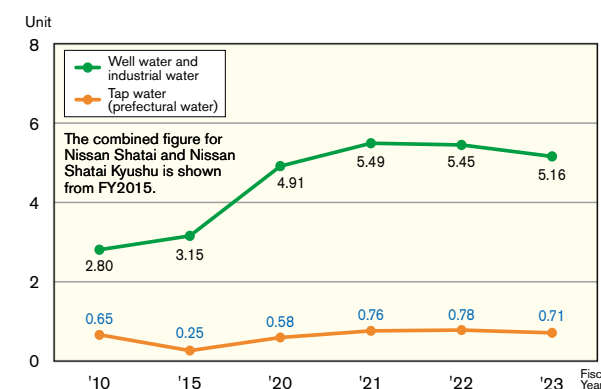
◆ The initiatives of Nissan Shatai Kyushu

Nissan Shatai Kyushu has introduced state-of-the-art equipment incorporating the know-how cultivated at Nissan Shatai to tackle the effective utilization of water resources.

■ Reduction of the amount of water used

Among the vehicle production processes, water is particularly necessary in the painting process. Therefore, we are endeavoring to reduce the amount of water used in order to protect water resources.

Trend in the amount of water used per vehicle



RO equipment

RO equipment: This is equipment which filters the impurities in raw water to refine it into highly pure water, using the reverse osmosis membrane which utilizes the water "osmosis" phenomenon in reverse (Reverse Osmosis). It can reduce the amount of raw water used for the refinement of water at the necessary purity.

Prevention of Water and Air Pollution

Nissan Shatai is in an environment blessed with nature including the sea, mountains, rivers and fields, so it has established voluntary standard values and is endeavoring to achieve environmental conservation stricter than laws and regulations in its management of air and water quality. In particular in the Hadano region we are blessed by greenery and water, including the famous water springs of the Tanzawa Mountains, etc., so we always pay close attention to water quality management.

Nissan Shatai Kyushu has a plant facing the Seto Inland Sea and is also implementing strict water quality management together with Nissan Motor Kyushu Co., Ltd. which carries out its production inside the same site.

■ Prevention of water contamination

We treat the wastewater from the plants appropriately at a wastewater treatment plant and then discharge it into

public sewers and rivers.

■ Prevention of air pollution

◆ Reduction of sulfur oxides (SOx) and nitrogen oxides (NOx)

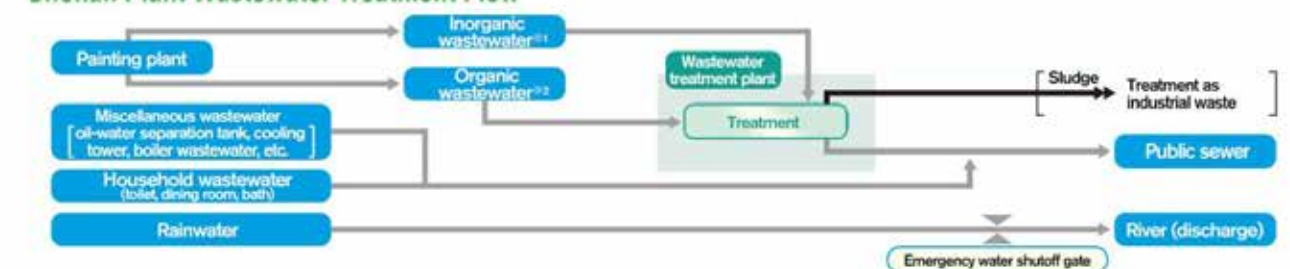
The Shonan Plant uses city gas to greatly reduce SOx. Furthermore, it is also reducing NOx by adopting quality fuels such as city gas, etc., implementing combustion management, and using denitration equipment which reduces the NOx concentration in exhaust gas, etc.

◆ Reduction of Volatile Organic Compounds (VOCs)

Nissan Shatai has a painting process, so it has already been tackling the reduction of VOCs for some time. Going forward, it will work on further improvements.

Nissan Shatai Kyushu has adopted water-based paint in the topcoat color base and has reduced VOC emissions per unit by 28% compared to the Shonan Plant. Moreover, since FY2021 it has worked on adopting water-based paint for the middle coat paint and it completed the switch for all colors in June 2023. Compared to before the switch, it has reduced VOC emissions by 39%.

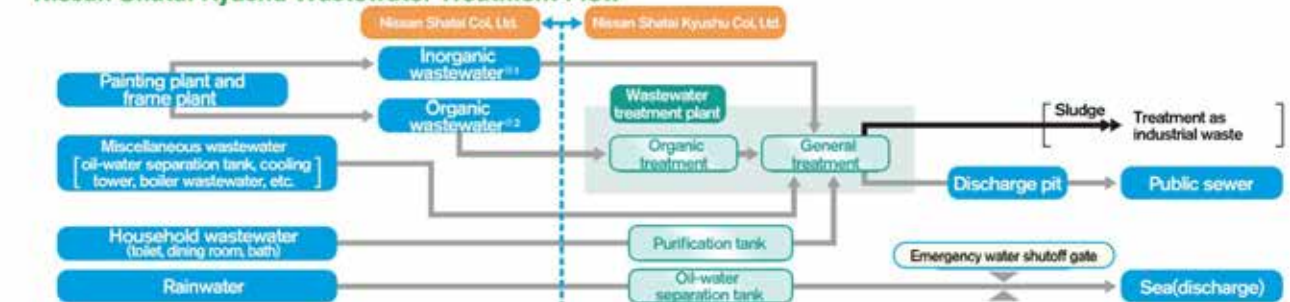
Shonan Plant Wastewater Treatment Flow



Hadano Office Wastewater Treatment Flow



Nissan Shatai Kyushu Wastewater Treatment Flow



① Inorganic wastewater : This is wastewater that does not contain much organic matter. At Paint Plant, water used for cleaning during surface treatment at the pre-painting stage and wastewater from shower testers used to test water leaks in completed automobiles are the main items.
② Organic wastewater : This is wastewater that contains a large amount of organic substance. Major items include wastewater generated when a car body is washed with water after underpainting with electro-painting.

Sustainability Environmental

Prevention of the contamination of soil and groundwater

Believing that environment impact inspections of soil and groundwater are important for environmental conservation, we are voluntarily implementing studies on our history of use of the chemical substances we have used in the past, and also soil and groundwater inspections.

Inspections of Contamination and Our Response

Plant name	Circumstances of the inspection (when the inspections were completed)	Pollutant	Status of response
Kyoto Plant	Inspection when the plant was closed (2000 to 2001)	There was benzene and arsenic soil contamination, but there was no contamination in the groundwater.	oil purification completed (March 2002)
Area #3	Inspections carried out when the previous owner closed the plant as a consequence of a land purchase (2000 to 2001)	There was hexavalent chromium and fluorine soil contamination, but there was no contamination in the groundwater.	oil replacement completed (May 2002)
		There was tetrachloroethylene soil and groundwater contamination. However, there was no outflow from the site boundary and the contamination was limited to inside the site.	Currently we are implementing soil and groundwater purification and monitoring. There is no contamination outflow from the site boundary.
Area #2	Voluntary inspection (2001 to 2004)	There was lead soil contamination in a tiny part of the surface layer, but there was no contamination in the groundwater.	This area is covered with concrete, so there is no concern regarding the scattering of contaminated earth. Furthermore, there is no concern regarding groundwater contamination, but we are continuing the monitoring of the groundwater just in case.
Area #1	Inspection when the plant (2013)	Among the 1,379 locations inspected, soil contamination was confirmed involving tetrachloroethylene, trichloroethylene, and benzene in one location each, lead in 33 locations, boron and hexavalent chromium in one location each, fluorine in five locations, and cyanogen in 17 locations, and in groundwater tetrachloroethylene was detected in six locations, benzene in one location, and cyanogen in two locations, and it was confirmed that each of these substances exceeded the designated standards of the Soil Contamination Countermeasures Act.	We have treated each of these locations in accordance with the measures and methods stipulated under the Soil Contamination Countermeasures Act.

In November 2012, Nissan Shatai conducted a soil inspection of the area of Area #1 of Shonan Plant scheduled to be sold in accordance with the Soil Contamination Countermeasures Act and the Kanagawa Prefectural Ordinance on the Conservation of the Living Environment and reported the results of the inspection to Hiratsuka City in December 2013.

Consequently, Hiratsuka City designated it as an "area which requires action" and "an area for which notification is required upon change to form or nature," and from March 2014, Nissan Shatai launched a soil improvement project based on the Soil Contamination Countermeasures Act. It has now completed the project and sold the area.

Management going forward

We are mapping and managing the history of our past use of the harmful substances which are a factor behind soil contamination.

Before implementing land excavation, we implement soil contamination inspections based on that use history map to prevent in advance the removal of the contaminated soil from the site.

Purchasing of Environmentally-Friendly Products

Purchasing of environmentally-friendly parts is important for making environmentally-friendly vehicles. We are implementing "green purchasing" which involves giving priority to the purchasing of products (parts and materials) with a small impact on the environment from environmentally-friendly suppliers.

