



Nissan: Enriching People's Lives

Sustainability Report 2011

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NISSAN



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Introduction

Guided by its corporate vision of Enriching People's Lives, Nissan aims to contribute to the sustainable development of society through its full range of global business activities in addition to providing value through its products and services. Our pioneering efforts to promote electric vehicles and to make mobility more affordable for people in emerging economies are part of our corporate social responsibility initiatives rooted in this vision.

In order to share our activities in these fields with as many people as possible, each year we publish this Sustainability Report, which presents our CSR-related thinking and activities. We believe that sharing this information broadly with stakeholders increases the transparency of our actions, as well as giving us an opportunity to improve our activities by incorporating external feedback, thereby contributing to the development of society.

In 2006 we published our last print edition of the Sustainability Report. Out of consideration for the environment, we now publish the report exclusively online. It can be downloaded from our website as PDF files.

CORPORATE PROFILE

Date of Establishment: December 26, 1933

Consolidated Net Revenue (Fiscal 2010):
¥8,7731 trillion

Number of Employees (As of March 31, 2011):
155,099

Group Structure and Business Outline:

The Nissan Group consists of Nissan Motor Co., Ltd., subsidiaries, affiliates and other associated companies. Its main business includes sales and production of vehicles, forklifts, marine products and related parts. The Nissan Group also provides various services accompanying its main business, such as logistics and sales finance.

Vision:

Nissan: Enriching People's Lives

Mission:

Nissan provides unique and innovative automotive products and services that deliver superior measurable values to all stakeholders* in alliance with Renault.

* Our stakeholders include customers, shareholders, employees, dealers and suppliers, as well as the communities where we work and operate.

Our Related Websites

Corporate Information

<http://www.nissan-global.com/EN/COMPANY/>

Environmental Activities

<http://www.nissan-global.com/EN/ENVIRONMENT/>

IR Information

<http://www.nissan-global.com/EN/IR/>

Product Information (by Country)

<http://www.nissan-global.com/EN/GLOBAL/>

Product Information (Japan)

<http://www.nissan.co.jp/>

Citizenship Activities

<http://www.nissan-global.com/EN/CITIZENSHIP/>

Corporate Social Responsibility

<http://www.nissan-global.com/EN/COMPANY/CSR/>

Quality Initiatives

<http://www.nissan-global.com/EN/QUALITY/>

Safety Activities

<http://www.nissan-global.com/EN/SAFETY/>

Latest Technologies

<http://www.nissan-global.com/EN/TECHNOLOGY/>

Design Activities

<http://www.nissan-global.com/EN/DESIGN/>

Company Information Library

<http://www.nissan-global.com/EN/COMPANY/LIBRARY/>

CEO Interview

Toward a New Chapter in Automotive History

Nissan has performed well coming out of the financial crisis that started in 2008 and is charting a bold course to the future of zero-emission mobility with the Nissan LEAF, the first affordable, mass-marketed, 100%-electric car. But the earthquake that shook eastern Japan on March 11, 2011, has presented the company with a new set of challenges to overcome, as well as the opportunity to reconsider the nature of the company as it again confronts crisis. Corporate social responsibility (CSR) specialist Peter David Pedersen asked Nissan President and CEO Carlos Ghosn about Nissan's approach to CSR issues and his views on the future of the company and global mobility.



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

Peter David Pedersen: The massive earthquake and tsunami on March 11 brought deep change to the Japanese economy and business environment. In a time of crisis, do you see corporate social responsibility taking on greater importance or new meaning for corporations?

Carlos Ghosn: We face a shifting risk environment at all times, not just at times of major disasters. No company, no matter how far back its tradition goes, can stay the same and survive in a state of constantly changing risk. Managing risk flexibly and effectively is a key to long-term success.

For Nissan, risk management—which has crisis response as a major component—is always a key part of fulfilling our corporate responsibility to society. The role of CSR does not change when we face a disaster on the scale of the March 11 earthquake and tsunami, but it does stand out in sharper relief in times of crisis.

Pedersen: You recently reorganized the way Nissan manages CSR issues, setting up a direct line of communication between the CSR officer and you as CEO. Why have you restructured at this time? Is there something in the business climate that makes such a change imperative for Nissan?

Ghosn: I think this is a normal evolution, although it has been accelerated by our experiencing two major crises in recent years—first the financial crisis that started in 2008 and, second, the 2011 earthquake. When events of this magnitude happen, suddenly the values that were considered obvious in society become less obvious and people question the values of corporations. People both within and outside Nissan revisit fundamental questions about the purpose of the company: What is its reason for being? What is it working for? What relative weight does it place on its values?

When we created the direct line of communication between the CSR officer and the CEO, we sent an extremely important signal that CSR is foremost in the minds of the leaders of the company. Everything we do has a social meaning—not only in terms of technology, but also what we are doing to support communities. And it's not sufficient just to *do* it; we give meaning by communicating our actions to people so that they understand their importance and the reasons why we are pursuing those actions.



Peter David Pedersen

Chief Executive
E-Square Inc.

Chief executive of E-Square Inc., a sustainability consultancy in Tokyo, Japan. Has extensive experience working with Japanese multinational corporations on sustainability and CSR issues, in particular facilitating vision and strategy building. Is also a much sought-after moderator of stakeholder dialogues.



I am not micromanaging Nissan's CSR activities, but I am paying attention to Nissan's CSR priorities, resources and content. This direct link from the CSR group to my office ensures swift action. There is no unnecessary debate about our decisions. We need no arbitration once a policy is set; we just have to take action.

This is why repositioning CSR in the company—clarifying our priorities—was important. Everything we do as a company has meaning in light of CSR, and now the CSR team can make direct suggestions about what new priorities and new actions we need, confident that they are being heard at the top level of the company.

Pedersen: Does this mean Nissan has staked out a new leadership role in the area of CSR?

Ghosn: It is not for us to say whether we are leading or innovating in this field. Whether Nissan is ahead of the game or below average is something for people outside our organization to decide. We are starting from what we feel society needs and what we are capable of doing, and we are taking the initiative in that direction. If we find ourselves in a leadership position as a result, that's great. But CSR is not a competition.

That being said, we are working very hard to be a leader in certain areas that are often defined as CSR-oriented for their eco-awareness. We have set a course toward zero-emission mobility and sustainable mobility for all.

Nissan is a business. We develop our technologies and products in order to develop our company and to meet the demands expressed—or yet to be expressed—by society. In the case of zero-emission mobility, we believe this demand is coming. The signs are evident. Customers aren't saying, "I want to buy an electric car"; they are saying, "I want something different" or "I want something compatible with the environment." The need exists, and it's a good need. Environment-compatible products will be beneficial for Nissan because consumers want them, and they will be beneficial to society as a whole. We are developing the technology in order to make them an affordable, mass-marketable, zero-emission reality.

Pedersen: This reality is already here in the form of the Nissan LEAF. It's exciting to see that you're advancing the Nissan LEAF not as a green niche product, but as a global strategy vehicle.

Ghosn: The Nissan LEAF is our flagship eco-car. It's a true game-changer. This initiative is not purely socially driven, of course. We need to justify our investment with a return on our money. But we are not blind to the fact that we are achieving something positive by promoting this technology and product. In a way, we are in a sweet spot with the Nissan LEAF. We are bringing to market a product that consumers will want while doing something good for the planet.

We are not going to see an immediate transformation. But looking at the industry five or 10 years down the road, we will see the return of the mass-marketed, popular electric car. This will be a major new chapter in automotive history.



Pedersen: You're initially rolling out the Nissan LEAF in Japan, the United States and Europe. But Nissan isn't focused solely on these industrialized markets. This new chapter will be more global in nature, right?

Ghosh: This is another facet of sustainability and another key part of Nissan's CSR approach: our drive for mobility for all. As people in the world's growth markets become more affluent, they reach out for the mobility that only cars can give them. Nissan is ready to meet their demand with affordable options and global growth models—vehicles that compete in important segments all around the world.

If all this mobility depends on fossil fuels, though, we will face growing concerns. Will we have enough oil? What will happen to oil prices? What kind of emissions will increasing mobility produce? But when zero-emission cars are a mass-marketable part of reality, and not niche products, they will breathe new life into the idea of sustainability.

What we are doing with the Nissan LEAF, as well as with our highly efficient PURE DRIVE gasoline-powered cars, is displaying options. We are showing people around the globe that low- and zero-emission mobility for all is within reach. We are pointing the way toward solutions that may help us avoid potential ecological crises in the future.

Pedersen: To return to the theme of crisis, particularly the March 11 disaster in eastern Japan, do you see Nissan engaging in the creation of zero-emission infrastructure or encouraging new forms of mobility as rebuilding takes place?

Ghosh: I don't think we'll see a specific region of Japan implementing special efforts toward this sort of goal. But every crisis brings transformation. The earthquake, tsunami and nuclear crisis will be no exception. It's too early to predict what kind of transformation will occur or how deeply it will affect Japan, but some interesting signs are already appearing.

In one of the communities most affected by the earthquake, one form of aid that residents asked us for in particular was electric cars because no gasoline was available in the region. We made available a number of Nissan LEAFs, which people told us were a great help.

I don't think there is any doubt that Japan will shift its energy policy. We're going to see moves in terms of nuclear power, in terms of electric vehicles. A great many changes are happening. The crisis is opening people's eyes to the need to transform Japan's society and energy systems, and the course of this transformation will become clearer as the lessons of March 11 are digested and adapted by Japanese society.

Japan is now sending a strong message of resilience. Nissan, too, has put all its plants back online, including our Iwaki Plant, which was hit hard by the quake. Overcoming crisis like this, ensuring that our people have a place to work and a way to contribute to the economy as Japan recovers, is one way we fulfill our responsibility to society.

When I first came to Nissan in 1999, the crisis we faced was internal. We needed to put our house in order. Over time we made that house strong enough to weather external storms like the financial crisis of recent years and the natural disaster of 2011.

But a company is only as strong as the society around it. We recognize the need to take the initiative, for instance, by helping disaster victims. At Nissan we support the people and society around us. This is our CSR.

Nissan's Approach to CSR

Guided by the vision of Enriching People's Lives, Nissan seeks to create value through the provision of its products and services and to contribute to sustainable social development through all its global activities. To this end, we listen carefully to the concerns of stakeholders around the world, working together with them as we pursue activities that meet society's needs.

Our Idea of CSR

Nissan aims for both sustainable, profitable growth and sustainable social development. The task of balancing the two has made it important to incorporate CSR concepts into our management. Our belief is that strengthening CSR initiatives will help forge relationships of trust with our customers, business partners and other stakeholders.

In its pursuit of CSR-based management, Nissan views three balances as key. First is the balance between short- and long-term perspectives. Faced with a range of challenges, we must make business decisions from a balanced viewpoint taking both short- and long-term concerns into account. Second is the balance between growth and societal development. Rather than pursuing only our own profit, we heed society's concerns and seek mutual sustainable development. And third is the balance of value provided by Nissan to all stakeholders. We take care to provide value to all categories of stakeholder, rather than prioritizing certain ones.

At Nissan, we use CSR as a process-management tool in the pursuit of these three balances in our various fields of business.

Balancing Profitable Growth with Sustainable Development



Three Balances We Pursue

- | | | |
|--|--|---|
| 1. A balance between short- and long-term perspectives | 2. A balance between corporate growth and societal development | 3. A balance of value provided by the company to all its stakeholders |
|--|--|---|

Our CSR Management

We have defined our approach to CSR management by establishing the Nissan CSR Policy and eight key areas of focus for efforts in this field. We have also set up a CSR Steering Committee, composed of 20 midlevel managers of the sections involved with those areas, as a means of organizing and tracking developments in each field across the company. (The committee was unable to meet in fiscal 2010 because of the impact of the March 11, 2011, Tohoku earthquake and tsunami.)

Nissan strives to conduct its business in a way that aligns corporate activities with the demands of society, while taking into careful consideration the views of many stakeholders. At the core is our stance of listening to the voices of society and identifying the seeds of both opportunity and risk. The framework for this plan is built around the PDCA, or "plan, do, check and act," cycle shown below.

Our Vision Nissan: Enriching People's Lives

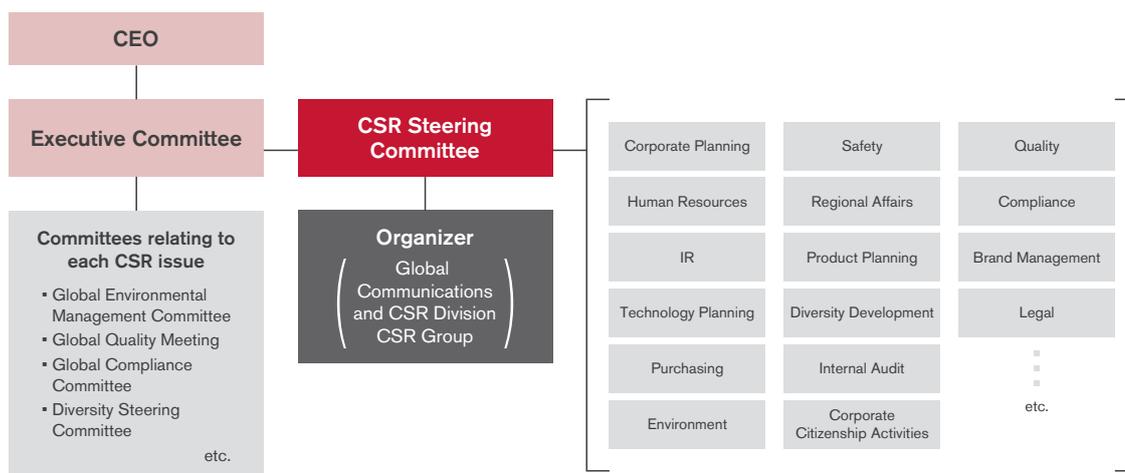
Our Mission Nissan provides unique and innovative automotive products and services that deliver superior measurable values to all stakeholders in alliance with Renault.

Our Business Principles The Nissan Way: "The power comes from inside"
The focus is the customer, the driving force is value creation and the measurement of success is profit.

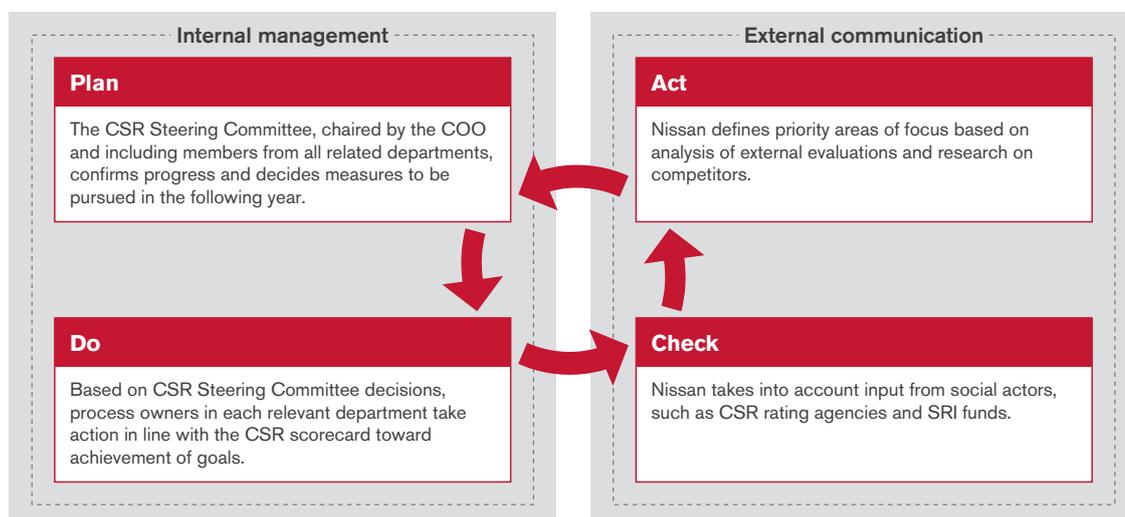
Our CSR Policy

- Ethical conduct, strong corporate governance with a high degree of transparency and a clear focus on diversity are the foundation for all our activities worldwide.
- We aim for the sustained profitable growth of the company, and at the same time contribute proactively to the sustainable development of mobility and society.
- We will listen to, and work with, our stakeholders around the world and create trust, opportunity and long-term sustainable value.

CSR Steering Committee Organization



PDCA Cycle to Promote CSR at Nissan



Defining Our Key Areas and Advancing CSR in Focused Ways

As a global automaker, Nissan specifies eight key areas of focus for its CSR efforts. Each area is indispensable to Nissan's continued viability as a corporation that society trusts and needs. At the same time, we forge even stronger bonds of trust by providing society with added value. Nissan listens to social concerns regarding each of the eight areas, working to swiftly grasp opportunities and risks in each of them as a means of continually improving its business.

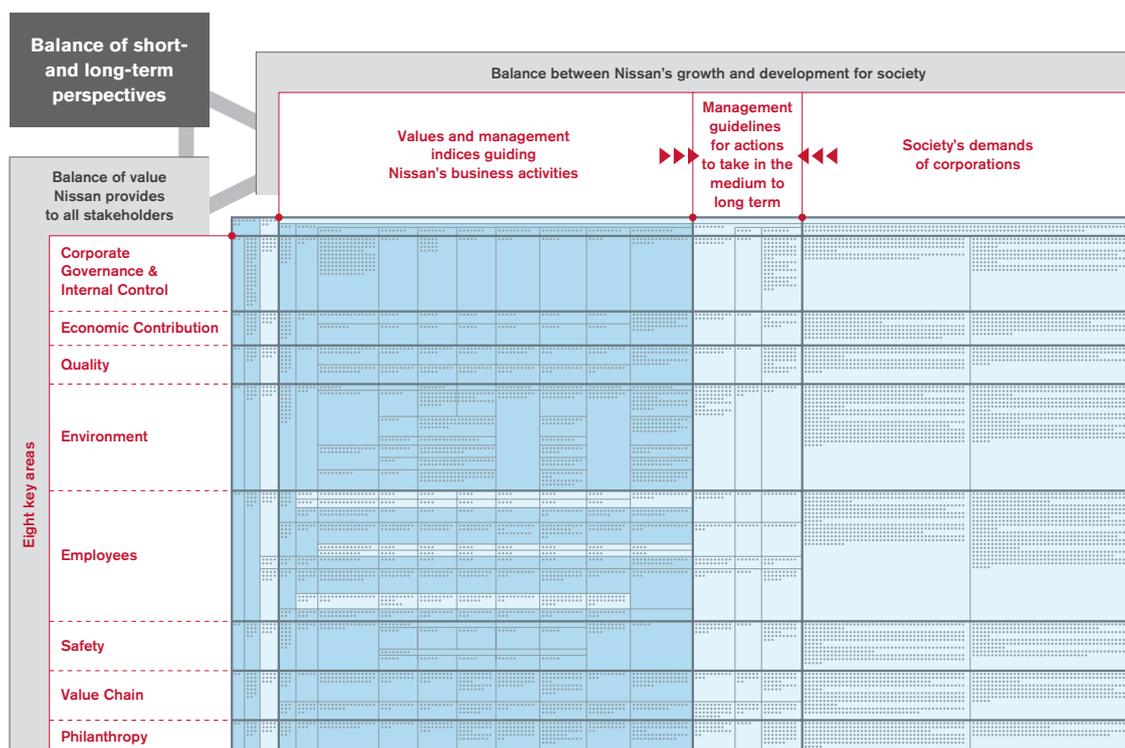
Eight Key Areas for CSR

<p>Corporate Governance & Internal Control</p> <p>Nissan aims to conduct fair, impartial and efficient business activities, having a high degree of transparency and consistency by adhering to the applicable laws and corporate rules.</p>	<p>Environment</p> <p>Nissan aims to lead a social transformation aimed at bringing about a sustainable mobility society by reducing vehicles' environmental impact throughout their life cycle and expanding the lineup of effective green products and technologies.</p>	<p>Safety</p> <p>Nissan develops innovative technology and plays an active role in safety promotion, making the automobile society safer for all.</p>
<p>Economic Contribution</p> <p>Nissan aims for sustainable, profitable growth, contributing to economic development for all of society.</p>	<p>NISSAN</p>	<p>Value Chain</p> <p>Nissan promotes ethical, environmentally sound actions in all stages of the supply chain.</p>
<p>Quality</p> <p>Nissan provides top-level quality in its products and services around the world.</p>	<p>Employees</p> <p>Nissan aims to form an attractive organization where diverse human resources can achieve personal growth through experience in global business.</p>	<p>Philanthropy</p> <p>Nissan carries out social contribution activities as a corporate citizen, focusing on education, environmental awareness and humanitarian relief.</p>

Nissan's CSR Scorecard

Nissan makes year-round use of the CSR scorecard as a fundamental tool for monitoring and reviewing its progress and for bringing the three balances into clearer focus. On its vertical axis we list the eight key areas to check the balance between stakeholders. The horizontal axis, meanwhile, represents the points of intersection between the direction of Nissan's growth and that of society's development. Our aim is to balance short- and long-term perspectives, based on equilibrium between the two axes. Each year we revise the scorecard in line with our progress and release it to the public. (See pp. 103–107 for our scorecard.)

Nissan's CSR Scorecard



Communicating Nissan's CSR Activities Internally

In addition to sharing information with the public via the Sustainability Reports and online, Nissan has long been committed to communication inside the company. We have enhanced this internal communication to prompt individual employees to consider their connection to CSR and translate this into concrete action. Specifically, in December 2010, we published and uploaded to our website the *Nissan CSR Handbook 2010*, which clearly explains the company's CSR stance. The printed version of the handbook was distributed to all Nissan employees in Japan. Nissan holds CSR Caravan study meetings at individual departments and divisions as a means of deepening awareness. Nissan's CSR Headline site, located on our WIN (Workforce Integration @ Nissan) intranet, introduces the company's own activities and provides a wide variety of CSR-related information.



Nissan CSR Handbook 2010 is available for download from our website.

<http://www.nissan-global.com/EN/COMPANY/CSR/LIBRARY/HANDBOOK/2010/>

Future CSR Activities

Nissan will continue promoting its CSR approach by steadily implementing the PDCA cycle to advance CSR not only among management and related divisions but throughout the company as a whole. We will also engage in ongoing dialogue with our stakeholders. The economic climate surrounding the automobile industry remains difficult, but it is our belief that these challenging circumstances in fact give us an opportunity to let people know about Nissan's CSR activities. By energetically communicating these activities, we aim to strengthen our relationship of trust with stakeholders and to build mutual recognition for our respective values.

A Message from the Officer in Charge of CSR Activities



Noriko Ikari

General Manager
CSR Department
Global Communications and CSR Division

A Responsive CSR Approach with a Nissan Touch

As Nissan's business expands, so do the company's influence and responsibility. We are at the same time called upon to respond promptly to unpredictable shifts in our operating environment, such as of the financial crisis touched off by the Lehman Brothers collapse and the massive natural disaster that hit Japan on March 11. In this shifting context, all of us at Nissan are working hard to push forward our CSR initiatives, striving to meet the expectations of our stakeholders and to increase corporate value in a way that reflects the Nissan way of doing business. This is the eighth edition of the Nissan Sustainability Report. We will continue to work to increase transparency and to deepen our stakeholders' understanding of the work we do.

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.

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.



Additional information on the Global Compact is available online.

<http://www.unglobalcompact.org/>

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 Practices: 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



Additional information on the WBCSD is available online.

<http://www.wbcsd.org/>

A Message from the Head of Nissan's Global Disaster Control Headquarters



Toshiyuki Shiga

Chief Operating Officer
Nissan Motor Co., Ltd.

The Time to Fulfill Our Corporate Social Responsibility

Japan suffered horrific damage in the Great East Japan Earthquake disaster of March 11, 2011. I extend my deepest sympathies to those whose lives have been touched by the disaster and pray that reconstruction in the affected areas proceeds as quickly as possible.

Immediately after the disaster, Nissan set up a Global Disaster Control Headquarters. As well as ensuring the safety of all employees, this taskforce has worked to ascertain the level of damage sustained in the disaster—including by our suppliers and sales companies—and has implemented a variety of measures to restore damaged facilities.

Nissan has also been proactive in extending support as a corporate citizen. On the day of the disaster itself, we decided to provide immediate cash assistance. We have made 65 of our Nissan LEAF 100%-electric vehicles available for use in the stricken areas free of charge, as well as 50 Nissan Patrol four-wheel-drive vehicles. Another contribution was our gift to the Japanese Red Cross to match donations raised by employees of the global Nissan Group. To date, Nissan has provided assistance worth a total of ¥430 million. For our employees, there are also special leave arrangements making it easier to take time off to participate in volunteer activities. We will continue to mobilize the strengths of the entire Nissan Group as we continue to do everything in our power to support those affected.

We began repairing our damaged factories soon after the disaster, even before infrastructure had been fully restored and with powerful aftershocks continuing to shake eastern Japan. As a result of concerted efforts by the entire Nissan Group, including valuable support from many other factories, we succeeded in restoring production in all our automobile assembly plants approximately one month after the disaster. The damaged Iwaki Plant also regained its full production capacity on May 17. However, many tasks remain: some of our suppliers have yet to reopen and our supply chain, including overseas factories, has yet to be fully restored. We continue to devote our energies to getting back to full operating capacity as quickly as possible.

In view of the increasingly serious energy shortage, Nissan is doing everything it can to conserve electricity as a company. We also continue to exhort all our employees to do everything they can in this regard.

Now is the time to fulfill our corporate social responsibility. Nissan's recovery and restoration to full operational capacity will have a knock-on effect on the regeneration of Japanese craftsmanship, acting as a driving force to bring renewed vigor and energy to Japan as a whole and the wider world economy.

We can do it, Japan! We can do it, Nissan!

Nissan's Response to the Great East Japan Earthquake

Nissan has been providing a wide range of assistance to hasten the recovery effort in areas in northeastern Japan afflicted by the March 11, 2011, earthquake and tsunami. In addition to providing emergency cash assistance, Nissan has sought to do its part with the products, material and humanitarian aid essential to the recovery. Some major aspects of the assistance from Nissan and its group companies as of this report's publication are as follows.

- ¥30 million donated to the NGO Japan Platform
- 50 Nissan vehicles donated to the U.N. and nonprofit groups to assist their relief activities in the disaster areas (41 vehicles in use as of the end of April)
- Seven vehicles leased free of charge to four NPOs offering on-site assistance in the disaster areas
- 65 all-electric Nissan LEAFs leased free of charge to local governments in the disaster areas where gasoline supplies are lacking
- Needed supplies donated to the disaster areas via the Kanagawa Prefectural government and the Japan Self-Defense Forces, including 700 blankets, 50,000 medical masks and 300 bottles of antiseptic
- ¥120 million donated to the Japanese Red Cross by matching contributions from employees of Nissan Motor Co. and overseas Nissan subsidiaries

In addition to the efforts outlined above, Renault has contributed €500,000 to Red Cross organizations, and Calsonic Kansei Corp., Nissan Shatai Co. and our overseas affiliates have also provided assistance. Globally, Nissan has provided total monetary and other assistance in excess of ¥400 million. Moving forward, we will be monitoring needs in the disaster areas in order to provide additional assistance while continuing our collaboration and dialogue with NPOs and the civic sector.



For more information on our post-earthquake operations and relief activities, please see our website.

<http://www.nissan-global.com/EN/110311.html>

The Renault-Nissan Alliance

Nissan has greatly increased its global footprint and achieved dramatic economies of scale through the Renault-Nissan Alliance, a unique and highly scalable strategic partnership founded in 1999. Renault and Nissan together sold 7.28 million cars* in 190 countries in 2010, making the Alliance the third largest auto group worldwide. The Alliance unites 350,000 employees worldwide under five brands: Nissan, Infiniti, Renault, Renault Samsung Motors and Dacia.

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



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

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

Global Pursuit of Synergy and Growth

Although it was initially considered a unique arrangement in the late 1990s, the Alliance quickly became a role model for several other partnerships in the auto industry. Meanwhile, the Alliance itself broadened its scope substantially, forming additional partnerships with automakers including Germany's Daimler, China's Dongfeng Motor and Russia's AvtoVAZ.

The Alliance is based on the rationale that substantial cross-shareholding investments compel each company to act in the financial interest of the other, while maintaining individual brand identities and independent corporate cultures. Renault currently has a 44.3% stake in Nissan, and Nissan holds a 15.0% stake in Renault. The cross-shareholding arrangement requires mutual trust and respect, as well as a transparent management system focused on speed, accountability and performance.

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

The Alliance remains committed to developing synergies through such common organizations as the Renault-Nissan Purchasing Organization (RNPO), joint working groups and shared platforms, components and industrial facilities. In its second decade of existence, the Alliance also keenly focuses on maintaining its clear lead in sustainable transportation.

Zero-Emission Leadership

The Alliance invested €4 billion in research, engineering, product development and manufacturing to develop the first wave of zero-emission cars—electric vehicles (EVs). Unlike other carmakers, the Alliance focused on development of a unique, purpose-built EV that could be mass-produced at affordable prices for mainstream consumers. The first tangible result of the investment was the groundbreaking Nissan LEAF, which went on sale in Japan and the United States in December 2010. The Nissan LEAF—which was named the 2011 World Car of the Year—will be available globally starting in 2012. The Alliance is developing eight additional EVs for production by 2014.

The heart of the Alliance's initial investment is the EV battery. The Alliance is working on five all-new battery production plants in Japan, France, the United States, the United Kingdom and Portugal. When fully ramped up, these plants will give the Alliance battery production capacity of 500,000 units a year.

