

The Productivity Leader—Positively

NISSAN CONTINUED TO LEAD THE INDUSTRY IN PRODUCTIVITY IN FISCAL YEAR 2003. ITS PLANTS ARE CONSISTENTLY THE MOST PRODUCTIVE IN JAPAN, THE US, AND EUROPE. WITH NISSAN PRODUCTION WAY, THE COMPANY HAS ESTABLISHED A SYSTEM TO ENSURE THAT IT HOLDS THAT RANKING, AS WELL AS TO CONTINUE TO STRENGTHEN ALL AREAS INVOLVED IN MANUFACTURING.

The Nissan Smyrna Plant set a new benchmark for productivity in fiscal year 2003, according to Harbour Report North America. The Report noted that the plant, located in Tennessee state and which produces the Altima, reached the figure of 15.74 labor hours per vehicle—the highest ever in the history of the Report. In a remarkable seventh year running, Nissan's Sunderland, UK plant was ranked number one in Europe, according to the World Markets Research Centre. And Nissan remains the productivity leader at home in Japan.

Productivity alone is not the goal, of course. Through Nissan Production Way (NPW), the company continues to work towards true Douki-Seisan—a build-to-order system schedule that is synchronized with the customer's needs, to provide a higher level of service, more individualized choice, and swifter product production and delivery. The NPW sets out two "never ending" goals: to continuously work for the synchronization of Nissan's manufacturing with customer needs, and an ongoing quest to identify problems in the manufacturing process and to put solutions in place.



Altima production at the Smyrna, Tennessee plant



Strengthening Global Production

The opening of the 3.5-million-square-foot, US\$1.43-billion Canton, Mississippi plant marks a new phase for production at Nissan, adding significantly to attaining the NISSAN 180 commitment of one million new units annually. The plant not only opened on schedule but was able to realize the launch of five new vehicles from the plant within just eight months—a feat unmatched by any other automaker.

The plant illustrates the Nissan Integrated Manufacturing System (NIMS). This incorporates:

- Global standard flexible line, featuring multi-model random sequence production.
- Introduction of an additional model in just 1.5 months;
- Integrated production with suppliers.
- Increased adoption of modular assembly, including the cockpit, front end, door and headlining
- Ergonomic production line, which lightens the workload for operators



Completion of the first Titan at the Canton, Mississippi plant



MANUFACTURING



Production at the Oppama Plant, Japan



In Spain, Nissan invested €400 million into its Nissan Motor Ibérica SA plants for the production of a 4x4 SUV and Pickup, as well as a new 2.5-liter common rail diesel engine. This investment is part of Nissan's strategy to develop its Zona Franca plant in Barcelona as a 4x4 and light commercial vehicle hub.

Dongfeng Motor Co., Ltd., founded in 2003 by Nissan and Dongfeng Motor Corporation of China, successfully became the first joint Sino-foreign full-line vehicle manufacturer. The new Sunny sedan, released in July 2003, was the first Nissan-branded model produced by the company; this will be followed by six new

models by 2006. One of the plants supporting this is the Guangzhou Huadu Plant, which has an annual production capacity of 150,000 units. The goal is to establish Dongfeng as a globally competitive automobile manufacturer.



Production at the Guangzhou Huadu Plant



Passenger vehicle production at the Dongfeng Motor Co., Ltd. Guangzhou Huadu Plant