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## CEO Statement

The last year has taken a serious toll on individuals' confidence in the global economy. A series of events that began in the fall of 2008 with the crumbling of the financial system in the United States eventually spread through the entire international banking system, triggering a global recession. The financial and economic crisis has eroded value and created economic setbacks for governments, for financial institutions, for companies in nearly every industry and for individual consumers around the world.

The global economy as a whole—including the automobile industry—is in the midst of an unprecedented, unsettling experience. Against this backdrop, the word "sustainability" takes on new importance. People are particularly interested in what can be counted on to retain its value and in what the future holds.

At Nissan, as we manage through this global crisis, we are holding firm to our belief that it is vital to have consistency between short-term goals and actions and long-term strategy. We are making sure that the intensity of our short-term work to protect the company is not undermining our position in terms of products, technology, people and know-how. This economic turmoil will eventually pass. Even though we may have to retune our vision for the future, immediate challenges will not overshadow that vision.

We are making specific changes in our short-range priorities to ensure that a stable, healthy Nissan comes out of the other side of the storm. We continue to prepare for the major evolutions that are occurring in our industry. We are not compromising our efforts to mass-market the electric car. We are not compromising our focus on quality in our products and services. As we prepare our global entry-car lineup for consumers in the developing world, we may be tactically adjusting the pace of development and adapting the resources dedicated to our work, but we are not moving away from what is important for Nissan's future.

I remain optimistic about the future of the car industry for several reasons. First of all, the human population continues to grow, from 6.4 billion today to a forecasted 9 billion by 2050. Second, growth prospects and our industry's potential remain high in the world's developing economies. As people achieve higher standards of living, a car is one of the first major purchases they hope to make. There is no substitute for the automobile when it comes to providing the autonomy people seek in transportation. This demand will continue to propel our industry forward.

As more cars fill more roadways around the world, we recognize the need to develop automotive solutions to address the demand for a cleaner planet. Zero-emission cars, such as electric cars and fuel-cell vehicles, will be an answer.



**Carlos Ghosn**

President and Chief Executive Officer  
Nissan Motor Co., Ltd.

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Nissan's flagship product in dealing with environmental concerns will be the electric car, and the Renault-Nissan Alliance will be first to mass-market them. The current crisis is forcing some manufacturers to cut investments in electric cars and delay development programs, but we are maintaining our focus on electric vehicles. We will introduce our first electric cars in Japan and the United States in 2010 and will mass-market them around the world in 2012.

For consumers in developing economies, we are also working on platforms for affordable, fuel-efficient entry cars. These vehicles will bring mobility within reach for a vast segment of the global population. Our first global entry car will be produced at the end of fiscal year 2009.

Another area of focus for Nissan is safety technologies. As described in this report, we consider the safety of people not just within the vehicle, but of pedestrians and passengers in other cars as well. Cars with enhanced connectivity will let drivers communicate more closely with the vehicle and allow vehicles to communicate with other cars and the traffic environment surrounding them. Here, too, we are making real-world advances. We worked together with the city of Beijing on communication and navigation systems to help keep traffic moving smoothly and contribute to energy conservation, putting them to use on the city's streets during the 2008 Summer Olympics.

Nissan is hard at work today helping to create the mobility society and solutions people can count on to enrich their lives. Our progress in all these areas—in environment-friendly technologies, in passenger/pedestrian safety, in affordable entry cars—is a promise of sustainability for the future.

Nissan cannot ensure sustainability through its own efforts alone, so we are engaged in many collaborative efforts.

For example, besides the battery technology and all the components that make up an electric vehicle, a supporting physical and economic infrastructure is also essential. Making the next generation of electric vehicles a reality requires cooperation from governments, electricity providers and many other specialists who will make the whole system work. We are talking to governments about shaping public policy, designating preferential parking or highway access, and approving tax credits that can put this new technology within the reach of car buyers. As we work with national and local governments, we are talking to electric utility companies and other third parties about building networks of EV charging stations. We are also talking about the longer-range need to boost funding for renewable energy. Over the long term, renewable energy sources could provide the cleanest form of energy and lessen the dependence on petroleum-based fuels. With electricity produced by the sun, wind or water, the zero-emission cycle would be complete since the cars themselves produce no emissions—and the outcome would be truly sustainable mobility.

For automakers, any new technology bears significant investments, which is one reason why the Renault-Nissan Alliance is working jointly on electric cars. Scale will be a key factor in determining the success of green cars in the marketplace. By sharing the risk, sharing investment costs and achieving lower costs per unit, both Nissan and Renault can execute their green strategies and make cars more affordable to the mass market.

In a sense, the Alliance itself is a tremendous conservationist entity. By sharing the resources of two major automakers, we eliminate overlap, redundancy and the waste of resources.

We have the advantage of a decade of experience in the Alliance with Renault. Our partnership has let us take advantage of diversity on a global scale and create a truly global platform for vehicle

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development and manufacturing. When we formed this relationship, Nissan and Renault sought synergies within the Alliance as a preferred option; in today's economic environment and given both companies' current situations, strengthening ties and seeking synergies is becoming mandatory. Other car makers are now seeking the scale and competitive advantages that alliance synergies can provide. We have a 10-year lead in our partnership, so strengthening our existing ties further will prove to be a valuable asset.

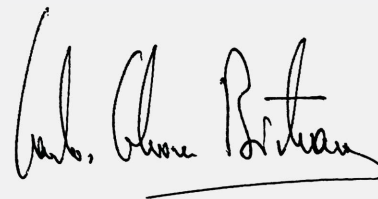
All stakeholders are concerned about a mix of short- and long-term factors. Shareholders want to see healthy dividends, customers want lower prices and better service, suppliers and dealers want more business and better margins and employees want salaries to go up. We cannot set these concerns aside with promises that we are building for what will happen a decade from now; the short term is important.

None of these stakeholders wants us to focus on these issues to the detriment of Nissan's future, though. Many shareholders are long-term holders of our shares, looking for steady appreciation in addition to regular dividends. Employees and business partners want their relationships with Nissan to last. And when customers buy a car they will use for years, they want an ongoing sales and service relationship with us. So short-term benefits must be fed by a long-term strategy, and this must be transparent to all our stakeholders.

Society's demands are not static. People's desires and requirements are constantly changing, and a responsible company must be responsive to these shifts. The age is behind us when an automaker could operate on its own, thinking only of making and selling its products. Society expects more from us, and we expect more from ourselves as well. Nissan is working to prepare comprehensive systems corresponding to societal objectives, such as zero-emission transportation, involving clean vehicles as well as clean sources of power for them, and better traffic environments. We continue to build trust by being engaged in programs to support education, to nurture diversity and to extend donations in times of natural disasters. Our long-term mission is to enrich people's lives, and we are working on many fronts to fulfill that ambition.

The current operating environment is testing automakers' ability to balance short- and long-term objectives. At Nissan, we will adapt and make the constant efforts needed to pass the test successfully. Our actions today are designed to help us survive the current crisis and assure the vitality of our company tomorrow.

This report details our efforts. We hope you find it to be an informative roadmap toward our future.



**Carlos Ghosn**

President and Chief Executive Officer  
Nissan Motor Co., Ltd.