

Future Generations

Environmental Report 2004

Digest

Customers

Business Partners

Shareholders

Communities

Employees

CEO Statement

For Nissan, our corporate vision of “Enriching People’s Lives” embraces protecting our environment. We firmly believe that a sound environmental policy is at the core of a sound business practice.

There is a strong interest in the world today about how to balance economic development with environmental protection. Economic growth does not necessarily threaten the environment. To the contrary, investments in technology can greatly benefit our understanding of the world we live in and how to preserve it. Collaboration among corporations, civic organizations, governments, and society in general will help move the world toward an effective balance between a healthy environment and healthy growth.

As a global corporation, Nissan places a high priority on sound environmental management. Our approach is twofold: we take actions to provide real-world value today, and we develop actions to create cleaner products and a cleaner world in the future.

Today, our efforts to fulfill our responsibilities to protect and sustain the environment are far-reaching. Within our company, we promote the highest levels of practice in every region and in every area of our operations. Eliminating landfill waste, reducing waste emissions, conserving natural resources, and enhancing recycling activities are a daily emphasis in our manufacturing and sales/service operations. We take care to reduce environmental impacts at every stage of our products’ lifecycle—from production, sales, service, and use through disposal and recycling. At present, 90% of a new Nissan vehicle is recyclable, and efforts from the earliest stages of development emphasize making all our vehicles easier to disassemble and recycle.

In our products, we continue to work on cleaner exhaust emissions and increased fuel economy. More and more Nissan models are offered with continuously variable transmissions (CVT), which provide better fuel economy and better performance. Approximately 90% of new Nissan vehicles sold in Japan and, increasingly, in other parts of the world, are certified as ultra-low emission vehicles (U-LEV), and we are pushing our lead further with super ultra-low emission vehicles (SU-LEV). Our Bluebird Sylphy was the first car ever to be certified as a SU-LEV.

Aside from its contribution to cleaner air, perhaps the greatest benefit of U-LEV technology is its affordability. We recognize that if the price of a vehicle ends up being higher than the value perceived by the customer, then even the best of new technologies will fail in the market. U-LEV



technology is efficient, affordable, and widely available to consumers, providing a real improvement in air quality today.

All these actions, and many more, are important for the world we live in today, but that is only half the story. We are pressing forward on research and development for future benefits as well.

Our investments span numerous technologies. We are working with several research institutions on solutions to the issue of carbon dioxide (CO₂) emissions, a major contribution to global warming. In 2003, we launched the X-TRAIL fuel cell vehicle in Japan, and our FCV research continues on many fronts. We are also developing hybrid electric vehicle technologies with Toyota, and our first model, an Altima Hybrid, will be introduced to the United States market in 2006. We are continuing to invest in improving gasoline engines and diesels, in alternative fuels and other technologies so that we will be ready to respond quickly when the market moves in any given direction.

For today and for the future, our commitment is to create products that our customers will value even as we make real and lasting improvements that will benefit the earth we all live in. Keeping that commitment is both good citizenship and good business.

Carlos Ghosn
President and chief executive officer
Nissan Motor Co., Ltd.

Nissan Green Program 2005



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.

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.

X-TRAIL FCV



Bluebird Sylphy

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).

Nissan's Environmental management

This type of management aims for sustainable corporate activity, minimizes environmental impact, and aims for the integration of ecology and economy.

- Environmental management system (ISO14001)
- Promotion of environmental communication
 - Green Procurement
 - Environmental Education
 - Green Office Program

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 destruction 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.

FY2003 Environmental Action Plan Progress and Results

Area	Major Results in FY2003
Product Development	U-LEV successfully expanded to more than 90% of all gasoline passenger vehicles Bluebird Sylphy the first car in Japan to receive SU-LEV certification Achieved FY2010 gasoline passenger vehicle fuel economy standard for four of the target weight classes Certification granted by the Ministry of Land, Infrastructure and Transport for the 2003 model X-TRAIL FCV, limited lease sales commenced 95% recyclability achieved for March, Cube, and Cube Cubic models
Manufacturing	CO ₂ emission levels reduced by 12% from FY1999 levels Zero direct waste to landfill achieved Waste incineration volumes reduced by 63% from 1999 levels

