

Nissan is committed to protecting and sustaining the environment; part of this commitment is the Nissan Green Program 2005 environmental action plan. Nissan has already achieved its goal of more than 80 percent of all its passenger vehicles being U-LEV—ahead of schedule, ahead of the industry—while pressing ahead on tomorrow’s technologies.

Environmental Action Plan



Nissan believes that a sound environmental policy is at the core of a sound business practice. To address this conviction, in January 2002 Nissan announced the Nissan Green Program 2005 for the Japanese market, a mid-term environmental action plan which outlines a series of concrete targets to be achieved by fiscal year 2005:

- In products and technology:
- To achieve 2010 fuel efficiency standards for gasoline-powered vehicles by 2005;
 - To accelerate the introduction of ultra-low emission vehicles (U-LEVs) and to achieve 80-percent U-LEV sales for all Nissan passenger cars by the end of March 2003—accomplished ahead of schedule;
 - The development of clean energy vehicles, with development for the

practical implementation of FCVs completed in 2005;

- To achieve 95-percent recyclability or greater for all new vehicles by 2005.

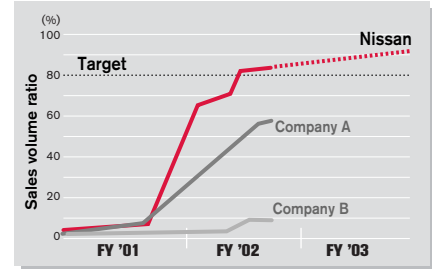
In corporate activities:

- Manufacturing: to eliminate direct landfill disposal of waste by the end of fiscal year 2001 (accomplished), and to reduce incinerated waste volumes to 50 percent of 1999 levels by fiscal year 2005.
- Sales and service: to certify all Japan Nissan dealers to the Nissan Green Shop certification, based on ISO 14001 by the end of fiscal year 2001 (accomplished), and to develop and deploy new technologies and processes for the treatment of end-of-life vehicles.
- Recycling: to enhance recycling activities at all levels throughout the company.

80-Percent U-LEV: Ahead of Schedule

In February, 2003, Nissan announced that it had reached its goal of

Nissan: leading the industry in U-LEV introduction



U-LEV certification mark



Leading the industry: from a Nissan U-LEV television commercial in Japan



80 percent of all its domestic vehicles certified as U-LEV—two months earlier than planned, and far ahead of all other Japanese manufacturers. At the end of January, 2003, 80.7 percent were U-LEV vehicles. A U-LEV has exhaust emissions that are 75 percent or more below Japan's 2000 exhaust emission regulations. Nissan estimates that reaching this level has the same effect in hydrocarbon and nitrogen oxide reductions as selling 400,000 zero-emission vehicles, such as fuel cell vehicles (FCVs). A "real world" application of Nissan technology that is affordable, widely available and that has a real impact in improving air quality.

Fuel Cells: Tomorrow's Technology

U-LEV vehicles are today's "real" technology providing measurable improvements for the environment. For the future, Nissan continues to take an active role in the development of fuel cell technology. Fuel cells offer outstanding efficiency and zero emissions and are a promising mainstream power source for the future—although issues such as creating the necessary fuel supply infrastructure will take some time. As a participant in the Japan Hydrogen & Fuel Cell Demonstration Project (JHFC Project) being conducted by the Ministry of Economy, Trade and Industry, Nissan is working to resolve these issues, preparing for the growing popularity of fuel cell vehicles (FCVs) in the future.

Nissan began initial FCV research activities in 1996; today, with approval by Japan's Minister of Land, Infrastructure and Transport, it has begun public road tests of its X-Trail FCV. This testing is in preparation for

limited marketing in 2003—two years ahead of the original schedule. The X-Trail FCV is a high-efficiency, hybrid fuel cell vehicle with a compact, high-performance lithium-ion battery pack that has been commercialized on Nissan's electric vehicle and other alternative fuel vehicles. The power plant is a fuel cell developed by UTC Fuel Cells (UTCFC); Nissan has also joined with UTCFC for an agreement to jointly develop proton exchange membrane (PEM) fuel cell technology.

Nissan is also part of the California Fuel Cell Partnership and has conducted public road tests of the Xterra FCV since April of 2001.

Hybrid Tie-Up with Toyota

In September 2002, Nissan announced a tie-up with hybrid technology leader Toyota for a long-term hybrid partnership, including technical cooperation. Aiming at a business relationship of at least 10 years, the agreement adds to Nissan's hybrid technologies, such as its high-performance lithium-ion battery pack, with Toyota's state-of-the-art hybrid components, while both companies will exchange information and work toward the joint development of hybrid system components.



X-TRAIL Fuel Cell Vehicle



Nissan Executive Vice President Nobuo Okubo with Toyota Vice President Akihiko Saito