Implementation of green purchasing

We provide vehicles to our customers, products comprised of tens of thousands of parts, and we are working with the suppliers who deliver those parts on the green purchasing of environmentally-friendly parts and materials with little impact on the environment. The following three items are our purchasing concepts.

- i) Parts and materials with a small environmental impact
- ii) A parts manufacturing process with a small environmental impact
- iii) Suppliers with high environmental awareness

Reporting of environment-impacting substances data

We ask our suppliers to ensure that the delivered parts and materials conform with the "environment-impacting substances management standard" based on Nissan Motor's own technical standards. At the development stage, we receive reports of environment-impacting substances

data, such as the presence or absence of prohibited substances, the amount of caution-required substances used, etc. We use these reports to ascertain the status of the environmental impact at an early stage, avoid environmental risks, and develop alternative technologies.

Creation of environmental management systems

In order to ensure that the environmental management systems are robust, we are encouraging our suppliers to construct, maintain the operation of, upgrade, and update their own environmental management systems with "ISO14001 or equivalent external accreditation acquisition."

Notification of the Environmental Management Administrators

In order to promote green purchasing activities by our suppliers and to strengthen their collaboration with Nissan Shatai, we get our suppliers to appoint an Environmental Management Administrator. Through those Environmental Management Administrators, Nissan Shatai provides information to the suppliers about our environmental activities and the environment impact of our products.

Quality Guarantee Approach and Initiatives

The demands of our customers with respect to the quality of the cars have grown markedly in recent years. Nissan Shatai puts our customers first and the development and production divisions are working together on activities aimed at clarifying issues concerning quality from the perspectives of the customers in order to construct a "high quality guarantee process."

Car-making which puts heart into every detail

We want to deliver attractive, high-quality vehicles to our customers in a timely manner . That is our approach with respect to our "quality guarantee."Nissan Shatai is utilizing its know-how of car-making over many years to put in

place product "development" and "production" systems suitable for the new era and is adopting a strict and consistent attitude to quality from the "design" and "testing" stage.

In the "development" stage, we stand in the position of our customers to carry out evaluations incorporating our accumulated know-how at each stage, including the drawings, trial CAD data, and trial production and, in order to ensure quality which satisfies our customers, we establish and confirm checkpoints at many places for the purpose of production.

In the "production" stage, we efficiently operate the vehicle body assembly process using robots controlled by computers, the paintwork quality check process, and the car assembly process which is carried out by people proficient in the work standards in order to produce highly reliable products. All of the products are shipped after passing rigorous inspections of the processes in the production sequence and the completed vehicles.

Our initiatives continue even after the products are shipped. We promote "QRQC (Quick Response Quality Control) activities," initiatives to accurately grasp market information and reliably respond to that day's information within the same day, and are endeavoring to improve quality and reliability even further.

At the same time we are reflecting the demands and opinions of our customers and sales companies in the building of our new models. That depends on analyses and rapid improvements using meticulous collaboration with "development" and "production" and leads to making products which offer greater satisfaction.

The quality level of the NV200 Vanette made by the Shonan Plant and the Caravan, Elgrand, etc. made by the Nissan Shatai Kyushu's state-of-the-art plant is generated by these kinds of new quality guarantee initiatives and is highly evaluated by our customers.



The vehicle body assembly process



Paintwork quality check process



Painting quality inspection



Low-grade sound and shaking inspection

Sustainability Social

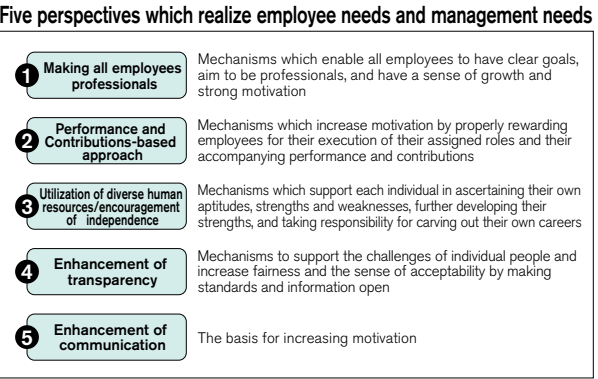
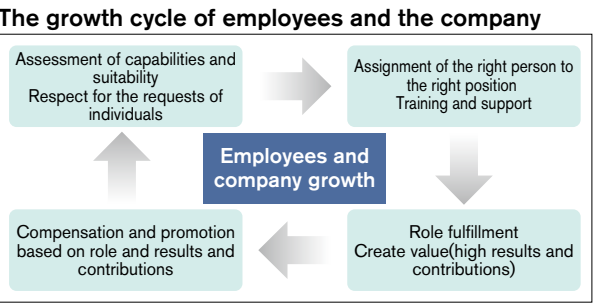
Human Capital Policies

Employees are the source of our corporate growth and advancements. Nissan Shatai Group hence sees employees as “human resources” rather than “personnel.” We believe the employees working at our company are the most vital assets and strive to cultivate and education human resources with the aim of being a company that can co-exist with society, the environment, and nature. Vibrant utilization of people with a wide range of values makes it possible to leverage corporate capabilities to the fullest extent and maintain sustainable growth. Nissan Shatai Group discusses important points related to human capital in a meeting comprised of the President and Senior Vice Presidents and reaches decisions on proposals that should be submitted to the Executive Officers Council Committee. We set KPI related to diversity, active participation of women, long-hour labor, and leave usage, confirm progress, and report to the Board of Directors as appropriate. Regarding risk and responses related to impact of resource shortages on work, the Risk Management Committee discusses these topics and reports the results to the Board of Directors.

Human Resource Development

Nissan Shatai Group arranges training operations for individuals to attend classes in accordance with their growth. These training activities range from basic knowledge needed in the work world to cultivation of management human resources with broad understanding. Furthermore, with the aim of fostering a culture of constant improvement, Nissan Shatai Group strongly promotes improvements in product and work process quality via QC circle activities in skilled workplaces and also conducts activities that visualize and resolve issues and Quality Function Deployment (QFD) activities that utilize a quality function deployment methodology in administrative and technology workplaces. It puts efforts into skill education to enhance work efficiency in which employees prepare their own program utilizing management and facilitation capabilities required for managerial positions and digital tools. The personnel evaluation system promotes employee and company growth by basing compensation on employee performance and contributions. Furthermore, the internal awards program that recognizes employee efforts and results aims to boost enthusiasm and motivation. The personnel evaluation system promotes employee and company growth by adopting fair and transparent personnel evaluations and basing compensation on employee performance and contributions. We set up interviews with

superiors three times a year, and in the interviews the superiors communicate their expectations and create opportunities to think about and discuss the careers of the employees. We believe that this can improve the acceptability of the evaluations to the employees and lead to the growth of the individuals and the organization.



Human Resource Development Program

Employees are the source of our corporate growth and advancements. Nissan Shatai Group hence sees employees as “human resources and assets” rather than “personnel.” We believe that our employees are the most valuable asset. Nissan Shatai believes that nurturing employees is an important management strategy, and we are actively developing human resources. Amid dramatic changes in the automotive environment and growing diversity, human resources needed by Nissan Shatai must be capable of effectively exerting autonomy and creativity and conducting work with a clear goal. With the aim of enhancing the capabilities and individuality of employees, Nissan Shatai offers a total education and training program that ranges from new employees to managers. Besides education within the assigned division, it also conducts wide-ranging education tailored to careers, such as capability and skill development and management training. Nissan Shatai

provides support from all angles by implementing detailed education programs that seek to boost capabilities and technology levels of individual employees.



New employee seminar

- **Prospective employee correspondence education (English)**
This program facilitates learning at home over the Internet.
- **New employee group seminar**
The program fosters deeper understanding of management policy, organizations, and personnel systems as a Nissan Shatai employee. Furthermore, it offers tours of where people actually work and prepared a venue for learning business manners and basic skills of business communication through experience.
- **Manufacturing on-the-job training**
Conduct on-the-job training at a plant for roughly a month. The program aims to provide front-line experience of what “automobile manufacturing” means as an employee of an automobile firm. It also strives to foster understanding of the spirit of manufacturing. (The schedule and training site differ depending on the assigned division.)
- **Training by department / On the job training**
The Company has prepared the program in accordance with individual suitability and capabilities even after assignments.

Diversity, equity & inclusion Diversity

Vibrant utilization of people with a wide range of values makes it possible to leverage corporate capabilities to the fullest extent and maintain sustainable growth. Nissan Shatai and Nissan Shatai Kyushu have advocated “promoting diversity” as an important item in our Medium-term Management Plan since fiscal 2015. With a basic policy of “being a company where all workers can fully utilize their skills,” we continuously implement actions to deliver even better results by supporting a healthy lifestyle for all employees, not only those involved in childcare and nursing care. In the 2023-2027 Medium-term Management Plan, we broaden the scope to “diversity, equity, and inclusion” and intend to put effort into activities that advance fairness and acceptability, not only diversity. In addition to “the active participation of women” and “assisting in realization of

childcare and nursing care along with work,” we aim to build a corporate culture that is comfortable for all employees with greater acceptance of diversity values and views, including age, nationality.