Area	Major Results in FY2003
Sales and Service	Audits completed for all dealers in Japan
Recycling of ELVs	Began use of Renault-Nissan jointly developed OPERA product recycling evaluation system starting with a subset of car models Began energy recovery from automobile shredder residue (ASR) at the Oppama plant Formed ART, an ASR recycling promotion team Transaction of Nissan Green Parts exceeded 1.3 billion
Environmental Management	Operation and continuous improvement of ISO 14001 at all production facilities Published environmental and social report for fiscal year ending March 2003 Implementation of Nissan's employee education system 89.4% of suppliers ISO 14001 certified

Technology Development

Improving Fuel Economy

Technology development aimed at reducing carbon dioxide (CO₂) emissions during vehicle use is of prime importance to Nissan, and we have been developing and implementing technologies for improving fuel economy. Nissan is carrying out comprehensive measures for all aspects of our vehicles, such as developing fuel-efficient engines and highly efficient transmissions, as well as developing vehicles that are lightweight and have lower driving resistance.

In 2001, we started adopting the world's first eVTC (electronically controlled continuously variable valve timing), which satisfies both high power output and low fuel consumption.

In terms of improving transmission efficiency, the Teana (Japan) and Murano (USA) featured the world's first 3.5-liter front-wheel drive adaptable XTRONIC CVT in 2002.

Additionally, a new lightweight and compact electric-type 4WD system, e-4WD, was developed and adopted in the March and the Cube.



Presage



Quest

Fuel Cell Vehicle (FCV) Development

Nissan launched a five-year joint program for FCV development with Renault, with an investment of 85 billion yen.

In December 2003, limited lease sales of the 2003 X-TRAIL FCV model was launched two years ahead of schedule, and in March 2004, Nissan delivered the first X-TRAIL FCV to Cosmo Oil Co., Ltd. The two companies have broadened their relationship beyond that of supplier and user of FCVs, undertaking joint research and development efforts on hydrogen fueling at the interface between hydrogen supply and use. In April 2004, X-TRAIL FCVs were delivered to Kanagawa Prefecture and the city of Yokohama.

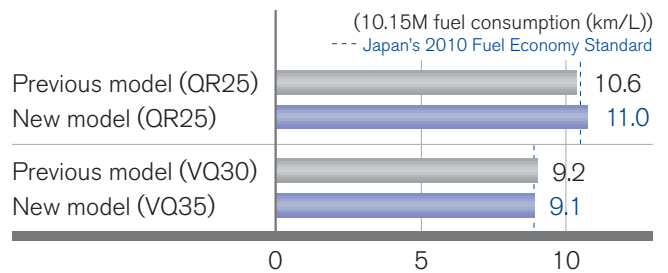
To realize the commercialization and widespread use of FCVs, Nissan will continue research and development efforts with the aim of developing a proprietary fuel cell stack, a key component of fuel cell vehicles.



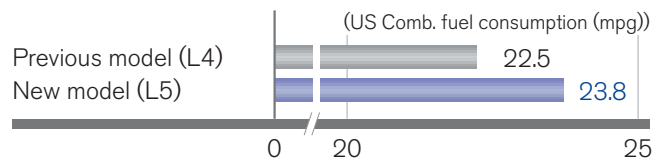
X-TRAIL FCV

Fuel Consumption of New 2003 Model Vehicles (comparison: new vs. previous model)

Presage (Japan)



Quest (USA)



Hybrid Electric Vehicle Development

Nissan has prioritized the development of hybrid technology as being the technology that will lead toward the realization of a future zero emissions society. As a first step, we developed the Neo Hybrid system and in April 2000, we released the Tino Hybrid. Also, in September 2002, Nissan signed a technological cooperation agreement with Toyota Motor Corporation. In June 2004, less than two years after signing the basic agreement, we built the Altima Hybrid (prototype). We will make further improvements based on this prototype and plan to start production of the Altima Hybrid in 2006.



Altima Hybrid

Cleaner Exhaust Emissions

We are working on a wide variety of technological developments, including technological improvements that allow for cleaner combustion and development of a catalyst that cleans exhaust emissions, as well as responses to gas evaporation from the fuel tank.

In January 2000, Nissan began sales of the PZEV*¹ Sentra CA, which was certified by the California Air Resources Board (CARB) as the world's first PZEV gasoline vehicle.

Drastic improvements were made to the clean exhaust performance of the Bluebird Sylphy which went on sale in August 2000 as the first gasoline vehicle to receive certification by Japan's Ministry of Land, Infrastructure and Transport as an ultra-low emissions vehicle (U-LEV). This vehicle achieved emission levels that were 50% lower than the U-LEV standard, the same clean exhaust emissions capability as the Sentra CA. And in December 2003, Nissan received certification as a super ultra-low emission vehicle (SU-LEV*²).