This advanced technology and total supply chain control guarantees an advantage unmatched in the global automotive industry, allowing Renault and Nissan to achieve a full production scale of hundreds of thousands of EVs per year. This priceless "first-mover advantage" will give Nissan and Renault significant brand equity, customer awareness and market data from real-world drivers.

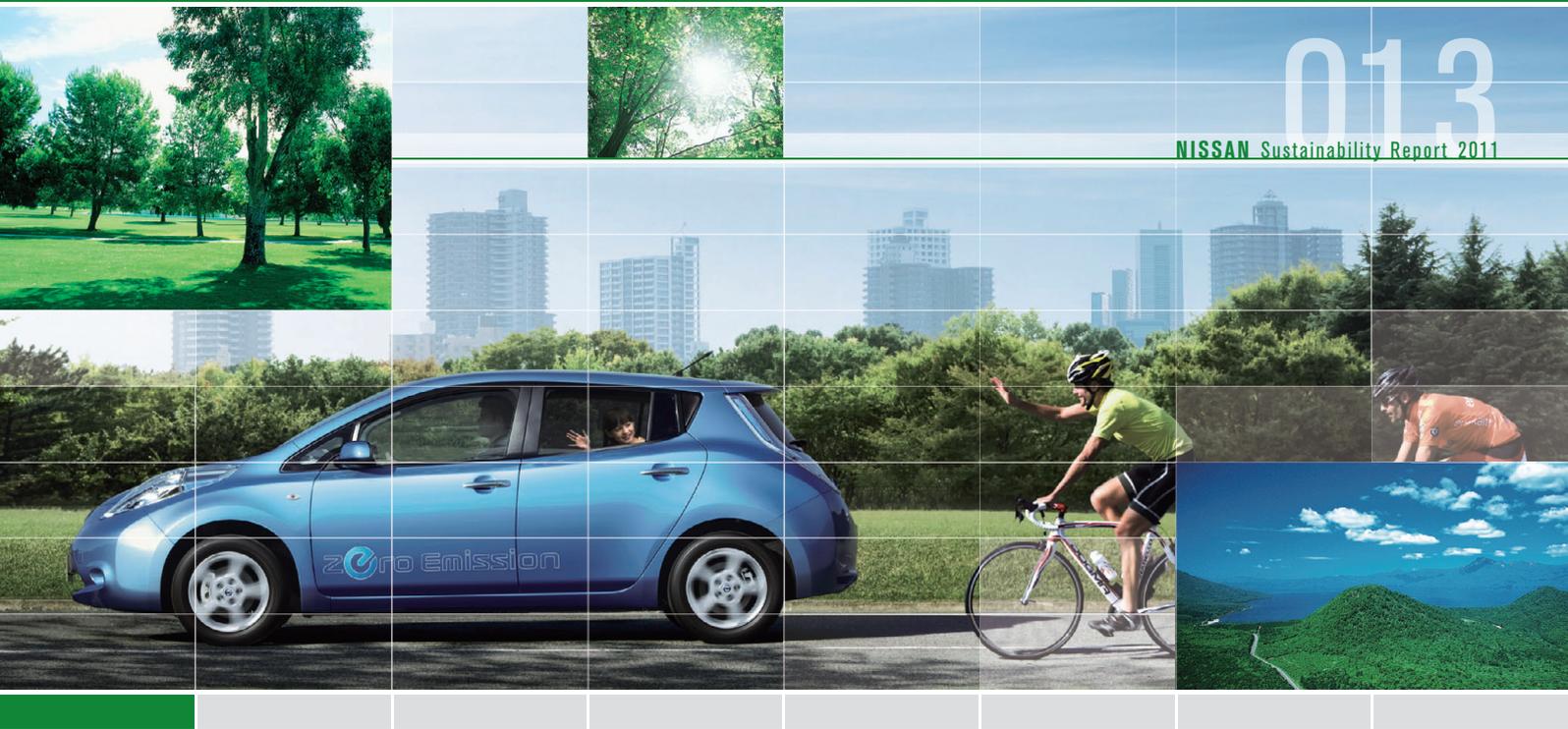
While the Alliance is focused on the EV, it also continues to work on and invest in hydrogen fuel-cell vehicles (FCVs) and future zero-emission strategies.

Emerging Market Dominance

The Alliance will always remain committed to the brands' roots and core markets, including Japan, Europe and North America. At the same time, the Alliance is expanding aggressively in the world's fastest-growing economies, positioning the companies shrewdly for the rest of the 21st century and beyond.

To take one example, the Alliance has invested heavily in India, where a plant in Chennai began producing cars for both Nissan and Renault in 2010. The first vehicle produced was the Nissan Micra. Starting in 2011, the plant will produce the Renault Koleos and Fluence. The Chennai factory represents an investment of about €800 million from February 2008 to 2015. The plant—which has full stamping, body, paint, plastic, trim and chassis shops, as well as two test tracks—will eventually have the capacity to produce 400,000 vehicles a year.

The Alliance is likewise planning for ambitious growth in China, Brazil, Russia, Morocco and other emerging markets. While these investments mean more affordable cars and trucks for new consumers overseas, they also mean more jobs in the Alliance's homelands—particularly in additional value-added positions in research and development, manufacturing processes and vehicle design. This means that the Alliance's emerging-market expansion is a definitive "win-win" for both historic markets and those that are experiencing double-digit growth.



KEY CSR AREAS

Environment — Achieving a Symbiosis of People, Vehicles and Nature

Nissan's environmental philosophy, "a Symbiosis of People, Vehicle and Nature," expresses our ideal picture of a sustainable mobility society. To achieve this, we have defined three key issues to be tackled: reducing CO₂ emissions, reducing other emissions (to protect the air, water and soil) and recycling resources. We are working toward the ultimate goal of keeping the environmental impact caused by our operations and Nissan vehicles throughout their life cycle to a level that can be absorbed naturally by the Earth.

Three Key Issues

1. Reducing CO₂ Emissions

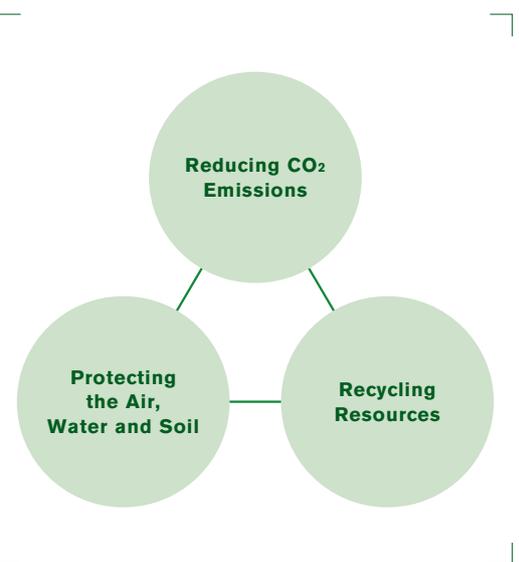
The automobile industry is entering an age when it must work not only to help reduce CO₂ emissions, but also to reinvent its business structures to reduce reliance on fossil fuels. As a global automobile manufacturer, Nissan is working to reduce CO₂ emissions at every stage of its vehicles' lives, from production to transport and operation, as well as to develop technologies for making use of renewable energy and to create related business models.

2. Protecting the Air, Water and Soil

Our lives depend on a balance within the ecosystem composed of air, water, soil and other living beings. At Nissan, we are working to reduce the environmental effects of our vehicles throughout their life cycles so that we may hand down a healthy global environment to future generations. We are making this approach a new part of our values as we continue to develop and champion environmentally friendly technologies.

3. Recycling Resources

Nissan manufactures and markets its vehicles all around the world, utilizing resources in a variety of forms. In line with our basic stance of treating resources as limited, and believing that they should be used as efficiently as possible, we are working to make effective use of resources at every stage of our vehicles' life cycles.



■ Environmental Vision



Achieving “a Symbiosis of People, Vehicles and Nature”

As a global automaker, Nissan takes active steps to identify the direct and indirect impacts of its business on the environment and subsequently work to help minimize them. Our ultimate goal is to reduce the environmental impact caused by our operations and Nissan vehicles throughout their life cycle to a level that can be absorbed naturally by the Earth, leaving as small a footprint on the planet as possible.

Nissan aims to be a “sincere eco-innovator.” Toward this end, we take a proactive stance toward addressing environmental challenges and helping to reduce the real-world environmental effect of our products, people and facilities, as well as providing our customers with optimal value in the form of innovative products, technologies and services as contributions to a sustainable mobility society. By actively working to contribute to the protection of the global environment through sustainable mobility, we hope to make our vision of achieving “a Symbiosis of People, Vehicles and Nature” a reality.

The Nissan Green Program

To propel the company forward in pursuit of its ultimate goal, Nissan established a medium-term environmental action plan, the Nissan Green Program (NGP), and is working to advance it companywide. We have completed most of the action plans intended to target three key issues—reducing CO₂ emissions, reducing other emissions (to protect the air, water and soil) and recycling resources—for NGP2010, which was launched in 2006. During this time, we introduced many new environmental technologies to the market as we focused on reducing CO₂ emissions in all of our business fields. We also established an environmental management framework and steadily moved forward with measures for achieving our long-term goals. In the next phase of this action plan we will continue to work to reduce the environmental dependency and impact of our vehicles and business activities while continuing to strive to achieve zero-emission mobility by promoting effective products and technologies, leading society toward greater sustainability. (For more information on the goals of NGP2010, please see pp. 17-18.)



NISSAN
GREEN PROGRAM

Environmental Management Framework

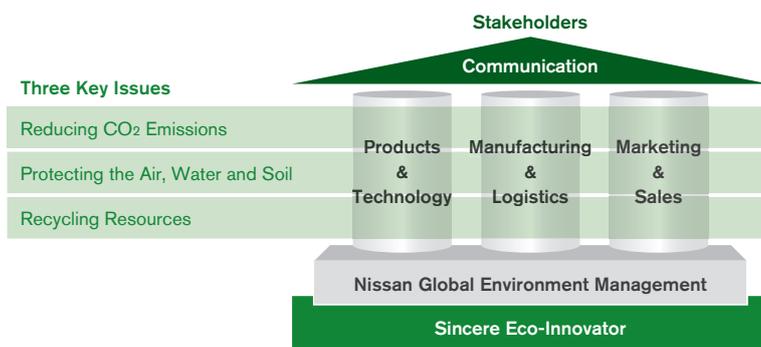
Nissan has built a global environmental management system that achieves maximum results targeting the three key issues outlined earlier by organically linking divisions engaged in product and technical development, production, logistics, marketing and sales.

To promote environmental management globally, Nissan has created specific organizational roles and responsibilities to clarify areas of activity and responsibility. Our Global Environment Management Committee (G-EMC), headed by Nissan's chief operating officer, determines overall policies and the proposals to be put before the Executive Committee. The Global Environmental Planning Office, established in 2007, determines which proposals will be forwarded to the G-EMC and assigns specific actions to each division. It is also responsible for the efficient management and operation of environmental programs based on the PDCA cycle: plan, do, check and act.

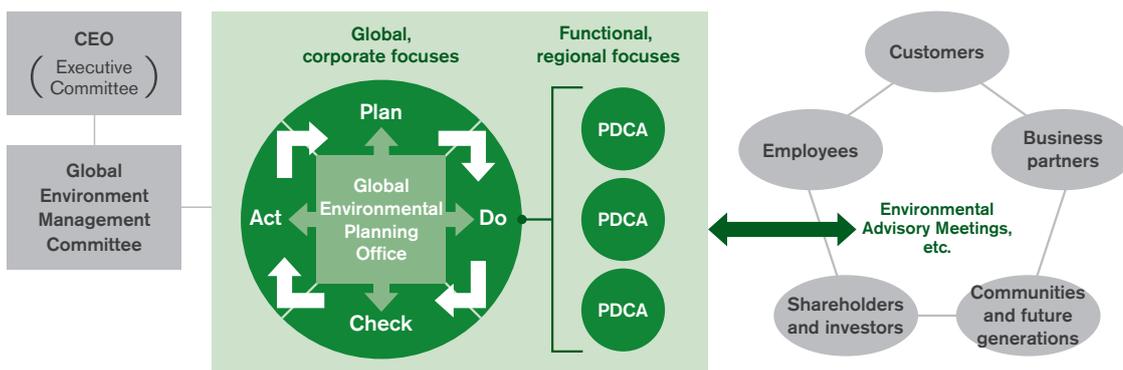
In addition, we further enhance our activities by soliciting the ideas of leading environmental experts and organizations at our Environmental Advisory Meetings, and by learning about the trends of socially responsible investment funds and assessments from rating organizations. We use this information to help understand the opinions of our stakeholders and to better assess our goals and activities.

We have also introduced the Nissan Global CO₂ Management Way (QCT-C), a new set of management indices with CO₂ (C) added to the traditional indices of quality, cost and time. In this way we have placed CO₂ reductions alongside these more traditional measures in importance, and we are promoting corporate activities with a balance in these four areas with the aim of creating new value.

Our Framework for Global Environment Management



Nissan's Global Environment Management Organization



A Full Range of Environment Management Systems

Nissan is progressing with the introduction of environmental management systems to all of its operation sites worldwide.

In January 2011 we obtained integrated ISO 14001 certification for our Global Headquarters and all of our main facilities in Japan for research and development, production and distribution, as well as for our product development processes. With this certification, we are creating a consistent framework for management of environmental issues. In addition to undergoing audits by third-party organizations, each year we carry out our own internal audits of our environmental systems and environmental performance as a means of strengthening the company's measures based on the PDCA cycle. We have also obtained ISO 14001 certification at our main production plants outside Japan. Our policy is to extend environmental management systems with these same criteria to regions in which we are newly expanding.

We have also introduced an original approach to environmental management based on ISO 14001 certification, which we call the Nissan Green Shop certification system, to our sales companies in Japan. This system is managed through internal audits conducted by the sales companies themselves every six months, in addition to regular annual reviews and certification renewal audits carried out every three years by Nissan headquarters. As of the end of March 2011, some 2,800 dealership outlets of 174 sales companies, including parts and forklift dealers, have been certified under the system.

Additionally, 18 of our 20 consolidated manufacturing affiliates have obtained ISO 14001 certification.

Shared Approach with Suppliers

The purchasing divisions of Nissan and Renault carry out supply-chain management in a manner consistent with *The Renault-Nissan Purchasing Way*, a booklet outlining policies for dealing with suppliers, and the *Renault-Nissan CSR Guidelines for Suppliers* published in 2010. With respect to environmental issues, since April 2008 we have set standards for the efforts of our automobile parts and material suppliers in the form of the revised Nissan Green Purchasing Guidelines. We are now expanding the coverage of these guidelines worldwide. Through these purchasing guidelines we seek to share our environmental principles and action plans with our suppliers and to promote the reduction of environmental impact throughout the entire supply chain, thus helping to realize our philosophy of "a Symbiosis of People, Vehicles and Nature." (Please see pages 82 and 83.)

Utilizing the Life Cycle Assessment Method

Nissan uses the life cycle assessment (LCA) method to quantitatively evaluate and comprehensively assess environmental impact in all stages of the vehicle life cycle, from resource extraction to production, transport, customer use and vehicle disposal. With the aim of developing more environmentally friendly vehicles, we also carry out LCAs for new technologies as they are introduced.

Environmental Education for Employees

Nissan conducts environmental education for all of its employees in Japan to promote and deepen individual awareness of environmental issues. Basic education is a part of the orientation of new employees when they join the company. Additionally, classes and seminars following Nissan's original environmental education curriculum are held to raise the awareness of managers and midlevel employees. We are also developing localized educational tools for employees at our operation sites around the world.

Nissan Green Program 2010 (FY2006–2010) Activities

Item	Target	Activities up to the end of FY2010	See page		
Reduction of CO ₂ emissions	Establish global environmental management framework with QCT-C (CO ₂)	Launched global CO ₂ management scheme in each area of value chain in FY2008 and continued implementing the scheme	15		
	Improve fuel economy	Attain fuel efficiency standards in Japan, Europe, U.S. and China, and further fuel economy progress	Continued promoting activities for fuel economy improvement in each market	20	
		Japan: Introduce eco-friendly vehicles addressing both inside and the ambient environment		Introduced fuel-efficient "Nissan ECO Series" in Japan in 2009	—
		Internal combustion engine improvement	Introduce VVEL system to reduce CO ₂ emissions by approximately 10%	Introduced engine with VVEL system in Skyline Coupe in FY2007	—
			Introduce gasoline engines comparable to current diesel engines in CO ₂ emission levels (approx. 20% less emissions)	Adopted MR16DDT engine with a highly efficient compact turbo charger in Juke in 2010; adopted 5.6-liter V8 engine with VVEL and Direct Injection Gasoline system on Nissan Patrol/Infiniti QX in U.S., GCC and China	26
			Introduce vehicles comparable to current hybrid electric vehicles (HEVs) in CO ₂ emission levels, starting in the Japanese market	Started production of Micra DIG-S, achieving ultra-low CO ₂ emissions in Europe in March 2011	—
		Transmission improvement	Global sales of CVT: Approx. 1 million sales per year	Continued annual global sales of over 1 million units since FY2007; total sales in FY2010 were 1.58 million units	27
	Develop and introduce 7-speed AT		Introduced Infiniti FX50 with 7-speed AT to U.S. market in 2007; more models using this AT to be rolled out	—	
	Develop and expand clean energy vehicles	Vehicles compatible with bioethanol fuel	E85: Continuously expand in U.S. market	Launched Titan FFV in 2005 Launched Armada FFV in 2007	—
			E100: Introduce within three years in Brazil	Launched E100-compatible Livina in 2009; more compatible models to be rolled out	—
		Strengthen development of EV core technologies (motors, batteries and inverters)		Established a joint company, Automotive Energy Supply Corporation (AESC), in 2007; AESC started marketing laminated compact lithium-ion batteries in 2008; AESC started mass production of the batteries in Zama Plant in October 2010	23
		Introduce all-electric vehicles in Japan and U.S. by FY2010; mass-market globally by FY2012		Launched Nissan LEAF in Japan and U.S. in December 2010, and in Europe in March 2011	21
		Promote initiatives to popularize EVs in cooperation with national and local governments		Renault-Nissan Alliance has entered into over 90 partnerships as of March 2011	21
		Market HEVs with Nissan's proprietary hybrid technologies in U.S. and Japan		Introduced Fuga using the original hybrid system in Japan in November 2010 and Infiniti M hybrid model in U.S. and Europe in March 2011	26
		Accelerate plug-in HEV development		Development advanced	—
		Introduce next-generation fuel-cell vehicles (FCVs) with in-house developed fuel-cell stack (in early 2010s, in U.S. and Japan)		Development advanced toward practical technology within the 2010s	25
	Manufacturing and logistics	Reduce CO ₂ reduction from factories worldwide by 7% from 2005 levels (global per vehicle CO ₂ emissions)	Achieved 18.6% reduction from FY2005 levels in global per vehicle CO ₂ emissions in FY2010	30	
		Global: Begin measurement of emission levels and launch emission management for Nissan's logistics	Started measurement of emission levels in FY2006 and launched global management in FY2007	32	
	Dealers and offices	Japan: Launch emission management at dealers and offices Global: Launch emission management at national sales companies and offices	Started measurement of emission levels in FY2007 and launched emission reduction activities in FY2008	33	
	Achievement of clean emissions (to preserve air, water and soil quality)	Cleaner exhaust emissions	Early compliance with upcoming exhaust emission regulations	Japan: Early introduction of models compliant with future regulations, implementation of exhaust measurement methods	Started using new exhaust emission tests on Serena in 2007; X-TRAIL 20GT met Japan's 2009 Emission Regulations in 2008
Europe: Early compliance with emission regulations such as Euro5				Started marketing regulation-compliant G Sedan, G Coupe, EX and FX in 2008	—
U.S.: Expand PZEV and SU-LEV compatible vehicles				PZEV: Introduced Altima in 2006 and Altima Coupe in 2007 SU-LEV: Introduced Rogue in 2007 and Sentra in 2008	—
China: Early compliance with emission regulations such as Euro4				Compliance with Livina, Qashqai and Sylphy in 2006	—
Develop atmospheric air-level emission vehicle		Advance development work completed	—		
Introduce vehicles with clean diesel engines for Japan, U.S. and China		Japan: Launched a new clean diesel X-TRAIL 20GT (MT) in 2008; added AT models in June 2010	35		
Introduce 2-liter-class vehicles with clean diesel engines (Euro4) in FY2007 in Europe		Launched Qashqai and X-TRAIL equipped with clean diesel engines in 2007	—		
Expand use of low precious metal catalysts for gasoline-powered cars utilizing only half the precious metal compared to conventional models		Developed an ultra-low precious metal catalyst for gasoline vehicles in 2007, introduced it in the new Cube in 2008; developed ultra-low precious metal catalyst for clean diesel engines in 2010	35		
Management and reduction of environment-impacting substances		Ban/reduce the use of four heavy-metal compound and specified bromine flame retardants		Compliance with all new models launched in 2007	38
		Reduce in-cabin VOC emissions		Achieved JAMA's voluntary targets for 13 compound concentration levels set by the Japanese Health Ministry in all new models launched in 2007	38
	Compliance with European REACH standards		Started chemical substance management in 2006	38	
Reduction of VOCs in painting process in plants	Global: Achieve VOC reductions exceeding each country's standards		Promoted activities to comply with each country's regulations	36	
	Japan: Achieve 10% reduction in volume of VOC emissions from FY2005 levels (per unit, body and bumper total)		Achieved 17.1% reduction in FY2010	36	
Control environment-impacting substances at dealers	Japan: Protect water and soil through Nissan Green Shop (NGS) activities Global: Study potential for overseas expansion of activities	Promoted activities	—		
Reduce drive-by noise	Compliance with voluntary standards tougher than each country's regulations	Compliance achieved for all models starting in 2007	—		

Item	Target	Activities up to the end of FY2010	See page		
Recycling of resources (promotion of the 3Rs)	Design to facilitate recycling	Promote, expand design to facilitate recycling	Achieved 95% recovery rate in all new models since 2005	39	
		Develop recycling technology for electric vehicles (HEVs, EVs and FCVs)	Development advanced	41	
	Effective utilization of resources	Improve plant resource recovery rate	Global: Industry-best level in each country	Activities promoted	41
			Japan: Resource recovery rate 100% (NML and affiliates)	Achieved 100% resource recovery rate at 5 Nissan plants, 2 offices and 5 affiliates in FY2010	41
		Logistics: Improve parts packaging efficiency	Activities promoted	41	
		Product: Expand the volume of recycled material	Activities promoted	40	
	At sales companies, dealers	Improve ELV recovery rate	Global: Promote activities to achieve 95% recovery rate	Activities promoted	—
			Japan: ELV recovery rate of 95% (5 years ahead of 2015 regulation)	Achieved recovery rate of 97.0% in FY2010	—
		Recycling activities at dealers and national sales companies	Japan: Optimize waste disposal procedures through Nissan Green Shop (NGS) activities Global: Feasibility study for introducing above activities	Activities promoted	42
	Management	Business partners	Consolidated and affiliated companies: Expand management boundary and global environment management system	Started measurement of CO ₂ emission levels, set a reduction target and established CO ₂ management scheme in FY2007; started CO ₂ management in FY2008	—
Renault: Joint implementation of CSR procurement			Conducting based on the <i>Renault-Nissan Purchasing Way</i>	—	
Suppliers: Manage environment-impacting substances by green procurement system			Working in line with Nissan Green Procurement Guidelines since 2008	—	
Companywide activities		Establish LCA procedures for product and operational aspects		Reduction of environmental impact promoted through LCA method	—
		Environment-conscious designs for new buildings	Nissan Advanced Technical Center (NATC) in Atsugi, Kanagawa and Nissan Global Headquarters (GHQ) in Yokohama	NATC and GHQ received top "S" CASBEE ratings in 2008	—
			Regional headquarters around the world	Adopted environment-conscious designs for Nissan North America's new headquarters and some sites in Europe in 2008	—
Employees' awareness		Develop global environmental education program		Started Nissan environmental e-learning program co-developed with Natural Step (NGO); introduced the program in Japan in FY2008 and expanded to affiliates in FY2009	—
Working with society		Collaborating with other sectors	CO ₂ reduction with government ministries, other companies by utilizing ITS	Implemented the ITS Project to reduce traffic accidents and ease congestion in 2006; launched STARWINGS project with Beijing Transportation Information Center in 2007; navigation system with congestion-avoidance route information installed as standard in top luxury-grade Teana in 2008; Renault-Nissan Alliance launched "YOKOHAMA Mobility Project ZERO" with city of Yokohama in 2009; New Energy and Industrial Technology Development Organization (NEDO) commissioned Nissan to test Beijing traffic system in 2010	—
			Study of economic approaches such as emission trading	Launched carbon offset program linked to the sale of March Collet in 2008	—
			Support for environmental studies and education through Nissan Science Foundation (now Nissan Global Foundation)	Implemented support	—
	Communication with stakeholders	Timely environmental information disclosure		Updated information disclosed in June every year	—
		Promote eco-driving to customers	Expand eco-driving support services through the Nissan CARWINGS navigation system in Japan	Started providing monthly eco-drive rankings and advice in 2007; started "Eco-Driving and You" in 2008	—
			Develop new technologies for eco-driving	Expanded use of fuel-efficiency gauges from 2007; developed Eco Pedal in 2008 and installed in Fuga (Infiniti M) in 2009; promoted installation of systems featuring CVT and engine modulation in 2009; started adoption of Eco-mode Function, Eco-drive Navigator, etc. in 2010	—
			Promote eco-driving	Started holding training sessions at various events and at GRANDRIVE test course in FY2008; started "E1 Grand Prix" for eco-driving practice in FY2009	—
		Continue environmental education program	Carried out Nissan Waku-Waku Eco School from FY2008		—
	Improve Nissan's environmental activities through continuous communications with stakeholders	Carried out Nissan Environmental Advisory Meeting from FY2005; published Sustainability Report on website; introduced activities through brochures and leaflets; conducted tours of environmental facilities		—	

■ Reducing Carbon Dioxide (CO₂)



Nissan's Tasks to Tackle

Issues related to fossil fuels and natural resources are the focus of increasing attention in connection with the rapid growth of the world's emerging economies. The automobile industry is entering an age when it must work not only to help reduce CO₂ emissions, but also to reinvent its business structures to reduce reliance on fossil fuels. Nissan strives to maintain a sense of urgency about these issues as it creates revolutionary technologies and business models to provide new value to customers and accelerates its efforts toward the realization of a more sustainable mobility society.

Nissan's CO₂ Emission Levels



Calculated according to Nissan's internal standards (projected lifetime emissions from new cars sold in FY09)

Nissan's Approach

Technical innovation is essential for reliable progress in reducing CO₂ emissions, but there is also a need for society to come together as a whole to tackle the major issues. To help achieve steady reductions in the overall amount of CO₂ emissions, Nissan defines its basic approach of introducing technology as the "four rights"—providing the right technology, at the right time, in the right market and at the right value to the customer. We aim to provide effective technologies at prices customers can afford and to spread these technologies swiftly and widely with a focus on their total contribution to sustainable mobility.

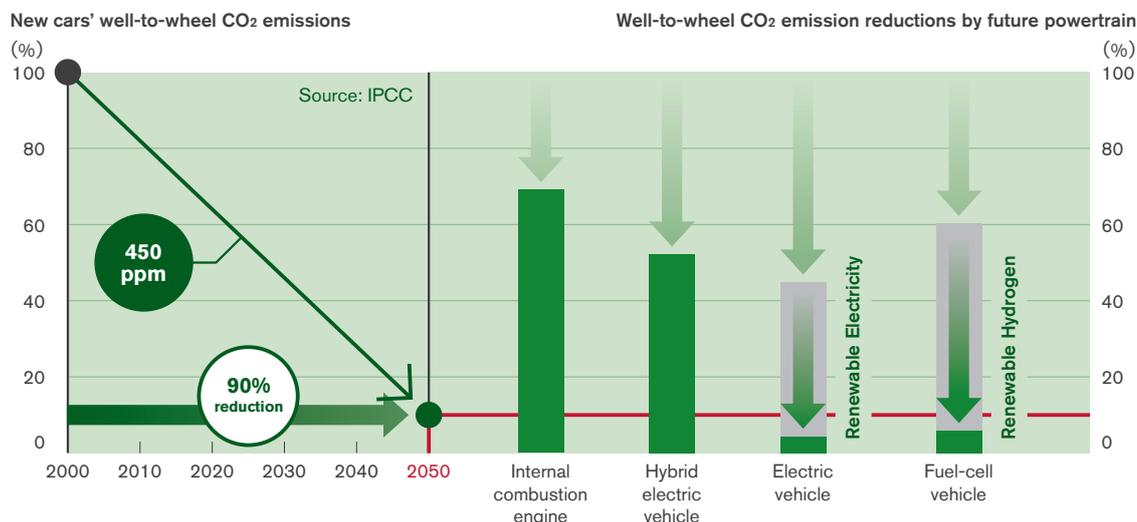
CO₂ emissions produced during vehicle operation can vary greatly depending on vehicle performance and type of fuel, as well as on driving technique and road conditions. We therefore focus not only on our vehicles, but also on support for eco-driving habits and coordinated improvements to the traffic environment. In this way we approach CO₂ reductions from the three perspectives of vehicles, drivers and the driving environment.