Promoting active participation of women

Nissan Shatai and Nissan Shatai Kyushu are earnestly developing a culture and designing systems on behalf of promoting active participation of women. We seek to expand the percentage of women in new university graduate hires and improve the work environment to facilitate continuation of a career. We also encourage cultivation based on a career plan with the goal of promoting selection in managerial jobs. Roughly 6% of managers were women as of end-March 2024, and we are working to promote empowerment of more women with a goal of 10% in the future. In the 2023-2027 Medium-term Management Plan, we intend to formulate and implement an initiative plan for acquisition of “Eruboshi” certification. Additionally, we will strengthen corporate PR for a wider segment among new university graduates and activities that lead to employment aimed at bolstering career hires and selection of an even wide range of human resources.

Reinforcement of systems and preparation of the environment

In addition to existing flex work, short working hours system, and promotion of using annual paid holidays, we are offering support for the joint realization of work and childcare/ nursing care, including the introduction of family support leave that can be applied to childcare, nursing care, and other situations, and a teleworking system, and the revision of our systems to make them easier to use, such as converting the absence from work after childbirth into leave, etc. Furthermore, we are also promoting the use of assistance equipment that lightens the load of picking up

Sustainability Social

heavy items and automation to facilitate the engagement of women in skilled workplaces.

We are reinforcing the environment to enable the continuation of careers and realization of performance through childbirth and childcare and continuously implementing education to foster an internal culture that makes it easy for men to participate in childcare too. In April 2019, we opened a preschool within the company called "Kids' Caravan" and created an environment where it is easy to work during the childcare period.

In order to continue these kinds of initiatives, we conducted an internal questionnaire on Diversity, equity & inclusion to incorporate the opinions of our employees as we endeavor to bolster our activities in this area. Going forward, we will continue to measure their effects quantitatively.

Results of an internal questionnaire on Diversity, equity & inclusion are shown on P.53

Platinum Kurumin

Nissan Shatai was the first company with 300 or more employees in Hiratsuka to receive certification based on Article 13 of the Act on Advancement of Measures to Support Raising Next-Generation Children, which is commonly known as "Kurumin" certification, in May 2017. Additionally, since July 2020, we continuously acquired "Platinum Kurumin" certification available to "Kurumin" certified companies that conduct even more advanced initiatives.



Utilization of diverse human resources

Nissan Shatai Group does not set specific numerical goals for managerial positions given to foreign employees and mid-career employees but instead appoints managers based on the concept of "making assignments and appointments of the right person for the right job in accordance with personal capabilities and characteristics," rather than relying on hiring categories or attributes. In hiring people with disabilities, Nissan Shatai Group advocates maintaining employment at a level above the legally required percentage and actively implementing hiring activities. Besides hiring new university graduates, it participates in company explanations sponsored by Hello Work and hires a few mid-career people annually. Since fiscal 2021, it launched the Sunshine team that prepares the workplace environment and is contributing to development of a conducive workplace. Percentage of employees with disabilities(consolidated) are shown on P.53

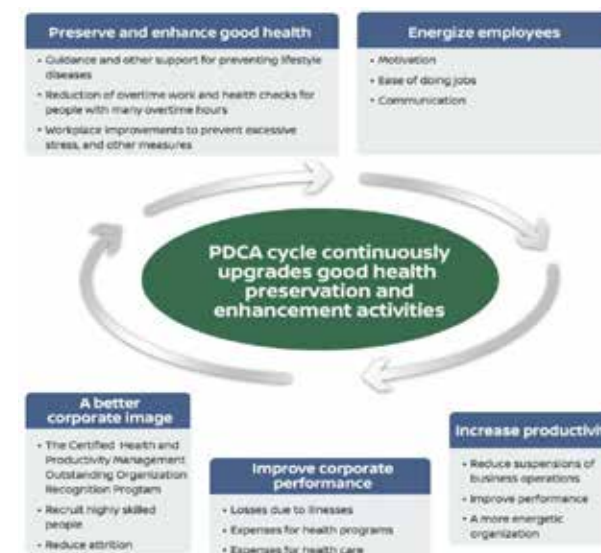
Employee engagement

Nissan Shatai Group implements workplace improvement activities that address workplace issues and requests. It has prioritized items from the many requests regarding heat-related measures, toilets, changing rooms, welfare buildings, common areas, and dormitories for single people and proceeded with improvements. It intends to continue efforts through close communication with employees and confirmation of requests. Furthermore, Nissan Shatai Group prepares and distributes a pamphlet that covers company topics, connections to SDGs, contributions to local society, awards received at external events, and other results that reflect employee efforts and are a source of pride. It plans to continue preparing the pamphlet to encourage feelings of happiness and pride regarding work at the group by enabling all employees to share and understand these company initiatives.

Health management

With a corporate policy that "Only people with sound mind and body are able to work with vigor, peace of mind, and integrity," Nissan Shatai and Nissan Shatai Kyushu arrange operations with industrial physicians, public health nurses, medical nurses, counselors, and others, and cooperate with external specialty agencies, and address health maintenance and enhancement activities as organizational capabilities.

Nissan Shatai Group provides health guidance based on health diagnosis results and conducts food seminars and other events at preventing lifestyle diseases. It also conducts mental health measures such as workplace improvement activities for high stress workplaces based on stress check results and seminars. These data-based efforts



have successfully clarified issues and supported activities to prevent mental and physical difficulties ahead of time. It implements the PDCA cycle annually for these activities to review results and intends to deepen and continue activities. Thanks to these efforts, it received certification as a "Health and Productivity Management Organization – White 500" from METI and the Nippon Kenko Kaigi since 2019.

Human rights philosophy

Nissan Shatai and Nissan Shatai Kyushu considers the strict adherence to corporate rules and applicable laws and practices fundamental to its business activity. The human rights of all stakeholders must be respected and all Nissan Shatai and Nissan Shatai Kyushu employees must act while upholding the highest ethical standards. We do not condone discrimination on the basis of race, nationality, gender, religion, disability, age, place of origin, gender identity, sexual orientation or any other characteristic nor infringement on human rights in the supply chain, such as forced labor and child labor.

Initiatives related to human rights

Nissan Shatai and Nissan Shatai Kyushu conduct initiatives related to human rights based on the following code of conduct and guidelines to ensure respect for the human rights of all stakeholders as a member of the Nissan Group.

●Global Code of Conduct :
https://www.nissan-shatai.co.jp/EN/ENVIRONMENT/HUMANRIGHTS/PDF/NISSAN_GCC_E_2401.pdf

●Corporate Social Responsibility Guidelines for Suppliers :
https://www.nissan-shatai.co.jp/EN/ENVIRONMENT/HUMANRIGHTS/PDF/CSR_Guidelines_Suppliers_e.pdf

Human rights training

We implement Code of Conduct education every year for all of our employees, to encourage their understanding, and get them to sign a pledge regarding respect for human rights. Furthermore, we implement training for newly-appointed managers and supervisors and new company employees to deepen their understanding of diversity, equity & inclusion. We are deepening their understanding of the concepts around human rights and our initiatives for human rights, and we are gaining their understanding for the building and wide adoption of environments enabling vibrant utilization of people with a wide range of values.

Respectable Procurement

Purchasing Way

Nissan Shatai aim to achieve sustainable, profitable growth by developing a relationship with suppliers based on mutual

trust and benefit. Through a productive dialogue and capitalization on ideas and recommendations identified with suppliers on a level-playing field, we are able to integrate industry best practice and endeavor to stay ahead of the fierce competition within the automobile sector. Nissan purchasing divisions operate using a fair and transparent process to select suppliers, providing a wide range of opportunities for companies to do business with us, irrespective of their nationality, size or our past business relations. External control of our business practices is ensured through close communication in our day-to-day dealings with suppliers, as well as the regular exchange of ideas through meetings and surveys. We maintain the highest standards of impartiality and fairness in all our business transactions.

●Corporate Social Responsibility Guidelines for Suppliers :
https://www.nissan-shatai.co.jp/EN/ENVIRONMENT/HUMANRIGHTS/PDF/CSR_Guidelines_Suppliers_e.pdf

Green Purchasing Guideline

A variety of environmental challenges--climate change, pollution and scarcity of natural resources-- now effect our entire world. It has become crucial for every individual in the world as well as business entities, governments, non-governmental and non-profit organizations to think and act proactively in order to address these challenges.

Nissan Motor Co. Ltd. (Nissan) has promoted environmental impact reduction through actions such as quality control and substance management in cooperation with our entire supply chain, by sharing the value of Nissan's procurement policy and environmental philosophy with suppliers. Nissan conducts surveys of suppliers' actions related to CO2 reduction, setting science based targets, and ensuring proper management of substances by suppliers for parts and materials through their compliance with "Nissan Green Purchasing Guidelines", as well as with "Alliance Nissan Product Quality Procedure" (NPQP) and "Restricted Use of Substances" of Nissan Engineering Standard. These guidelines and standards are based on "Nissan Supplier CSR Guidelines" and "Nissan Green Program (NGP)"

●Nissan Green Purchasing Guideline :
https://www.nissan-shatai.co.jp/EN/ENVIRONMENT/VALUECHAIN/PDF/Nissan_Green_Purchasing_Guideline_e.pdf

Social contribution activities, etc. Disaster recovery

When disasters strike, we provide donations, to help people in the affected areas. The roof of the Nissan Shatai head office building, which is in the Hiratsuka City, is designated a tsunami evacuation site, and when the Major Tsunami

Sustainability Social

Warning is issued, it will be used as an emergency temporary evacuation site for everyone in the neighboring area.



