

Environmental and Social Report

Digest

Year Ended March 31, 2003



2002

Nissan: Enriching People's Lives



Message from Management

One guiding principle of Nissan's corporate vision is that our company is customer focused and environmentally friendly. Those two thoughts are closely aligned, complementary ideals. As a global car manufacturer, all of us at Nissan believe that as we produce attractive cars and trucks that will satisfy our customers' needs, we can do so in a manner that is friendly both to the earth we live on and to the people with whom we share it.

How do we honor the principle to be sensitive to our environment? Our efforts address the car's entire life cycle – from development to production, from sales and service to recycling.

Development activities give careful attention to items such as fuel consumption, emissions, noise, refrigerants, vehicle weight or recycling possibilities. Nissan is investing significantly in clean-energy technologies for the future, such as electrical and hybrid technologies, natural gas and fuel cells. For example, in March 2003, 85% of our passenger vehicles sold in Japan were certified as ultra-low emission vehicles. This pragmatic, forward-thinking technology provides a highly effective environmental solution that customers can afford today.

At Nissan, we take a proactive approach in all aspects of our operations. We are proud of the efforts we have made to demonstrate our environmental approach in our major manufacturing operations and our service facilities, through environmental management systems such as ISO14001

certification or the Nissan Green Shop. Our commitment to conserve resources and protect the environment is a priority we honor every day. Sound environmental policies are, and will continue to be, at the core of our business of designing, assembling and selling attractive and competitive Nissan vehicles.

"Enriching people's lives" – Nissan's vision – encompasses the symbiosis of people, vehicles and nature. As a responsible member of the world society, Nissan is determined to do its best to preserve and protect the global environment.



F. Pichard/Nissan

A handwritten signature in black ink that reads "Carlos Ghosn". The signature is fluid and cursive, written over a white background.

Carlos Ghosn
President and
Chief Executive Officer
Nissan Motor Co., Ltd.

Nissan's Environmental Philosophy and Policies

Under Nissan's Vision & Mission, we have set the following environmental philosophy and environmental policy toward realizing its "Customer-Focused and Environmental Friendly" guideline. Nissan's mission in society is to foster the attainment of sustainable development and the formation of the recycling-based society and economy by pursuing business based on these philosophies.

Nissan's Environmental Philosophy

Symbiosis of people, vehicles and nature

It is our view that the basis of environmental protection lies in the human capacity to show kindness and concern. Along with striving to understand the environment better, all of us at Nissan bring a shared concern for people, society, nature and the Earth to bear on our activities. This commitment and concern are embodied in every Nissan product and throughout all of the company's operations as the driving forces of Nissan's ongoing contributions to the advancement and enrichment of society.

Environmental Policy

Nissan is taking the initiative to promote wide-ranging activities aimed at improving the environment both globally and locally in line with the guidelines noted here. These efforts are being pursued in all areas of the company's operations, including product development, manufacturing, sales and service, in order to make Nissan's Environmental Philosophy a reality.

- 1. Achieving a cleaner automotive society**
Nissan aims to reduce the environmental impact at every stage of the vehicle life cycle, namely product development, manufacturing, use and disposal, in order to create a cleaner living environment. Besides working to improve vehicles themselves, Nissan also contributes to the improvement of social systems involving vehicle use.
- 2. Conserving natural resources and energy**
Because the earth's natural resources and energy supplies are finite, Nissan is advancing efforts to minimize their consumption at every stage of the vehicle life cycle.
- 3. Expanding and continuously improving Nissan's environmental management system**
Nissan is implementing an in-house environmental management system that conforms to the environmental management system standard formulated by the International Organization for Standardization (ISO).
 - (1) Preventing environmental issues in the first place and observing laws and regulations
 - (2) Cultivating a corporate culture dedicated to environmental protection
 - (3) Undertaking cooperative activities with subsidiaries and affiliates
 - (4) Strengthening communications and cooperation with customers
- 4. Issuing reports on environmental activities**
Nissan regularly issues announcements and publications explaining the company's efforts to address environmental concerns.

Nissan Green Program 2005 (Mid-term Environmental Action Plan)



NISSAN GREEN PROGRAM 2005

To realize a clean automotive society, Nissan will engage in environmental measures in various fields and use various techniques. Our research and development efforts are aimed at reaching our objectives in 2005.

The Nissan Green Program: an ongoing program for the future.
The program mark symbolizes Nissan's hopes for more green on the Earth.