Long-Term Goals and Roadmap

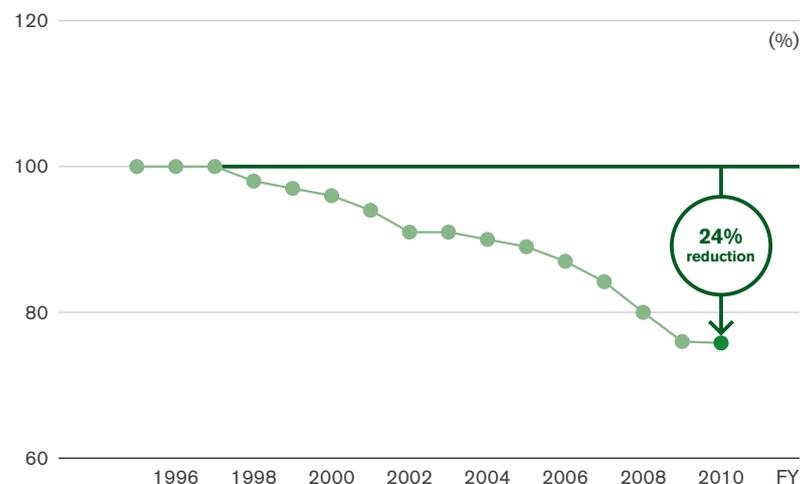
Opinions vary with regard to the levels at which average global temperature and CO₂ concentration will need to be in the future. According to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), it is necessary to stabilize atmospheric CO₂ at 450 parts per million or lower in order to keep average temperatures from rising more than 2 degrees Celsius on a global basis. Based on this, we have calculated that “well-to-wheel” CO₂ emissions for new vehicles—including “well-to-tank” emissions, from primary energy extraction through fuel refinement and delivery to customers, in which automakers are not involved, along with fuel consumption during operation—need to be reduced by 90% in 2050 compared with levels in 2000.

To help achieve this 90% reduction, we see the need to further improve the fuel efficiency of internal combustion engines in the short term, and in the longer term, to bring about widespread use of electric and fuel-cell vehicles, making use of renewable energy sources to provide the power they need. We are bolstering our development of new technologies with this long-term scenario in mind. Specifically, we are concentrating our efforts on two pillars: Zero Emission, which involves widespread use of zero-emission vehicles in a holistic approach to promote a sustainable society, and PURE DRIVE, which reduces CO₂ emissions by developing fuel-efficient internal combustion engine technologies and introducing them into the market.

Our CO₂ Reduction Scenario



Average CO₂ Emissions of New Passenger Cars (Japan, EU, USA)



Note: Nissan calculates the companywide averages for fuel consumption in Japan and North America, and for CO₂ emissions in Europe, according to the number and type of vehicles shipped each year.

■ Efforts in Our Products and Technologies

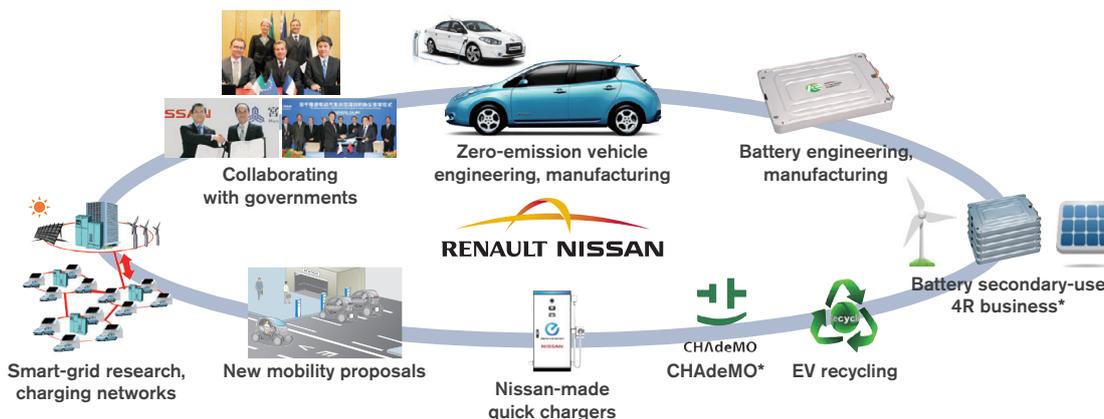
Moves Toward Zero-Emission Mobility

Realizing a sustainable society will require the widespread use of zero-emission vehicles that produce no CO₂ emissions. This means there is a need to go beyond merely producing and selling zero-emission vehicles, and we must also put the needed infrastructure in place and make sure that the vehicles are economical to use, which no single company can accomplish on its own. The Renault-Nissan Alliance, which is positioning the launch and popularization of electric vehicles (EVs)—one form of zero-emission vehicles—as a key corporate strategy, has committed to Zero Emission leadership. In addition to boosting the development and production of EVs, we are forging partnerships with national and local governments, electric power companies and other partners in a range of industries to promote zero-emission mobility and carry out discussions on the construction of the required infrastructure.

As of March 2011, the Alliance has entered more than 90 partnerships around the world, including with the governments of Kanagawa Prefecture and the city of Yokohama in Japan, the government of Portugal and 27 entities (state or local governments and utilities) within the United States.

We are also taking part in a comprehensive range of initiatives built around the zero-emission mobility axis, including the production of lithium-ion batteries, secondary use of batteries, use of recycled materials in cars, in-house manufacturing and sale of quick-charging equipment, construction of vehicle-charging infrastructure and standardization of charging methods with other manufacturers.

A Comprehensive Approach to a Zero-Emission Society



* 4R business: see page 22; CHAdemo: see page 23.

Developing and Manufacturing Zero-Emission Cars

We launched the Nissan LEAF, our 100% electricity-powered vehicle, in Japan and the United States in December 2010 and in Europe in March 2011. As a zero-emission vehicle with no tailpipe emissions including CO₂ during operation, the Nissan LEAF has achieved outstanding environmental performance. Its high-capacity lithium-ion battery, Nissan-developed inverter and electric motor provide powerful, smooth acceleration and a luxurious, quiet ride at all speeds. The Nissan LEAF offers superior handling stability realized by its excellent weight balance and features a maximum driving range of up to 200 kilometers on one full charge (as measured in JC08 test mode). It provides a driving experience unlike any other vehicle ever marketed. With this car and the advanced information technology systems that provide convenient, functional support for its operation, we are seeking to provide new value and a new style of mobility to our customers.

The Nissan LEAF and the steps we are taking to bring about a new zero-emission society have received high marks within Japan and around the world. In Japan, we won the 2010 Good Design Gold Award from the Japan Industrial Design Promotion Organization for our “holistic approach to promote the adoption of Nissan LEAF electric vehicle and zero-emission mobility.”



The award-winning Nissan LEAF

On the international stage, in its Green Awards 2010 the British auto enthusiast magazine *What Car?* presented a special Editor's Award to the Renault-Nissan Alliance for the companies' work on EVs. In the United States, the Nissan LEAF's electric propulsion system won recognition as one of the 2011 Ward's 10 Best Engines, becoming the first non-gasoline-powered, zero-emission winner in the award's 17-year history.

The Nissan LEAF was also named the European Car of the Year for 2011, another first for an electric car in the 47-year history of these awards. The world's first truly mass-produced, affordable, globally marketed EV beat out 40 internal combustion competitors to win this high honor.

Technology to Support EV Drivers

To make new lifestyles with EVs as a part of them more convenient and comfortable, Nissan is developing a range of functional support programs making full use of advanced IT systems.

The Nissan LEAF's onboard communication unit, for instance, allows users to connect to the vehicle with their mobile phone, smartphone, or personal computer. This gives them access to the vehicle's functions like climate control, allowing them to set a comfortable temperature before they get into the car. This system also lets users check on the battery charge level or start the recharging process while away from the vehicle.

We designed an EV-exclusive version of our Carwings navigation system in Japan allowing drivers to search quickly for the nearest charging stations. Once a destination is set, the navigation system automatically calculates whether recharging will be necessary along the way and indicates where there are charging stations along the route. Newly installed stations are automatically added to the system's map data.

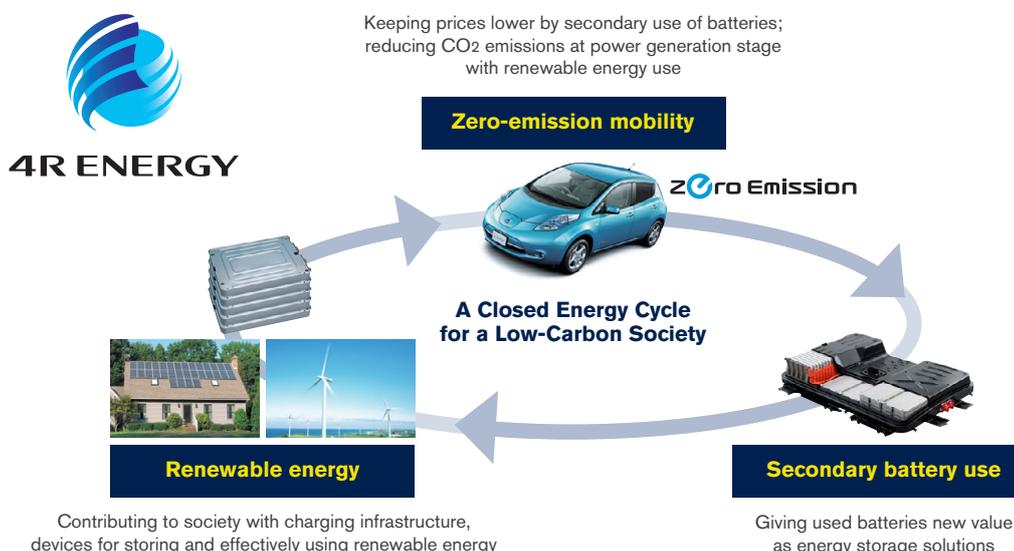
The Nissan LEAF's exclusive IT systems earned widespread praise for their innovation and high quality, winning the Best Mobile Innovation for Automotive and Transport prize in the 2011 Global Mobile Awards. These prestigious awards are presented each year by the GSM Association, a global info-communications industry organization, to leading mobile services and products from around the world.

Our 4R Business for Batteries

The high-performance lithium-ion batteries used in Nissan's EVs retain up to 80% of their initial capacity after five years of use under average conditions. This means these batteries still have useful roles to play even when they are no longer used in vehicles.

In September 2010, Nissan and Sumitomo Corporation launched 4R Energy Corp., a joint venture to develop secondary-use business opportunities for used EV batteries. This company is pursuing the four Rs—reusing, reselling, refabricating and recycling lithium-ion batteries to find ways to put them to effective use in non-automotive second life applications including energy storage solutions. The intent is to add new value to used batteries and establish a closed energy cycle that will contribute to the realization of a low-carbon society in the future.

A Closed Energy Cycle for a Low-Carbon Society



The *What Car?* Editor's Award



The Nissan LEAF earned high marks for its engine.

Global EV and Battery Production

In Japan, Nissan and NEC Corp. launched the joint venture Automotive Energy Supply Corporation (AESC) in 2007. At the AESC plant in Zama, Kanagawa Prefecture, battery modules, which contain four battery cells, are assembled and then shipped to the Nissan Oppama facility, where 48 of them are assembled into the electric car's battery pack. The Oppama Plant has an annual production capacity of 50,000 Nissan LEAFs.

We have also announced that preparations are underway to produce the Nissan LEAF in the United States as well. In late 2012, the Nissan plant in Smyrna, Tennessee, will be outfitted to produce EVs, as well as lithium-ion battery packs. When this plant gets up to full speed it is expected to produce 150,000 EVs and 200,000 battery packs per year and to create some 1,300 new jobs in the state.

In Europe, we are planning to begin production of 60,000 battery packs per year in 2012 at our Sunderland Plant in the United Kingdom. In the first half of the following year, this plant will also see the launch of EV production, with capacity to reach 50,000 vehicles annually. We expect these new U.K. operations to create 200 new jobs within Nissan and 600 positions in our supply chain. Battery production will also begin at Renault's plant in Cacia, Portugal, in December 2013, with capacity of 50,000 Nissan lithium-ion battery packs per year.

In 2015, the Renault-Nissan Alliance is projected to have an annual global production capacity of 500,000 EVs and 500,000 battery packs.

Our Quick EV Charger

In May 2010, ahead of the launch of the Nissan LEAF, our parts dealers throughout Japan began sales of a quick-charging unit developed by Nissan for electric vehicles. By putting its EV R&D know-how and factory facilities to work in the in-house development of this quick charger, Nissan was able to produce a unit at a very competitive price. The charger makes full use of a range of safety devices to achieve a high level of safe reliability; it can be used even when it is raining, and specialized models are also available for use in hot or cold climates.

A Full-Coverage Charging Network

Nissan has worked together with Toyota Motor Corp., Mitsubishi Motors Corp., Fuji Heavy Industries Ltd. and Tokyo Electric Power Co. to form the CHAdeMO Association.* This group aims to standardize the forms of the chargers and to increase the availability of quick-charge units—a must for the spread of EVs. In addition to automakers and power companies, the association includes manufacturers of charging equipment, charging service providers, other companies playing supporting roles and administrative bodies. In all, there are 332 members from all around the world as of March 2011.

Nissan's charging units are based on CHAdeMO standards, and can therefore be used for other manufacturers' EVs that share this interface as well. All of Nissan's approximately 2,200 dealerships in Japan are now equipped with standard 200-volt charging units. Some 200 of these dealers have also quick-charging stations on the premises. In this way we provide nationwide coverage in a worry-free driving environment that never leaves EV drivers more than 40 kilometers away from a quick-charging facility.

In September 2010, Nissan announced it would jointly develop a quick-charging network for EVs with Endesa, Spain's largest electricity utility. We are now working with Endesa to create this network of DC quick-chargers covering all of Spain.

* An abbreviation of "CHArge de MOve," or "charge for moving," CHAdeMO is the trade name for this quick-charging method that the association is proposing as a global industry standard.

EV Charging Infrastructure for Condominiums (Japan)

In August 2010, Nissan and Daikyo Inc., one of Japan's largest condominium marketers, signed an agreement on cooperation toward the realization of a low-carbon, recycling-based society.

To promote the widespread use of EVs, it will be vitally important to establish ubiquitous infrastructure for recharging the vehicles. Charging facilities at multiunit housing structures will be one key to boosting EV use in urban areas. In our memorandum of understanding exchanged with Daikyo, we agreed to launch a Demonstration Project for EV Charging Infrastructure in Condominium Buildings. Through this project we will pursue solutions to the issues involved.

The Nissan New Mobility CONCEPT

As part of our proposals for new forms of mobility for a sustainable zero-emission society, and as one example of what lives of the future with EVs as part of them might be like, in November 2010 we unveiled the Nissan New Mobility CONCEPT.

Society today is seeing rising numbers of senior citizens and single-member households, along with increasing use of automobiles for short-distance trips and to carry small numbers of passengers. We focused on these trends in coming up with this efficient, high-utility, sustainable means of mobility.

This small, easy-to-handle concept car represents a completely new form of mobility in a segment not covered by any existing cars. We expect it to prove handy in a range of driving situations, and we intend to provide various new services built around the New Mobility CONCEPT, including "seamless mobility service," a highly efficient and convenient linkage of public transportation and EVs via IT services, and "two-mode EV car sharing," in which the vehicle serves as a private commuter car in the morning and evening and as corporate transportation during the day. We are also considering ways for this vehicle to contribute to the revitalization of local communities, such as by increasing the accessibility of suburban areas and tourist destinations.



The Nissan New Mobility CONCEPT

Partnerships Toward a Zero-Emission Society

As part of its efforts to promote zero-emission mobility, Nissan has forged partnerships with national and local governments, electricity providers and other counterparts all around the world. One facet of these partnership activities is the Future-Generation EV Kyoto Project, undertaken jointly with the Kyoto city government, Mitsubishi Motors Corp. and Horiba Ltd. since July 2010 to promote EV use, develop vehicle-use systems that match Kyoto's traffic conditions and help spread eco-driving practices. The project aims to prompt people to switch to EVs and to put more charging infrastructure in place; it also involves development of a system that gives drivers information on the location of charging stations and whether they are currently in use, thereby creating a total supportive environment for EV use. Other goals of the project are to reduce traffic within the city limits through park-and-ride and car-sharing initiatives and experimental testing of systems for efficient automobile use.

A Nationwide Tour for the Nissan LEAF

In July 2010, Nissan kicked off "the new action TOUR," a nationwide series of events in Japan aimed at spreading the word about EVs. The first event, organized jointly with the Kanagawa prefectural government and a nonprofit organization, saw some 400 people attend, with 80 of them taking part in test drives and a citizens' workshop at our global headquarters in Yokohama and several nearby facilities.

To give as many of our customers as possible a sense of the coming zero-emission society, we intend to take "the new action TOUR" to all 47 of Japan's prefectures. In fiscal 2010, we followed the Kanagawa Prefecture launch with events in the city of Saitama in August, Kitakyushu in October, Yokohama in December, Miyazaki Prefecture in January 2011 and Kyoto in February. We will continue holding tour events, primarily in areas where the Renault-Nissan Alliance has entered partnerships with local governments to help promote zero-emission mobility.

Creating Smart Energy Grids

The Yokohama Smart City Project, proposed by Nissan in concert with the city of Yokohama and companies including Accenture Japan Ltd., Toshiba Corp., Meidensha Corp., Panasonic Corp., Tokyo Gas Co., Ltd. and Tokyo Electric Power Co., was selected by Japan's Ministry of Economy, Trade and Industry as one of its Next-Generation Energy and Social Systems Demonstration Areas. Through these demonstrations, the ministry intends to realize Japan-style smart energy grids, and eventually to market them overseas.

The batteries that power EVs can also play a key role as energy-storage devices supporting large-scale reliance on renewable energy sources. As such, they have the potential to contribute to lowering carbon emissions throughout society as a whole, and not just in the automotive sector. Nissan has been exploring ways to make innovative use of EVs and their batteries in creating a zero-emission society. This project is giving fresh impetus to our efforts.

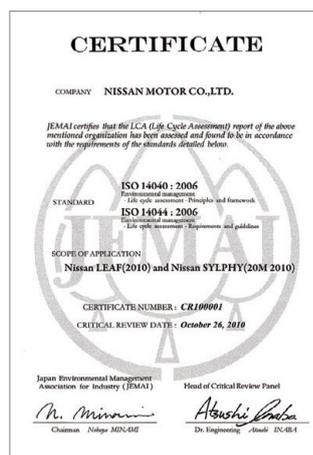
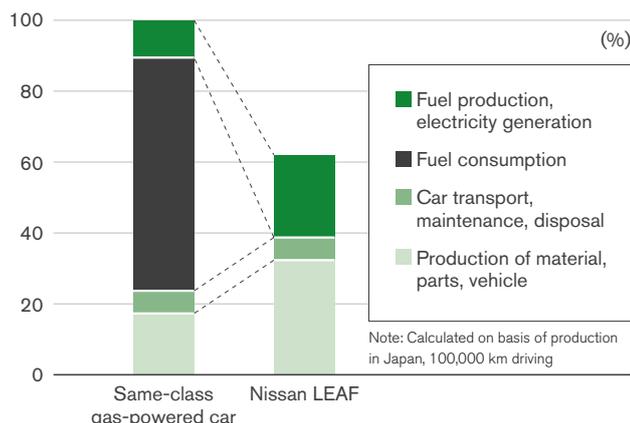
In November 2010, Yokohama hosted the summit of the leaders of the Asia-Pacific Economic Cooperation member economies. In the city's Minato Mirai 21 district, the site of Nissan's Global Headquarters, we carried out an intensive public relations campaign. These will be expanded to areas like Kohoku New Town, a heavily built-up district in Yokohama, and the city's shoreline Kanazawa Ward, part of the Yokohama Green Valley Initiative eco-city scheme, to gauge this approach's extensibility and potential for broad popularization.

In April 2010, Nissan also signed a memorandum of agreement with the U.S. manufacturer General Electric Co. on joint research of smart-recharging technologies aimed at boosting EV use. The companies will cooperate over three years in two areas: control of electricity supply and demand in homes and other buildings making use of EVs' energy-storage capacity and EV charging as an integrated part of large-scale electric grids. Through their joint research, Nissan and GE hope to develop reliable new technologies that can flexibly meet a range of charging and power provision needs as part of overall utility systems.

Reducing CO₂ Throughout the Nissan LEAF's Life Cycle

Our calculations show that the Nissan LEAF produces up to 40% less CO₂ emissions over its entire life cycle than a gasoline-powered vehicle in its class. This has been verified by an LCA, or life cycle assessment, carried out by the Japan Environmental Management Association for Industry, a public assessment institution. We will continue improving our vehicles' electricity consumption through technological innovation and streamlining our manufacturing processes in an effort to further reduce CO₂ emissions over the life cycle of our EVs.

CO₂ Emissions Over a Vehicle's Life Cycle



Nissan's LCA certification

Work to Improve Fuel-Cell Vehicles

Fuel-cell vehicles (FCVs) are another type of zero-emission vehicle emitting no CO₂ or other exhaust gases. Running on electricity generated from hydrogen and oxygen, they emit only water during driving. Nissan's FCVs make use of the lithium-ion batteries and high-power electric systems refined in the development of its EVs, as well as the control systems from its hybrid vehicles and the high-pressure gas storage technologies from its cars running on compressed natural gas. In 2008, we developed a new fuel-cell stack with twice the power density of previous stacks, and we continue to work on ways to lower costs considerably by reducing the amount of precious metal used in the stacks while also making them last longer. In January 2011, we joined 12 other companies to jointly announce efforts to develop the hydrogen supply infrastructure necessary for FCVs and to spur their adoption in the Japanese market. Development is now underway toward achieving these goals within this decade.

PURE DRIVE for Low Fuel Consumption

To reduce CO₂ emissions, Nissan continues to develop technologies to improve fuel efficiency in internal combustion engine technologies and bring them into the market. One special area of focus is expansion of our PURE DRIVE series of cars with low CO₂ output.

Unique Hybrid System

Hybrid vehicles combining gasoline engines and electric motors can significantly reduce CO₂ emissions. Nissan has developed a unique hybrid system using a high-output lithium-ion battery together with a single motor for both drive and regeneration, as well as an intelligent dual clutch control system in which two clutches are linked in parallel, one to the motor and one directly to the engine and transmission. With this hybrid system one of the two clutches completely disconnects the motor from the engine, resulting in quiet and highly efficient EV-mode driving. By using this EV mode in high-speed driving and similar conditions, we have achieved best-in-class fuel economy for four-door sedans with 3.0-liter or larger engines.

The compact, high-output lithium-ion battery is able to charge/discharge quickly. This contributes to high-speed, precise control of the electric motor and optimum clutch control, which enable both luxury driving with smooth shift quality and sharp acceleration response.

Nissan released the Fuga Hybrid equipped with this system in Japan in autumn 2010. The Fuga Hybrid achieves fuel economy of 19 km/L (10-15 mode)—comparable to that of a compact car—while providing immediately responsive driving performance. We have also installed this hybrid system in our Infiniti M models that went on sale in North America and Europe in March 2011.

Hybrid System

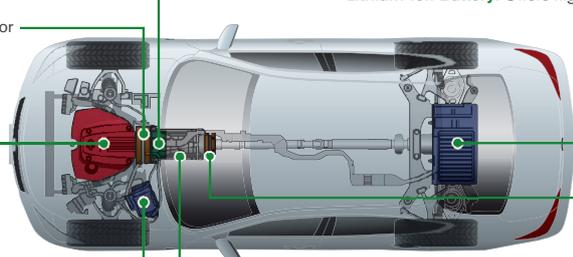
Motor: Performs both propulsion and generation functions

Clutch 1: Connects/disconnects motor and engine

V6 3.5L DOHC Engine: Delivers efficiency and high power output

Lithium-ion Battery: Offers high capacity, quick charging/discharging

Inverter: Controls electricity flows to motor



Clutch 2: Engages drive, changes transmission speed

Hybrid Transmission: Transmits drive force to the vehicle via electronic 7-speed system with manual mode

HR12DE Engine Achieves Low Fuel Consumption of 26 km/L

Nissan developed the new 1.2-liter HR12DE engine in pursuit of lighter weight and smaller size. This 3-cylinder engine requires fewer moving parts than the 4-cylinder engines more commonly used in small cars. By applying bore circularity machining to the cylinder block, we have reduced friction by 20% compared with conventional 4-cylinder engines. Moreover, improved noise vibration performance—at a level equivalent to that of a 4-cylinder engine—has been achieved by adjusting the weight balance of the engine's rotary shaft. This engine is used in the new March launched in Japan in July 2010.



HR12DE engine

MR16DDT Direct Injection Gasoline Turbocharged Engine

Nissan's newly developed 1.6-liter 4-cylinder MR16DDT engine is based on a downsizing concept that combines a turbocharger with a low displacement, direct injection gasoline engine (fuel is injected directly into the engine cylinders) to achieve both higher power output and lower fuel consumption.

The MR16DDT engine adopts new technologies including Continuously Variable valve Timing Control (CVTC), which continuously changes the opening-closing timing of the inlet and exhaust valves, and a new friction-reduced valve spring. From low to high engine speeds, the MR16DDT achieves an excellent balance between acceleration performance and fuel efficiency, with power equivalent to that of a 2.5-liter engine. This engine is used in the Juke sold in the Japanese, U.S. and European markets.



MR16DDT engine

HR15DE Engine with Dual Injectors

Nissan has also developed the new HR15DE 1.5-liter engine, the world's first mass-produced 1.5-liter engine with dual injectors (2 compact injectors per each cylinder).

The dual injectors stabilize combustion by reducing the size of the particles sprayed in the form of a mist by approximately 60%. Improved thermal efficiency and reduced air intake resistance have been achieved by combining the injectors with Continuously Variable valve Timing Control (CVTC). As a result, fuel economy has been improved by approximately 4% compared to Nissan's conventional engines in the same class. In addition, more efficient burning helps to control the hydrocarbons in the exhaust gas and reduces the amount of noble metals needed for exhaust purification. The engine is mounted on the Nissan Juke, which was launched in Japan in June 2010.



HR15DE engine

Idling Stop System with Shorter Startup Time

Nissan's Idling Stop system automatically stops a car's engine when waiting at signals or other times the car is stopped, and then restarts it when the car needs to move again. Cutting the engine when the car is stopped improves fuel efficiency and reduces CO₂ emissions.

The restart function after an idling stop of the engine is crucial to making this technology practical. Nissan has adopted a sensor to detect reverse engine rotation, and has achieved simpler and more convenient idling stop technology without the addition of new equipment. To do this, we worked, for instance, to reduce the time required by completing startup in the second cycle rather than in the fourth cycle as in conventional engines. This helps our system to reduce fuel consumption by about 8% (10-15 Mode).

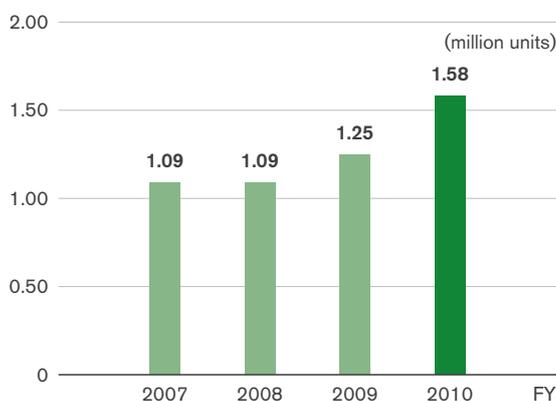
The Idling Stop system with an Energy Control Motor (ECO Motor) for quiet running and quick engine starts is used in the Serena launched in November 2010 in Japan.

Use of New CVT

Nissan aims to reduce total CO₂ by increasing the use of genuinely effective technologies. We consider the continuously variable transmission (CVT) to be an important technology in raising fuel efficiency, and have introduced a wide range of vehicle models with CVTs, from compact to full-sized cars. Since fiscal 2007 we have sold more than one million vehicles per year worldwide, in fiscal 2010 selling more than 1.58 million units.

The new XTRONIC CVT developed by Nissan utilizes a one-piece structure equipped with a sub-planetary gear. Its compact, lightweight design is 10% smaller and 13% lighter than previous CVT designs, while also achieving a 30% friction reduction for powerful acceleration performance, quiet operation and improved fuel economy. Its gear ratio of 7.3 (versus a conventional CVT's 6.0) is the world's largest among automatic-transmission-equipped passenger cars. We have also adopted a new Idling Stop system that includes an internal lock function using the sub-planetary gear. The engine can be restarted on roads with a slope of 6% or less without sliding backwards. The engine restart time is also shortened. During everyday driving, the Idling Stop function works so smoothly that the driver will hardly be aware of it. This CVT is used on the new March and Juke.

Number of CVT-Equipped Units Sold



New Engine Achieves High Fuel Efficiency

Nissan has developed the HR12DDR, a 1.2-liter engine, aiming to achieve the lowest level of fuel consumption in the world for gasoline-powered cars. The engine is based on the HR12DE, the 1.2L 3-cylinder engine mounted on the new Nissan March, and features power output equivalent to that of a 1.5L engine and CO₂ emissions of 95 grams per kilometer (New European Drive Cycle). The engine will be mounted on the new Micra (branded as the March elsewhere) in the European market in the first half of 2011. We have achieved high engine performance and low fuel consumption levels by adopting the Miller cycle, a gasoline direct injection system and a highly efficient supercharger, in combination with the Idling Stop system.



HR12DDR engine

M9R Clean Diesel Engine

Nissan is focusing efforts on clean diesel engine vehicles. Conventional diesel vehicles have much better fuel efficiency than gasoline vehicles with the same power, and so significant reductions in CO₂ can be expected in long-distance and various other driving situations. Considerable cost savings can also be achieved with diesel fuel. To take advantage of these features, under its Alliance with Renault Nissan has developed a new clean diesel engine, the M9R, which successfully cleans exhaust gas. It is used in the X-TRAIL 20GT, which has been introduced in the Japanese market.

