

With Our Business Partners

Building partnerships for mutual growth

From the Nissan Revival Plan to NISSAN 180 and now on to NISSAN Value-Up. The significant progress that our management plans have achieved was made possible through collaboration with our business partners all over the world. Our goal is to build a business model in which Nissan and our partners use our joint strengths and grow together, based on a firm relationship with the suppliers who provide the components, materials and services, the dealers who sell our vehicles and all other business partners.

With Our Suppliers

Procurement Policy Based on Fairness and Impartiality Selecting suppliers through transparent meetings

Nissan's suppliers work with us to create value. To build relationships of mutual trust, Nissan selects suppliers through a process that is thoroughly fair, impartial, and transparent. Nissan presents business opportunities to companies regardless of their country of origin, size, or history of previous business with Nissan. All the candidates are informed of the same conditions at the same time. During the selection process, all relevant Nissan departments — such as procurement, quality, production and design departments — participate in a meeting to help select vendors. The final decision is made after a cross-organizational analysis, taking into consideration the opinions of all participants at the meeting. The resulting choices are explained without fail to all the candidates.

We try to ensure fair and impartial operations in accordance with the Nissan Global Code of Conduct, Item 4 (Fair and Impartial Relations). In addition, to confirm that fair and impartial business operations are actually carried out, questionnaires and meetings are used to gather opinions from suppliers. In Japan, for example, we not only exchange opinions with top management of our suppliers, but we also discuss procurement policies with representatives of the labor

union to which the suppliers' employees belong. We use these opportunities to listen to the suppliers' opinions, take corrective measures when a problem is discovered and build a strong relationship.

As Partners Working to Create Best Practice Introduction of a module production system and the project partner system

We believe that the sustainable development of partnerships between Nissan and our suppliers is realized through opportunities for mutual business expansion and profit generation in a win-win relationship.

Nissan 3-3-3 Program

Based on the above concept, we initiated the Nissan 3-3-3 Program in 2000. In this program, the three relevant groups — suppliers, Nissan's purchasing department, and Nissan's engineering department work together to achieve the best balance between cost-reduction and high quality in order to realize so-called best practice. Based on scientific judgments by cost engineers who have expertise in cost-reduction, and on close communication with the suppliers, the three parties together exchange ideas and challenge each other to create more competitive products.



Nissan North America, Inc. Smyrna Plant (USA)



The module production system is being introduced into plants worldwide/ Oppama plant (Japan)

Establishing ASEAN regional headquarters (Singapore)

On April 1st, 2005, Nissan Asia Pacific Pte., Ltd., wholly-owned by Nissan Motor Co., Ltd., commenced operations in Singapore as the regional headquarters for the ASEAN countries. The main functions of the regional headquarters are regional marketing and sales

support, franchise management, public relations and production order processing. Nissan sold 76,345 vehicles in the four major ASEAN countries (Thailand, Malaysia, Indonesia, Philippines) in fiscal year 2003, up 7.9% from fiscal year 2002. The ASEAN

market is expected to grow significantly, and we are promoting further localization of production, manufacturing expansion, and improvements in logistics in the region.

Module Production System

In an attempt to establish best practice, we initiated the Module Production System at plants in Japan, and are currently expanding it to other plants throughout the world. This is a system in which suppliers deliver components as a set of parts whenever necessary, instead of delivering them individually. By sharing and integrating components, the system helps to reduce waste in various situations. In addition, the system also improves productivity and quality, and reduces development time and cost.

Project Partner System

In the field of components, great improvements in productivity and product competitiveness can result through cooperation between Nissan and its suppliers, beginning in the early stages of development. We are strengthening our cooperative relationship with our suppliers by introducing a new partnership system called "Project Partner," starting in fiscal year 2005. This project Partner System is one of the ways in which we, from a medium to long term perspective, improve our efficiency. This is achieved through the collaboration with suppliers on concrete issues relating to technology development, product improvement, etc. The system is expected to further increase the competitiveness described in our mid-term plan, NISSAN Value-Up. Suppliers who become "Project Partners" are selected through the same transparent and impartial process as other suppliers.

Nissan conducts business with a variety of suppliers throughout the world. When starting to do business with a new supplier in a new country, sustainability is always positioned as a pre-condition for a successful relationship. A sustainable business can be realized only with suppliers who observe basic rules and who have both business sense and common sense. Whenever there is uncertainty on these points, the high quality and productivity we demand becomes impossible to attain.

Establishment of the Global Innovation Award

Each year at Nissan, we award suppliers in each region of the world for those activities that contribute to Nissan's business development in terms of quality, cost reduction, and technical development. In addition to these regional awards, we are also establishing the Global Quality Award and the Global Innovation Award, beginning in fiscal year 2005. The Global Innovation Award is not limited to evaluating innovation in product and technology development, but also looks at the wider issues of process improvements and management reform, with candidates being selected globally. With this newly established "Global Innovation Award" as a start, Nissan will motivate the entire global supply chain to understand and share our spirit of sustainability and will promote a sound balance between the three aspects of management: economic activity, environmental consideration, and social responsibility.