The head office roof is a tsunami evacuation site.

Tsunami evacuation drills with neighborhood associations

Plant Tours for Elementary School Students

Nissan Shatai considers conducting plant tours as a part of our social responsibility in our position as an automotive manufacturer. Plant tours are held throughout the year, under the topic of "Japanese Industries" that Grade 5 elementary school students study in their Social Studies courses. In this topic, the automotive industry is raised as a representative example of Japanese industries. In addition to what they learn in the classroom, the plant tours provide students with the opportunity to observe real automobile production lines up close, and to gain in-depth knowledge about vehicle manufacturing by actually experiencing the process.

On weekdays, we often welcome elementary school social studies classes. On holidays and during summer vacation, we conduct a learning program for parents and their children. In addition to local elementary schools in Hiratsuka City, we also provide on-site tours mainly in the Tokyo Metropolitan Area and online tours on "car-making" for elementary schools across the country.



Elementary school students tour a Nissan shatai Plant.

Plant Tours FY23

• Plant tour : about 9,800 visitors
• Online plant tour : about 8,200 visitors
Total: about 18,000 visitors

Open Day

In line with our aim of being an open company, Nissan Shatai organizes Open Days for the general public. At the Shonan Plant, employees take on the role of hosts, and set up many stalls for the event. The "Yu-topia" festival is held every year in the fall, when visitors enjoy a wide variety of events ranging from a charity bazaar, to mini-concerts by idol groups and singers.

Throughout the year, we also hold "Nissan Vehicle Fairs," which brings together the latest Nissan vehicle models under one roof. Special business meetings that offer vehicle sales at preferential rates are also held during these fairs.



Open Day Event A festival held by the shonan Plant

Open Day Events FY23
Festivals : 3 times/year FY23
(Shonan, Kyushu, Kyoto)

Cultural Preservation and Promotion

We participate in and sponsor the following organizations and events, and have recreation center "Habu-so" with the aim of culture preservation and promotion.

Shonan Hiratsuka Tanabata Festival
Shonan Hiratsuka Fireworks
Hadano Tobacco Festival
JAPAN MOBILITY SHOW

■ Safety and health management

Aiming for a "safe and people-friendly workplace," we are advancing the improvement of both hard and soft aspects of the workplace environment, and working on the building of a workplace in which all employees can endeavor to maintain and improve their physical and mental health, constantly have the willingness to improve, and work energetically with high motivation in a safe and comfortable environment.

Furthermore, we have been operating our safety and health management systems based on the Occupational Safety and Health Management System (OSHMS*) guidelines of the Ministry of Health, Labour and Welfare. In order to achieve a safe and comfortable workplace, we are implementing a full range of education and training and other risk assessments, and advancing improvements to intrinsic safety.

* OSHMS : Occupational Safety and Health Management System

■ Ensuring fire prevention and disaster prevention

The Great East Japan Earthquake in March 2011 caused an enormous amount of damage primarily in the Tohoku region. It is said that it would be no great surprise if a "Tokai earthquake," "earthquake in western Kanagawa Prefecture," etc. occurred at any time in Kanagawa Prefecture as well,

and it is predicted that in the case that any of these earthquakes occur, Hiratsuka City, where Nissan Shatai is located, would experience shaking with a seismic intensity of about 5 or 6 and enormous harm would be caused. Furthermore, if earthquakes or fires and typhoons, etc. occur, there is a possibility not only that valuable property will be lost but also that the lives of many people, including all of the neighborhood residents, will be endangered, so routine preparations are necessary in order to keep the harm to a minimum in the event that these disasters occur. For that reason, we are endeavoring to enhance our equipment and materials management in relation to fire prevention and disaster prevention, and constantly prepare for disasters because we do not know when they will occur, including establishment of the Disaster Prevention Base (Earthquake Command Headquarters), collaboration with disaster prevention agencies and the Nissan Group companies, regular implementation of disaster prevention training, etc. Regarding initiatives for fire prevention, we conduct fire prevention education for all of the relevant people, and implement fire prevention patrols by workplace experts, etc. throughout the year. Furthermore, we have introduced "F-PES* evaluations," a Nissan Group common standard for quantitatively evaluating the risk of a fire breaking out, to improve our fire prevention management level.



Initial firefighting activities

* F-PES: an abbreviation for Fire-Prevention Evaluation System. The system's purpose is to "prevent the outbreak and spread of fires in Nissan and its affiliated companies and subcontractors." It is a system which quantitatively evaluates the risk of a fire breaking out and aims to smoothly and efficiently advance fire prevention operations without any oversights.

■ Traffic safety activities

As a player in the automobile industry, naturally we work for compliance with the traffic rules and we are also engaged in activities to improve driver etiquette and prevent traffic accidents.

◆ Activities for traffic accident prevention

We use the test course at the Hadano Office to hold the SDH (Safe Driving School in Hadano) to make an effort to improve the driving skills of our employees.

We are working to prevent accidents by getting the

employees to learn the correct driving position and the correct way to operate the accelerator, brake and steering wheel and to master the method for escaping from the vehicle in the event that it overturns.



Overturning experience Steering wheel experience Accelerator experience

◆ Awareness-building activities for traffic accident prevention

On Safety and Fire Prevention Day, the third Thursday of every month, we raise safety awareness by providing guidance on standing guard in front of our gate.

◆ Participation in the "Safety Challenge Kanagawa" organized by Kanagawa Prefecture

We participate in the "Safety Challenge Kanagawa" which involves teams of three people challenging themselves to achieve zero accidents and zero violations over six months (July 1 to December 31), with the aim of traffic accident prevention.

■ Regional contribution activities

On October 27, 2023 (Friday) and March 19, 2024 (Tuesday)

At the Techno Center we endorsed the Hiratsuka City "Town-Wide Major Cleaning" activities and a lot of 380 employees participated in cleaning the outer perimeter facilities.



Techno Center

On July 11, 2023 (Friday)

Shiraishi Coast, the only remaining natural coast in Kanda Town where Nissan Shatai Kyushu is located, is a shallow coast much loved by the locals who can dig up Japanese razor shells ("Mate



Kyushu area

shellfish") from spring until summer.

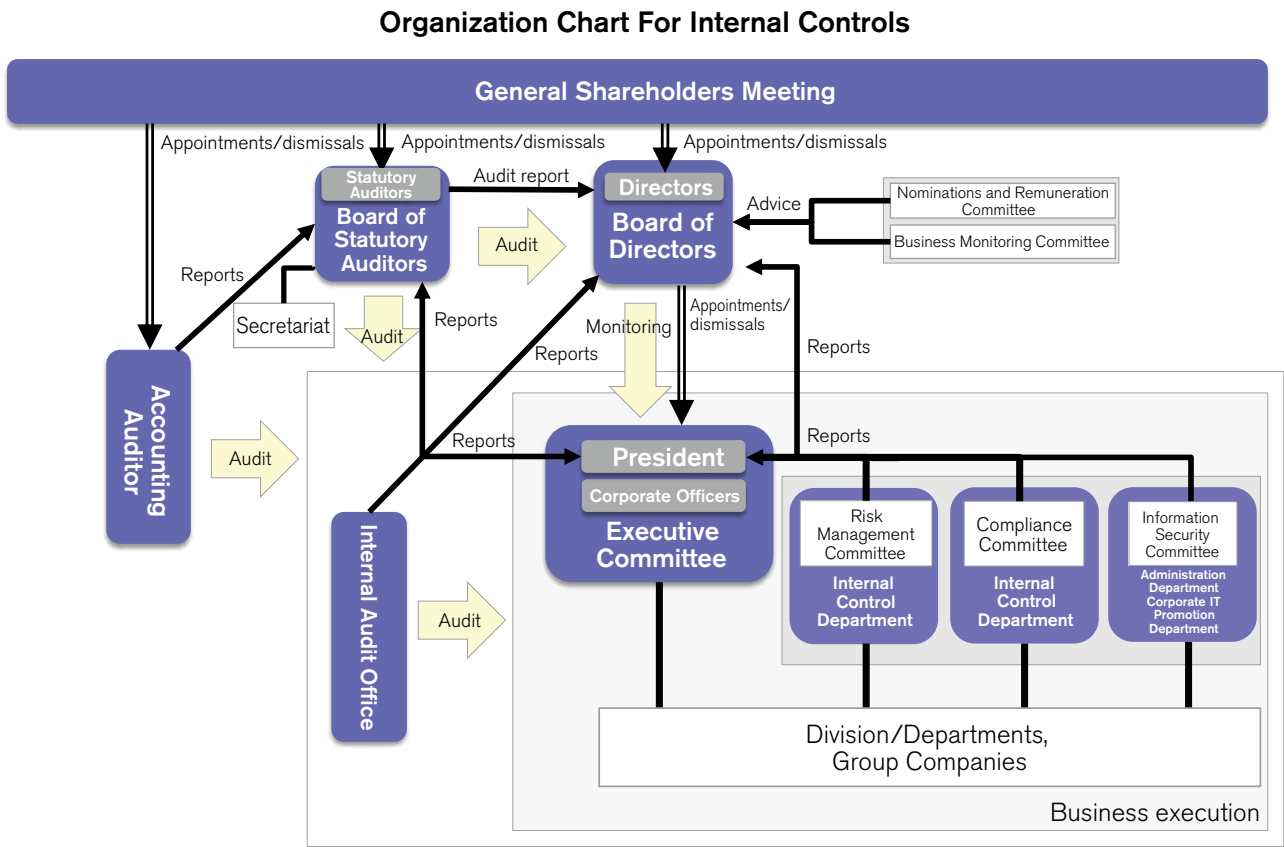
In order to protect nature at this Shiraishi Coast, the Kanda Town Shiraishi Coast Major Cleaning Operation, which consists of coastal cleaning activities and is organized by the Kanda Urban Renewal and Tourism Association, is held every year, and the employees of Nissan Shatai Kyushu also participate in this operation as volunteers. Twenty-eight employees participated in the activities carried out in July 2023 and worked on environmental conservation of the region.

