



Patrol

Corporate Governance

Maintaining Trust Through Transparency

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Enhancing corporate governance policies is essential for Nissan to fulfill its corporate social responsibilities. We strive to maintain a high level of management transparency by disclosing to stakeholders our business goals and guidelines that clearly indicate management responsibility, and by sharing information on our progress toward these goals as promptly as possible. As a company we will work to continue earning the trust of our stakeholders.

THE NISSAN WAY

Through Nissan's Alliance with Renault, we have developed a corporate culture that creates new values while respecting different cultures and diversity. The Nissan Way, the crystallization of our business principles, was developed based on the thinking that we could apply what we have learned in that process to our corporate activities to help ensure our future growth. It outlines five "mindsets" and five "actions" to guide our achievement of greater results while we continuously create new value with a steady focus on the customer. The Nissan Way has been made available in eight languages (Japanese, English, French, Chinese, German, Spanish, Dutch and Russian) for our employees worldwide. Building on these principles, we emphasize the idea that "the power comes from inside." We encourage employees to think about what they can do individually with the belief that their efforts to overcome challenges are the driving force for Nissan's growth.

"The power comes from inside"

The focus is the customer, the driving force is value creation and the measurement of success is profit.

Mindsets

- 1. Cross-functional, Cross-cultural**
Be open and show empathy towards different views; welcome diversity.
- 2. Transparent**
Be clear, be simple, no vagueness and no hiding.
- 3. Learner**
Be passionate. Learn from every opportunity; create a learning company.
- 4. Frugal**
Achieve maximum results with minimum resources.
- 5. Competitive**
No complacency, focus on competition and continuous benchmarking.

Actions

- 1. Motivate**
How are you energizing yourself and others?
- 2. Commit and Target**
Are you accountable and are you stretching enough toward your potential?
- 3. Perform**
Are you fully focused on delivering results?
- 4. Measure**
How do you assess performance?
- 5. Challenge**
How are you driving continuous and competitive progress across the company?

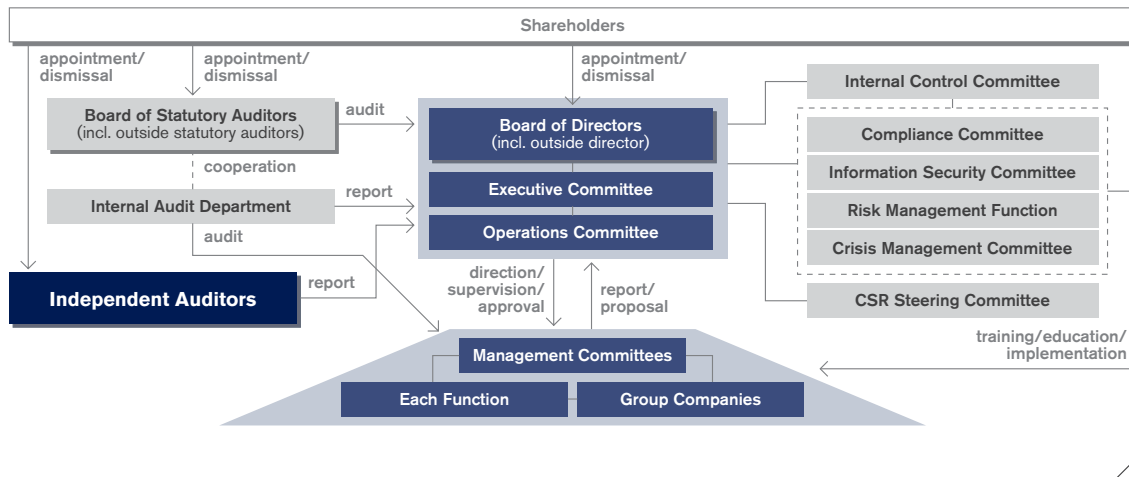
INTERNAL CONTROL SYSTEMS AND COMPLIANCE

Internal Control Systems for Fair, Transparent Business

Nissan places high value on transparency, both internally and externally, in its corporate management. We focus consistently on the implementation of efficient management for the purpose of achieving clear and quantifiable commitments. In line with this principle, and in accordance with Japan's Company Law and its related regulations, the Board of Directors has decided on the Internal Control Systems to pursue these goals and on its own basic policy. The board continually monitors the implementation status of these systems and the policy, making adjustments and improvements as necessary. One board member has also been assigned to oversee the Internal Control Systems as a whole.