An automatic-transmission version of the X-TRAIL 20GT was added in July 2010.



M9R engine

Eco-Drive Support Technology

Eco-mode Function

The engine and CVT are constantly controlled in a coordinated way by a computer that normally switches automatically between high-performance and fuel-efficiency modes depending on driving conditions. The Eco-mode Function incorporates a coordinated control program that makes maximum use of fuel-efficiency mode to further improve the vehicle's efficiency. Drivers can easily switch to Eco-mode using either the car navigation system screen or the Eco-mode switch.

Cars driving in Eco-mode respond more gradually to accelerator input. However, in emergency avoidance and other situations when rapid acceleration is necessary, the computer immediately switches the system to enable quick acceleration.

Eco-drive Navigator

Differences in driving habits can greatly affect fuel efficiency, even with the same car. Nissan has developed an Eco-drive Navigator system to guide drivers in environmentally friendly driving. The system works in particular to prevent excessive fuel consumption when starting and accelerating.

Pressing the accelerator pedal more than is necessary when starting and cruising can use more fuel than needed. This feedback is shown on a meter as an eco-driving guide for the driver. Eco and non-eco ranges are easily distinguished with a gauge and color display so that the driver can intuitively understand just the right amount to press the accelerator pedal.

Eco-driving Diagnosis

Nissan has developed the world's first "eco-driving diagnosis" system, which analyzes driving behavior and scores the driver's eco-driving level for each driving mode. It is adopted in all five of Nissan's original navigation systems and sold as a dealer option to promote the real spread of eco-driving in Japan.

This eco-driving diagnosis system makes use of an original theoretical model of fuel consumption developed by Nissan in its judgment algorithm. The system compares theoretical fuel consumption based on the operations of an individual driver and ideal fuel consumption as determined by Nissan's test drivers, and the eco-driving level achieved by the driver is assessed and given a score. In this way, drivers with different vehicle models and driving environments can compare themselves fairly by score. This is the world's first mechanism to score driving behavior in this way.

Nissan's Carwings information service for car navigation systems has been enhanced to promote eco-driving with a web-based advice service to support individual drivers' eco-driving based on fuel consumption and other data, as well as with the "Eco-driving and You" information channel.

Traffic Information System in Beijing (China)

Nissan has been commissioned by the New Energy and Industrial Technology Development Organization (NEDO) of Japan to work with the National Development and Reform Commission and the Beijing Municipal Development and Reform Commission of the People's Republic of China in implementing a system to provide information to drivers from a dynamic route guidance system (DRGS) and an eco-management system. A system will also be introduced to verify the effects. In the future we will continue to promote cooperative verification projects between Japan and China.

In DRGS, telematics systems (which provide information services to automobiles and other forms of mobility) are used to send traffic information in real time to in-car devices. These devices receive precise traffic information, display the fastest routes and provide road guidance to drivers.

The eco-management system promotes eco-driving by making drivers aware of the amount of fuel they are using when on the road. The system provides continuous eco-driving support through advice on eco-driving and ranking comparisons with other drivers.

Efforts in the Production and Logistics Stages

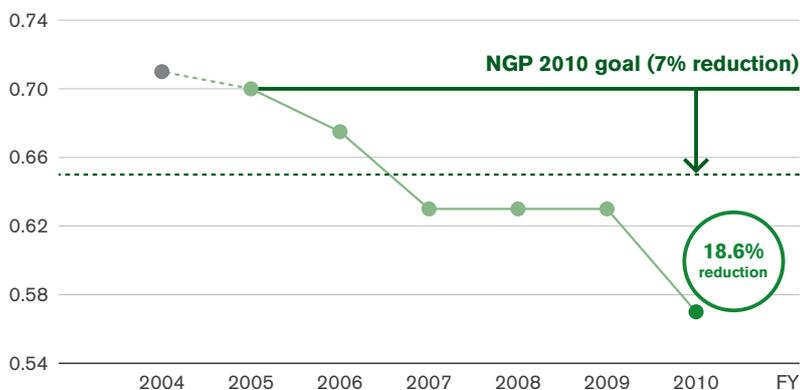
Global Energy Saving

Most of the CO₂ emissions in the manufacturing process are from the consumption of energy generated with fossil fuels. We are confronting these issues directly and engaging in a variety of energy-saving activities in manufacturing our vehicles. In the area of production technology, this includes the introduction of highly efficient facilities, improved production methods and the use of energy-efficient lighting. In our business offices, fine control of lighting and air-conditioning equipment enables us to operate with lower levels of energy use and loss. We then share these activities and best practices with our global production sites.

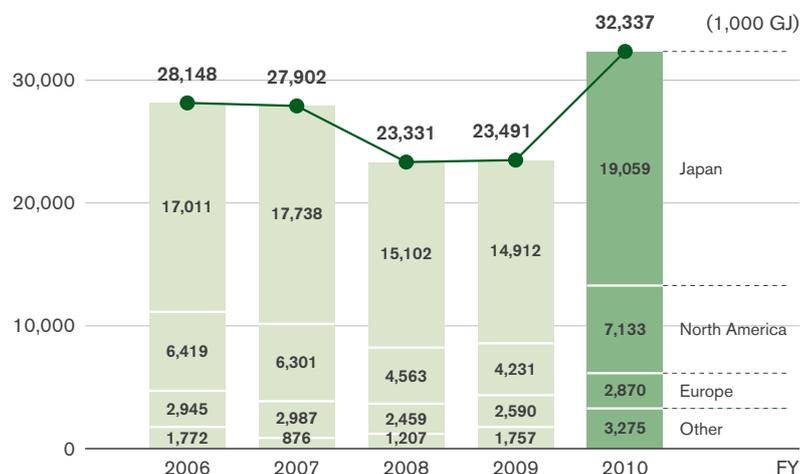
We are also advancing the use of renewable energy sources appropriate to the location of each plant site worldwide. Since 2005, we have installed 10 power-generating wind turbines on the grounds of Nissan Motor Manufacturing (UK) Ltd., which together provide about 7% of the electricity used at the entire site. In Japan, Nissan is co-sponsoring the city of Yokohama's Y-Green Partner program for wind power generation. We are also adopting solar energy: Nissan Motor Iberica, S.A. in Spain has set up solar energy panels and Nissan Mexicana, S.A. de C.V. in Mexico has installed facilities to produce hot water by solar power.

Nissan's target was to reduce CO₂ emissions by 7% below the fiscal 2005 level by fiscal 2010 as measured by the index of "CO₂ emissions per global vehicle" (total emissions generated from global Nissan vehicle manufacturing sites divided by the total Nissan vehicle production volume). To achieve this, we are promoting CO₂ emission reduction activities and introducing Japan's cutting-edge energy conservation technology at our plants worldwide, while our plants in all countries also learn and share best practices with each other. We achieved the above target with CO₂ emissions per vehicle in our global manufacturing sites of approximately 0.57 tons in fiscal 2010, an 18.6% reduction from the fiscal 2005 level.

Global CO₂ Emissions per Vehicle (t-CO₂/vehicle produced)



Global Energy Consumption



Note: The figures for FY2010 are for the Nissan Group worldwide, including 71 consolidated companies. The figures for each fiscal year may encompass different numbers of business locations due to growth in the number of consolidated companies or changes in the scope of companies involved in Nissan's environmental management.

Nissan Honored in the International Energy Star Program (North America)

The International Energy Star program to promote energy savings was started by the U.S. Environmental Protection Agency in 1992, and is currently being implemented in seven countries and regions. There are now 17,000 companies and organizations participating in the program, carrying out various energy-saving activities. Nissan has been involved in the program since 2006, and Nissan North America (NNA) was named Partner of the Year in 2010 for Energy Management. Nissan's manufacturing plants in Smyrna and Decherd, Tennessee, and Canton, Mississippi, are Energy Star award winners for their specific energy efficient operations.

NNA has increased energy efficiency by more than 30% at the above three plants with thorough energy control that reduces energy use and loss in operations. This has resulted in savings of more than \$11.5 million in energy costs annually.

GSEP Initiative Certification Program (North America)

In July 2010 the U.S. Department of Energy announced the Global Superior Energy Performance (GSEP) initiative, an international partnership to improve energy efficiency, with the aim of creating an international certification system for large buildings and industrial facilities. Currently, 24 governments are participating.

To receive certification, a company or organization must have introduced and be using a certified energy control system, and undergo long-term inspection by a third party for improved energy efficiency.

Pilot operation of the program is being handled by eight companies. NNA's Smyrna, Tennessee, plant was selected as one of the participants and is working with the DOE, Oak Ridge National Laboratory and the Georgia Institute of Technology to demonstrate the initial International Standard for Energy Management (ISO 50001).

More Efficient Logistics and Modal Shifts

Nissan began sending chartered trucks for pick-up and delivery of parts in 2000, a method that was uncommon among automobile manufacturers in Japan at the time. This has enabled us to “visualize” waste during transport that had been hidden in the past. We have worked together with suppliers to optimize the frequency of deliveries and transport routes and to improve packaging specifications. The result has been better loading ratios and fewer truck runs. This approach has also been adopted widely at our overseas manufacturing sites, increasing the global efficiency of our operations.

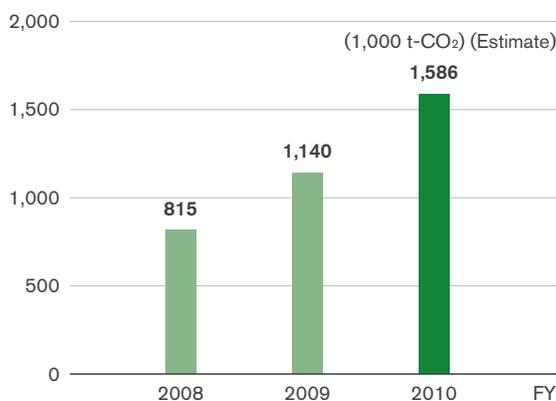
In Europe, we are conducting joint shipment of parts, as well as of completed vehicles, in cooperation with our Alliance partner Renault. In joint shipments by ferry across the English Channel, we have also linked up with other automakers to further improve transport efficiency.

We are also putting much effort into devising efficient modes of packaging for the huge number of parts of different shapes and materials that go into an automobile. As a simultaneous-engineering logistics activity, we are working from the design stage to create parts and develop new vehicles with consideration for transportation efficiency, as well as to reduce the parts shipments per vehicle. We also monitor the competency levels of packaging design engineers, and are cultivating their abilities through global adoption of an original Nissan program.

We have reviewed our transport methods and are undertaking a modal shift from truck to maritime and rail transport. Some 70% of our completed vehicles in Japan are transported by sea. Parts shipments from the Kanto area around Tokyo to our Kyushu Plant are nearly all by rail and ship. The Japanese Ministry of Land, Infrastructure, Transport and Tourism has recognized Nissan as an outstanding enterprise for this modal shift to sea transport.

At our overseas sites, transport methods are selected to best match the local geographical conditions. We are also shifting from truck to rail and ship for completed vehicle transport, depending on the destination. In Mexico, we are increasing the proportion of completed vehicles that are transported domestically by rail.

CO₂ Emissions in Logistics



New Energy Efficient Car Carrier (Europe)

Nissan unveiled the M.V. *City of St. Petersburg*, an all-new energy efficient car carrier for sea transport of vehicles within Europe, in December 2010.

The new car carrier reduces wind resistance by up to 50% compared to conventional vessels with a sleek, semispherical bow. Based on calculations of an annual navigation rate of 75% under average hydrographic conditions for the North Atlantic Ocean, this new design can reduce fuel consumption by up to 800 tons annually, equivalent to an annual reduction of approximately 2,500 tons of CO₂ emissions. Euro Marine Carrier B.V., a Dutch company owned by Nissan Motor Car Carrier that operates this new vessel, plans to use it to transport Nissan vehicles to Northern Europe and Russia. It is expected to show maximum effect in the North Sea, where the wind is known to be very strong.

■ Efforts at Our Dealerships and Offices

Comprehensive Emissions Management

Nissan comprehensively manages CO₂ emissions at its offices and all dealerships in Japan. In fiscal 2008 we began activities to control and reduce CO₂ emissions produced in business activities at our dealers based on the Nissan Green Program 2010. Many of our dealers are making efforts to save energy, including the use of highly efficient air-conditioning, insulation films, ceiling fans and LED lighting. Overseas, we have begun managing CO₂ emissions from corporate activities at our North American and European business sites. We plan to strengthen our management of CO₂ emissions in many more countries and regions in the future.

■ Protecting the Air, Water and Soil



Nissan's Approach to Environmental Protection

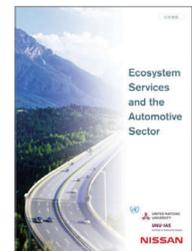
The United Nations Millennium Ecosystem Assessment report issued in 2005 concluded that the ecosystem services evaluated had degraded over the past 50 years. Many scientists believe that humans have changed the Earth's ecosystems more rapidly and extensively than in any comparable period of time in history. Humankind depends greatly on a number of ecosystem services, including provision of food and fresh water, climate regulation and protection from natural disasters. Industry must recognize not just its impact on ecosystems, but also its dependence on these services. Companies today face the pressing need to balance environmental preservation and economic progress as they pursue their business activities. Nissan makes every effort to minimize the ecological impact of its corporate activities and throughout the life cycle of its vehicles, and is working to develop and spread environmental technologies that will create new value.

Our Priorities in Biodiversity

Nissan has carried out extensive studies on the relationship between mobility and ecosystem services through workshops with specialists in the field. We have cooperated with the United Nations University Institute of Advanced Studies, which played a central role in the U.N. Millennium Ecosystem Assessment, on the impact of mobility on the ecosystem and the benefits to humans derived from ecosystem services. In 2010, we published the results of this research in "Ecosystem Services and the Automotive Sector." This joint study focused on the value of ecosystem services that nature produces in human society when biodiversity is protected. The study's aim was to investigate how the automobile business depends on ecosystem services through the entire value chain and what kinds of effects it has on the ecosystem. Using the method of Corporate Ecosystem Services Review,* we have evaluated value chains such as that from extraction of material resources to vehicle production and operation. Based on the results, we then identified three priority areas for us as an automobile manufacturer: energy sourcing, mineral material sourcing and water usage.

From now on, we will work to position the business risks and opportunities identified through this research, reevaluating and further developing our traditional environmental initiatives as we implement strategic measures primarily in the areas of focus that we have defined.

* Developed by the World Resources Institute in cooperation with the World Business Council for Sustainable Development and Meridian Institute based on the U.N. Millennium Ecosystem Assessment.



"Ecosystem Services and the Automotive Sector" is available for download from our website (currently in Japanese only):

<http://www.nissan-global.com/JP/ENVIRONMENT/SOCIAL/BIODIVERSITY/>

■ Efforts in Our Products and Technologies

Toward Cleaner Exhaust Emissions

Nissan proactively sets strict regulations and targets for the design and production of its vehicles. Building on our research and development, in which we have set ourselves the ultimate goal of emissions as clean as the atmosphere, we are working to be a world leader in reducing exhaust emissions with the early introduction of vehicles that meet emissions regulations in each country.

Our Sentra CA, released in the United States in January 2000, was the first gasoline-powered car in the world to receive Partial Zero Emissions Vehicle (PZEV) certification in compliance with the emissions requirements of the California Air Resources Board. PZEV vehicles must meet the zero-evaporative-emission regulations as well as have an on-board diagnostic system that warns of problems with the catalytic converter or other emission-control systems.

The Bluebird Sylphy, released in Japan in August 2000, became the first vehicle to gain certification from the Ministry of Transport (now the Ministry of Land, Infrastructure, Transport and Tourism) as an Ultra-Low Emission Vehicle (U-LEV) producing 50% less nitrogen oxide (NO_x) and nonmethane hydrocarbon (NMHC) than the 2005 emission standards level. In 2003, this model became Japan's first to receive SU-LEV certification as a Super Ultra-Low Emission Vehicle, with emissions at 75% less than that level. As of the end of March 2011, 96.4% of all Nissan gasoline-powered vehicles sold in Japan are SU-LEVs.

Clean Diesel Meets Stringent Exhaust Gas Regulations

While diesel vehicles have an advantage in terms of energy efficiency and level of CO₂ emissions, it has been very difficult to make their exhaust cleaner. At Nissan, we have developed technologies including a diesel particulate filter that traps and eliminates substances making up sooty exhaust, as well as NO_x absorption and oxidation catalysts. These next-generation environmental technologies are used in the M9R clean diesel engine, developed through our Alliance with Renault, that comes in the X-TRAIL 20GT. The X-TRAIL 20GT was the first vehicle to meet Japan's 2009 emissions regulations,* among the most stringent in the world. Since July 2010 an automatic model with a 6-speed transmission (including manual mode) has also been available.

* Japan's 2009 emission standards stipulate that NO_x is to be reduced by 47% and particulate matter by 64% from the levels required by the 2005 emission standards (applicable to vehicles weighing more than 1,265 kilograms). The 2009 Emission Regulations went into effect for new models in October 2009 and will apply to existing models and imported cars, starting from September 2010.

New Catalysts Clean NO_x in Diesel Engines

The M9R clean diesel engine that has been used in the X-TRAIL 20GT since 2010 is equipped with a new lean NO_x trap catalyst that enables cleaning of NO_x, something that has been difficult to do in the past. This new catalyst uses high-dispersion catalyst technology in the NO_x cleaning and NO_x trap layers, inhibiting precious metal surface area reduction from thermal degradation (precious metal condensation) and displaying performance equal to that of conventional technologies, with 50% less precious metal. Technology has been developed to inhibit the reduction in metal surface area exposed to exhaust gas from cohesion of the precious metal, by integrating the substrates and wall material in ultra-low precious metal catalysts and raising the binding strength between the substrate and precious metal. Exhaust gas is further cleaned with high-level engine control to draw out the maximum cleaning performance.

■ Efforts in the Production and Logistics Stages

Prevention of Air Pollution

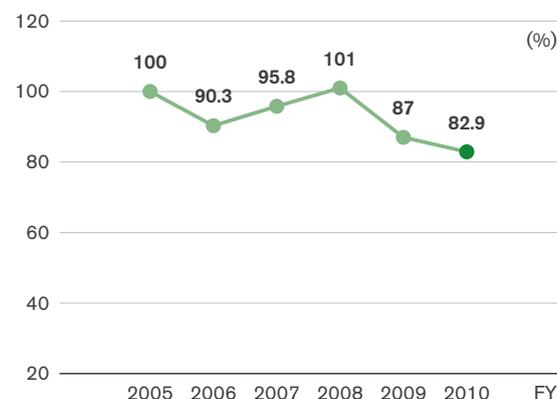
At Nissan production plants, we thoroughly implement systems and control standards to manage air pollutants and undertake activities to reduce the amount of these substances used and emitted in our production operations. We aim for even higher levels of air pollution control than those mandated by the countries in which we operate.

In Japan, we have taken strict measures to reduce emissions of NO_x and SO_x pollutants from our factories, reducing the amount of these emissions to one fourth of the levels emitted in the 1970s. Painting lines and other processes in vehicle production consume large amounts of heat. We have lowered NO_x and SO_x emissions by introducing low-NO_x burners in the ovens and boilers that provide heat for our painting lines and by switching from heavy oil and kerosene to fuels with low SO_x emissions for these ovens and boilers.

A current challenge is the reduction of volatile organic compounds (VOCs), which readily evaporate and become gaseous in the atmosphere. These account for approximately 90% of chemicals released in our vehicle production processes. We are working to increase the recovery of cleaning solvents and other chemicals and reduce the amounts of these substances emitted from our plants ahead of the implementation of new regulations in each country where we operate. We are also systematically switching to lines using water-based paints, which have fewer VOCs, and increasing the recycling rate for waste paint thinner in order to cut down on the total volume of VOCs used.

VOC emissions from the Kyushu Plant water-based paint line are now less than 20 grams per square meter of painted surface, and we are maintaining one of the best levels in the industry. Water-based paint lines have also been introduced in our Smyrna and Canton Plants in North America and our Zona Franca Plant in Spain and other plants. With these efforts, VOC emissions per painted surface area in fiscal 2010 were reduced by 17.1% from 2005 levels.

VOC Emissions



Note: The figures are for VOC emissions from Nissan Motor's production plants in Japan.

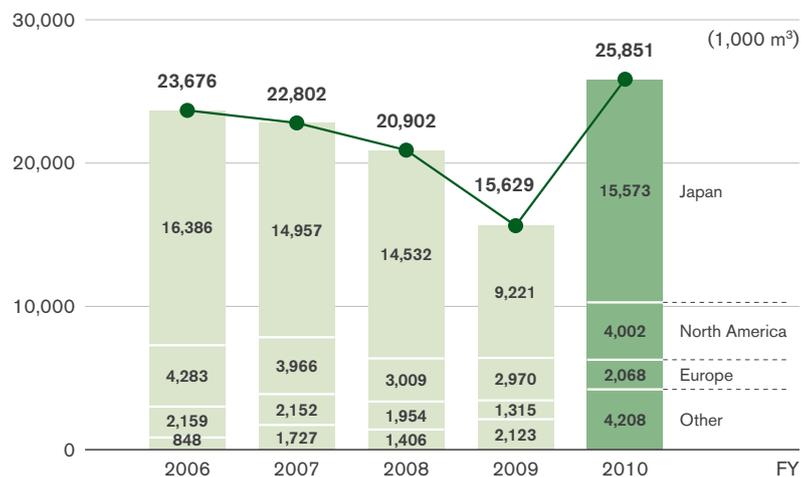
Water-Use Management

The issue of water resources is becoming ever more serious as water use increases from the growing world population and economic development.

There are over 40 plants in 18 different countries building Nissan-branded vehicles and parts, and they all use water as part of the production process. We have therefore started efforts to reduce water consumption at our production plants.

Water-use assessments were carried out at all plants, which were categorized into three levels according to a Nissan-developed index of water risks, and activities have been pursued that are relevant to the plants' respective circumstances. The highest-risk plants were placed at Level A, defined as a plant that either already has a water-related problem or is expected to face one in the near future. Water-reduction targets have been independently set for each of these plants, which will undertake activities to reach those targets. Level B plants are those with the potential for water problems; they will regularly monitor water risks, in addition to undertaking the voluntary water-reduction activities they have been pursuing to date. Level C plants are at low water risk, and they will continue their voluntary water-reduction initiatives. These classifications and activity levels have been adopted as uniform, companywide standards, and the initiatives that had been pursued separately at each plant are now being undertaken throughout the company.

Water Resource Use



Note: The figures for FY2010 are for the Nissan Group worldwide, including 71 consolidated companies. The figures for each fiscal year may encompass different numbers of business locations due to growth in the number of consolidated companies or changes in the scope of companies involved in Nissan's environmental management.

Wastewater Release



Note: The figures for FY2010 are for the Nissan Group worldwide, including 71 consolidated companies. The figures for each fiscal year may encompass different numbers of business locations due to growth in the number of consolidated companies or changes in the scope of companies involved in Nissan's environmental management.

■ Efforts in Our Business Activities

Working Locally to Preserve Biodiversity

The Nissan Technical Center and Nissan Advanced Technical Development Center in Atsugi, Kanagawa Prefecture, are located in the natural splendor of the Tanzawa-Oyama region. We are working to preserve the greenery that remains on the grounds of these centers, as well as to maintain the natural connections between these grounds and the natural environment that exists in surrounding areas.

At the Nissan Technical Center, for instance, we work to preserve the natural stands of forest growing on the grounds and to maintain the area's biodiversity by planting trees in areas affected by construction of the facilities. Various birds, wild deer and even troops of monkeys can be spotted on the grounds. The site is also home to a rare natural growth of a perennial orchid called *ebine* in Japanese, which is on the "Red List" of threatened species published by Japan's Ministry of the Environment. In recent years overharvesting of these flowers has pushed them to the brink of extinction in the wild. We are carrying out minimally invasive management of these flowers to preserve them in an undisturbed, natural state. The green areas near our facilities are used by local residents for both recreation and environmental education activities. Here we have set up a network of walking trails connecting a number of nearby parks; these trails have proved popular with adults and children alike.

These preservation and greening efforts at our facilities have won acclaim, and brought us recognition as a Green Top 100 Company for Biodiversity Protection by Japan's Organization for Landscape and Urban Green Infrastructure in May 2010.



A walking trail near our facilities

■ Supply Chain Management

Nissan's Tough Voluntary Standards

Stricter controls on the environmental impact of substances are being sought in countries around the world. Examples include the European End-of-Life Vehicles (ELV) Directive and the European Commission's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation, which went into force in June 2007. To help minimize the potential release of formaldehyde, toluene and other VOCs in vehicle cabins, the Japan Automobile Manufacturers Association has launched a voluntary program that calls for all new models launched in Japan from April 2007 to meet standards set by the Japanese Ministry of Health, Labor and Welfare for concentration levels of 13 compounds in vehicle interiors.

Nissan has steadily advanced efforts to meet these requirements. In an effort to reduce the potential release of environment-impacting substances, we have established voluntary standards to meet the environmental regulations enacted in countries where we do business. We are working on a global basis to prohibit or limit the use of four heavy metals (mercury, lead, cadmium and hexavalent chromium) and polybrominated diphenyl ether (PBDE) flame retardants in all new models (excluding OEM vehicles) launched from July 2007 onward. To meet European Union requirements, we have fulfilled our registration and notification duties under the REACH Regulation, and have filed notification of the classification, labelling and packaging of substances and mixtures in line with the CLP Regulation. To reduce VOCs in vehicle cabins, we have adopted the voluntary targets of the Japan Automobile Manufacturers Association as Nissan's global standards and are reconsidering the parts and adhesives used in seats, door trim, floor carpets and other vehicle parts.

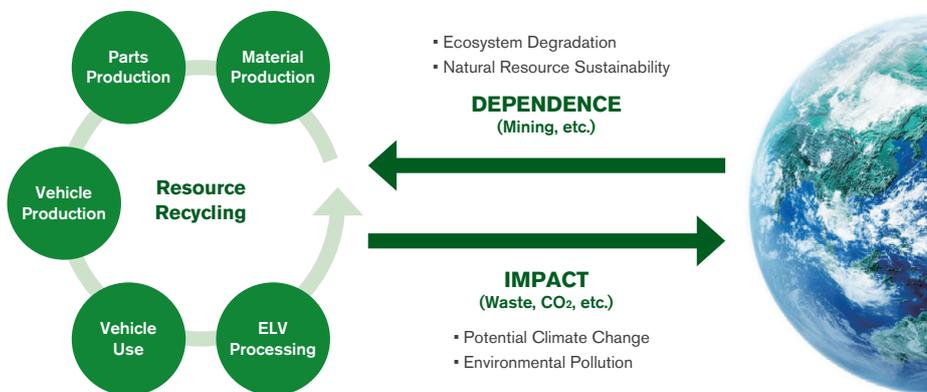
■ Toward Sustainable Recycling of Resources

Nissan's Approach to Resource Recycling

Demand for natural resources such as metals and oil is skyrocketing in response to the rapid economic growth of emerging countries. In addition to promoting reduced use of virgin natural resources through resource-saving and resource-recycling measures, it is becoming important to procure natural resources that have a lower impact on the Earth's ecosystems, not only from the standpoint that these resources are limited, but also considering the wide-ranging effects that resource extraction has on ecosystems.

Nissan has targeted 100% resource recovery for end-of-life vehicles (ELVs), while also promoting design centered on the vehicle life cycle, waste reduction, and other such resource-saving measures. In addition to continuing these activities, we will promote expanded use of recycled materials to reduce ecosystem degradation and reliance on virgin natural resources, doing our utmost to contribute to the development of a sustainable society.

Nissan's Goals for the Resource Cycle



■ Efforts in Our Products and Technologies

Design Centered on Vehicle Life Cycle

Nissan designs and develops new vehicles from the point of view of the three Rs—reduce, reuse and recycle—taking into consideration the automobile's entire life cycle, from the design stage until the end of its useful life. We seek to avoid the use of substances that impact the environment and ensure that our products are easy to dismantle and recycle. Since 2005, Nissan has achieved a recoverability rate of 95% or greater for all new models in Japan, and we are focusing development efforts on pushing this rate still higher.

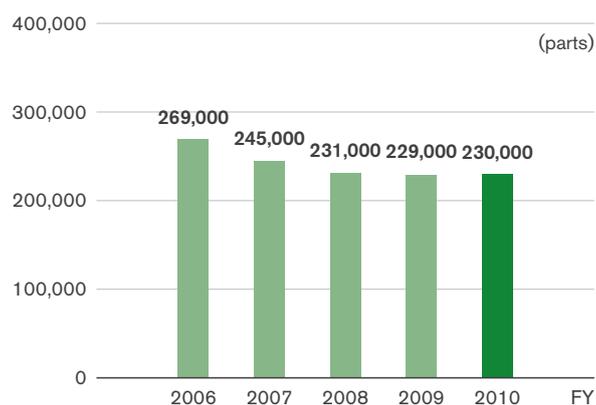
Working together with our Alliance partner Renault, we have created a recycling simulation system called OPERA for use in the early design stages to calculate recoverability rates and recovery costs for new models. This has led to enhanced recycling efficiency from an economic standpoint as well.

