



Company name: Nissan Shatai Co., Ltd.
(Code no.: 7222, Prime of Tokyo Stock Exchange)
Representative: Haruhiko Yoshimura, President
Contact person: Takanori Nakatsugawa,
General Manager of Administration Department
Tel.: +81-463-21-8001

Change to the Plan to Realize Compliance with Prime Market Continued Listing Criteria, Decision to Apply for Selection as a Standard Market Listing, and the Plan to Realize Compliance with Standard Market Continued Listing Criteria

On June 28, 2023, Nissan Shatai disclosed its Plan to Realize Compliance with Continued Listing Criteria aimed at compliance with the Prime Market continued listing criteria and made efforts to accomplish the plan, but taking into account the end of the transitional measures for relaxing the Prime Market continued listing criteria and the opportunity for reselection on the Standard Market, we once again held a series of in-house discussions about the listed market classification of Nissan Shatai and as a result Nissan Shatai announces that in the meeting of the Board of Directors held today we resolved to make an application for selection on the Standard Market and we have made the application to the Tokyo Stock Exchange. Nissan Shatai announces that in conjunction with this resolution for Standard Market selection, we changed the Plan to Realize Compliance with Prime Continued Listing Criteria and prepared the Plan to Realize Compliance with Standard Continued Listing Criteria.

1. Status of compliance with continued listing criteria for Prime Market and term of plan

As of March 31, 2023, Nissan Shatai's compliance status with the continued listing criteria for the Prime Market of TSE is as detailed below.

		Number of shareholders (persons)	Number of liquid shares (shares)	Liquid share market capitalization (Bill JPY)	Liquid share ratio (%)
Nissan Shatai's compliance status and its change over time	As of the end of June 2021 (transition base date)	3,788	630,448	46.8	40.0
	As of the end of March 2023	3,623	252,908	21.5	16.0
Continued listing criteria for Prime Market		800	20,000	10.0	35.0
Items detailed in plan					○
Term of plan					March 31, 2025

* Nissan Shatai's compliance status is determined based on the composition of its shareholders, etc., as understood by TSE as of March 31, 2023.

2. Reason for selection on the Standard Market

Taking into account the end of the transitional measures for relaxing the Prime Market continued listing criteria and the opportunity for reselection on the Standard Market, we once again held a series of in-

house discussions about the listed market classification of Nissan Shatai and as a result we judged that selecting the Standard Market was appropriate in light of the risk of designation as securities under supervision and securities to be delisted and delisting after the end of the transitional measures and improvement period, which could occur in the case that the Prime Market listing is continued.

3. Status of compliance with the continued listing criteria of the Standard Market

As of March 31, 2023, Nissan Shatai's compliance status with the continued listing criteria for the Standard Market is as detailed below, being in a state of non-compliance with the liquid share ratio criterion only. Nissan Shatai is advancing initiatives to remedy the non-compliant liquid share ratio.

	Number of shareholders (persons)	Number of liquid shares (shares)	Liquid share market capitalization (Bill JPY)	Liquid share ratio (%)	Average monthly trading volume (shares)
As of March 31, 2023	3,623	252,908	21.5	16.0	12,097
Continued listing criteria for Standard Market	400	2,000	1.0	25.0	10
Items detailed in plan				○	
Term of plan				March 31, 2025	

* Nissan Shatai's compliance status is determined based on the composition of its shareholders, etc., as understood by TSE as of March 31, 2023.

* Regarding the average monthly trading volume, we divided the trading volume of the most recent half year (January 2023 to June 2023) by six months.

4. Basic policy on initiatives to realize compliance with continued listing criteria, background and details of initiatives

(1) Basic policy

As a target for investment in the public market, Nissan Shatai will work to improve the ratio of its liquid shares, and in so doing comply fully with the Prime Market continued listing criteria.

(2) Background

Effissimo Capital Management Pte Ltd (hereafter "ECM") operates funds (hereafter "ECM Fund") that holds shares of Nissan Shatai, and for which MLI for Segregated PB Client (hereafter "MLI") (Standing proxy: BofA Securities Japan, Limited (hereafter "BofA")), and Goldman Sachs International (hereafter "GSI") (Standing proxy: Goldman Sachs Japan Co., Ltd. (hereafter "GS")) act as custodians. As of March 31, 2023, the ECM Fund held 21,000,000 shares of Nissan Shatai in the name of MLI (13.35% of the total number of shares issued), and 16,115,500 shares in the name of GSI (10.24% of the total number of shares issued).