Nissan has adopted a system under which the Board of Statutory Auditors oversees the Board of Directors. The Statutory Auditors attend board and other key meetings, and also carry out interviews with board members to audit their activities. The Statutory Auditors regularly receive reports on the results of inspections and plans for future audits from independent accounting auditors, as well as exchange information to confirm these reports. The Statutory Auditors also receive regular reports from the Japan Internal Audit Office, making use of this information for their own audits.

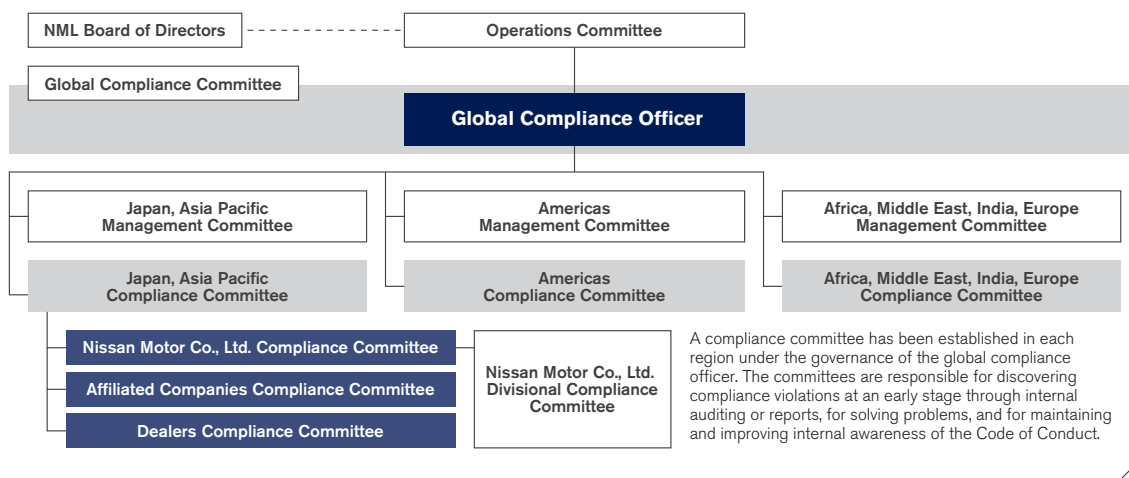
Nissan's Internal Governance System



Legal Compliance Framework

Nissan's CSR approach is founded on compliance. We produced the Nissan Global Code of Conduct in 2001, outlining a set of guidelines for all employees of the Nissan Group worldwide. In addition, three regional Compliance Committees have been established as supports to a global system for preventing incidents of illegal and unethical behavior. The committees work together to maintain and promote our high compliance standards.

FY2010 Global Compliance Committee Organization



Global Educational Activities to Promote Compliance

As a means of fostering compliance awareness throughout the company, Nissan has established groups and placed officers in charge of promoting compliance policy in each region where it operates. We place special emphasis on education to ensure that all employees have a correct understanding of the Code of Conduct and, as a result, make fair, transparent judgments in the course of their duties.

To ensure full understanding of the code in Japan, all employees, including executives, take an e-learning or video training course based on the Japanese version of the Nissan Code of Conduct—“Our Promises,” instituted in April 2004—after which they sign an agreement to abide by it.

The Nissan Code of Conduct was revised in fiscal 2010 to correspond to legal amendments and changes to portions of our internal rules, and re-education activities for all employees will begin in the same year to strengthen their awareness of compliance issues.

Education programs to promote compliance are held regularly for all employees in North America, and a set of universal guidelines has been drawn up for each country in Europe. Compliance-related training is also being carried out in the General Overseas Markets based on guidelines that take into account conditions in each of those countries. Moreover, all group-affiliated companies have introduced their own codes based on the Nissan Code of Conduct.

Additionally, we have created sets of internal regulations covering the global prevention of insider trading and the management of personal information. Nissan seeks to heighten awareness of compliance companywide through such measures as well as various education and training programs.

Global Code of Conduct for Nissan Group

Principle

Nissan shall consistently treat customers, employees, shareholders, suppliers and communities with honesty, integrity, fairness and respect.

The following standards apply to all employees in Nissan Group companies. Each member of the companies is charged with the responsibility to uphold and extend this Code of Conduct.