Recycling



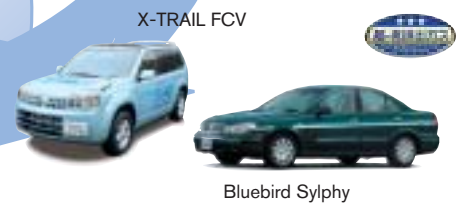
Nissan Green Parts

- Appropriate treatment of ELVs
- Promotion of used parts
- We will improve the recyclability of new models to 95% or more by 2005.
- We will proceed the development of appropriate treatment technologies for ELVs.
- We will improve the range of reuse and rebuilt parts (Nissan Green Parts).

Product Development

- Improvement fuel economy
- Reducing exhaust emissions
- Designing recyclable vehicle structure
- Reduction of vehicle exterior noise
- Lower emitting of air conditioner refrigerants

- Enhance U-LEV models starting from Bluebird Sylphy
- Complete the development of FCV around 2005.
- Improve fuel economy with the introduction of models equipped with CVT.



Sales and service

- Promote environmental management at dealers
- Promote environmental protection activities of dealers (Nissan Green Shop Certification System)
- Promote the recycling of used bumpers
- Promote the collection and distruction of Freon Gas



Manufacturing

- Promotion of energy saving
- Promotion of waste reduction and recycling
- Improvement Management of chemical substances
- Reduction of CO₂ in logistics
- Reduce CO₂ emission by 10% from 1999 levels by 2005.
- Eliminate wastes for reclamation.

Progress in FY 2002

Area	Main Results in FY 2002
Product Development	U-LEV successfully expanded to more than 80% of all gasoline passenger vehicles. U-LEVs expanded in 2002: Moco, Sunny, Elgrand, Fairlady Z, Avenir, Expert, AD Van, Liberty, Cube, Tino, Wingroad, Skyline Coupe, and Teana X-TRAIL FCV: Certification granted by the Minister of Land, Infrastructure, and Transportation. Vehicles for which 95% recyclability has been achieved: March and Cube
Manufacturing	CO ₂ emission levels reduced by 11% from 1999 levels. (Target achieved with increase in manufacturing volume also included.) Zero direct land-filling achieved. Waste-material incineration volumes reduced by 44% from 1999 levels. Establishment of the model line has been completed and VOC 20 g/m ² has been achieved. CO ₂ emission levels reduced by 8.6% from 1999 levels in logistics.

Area	Main Results in FY 2002
Sales and Service	Surveillance completed at all dealerships (i.e., 226 in total).
Recycling	Joint development of the recycling simulation system OPERA with Renault. Suppliers to reduce the usage of materials with an environmental impact substances and to report the current state of activities.
Environmental Management	Operation and sustainable improvement of ISO14001 achieved at all manufacturing centers. Review carried out with regard to equipment improvement, maintenance management, and reinforcement management. Issuance of an environmental and social report 2001. Participation in a range of fuel-cell vehicle exhibitions and test-ride events Successful acquisition of ISO14001 certification by 79% of suppliers

Product Development

Reduction of Exhaust Emissions

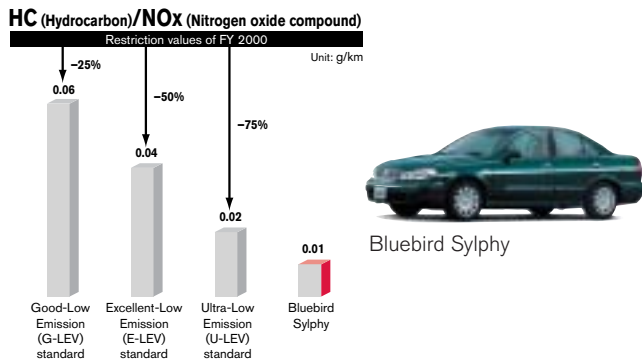
Nissan established the Exhaust Emission Committee in December of 1990 to actively promote the research and commercialization of technologies to purify automobile exhaust emissions, such as engine modifications, improvements in control technology and catalyst systems, and other post-discharge cleaning systems.

Low Emission Technology of Gasoline Engines

Super Ultra Low Emission Vehicle (SULEV) certified Sentra CA (Clean Air), sold in the United States since February 2000, is the world's first gasoline Vehicle to receive Zero Emission Vehicle credit from the California Air Resources Board (CARB) as it met all other requirements including zero evaporative emission from the fuel system and the on-board diagnosis level 2(OBD-II).

