



Key Issue II Protecting the Air, Water, and Soil

Ambitious Targets and Advanced Technology

The severe pollution problems Japan experienced in the 1960s taught us the great importance of protecting the air, water, and soil. The lessons we learned remain valid for managing many of today's global environmental challenges as well. Nissan has continued to work proactively on these issues, steadily setting increasingly demanding standards and goals in product development and production.

In the Nissan Green Program 2005 announced in 2001, Nissan set the goal of making 80% of our gasoline passenger vehicles sold in Japan U-LEVs *1 by the end of fiscal year 2005 (resulting in 75% fewer exhaust emissions than the level prescribed in 2000). Nissan achieved this objective in February 2003, well ahead of schedule. We have since set a new goal to make 80% of our gasoline passenger vehicles sold in Japan SU-LEVs *2 by March 2006.

Following our compliance with the Muskie Act in the US in 1970, and since the introduction of the first emissions regulations in Japan, Nissan has made consistent efforts to stay abreast of emerging regulations in order to ensure compliance in all countries where we operate. In 1999, we registered Japan's first U-LEV vehicle, and in 2000, the world's first PZEV *3 vehicle, earning Nissan the status of a global leader in this field. Today, Nissan's cleanest gasoline-engine cars meet emission criteria that have been cut from 1/100th down to 1/250th of the criteria used in 1970.

Leveraging Nissan's strength in developing eco-friendly technology, our next steps include expanding our business under the NISSAN Value-Up plan into developing countries. In these countries, many people lack access to even modest transportation while the environmental performance of existing means of transport is for the most part insufficient. We remain determined to mobilize the full potential of our technology to help realize a society in which people may

benefit from increased mobility as well as greater access to mobility.

* 1: U-LEV (Ultra-Low-Emissions Vehicle): See p.1

* 2: SU-LEV (Super-Ultra Low Emissions Vehicle): See p.1

* 3: PZEV (Partial-Zero-Emissions Vehicle): Certification issued by the California Air Resources Board (CARB) in the state of California (USA)

Activities in Global Production

Efforts to protect the air, water, and soil have a long history at Nissan in Japan, a fact often attributed to Japan's economic growth in the 1970's followed by a series of large-scale pollution incidents. Since then, environmental protection and safety standards in Japan have reached a relatively high level compared to other industrialized countries and corresponding laws and regulations have been implemented at each of our plants. Today, when building new plants, we mobilize the know-how gained from these years of experience to comply with Nissan's global standards and to formulate our basic policy for production activities worldwide.

In daily production, in addition to complying with all laws and regulations, we have a continuous program of checks and improvements to prevent environmental accidents. We regard this rigorous day-to-day management approach as one of the main factors of our success in this area.

A further issue that demands attention is the painting process. Our current focus is on reducing the use of volatile organic compounds (VOCs) that make up 90% of the chemical substances emitted during the vehicle's production process. We try to reduce offsite VOC emissions by increasing the recycling ratio of used paint thinner, as well as by reducing the overall amount of VOCs used. Starting in Kyushu and expanding throughout Japan and abroad, we are switching to water-based paint, which generates lower VOC emissions. The Kyushu Plant currently maintains some of the industry's lowest VOC discharge levels from its water-based painting lines. Water-based paint has also been adopted in the US at the Smyrna Plant in Tennessee and at the Canton Plant in Mississippi.