

June 27, 2024

Company name: Nissan Shatai Co., Ltd.  
(Code no.: 7222, Standard Market of Tokyo Stock Exchange)  
Representative: Takashi Tomiyama, President  
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### Matters concerning Controlling Shareholder

Nissan Shatai Co., Ltd. (“Nissan Shatai”) hereby announces matters concerning a controlling shareholder, etc., in connection with its parent company Nissan Motor Co., Ltd. (“Nissan Motor”).

1. Trade names, etc., of parent company, controlling shareholders (other than parent company), other subsidiaries and affiliates, or other subsidiaries and affiliates’ parent company

As of March 31, 2024

Name	Relationship	Proportion of voting rights owned (%)			Stock exchange on which shares are listed
		Directly owned	Aggregate	Total	
Nissan Motor	Parent company	50.0	0.0	50.0	Prime Market of Tokyo Stock Exchange, Inc.

2. Role of the listed company within the corporate group of the parent company, etc., and other information on the relationship between the listed company and the parent company, etc.

- (1) Role of the listed company within the corporate group of the parent company, etc., and dealings and personnel and capital relationships with the parent company, etc., and its group companies

Nissan Motor is the parent company of Nissan Shatai, and holds 50.0% of voting rights in Nissan Shatai. Within the Nissan Motor corporate group, Nissan Shatai is responsible for vehicle development and production. Nissan Shatai develops and manufactures vehicles under contract to Nissan Motor, which accounts for 97.7% (Consolidated) and 99.8% (Non-consolidated) of Nissan Shatai sales.

Directors and auditors holding other positions concurrently

As of March 31, 2024

Position	Name	Position in the parent company, etc., or its group companies	Reason for appointment
Statutory Auditor (Part-time)	Tomonori Ito	Outside Statutory Auditor, Jatco Co., Ltd. (Part-time)	To make use of his extensive experiences regarding finance and accounting as well as company management.

Note: There is one shared director with parent company, etc., or its group companies out of six directors and three statutory auditors. Also, the above information is non-consolidated basis.

Personnel seconded from the parent company

As of March 31, 2024

Department	Persons	Seconded from:	Reason for secondment
General and administration	2	Parent company: Nissan Motor Co., Ltd.	To enhance corporate structure
Development	1	Parent company: Nissan Motor Co., Ltd.	To enhance corporate structure
	2	Subsidiary of parent company: Nissan Automotive Technology Co., Ltd.	
Production	0		

Note: As of March 31, 2024, Nissan Shatai had 1,681 employees. Also, the above information is non-consolidated basis.

- (2) Business restrictions, risks, and advantages stemming from membership of the corporate group of the parent company, etc., and effects on management and business activities resulting from dealings and personnel and capital relationships with the parent company, etc., and its group companies

Since Nissan Shatai sells 97.7% (Consolidated) and 99.8% (Non-consolidated) of its output to Nissan Motor, its performance relies heavily on parent company vehicle sales trends. However, the exchange of personnel and technologies with Nissan Motor and its Group companies contributes to further enhancement of effective management and structures at Nissan Shatai.

- (3) Approach to ensuring a certain degree of independence from the parent company, etc., and measures taken to this end, considering business restrictions stemming from membership of the corporate group of the parent company, etc., and effects on management and business activities resulting from dealings and personnel and capital relationships with the parent company, etc., and its group companies

There are instances where the motor vehicles business of the Nissan Shatai Group competes with the production bases in Japan and other countries of parent company Nissan Motor; furthermore, if there is a significant change regarding the competitiveness of the Nissan Shatai Group within the Nissan Motor Group due to Nissan Motor's change of its product strategy or some other action, there may be an effect on the financial condition and performance of the Nissan Shatai Group. In this event, there will be a great need to further upgrade the integrated manufacturing infrastructure that is one of key strengths and to enhance clear core technologies on a global scale.

The 2023-2027 Medium-term Management Plan describes a group vision of "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 Nissan Shatai will tackle "Sustainable corporate foundation," "Creation of appealing products," and "Evolution and deepening of uniqueness" as three priority issues.

In addition, when formulating and implementing revenue, quality, and other plans for each fiscal year, Nissan Shatai takes into account the parent company's management policies. Transactions with the parent company are carried out according to the Master Production Service Agreement and transaction prices for automobile to the parent company are determined by negotiations that take into account the total cost of manufacturing. The background to and details of the negotiations are deliberated by the Business Monitoring Committee, which consists of independent outside directors and independent outside statutory auditors, and are reported to the Board of Directors, and the fact there are no detrimental effects to the interests of Nissan Shatai or the minority shareholders is confirmed by the Board of Directors.

(4) Achievement of a certain degree of independence from the parent company, etc.

Although Nissan Shatai maintains close cooperative relationships with Nissan Motor and its Group companies in the course of its business activities, Nissan Shatai is confident that it has achieved a certain level of independence from Nissan Motor, as described in (3) above.

3. Transactions with controlling shareholder (April 1, 2023 to March 31, 2024)

Category	Name	Address	Capital (million yen)	Activities	Voting rights held by the parent company (%)	Relationship Shared directors, etc. Business relation	Description of transactions		Amounts (million yen)	Item	FY-end balance (million yen)
Parent company	Nissan Motor Co., Ltd	Kanagawa-ku, Yokohama, Kanagawa	605,813	Manufacture and sale of automobiles and others vehicles	Direct: 50.0	Shared directors, etc.: Transferred 3  Business relation: Nissan shatai purchases engine and other components from Nissan Motor and sells automobiles to Nissan Motor.	Business transactions	Sales of automobiles, etc.	290,879	Accounts receivable – trade, and contract assets	48,807
								Purchase of parts, etc.	7,621	Payables	1,742

Note: The above information is non-consolidated basis.

#### 4. Implementation of measures to protect minority shareholders when dealing with controlling shareholders

Transactions with the parent company are carried out according to the Master Production Service Agreement and transaction prices for automobile to the parent company are determined by negotiations that take into account the total cost of manufacturing. The background to and details of the negotiations are deliberated by the Business Monitoring Committee, which consists of independent outside directors and independent outside statutory auditors, and are reported to the Board of Directors, and the fact there are no detrimental effects to the interests of Nissan Shatai or the minority shareholders is confirmed by the Board of Directors.

Furthermore, Nissan Shatai is using the Cash Management System (CMS), the group finance system used by each company of the Nissan group, taking into account the fact that it can ensure investment yield safely and reliably, it has liquidity with respect to the demand for funds, and it is highly convenient because it offers netting functions, payment agency functions, etc. Nissan Shatai continues to use the CMS because it has been confirmed in the Business Monitoring Committee, which consists of independent outside directors and independent outside statutory auditors, that the CMS has not damaged the corporate value of Nissan Shatai or minority shareholder interests.

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.