The Securities Listing Regulations and Enforcement Rules for Securities Listing Regulations provide that, in principle, entities or partnerships owning 10% or more of a company's shares are excluded from the category of liquid shares, but shares substantially held by entities other than an entity that holds 10% or more of the total number of shares issued are treated exceptionally as liquid shares when TSE considers it appropriate. Based on this rule, on the occasion of the previous determination of compliance with the continued listing criteria with a base date of March 31, 2021 (hereafter the "2021 Determination"), Nissan Shatai confirmed the criteria deemed appropriate by TSE and requested confirmation from ECM as to whether it met the criteria as explained by TSE. In response, Nissan Shatai received an explanation from ECM that it was in compliance with the criteria, and received the documentation required to certify ECM's explanation. Nissan Shatai duly submitted the required documentation prepared by ECM to TSE, based upon which TSE determined

to treat the company's shares held by the ECM Fund under the custodianship of GSI and MLI as liquid shares. As a result, on the base date of March 31, 2021, Nissan Shatai's liquid share ratio stood at 40.0%, in compliance with Prime Market continued listing criteria.

On the occasion of the determination of compliance with the continued listing criteria with a base date of March 31, 2023, as was the case in the 2021 Determination, Nissan Shatai requested the cooperation of ECM in submitting the required documentation to certify that it was in compliance with the criteria explained by TSE. However, in contrast to the 2021 Determination, no cooperation from ECM was forthcoming and it was not possible to receive the required documentation. This meant that the shares held by the ECM Fund under the custodianship of GSI and MLI were unable to be treated as liquid shares, with the result that on the base date of March 31, 2023, Nissan Shatai's liquid share ratio stood at 16.0%, which does not meet the criterion of 35% for maintaining a listing on the Prime Market. Since the 2021 Determination, Nissan Shatai has not received any explanation from ECM to the effect that there has been a change in investment situation that would affect the determination under the criteria stipulated by TSE. Nonetheless, ECM did explain that it had reconsidered its previous decision because it has not sold any of its shares in Nissan Shatai for a long period of time, giving rise to questions as to whether the shares held by the ECM Fund are truly liquid, and whether it is appropriate to treat them as liquid shares.

(3) Details of initiatives

Based on the belief that the continued listing of Nissan Shatai shares on the market is in the best interests of all shareholders, and given the above, aiming to newly select the Standard Market and to realize compliance with the continued listing criteria of the Standard Market (in the case of Nissan Shatai, only the liquid share ratio criterion), Nissan Shatai will continue to request cooperation from ECM in submitting the documentation required to receive a determination that the shares held by the ECM Fund under the custodianship of GSI and MLI are treated as liquid shares, in the same way as at the time of the 2021 Determination. As noted above, ECM explained that "it had reconsidered its previous decision because questions as to whether it is appropriate to treat its shares in Nissan Shatai as liquid shares had arisen," and Nissan Shatai will seek confirmation as to whether or not the Nissan Shatai shares substantially held by ECM objectively satisfy the definition of liquid shares stipulated by the Tokyo Stock Exchange. Furthermore, while carefully considering any potential impact on our business and other factors, Nissan Shatai plans to approach some of our shareholders, including the ECM Fund, to sell their shares in the company.

The above initiatives are the same as the initiatives stipulated in the Plan to Realize Compliance with Prime Market Continued Listing Criteria dated June 28, 2023, but only a short time has passed since formulation of the previous plan and we are still at the stage of working out the details, so there is no progress to report at the present time. On the other hand, we will study retirement of the treasury shares currently owned by Nissan Shatai as a new initiative for realizing compliance with the continued listing criteria, so we also report this here. Note that in the case that we retire all of the treasury shares we currently own, the liquid share ratio will increase to approximately 2.6%.

In addition, as the release of a considerable volume of shares to the market in a short time frame would have a significant impact on the share price, Nissan Shatai has set the term of its plan as the end of March 2025, providing a medium-term time frame.

Nissan Shatai will consider other measures that would contribute to the improvement of the liquid share ratio, including management efforts to enhance corporate value, and will promptly disclose any matters at such a time as they are determined.

5. Planned date of transition to the Standard Market

We are planning the transition to the Standard Market to be on October 20, 2023.