Reuse of Vehicle Parts

Nissan recycles used ELV parts and promotes their reuse as material for new automobiles. One example is aluminum wheel rims. We collect aluminum rims from ELVs and recycle them as materials for new vehicles. While waste aluminum materials are usually recycled into engine parts, we work together with recyclers throughout Japan to collect rims from Nissan ELVs and put the recycled high-grade aluminum back to use in suspensions and other important vehicle parts. Striving to reduce the use of virgin natural resources, in fiscal 2010, we collected and recycled around 248 tons of end-of-life aluminum wheel rims each month.

We also promote the collection and recycling of used plastic bumpers accumulated during the repair and replacement of vehicle parts at dealers in Japan. Material reclaimed from the damaged bumpers is reprocessed and then recycled into new vehicles as plastic parts. Furthermore, we are promoting the use of recycled materials from sources other than automobiles.

Number of Recovered Bumpers



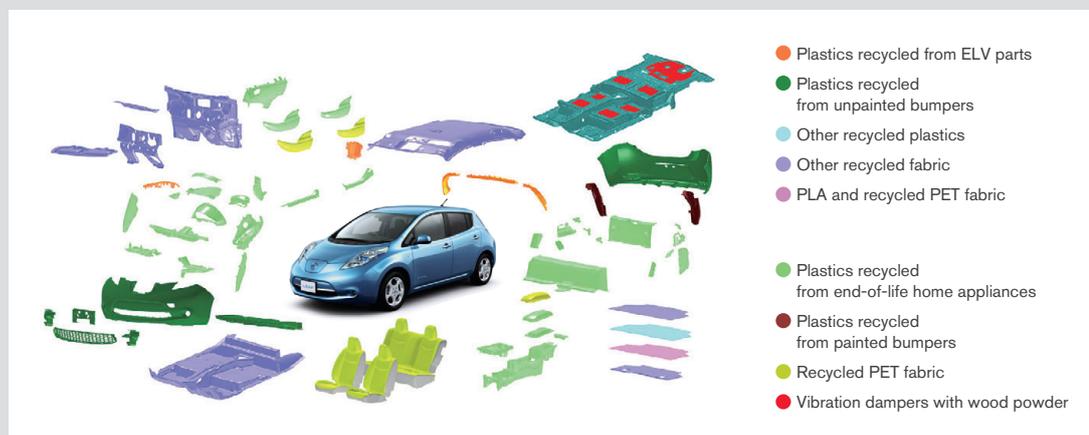
Use of Recycled Materials in the Nissan LEAF

The all-electric Nissan LEAF not only features life-cycle-centered design, but is also tied deeply into the company's car-to-car recycling efforts, utilizing ELVs as a source of new parts.

Plastic interior trim parts collected from ELVs, for example, are processed using a new technology to maintain colors and improve product quality, and then incorporated into the Nissan LEAF as plastic parts. For bumpers, we have developed a device that strips the paint without the use of chemicals and without deteriorating the material's quality. Painted bumpers damaged during the production process are recycled with this device and then used in new Nissan LEAF bumpers.

Nissan applies recycled material from non-ELV sources as well, including plastic bottles, which are utilized as seat fabric.

Recycled Materials Used in the Nissan LEAF



Dismantling Methods that Raise the Recovery Rate

To optimize processing and improve the recovery rate for ELVs, Nissan carries out experimental studies to develop more efficient ways of dismantling its cars. While such research has until now focused on establishing methods of processing waste oil, waste liquids, lead and other substances that impact the environment, we are presently moving ahead with research aimed at further increasing the recovery rate in order to reclaim and reuse valuable materials from ELVs. Feedback from the studies has led to improvements in dismantling techniques and has proved useful to our product design division in choosing suitable materials and designing vehicles that are easier to dismantle.

Nissan emphasizes the creation of partnerships that go beyond industry frameworks in advancing the effective use of resources. Our hope is to produce synergistic effects through these partnerships that will lead to a large circle of resource recycling.

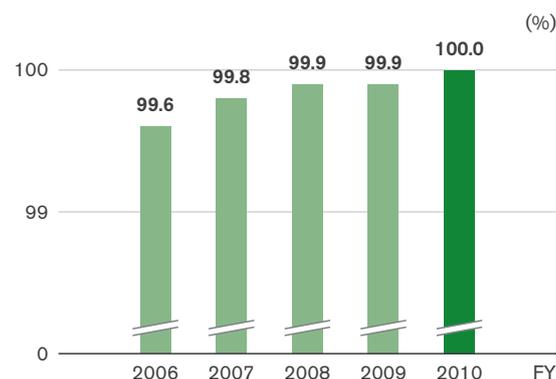
One way we do this is by distributing an ELV recycling manual to automobile dismantlers in order to promote the proper treatment of ELVs. The manual includes key points related to the location in the vehicles of and work processes for environment-impacting substances, as well as safety precautions. We also publish an instruction manual for removing lithium-ion batteries from electric and hybrid vehicles, enabling automobile dismantlers to remove these power packs safely.

Efforts in the Production and Logistics Stages

Thorough Measures for Waste Materials

Nissan actively promotes measures based on the three Rs in its production processes whenever possible, striving to minimize the waste generated and maximize recycling efficiency by means of thorough sorting of waste. In line with the objectives of our medium-term environmental action plan, NGP2010, we have been working to achieve a 100% recovery rate for our operations in Japan and bring this rate to an automotive-industry-leading level in each region of the globe. Our efforts have paid off. As of the end of 2010, we have achieved this 100% recovery rate at all of our production sites in Japan: five manufacturing plants, two operations centers and five affiliates.

Recovery Rate



Container and Packaging Material Reductions

Nissan has been making great efforts to reduce the number of wooden pallets and cardboard boxes used in parts shipping, replacing them with units made from such materials as steel and plastic, which can be returned for reuse. In 2010, we used roughly 4 million collapsible plastic containers and 600,000 collapsible steel containers for shipping parts to and from our operational sites around the world. We have been working with our Alliance partner Renault to expand the use of our globally standardized, returnable containers. In the area of packaging efficiency, we are making progress in reducing packaging materials from the development stage by applying simultaneous design activities to logistics as well.

■ Efforts in the Market and at Dealerships

Sales of Nissan Green Parts

Parts with the potential for recycling include those reclaimed from ELVs as well as those replaced during repairs. In Japan, Nissan collects and thoroughly checks the quality of these secondhand parts, and those that receive a passing grade are sold through our sales outlets as Nissan Green Parts. We sell these parts in two categories: reusable parts, which are cleaned and tested for quality before sale, and rebuilt parts, which are disassembled and have components replaced as needed. Sales of these parts in fiscal 2010 reached ¥1.71 billion.

Area Leaders' Messages

Hiromi Asahi

Deputy General Manager
Global Environmental Planning Office
Corporate Planning and
Business Development Division



Reducing Vehicles' Environmental Impact

In fiscal 2010, we launched the 100% electric Nissan LEAF and introduced the PURE DRIVE series of vehicles, including the new March and the Fuga Hybrid. We also obtained ISO 14001 certification for all of our main operations in Japan. This progress is the fruit of Nissan Green Program 2010. It is also the starting point for the next round of challenges we will undertake. The scale of motorization is set to expand, given the growing global population and the economic growth in emerging countries. This could lead to an increase in energy and resource consumption, impacting the global ecosystem. Dedicated to enriching people's lives worldwide through mobility, we are advancing activities to help curtail the impact of automobiles on the environment and their reliance upon valuable natural resources.



KEY CSR AREAS

Safety — Aiming for a Society with No Traffic Accidents

Automobiles are enjoyable, convenient vehicles that provide their users with both comfortable surroundings and a means of self-controlled mobility. Nissan aims to create cars that embody the “pleasure and richness of driving” while prioritizing our customers’ peace of mind through the pursuit of a high level of real-world safety. This of course means a focus on safety features of the vehicles themselves. It also means research and development of Intelligent Transport Systems (ITS) that can help reduce accidents and traffic congestion, as well as educational activities to raise safety awareness among drivers, pedestrians and even passengers in other cars. We are involved with society in a wide range of activities toward the realization of a safer automobile society.

Nissan’s Safety Approach

1. Vehicles: Developing Safety Technologies

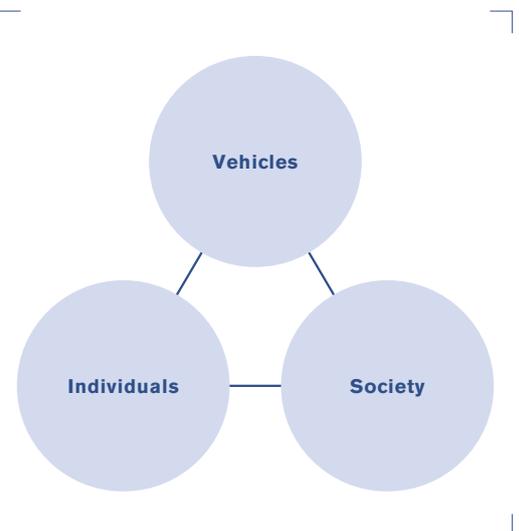
Based on its unique “Safety Shield” concept, Nissan is working to develop automotive technologies from the perspective that people are at the center of the driving experience. Our focus is on solutions that help maintain distance from potentially dangerous conditions. We also provide technologies that aim to activate the vehicle’s onboard systems when a collision is unavoidable, thereby helping to reduce injuries.

2. Individuals: Our Traffic Safety Activities

To help create a better mobility society, it is important to ensure that as many people as possible, including drivers and passengers in vehicles as well as pedestrians outside them, share an understanding of road safety. Nissan takes part in educational activities to boost this safety awareness, measures to improve drivers’ skills behind the wheel and a range of other safety promotions.

3. Society: Working Together with Society

Nissan believes that it is possible to help create an even safer automobile society by using information from the traffic environment surrounding the vehicles on the road. We are working together with a wide range of governmental agencies, universities and companies toward the eventual achievement of a safer, more pleasant mobility society making use of ITS.



■ Improving Safety

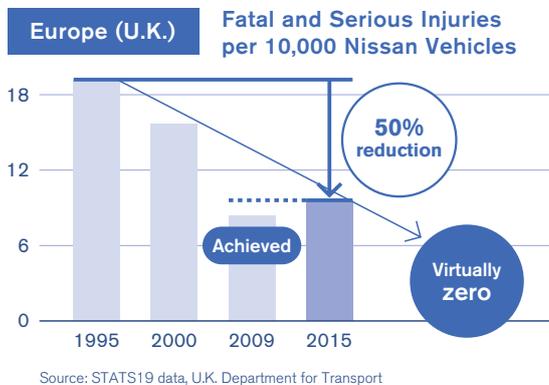
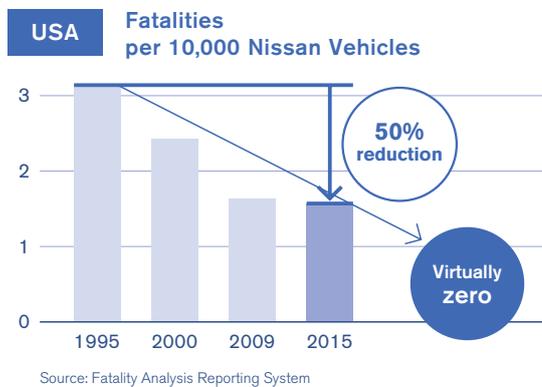
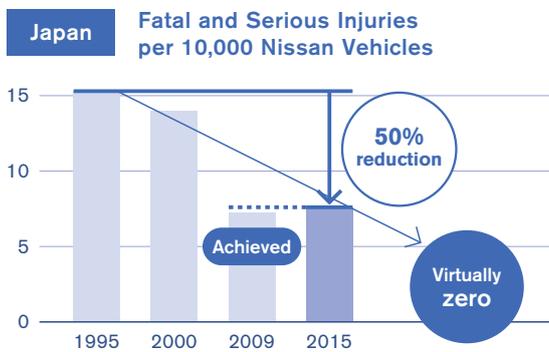
Nissan's Concept of Real-World Safety

Each year around 1 million lives are lost in traffic accidents around the world. In 2010 there were 4,863 deaths resulting from traffic accidents in Japan. This was the tenth straight year for this figure to decline, and the total was under 30% of the number of deaths in 1970, when it peaked at 16,765. The numbers of traffic accidents in Europe and North America are also declining. However, further efforts need to be made to help reduce traffic accidents and the loss of irreplaceable lives.

Nissan's fundamental approach is to pursue safety in the real world. Based on this "real-world safety" concept, we are seeking to progress toward the goal of a world with virtually no accidents leading to death or serious injury. In Japan and the United Kingdom, the number of fatalities and serious injuries involving Nissan vehicles has fallen to our target of half of its 1995 level. In emerging countries, however, traffic accidents remain a serious issue, and it can be difficult to obtain meaningful data for analysis.

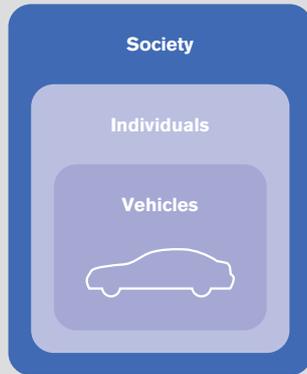


Please see our website for more information on our safety activities.
<http://www.nissan-global.com/EN/SAFETY/>



Triple-Layered Approach

To help reduce traffic accidents, we need a comprehensive approach addressing not just automobiles, but people and the traffic environment too. To help contribute to the realization of a truly safe society, Nissan uses a triple-layered approach with measures taken on the levels of vehicles, individuals and society.



Society Improving the traffic environment with Intelligent Transport Systems (ITS) and related technologies:

- Telecommunications-based ITS
- ITS Project in Kanagawa Prefecture to research vehicle-to-infrastructure communication and pedestrian detection
- Participation in ASV intervehicle communication project sponsored by Japan's Ministry of Land, Infrastructure, Transport and Tourism

Individuals Raising drivers' and other people's awareness of traffic safety through educational activities:

- The Nissan Hello Safety Campaign to promote traffic safety
- The Quest for Safety program in the United States
- The Nissan Safety and Environment Technology Tour in China

Vehicles Developing technology that:

- Helps the driver to maintain comfortable driving
 - Distance Control Assist System
 - Around View Monitor, etc.
- Helps the driver to recover from dangerous condition to safe driving
 - Lane Departure Prevention
 - 4-Wheel Active Steer, etc.
- Helps minimize the damage when a collision is unavoidable
 - Zone Body construction, etc.

Advanced Technology Briefings

Each year Nissan hosts Advanced Technology Briefings for the media in Japan to inform stakeholders about what the company is developing. New technologies presented at the briefing held in July 2010 included our Moving Object Detection system and Forward Collision Avoidance Assist Concept. Participants had the opportunity to experience these firsthand during test rides at the event.

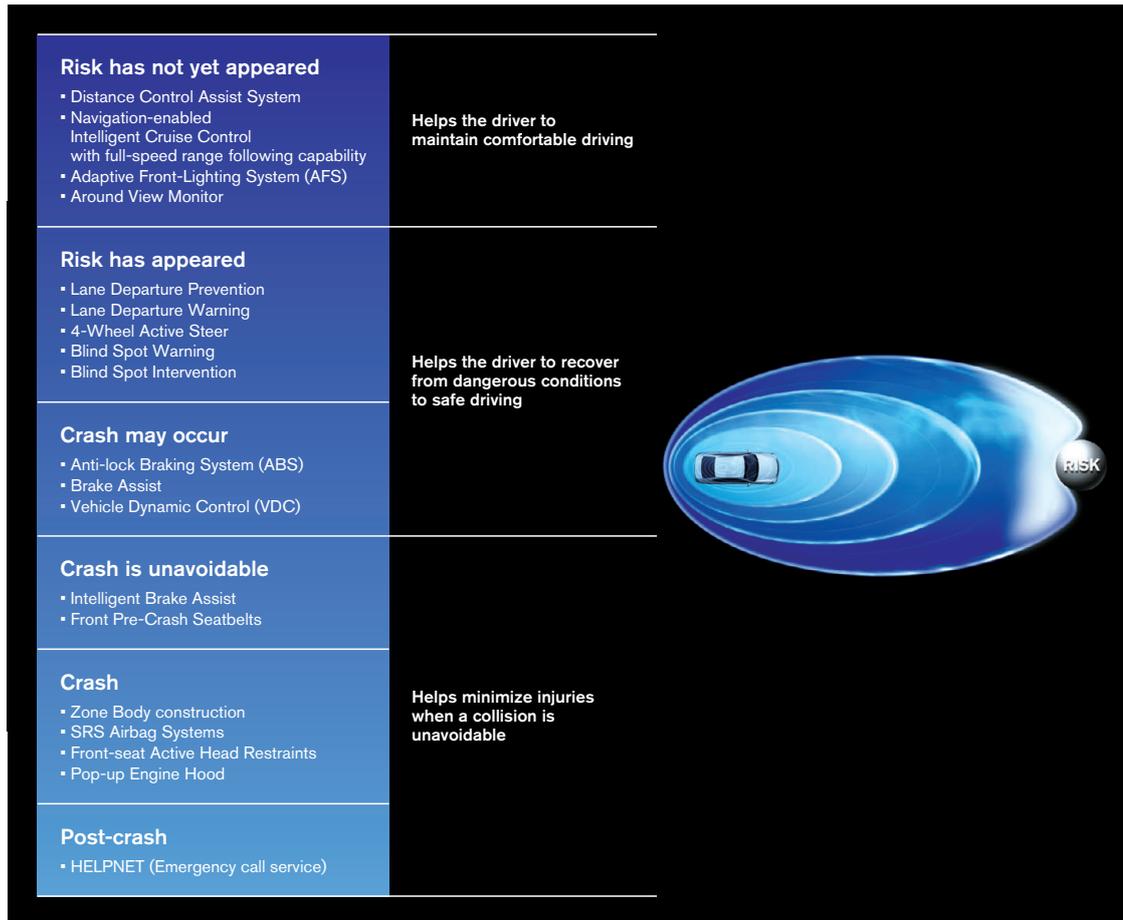
Additionally, Nissan (China) Investment Co., Ltd. holds the Nissan Safety and Environment Technology Tour in different areas around China. In 2010 tour events were held in Beijing, Shanghai and Guangzhou. Attendees were introduced to such safety technologies as our Distance Control Assist, Around View Monitor and Lane Departure Prevention, and also had the opportunity to participate in test rides.

■ Developing Safety Technologies



The “Safety Shield” Concept

In its efforts to create safer automobiles, Nissan relies on its “Safety Shield” concept, which is based on the idea that cars should help protect people. The concept defines the conditions surrounding a vehicle in terms of six phases, from “risk has not yet appeared” through “post-crash,” and guides our development of technologies to address each phase.

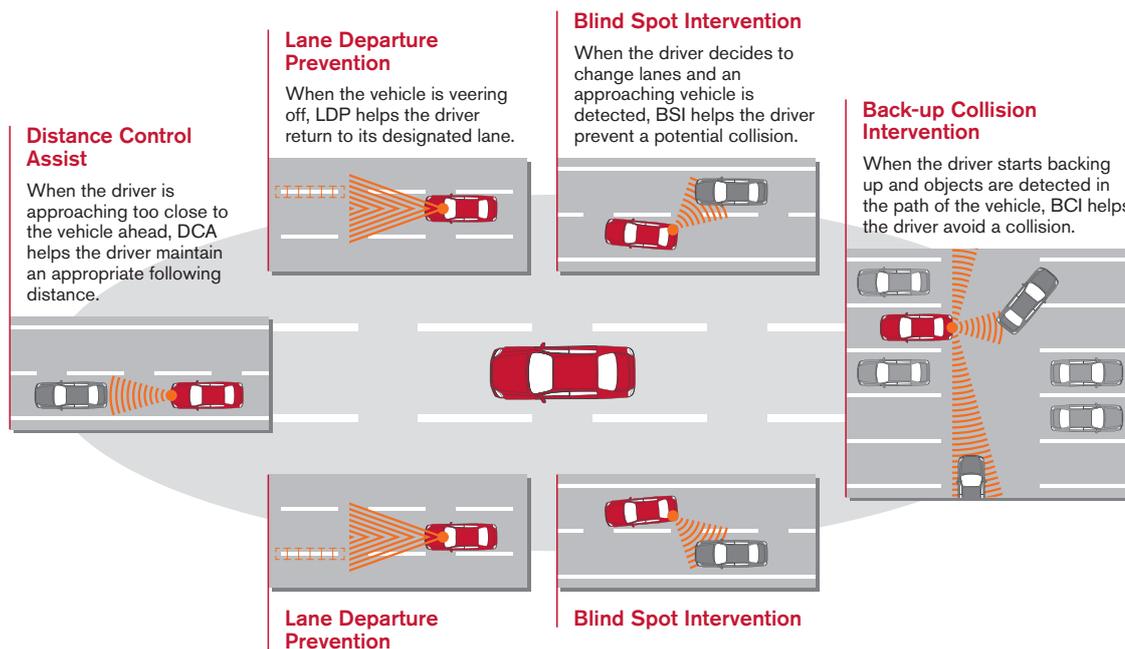


Aiming for "Collision-Free Cars"

Nissan is adding to its existing suite of collision-safety technologies with the development of new technologies that could contribute to the realization of even more "collision-free cars." Working from the perspective that people are at the center of the driving experience, we strive to equip our vehicles with functions that support intuitive operation, thus helping to reduce the burden on the driver.

In our all-around drive-support system we have brought together various safety technologies, including our world-first Back-up Collision Intervention technology, which detects objects in the path of the vehicle when the driver backs up. Other technologies already being utilized in some Nissan vehicles include Distance Control Assist, which helps the driver maintain distance between the car and the vehicle in front; Lane Departure Prevention, which helps the driver return the vehicle to its designated travel lane; and Blind Spot Intervention, which assists in lane changes by alerting the driver to the presence of a vehicle in the blind spot.

Technologies in Nissan's Collision-Free Prototype



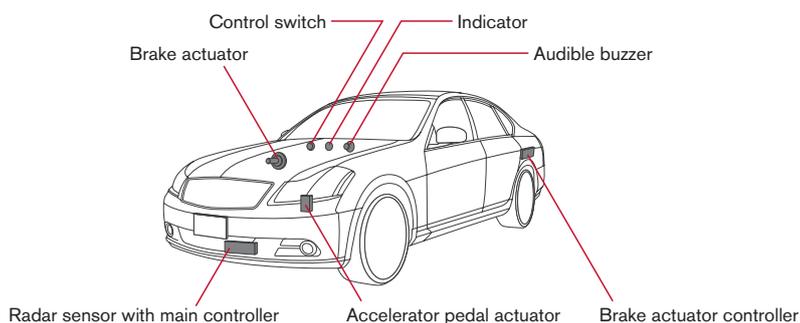
Please see our website for more information on our Adaptive Front-Lighting System (AFS) and other systems.

<http://www.nissan-global.com/EN/SAFETY/INTRODUCTION/COMFORTABLE/>

Distance Control Assist System

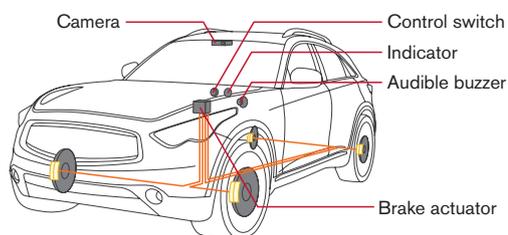
Nissan's Distance Control Assist System uses a radar sensor to calculate the distance between the car and the vehicle in front. Based on the gap and relative speed between the cars, the system then supports the driver's pedal operations when braking, thus helping to maintain a safe space between the vehicles. We first installed this system in the 2007 Fuga marketed in Japan.

We have also developed a world-first technology integrating the car's navigation system with these functions. Our new system can import data from the navigation system on upcoming curves in the road and help to apply the brakes gradually in preparation for them. When the driver continues depressing the accelerator pedal, the system provides support by lifting the pedal to assist the driver in switching to the brakes. The system also implements smooth deceleration when the accelerator pedal is lifted, helping make it easier to navigate curves. This upgraded system made its debut in the Fuga marketed in Japan in November 2009, and is available in the Infiniti M in the United States.

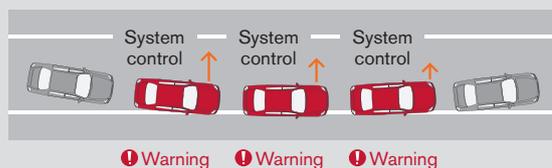


Lane Departure Prevention

This system helps the driver return the vehicle to its designated travel lane when the vehicle is drifting out of the lane. A camera unit installed behind the rear-view mirror detects lane markers in front of the vehicle and calculates its position relative to them. When the system judges that the car may unintentionally leave its lane, it alerts the driver with visual and audible warnings and briefly activates the brakes on one side of the vehicle to assist the driver's efforts to return to the lane center. We rolled out this system in the Skyline Crossover launched in July 2009 in Japan. In the United States, it is available in the Infiniti EX.



The Lane Departure Prevention system in operation



Please see our website for information on our other systems, including Lane Departure Warning.

<http://www.nissan-global.com/EN/SAFETY/INTRODUCTION/RECOVER/>

Blind Spot Intervention

This system supports the driver's operations when initiating a lane change, helping to avoid a collision with another vehicle that may be traveling in the blind spot. Sensors installed in the rear of the car detect a vehicle in the adjacent lane, and the system alerts the driver with audible and visual warnings. Moreover, the braking mechanism of each wheel is controlled separately, and when a vehicle is detected, the system generates a force to help the driver keep the car away from the other vehicle. The Infiniti M models launched in North America in March 2010 were the first to feature this technology.

Back-up Collision Intervention

When the vehicle is in reverse, such as backing out of a parking space, Back-up Collision Intervention goes to work. Sensors mounted on the rear and sides of the vehicle are used to detect vehicles and other obstacles in the car's path. If an object is detected, an alarm sounds and then the brakes are activated to help the driver avoid a collision.

Around View Monitor

This world-first technology uses images from four cameras installed at the front, back and sides of the vehicle, combining them in a composite, overhead view on the car's navigation monitor. This allows the driver to easily grasp the position of the vehicle in relation to the parking space, simplifying tasks like parallel parking or entering a garage. The system made its debut in the Elgrand released in Japan in October 2007, while the first model to carry the system in North America was the Infiniti EX35 launched in December that year.

We later added the following three functions to the system, two of them world firsts, and incorporated the upgraded version in the Skyline Crossover launched in Japan in July 2009.

1. Front/rear wide-view function

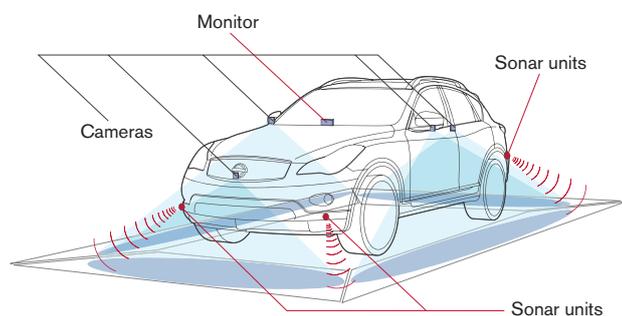
The monitor displays views covering approximately 180 degrees from both the front and rear cameras, helping the driver to check for other vehicles that may be approaching. This helps put the driver at ease when the car travels through blind intersections or exits a parking space. The rear wide-view function in particular is a world first.

2. Front wide-view function linked to the navigation system

After the driver registers a location on the navigation system's map, the monitor will automatically switch to front wide-view mode when the vehicle arrives at that location and comes to a stop. This lets the driver check for approaching vehicles more smoothly, without the need to manually activate the front-view camera. We hope this world-first technology will help to enhance users' peace of mind at intersections with poor visibility.

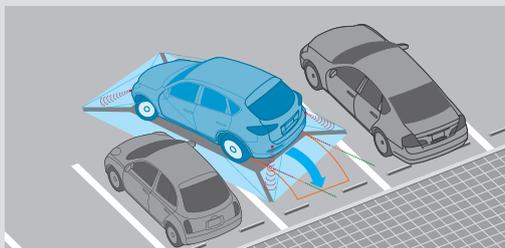
3. Parking Guide function

This new function enhances our Around View Monitor, making it easier than ever to move the car in and out of garages or parking spaces. The driver can use the touch panel on the navigation screen to get an overhead view of the vehicle in relation to its surroundings, along with audio and visual guidance on parking maneuvers.

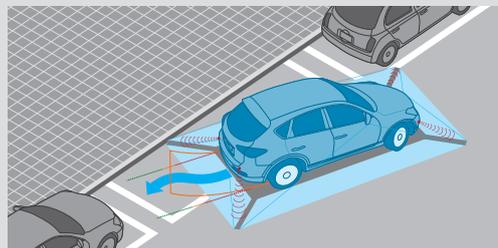


The system gives helpful views when backing into a space.

The Parking Guide system gives the driver an intuitive feel for the vehicle's position while parking.



When parallel parking, the driver can simultaneously check the car's rear, side and curbside front views.



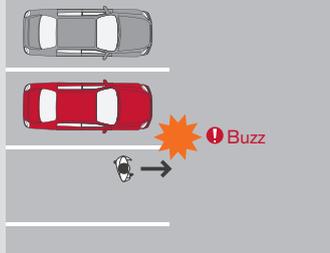
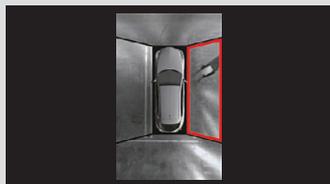
New Safety Technologies for Fiscal 2010

Moving Object Detection

This function alerts the driver when a moving object is detected around the vehicle. If there is a moving object, such as a pedestrian, close to the vehicle while it is stopped or moving at low speed, an alarm sounds and a visual warning is displayed on the monitor. We hope this technology will help contribute to the prevention of accidents resulting from poor visibility, for example by helping drivers to visually confirm their surroundings when traveling through visually restricted intersections or pulling out of a parking space.