Global Code of Conduct

1. Comply with All Laws and Rules
2. Avoid Conflicts of Interest
3. Preserve Company Assets
4. Be Impartial and Fair
5. Be Transparent and Accountable
6. Value Diversity and Provide Equal Opportunity
7. Be Environmentally Responsible
8. Be Active; Report Violations

Our Stance Against Discrimination and Harassment

Item 6 of Nissan's Global Code of Conduct, “Value Diversity and Provide Equal Opportunity,” is our requirement to accept, value and respect the diversity to be found among our employees, business partners, customers and communities where we do business, and to reject discrimination and harassment in all their forms, no matter how minor they may be. Nissan executives and employees must respect the human rights of others, and may not discriminate against nor harass others based on race, nationality, gender, religion, physical capability, age, place of origin or other reason; nor may they allow such a situation to go unchecked if discovered. We also work to ensure that all employees, both male and female, can work in an environment free from sexual and other forms of harassment.

Internal Reporting System for Corporate Soundness

Nissan employs the Easy Voice System to promote the spirit of compliance among employees and facilitate sound business practices. This internal reporting mechanism allows employees to submit opinions, questions or requests to the company. It has played an instrumental role in creating a self-managed, compliance-oriented corporate culture. This system, which offers full protection to any persons offering information in accordance with Japan's Whistleblower Protection Act of April 2006, has been put in place in all Nissan Group companies in Japan.

In Japan we began accepting Easy Voice comments by e-mail in October 2008. An internal reporting system was also introduced in the first half of fiscal 2009 for Nissan's North American operations. In that market we are now working to consolidate compliance issues on a comprehensive basis. In the coming years we will expand such internal reporting systems globally.

Independent Internal Audits

Nissan has established the Global Internal Audit unit, an independent department under the direct control of the Chief Operating Officer, to handle internal auditing tasks. Under the control of the Chief Internal Audit Officer, audit teams set up in each region carry out efficient, effective auditing of Nissan's activities on a groupwide and global basis.

Principles for and Approach to Corporate Risk Management

For Nissan, the term *risk* refers to any factor that may prevent the Nissan Group from achieving its business objectives. By detecting risk as early as possible, examining it, planning the necessary measures to address it and implementing those measures, we work to minimize the materialization of risk and the impact of damage caused should it arise. Risk management must be a real-world activity closely linked at all times with concrete measures. Based on its Global Risk Management Policy, Nissan carries out activities on a comprehensive, groupwide basis.

In order to respond swiftly to changes in its business environment, Nissan has set up a department in charge of risk management, which carries out annual interviews of corporate officers, carefully investigating various potential risks and revising the company's "risk map" in line with impact, frequency and control level. An executive-level committee makes decisions on risk issues that must be handled at the corporate level and designates "risk owners" to manage the risks. Under the leadership of these owners, the company designs appropriate countermeasures. Finally, the board member in charge of internal controls (currently the chief operating officer) regularly reports to the Board of Directors on progress being made.

With respect to individual business risks, each division is responsible for taking the preventive measures necessary to minimize the frequency of risk issues and their impact when they do arise as part of its ordinary business activities. The divisions also prepare emergency measures to put in place when risk factors do materialize. Nissan Group companies in Japan and overseas are strengthening communication in order to share basic processes and tools for risk management, as well as related information, throughout the group.

In 2009 we set up a website as part of WIN, our corporate intranet system, addressing companywide risk management issues. We also share information on risk management with partner companies in Japan, North America and Europe, as well as other markets.

The Current State of Nissan's Risk Management

Below we present some of our efforts to address Nissan's corporate risks.

1. Risks Related to Financial Markets

A. Liquidity

Liquidity is one of the fundamental risk factors affecting companies. The financial crisis touched off in the second half of 2008 has driven home the importance of careful management of this risk. Nissan established a liquidity policy and clear, objective guidelines for the level of funding needed for its business operations. Based on these, we have moved to diversify risk in this area through a combination of several funding sources.

B. Financial markets

In financial markets, we are exposed to the risk of fluctuating commodity costs, foreign exchange rates and interest rates. As a long-term measure to address this, Nissan is promoting the production of vehicles in markets where they are used and the geographic optimization of its parts procurement. With respect to material costs, we are engaged in research to reduce the amount of rare metals used, among other steps. In the shorter term we may hedge against risk within certain ranges prescribed by internal regulations. We are also addressing interest rate risk by striking an appropriate balance between fixed- and variable-rate financing.