Lecture on Nissan's approach to CSR, presented to suppliers (Japan)



A dealership renovated in accordance with Nissan's visual identity (Australia)

Creating better dealerships with the “Professional Team (Takumi Team in Japanese)” (China)

To provide service that satisfies every customer in the large Chinese market, it is essential for all dealers to be able to practice the Nissan Sales and Service Way. To meet this goal, we established a “Professional Team” comprising four experienced sales staff from Nissan in Japan.

The team visited dealers in China to improve the quality of service in collaboration with the dealers. The Professional Team visited a total of 137 dealers, covering a distance equivalent to travelling around the world two and half times.

Green Procurement

More than 95% of suppliers are ISO 14001 certified

To reduce our impact on the environment, Nissan manages all substances that may have an environmental impact, no matter where in the world they are used. Furthermore, we established the Nissan Green Procurement Guidelines in Japan and asked each supplier to submit data on substances that have an environmental impact, to maintain an environmental management system, and to identify those in charge of environmental protection to Nissan. By March 2005, more than 95% of Nissan's suppliers in Japan have been certified to ISO14001, the international standard for environmental management, or participate in Eco Action 21, an environmental activity assessment program set up by the Japanese Ministry of the Environment.

With Our Dealers

To Improve Quality of Sales and Service

To achieve top levels of customer satisfaction in every region of the world by 2010

Nissan's goal is to provide professional and valuable service to customers during the sales and service process. This means having well-managed and clean dealerships, ensuring that services are provided by thoughtful and well-informed staff, and satisfying each individual customer. To achieve these objectives, Nissan has established a set of global guidelines called the Nissan Sales and Service Way (NSSW), which is

intended to raise the level of the quality in sales and services (→P21). In Europe, for example, we started to execute the NSSW activities with the major 450 dealers in order to promote customer-oriented goals such as creating a comfortable environment and providing quality service for customers. In addition, Nissan's Dealer's Code of Conduct is prepared for approximately 10,000 dealers worldwide and reflects regional characteristics and values.

Instead of delivering stereotypical customer services, Nissan is trying to promote, on a long-term basis, those services that reflect Nissan's identity and brand image. The specific objective is to achieve industry top level recognition by 2010 in customer satisfaction surveys conducted by an external organization in every region of the world.

Global NSSW Award

In fiscal year 2003, in a program to accelerate service improvements, we initiated the Global NSSW Award. We select and reward dealerships that are highly evaluated in customer satisfaction surveys for sales and service. The Award is available to dealers worldwide. In fiscal year 2004, for the second time, we awarded 44 dealerships in Japan, Europe, US, and other countries. This serves to further raise the level of staff motivation in each dealership, and to create an ideal image of how a Nissan dealership should do business. In fiscal year 2005, we began visiting the awarded dealers in each country in order to collect data on services and activities that are highly valued by customers, and to disseminate best practices to other dealerships and countries.



Ceremony of Global NSSW Award 2004



Nissan Prince Tokyo Sales Co., Ltd. enhancing ties with the local community (Japan)

Collaborating with Dealers to Promote Environmental Activities
Eliminating approximately 245 tons of waste through recycled parts

Nissan introduced an original environmental management certification system in accordance with ISO14001, the Nissan Green Shop, to dealers in Japan. By March 2002, all dealers had obtained certification. Even after obtaining certification, we continue to maintain and improve activities by conducting periodic assessments.

Nissan Green Parts

When handling waste, it is important not only to dispose of the waste properly, but also to recycle and reuse it appropriately. In cooperation with recycling service providers in Japan, since 1997 Nissan has been selling re-used parts recovered from end-of-life vehicles as Nissan Green Parts. "Reused parts," which are cleaned

for reuse, and "rebuilt parts," which are re-assembled, allowed the elimination of approximately 245 tons of waste (shredder dust) in 2004. (See P52 for details on recycling.)

Expansion of LV certified dealers

With an aging population in many parts of the world, there is an increasing demand for welfare vehicles - or Life-care Vehicles (LV) - that support aged or physically handicapped persons. In Japan Nissan certifies those dealers that display LVs and have LV advisory staff with specialized knowledge to support customers as "LV Dealers." We are currently promoting a remodeling of dealers' showrooms globally, based on the Nissan visual identity. Along with this initiative, we are increasing the number of barrier-free LV-certified dealers in Japan. As of February 2005, there were 224 LV-certified dealers (→ P21).

To be a dealer appreciated by the community – The Efforts of Nissan Prince Tokyo –

A dealer should exist as an integral part of its local community. Each dealership voluntarily carries out activities to build a better relationship with the local community.

For example, Nissan Prince Tokyo, one of the main dealers in Tokyo Japan, has 50 dealerships in Tokyo and sells about 27,000 Nissan vehicles per year. All the company's dealerships work to maintain continuous communication and engage

in various activities with their local communities. Staff voluntarily clean roads, plant flowers and trees along the streets near their shops and provide access for local residents to parts of the showroom free of charge. These activities are based on the idea that a dealer should form bonds with the local community. To ensure the implementation of the Nissan Green Shop program — Nissan's original environmental management system for

dealerships — a Green Shop Day is held every month. On this day, staff check more than 80 items of environmental protection. This monthly event also serves to raise awareness about the environment among the staff. Based on these examples of best practice, Nissan works to further enhance its cooperation with dealers in order to promote environmental and social activities worldwide.