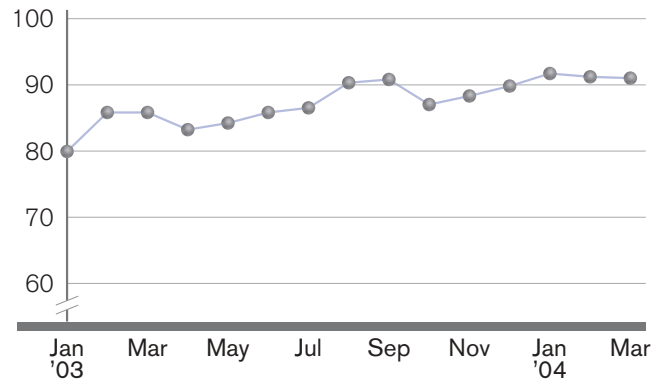
*1 PZEV: Partial Zero Emission Vehicle as established by CARB.

*2 SU-LEV: A vehicle that emits 75% fewer exhaust emissions of nitrogen oxide (NOx) and nonmethane hydrocarbon (NMHC) than the level prescribed in the year 2005 exhaust emissions standards.



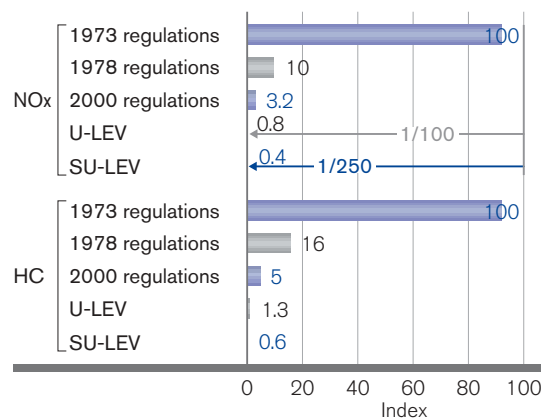
Bluebird Sylphy

Domestic Percentage of Low-Emission Vehicle Sales (Japan) (%)



Includes SU-LEV vehicles from Jan 2004

Exhaust Emissions of SU-LEV (%)

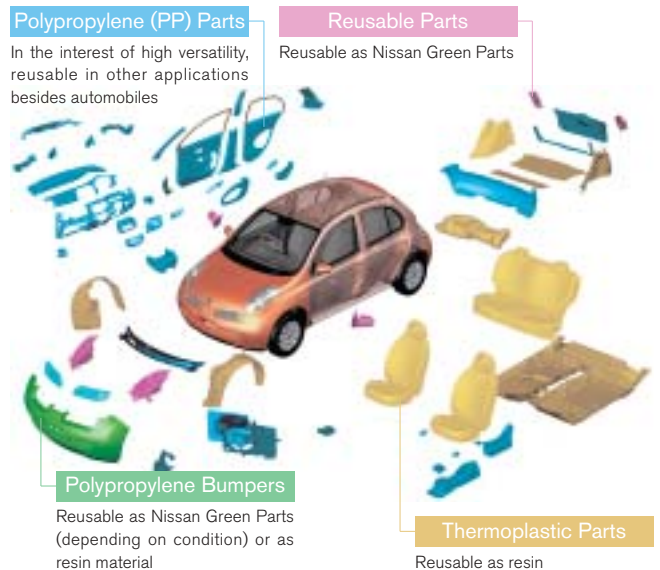


Design for Recycling

Nissan has implemented design for recycling activities to use natural resources effectively at every point during a vehicle's life cycle that considers the 3Rs (reduce, reuse, and recycle) at the new car development stage. We develop products with the goals of ease of recycling (recoverability rate), ease of dismantling at the end of life stage (dismantling efficiency), material identification markings for plastic parts (plastic parts marking rate), and reduction of environment-impacting substances.

Through the adoption of materials and structural developments, we achieved more than 90% recoverability rate for the 1998 model year Sunny, and we surpassed 95% recoverability rate for the 2002 model year March. We plan to achieve more than 95% recoverability rate for all new models that will be introduced after 2005.

