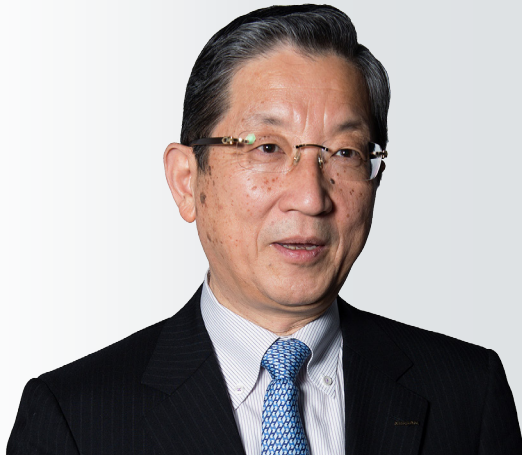


MESSAGE FROM THE COO



As we celebrate the 80th anniversary of our founding, we work to achieve even greater success.

Toshiyuki Shiga
Chief Operating Officer

A YEAR OF RECORD GLOBAL SALES

Let me begin by expressing my deepest thanks to all of our stakeholders, whose understanding and support for Nissan's activities underpin the growth and development that the company has achieved.

During fiscal 2012 Nissan faced difficult conditions on many fronts, including sluggish demand due to the sovereign debt crisis in Europe and the impact on Japanese automakers of the islands issue that broke out with China in September. Despite this, we were able to create positive cash flow and build an even healthier balance sheet for Nissan. Our global sales also hit an all-time high of 4.91 million vehicles during the year.

Ever since the financial and economic crisis touched off in late 2008, Nissan has faced numerous trials. All our people have come together as one and shown unwavering dedication to get us through this tumultuous period. We have reduced our costs to cope with rising fuel and raw material prices and shifted production to other markets to cope with an overvalued yen. At the same time, we have taken steps in Japan to enhance our technological competitiveness over the longer term by maintaining our *monozukuri*

(manufacturing) excellence and our "mother factory" functions here. Nissan's strength has repeatedly been tested as we supported recovery and got our business locations back online in the region affected by the 2011 Great East Japan Earthquake, responded to the flooding that took place in Thailand later that year, and addressed the setbacks arising from the islands issue with China. In each case, by leveraging our know-how and considering all options, we came up with swift, detailed countermeasures and minimized the impact of these issues to overcome them and even thrive despite the challenges.

Nissan learned much in the course of tackling these crises. We now have deeper capabilities in both management and at the *genba* level of the business frontlines, thanks to our people's efforts to think about what needs to be done and then carry it through. Nissan has evolved into a more flexible, muscular corporation as a result.

LEAPING AHEAD AROUND THE WORLD

Even when facing harsh conditions, Nissan does not focus solely on resolving the short-term issues before it. The company invests continuously in its people, brands, products and technologies to ensure sustainable growth over the longer term as well. There will be more trials in the future, but also opportunities for growth and further achievements. During fiscal 2013 we will put our hard-won knowledge and experience to work to produce solid results and propel ourselves toward the targets of Nissan Power 88, our mid-term business plan.

The business environment is in constant flux, though, and global competition continues to grow fiercer. Nissan's task is to address this change flexibly as it hones its competitive edge and produces steady results. Today we are grappling with a range of challenges, using the diversity and cross-functional approach we have fostered over time to pursue sustainable growth.

In Japan, approximately 40% of the automotive market is *kei* light vehicles, an increasingly important category as Nissan seeks to maintain stable sales numbers. Providing a steady supply of more attractive, competitive products to our customers is a vital task. Toward this end we established NMKV, a joint venture with Mitsubishi Motors Corp., and in June 2013 launched the all-new DAYZ, the first *kei* vehicle with Nissan involvement from the product planning stage. Strengthening our product lineup in this area will increase our share of the Japanese market.

In China and the United States, Nissan's largest markets, the company will accelerate efforts to expand sales. The new Teana, launched in March as a flagship vehicle for the Nissan brand in China, is selling well; as of April 2013, monthly retail vehicle sales have recovered to surpass the year-on-year figures. In the United States, during fiscal 2013 we aim to improve market share and profitability with an enhanced product lineup including four new models, such as the new Rogue. We are also actively investing in emerging markets, where growth is strongest. Nissan is constructing new and expanding existing plants in Brazil, Mexico, Thailand, Indonesia, India and China in order to dramatically grow business there.

OUR ZERO-EMISSION DUTY

Since going on sale in December 2010, the 100% electric Nissan LEAF has sold about 70,000 units (as of the end of June 2013), making Nissan the world leader in the EV market. As an automaker, it is our responsibility to help realize a sustainable mobility society through our zero-emission efforts. Nissan is moving forward with deep conviction to achieve fuller penetration of EVs, which use no fossil fuels and produce no emissions in operation.

For Infiniti, our premium luxury brand, we will roll out a new Q50, our top-selling sedan model, in major global markets to enhance the brand's power and achieve solid growth. Meanwhile, to reach customers in the rising middle classes of booming emerging markets, we will release vehicles under the relaunched Datsun brand in early 2014 in India, followed by Indonesia and Russia and, at the end of the year, South Africa.

Nissan is a global company that provides uniquely innovative products and services to customers all around the world. It is also a quintessentially Japanese firm, with all the dedication to manufacturing excellence, human-resource fostering and hospitality that this represents. By combining our two sets of traits at a high level—our diversity as a global actor and our strengths as a Japanese company—we aim to lead the industry as a truly global firm born in Japan. The foundation for these efforts is the Nissan Way. This is crystallized in the mindsets and actions of all employees who create value for the company. The Nissan Way is the genesis of our corporate culture and a way to win the universal trust of customers in our brand. Nissan's goals are to constantly create future-oriented innovation from within and to foster a robust corporate organization that produces steady results.

Fiscal 2013 is a key year for Nissan. In December we celebrate the 80th anniversary of the company's founding. While turning our eyes to the legacy of those who have handed the company down to us, we maintain the entrepreneurial spirit of a young company. We bring together the drive of each of our employees, our management skills and our *genba* capabilities to provide value going beyond our customers' expectations, to contribute to society and to achieve even greater success for Nissan.

I look forward to your kind support as we continue working toward these goals.



Toshiyuki Shiga
Chief Operating Officer
Nissan Motor Co., Ltd.



NISSAN WAY

» website

Click here for more information on the Nissan Way.