Sustainability Governance

Fundamental Policies

We have clarified the management's responsibility to provide explanations and are carrying out proper and timely disclosure of information to shareholders and other stakeholders. Furthermore, to continually enhance corporate value, we are ensuring proper execution of business operations by establishing internal control systems, and further enhancing our corporate governance.

Corporate Governance Structures



Policies for deciding remuneration amount

1. Policy and method for determining remuneration for individual directors

On March 22, 2022, the Board of Directors approved a resolution concerning 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.

(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.

Director's career (As of June 26, 2024)

President Takashi Tomiyama



Apr 1985 : Joined Nissan Motor Co., Ltd.
Apr 2006 : Deputy General Manager, Stamping Engineering Dept., Nissan Motor Co., Ltd.
Apr 2010 : Deputy General Manager, New Vehicle Production Engineering Dept., Nissan Motor Co., Ltd.
Apr 2012 : General Manager, Production Control and Engineering Dept., Nissan Motor Kyushu Co., Ltd.
Apr 2015 : Plant Manager, Nissan Motor (Thailand) Co., Ltd.
Apr 2017 : Alliance Global Director, Vehicle Production Engineering Div., Global Tooling Management Dept., Nissan Motor Co., Ltd.
Apr 2018 : Alliance Global Director, Vehicle Production Engineering and Development Div., Production Engineering Research and Development Center, Nissan Motor Co., Ltd.
Apr 2020 : President, Nissan Motor Kyushu Co., Ltd.
Apr 2024 : Executive Vice President, Nissan Shatai Co., Ltd.
Jun 2024 : President, Nissan Shatai Co., Ltd. (Current position)

Key positions held concurrently:
President, Nissan Shatai Kyushu Co., Ltd.

Director Shin Kotaki



Apr 1985 : Joined Nissan Shatai Co., Ltd.
Apr 2006 : Assigned by Nissan Motor Co., Ltd. Deputy General Manager, Renault-Nissan Purchasing Organization
Apr 2009 : Supplier Account Officer, Nissan Motor Co., Ltd.
Apr 2014 : General Manager, Purchasing Dept., Nissan Shatai Co., Ltd.
Apr 2015 : Corporate Vice President, Nissan Shatai Co., Ltd.
Jun 2018 : Director and Senior Vice President, Nissan Shatai Co., Ltd. (Current Position)

Responsibilities at Nissan Shatai:
Overall supervision of General & Administration Div., Secretariat; Internal Control Dept.; Administration Dept.; Legal & Communications Dept.

Director Masayuki Yabe



Apr 1986 : Joined Nissan Motor Co., Ltd.
Apr 2006 : Chief Vehicle Engineer, Vehicle Planning Dept. No. 3, Nissan Motor Co., Ltd.
Apr 2008 : Deputy General Manager, Vehicle Project Purchasing Dept., Renault Nissan Purchasing Organization, Nissan Motor Co., Ltd.
Apr 2012 : SVP, Dongfeng Motor Co Ltd.
Apr 2015 : SVP, Nissan Motor Asia Pacific Co., Ltd.
Apr 2017 : General Manager, Nissan Product Development No. 3, Nissan Motor Co., Ltd.
Apr 2018 : General Manager, Nissan Product Development No. 2, Nissan Motor Co., Ltd.
Apr 2020 : Corporate Vice President, Nissan Shatai Co., Ltd.
Apr 2021 : Senior Vice President, Nissan Shatai Co., Ltd.
Jun 2021 : Director and Senior Vice President, Nissan Shatai Co., Ltd. (Current Position)

Responsibilities at Nissan Shatai:
Overall supervision of Research and Development Div. Project Engineering Dept.

Director Takuya Nakamura



Apr 1988 : Joined Nissan Motor Co., Ltd.
Apr 2011 : Deputy General Manager, Vehicle Assembly Engineering Dept., Vehicle Production Engineering Div., Nissan Motor Co., Ltd.
Apr 2013 : General Manager, Vehicle Assembly Engineering Dept., Vehicle Production Engineering Div., Nissan Motor Co., Ltd.

Sustainability Governance

Aug 2015 : Alliance Global Director, Vehicle Production Engineering No.2, Nissan Motor Co., Ltd.
Apr 2017 : VP, Plant Manager of Tochigi Plant, Nissan Motor Co., Ltd.
Apr 2021 : Senior Vice President, Nissan Shatai Co.,Ltd.
Jun 2021 : Director and Senior Vice President, Nissan Shatai Co., Ltd. (Current Position)

Responsibilities at Nissan Shatai:
Overall supervision of Production Div.
Safety & Environment Administration Dept.;
Production Administration Dept.;
Production System Innovation & Promotion Dept.
Key positions held concurrently:
Senior Managing Director, Nissan Shatai Kyushu Co., Ltd.

Director (Independent, Outside) Yasuyuki Ohira



Apr 1984 : Joined Sapporo Breweries Ltd. (Currently Sapporo Holdings Ltd.)
Mar 2006: Director of Engineering Dept., Sapporo Breweries Ltd.
Mar 2011: Operating Officer and Director, Chiba Brewery of Sapporo Breweries Ltd.
Sep 2012: Director (Member of the Board) and Operating Officer, Director of Corporate Planning Dept., Sapporo Breweries Ltd.
Mar 2014: Director (Member of the Board) and Operating Officer, Sapporo Breweries Ltd.
Mar 2016: Director (Member of the Board), Managing Executive Officer, Director of Research and Development Headquarters, POKKA SAPPORO Food & Beverage Ltd.

Mar 2017: Director (Member of the Board) and Managing Executive Officer, POKKA SAPPORO Food & Beverage Ltd.
Mar 2019: Director (Member of the Board), Director of Research and Development Division, Sapporo Holdings Ltd.
Mar 2020: Director (Member of the Board), Sapporo Holdings Ltd.
Mar 2022: Advisor, Sapporo Holdings Ltd. (Current position)
Jun 2022: Director, Nissan Shatai Co., Ltd. (Current position)

Director (Independent, Outside) Hideaki Shinada



Apr 1980 : Joined Ajinomoto Co., Inc.
Jun 2002: Director, Ajinomoto Frozen Foods Co., Inc.
Jul 2004: General Manager, Kyushu Branch, Seasonings and Food Products Company, Marketing Div., Ajinomoto Co., Inc.
Jul 2006: General Manager, Processed Food Products Dept., Food Products Company, Ajinomoto Co., Inc.
Jun 2009: Executive Officer and General Manager, Tokyo Branch, Ajinomoto Co., Inc.
Jun 2013: Member of the Board and Corporate Vice President, and General Manager, Food Products, Ajinomoto Co., Inc.
Jun 2015: Member of the Board and Corporate Senior Vice President, Ajinomoto Co., Inc.
Jun 2016: Representative Director and President, Ajinomoto AGF, Inc.
Jun 2021 : Resigned Ajinomoto AGF, Inc.
Jun 2023: Director, Nissan Shatai Co., Ltd. (Current position)

Skill matrix of directors

The matrix presents the six top-priority items regarding the knowledge each director possesses and is particularly expected to exercise.

The matrix does not represent all of the knowledge, experience, and abilities possessed by each person.