Major Recyclable Parts on the March



Manufacturing

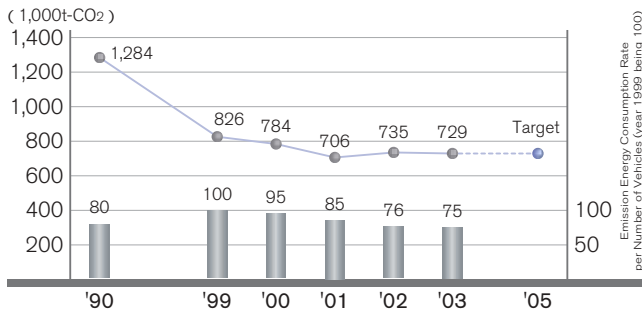
Reduction of CO2 Emissions

Automobile manufacturing processes had set a goal to reduce total CO2 emissions by more than 10% compared to 1999 levels by fiscal year 2005, allowing us to implement the emission reduction activity. And once again in 2003, we surpassed a goal to reduce total CO2 emissions by 12% compared to 1999.

Nissan has taken actions such as implementation of cogeneration systems and development of NESCO (Nissan ESCO) team to achieve two improvement methodologies facilities and operational procedures to promote energy efficiency.

Since 2003, Nissan has been holding the Global Energy Benchmark Meeting, a framework aiming to share the issue globally. Officers from Japan and four major manufacturing bases in the US, UK, Spain, and Mexico gathered to share the latest information on energy conservation measures being employed in each country.

Transition of CO2 Emission Levels and Emission Energy Consumption Rate



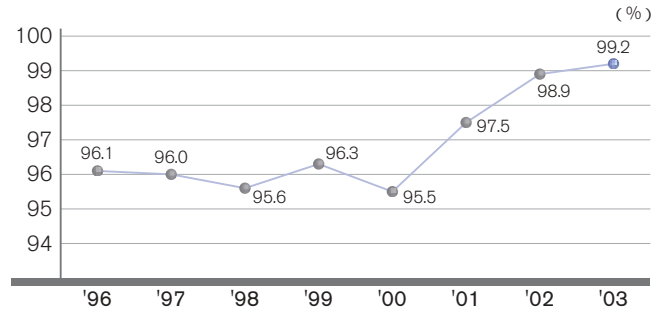
Waste Reduction

Thanks to the implementation of the 3R Activities (reducing, reusing, and recycling), we achieved a total recycling rate*1 of 99.2% in Japan. Also, through the efforts of aiming to maintain a zero waste to landfill volume*2 and reducing in-house incineration volume, the Tochigi and Kyushu plants' in-house incineration facilities ceased operations at the end of fiscal year 2003. In the US, we focus on reducing the waste disposal cost per each Nissan vehicle produced, of which we have successfully achieved an annual cost reduction of approximately \$1 million. In the UK, some 3,000 tons of waste sand containing aluminum had been sent to landfills every year however with the implementation of a system for extracting and recycling aluminum from waste sand, we now save around 80 tons of aluminum annually.

*1 A percentage of recycled waste including heat recovery of the total amount of waste generated

*2 Reduce direct landfill volume to less than 1% of the fiscal year 1990

Total Recovery Ratio



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 dealers has been completed.

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

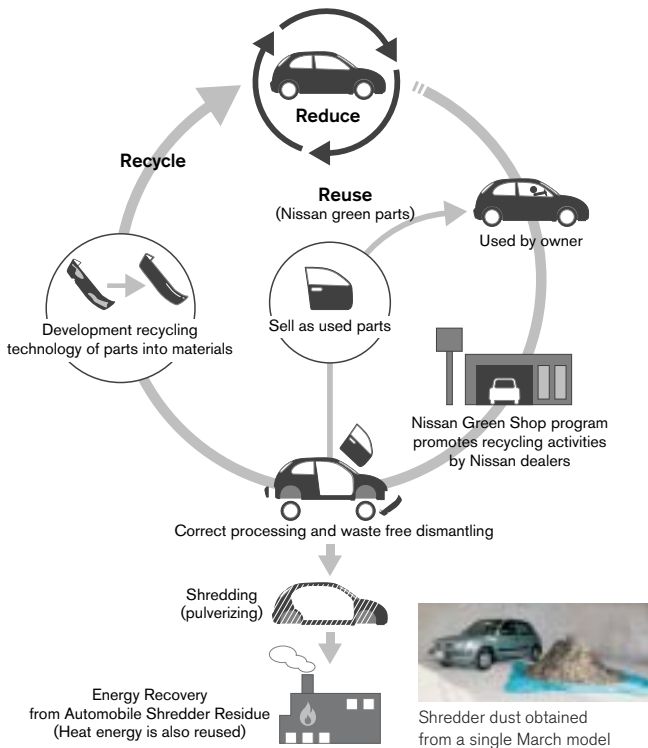


Yellow display to aid identification of oil-separation equipment positions

Recycling End of Life Vehicles (ELV)

Measures for 3R (Reducing, Reusing, and Recycling) Activities

Nissan has been very successful in the way we have addressed each of the three Rs. Our Recycling Promotion Department is at the center of envisioning the most appropriate methods for handling recycling in the future, and is working to standardize recycling techniques to incorporate them at the design stage.



