

# CEO Statement



Just as achieving a high level of business performance is a necessary part of Nissan's global responsibility, so is the challenge to maintain a strong commitment to our natural environment. A sound business strategy goes hand in hand with a sound environmental policy.

Nissan's global approach to environmental protection focuses on three key issues: managing CO<sub>2</sub> emissions; protecting the air, water and soil; and recycling resources. Our Global Environment Management Committee works to assure that our corporate environmental strategy is implemented at the highest level in every region and in every area of our operations. We place a priority on rigorous environmental management, and that discipline is evident among Nissan's research, manufacturing and distribution operations around the world.

## Developing Environmental Technologies

At Nissan, we want to develop environmental technologies that will provide real benefits to the customers who choose our vehicles. We recognize that new technology only becomes affordable when its value proposition is widely accepted by customers in the marketplace. And only when a technology is widely accepted will it produce a significant environmental benefit.

In fiscal year 2004, Nissan made progress on a number of environmental protection fronts. Where have we made advances?

Progress is evident on today's streets and highways. As of March 2005, more than 90% of our passenger vehicles sold in Japan were ultra-low emissions vehicles (U-LEV\*<sup>1</sup>), and our new and more ambitious goal is set for 80% of new passenger vehicles sold by March 2006 to meet Japanese super ultra-low emissions standards (SU-LEV\*<sup>2</sup>). U-LEVs and SU-LEVs provide an immediate, widespread environmental benefit through cleaner exhaust emissions for customers and society.

\*1 U-LEV: A vehicle that emits 50% fewer exhaust emissions of nitrogen oxide (NO<sub>x</sub>) and nonmethane hydrocarbon (NMHC) than the level prescribed in the year 2000 Japanese exhaust emissions standards.

\*2 SU-LEV: A vehicle that emits 75% fewer exhaust emissions of nitrogen oxide (NO<sub>x</sub>) and nonmethane hydrocarbon (NMHC) than the level prescribed in the year 2005 Japanese exhaust emissions standards.

Nissan is also increasing the number of vehicles fitted with our Continuously Variable Transmissions, or CVTs. By fiscal year 2007, we plan to sell around 1 million CVT-fitted models worldwide – a fourfold increase from the current level. We estimate that selling 1 million CVTs would have the same effect in terms of reducing CO<sub>2</sub> emissions as selling 200,000 hybrid electric vehicles.

Nissan continues to invest in gasoline engine improvements, in lightweight vehicle construction and – with the expertise of our Alliance partner, Renault – in diesel technology.

Nissan emphasizes recycling, not just in our operational facilities, but with our vehicles as well. Currently, over 95% of a new Nissan vehicle is recyclable. From the earliest phases of development, we aim to make our vehicles easier to disassemble and recycle. We want to reduce environmental impacts at each stage of a vehicle's life cycle, from development to production, from sales and service through disposal.

In 2006, we will launch a gasoline-electric hybrid version of one of our best-selling models in one of our largest markets. The Altima Hybrid, which will be introduced in the United States, will offer our customers the cleanliness and efficiency of electricity with the convenience and performance of gasoline.

Looking into the future, hydrogen-powered fuel cell vehicles are on the horizon as a promising technological solution since their only byproduct emission is water. In fiscal year 2004, Nissan announced the development of its first in-house fuel cell stack and high-pressure hydrogen storage system. Although the potential of this technology is great, it may take many years for it to be available and affordable to customers.

To further strengthen our capabilities as we develop vehicles for the future, we are establishing the Nissan Advanced Technology Center (NATC) at the Nissan

Technical Center in Atsugi, Kanagawa Prefecture, our largest global research center. At NATC, we will explore the potential of future technologies and work consistently to make new technologies more affordable, more available and more beneficial for global society.

## Increasing Value for All Stakeholders

Sustainable value is at the heart of our new three-year business plan, NISSAN Value-Up, which began to be implemented in April 2005. As the plan name indicates, our focus is on delivering increased value for all our stakeholders – for customers, shareholders, business partners, employees and society and the environment.

For all our stakeholders, lasting value will be found in Nissan's commitment to meet the environmental challenge. As we contribute to the sustainable development of society and create environmentally friendly products that customers want to buy, we believe we will make the world a better place in which to live and to drive.

**Carlos Ghosn**  
President and Chief Executive Officer  
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