From the 2003 MY (model year), we are increasing in the number of Nissan vehicles that support these requirements. In Japan, we have further improved the technology used in the Sentra CA and introduced the Bluebird Sylphy, with a more than 50% reduction of emissions from the Japanese "Ultra-Low Emission Vehicle (U-LEV)" standard, set by the Ministry of Land, Infrastructure and Transport.

Exhaust Emissions of Bluebird Sylphy



U-LEVs Sold in FY 2002

Elgrand



Fairlady Z



Cube



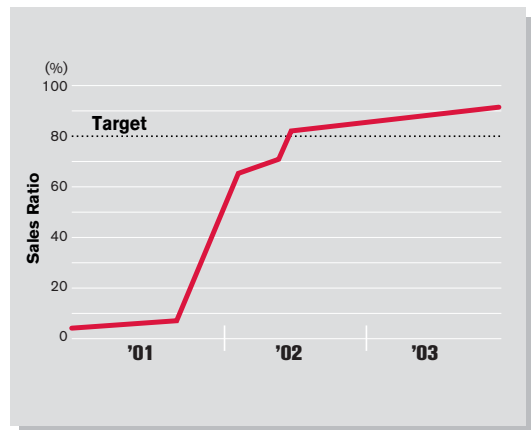
Increasing Ultra-Low Emission Vehicles



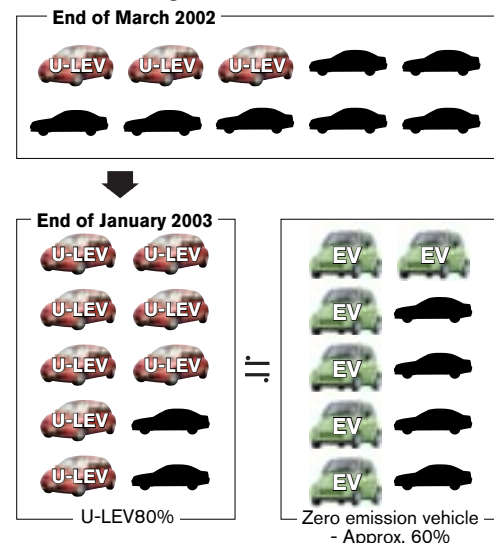
U-LEV is an environmentally friendly vehicle with exhaust emissions as clean as about one-fourth of the level of NOx and HC of cars certified for 2000 Japanese exhaust emission standards. Introducing 80% of U-LEV passenger cars annually in Japan has the equivalent effect, in terms of reducing NOx and HC, to disseminating 400,000 vehicles zero emission cars, such as fuel cell vehicles and electric vehicles, annually. Our priority is to employ practical technology that enables us to realize a wide dissemination of U-LEVs at affordable prices to make an immediate contribution to environmental preservation.

In January 2002, Nissan announced the "Nissan Green Program 2005," mid-term environmental action plan, which covers comprehensive environmental preservation activities, including products, technology, and recycling. The company has been promoting the increased usage of U-LEV passenger cars sold in Japan, and sales for the year ending January 2003 exceeded 80% of all vehicles sold, meaning the target of the plan was reached 2 months ahead of schedule.

U-LEV Sales Ratio in Japan



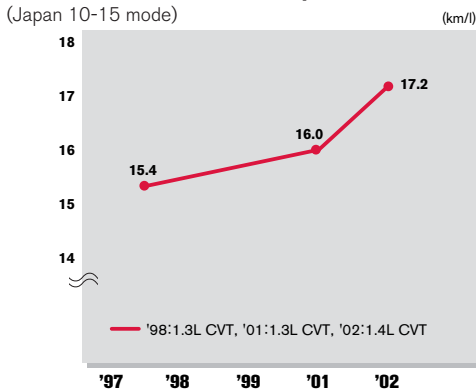
Benefit of Increasing Ultra-Low Emission Vehicles (U-LEV)



Improvement of Fuel Economy

In November 1989, Nissan established the Fuel Economy Committee (currently referred to as the Fuel Economy Subcommittee), which has been carrying out comprehensive research, development, and commercialization, with the aim of promoting improvements in fuel economy (reduction in CO₂ emissions). We aim to achieve voluntary fuel economy standards which reflect Japan's 2005 standards for diesel vehicles and 2010 standards for gasoline vehicles, as well as standards set by other countries.