Name	Title	Term of office	Primary Expertise / Experience								
			Corporate Management	Auto motive Industry	Governance/ Internal Controls	Legal/Risk Management	Finance/Accounting	Human Resources	Manufacturing/Product Technology	Environment/Energy	Global
Takashi Tomiyama	Director and President	New	●	●	●	●			●	●	
Shin Kotaki	Director and Senior Vice President	6 years	●	●	●		●	●	●		
Masayuki Yabe	Director and Senior Vice President	3 years	●	●	●				●	●	●
Takuya Nakamura	Director and Senior Vice President	3years	●	●		●			●	●	●
Yasuyuki Ohira	Director (Independent, Outside)	2 years	●		●	●		●	●	●	
Hideaki Shinada	Director (Independent, Outside)	1 year	●		●	●			●		●

The status of attendance by individual directors

The Board of Directors resolves the material business activities in Nissan Shatai such as the basic policies concerning management and matters concerning the General Shareholders Meeting, directors, finance, stocks, human resources and the organization, etc. and the matters stipulated in the applicable laws and the Articles of Incorporation in accordance with the rules of the Board of Directors and their bylaws. Furthermore, it monitors the activities of the directors and executive officers by receiving reports about the status of the business activities, including production, financial status, etc.

There are six directors, including two who are outside directors and independent directors as stipulated by Tokyo Stock Exchange, Inc. As a rule the Board of Directors meets monthly and in addition ad-hoc meeting are also held whenever necessary. Nineteen meetings were held in the current fiscal year. The status of attendance by individual directors is as follows.

Title	Name	Number of meetings held	status of attendance(ratio)
President	Haruhiko Yoshimura	19 times	18 times (95%)
Director	Shin Kotaki	19 times	19 times (100%)
Director	Masayuki Yabe	19 times	19 times (100%)
Director	Takuya Nakamura	19 times	19 times (100%)
Outside Director	Yasuyuki Ohira	19 times	19 times (100%)
Outside Director	Hideaki Shinada	15 times	15 times (100%)
Outside Director	Masayuki Imai	4 times	4 times (100%)

* Hideaki Shinada attended all of the meetings held after he became an outside director on June 28, 2023.
** Masayuki Imai attended all of the meetings held before he resigned on June 28, 2023.

Nominations and Remuneration Committee

The purpose of the Nominations and Remuneration Committee is to increase the transparency and objectivity of the procedure used for decisions concerning nominations of director and statutory auditor candidates and remuneration for directors. Therefore, the committee discusses the following items concerning nominations and remuneration in response to requests from the Board of Directors or the President for advice and submits its advice to the Board of Directors.

- (1) Policies and procedures for the selection or termination of a representative director and for selections of directors 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

Of the three members of this committee, the majority (two members) are independent outside directors, and the Committee Chair is an independent outside director. Furthermore, an independent outside statutory auditor attends the committee as an observer.

This committee meets based on an annual schedule and in addition ad-hoc meetings are also held whenever necessary. Four meetings were held in the current fiscal year. The status of attendance by individual committee members is as follows.

Title	Name	Number of meetings held	status of attendance(ratio)
Outside Director	Yasuyuki Ohira	3 times	3 times (100%)
Outside Director	Hideaki Shinada	2 times	2 times (100%)
President	Haruhiko Yoshimura	3 times	3 times (100%)
Outside Director	Masayuki Imai	1 time	1 time (100%)

* Hideaki Shinada attended all of the meetings held after he became an outside director on June 28, 2023.
** Masayuki Imai attended all of the meetings held before he resigned on June 28, 2023.

Sustainability Governance

Business Monitoring Committee

In order to increase the transparency and objectivity of the procedure used for decisions concerning significant transactions between Nissan Shatai and related parties and prevent these transactions from damaging Nissan Shatai and the interests of its shareholders, the Business Monitoring Committee deliberates on these transactions in response to requests from the Board of Directors and the President for advice, and submits its advice to the Board of Directors. The members of this committee consist of two independent outside directors and two independent outside statutory auditors, and the Committee Chair is an independent outside director. Furthermore, a statutory auditor (Full-time) attends the committee as an observer. This committee meets once a quarter and in addition ad-hoc meetings are also held whenever necessary. Seven meetings were held in the current fiscal year. The status of attendance by individual committee members is as follows.

Title	Name	Number of meetings held	status of attendance(ratio)
Outside Director	Yasuyuki Ohira	7 times	7 times (100%)
Outside Director	Hideaki Shinada	5 times	5 times (100%)
Outside Statutory Auditor	Tomonori Ito	7 times	7 times (100%)
Outside Statutory Auditor	Nobutaka Kanaji	5 times	5 times (100%)
Outside Director	Masayuki Imai	2 times	2 times (100%)
Outside Statutory Auditor	Izumi Inoue	2 times	2 times (100%)

* Hideaki Shinada and Nobutaka Kanaji attended all of the meetings held after he became an outside director on June 28, 2023.

** Masayuki Imai and Izumi Inoue attended all of the meetings held before he resigned on June 28, 2023.

Overview of Evaluation Results for Effectiveness of Board of Directors

The Board of Directors of Nissan Shatai has carried out an evaluation of the effectiveness of the FY2023 Board of Directors taking account of analyses by a third-party organization.

Overview of the evaluation results

As a result of the evaluation, Nissan Shatai's Board of Directors confirms that the effectiveness of the Board of Directors is ensured. The overview is as follows.

- 1) The Board of Directors is comprised of members with sufficient knowledge and experience.
- 2) The Board of Directors has established sufficient deliberation time and is endeavoring to realize appropriate decision-making and management supervision.
- 3) All the members of the Board of Directors, including Outside Directors and Outside Statutory Auditors, possessing a wide range of experience and expertise, state opinions and advice based on their respective experiences and perspectives, and fulfill the roles that they should fulfill.

In discussions concerning evaluations by all of the Directors and all of the Statutory Auditors, there were opinions regarding further enhancement of deliberations concerning important transactions and continuation of consideration for the members of the Board of Directors, with the objective of further increasing effectiveness, and we will continue to work on these matters.

Diversity of directors, Directors' Remuneration are shown on P.53

Stakeholder Engagement

We believe that correctly understanding the needs and expectations of society through various forms of communication with stakeholders and utilizing this understanding in our corporate activities is extremely important for realizing the growth of the company and a sustainable society. Each selection of Nissan Shatai will implement these kinds of dialogues with many stakeholders and tackle the issues that are recognized.

Major stakeholders



Stakeholder	Main communication activities
Shareholders and Investors	General Shareholders Meeting · Web Earnings Results Briefing · IR Meetings, Posting IR Materials · contact on the website
Employees	Disseminating messages from directors and plant managers through conventions of all employees · intranet · internal newsletter, etc. Conducting an employee survey, Dialogue between the president and employees, Interview between superiors and subordinates, Commendation to employees, Employee stock ownership, Ideas Contest implementation Analysis and investigation of opinions received by Customer Relation Office, Quality improvement questionnaires · Activities to listen to customer opinions and wishes, Visiting domestic and foreign countries
Customers	Analysis and investigation of opinions received by Customer Relation Office, Quality improvement questionnaires · Activities to listen to customer opinions and wishes, Visiting domestic and foreign countries
Suppliers	Supplier meeting, business talks, Meetings, Supplier association activities
Business partners	
Dealers	Events to expand sales, Sales and service support
National and local governments	Visit, Participation in symposiums
Local Communities	Plant Tours for Elementary School Students, Participation and co-sponsorship of local events, Sponsorship of local organizations

Formulation of policies about the provision of information to stakeholders

Nissan Shatai attaches great importance to ensuring internal and external transparency with regard to our management activities, and puts effort into making sure that information disclosure is carried out in an appropriate and timely manner for our stakeholders.

Outline of NISSAN SHATAI

Highly advanced facilities and technologies

Nissan Shatai has three main operational bases that consistently implement the operations of development, production and quality assurance. These bases are: Headquarters and Shonan Plant located in Tsutsumicho,

Hiratsuka City, Kanagawa Prefecture;the Techno Center located in Ookami, Hiratsuka City; as well as the Development Divisions that are mainly located at the Hadano Office in Hadano City.



Headquarters and Shonan Plant

This operation is Nissan Shatai’ s largest, with a Production Division that comprises our Headquarters as well as a distribution base and a plant that engages in car welding, painting, and assembly work.



Techno Center

The Techno Center is the base for our Development Division, which is responsible for designing and building prototypes. It also acts as the base for the Tool & Machinery Engineering Division that designs and manufactures production facilities.



Hadano Office

The Hadano Office in Hadano City comes with a test course and other testing facilities, and carries out a batter of strict tests to check on all aspects of cars, including car body strength and endurance.