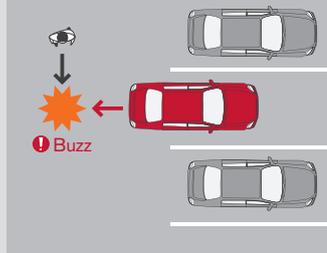
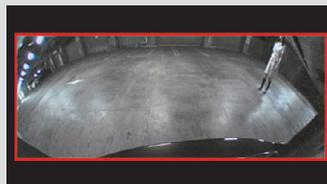
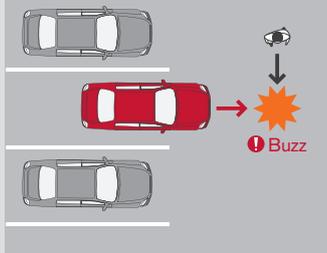
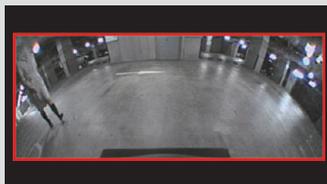
When stopped

A buzzer sounds and a visual warning appears on the monitor when a moving object appears in the field of the top view display.



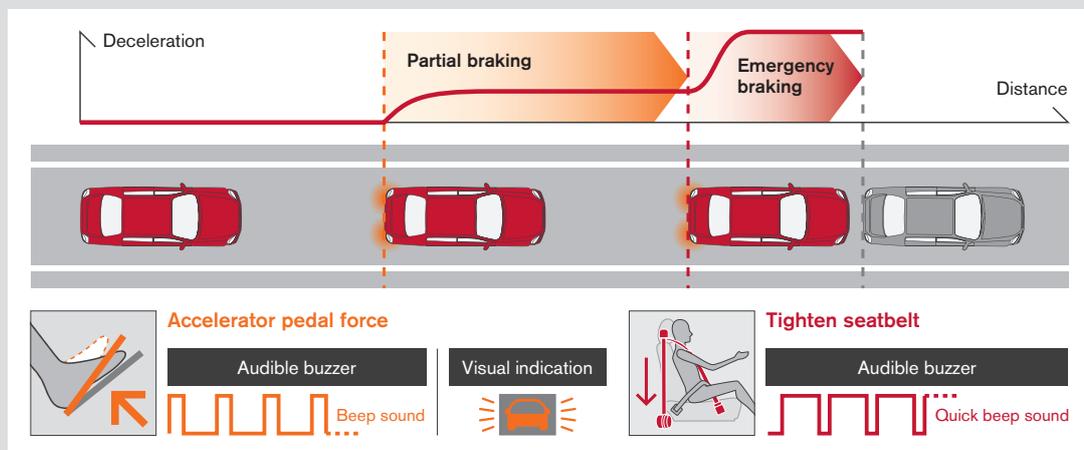
Forward or backward movement

A buzzer sounds and a visual warning appears on the monitor when a moving object cuts across the field of the front or rear view display, depending on the direction in which the vehicle is moving.



Forward Collision Avoidance Assist Concept

This new technology can help the driver avoid a collision even when traveling at a speed of up to 60 km/h. A highly sensitive radar sensor monitors the distance to the vehicle in front and its relative speed, supporting the driver's operations to avoid collisions. When the system detects an object in the vehicle's path, it provides both visual and audible warnings to the driver. At the same time, it helps the driver slow the vehicle down by generating a force that pushes the accelerator pedal up. By assisting the driver with smooth deceleration, we hope to also help reduce the risk of rear-end collisions resulting from sudden braking.



1. When the system determines that deceleration is required, it alerts the driver using both audible and visual warnings. It then generates a force that pushes the accelerator pedal up and smoothly applies partial braking to assist the driver in slowing the vehicle down.

2. In case the system calculates the possibility of a collision, it automatically applies emergency braking, while the seatbelts are tightened to help restrain passenger movement.



Safety Technologies for Electric Vehicles

Electric vehicles are a completely new kind of car, and Nissan sees the need to approach EV safety from a new perspective.

The Nissan LEAF, released in December 2010, uses high-strength body construction that protects its lithium-ion battery in the event of a collision. The Nissan LEAF also features insulation around its high-voltage parts used in such areas as the battery and the motor. Moreover, the vehicle is designed so that the high-voltage electrical system automatically shuts down in the event of a collision. The Nissan LEAF is further equipped with a lithium-ion battery controller system that continuously monitors battery conditions to prevent overcharging, excessive discharging or overheating, which could lead to severely reduced capacity or malfunction. These features developed specifically for EVs, along with our safety technologies created for gasoline-powered vehicles over the years, have earned Nissan high safety marks around the world, including the top five-star rating from the European New Car Assessment Programme (Euro NCAP) and the "Top Safety Pick" rating from the U.S. Insurance Institute for Highway Safety.

Since EVs are extremely quiet when running, the Nissan LEAF is equipped with the Approaching Vehicle Sound for Pedestrians system. The car begins emitting a sound when the driver puts the car into drive gear and releases the brake. This sound fades out when the vehicle tops 30 km/h and starts up again when the vehicle decelerates, at speeds below 25 km/h. Another warning sound is generated when the car is put in reverse.



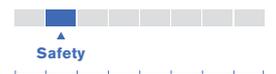
Please see our website for detailed information on our Euro NCAP five-star rating.

http://www.nissan-global.com/EN/NEWS/2011/_STORY/110525-01-e.html



For more information on our "Top Safety Pick" rating from the IIHS, please see our website.

http://www.nissan-global.com/EN/NEWS/2011/_STORY/110426-02-e.html



■ Traffic Safety Activities

Our Hello Safety Campaign

Each year since 1972, Nissan has carried out its Hello Safety Campaign activities as part of nationwide traffic safety campaigns in Japan. The spring campaign in April 2010, intended for children and their guardians as well as senior citizens, focused on the themes of “proper use of seatbelts and child safety seats in all seating positions of a vehicle” and “traffic safety education to raise awareness of dangers in daily life and ways to avoid them.” As part of the activities, we created storytelling picture cards and delivered them to traffic safety instructors around Japan.

The September 2010 fall campaign drew on data from real-life accidents to focus on the important subject of preventing traffic accidents when walking or cycling at dusk and after dark. During the campaign we launched the Omoiyari Light Campaign, named with the Japanese word for “kind consideration,” encouraging drivers to turn on their headlights early so pedestrians and cyclists can more easily notice an approaching vehicle. In addition to creating posters and participating in radio promotion activities, we carried out a trial public campaign to make our traffic safety education activities more tangible. We set up a special website, accessible from computers and smartphones, for people who had heard about the movement to learn more about the importance of turning on headlights early. The Omoiyari Light Campaign is attracting attention thanks to the efforts of runner's clubs to encourage this movement, beginning with a September 2010 fun run around the Imperial Palace in central Tokyo.



Omoiyari Light Campaign Logo

Messages from Our Stakeholders

Working Together to Prevent Road Accidents

Shigeki Kato

Activities Chief, Promotional Activities Division
Japan Traffic Safety Education Association



For over 40 years, the Japan Traffic Safety Education Association has worked to improve traffic safety awareness throughout society by providing road safety education for people at all stages of life, from young children to the elderly. The number of fatal road accidents has fallen in recent years for a number of reasons, including lower vehicle speeds and fewer accidents caused by poor or dangerous driving. We believe that these factors result from enhanced awareness and conduct among road users, and that public education and awareness activities have contributed significantly to bringing about these improvements.

Since 2004, we have worked closely with Nissan to develop effective education materials and promotional goods, distributing the fruits of these efforts to kindergartens, local government agencies and driving schools throughout the country. We are confident that these activities have made a considerable contribution to road safety in local communities.

We trust that Nissan will continue to research and develop safer vehicles and to make further contributions to reducing and preventing traffic accidents by providing information and education to drivers and other road users. It is our hope that Nissan will in this way help the Japanese people realize their desire for safer roads.

Safety Education in Korea and the Middle East

Nissan Middle East FZE educates children about traffic safety through a dedicated website. Launched in October 2009, the site uses puzzles, pictures for coloring and other features to make learning online fun as well. The website shares easy-to-understand information with elementary school students in Arabic, English and French.

Nissan Korea Co., Ltd. launched its Nissan Kids Safety Campaign in April 2009. This campaign features similar content to that of the Middle East project and uses a website and booklets to educate children on traffic safety.

Promoting Traffic Safety in China and Indonesia

Traffic safety has become an increasingly important issue in China, which is seeing a rapid increase in the number of automobiles on the road. In 2005 Nissan (China) Investment Co. hosted its first safety program to improve drivers' skills and safety awareness in cooperation with the China Road Traffic Safety Association. In fiscal 2010 forums were held in September and October. Many customers, government officials and media representatives attended the forums, which featured programs for learning braking, cornering and other driving techniques from qualified instructors, contributing to deeper understanding of traffic safety. Programs for eco-driving skills were also included.

The company also designed a contest to test Chinese high school students' knowledge of traffic safety and environmental protection issues. The year 2010 was the fifth for the event, which aims to increase interest and awareness of safety issues among young people, the drivers of tomorrow. In addition to taking simple quizzes on basic traffic rules, automotive safety devices and environmental issues, participating students made their own presentations on automotive and traffic safety.

In Indonesia, we started the Nissan Smart Driving program as a way to emphasize the importance of traffic safety. The program started out as a cooperative project with a lifestyle magazine designed to promote safe driving habits, but the scope of activities has since broadened to include hands-on safety workshops led by driving instructors for university students.

Nissan will continue its efforts to help prevent traffic accidents.

■ Working Together with Society

Helping Reduce Accidents and Congestion with ITS

In 2006, Nissan launched the ITS Project in Japan's Kanagawa Prefecture. This project seeks to use Intelligent Transport Systems to create integrated networks of people, roads and vehicles, thereby helping to reduce traffic accidents and ease road congestion. The ITS Project gathers and uses information on nearby vehicles and the traffic environment in order to help reduce accidents involving other parties that can be difficult for a driver to see and react to.

We are building on the results of the ITS Project with our development of the Driving Safety Support System (DSSS). This will be an ongoing project promoted by Japan's National Police Agency and the Universal Traffic Management Society of Japan, an organization operating under its aegis. It uses the latest ITS technologies, such as optical-beacon communication tools to connect vehicles and the network of roads, with the aim of reducing traffic accidents. At intersections with reduced visibility, roadside infrastructure communicates with vehicles to deliver information to drivers via onboard navigation systems, warning them of potential dangers like crossing collisions and helping make sure they notice stop signs, signals and vehicles stopped at lights.

Helping Reduce Wrong-Way Accidents

Recently Japan has seen a number of serious accidents caused by vehicles traveling in the wrong direction on expressways. Working together with West Nippon Expressway Company (NEXCO), Nissan has developed a navigation program that uses GPS to notify drivers of vehicles driving the wrong way on an expressway. The system detects wrong-way vehicles based on GPS coordinates, maps, traveling speeds and other data. The driver of a vehicle going the wrong way receives audible and visual warnings. The Nissan Fuga Hybrid released in October 2010 is the first vehicle in the world to employ this system.

Combating Drunk Driving

Nissan is taking active steps to help do away with traffic accidents caused by drunk driving, a serious social issue of deep concern. In August 2007, working with the city of Kitakyushu, Fukuoka Prefecture, the Tochigi prefectural government, the town of Kaminokawa in Tochigi and the city of Atsugi in Kanagawa Prefecture, we began trials of a system to help prevent drunk driving.

Nissan has also carried out joint research with the University of Occupational and Environmental Health in Kitakyushu on the physiological, psychological and behavioral effects of alcohol on the human body. This research is aiding our development of technologies to quickly and accurately detect the errors and abnormalities in vehicle operation under the influence of alcohol. Other Nissan approaches to help reduce drunk driving include a function added to our Carwings navigation system in Japan that displays warnings against driving under the influence during the most common hours for such behavior, with the aim of increasing driver awareness of the danger of getting behind the wheel after consuming alcohol.

Area Leaders' Messages

Toshimi Yamanoi

General Manager
Technology Planning Department
Planning and Advanced Engineering
Development Division



Striving to Reduce Serious Accidents

A major goal of our efforts has been to halve the number of fatalities and serious injuries involving Nissan vehicles by 2015 compared to 1995 levels. In fiscal 2010, analyzing data on automobile accidents in Japan in the previous year showed that we had succeeded in achieving this goal six years ahead of our target date. In addition to the widespread use of Nissan's safety technologies, greater traffic safety awareness among drivers and an improvement in the standard of conduct on the roads were other likely reasons why we were able to achieve this target ahead of schedule.

We will not rest now that we have met this goal. Our work to improve safety standards will continue as long as automobile accidents cause even a single fatality or serious injury. In fiscal 2010 our efforts included the introduction of a high quality tire pressure sensor. We will continue to work to make effective safety technology more widely available in the future.



KEY CSR AREAS

Quality — Enhancing All Customer-related Quality

The rating of a car and the value of an auto manufacturer's brand come entirely from the customer's appraisal of quality. For Nissan, quality is a multifaceted concept encompassing every single aspect related to Nissan customers and their vehicles. We have established four quality-related categories: "product quality," "perceived quality and attractiveness," "sales and service quality" and "quality of management." Our Quality Leadership program sets out specific objectives and measures to bring about improvements in each category. This is just one way that we strive to ensure and enhance our customers' trust and satisfaction in Nissan vehicles.

Four Categories of Focus

1. Product Quality

Product quality is the fundamental quality that allows our customers to enjoy years of safe, comfortable driving. We believe it is the customers who judge product quality. We have set the goal of reaching the top level in the quality indices used by third-party organizations that most influence customers in the marketplace.

2. Perceived Quality and Attractiveness

Perceived quality is the quality that customers feel when seeing, touching and using a vehicle. Nissan carefully analyzes and quantifies what makes people perceive something they handle to be good or attractive. Our goal is to place more than half of all Nissan models at the top of their class in terms of perceived quality across all market segments.

3. Sales and Service Quality

Sales and service quality means giving our customers the sort of care that exceeds their expectations when they purchase a car or bring it in for servicing, thereby enhancing the Nissan brand. We are aiming for the highest level of customer satisfaction in our main regions of Japan, the United States and Europe and in four other major countries.

4. Quality of Management

Quality of management lets staff approach their work with a full understanding of company policy and confidence in it. We aim to improve our management quality by strengthening communication between management and employees to foster a sense of solidarity among all of Nissan's people.

Product Quality

Perceived Quality
and
Attractiveness

Sales and
Service Quality

Quality of
Management

■ Nissan's Idea of Quality

Comprehensive Improvement Through "Quality Leadership"

There are many aspects to the single word "quality." We consider anything involving our vehicles to be connected with this concept, from the condition of a vehicle and the customer's impression of the showroom salespeople's service to even the creation of a working environment in which every single Nissan employee can find fulfillment.

Nissan has established the four categories of "product quality," "perceived quality and attractiveness," "sales and service quality" and "quality of management," with the goal of becoming the auto industry leader in each category.

In April 2008 we launched the Nissan Excellence Program. Specific objectives and measures for improvement to be achieved by 2012 in each of the four categories are set out in our Quality Leadership program, and the company is united in its efforts to effectively improve quality in these categories. In our aim to become the leader in overall quality, we will continue to inspire trust and ensure satisfaction in all situations involving Nissan customers and their vehicles.

A Fair, Prompt Approach to Recalls

It is the primary responsibility of the manufacturer to make every effort to ensure that product incidents do not occur in the first place. Nonetheless, manufacturing cars is an extraordinarily complex process, and there are occasions in which an incident, or the possibility of one, can occur unexpectedly. Our approach is to make recalls transparent and to handle them fairly and promptly. The decision to make a recall is based on our compliance with relevant laws and our consideration of how the incident may affect the safety of our customers. When Nissan judges that a recall is necessary, it is carried out swiftly to ensure that top priority is given to customers' safety and to minimizing any disruption.

Our recall decision process has received high praise from the U.S. Department of Transportation as a model for the automotive industry, and has already been implemented at all of our operation sites worldwide.

A Benchmark for the Industry

"Nissan's recall process should be the benchmark for the entire auto industry."

This was the message we received at a May 2010 meeting of Nissan management and a visiting team of U.S. government representatives including Secretary of Transportation Ray LaHood. Secretary LaHood praised Nissan's recall decision-making process, which relies on a purely technical analysis of how a given case will affect customer safety, and commended Nissan's attitude of transparency in terms of legal compliance and its readiness to provide a just and prompt response.

Another delegate was National Highway Traffic Safety Administrator David L. Strickland, who visited the Field Quality Center located inside the Nissan Technical Center. There he observed how Nissan has improved quality by using components retrieved from the market and case studies of past recalls. He was impressed by Nissan's determination to learn from its mistakes.



Please see our website for additional information on our quality initiatives.
<http://www.nissan-global.com/EN/QUALITY/>



For Years of Safe, Comfortable Driving

Product quality is the fundamental quality that allows our customers to enjoy years of safe, comfortable driving. We believe it is the customers who judge product quality. In order to improve product quality, we have set the goal of reaching the top level in the quality indices used by third-party organizations that most influence customers in the marketplace.

To implement improvements within Nissan via a faster cycle, our objective is to halve all of the following by 2012: the number of warranty claims that arise within three months of purchase, the incident rate of supplier parts, the breakdown rate (the rate of breakdowns on the road such that the customer judges that the car can no longer be driven and calls for road service) and the lead time from the occurrence of an incident to the preparation of countermeasures.

Improving Parts Quality in Leading Competitive Countries

Nissan's efforts to improve product quality start with production processes within the Nissan Group and extend across the entire supply chain, including parts procurement. Since 2007 Nissan has engaged in quality improvement activities to reduce the number of defective parts received at its manufacturing plants in Japan, North America and Europe from suppliers in the leading competitive countries (LCCs) of China, Thailand and Mexico. Specifically, we have been working together with suppliers in activities to improve production processes and to quickly and thoroughly resolve quality issues. These started with improvement activities in which Nissan took the lead, but in fiscal 2010 we shifted the emphasis to preventive activities.

We will continue to strengthen our relationships with suppliers in Japan and in the other countries where we operate.

Field Quality Centers

Nissan has set up Field Quality Centers (FQCs) with the aim of improving the quality experience of its customers.

The driving environment, customs and preferences of customers can vary from country to country. In order to better understand the needs of our customers around the world and to respond promptly to problems arising in those areas, we set up a total of seven FQCs at development bases in Japan, Europe, the United States (two locations), Brazil, China and India to pursue quality improvements in all of the markets in which we operate.

Taking into consideration our "three *gen*" principle, namely *genba* (on-site activities), *genbutsu* (real parts) and *genjitsu* (facts), we try to collect as many of the problem parts and vehicles as possible at these centers. We then bring everyone together—our suppliers along with our design and production divisions—to pinpoint the cause of the problems and decide appropriate measures to be employed as quickly as possible.

We locate FQCs in our development and manufacturing bases in order to quickly get a handle on problems with particular parts as well as the demands of the market. We use the information gathered in the future production of vehicles, making every effort to prevent a recurrence of defects or incidents.



Quick Rollouts of Vehicle Production Structure

Nissan introduced 4G Strategies to provide consistent, high-quality products to customers around the world. We have been able to quickly build an optimum production structure for new vehicles at each of our operation sites worldwide according to these 4G Strategies.

Nissan's 4G Strategies

Global Production Engineering Center (GPEC)	The GPEC develops optimized production processes through focused trials and analysis of new vehicles. In addition to dramatically improving quality in the vehicle production preparation stage, it strives to establish quality consistency globally by spreading high quality standards to manufacturing plants in and outside Japan.
Global Training Centers (GTCs)	Manufacturing quality and productivity depend greatly on the skills of individual workers. To raise these skills to a competitive level in Nissan's plants worldwide, the GTCs carry out training through classroom lectures and skills training activities based on the Nissan Production Way. Graduates of the Master Trainer programs take part in training programs for local staff in regional training centers, effectively passing their skills on to others.
Global Packaging Design Center (GPDC)	The GPDC functions as a training center for developing logistics specialists to work at our manufacturing bases. Training includes parts packaging design, packaging testing and evaluation methods, CAD and optimum logistics cost management to maintain high quality.
Global Launching Experts (GLEs)	GLEs provide support in resolving issues related to <i>monozukuri</i> (production) that arise in the new vehicle launch phase. We are meeting our OCT (quality, cost, time) targets for each new vehicle launch thanks to the evaluations and advice from GLE core members and the support of GLE registered members.

FY2010 Achievements Resulting From Quality Improvements

Country	Model/Brand	External Indicator	Category	Ranking	Organizer
Germany	Qashqai	2011 Yellow Angel Award	Quality, SUV	3rd	ADAC
Germany	Note	2010 German Automobile Customer Satisfaction Survey	Compact	1st	J.D. Power and Associates, <i>Auto Bild</i>
Italy	Qashqai	Reliability Survey	Mid-class SUV	1st	<i>Quattroruote</i>
U.K.	Qashqai, Note	Automobile Customer Satisfaction Survey	—	4/5 stars	<i>What Car?</i>
U.K.	Nissan	Reliability Rating for Vehicle Breakdowns*	—	1st	Royal Automobile Club (RAC plc)
USA	Infiniti	2010 Annual Car Reliability Survey	—	5th	Consumer Reports
South Africa	X-TRAIL	Initial Quality Study	Compact, SUV	1st	J.D. Power and Associates
China	Nissan	Quality Study	Brand	5th	J.D. Power and Associates
China	Tiida	Quality Study	Class	1st	J.D. Power and Associates
China	Teana	Quality Study	Class	2nd	J.D. Power and Associates
China	Qashqai	Quality Study	Class	3rd	J.D. Power and Associates
Japan	Nissan	Sales Satisfaction Index, Customer Service Satisfaction Index	Sales, Service	1st	J.D. Power Asia Pacific

* Incidence ratio of breakdowns in which customer judges that vehicle can no longer be driven and calls for roadside assistance

■ Perceived Quality and Attractiveness

Better Understanding Customer Perceptions

Perceived quality is the quality that customers feel when seeing, touching and using a vehicle. For example, when customers come to the showroom they open the vehicle doors, sit in the seats and check things like the texture of interior fittings. Nissan is carefully analyzing and quantifying what makes people perceive something they handle to be good, and has the goal of more than half of all Nissan models being at the top of their class in terms of perceived quality across all market segments.

The feeling of quality is a subjective matter, and fixing quantified criteria calls for very careful investigation. Nissan evaluates cars using the opinions of numerous in-house product monitors and specialists with in-house training. We also survey customers who have purchased or are considering purchasing a Nissan car in order to fix criteria for quality evaluation from the customer's point of view.

While there is great diversity in customers' take on what quality means, we believe that nurturing a better understanding of this will enable us to uncover common themes. On this basis, we are aiming for quality that will match as closely as possible the sensibilities of our customers.

Scientific Measurement of Human Comfort

In order to increase perceived quality, it is necessary to objectively understand the feelings customers experience when they look at, touch and use a vehicle. Nissan employs scientific methods to measure and analyze human perception and quantifies feelings of comfort to help create optimal designs.

For the sense of touch, for example, we analyzed the feel of various objects such as clothing, furniture and traditional handicrafts. We found that softness close to that of a finger pad feels best when pushing, and a surface texture with roughness similar to a fingerprint's ridges feels best when stroking. We are now using a new material in the armrest of the Nissan Fuga that has the softness of a finger pad and a surface texture similar to a fingerprint, creating the soft, comfortable feeling of baby skin.

Further, the human finger has "moisture sensors" in the valleys of the fingerprint ridges. These trigger a moist feeling when the ridge valleys are stimulated, despite the absence of wetness. Softness, meanwhile, is felt more easily when the finger comes into contact with multiple ridges at the same time. We use a premium textured material called "soft-feel grain" in the interior door handles of the Fuga. We have also applied our findings on human touch perception of moisture and softness to improve the feel of the hard plastic materials used in the vehicle interior.

■ Sales and Service Quality

Enhancing the Nissan Brand

Sales and service quality means giving our customers the sort of care that exceeds their expectations when they purchase a car or bring it in for servicing, thereby enhancing the Nissan brand. We are aiming for the highest level of customer satisfaction in our main regions of Japan, the United States and Europe and in four other major countries. We are currently working on four key initiatives aimed at boosting our sales and service quality: improving the knowledge and skills of our sales and technical staff at sales outlets; ensuring service that is fully in line with our customers' expectations when they purchase a car or bring a car in for servicing; strengthening Nissan management systems to support the quality activities of dealerships and showrooms; and fostering a customer-oriented mindset among Nissan employees. These four initiatives will be pivotal to our continuous and consistent activities to maximize customer satisfaction.

The Nissan Sales and Service Way

Nissan has established the Nissan Sales and Service Way (NSSW) as a set of global guidelines helping dealers to better respond to the individual needs of customers, seeing things through their eyes to provide professional, high-value service. We conduct various activities to increase customer satisfaction and to improve our sales and service quality based on these guidelines. These activities include dealer training to improve product-related knowledge, service skills and customer care, as well as the provision of guidance to improve dealership operations in response to customer satisfaction surveys. We are also developing personnel and systems to put these improvements into place and enhance the customer focus of our job process, with care given to the voices of customers collected through our call centers and other means.

Nissan carries out these initiatives globally while keeping in mind differences in cultural conditions and customs across countries and regions. In this way we seek to provide the best customer service during the purchase and ownership experiences, as well as in other areas.

Service and Support for Customers, Dealers

Nissan has opened its National Customer Service Center (NCSC) in Japan to make qualitative improvements to the service support it offers customers and dealerships. The NCSC consolidates our customer support hotline, dealership vehicle repair support and service technical support functions, which were previously spread over different parts of the country. The NCSC carries out tasks including providing expertise for maintenance and repair services, giving support to dealers for repairs, carrying out training in sheet-metal coating, collecting market data on incidents and acting as a center for customer inquiries. Initiatives adopted by the NCSC include collaboration with service technical support teams, digitization of product information including catalogs and the introduction of a new call-handling system. Benefits include the provision of highly precise technical data and reduced waiting times for customers with telephone inquiries, resulting in an overall improvement in the quality of our response to customer inquiries.

In conjunction with the launch of the Nissan LEAF, we introduced a support system for dealers worldwide. Utilizing information technology to exchange image and voice data, as well as data from diagnostic devices, the system links dealers with Nissan's development division to enable prompt, accurate remote servicing.



Improved Service Capabilities

Nissan is making efforts to improve the technical capabilities, including basic diagnostic and repair skills, as well as the customer service skills of its after-care service staff. These skills are put to the test in the All-Nissan Service Technical Contest. The event, hosted with assistance from throughout the Nissan Group, focuses on employees working in dealership service departments.

The competition has four categories in total: Technical Staff (less than 10 years' experience) and New Technical Staff (2–3 years' experience) for those involved in diagnostic and servicing work, and Technical Advisor and Female Technical Advisor for those involved in frontline service activities. Teams and individual participants who take top honors at the nine regional competitions go on to compete at the national competition. The event brings together service staff with exceptional knowledge and experience from all around the country, giving them a chance to put their day-to-day practices to the test against those of their fellow colleagues. Such events help to increase both the technical skills and motivation of employees in service departments, thus strengthening the service structure of the Nissan Group as a whole.

Quality of Management



Support from the Top

Quality of management lets staff approach their work with a full understanding of company policy and with confidence in it. This employee understanding will help foster a sense of solidarity between them and management, leading to corporate growth. We are actively encouraging the understanding of Nissan strategies through direct communication, with initiatives that include opinion exchange sessions bringing the CEO or COO together with employees. (See page 77.)

Employee Surveys

As a way to improve quality of management we carry out attitude surveys of workers at the global level and publicize the results internally. These surveys aim for improved quality of management by bringing to light issues in all divisions and departments so that measures can be drawn up to resolve them. (See page 77.)

■ Providing Truly Nissan Value

Life on Board: Designing Cars Around People

Nissan's goal is to provide customers with new value in terms of comfort and quality throughout their driving experience. We pursue this goal by giving constant consideration to potential value inside the passenger cabin, which we examine from the separate perspectives of function and emotion. For example, the increasing complexity of dashboard functions in recent years has brought a concentration of large amounts of information around the driver's seat, giving rise to the demand for easy operation. In addition to adjusting the location and size of the buttons and implementing a touch-screen interface so that even first-time users can easily operate the navigation system, we are working on developing layouts for even more comfortable driving.

Nissan's Health & Well-Being concept goes beyond providing comfort by simply reducing stress and fatigue. We are constantly developing this concept to actively enhance the condition of health. This means paying close attention to such factors as the comfort of the seats and the onboard air conditioning, optimal posture and cabin temperature to improve blood circulation and healthy air quality.

The feel of the interior from the moment that the customer slides into the seat is also a vital element. We analyze and quantify the information we receive about customers' feelings on the look and feel of our vehicles from the viewpoints of "look," "touch" and "use," aiming to build vehicles with quality finish and a comfortable riding experience.

Nissan has consolidated these initiatives into the "Life on Board" concept. While the experience of driving varies from person to person, we carry out research and development based on the idea that we can find universality if we increase our understanding of the feelings of various people. This approach to making cars goes a step beyond the concepts of "usability" and "understandability" generally associated with universal design; it involves thorough investigation of the essence of "people," or to put it another way, an enhanced mastery of what makes us human.