C. Sales finance

In its sales financing operations, Nissan is exposed to interest rate fluctuations, the risk that financial receivables may not be recovered from customers or sales companies (credit risk), and risk in the form of fluctuating residual values for leased vehicles. With respect to interest rates, we calculate risk with statistical methods, controlling the interest rate maturities of both assets and liabilities to maintain the risks within acceptable levels. To address credit risk, meanwhile, we gauge the creditworthiness of counterparties through careful assessments, implement appropriate measures for account receivable protection and maintain allowance as needed. For residual value risk, we work to define objective values in lease contracts and to maintain the value of our used vehicles, in addition to setting aside sufficient allowance to cover residual value losses.

D. Financial institutions, pension liability

Nissan maintains a certain level of assets with multiple financial institutions. To protect these assets, we have set up our own system for assessing creditworthiness, strengthening our position against the counterparties' credit risk.

We have established a pension committee including members of senior management to oversee pension assets related to our retirement benefit systems. In its regular meetings, the committee makes decisions on asset management, discusses assessment of asset-managing institutions and their track records and addresses other issues.

2. Risks Related to Corporate Strategy, Competitiveness

A. Product strategies

Nissan's plans for future product lineups form the core of its future profitability and potential for sustainable growth. As part of our strategic product-planning process, we monitor a number of risk scenarios, including future shifts in global markets and demand levels, assessing their potential impact on the profitability of our entire lineup. We review these plans as necessary in order to help ensure profitable business and sustainable growth into the future.

B. Quality of products and service

Nissan is making companywide efforts to achieve "quality leadership," the goal of becoming a recognized leader in quality areas by fiscal 2012. To this end, we constantly monitor our progress in quality improvement activities in each market. However, because an automobile is a very complicated, sophisticated engineering product, unexpected incidents cannot be perfectly prevented. If a problem does arise once a new model is on the market, we promptly implement analysis and take actions as necessary. We then move to thoroughly analyze the nature of the problem and ensure that it will not recur in vehicles under development or in production.

In addition to these quality assurance measures in our new vehicle projects and our everyday activities to improve quality, in fiscal 2009 we established a framework for quality risk management. To ensure that our efforts being carried out today will continue into the future, we take a broad overview of the situation, revealing potential risks, assessing risk levels and designating officers to follow them up as called for. A Quality Risk Management Committee chaired by an executive vice president meets twice a year to discuss related issues.

C. Compliance-related reputation

Nissan makes a range of efforts to foster and put into practice a compliance-oriented mindset among its employees. We also work to put internal regulations in place on a global scale to prevent insider trading and securely manage personal information, among other goals. By engaging in employee education programs and training activities on the importance of observing these internal rules and important public laws, we seek to counter risks to the company's reputation.

3. Risks Affecting Business Continuity

A. Large-scale disasters

Nissan places top priority on protecting human life. When an earthquake measuring 5-upper or higher on the Japanese seismic intensity scale strikes one of our business locations in Japan, a first-response team made up of key members of the Global Disaster Control Headquarters moves swiftly to collect information. The team then calls into action the Global Headquarters, or a Regional Disaster Headquarters at the affected site, to confirm employees' safety, ascertain disaster conditions and take needed steps to keep operations running. We are also working in advance of major disasters to identify priority operations for each department in our entire organization to pursue in an emergency as part of our business continuity plan (BCP). Our suppliers join us in efforts to implement this BCP on a broad basis. The Global Disaster Control Headquarters and Regional Disaster Headquarters carry out drills simulating a major earthquake to make sure that all parties are able to function and take appropriate actions when the time comes. We stay prepared by revising our plans in response to issues clarified through these drills.

B. New influenza strains

In response to the outbreak of a new strain of influenza in April 2009, Nissan created a global framework to address disease issues, produced a number of response manuals, built up stocks of medicine and sanitation equipment and created an influenza-specific BCP. We will remain prepared against new outbreaks by keeping our response team fully staffed and our BCP up to date, as well as by keeping employees informed about ways to prevent infection on an ongoing basis.

C. Interruptions in production continuity

In order to minimize the impact of disaster on its production, Nissan has carried out earthquake preparedness measures for its physical infrastructure (quakeproofing and reinforcement of buildings and other facilities) and has created recovery manuals aimed at reducing the recovery time following a disaster. To ensure continuity of our operations, we are also prepared to actively adjust our resource allocation in response to major shifts in demand. We will continue to improve our disaster preparedness still more as we also focus on quality issues that may affect this continuity. To address quality risk relating to the increasing amounts of parts procured in developing economies, we audit prospective suppliers thoroughly prior to selection and offer them support to improve their quality after we choose them. At the mass-production stage, we also carry out quality checks at various points in the manufacturing and distribution processes.

