

June 26, 2024

Company name: Nissan Shatai Co., Ltd.
(Code no.: 7222, Standard of Tokyo Stock Exchange)
Representative: Takashi Tomiyama, President
Contact person: Yoshio Saito,
General Manager of Legal & Communications
Department
Tel.: +81-463-21-8001

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, and hereby announces an overview of these results.

1. Method and process of evaluation

The Board of Directors evaluated its effectiveness in the following method.

- The Board of Directors distributed a questionnaire prepared by a third-party organization to all Directors and Statutory Auditors, and they all answered it.
- Studies were conducted by this organization based on the answers, and Nissan Shatai received a report including the result of the studies.
- Firstly, based on the report, responses were discussed and evaluated by Outside Directors and Statutory Auditors.
- Then, all Directors and Statutory Auditors performed evaluations and discussions about the effectiveness of the Board of Directors, and confirmed actions for further improving board's effectiveness.

(Main items in the questionnaire)

1. Composition, operation, and discussions of the Board of Directors
2. Monitoring functions of the Board of Directors
3. Training for Directors and Statutory Auditors
4. Operation and discussions of the voluntary committees

2. 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.

3. Opinions and issues to enhance the effectiveness

We have executed the following initiatives to address the issues recognized in the FY2022 evaluation.

- 1) Further examinations concerning management strategies and management plans in

consideration of the cost of capital and the return on capital

We ascertained and discussed the cost of capital and the return on capital of Nissan Shatai and based on the results of those discussions we disclosed the dividend payout ratio as an indicator.

- 2) In addition to the forum of the Board of Directors, enhancement of information sharing and discussions among Directors and Statutory Auditors in other forums as well

We enhanced the provision of information to Outside Directors and information sharing and discussions among Directors and Statutory Auditors.

- 3) Enhancement of supervision of the risk management and operational status of the Nissan Shatai Group overall

We further enhanced the level of risk management and internal control for the group overall, including the establishment of each type of liaison meeting with each of the Nissan Shatai Group companies.

- 4) Further enhancement of deliberations concerning important transactions and examination of the appropriateness of the items for deliberation

We enhanced deliberations in the Business Monitoring Committee regarding the conditions for transactions with the parent company and regarding continuation of use of the Cash Management System, the group finance system used by each company of the Nissan Group.

- 5) Thorough implementation of timely and appropriate reporting of information concerning risk incidents to the Statutory Auditors

We made timely and appropriate reports to the Statutory Auditors.

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.