Nissan aims to build cars that exceed customers' expectations.

A Focus on Cabin Climate

Nissan views cabin climate in its vehicles as a key factor in the "Life on Board" concept. An example of this is our "Forest AC" air conditioning system, which we have installed in the Fuga. We took a scientific approach, examining breezes, humidity, aroma and other components of a wooded environment, and developed the world's first air conditioning system that lets customers feel the refreshing air of a forest inside their cars.

New models including the Elgrand are equipped with our Intelligent Air Conditioning System, which adds to passenger comfort in three ways. First, the system features an automatic air intake control structure, incorporating external odor and exhaust gas sensors that actively control ventilation to keep cabin air clean and prevent the inflow of unpleasant odors. Second, the grape seed polyphenol filter traps airborne allergens, including pollen, dander and dust mites, significantly reducing their effect inside the vehicle. Third, the unit emits concentrated Plasmacluster Ions* that serve not only to reduce odors embedded in cabin surfaces, but also to protect the skin by maintaining a comfortable humidity level. The Plasmacluster Ions are also effective in reducing allergic responses to pollens by eliminating static cling in clothing, causing pollen particles to drop away.

* Plasmacluster Ion is a trademark of Sharp Corporation.

■ **Increasing Employee Skills**

Going for Gold at the National Skills Competition

The National Skills Competition is the top competition in Japan for testing the skills of young technicians. Nissan actively participates in this event, which not only provides a challenge for the next generation of young technicians but also offers young people in the regions where the competitions take place a great opportunity to come into contact with outstanding vocational talent.

Nissan swept the podium in the automobile mechanic category, taking home the gold, silver and bronze from the 2010 event held in Kanagawa Prefecture. Nissan also won gold in the industrial electronics and mechatronics categories. We will be sending our four gold medalists to represent Japan in their three categories at the WorldSkills Competition, to be held in London, England, in October 2011.

A Customer Satisfaction Mindset

Nissan strives to cultivate a customer service mindset within each employee that influences them to consider things from the customer's perspective and act in the best way to bring satisfaction to the customer. New hires, employees in their third year on the job and newly appointed managers all go through CS (customer satisfaction) Mind Training, which is carried out at our operation sites in Japan, India, Brazil, China, the United States, Russia, South Africa, Singapore and Thailand. We also regularly hold events to share with employees and suppliers the latest quality-related initiatives, thus facilitating the development of a quality mindset among them all.

Comments and opinions received from customers are also an important source of feedback. Nissan uses the Angel Voice II text-mining system to share valuable customer feedback in-house. This system stores the actual comments of customers who come to our service counters, allowing Nissan staff to check what they had to say at any time via the company's intranet. Additionally, thank-you messages from customers are printed each month on employee pay stubs, where they are sure to be seen.

Area Leaders' Messages

Delivering Reliability and Satisfaction to the Customer

Akira Wakabayashi
General Manager, Planning Group
Total Customer Satisfaction Function



At Nissan, our aim is to be a brand that customers can truly rely on. To achieve this, we are working on a companywide basis to implement Quality Leadership, our medium-term quality improvement plan. Our goal is to reach the top level in the external quality indices with the greatest influence on customers in each market around the world. In the first three years of the program, we achieved a 50% reduction in the incidence of defects. We remain committed to improving the quality of our products and services in order to provide customers with a satisfactory driving experience that lasts through years of ownership of a Nissan vehicle. We will continue to respond with diligence and transparency to major quality issues in our markets, promptly carrying out recalls, service campaigns and other measures as necessary.

For Our Customers

Bringing Mobility to All with Lifecare Vehicles

Nissan lifecare vehicles (LVs) help bring mobility to the elderly or those with physical disabilities. We regard LVs as an essential part of our lineup of cars, rather than specialty vehicles. We are enhancing our products and services available for customers who have such needs. As of the end of March 2011, in Japan there are 384 certified LV dealerships where customers can find these cars on display and a total of around 6,000 advisory staff members who are specially trained LV experts. In this way we can respond to customer needs and offer the chance to test-drive LVs in all of Japan's prefectures.

Since 2003, we have also been carrying out an annual campaign offering LV trial rides to families with limited opportunities to get out and about, letting them experience the joy of mobility. In fiscal 2010 we gave trial rides to five groups of mobility-challenged people accompanied by friends or family members.

In December 2010, we also launched sales in Japan of the LV model of the Nissan LEAF. This hand-operated model is designed for disabled drivers unable to engage the accelerator and brake pedals by foot. With this all-electric LV model that emits no CO₂ during driving, we hope to offer the joy of mobility to an even wider range of customers.

Our Universal Design NV200 Vanette Taxi

The Nissan NV200 Vanette Taxi went on sale in Japan in December 2010. Conceptually, this vehicle is a "taxi for everyone" modeled after the NV200 Vanette compact van now sold in 40 countries worldwide. The taxi has been designed to be easily accessible for a wide range of passengers, including children, the elderly and wheelchair users. With it we aim to promote barrier-free transportation infrastructure. Passengers can enter or exit the vehicle via the two-tier rear slope without getting out of their wheelchair, avoiding a stressful part of the riding experience thanks to retractable belts that prevent backward sliding.

The Nissan NV200 Vanette Taxi won Germany's Universal Design Award 2011 as well as the Universal Design Consumer Favourite Award 2011. It was the first time for an automaker to win either of these awards.

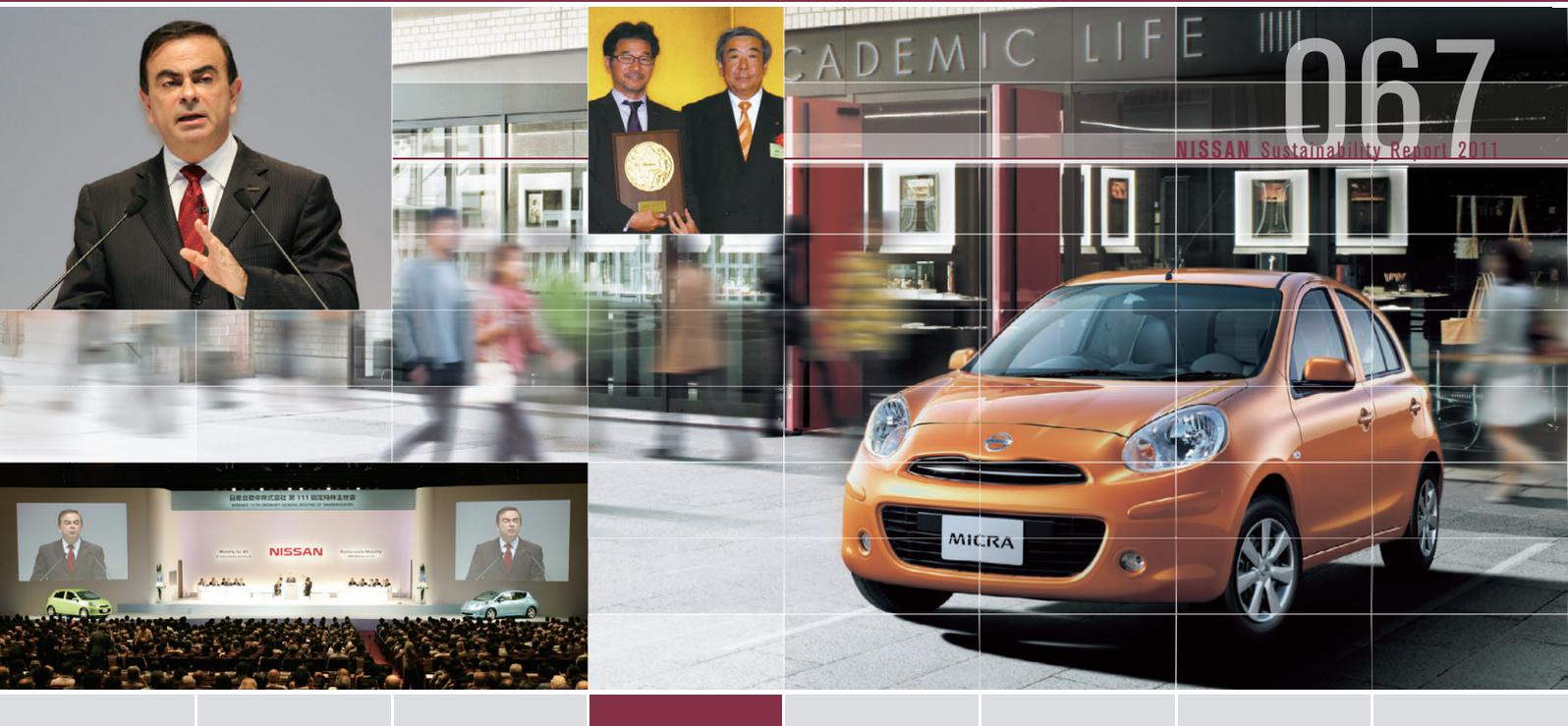
NV200 Tapped as New York's "Taxi of Tomorrow"

In May 2011, the New York City Taxi and Limousine Commission (TLC) selected the Nissan NV200 as the exclusive vehicle model to serve as the city's familiar yellow taxi fleet beginning in late 2013. In addition to rolling out 13,000 NV200 cabs, Nissan will work with the city authorities and taxi owners on a pilot program to study the use of all-electric taxis. We will provide six Nissan LEAF cabs, charging facilities and other support to taxi owners in this program, set to start in 2012.



NYC Taxi logo is property of City of New York and used with permission

Nissan NV200 Taxi



KEY CSR AREAS

Economic Contribution

— Growing the Company for Society's Development

By achieving sustainable, profitable growth for itself, Nissan hopes to contribute to the economic development of society as a whole. Toward this end, we aim to maintain top-level performance in the global automotive market and to build a foundation for highly profitable business into the future. We also focus on speedily and accurately providing information on how we implement our strategies, vision and management plans to our shareholders, investors and other stakeholders.

Two Pillars of Nissan's Economic Contribution

1. Creating Corporate Economic Value

In response to the global financial and economic crisis of recent years, Nissan has pursued a recovery plan built around revenue growth, tight cost management and the generation of free cash flow. Toward future growth, meanwhile, we have continued investing strategically in priority business areas and markets. We will keep on working to produce healthy profits and to enhance the value we create for society.

2. Speedy, Accurate Information Disclosure

Nissan views its shareholders and investors as partners in the creation of a more sustainable society. To help them understand our business activities more accurately, we carry out IR activities rooted in the speedy, highly transparent disclosure of information on an ongoing basis. We will continue to enhance our communication efforts, allowing not just institutional investors but securities analysts and individual investors as well to make optimal investment decisions.





■ **Creating Corporate Economic Value** ■

A Future-Oriented Growth Strategy

In the wake of the financial crisis touched off in 2008, Nissan has been implementing short-term measures based on its recovery plan. At the same time, we have been pouring our efforts into longer-term initiatives with future growth in mind. We will continue to aim for leadership in the area of zero-emission mobility, beginning with our Nissan LEAF electric vehicle, and to strengthen our presence in emerging markets with the introduction of our global compact car. With our next medium-term business plan, Nissan Power 88, to go into effect in fiscal 2011, we will take steps to put these strategies into concrete action.

Areas of Focus in Fiscal 2010

With the introduction of the all-electric Nissan LEAF, fiscal 2010 became the year for the full-scale launch of Nissan's zero-emission strategy. By 2014, Nissan and its Alliance partner Renault plan to launch eight additional EV models, and in 2015 the Alliance will have a total annual production capacity of 500,000 battery units. We began preparing for this in fiscal 2010 by starting construction of battery plants in locations including the United Kingdom, the United States and Portugal.

Growth in the Chinese market was another area of focus for Nissan in fiscal 2010. Together with Dongfeng Motor Co., Ltd., our China partner, we have been carrying out significant investment for eight years now. Our sales in China have grown from just 94,000 units in 2003 to more than a million in 2010. Today China is Nissan's largest single market, and the expansion of the middle class is expected to produce rising demand for vehicles there. We have set up a new design studio in Beijing and boosted our investment to secure domestic production capacity of 1.2 million units per year in 2012, nearly double our capacity at the beginning of 2010.



Please see our website for additional details about Nissan Power 88.

<http://www.nissan-global.com/EN/REPORTS/2011/06/110627-02.html>

Area Leaders' Messages

Staying the Course on Nissan's Strategies

Kazuta Amemiya

Senior Manager
Investor Relations Department



Nissan has recovered surely and steadily from the financial crisis touched off in 2008. March this year brought us a new, unexpected shock, the earthquake and tsunami that struck eastern Japan, forcing us to remain on a crisis footing. We are striving to respond to this latest disaster in the same way that we have dealt with previous crises—swiftly and effectively. This does not mean a sacrifice of our medium- and long-term goals as a company, though. We continue to track performance with the indicator of free cash flow, which reflects the results of a broad range of corporate activities, and we will make solid progress in implementing our strategies based on our new medium-term business plan. Through all these activities we aim to achieve high profitability supported by strong sales and brand power. This leads to growth over the longer term, making possible the creation of new, sustainable value for Nissan as a company.

Investor Relations Activities



Global IR Activities

The aim of Nissan's global investor relations activities is to ensure a profound and thorough understanding of the company's objectives and strategies. Prompt, consistent and transparent information disclosure are essential. For example, as part of the quarterly financial results announcements, the IR team meets frequently with institutional investors and sell-side analysts and responds to inquiries in a timely manner. Nissan also participates in conferences held by securities companies, as well as other events to report proactively on its business. In order to further strengthen stakeholder and investor trust, Nissan IR increased the number of events and opportunities for investors to speak directly with executive management.

Under the strict control of the chief financial officer, information is disclosed accurately and in a fair, transparent manner. Through timely and fair disclosure, shareholders and investors are able to make the best-informed investment decisions. Nissan's sound IR activities ensure the trust of the marketplace, which contributes to maximizing shareholder value.

111th Shareholders Meeting

The 111th Ordinary General Meeting of Shareholders was held at the Pacifico Yokohama on June 23, 2010, and was attended by 1,701 shareholders. The agenda included a report on the number of voting rights, an audit report and an explanation of Nissan's business during fiscal 2009. This was followed by a question and answer session with the shareholders in attendance. After the General Meeting, we offered test drives of the Nissan LEAF electric vehicle. These test drives were held indoors, since the car produces no exhaust emissions when running. This was the perfect opportunity for shareholders to experience firsthand Nissan's zero-emission strategy and EV.

Communication with Stakeholders and Investors

Nissan voluntarily discloses information to the investment community through various IR events. At the Advanced Technology Briefing in July 2010, the company presented its environmental and safety technologies, including test drives of the Fuga Hybrid and prototype vehicles featuring the Forward Collision Avoidance Assist Concept safety system. At the Nomura Investment Forum in December 2010, Chief Operating Officer Toshiyuki Shiga presented on Nissan's fiscal 2010 performance and growth strategies. In conjunction with the Eighth China (Guangzhou) International Automobile Exhibition, Nissan IR hosted an event to provide investors and analysts more insight into the company's business in China. The event included a roundtable meeting with top management at the exhibition venue, a tour of the Huadu Plant and a presentation on the passenger vehicle business in China.

Nissan IR values its individual investors and views them as important partners. Strengthening and enhancing communication with them is a vital pillar of its IR activities. To further increase visibility, access information and disclose information promptly, Nissan IR created a website for individual investors and an e-mail information service known as "Nissan IR News" (both in Japanese).

Top in Disclosure for Four Consecutive Years

At the 16th Annual Awards for Excellence in Corporate Disclosure by the Securities Analysts Association of Japan, Nissan came in first for the fourth consecutive year in the automobiles, auto parts and tires category. These awards were created to improve levels of corporate disclosure. Winners are selected by analysts through a questionnaire survey assessing various companies' IR activities during the fiscal year. Nissan was awarded for its fair disclosure policies, voluntary disclosure on corporate governance and business activities and executive management's proactive IR efforts.

Nissan was also one of the recipients of the Best IR Awards at the 15th IR Grand Prix, selected by the Japan Investor Relations Association. These awards aim to recognize companies with a deep understanding of IR objectives, active IR engagement and a track record of superior results in the field. Nissan was highly rated for its robust communication and its proactive disclosure via its website.



Detailed information is available on our website.

<http://www.nissan-global.com/EN/IR/>



Nissan's Japanese-language site for individual investors:

<http://www.nissan-global.com/JP/IR/INDIVIDUAL/>



Register to receive "Nissan IR News," our Japanese-language e-mail bulletins:

<https://www.nissan-register.jp/irregister/>



KEY CSR AREAS

Employees — Fostering Individuality

The diversity of Nissan's employees is the driving force enabling us to meet the varied needs of our customers and to maintain sustainable growth. Our employees create greater value by sharing their knowledge, based on their individual experiences and different ways of thinking, in response to the various challenges we all face.

To achieve greater business results while continuously creating new value, with our focus constantly on the customer, we have outlined five "mindsets" and five "actions" to serve as a code of conduct for all employees worldwide.

Five Environments Supporting the Nissan Way

1. Nissan's Respect for Diversity

Diversity is an important strategy at Nissan. We undertake initiatives in pursuit of our goal of achieving sustainable growth while respecting diversity.

2. Career Design Support

Nissan believes that employees should "design their own careers" and actively assists their efforts to do so.

3. A Culture of Learning

We believe that a corporate culture of learning cannot exist without the desire to create value. As an organization that grows through constant learning, Nissan supports employees' personal growth through proactive human-resource development.

4. Stronger Internal Communication

Nissan actively seeks the opinions of employees through surveys, using the results to improve management quality and employee motivation. We also ensure that information is shared with all employees around the world without delay.

5. Building Safe Workplaces

Nissan promotes practices aimed at reducing worker burdens and improving productivity. We have made promotion of employee health a top priority, establishing it as a key tenet in our companywide declaration on workplace safety.



■ The Nissan Way

Action Guidelines for All Our Employees

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?

■ Nissan's Respect for Diversity



Diversity as a Corporate Strategy

Fostering diversity is an important management strategy at Nissan. We established a Diversity Development Office (DDO) in Japan in October 2004 to play a principal role in this pursuit. Since then, we have been working with our offices in North America, Europe and other markets in a variety of ways to realize our common goal of achieving sustainable corporate growth while respecting diversity. Moreover, we established a Diversity Steering Committee, headed by executives representing each business division, to set the direction and establish strategies for promoting diversity throughout the company.

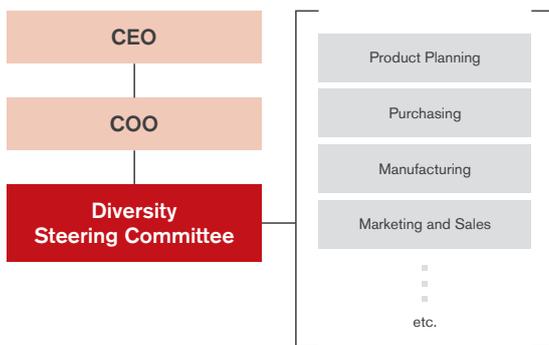
The DDO aims to leverage workplace diversity for the company's competitive advantage by focusing on ways to make full use of the talents of female employees while also actively exploring ways to create higher value through cultural diversity, utilizing the cross-cultural nature of the Alliance formed with Renault in 1999.

Nissan requires all its people to respect the human rights of others and forbids discrimination against or harassment of others based on race, nationality, gender, religion, physical capability, age, place of origin or other reason. Nor may Nissan employees allow such a situation to go unchecked if it is discovered.



Please see our website for more information on Nissan's diversity.
<http://www.nissan-global.com/EN/COMPANY/DIVERSITY/>

Organization of the Diversity Steering Committee



Initiatives to Utilize the Talents of Women

Since fiscal 2004 the DDO has been concentrating its efforts in the following two areas as a means of better utilizing the talents of female employees.

1. Women's career development

Diversity takes on different meanings in various regions of the world. In Japan, where the ratio of women in the automobile industry workforce has traditionally been low, the participation of women, particularly in positions of responsibility, is essential to providing diverse value to our customers.

Nissan is working to create an inclusive environment that encourages active participation from all employees, regardless of gender, and supports the career development of female employees. In addition to providing personalized support to female employees through individual counseling sessions with career advisors, the DDO works with Nissan's human-resource divisions to organize activities geared especially to female employees, including skill-development training courses and networking events. Moreover, interviews with senior female employees who are active in a variety of fields within the company are posted on WIN (Workforce Integration @ Nissan), our corporate intranet, to offer further encouragement.

Additionally, we are promoting ergonomic design of our equipment and work processes at our manufacturing plants to benefit female workers, who are generally smaller in stature and have less strength than men.

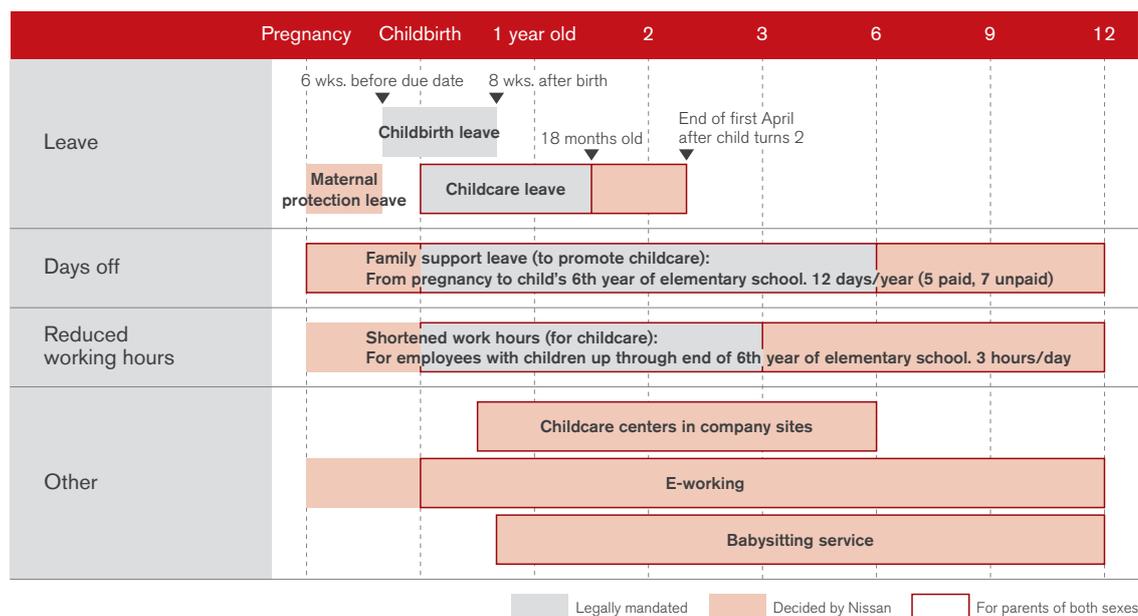


Nissan proudly takes part in the Work-Life Balance Promotion Project of Japan's Ministry of Health, Labor and Welfare. (Japanese website)
<http://www.mhlw.go.jp/bunya/roudoukijun/sigoto-seikatu/index.html>

2. A work-life balance for employees

In Japan, Nissan has implemented a system offering flexible working arrangements to enable employees to effectively balance work with family responsibilities, such as childcare and nursing of elderly relatives. Arrangements to help employees of both genders strike an appropriate work-life balance include "Family Support Leave," which allows an employee to take time off for a wedding, the birth of a child, child rearing or nursing care; reduced working hours and home-based telecommuting for employees to provide childcare or nursing care; and the establishment of a daycare center, called "March Land," in our Technical Center in Atsugi, Kanagawa Prefecture. Nissan has been recognized by the Japanese government as a corporation actively promoting childcare support, successfully implementing programs to achieve the goals set forth in the action plan of the Ministry of Health, Labor and Welfare based on an April 2005 law outlining measures to support the development of future generations.

Support Systems for Childbirth and Childcare (Japan)



Messages from Our Stakeholders

March Land: Making It Possible to Balance Work and Childcare

Kumi Hatsukano
 Planning and Advanced Engineering Development Division
 Advanced Vehicle Engineering Department
 Nissan Motor Co., Ltd.



I've been using March Land, Nissan's in-house daycare facility, since six months after my child (now five years old) was born. My husband is a Nissan employee too, and the three of us commute to work by car. Plenty of men make use of the March Land facility, and many drop off and pick up their children at the center every day. Some female employees incorporate the facility into their own work style by using it alongside Nissan's reduced-hours system for mothers with young children.

Without March Land, I wouldn't be able to lead the life I have now. In our case, our basic hours are eight in the morning to eight at night, but it is a great help to know that the center will look after our child until ten at night if we need to stay late for a meeting. And because the facility is onsite, it is even possible with a little effort to breastfeed during the working day. The facility's opening times coincide with company hours, so that you can always depend on the center to be open if you have to work weekends or on a public holiday. More than anything, though, my husband and I have been extremely impressed by the nursery staff and the high standards of care they provide. Our child seems to like it too—often protesting "I don't want to go home yet!" at the end of the day.

Of course, it is not March Land alone but the understanding of everyone in the workplace that makes it possible to balance work and childcare in this way.



Keeping Workers Connected While on Leave (Japan)

Nissan provides computers to employees upon request to allow them to access the corporate intranet and get information on the company from home while they are on leave for child or nursing care. Employees who have taken advantage of this system say it helped them to remain in the loop and to return smoothly to their tasks once the leave period ended.

Female Employees Meet Diverse Customer Needs

In Japan's automobile industry, the ratio of women in the workforce remains low. This situation does not reflect the reality of the consumer market, though, where women are deeply involved in the car purchasing process. Around a third of all vehicles sold in Japan each year are purchased by women, and in another third of cases a woman is involved in the buying decision; women thus play a role in at least two thirds of all car purchases. Nissan actively trains women to meet the demands presented by this situation and to reflect society's diversity in its own operations. In fiscal 2010, the ratio of female car-life advisors (CAs) was 6%, roughly twice the ratio in fiscal 2003, and the ratio of female technical advisors (TAs) had also climbed to 12%, about twice the fiscal 2003 ratio.

Nissan is currently increasing the opportunities at domestic dealers for female CAs and TAs to put forward car-life proposals incorporating a female perspective through activities that include study meetings for female CAs and TAs to discuss ideas together.

A Firm Grounding for Cultural Diversity

Nissan recognizes the need to make full use of the strengths and abilities of its multinational, multicultural family of employees in order to develop the company's business globally. We are working to leverage the synergy created through our cross-cultural Alliance with Renault, which not only recognizes and accepts cultural differences but also utilizes such differences to the full, to make cultural diversity our strength.

We organize cross-cultural training workshops to help employees better understand different cultures, thereby entrenching cultural diversity as a lasting part of our corporate culture.

Enhanced Diversity in the Workplace (Americas)

Nissan North America (NNA) has established a regional diversity steering committee for the Americas to create accountability and provide guidance to diversity initiatives in the region. NNA also established a regional diversity office to coordinate diversity initiatives in the United States, Canada, Mexico and Brazil. Employee-driven Business Synergy Teams (BSTs) have been launched to leverage diversity to achieve business objectives, expand cross-functional interaction and assist with community outreach. The Women's BST, the first such group, was established in 2007. In 2009, this was followed by the creation of a Multicultural BST (MBST), which aims to enhance the company's consumer relations capabilities through cross-cultural communications and awareness. Additional BSTs have been launched at our R&D facility located in Farmington Hills, Michigan, and at our Dallas-based Nissan Motor Acceptance Corporation facility.

Nissan's Diversity Mindset

Nissan has been holding diversity workshops in Japan since 2005 as part of the company's managerial training program. These workshops play an integral role in promoting diversity throughout the company by helping participants understand the importance of diversity, learn how to best utilize employee diversity and think about how diversity can be useful in the company's business activities. Moreover, executives post articles on the company intranet discussing their views on diversity as well as their own personal experiences. Having such regular, personalized messages from management encourages the development of a diversity mindset among our employees.

■ **Supporting Career Design**



Continually Improving Human-Resource Systems

A company's employees are its most important resource. So that both Nissan and its employees can reach their full potential, we constantly work to improve our human-resource systems. The evaluation-based remuneration system used to accurately gauge employee contributions is structured in a way that motivates them to set and achieve high goals. An employee's salary is determined through a combination of performance evaluations, which measure how well the employee achieved certain goals (commitments), and competency evaluations, which measure such intangible variables as technical skill, knowledge and attitude.

Support for Self-Designed Careers

Nissan believes that employees should "design their own careers" and actively assists their efforts to do so. Employees in Japan and the Americas meet with their supervisors at least twice a year to discuss their performance and competency evaluations, as well as their career aspirations and goals.

Employees in Japan also have the chance to take on the challenge of a new position through the Shift Career System (SCS) and the Open Entry System (OES). The SCS enables employees to apply for positions in other departments and work areas that interest them regardless of whether there is a position immediately available. The OES allows them to apply for all openly advertised positions. As of January 2011, 155 employees had applied for 124 open posts during fiscal 2010, and 53 of them succeeded in getting the positions they applied for.

Fostering Specialized Skills

Helping employees develop specialized skills over the medium to long term is vital for a company to achieve sustainable growth. We introduced the Nissan Expert Leader System as a means of strengthening and fostering further development of specialized skills in a wide range of technical and nontechnical areas like purchasing and accounting. In fiscal 2010, the system's fifth year, we designated 46 employees as Expert Leaders and two management-level employees as Nissan Fellows in a total of 94 fields of specialization. The Expert Leaders and Fellows make use of their specialized knowledge to contribute to Nissan's business endeavors overall. In addition to sharing their knowledge with others via our corporate intranet and other communication tools, they contribute to the fostering of the next generation of experts by passing on their specialized skills in seminars and training courses.