Company Profile

Corporate name:	NISSAN SHATAI CO., LTD.
Date of establishment:	1 July 1941
Date of incorporation:	1 April 1949
Capital:	7,904 million yen
Number of employees:	1,681 (As of March 31, 2024)
Business areas:	From development to quality assurance of various vehicles
URL:	https://www.nissan-shatai.co.jp

Office

- **Headquarters and Shonan Plant**
2-1 Tsutsumicho, Hiratsuka, Kanagawa, 254-8610
Tel: 81-463-21-8001
- **Techno Center (Development Division)**
3-6-1, Ookami, Hiratsuka, Kanagawa, 254-0012
Tel: 81-463-21-8305
- **Hadano Office**
233, Horiyamashita, Hadano, Kanagawa, 259-1304
Tel: 81-463-87-2972

Executives

Directors	
President	Takashi Tomiyama
Director	Shin Kotaki
Director	Masayuki Yabe
Director	Takuya Nakamura
Director (Independent, Outside)	Yasuyuki Ohira
Director (Independent, Outside)	Hideaki Shinada
Statutory Auditors	
Statutory Auditor (Full-time)	Kiyoshi Aoji
Statutory Auditor (Independent, Outside)	Tomonori Ito
Statutory Auditor (Independent, Outside)	Nobutaka Kanaji
Corporate Officers	
President	Takashi Tomiyama
Senior Vice President	Shin Kotaki
Senior Vice President	Masayuki Yabe
Senior Vice President	Takuya Nakamura
Corporate Vice President	Hiroyuki Nakanishi
Corporate Vice President	Masaya Watanabe
Corporate Vice President	Wataru Suzuki
Corporate Vice President	Yosuke Sato
Corporate Vice President	Masayuki Yamashita
Vice Presidents	
Vice President	Futoshi Kudo
Vice President	Hideo Endo
Vice President	Takuya Suzuki
Vice President	Wataru Takayama
Vice President	Hiroyuki Ueno
Vice President	Yuji Ichikawa
Company Compliance Officer	
Company Compliance Officer (CCO)	Masaaki Ushigome

Outline of NISSAN SHATAI KYUSHU

Nissan Shatai Kyushu that is allowed to produce INFINITI branded vehicles by Nissan Motor Co., Ltd.

Nissan Shatai Kyushu, which commenced full-scale operations in January 2010, is allowed to produce INFINITI branded vehicles by Nissan Motor Co., Ltd. It is located in the Kita Kyushu region, where many automobile and parts manufacturers have established themselves, and which offers major distribution advantages to the Asian region that is experiencing dizzying progress and development. Nissan Shatai Kyushu is located in Nissan Motor's Kyushu Plant. It is composed of a Body Shop, Paint Shop, Assembly

Shop, and an Office Building functioning as the headquarters of Nissan Shatai Kyushu. This plant has adopted the Nissan Production Way (NPW) to deliver the quality required for the INFINITI brand and other luxury models, while realizing thorough efficiency and significantly shortened production lead-times that are the pride of the industry. The plant also boasts production lines capable of the mixed production of multiple models, ranging from compact cars to large high-grade minivans. It is also a plant that is both people and environmentally friendly.



Automatic assembly of doors with the aid of robots (Body Shop)



Quality checks on the painted surfaces by robots (Painting Shop)



Assembly of heavy parts using assisting devices (Assembly Shop)



4 wheel shaking machine during the final inspection process



Body Shop

The introduction of the roller hemming line and other equipment enables the production of high-precision car body frameworks. The Body Shop is also characterized by its flexible and compact production line that includes automatic assembly of heavy parts such as hoods and doors by robots, and transportation of car body and parts by unmanned AGV transportation vehicles.



Painting Shop

We have introduced the new 3WET painting technology to realize painting quality that is environmentally friendly and ideal for luxury car models. In addition, we have adopted anti-pollution technology and automatic exterior testing devices to achieve high-quality paint jobs.



Assembly Shop

We have created an evolved car assembly line that enables the mixed production of frame body and monocoque body vehicles. During the final assembly process, all vehicles undergo vibration tests and other tests to ensure that they meet the highest quality levels that are compatible with luxury car models. We have also introduced assisting devices to lighten the work load for operators and create a workerfriendlyworking environment.

Company Profile

Corporate name: NISSAN SHATAI KYUSHU CO., LTD.
Date of incorporation: 10 May 2007
Capital: 10 million yen
(Nissan Shatai holds 100% of the shares)
Number of employees: 1,072 (As of March 31, 2024)
Business areas: Manufacture and sales of vehicles and partly-finished car parts
URL: <https://www.nissan-shatai.co.jp/nissan-shatai-kyushu>

Center of Operation

■ Head Office
1-3 Shinhama-cho, Kanda-machi, Miyako-gun,
Fukuoka, 800-0321
Tel: 81-93-434-9645

Executives

Directors

President	Takashi Tomiyama
Senior Managing Director	Takuya Nakamura
Director, Plant Director	Hideo Endo
Director	Hiroyuki Ueno
Director	Wataru Takayama
Director	Toshiaki Higashi

Statutory Auditors

Statutory Auditor	Yosuke Sato
Statutory Auditor	Kiyoshi Aoji

Outline of Affiliates

NISSAN SHATAI MANUFACTURING CO., LTD.

Production of pressed parts for Nissan Shatai.

Corporate Name	NISSAN SHATAI MANUFACTURING CO., LTD.	Number of employees	212 (as of 31 March 2024)
URL	http://ns-m.jp	Business areas	Manufacture partly-finished car parts
Established in	October 31, 1956	Head office	2-15, Nagatoro, Hiratsuka, Kanagawa, 254-0021
Capital	432 million yen (Nissan Shatai holds 100% of the share)	Tel	81-463-21-8510
Representative	Ryo Kajii - President		

NISSAN SHATAI ENGINEERING CO., LTD.

Maintenance of equipment and distribution at Nissan Shatai and Nissan Shatai Kyushu.

Corporate Name	NISSAN SHATAI ENGINEERING CO., LTD.	Business areas	1. Planning, Design, Production and Construction of Production and Power Facilities
URL	http://www.ns-eng.jp		2. Maintenance and Management of Production and Power Facilities
Established in	August 1, 1986		3. Plant logistics service
Capital	40 million yen (Nissan Shatai holds 100% of the shares)		4. Manufacturing and Sale of logistics equipment
Representative	Manabu Okitsu - President	Head office	4-4, Tsutsumicho, Hiratsuka, Kanagawa, 254-0027
Number of employees	289 (as of 31 March 2024)	Tel	81-463-20-5372

AUTO WORKS KYOTO CO., LTD.

Convert work-use vehicles.

Corporate Name	AUTO WORKS KYOTO CO., LTD.	Number of employees	192 (as of 31 March 2024)
URL	https://www.awk.co.jp	Business areas	Convert work-use vehicles
Established in	March 12, 2001	Head office	1-1, Nishi-no-hata, Okubo-cho, Uji, Kyoto, 611-0033
Capital	480 million yen (Nissan Shatai holds 100% of the shares)	Tel	81-774-46-7063
Representative	Yoshinori Utsumi - President		

NISSAN SHATAI COMPUTER SERVICE CO., LTD.

IT-related services, such as creating information systems and maintenance/operation of information systems.

Corporate Name	NISSAN SHATAI COMPUTER SERVICE CO., LTD.	Number of employees	252 (as of 31 March 2024)
URL	https://www.ncs-net.co.jp	Business areas	1. Application system development
Established in	January 1, 1987		2. Maintenance and operation of systems
Capital	100 million yen (Nissan Shatai holds 100% of the shares)	Head office	2-20, Akashicho, Hiratsuka, Kanagawa, 254-0042
Representative	Takeshi Mori - President	Tel	81-463-22-7760

PRO STAFF CO., LTD.

From temporary staff placement, introduction of jobs and personnel, to various outsourcing business.

Corporate Name	PRO STAFF CO., LTD.	Number of employees	168 (as of 31 March 2024)
URL	http://www.pro-staff.co.jp	Business areas	1. General worker dispatching business
Established in	August 1, 1987		2. Fee-charging employment placement business
Capital	90 million yen (Nissan Shatai holds 100% of the shares)		3. Outsourcing services
Representative	Hirokazu Kobayashi - President	Head office	9-10, amanuma, Hiratsuka, Kanagawa, 254-0031
		Tel	81-463-23-7750

Financial Data / Non-Financial Data

Consolidated data is marked with a *
(Rounded down to millions of yen)

	FY2022 March	FY2023 March	FY2024 March
Net Sales	215,359	307,521	301,071
Operating income (loss)	(3,538)	4,390	979
Ordinary income (loss)	(2,541)	5,118	1,392
Profit (loss) attributable to owners of parent	(2,217)	3,883	407

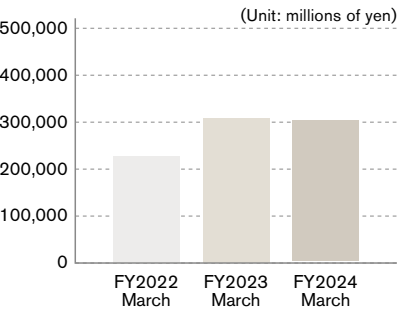
(Unit: millions of yen)

Vehicle Sales Volume

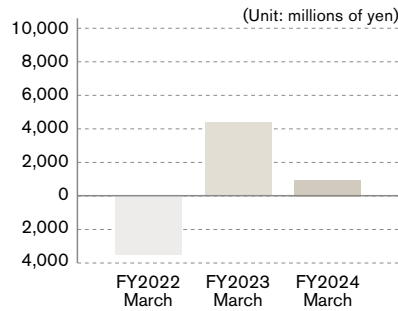
	FY2022 March	FY2023 March	FY2024 March
Passenger Vehicles	56,826	85,436	79,384
Light Commercial Vehicles	49,090	45,421	47,913
Microbuses	7,859	11,126	11,824
Total	113,775	141,983	139,121