■ Trends in Fuel Consumption for the Cube



Improvement of Drivetrain Efficiency

① Belt Type CVT (Continuously Variable Transmission)
(XTRONIC CVT / Nissan CVT / Nissan CVT-M6)





A belt type CVT that provides continuous changes of ratio using a pulley and a steel belt, and which was first used in the 1992 model March. In 1997, a torque converter was used in the development of the world's first 2.0 liter class "Nissan CVT," with improved initial acceleration. Furthermore, in 2002, we introduced world's first 3.5 liter FF vehicles adaptable XTRONIC CVT to the Teana.

② Troidal Type CVT (Continuously Variable Transmission)
(EXTROID CVT)

This is the world's first CVT that was commercialized to provide drive power and ratio changes by combining disk and power rollers (double cavity type). This transmission

was first used in the Cedric and Gloria 1999 models. In 2002, it was fitted to the Skyline 350 GT-8, providing excellent response, smooth acceleration, and improved fuel economy for large displacement engines.

■ Vehicles with CVT

CVT	Models
XTRONIC CVT 	Teana (photo), Cube 
EXTROID CVT 	Cedric (photo), Gloria, Skyline 

(Nissan CVT is fitted to the Primera, Primera Wagon, Avenir, Liberty, Wingroad, Serena and Bluebird Sylphy.)

New 4WD System "e-4WD"

Nissan has developed "e-4WD," a light, compact, and totally new electronic four-wheel-drive system, which has been fitted to the March from September 2002, and to the Cube from October 2002. "e-4WD" is a system engineered around a regular front drive configuration, and uses an electric motor to drive the rear wheels only when 4WD capability is needed.

The low friction drive train means improved fuel efficiency when compared to former 4WD vehicles.



Development of Fuel Cell Vehicle (FCV)

This is an automobile with a clean and efficient power source that directly generates electrical energy through the reaction of hydrogen and oxygen, leaving only pure water as a by-product.

Nissan's FCV applies technologies that have been developed in Nissan, such as lithium ion batteries and high voltage electric systems for electric vehicles, control technologies for hybrid vehicles and high pressure gas storage systems for CNGV. Nissan has been developing FCVs that aims to achieve excellent environmental and energy-saving capability. Nissan intend to make further improvements to the X-TRAIL FCV, and limited sales are scheduled in 2003.



Manufacturing

Promoting Energy Conservation

Nissan promoted measures to make manufacturing more efficient through the unification of plants and processes, and we also introduced highly efficient co-generation systems; furthermore, an Energy Conservation Project Team was established to ensure that these and other energy conservation activities could be pursued in a more intensive manner.

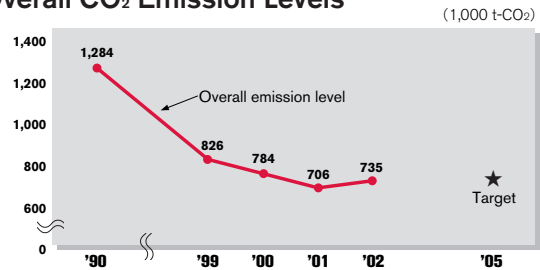
Although CO₂ emission rose with respect to the previous year's levels, these efforts enabled overall emission levels for this gas to be reduced by 11% from those of FY 1999 (or by 43% from those of 1990).

Reduction of Volatile Organic Compounds (VOCs)

In order to reduce the levels of VOC generated in the painting process, we have increased the recycling rate for discarded paint thinner and reduced this substance's overall usage level. As a result of these measures, the amount of VOC released in 2002 per painted area was reduced by 59% when compared with figures from fiscal 1994. Furthermore, water-based painting lines which generate lower volumes of VOC have been introduced at the Kyushu Plant, and while further efforts to promote the switchover to this type of equipment were made during the current year, this project drew to a conclusion in 2002. Nevertheless, the world's top VOC-discharge level of 20 g/m² was targeted and successfully achieved at that plant.

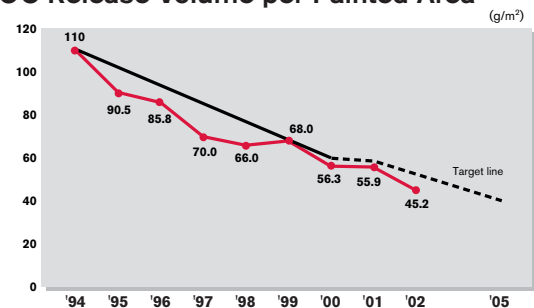
As the technologies required for water-based painting lines have now been developed, it is currently intended to expand the usage of this equipment to all Nissan plants so that their VOC discharge levels can also be reduced.