Promoting the Use of Reusable Parts

Reduce + Reuse

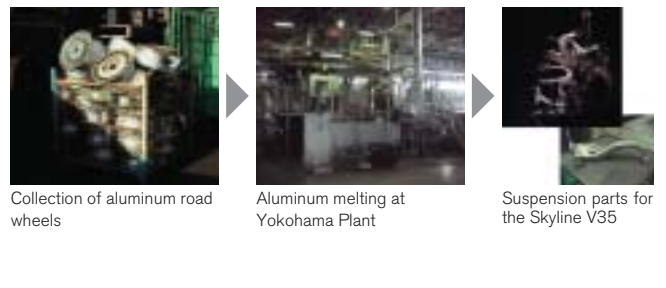
Reusable parts taken from ELVs are sold under the name Nissan Green Parts.



Recycling of Aluminum Road Wheels




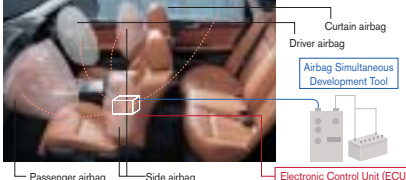


Reduce + Recycle

We network with dismantlers all over Japan to collect and separate aluminum road wheels from ELVs and recycle them at Nissan plants. Once they are made back to raw materials, they are reused for manufacturing of parts such as suspensions.



Response to the Japan Automobile Recycling Law

The role of automobile manufacturers regarding the Automobile Recycling Law, which will take effect in January 2005, is to collect and properly recycle Freon gas, airbags, and automobile shredder residue (ASR) generated from end of life vehicles (ELVs). Nissan is also promoting through vehicle design and development to improve the recyclability of ELVs.

	Airbags	Freon Gas	ASR
Subject items	 Airbag	 Recovery cylinder for HFCs	 ASR (Residue from a shredded vehicle)
Technology	 Curtain airbag Driver airbag Airbag Simultaneous Development Tool Passenger airbag Side airbag Electronic Control Unit (ECU) Simultaneous deployment connectors, which facilitate easy on-board airbag deployment, have now been adopted in nearly all vehicles.	 X-TRAIL FCV The X-TRAIL FCV is equipped with an air conditioning system that uses carbon dioxide (CO2) as the refrigerant.	 ASR recycling facility at the Oppama plant Nissan has modified the waste incinerator at the Oppama plant and has begun energy recovery from ASR.
Management	JARP To carry out appropriate and efficient collection and recycling (destruction) of airbags and Freon gas, Nissan has joined other automakers and import traders in creating the Japan Automobile Recycling Partnership (JARP), which acts as a common take-back center.		ART Nissan has been a part of establishing the Automobile Shredder Residue Recycling Promotion Team (ART) with 10 other automobile manufacturers. While complying with legal requirements, this organization ensures transparency in all activities while working to attain improvements in the recovery rate and recycling efficiency.

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

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.

Corporate Profile

Headquarters

17-1, Ginza 6-chome, Chuo-ku, Tokyo, Japan

Date of Establishment

December 26, 1933

Paid-in Capital (As of March 31, 2004)

605,813 million yen <Nissan Motor Co., Ltd.>

Consolidated Net Sales (FY2003)

7,429.2 billion yen

Number of Employees (As of March 31, 2004)

123,748 (Consolidated)

Number of Consolidated Subsidiaries (As of March 31, 2004)

186

Group Structure / Business Outline

The Nissan group consists of Nissan Motor Co., Ltd., subsidiaries, affiliates, and other associated companies. Its main business includes sales and production of vehicles, forklifts, marine products and related parts. The Nissan group also provides various services accompanying its main business, such as logistics and sales finance.

Vision

Nissan: Enriching People's Lives

Mission

Nissan provides unique and innovative automotive 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