D. Interruptions in supply continuity

In addition to auditing the financial health of suppliers and managing our relations with them via our Supplier Risk Management Committee, we are responding to climbing credit risks among suppliers by issuing monthly reports on risk conditions and projected expenditures that would be needed to address risk. When unforeseen conditions arise, we are prepared to launch cross-functional committees capable of swift response, and we have prepared rules governing their authority to allow them to make needed decisions right away when needed.

Ensuring Personal Information Protection and Reinforcing Information Security

Aware of our social responsibility to properly handle customers' personal information, Nissan has set up internal systems, rules and procedures for handling personal data in full compliance with Japan's Personal Information Protection Act. All companies in Japan associated with Nissan are fully enforcing these processes.

Moreover, Nissan shares with group companies worldwide its Information Security Policy as its basis to reinforce overall information security. We have also established an Information Security Committee, which implements measures as necessary to further strengthen information security to prevent information leaks and other such incidents. Furthermore, we carry out various in-house programs every year to thoroughly educate and motivate employees to uphold their responsibilities in this regard.

WEB
 Please see our website for additional details on Nissan's measures to protect privacy.
http://www.nissan-global.com/EN/SITE_INFO/PRIVACY/

Nissan as a Responsible Global Citizen

Since January 2004, Nissan Motor Co., Ltd. has participated in the United Nations Global Compact, a corporate responsibility initiative built around universal principles regarding human rights, labor, the environment and anti-corruption. The U.N. Global Compact was originally proposed by U.N. Secretary-General Kofi Annan in an address to the World Economic Forum (Davos forum) in 1999. Businesses may pledge to support its principles of their own free will.

In order to convey its progress in activities that contribute to fulfilling these 10 principles, Nissan publishes its annual Sustainability Reports on the U.N. Global Compact website.



WEB
 Additional information on the Global Compact is available online.
<http://www.unglobalcompact.org/>

The 10 Principles of the Global Compact

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labor Standards

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Joining the World Business Council for Sustainable Development

Nissan is a member of the World Business Council for Sustainable Development (WBCSD), an international association of companies with a shared interest in sustainable development based on three pillars of economic growth, environmental preservation and societal fairness. Some 200 companies from more than 35 countries and 20 major industrial sectors have joined the WBCSD.

The Council pursues the following objectives in contributing to industry.

- Business Leadership:** to be a leading business advocate on sustainable development
- Policy Development:** to help develop policies that create framework conditions for the business contribution to sustainable development
- The Business Case:** to develop and promote the business case for sustainable development
- Best Practice:** to demonstrate the business contribution to sustainable development and share best practices among members
- Global Outreach:** to contribute to a sustainable future for developing nations and nations in transition

WEB
 Additional information on the WBCSD is available online.
<http://www.wbcd.org/>

THE RENAULT-NISSAN ALLIANCE

WEB

Please see our website for more information on the Renault-Nissan Alliance.

<http://www.nissan-global.com/EN/COMPANY/PROFILE/ALLIANCE/RENAULT01/index.html>

Working Together to Create Lasting Value

Launched on March 27, 1999, the Renault-Nissan Alliance has built a unique business model that has created significant value for both companies. Objectively the most enduring, stable and successful of all the global auto industry partnerships, the Alliance now enters its second decade with the same founding principles of trust and the pursuit of strategies aimed at mutual success.



Comprising five brands—Renault, Dacia, Renault Samsung, Nissan and Infiniti—the Alliance sold a combined 6.1 million vehicles* in 2009, making it the fourth largest automotive group in the world.

* This figure includes Lada sales (AvtoVAZ of Russia).

Principles of the Alliance

The Alliance is based on trust and mutual respect. Its transparent organization ensures clear decision-making for speed, accountability and a high level of performance. The Alliance seeks to maximize efficiency by combining the strengths of both companies and developing synergies through such common organizations as the Renault-Nissan Purchasing Organization (RNPO), joint working groups and shared platforms, components and industrial facilities.

Operating in 190 countries around the world, the Alliance seeks to attract the best global talent, providing good working conditions and challenging opportunities. It encourages employees to develop a global and entrepreneurial mindset. The Alliance targets attractive returns for the shareholders of each company and complies with best practices in corporate governance. It upholds the principles of sustainable development in all areas of its business operations.