Overall CO₂ Emission Levels



Painting line using water-based paints (Kyushu Plant)

VOC Release Volume per Painted Area



Sales and Service

"Nissan Green Shop" Certification System

From April 2000 we introduced our own environmental management certification system based on ISO14001 and reinforced the environmental preservation activities of our dealer companies. As of March 2002 the certification of all dealer companies (236 companies including parts dealers, forklift dealers, and other related facilities) has been completed.



We verify the continuation of environmental preservation activities in order to establish environmental management and to maintain and enhance activities by having the dealers themselves inspect themselves, and through our company's surveillance in the first and second year after certification and to renew the inspection in the third year. As of March 2003, the surveillance of all 226 dealers* has been completed.

*: Total number of vehicle, parts, forklift, and other dealers as of March 2003.

Example of Activities



Workshop rags for cleaning away of dirt and receptacles to prevent leakage



Sticker for the dealers certified as "Nissan Green Shop"



Easy-to-see signs



Yellow display to aid identification of oil-separation equipment positions

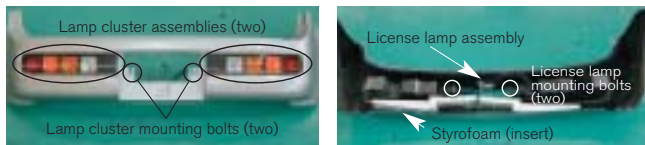
Recycling

Activities at the New Vehicle Development Stage

Development of Easy-to-Recycle Structure

Nissan has made parts easier to remove from automobiles by reducing.

■ Example of Rear Combination Light

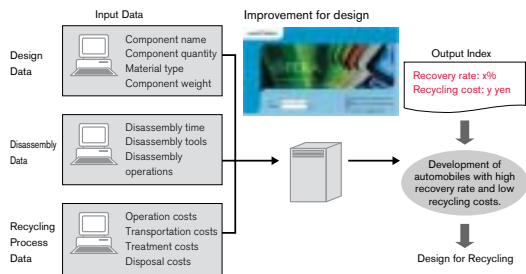


Efforts in the End of Life Vehicles Processing Stage

Development of Recycle Evaluation Systems

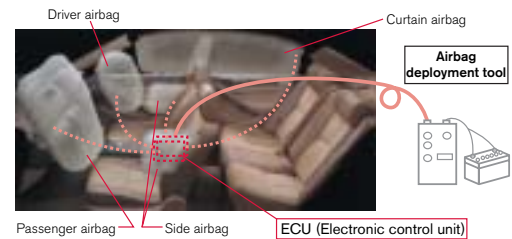
Renault and Nissan have jointly developed a system named as Opera which can simulate the recovery rate and costs in the process of recycling end of life vehicles. This system allows efficient recycling more economically, to evaluate recovery rates and costs at the development stage; based on design data furthermore, investigation of this system for recycling design is currently underway.

■ OPERA: The Recycling Evaluation System



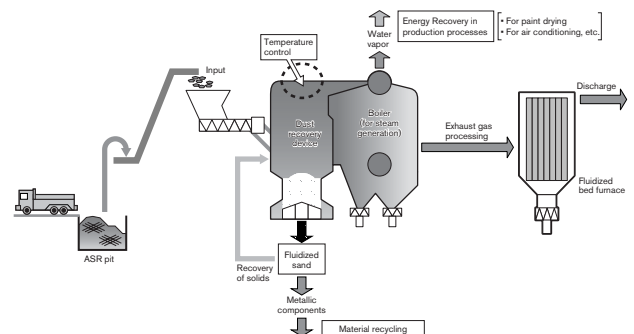
Simultaneously Operated Airbag Deployment System for Easier Pretreatment

It is now possible during the processing of ELV to ensure that all airbags on the vehicle can be deployed simultaneously, regardless of the number of airbags.



Recovery of Automobile Shredder Residue (ASR) in the Oppama Plant

In a program scheduled to start in fall 2003, a portion of the incinerator located in the Oppama Plant for processing of industrial waste will be modified to recover energy from ASR. The optimum temperature control has now enabled technical problems to be eliminated. Water vapor is also produced in this process, and this can also be put to effective use in the humidification of the plant's pre-painting processes.