(Unit: vehicles)

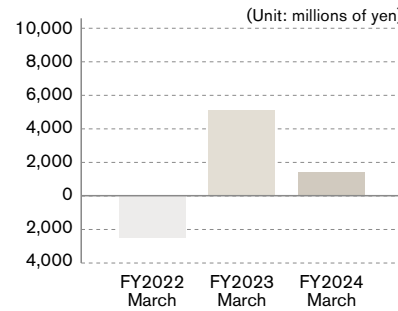
Net Sales



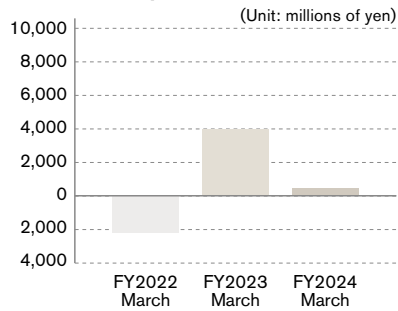
Operating Income (loss)



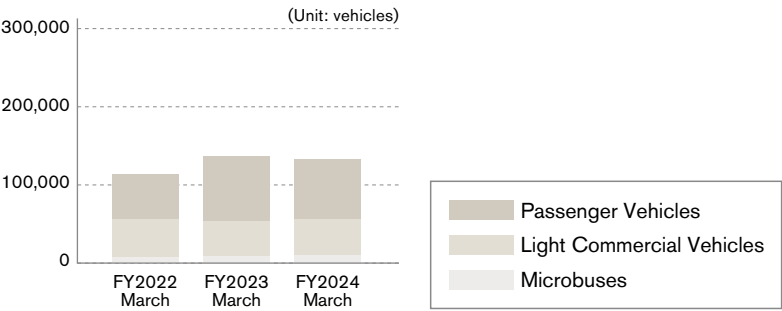
Ordinary Income (loss)



Profit (loss) attributable to owners of parent



Vehicle Sales Volume



* The listed numerical values include the six consolidated subsidiaries
(Nissan Shatai Kyushu, Nissan Shatai Manufacturing, Nissan Shatai Engineering, Auto Works Kyoto, Nissan Shatai Computer Service, Pro Staff)

Financial Data / Non-Financial Data

Basic Information on Stocks (As of March 31, 2024)

Security code number	7222
Stock listing	Standard Market of Tokyo Stock Exchange
Total number of shares authorized to be issued	400,000,000shares
Total number of shares issued	135,452,804shares
Number of shareholders at fiscal year-end	4,120persons

Distribution of Shareholdings by Shareholder Type (Ratio of issued shares)

Financial institutions

2.6%

Securities Companies

2.0%

Other Corporations

53.6%

Foreign Shareholders (Other than Individuals)

36.7%

Foreign Shareholders (Individuals Only)

0.0%

Individuals and others

5.1%

Treasury stock

0.0%

Total

135,452,804

stocks

Stock Price (¥)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2023
High	1,310	1,209	1,149	1,067	824	1,064
Low	961	830	633	767	556	764

Major Shareholders

Name	Number of shares	Ratio of issued shares (%)
Nissan Motor Co., Ltd.	67,726,898	50.00
MLI for Segregated PB Client	21,000,000	15.50
Goldman Sachs International	16,115,500	11.89
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,564,400	1.89
Nissan Shatai Supplier Stock Ownership Plan	2,512,400	1.85
The Tachibana Securities Co., Ltd.	2,301,400	1.69
ECM MF	2,182,800	1.61
INTERTRUST TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF JAPAN-UP	1,057,500	0.78
FCP SEXTANT AUTOUR DU MONDE	700,000	0.51
Custody Bank of Japan, Ltd. (rust Account)	695,900	0.51

Environmental Data

[Carbon Footprint]

(FY)

		Unit	2020	2021	2022	2023
Scope 1		t-CO ₂	16,228	15,566	17,013	17,099
Scope 2		t-CO ₂	29,063	28,591	29,527	31,602
Scope 1 + 2		t-CO ₂	45,291	44,157	46,540	48,701
Nissan Shatai Co., Ltd.*		t-CO ₂	25,273	23,246	20,915	22,823
Nissan Shatai Kyushu Co., Ltd.		t-CO ₂	20,018	20,911	25,625	25,878
Basic unit pertaining to CO ₂ emissions * CO ₂ emissions per production vehicle	Total	kg-CO ₂ /vehicle	346	393	328	341
	Nissan Shatai	kg-CO ₂ /vehicle	695	704	1,115	840
	Nissan Shatai Kyushu Co., Ltd.	kg-CO ₂ /vehicle	212	264	208	224

[Energy input]

(FY)

	Unit	2020	2021	2022	2023
Total	MWh	104,098	102,509	108,486	111,291
Nissan Shatai	MWh	53,209	50,850	46,087	50,010
Nissan Shatai Kyushu	MWh	50,889	51,659	62,399	61,281

* Nissan Shatai's covered locations: Head Office and Shonan Plant, Techno Center, and Hadano Office.

Social Data

[Employee Data]

Nissan Shatai Co., Ltd. (FY)

	2020	2021	2022	2023
Number of employees	1,768	1,730	1,698	1,681
Average age (years)	42.0	42.0	41.8	41.8
Average length of employment	18.4	18.3	17.9	17.7
Turnover rate *1	2.31%	3.06%	3.11%	3.42%
Average annual salary	5.87 million yen	6.24 million yen	6.70 million yen	7.44 million yen
Number of holidays taken annually	15.7	17.0	17.5	17.3
Rate of annual leave	74%	80%	83%	80%
Average overtime (Hours)	12.3	17.2	20.4	23.2
Rate of paternity leave	-	-	52.4%	67.7%
Number of labor union members	1,741	1,724	1,741	1,717
Number of Female manager	7	9	8(4.2%)	11(5.6%)
Number of General Manager or above *2	29	34	35	37
Corporate officers	8	9	8	9
Directors	6	6	6	6
Statutory auditors	3	3	3	3
Number of new employees	62	65	65	59
Rate of regular medical check-ups	100.0%	100.0%	100.0%	100.0%
Rate of stress check attendance	91.5%	94.6%	88.7%	93.5%
Wage gap between male and female employees	-	-	All employee : 80.0% Regular employee : 78.6% Non-regular employee : 89.1%	All employee : 78.0% Regular employee : 77.1% Non-regular employee : 83.3%
Investment in human capital Time per person [h]	10.2	10.6	11.5	13.3
Investment in human capital Cost per person [yen]	16,948	20,235	23,416	27,513

*1 Excluding non-regular employees

*2 Including men and women

Nissan Shatai Group Total (FY)

	2020	2021	2022	2023
Number of employees	4,074	4,016	3,951	3,157
Rasio of employees with disabilities	1.93%	2.32%	2.66%	2.62%
Number of internal reports	55	74	123	153

[External Evaluation]

Year	Awards	Responsible organization
2020	Platinum Kurumin certification	Director of Kanagawa Labor Bureau, Ministry of Health, Labor and Welfare
2020	Recognized Certified Health and Productivity Management Organization Recognition Program	Ministry of Economy, Trade and Industry
2021	Recognized Certified Health and Productivity Management Organization Recognition Program	Ministry of Economy, Trade and Industry
2022	Recognized Certified Health and Productivity Management Organization Recognition Program	Ministry of Economy, Trade and Industry
2023	Recognized Certified Health and Productivity Management Organization Recognition Program	Ministry of Economy, Trade and Industry

[Results of an internal questionnaire on Diversity, Equity & Inclusion]

FY2023 questionnaire
Penetration and affirmative response rate 69.2%

Governance Data

(FY)

	2020	2021	2022	2023
Number of directors	6	6	6	6
Outside director (%)	2	2	2	2
Female directors	0	0	0	0
Number of corporate officers	8	8	8	9

[Directors' Remuneration]

A~The total amount of base salary and remuneration linked to results of operations (million yen)* (FY)
B~The number of eligible officers

	2020		2021		2022		2023	
	A	B	A	B	A	B	A	B
Directors (Excluding outside directors)	102	5	90	4	114	4	112	4
Statutory Auditors (Excluding outside Statutory Auditors)	16	1	16	1	15	2	14	1
Outside director	50	4	36	5	32	5	32	6

*The total paid amount is stated as the base salary and remuneration linked to results of operations in the fiscal year prior to payment.

MODELS

Shonan Plant



NV200
VANETTE



AD

Nissan Shatai Kyushu



QX80



PATROL



ARMADA



ELGRAND



CARAVAN

Auto Works Kyoto

※ Auto Works Kyoto is a Nissan Shatai Co., Ltd. group company that is engaged in converting vehicles to work-use vehicles such as a high-spec ambulance "NISSAN PARAMEDIC", emergency / medical vehicles, fire-fighting vehicles, kindergarten buses, emergency maintenance work vehicles.



emergency / medical
vehicles



fire-fighting
vehicles



kindergarten
buses



emergency maintenance
work vehicles