Alliance Objectives

The Alliance pursues a strategy of profitable growth with three objectives:

1. To be recognized by customers as being among the best three automotive groups in the quality and value of its products and services in each region and market segment
2. To be among the best three automotive groups in key technologies, each partner being a leader in specific domains of excellence
3. To consistently generate a total operating profit among the top three automotive groups in the world, by maintaining a high operating margin and steady growth

Multi-Cultural Management

Nissan and Renault, headquartered in Yokohama and Paris respectively, have separate management structures. The responsibility for managing their activities lies with their respective executive committees, which are answerable to their own boards of directors and shareholders.

In March 2002, the Alliance set up a strategic management company incorporated under Dutch law and jointly and equally owned by Nissan and Renault. The aim was to establish a common strategy and manage all synergies. Renault-Nissan b.v. (RNBV) hosts the Alliance Board, chaired by Carlos Ghosn, chairman and CEO of the Renault-Nissan Alliance. The board steers the Alliance's medium- and long-term strategy and is made up of three directors each from Renault and Nissan. Other members of the Renault group's Executive Committee and the Nissan Executive Committee (the most senior directors in each company) also attend meetings of the Alliance Board, which are held up to 10 times a year.

In May 2009, the Alliance organization was strengthened by the creation of a small, dedicated team to foster deeper, broader cooperation and to maximize the contribution of synergies to the performance of both partners. This new team focuses on the following priority areas: purchasing, global sourcing, common platforms and parts, powertrains, support functions, global logistics, IS/IT, research and advanced technologies and the new zero-emission business. In 2010, two new strategic business initiatives were added to these areas: the battery business (for the development of electric vehicles) and entry cars, supporting Alliance growth in emerging markets. The team reports directly to the Alliance CEO and meets monthly to review projects and make recommendations to the Alliance Board on new areas of synergies and business opportunity.

In addition, there are more than 30 joint working groups, called Cross Company Teams or Functional Task Teams, dedicated to the Alliance. These groups operate in all the main sectors and areas of activity and are tasked with exploring new synergies between the two companies. Team managers report regularly to the Alliance Board on the progress made in their specific areas of activity.

In April 2010, the Alliance signed an agreement with Daimler AG to establish a new strategic partnership. The agreement, which included a new cross-shareholding structure among Renault, Nissan and Daimler, is initially focused on several projects including a jointly developed replacement for the Renault Twingo and Daimler Smart and the use of Daimler engines for the Infiniti premium brand.

Alliance & Sustainability: Zero-Emission Leadership

In 2007, the Alliance declared its intention to be the global leader in the mass marketing of zero-emission vehicles. 2009 saw substantial progress toward that objective, driven by the strong alignment and cooperation between the two companies. With the first electric vehicle (EV), the Nissan LEAF, launching in late 2010, the Alliance is investing €4 billion in research, engineering, product development and manufacturing. A further seven EVs have been confirmed for production across the Renault, Nissan and Infiniti brands.

At the heart of the Alliance leadership strategy in zero-emission vehicles is the battery. Our advanced technology and control of the total supply chain will give the Alliance an advantage unmatched in the global automotive industry. During 2009, the Alliance confirmed five all-new battery production plants to be built in Japan, France, the United States, the United Kingdom and Portugal. When fully operational, these plants will give the Alliance battery production capacity of 500,000 units a year.

The Benefits of Scale and Synergy

At the heart of the Alliance is the principle of "win-win." As each partner develops and executes its strategic plans, opportunities to leverage the scale and synergy effect of the Alliance are presented. In each project or initiative where the two partners are involved—such as a new manufacturing plant or shared platform—a careful evaluation is made to ensure that the time and resources invested from both sides will produce tangible results and benefits to each company.

With global volume of over 6 million vehicles a year, the Alliance is well positioned in the global auto industry to make full use of this scale. In many cases, this enables the Alliance to make investments in new products, technologies and markets that would be impossible or highly resource-intensive for the individual companies to pursue alone. Examples of this include the drive toward mass-marketed EVs and the development of multiple engine technologies that can meet a broad range of future consumer and regulatory demands.

In March 2010, the Alliance inaugurated its first dedicated all-new manufacturing plant, located in Chennai, India. When fully operational, this plant will have the capacity to produce 400,000 vehicles a year for both Renault and Nissan. By using the scale of the Alliance and sharing the core investment costs, both partners were able to develop localized manufacturing capacity in India at a lower cost and higher speed than would have been possible operating alone.