Environmental Communication

Activities for Educating Customers on the Environment

In order that our customers could understand Nissan's approach to environmental preservation, we distribute a wide range of environment-related pamphlets, PR materials, and videos, as well as the catalog for each specific automobile model introducing the environmental performance relevant to that particular model. Outside the company also, we participate in awareness promoting activities through our contribution to lecture courses and specialist journals.



Special electric car lesson (at an elementary school in Tokyo's Minato ward)

Furthermore, in accordance with the introduction of general study time to elementary schools all over Japan in 2002, Nissan will continue cooperating with these schools in the trial implementation of special electric car (Hyper Mini) lessons.

Exhibitions and Test-Ride Events

Nissan has energetically organized and participated in exhibitions and test-ride events for the fuel cell vehicle (or FCV) — a vehicle hoped by many to become the ultimate eco-car. In addition, similar exhibitions and test-ride events are held daily at dealerships nationwide for the ultra-low emission vehicle (or U-LEV), which re-presents an eco-car suited to practical applications. Continuing in 2003, we intend to further enhance our level of activity with regard to this type of environmental-related action.



Nagoya International Exhibition — a gathering dealing with transportation and the environment

Involvement with Society

Partnership with NPOs

We want to participate in making society an energetic forum that accepts diversity. By forming partnerships with NPOs that have taken the initiative in tackling various social problems, we are investing in society through social participation activities.

Nissan Children's Storybook and Picture Book Grand Prix

Since 1984, Nissan has held contests every year for amateur authors of children's story books and picture books.

Works that finish in the upper places in this contest are recognized for their excellent quality. Today, the contest is considered as a gateway to success for new authors.

The entries that are awarded the Grand Prize are published and donated to libraries and kinder-gartens every year. In all, we have donated more than 100,000 books.



Donation of books to kinder-gartens near branch offices

Nissan-NPO Learning Scholarship Program

Through this program, we invite applications from students who wish to work for NPOs, select the successful candidates, and pay them scholarships according to their work accomplishments. The purpose of this program is to provide the leaders of the next generation with intellectual experience.



A student receives a certificate of completion from Nissan president Carlos Ghosn

We receive applications from over 100 students every year. Of these, approximately 20 are awarded scholarships to work in NPOs in various fields including environment, international exchange, culture, arts and welfare.

Communication with Customers

Customer Voice Center

We formed a Customer Voice Center, which is composed of a customer desk, a section that uses customers' feedback comments within the company, a section that promotes improvements, and a section that promotes customers' satisfaction with dealers around the country.



Customer Voice Center

Customer desk

Toll-free: 0120-315-232

Mondays through Fridays (excluding holidays) 9:00-12:00, 13:00-17:00

Nissan Information Center

Toll-free: 0120-838-232

Mondays through Fridays (excluding holidays) 9:00-12:00, 13:00-16:00

Post Office:

<http://www.nissan.co.jp/POSTOFFICE/>

Vision

Nissan:Enriching people's lives

Mission

Nissan provide unique and innovative automobiles products and services that deliver superior measurable values to all stakeholders* in alliance with Renault.

*Our stakeholders include customers, shareholders, employees, dealers, suppliers, as well as the communities where we work and operate.

Guiding Principles

SUCCESS

Seeking Profitable Growth

Unique and Innovative : "Bold and Thoughtful"

Customer-Focused and Environmental Friendly

Cross-Functional and Global

Earnings and Profit Driven

Speed

Stretch

Corporate Profile (As of end of March, 2003)

NISSAN MOTOR CO., LTD.

Established : December 26, 1933

Headquarters : 2 Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa, Japan 220-8623

Head Office : 6-17-1 Ginza, Chuo-ku, Tokyo, Japan 104-8023

Tel: +81-3-3543-5523

Paid-in Capital : 605.813 billion yen

Number of Employees : 127,625 Consolidated (31,128 Unconsolidated)

Consolidated Subsidiaries : 234

Business Field : Development, manufacturing, purchase, sales, leasing and service of automobiles, industrial vehicles and other transportation equipment, parts and other related materials.

Published by

Nissan Motor Company Co., Ltd. Environmental Management Committee

For comments and inquires, please contact:

Nissan Motor Company Co., Ltd. Environmental and Safety Engineering Dept.

TEL : +81-3-5565-2181 FAX : +81-3-3546-3266

E-mail : env@nissan.co.jp

This report is a digest version of the Environmental and Social Report (total of 64 pages) that we publish. The full report can be viewed on our website.
<http://www.nissan-global.com>