■ **Creating a Culture of Learning**



A Variety of Learning Opportunities

As an organization that continues to grow through constant learning, Nissan supports employees' personal growth with a proactive, systematic approach to human-resource development. The act of learning is one in which people stretch themselves to develop skills that create value. We believe that a corporate culture of learning cannot exist without the motivation to take part in this value creation. The Learning Navigation system on our intranet is one means of providing employees with opportunities for learning. This system lets employees search for information whenever they wish to develop specialized skills, receive training in management techniques, participate in e-learning programs or take distance-learning courses. The site is updated regularly to provide information our employees need to increase their skills and build their careers, meeting their growing thirst for knowledge.

The Nissan Learning Center Management Institute in Hakone, Kanagawa Prefecture, aims to cultivate human resources with the specialized skills and leadership qualities needed for future development. The institute contributes to the ongoing creation of Nissan value through a number of programs, including leadership training sessions to pass on the company's accumulated experience and knowledge to the next generation and cultural diversity workshops. Moreover, the leaders of our business activities around the world who have taken part in such programs as our Nissan Way Workshops are now active in educating fellow employees in the Nissan Way—the crystallization of experience and knowledge gained through our company's revival—demonstrating our commitment to promoting a corporate culture of learning. In the Americas, for example, a number of leadership training programs are in place to enhance management quality.

Global Comparison of Plant Competitiveness

Since 2005, Nissan has been working to compare the competitiveness of its production plants all around the world, benchmarking them according to such indices as facility operating ratio, defective parts ratio and ratio of delivery deadlines met. At present we are able to check the key data for 24 of these indices from any plant around the world at any time. This boosts our employees' interest in aiming for higher quality and readiness to learn from one another, thus producing fresh ideas for improvement and bringing new energy to the plants' efforts. As a result, Nissan's global manufacturing competitiveness is rising to new levels.

■ Internal Communication



Employee Surveys

Nissan carries out surveys to get employee input and suggestions for improvements, using the results to help improve the company's management quality and employee motivation. From the results of these surveys, we identify the strengths of the company as a whole and those of individual divisions, as well as areas for improvement. We then work to make improvements that will lead to the creation of a better work environment for our employees and to continued growth for the company. The results of these efforts are analyzed for the company as a whole and for each region and department. Based on these analyses, each level of management formulates and carries out action plans tailored to specific needs.

Enhancing Communication Tools

Nissan has introduced a corporate intranet system called WIN (Workforce Integration @ Nissan) as a tool to promote communication and information sharing. We continually update the system with new technologies while encouraging employees to make active use of it for internal communication and collaborative activities. We have expanded the WIN network beyond Japan, North America and Europe to include other markets and our major business partners. We also use internal newsletters and in-house video broadcasts to provide a variety of information to be shared by all employees at Nissan production sites around the world with no time lag.

So that all our employees gain a deeper understanding of our products and the ability to convey their features and attractiveness to others more effectively, we also hold new model announcements and test drive events for employees. These are received very positively, with some participants stating that their enhanced knowledge of Nissan products has boosted their work motivation. Nissan hosts guided tours of company facilities and test drive events for employees' families, too. Combined, these efforts have been effective in creating "brand ambassadors" for Nissan.

N-Square, a Tool for Employee Exchange (Japan)

Nissan has operated N-Square, an internal social networking service for employees, in Japan since fiscal 2009. Users form communities based around various themes, improving interaction with one another and gathering information they need. There are now more than 200 communities registered in the service. For instance, in one community titled "Office supply reuse activities," launched in fiscal 2010, members shared information on supplies they no longer needed, helping get them transferred to places where they would be put to use, rather than discarded. This is boosting eco-consciousness among employees and leading to cost-cutting measures.

At the end of fiscal 2010, we also launched an English-language version of N-Square for employees who communicate in that language.

Employee-Executive Exchange

Nissan holds opinion-exchange meetings involving executives and employees as a means of building trust through clear and transparent communication. These meetings are held frequently at Nissan's Global Headquarters in Japan as well as the company's business offices in China, the Americas and other parts of the world. These meetings give company leaders a venue to inform employees about the current situation of the company and to deliver key management messages. They also provide employees with opportunities to ask questions and voice their concerns in a direct and open manner. We plan to continue these meetings as an important channel for active communication.

■ Safe Workplaces

A Uniform Set of Global Labor Safety Standards

Nissan's human resources are the company's most valuable asset. So that all employees can use their abilities to the fullest, we make health and safety the top priorities when designing workplace functions and processes. We proactively work at all levels to identify potential issues or concerns in the workplace environment, develop measures to address them and make it easier for employees to get their jobs done. In 2010, we revised our safety standards that differed among our global sites, creating a single unified set of standards to be shared worldwide. We also standardized our safety key performance indicators on a global basis. We utilize them each quarter to monitor and report on safety performance for each area where we do business.

Improved Production-Line Environments

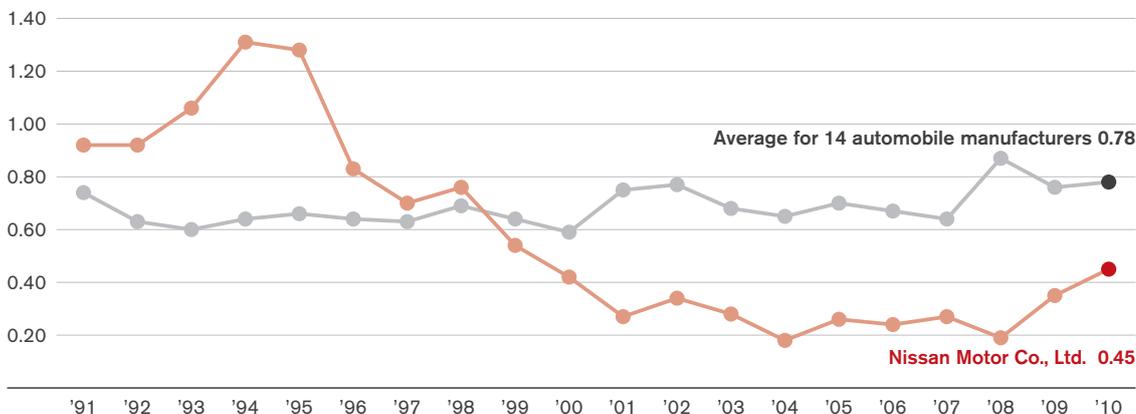
Nissan seeks to fulfill the company's mission of engaging in "human-friendly production" by improving the workplace environments of its manufacturing facilities worldwide through ergonomics—the science of designing the job, equipment and workplace to fit the worker. This begins early in the product design stage when engineering, manufacturing and support groups collaborate to assure ideal ergonomic standards are met. We took a big step in this direction by introducing methods pioneered by our Alliance partner Renault to objectively gauge the difficulty and physical burden of workplace tasks. Utilizing our shared know-how, we are working to promote practices aimed at reducing worker burdens and increasing productivity. One such example is the "strike zone" approach, which provides a line worker with easy physical access to all needed parts, reducing stressful body positions and wasteful movement in the production process. In creating an environment where all workers can concentrate on their tasks without undue stress, we are contributing to improved product quality and increased productivity.

Creating Safe Workplaces

Nissan employs its own safety management diagnostic methods, as well as a risk-assessment approach to workplace management introduced in fiscal 2004, to create a danger-free environment and prevent accidents through proactive inspections of facilities to identify potential dangers. We also bring trainees together from around the world to give them practical instruction in labor safety management.

In April 2007, we added "promotion of employee health" to the existing tenets related to occupational safety in our companywide declaration on workplace safety.

Trends in Occupational Accidents (Total Accident Frequency Ratio)



Total accident frequency ratio: total accident cases ÷ total working hours × 1 million
Source: Statistics on occupational accidents in the automobile industry (The Japan Automobile Manufacturers Association, Inc.)



Safety Activities in India

At Renault-Nissan Automotive India Private Limited, various activities are underway with the goal of creating a human-friendly production plant designed around the concepts of employee health and safety. In fiscal 2010, we implemented basic and advanced safety training for all employees, including contractors. We also carried out inspections of facilities and processes before the launch of volume production, regular fire prevention patrols, drills to prepare for fires and other disasters and information sharing on the lessons learned from investigations of all accidents, no matter how minor. These activities have produced solid results. All managers and employees are on the same page with respect to workplace safety and ready to make further strides in this area.

Specialized Mental Healthcare

Nissan has put together a specialized team led by a clinical psychiatrist to care for the mental health of employees. In fiscal 2005 we introduced a mental healthcare program, Advantage EAP (Employee Assistance Program), in cooperation with external mental healthcare specialists with the aim of providing employees with consistent care covering everything from prevention and early diagnosis to treatment and recovery. In fiscal 2007 we extended the program to include production-line workers, giving all employees in Japan and their family members access to mental-health professionals for consultations, diagnosis and counseling. We additionally offer specialized care programs that respect employee privacy, such as the eMe mental health checkups, through which employees receive advice from the doctor via e-mail or letters. We have also been providing mental-health management training for managers to help them give emotional support to subordinates. In fiscal 2009 we changed this to a topic-specific program separated into "preventive measures" and "response measures," allowing managers to select the sessions that best suit their needs.

Employee Health Promotion

Nissan North America (NNA) has introduced the LiveWell initiative to help employees manage their personal health. This is a free health-improvement program open to all employees that provides targeted individual support for reducing such health risks as stress and weight gain; for preventing asthma, diabetes and other chronic diseases; and for improving maternal health during pregnancy. Another component is consumer-driven health plans that allow NNA employees to take a more active role in managing their own and their family members' health.

At Nissan Motor Manufacturing (UK) Ltd., meanwhile, management has set up an on-site medical treatment facility. Here employees have handy access to medical care as well as to courses of treatment including therapy to help them quit smoking.

Area Leaders' Messages



Miyuki Takahashi

General Manager
Diversity Development Office

Innovation through Diversity

As globalization continues to accelerate, companies need human resources representing different age groups, genders, cultures and nationalities to create products that meet customers' diverse needs. To encourage diversity Nissan provides support for the career development of female employees and promotes cross-cultural understanding. The percentage of managerial roles filled by women increased from 1.6% in 2004 to 5.3% in 2010. (The average for the Japanese manufacturing industry is 2.8%.) We also energetically conduct cultural seminars on emerging markets like China and India. We aim to spread diversity in all stages of our operations, from production to the sales front, and to continue generating innovative ideas by synergizing a variety of opinions.



KEY CSR AREAS

Value Chain — Promoting CSR Throughout the Supply Chain

Together with its business partners, Nissan aims to achieve sustainable, profitable growth on a foundation of mutual trust. Rather than insisting solely on our own demands, we always strive to listen carefully to the ideas and suggestions of our suppliers and dealers from an equal footing. We place a special focus on working together with them as partners, developing cooperative relations that enable us to bring in best practices in order to stay ahead in the fierce competition of the auto industry.

Nissan's value chain today extends around the globe due to the expansion of the company's business interests. We strive to improve our CSR management by sharing our fundamental values and principles with our business partners, thereby promoting consistency in the CSR activities undertaken throughout the supply chain.

With Our Business Partners

1. Pursuing CSR with Suppliers

All of Nissan's suppliers are important business partners for the company. We work with them to build relationships based on the three values of trust (work fairly, impartially and professionally), respect (honor commitments, liabilities and responsibilities) and transparency (be open, frank and clear).

2. Pursuing CSR with Dealers

Nissan undertakes various measures to ensure that its approach to compliance is shared with dealerships and to enhance its internal controls. We aim to further improve our CSR management by strengthening the lines of communication with dealers.

Pursuing CSR
with Suppliers

Pursuing CSR
with Dealers

With Our Suppliers

Nissan's Fair, Impartial Procurement

Nissan uses a fair, impartial and completely transparent business process when selecting suppliers. We provide a wide variety of opportunities for other companies to do business with us, regardless of their nationality, size or history with us. When making selections, the relevant Nissan divisions meet to examine from a range of perspectives the proposals received from suppliers. We explain our final decision to every supplier that has taken part in the selection process.

We make every effort to maintain the highest standards of impartiality and fairness in our business transactions, abiding by the Nissan Global Code of Conduct (item 4: Be Impartial and Fair). As well as maintaining close communication in our day-to-day dealings with suppliers, we also take heed of their ideas through regular questionnaires and direct meetings, checking our business practices from an external perspective.

Nissan works hard to promote correct business practices throughout the supply chain. We have disseminated internally a leaflet on guidelines for appropriate business practices in the automobile industry, focusing on the industry's principles of procurement and important points relating to subcontracting and antimonopoly law, and we hold briefings with our suppliers on these issues.

CSR Guidelines for Suppliers

The purchasing divisions of Nissan and Renault have produced a booklet, *The Renault-Nissan Purchasing Way*, outlining the important values and processes to be adhered to when doing business. This booklet has been shared with the primary suppliers of the Renault-Nissan Purchasing Organization since 2006. Since that time, our business activities have expanded rapidly in areas as diverse as Asia, Eastern Europe, South America and South Africa, while emissions reduction and other environmental issues have become the subject of increasing global focus. We are expected to work together with our suppliers, who are spread around the world, to put CSR into practice.

To address this situation, in 2010 we produced the *Renault-Nissan CSR Guidelines for Suppliers* and distributed them to all 7,600 of our global primary suppliers. The aim is to help our suppliers review their business activities from a CSR viewpoint and further instill CSR activities. The guidelines set forth Nissan's CSR and procurement policies in five main sections on safety and quality, human rights and labor, the environment, compliance and information disclosure. We drew up this document with reference to the CSR guidelines of the Japan Automobile Manufacturers Association, Inc. and the Japan Auto Parts Industries Association. We will work to ensure that all suppliers starting business with us from fiscal 2010 onward abide by these guidelines.

Activities to Improve Manufacturing Approaches

Nissan has been working to continually produce more competitive products through its Monozukuri Activities program, a collaboration among suppliers and Nissan that commenced in 2008. Since 2009, we have been expanding these activities through joint collaborative activities called the Thanks Activities initiative, which emphasizes trust and cooperation between Nissan and its suppliers. With the goal of working with our suppliers to become cost leaders in today's challenging market conditions, we are striving to improve product quality, cut costs and rationalize our manufacturing through measures that include increasing production volume per part, promoting localization and improving logistics.

From January 2010 onward we have been holding briefings on a regular basis in order to share the details and the benefits of these activities with our suppliers and to ensure their uptake. The March 2011 briefing was attended by some 400 people from around 200 supplier companies.



The Renault-Nissan Purchasing Way and Renault-Nissan CSR Guidelines for Suppliers are available for download from our website.

http://www.nissan-global.com/EN/COMPANY/CSR/STAKEHOLDER/BUSINESS_PARTNERS/



Please see our website for more information on the quality initiatives we undertake with suppliers.

http://www.nissan-global.com/EN/QUALITY/PRODUCTS/GLOBAL_SP/



Recognizing Supplier Contributions Worldwide

Each year Nissan recognizes the contributions of its suppliers with awards presented in each of the regions where we operate, as well as with two worldwide supplier awards, the Global Quality and Global Innovation Awards. These are presented to suppliers that have contributed to our business performance at the global level. This awards system aims to encourage suppliers in the global supply chain to embrace our management approach, which balances the economic activities of quality, cost reduction and technological development with environmental concern and social responsibility.

Global Quality Award recipients are selected by our purchasing, quality and other divisions using standard criteria applied worldwide. Global Innovation Award recipients are selected from suppliers nominated by our production, development and quality divisions in the two categories of product technology and process management. In fiscal 2010, three companies received Global Quality Awards, and Global Innovation Awards went to eight companies in the product technology category.

Global Expansion of Our Green Purchasing Guidelines

Nissan sets forth environmental standards for its suppliers of vehicle parts and materials in the Nissan Green Purchasing Guidelines, asking suppliers to cooperate by reducing their environmental impact. We released the guidelines for companies in Japan in 2001, and in 2008 we updated them and have since been expanding coverage to include Europe, Asia, and other regions worldwide. We have asked our primary suppliers to comply with the new guidelines, extending their coverage to their suppliers as well. In this way we are promoting management of environment-impacting substances and continually reducing their use throughout the whole supply chain. We updated the guidelines once more in 2010 in line with the *Renault-Nissan CSR Guidelines for Suppliers* and held briefings to explain them. The Nissan Green Purchasing Guidelines are published on the Nissan Global website.



The Nissan Green Purchasing Guidelines are available for download from our website.

http://www.nissan-global.com/EN/COMPANY/CSR/STAKEHOLDER/BUSINESS_PARTNERS/

■ With Our Dealers

Working with Dealers for CSR Management

To promote consistency in the CSR management approaches taken by Nissan and its dealers, we carry out activities on an ongoing basis aimed at helping dealerships in Japan enhance their compliance.

As a specific measure, we organize self-inspection programs at all dealerships to enable fuller understanding of and improvements to their current compliance management status. The programs carried out during fiscal 2010 have led to increased awareness and improvements on a voluntary basis. To bolster compliance initiatives in cooperation with dealers, we held a meeting for dealership representatives in March 2011 to share information on recent trends in compliance and on our initiatives for fiscal 2011.

Nissan aims to further improve its CSR management by ensuring its sense of compliance is shared with dealerships and working to build stronger internal controls.

*Area Leaders' Messages***A Common CSR Approach
Throughout the Supply Chain****Naoki Shimbo**Senior Manager
Purchasing Administration Department

In 2006, Nissan's purchasing division issued a booklet, together with its counterpart in Alliance partner Renault, to share with suppliers the values and principles important to us in our business dealings. Since then, our business has expanded around the globe, making it necessary to pursue CSR activities together with those suppliers. The jointly produced *Renault-Nissan CSR Guidelines for Suppliers*, distributed to Tier-1 suppliers globally in fiscal 2010, will help all of our partners review their activities from a CSR viewpoint and make CSR a more essential part of their business. Nissan will continue to deepen its relationships of trust with suppliers and build mutually beneficial partnerships with them.



KEY CSR AREAS

Philanthropy — Contributing to Global Society

In line with its vision of Enriching People's Lives, Nissan seeks to provide attractive products and services to customers worldwide while at the same time fulfilling its responsibility as a corporate citizen to help realize a sustainable society. As a member of the global community, we engage in a variety of social contribution activities supporting the creation of a better world.

We focus on three areas—humanitarian aid, support for education and caring for the environment—in making unique contributions to society, on a global basis as well as in local communities. We work together with organizations like NGOs while helping our employees to develop an active social participation mindset and promote activities that meet the needs and circumstances of each country or region.

Three Focus Areas

1. Humanitarian Support

Nissan provides relief assistance to areas around the world stricken by major natural disasters. Utilizing our network of group companies and operation sites worldwide, we pursue practical and effective activities, taking the conditions and needs of each country and region into account.

2. Environment

Nissan's environmental philosophy of "a Symbiosis of People, Vehicles and Nature" underpins its ongoing efforts to reduce the environmental burden in various ways. In our social contribution activities as well, we prioritize protection of the environment and undertake a variety of programs focused on raising awareness and cultivating deeper understanding of the environment.

3. Education

Nissan places great importance on the cultivation of future generations in carrying out its social contribution activities. We have established partnerships with various educational organizations and work together on meaningful activities to nurture the hearts and minds of the next generation who hold the future in their hands.



■ Our Work as a Global Company

Unique Social Contribution Activities

At Nissan, we develop our social contribution activities through careful discussion involving the relevant divisions and management. The goal is to share our vision globally among all Nissan business locations as we carry out activities best suited to the needs and conditions of each community where we operate. We are working to build stronger ties with local communities where our offices and plants are located, not only through economic measures like job creation, but with various other activities as well. In addressing issues that go beyond country or region, we balance a global vision with the activities best suited to each community where we operate. We believe this approach enables us to make social contributions that are uniquely Nissan.



Please see our website for additional details about our corporate citizenship activities.
<http://www.nissan-global.com/EN/CITIZENSHIP/>

Our Three Key Approaches

In our social contribution activities, we place great importance on the following points:

1. Fostering a spirit of volunteerism among employees

We do our best to support the social contribution activities carried out by individual employees and we encourage as many of our people as possible to get involved in the spirit of corporate citizenship, with the aim of contributing as much as possible to society through such activities.

2. Making the best use of our corporate strengths and qualities

Some of our contributions are financial in nature, but we also aim to go beyond this by making full use of the resources built up through our business activities, such as our expertise, facilities and products, to carry out sustainable activities.

3. Cooperating with specialized NPOs and NGOs

Nissan continually looks for ways to develop highly specialized programs to work with nonprofit and nongovernmental organizations in order to make its social contributions more effective and productive.

Promoting Employee Participation

The active participation of individual employees is vital to our social contribution activities. WIN (Workforce Integration @ Nissan), our intranet system, plays a key role in encouraging the development of employees' sense of corporate citizenship. It serves as a channel for active internal communication and as a bulletin board for information about our social contribution activities worldwide. It also introduces employees to many volunteer programs and activities, thus enabling more of them to take part.

Nissan supports the citizenship activities of employees in Japan through the Nissan Financial Support Program for Volunteer Activities. In fiscal 2010 we provided approximately ¥1.8 million for 15 projects. We operate a similar donation-matching program in the United States. As part of our efforts to increase employee awareness in this area, we also hosted a variety of events, including fair-trade product bazaars, used-book fairs, presentations on disaster-relief activities and film screenings, in cooperation with various NGOs (World Vision Japan, Shanti Volunteer Association, Shapla Neer and Oxfam Japan).

■ Humanitarian Support

Aid to Disaster-Stricken Areas

Nissan has supported relief efforts to assist victims of natural disasters around the world. Nissan North America (NNA) was quick to act after a massive earthquake struck Haiti in January 2010, offering over \$100,000 in financial aid on behalf of the Nissan Group. The company additionally donated 30 pick-up trucks to the United Nations' World Food Program in Haiti, supporting the delivery of food, supplies and emergency aid.

Nissan (China) Investment Co., Ltd. (NCIC) pledged 500,000 yuan (approximately ¥6.8 million) to the Red Cross Society of China for relief efforts aiding victims of the large earthquake that devastated Yushu County, Qinghai Province, in April 2010. Dongfeng Motor Co., Ltd., Nissan's partner in China, donated supplies valued at roughly ¥40 million and provided six Nissan X-TRAIL four-wheel-drive vehicles to support rescue activities in the region.

Nissan Motor Co., Ltd. donated ¥3 million to the international NGO Japan Platform to assist relief efforts and aid reconstruction work in areas of Pakistan affected by severe flooding in August 2010.

In Japan, Nissan donated ¥1 million to the Community Chest of Miyazaki Prefecture for the support of areas in the prefecture affected by a foot-and-mouth disease outbreak in June 2010.

In the area of disaster relief, Nissan supplements its urgent response efforts with activities that take a longer-range perspective. In March 2011, we formed a partnership with Fleet Forum. This nonprofit group offers support to member NGOs, helping them to manage their vehicle fleets in safe, environmentally friendly ways. We are providing our Nissan LEAF electric vehicles to Fleet Forum free of charge for a one-year period to assist these efforts, and we are looking at ways to expand our cooperation in the future.

For information on our relief and aid efforts following the Great East Japan Earthquake of March 11, 2011, please see page 10.

Cooperation with NPOs and NGOs

NNA provides support in the fields of education and cross-cultural diversity by assisting the activities of the nonprofit group Second Harvest Food Bank, as well as through donations to NPOs including the American Indian College Fund, the PENCIL Foundation, the Harpeth River Watershed Association and the Universal Technical Institute Foundation. NNA also works with the international NGO Habitat for Humanity to provide affordable housing to people in need, including those affected by natural disasters and poverty. In fiscal 2010, NNA again contributed \$1 million to the project, supporting the construction of 10 new homes for the needy across the United States and Canada. The company also donated 10 Titan pick-up trucks to help with the transport of building materials. Roughly 5,000 Nissan employees, including company executives, have participated in home building to date, working shoulder to shoulder with the residents of the new homes and sharing their joy of home ownership. NNA received the honor of being named "Corporate Philanthropist of the Year" by the Association of Fundraising Professionals in November 2010 in recognition of its contributions to these activities.

Aiding the expansion of our partnership with Habitat for Humanity globally, Nissan Motor Co. (Australia) Pty. Ltd., Nissan Motor India Private Limited, Nissan Motor (Thailand) Co., Ltd. and PT. Nissan Motor Indonesia (NMI) have also engaged with local branches of the organization, supporting their activities through volunteering or vehicle donations.

Aid Activities in Asia

In China, Zhengzhou Nissan Automobile Co., Ltd. launched a program in June 2010 to support impoverished university students and orphaned children. The company aims to raise 3 million yuan (roughly ¥39 million) annually, including donations from employees, totaling more than 15 million yuan (¥195 million) over five years.

Nissan (China) Investment Co., Ltd. (NCIC) has also started a program to support immigrant children and migrant workers who have left their home districts for work. The company has provided scholarship funds totaling 50,000 yuan (¥640,000) to students demonstrating upstanding morals and outstanding scholastic ability. NCIC has also donated 100,000 yuan (¥1.3 million) to help with campus renovations and offered equipment donations in the form of three basketball hoops and six image projectors.

PT. Nissan Motor Indonesia donated a Frontier pick-up truck to help transport people and goods out of danger after the eruption of Indonesia's Mount Merapi in October 2010. Employee volunteers visited the evacuation center near Yogyakarta and helped to distribute food and daily necessities.

Messages from Our Stakeholders



Fred Brewer

Director, Corporate Development
Habitat for Humanity International

Nissan Drives Home-Building with Habitat

Nissan helps Habitat to build simple, decent, affordable homes and to transform communities by working alongside partner families and contributing cash and in-kind donations. To date, Nissan has donated 89 Nissan Titans to Habitat affiliates throughout the United States, Canada, Thailand, the Dominican Republic and Haiti. By the end of 2010, Habitat for Humanity had recorded nearly 5 million miles on the donated trucks.

Over the past five years, Nissan North America, Nissan Motor Co. Ltd., Nissan Korea Co., Ltd. and Nissan Motor Co. (Australia) Pty. Ltd. have supported Habitat for Humanity International with a combined total of more than 56,000 volunteer hours and the construction of 107 homes. Nissan's contribution to Habitat for Humanity has totaled more than \$5 million in house sponsorships and vehicle donations since 2006. At Habitat, we look forward to continuing our work with Nissan, helping the company to realize its vision, Enriching People's Lives.



Visit the Habitat for Humanity website for more information on the group's activities.

<http://www.habitat.org/>



■ Environmental Initiatives



Environmental Education for Future Generations

Nissan supported the Karuizawa Arts Festival, a classical music festival held in August 2010 to celebrate the cultural arts. Inspired by the organizing committee's aim to host an environmentally conscious event, which aligns with our environmental philosophy, "a Symbiosis of People, Vehicles and Nature," we have been a supporter of the event for four consecutive years. In conjunction with the festival, an exhibition of works entered in the Nissan Children's Storybook and Picture Book Grand Prix was held at the Karuizawa Picturebook Museum. Other interesting programs, including a collaborative event involving a saxophone quartet performance at a children's book reading, were also presented.

Also, in connection with a sales campaign for the Nissan LEAF electric vehicle, we launched a comprehensive educational program for children, entitled "An Electric Vehicle in Our Home," on our Nissan Zero Emission website to educate elementary school students about Nissan's vision for a zero-emission, sustainable society. Utilizing a simple storyline featuring unique, engaging characters and interactive quiz games, the program explains the reality of environmental problems we face today and the merits of zero-emission EVs in an easy-to-understand way.



"An Electric Vehicle in Our Home" can be viewed on the Nissan Zero Emission website.

<http://www.nissan-zeroemission.com/EN/KIDS/>

Our Foundation Activities

Striving "to create solutions for social progress" and advance Japan's culture and scientific progress, the Nissan Science Foundation has provided grants to productive science research, specifically in the fields of environmental studies, cognitive science and education in the sciences, technology and the environment. As of March 2011, the foundation had provided cumulative assistance of ¥6.7 billion to approximately 2,400 projects. In April 2011, the foundation was authorized under Japan's new public interest corporation system and renamed as the Nissan Global Foundation. It will be expanded worldwide and serve as an educational support program for fostering human resources in vital scientific fields.

The foundation's Science and Environmental Education Fund provides children with a better understanding and awareness of science, technology and environmental issues. Through this program, we provided grants to 23 schools in Kanagawa, Tochigi and Fukuoka Prefectures in fiscal 2010.

■ Educational Activities

Educational Outreach Programs

Nissan continued to carry out three different school-visit programs for children in the upper grades of elementary school during fiscal 2010: the Nissan Monozukuri Caravan, Nissan Design Waku-Waku Studio and Nissan Waku-Waku Eco School.

The Nissan Monozukuri Caravan is an original program designed to provide children with the opportunity to experience the enjoyment of *monozukuri* (crafting things), based on Nissan's experience and know-how as a manufacturer.

The Nissan Design Waku-Waku Studio is a unique work-experience class developed by Nissan in line with the objectives of the career education program promoted by Japan's Ministry of Education, Culture, Sports, Science and Technology. In this class, professional designers working at Nissan explain the vehicle-production process as well as their jobs as product designers.

Developed in cooperation with the nonprofit organization Weather Caster Network, the Nissan Waku-Waku Eco School aims to increase environmental awareness among children, the leaders of tomorrow. Over 21,000 students participated in these three programs in fiscal 2010.

Sharing the Joy of Reading

Nissan partners with the International Institute for Children's Literature, Osaka, to organize the Nissan Children's Storybook and Picture Book Grand Prix. Established with the aim of introducing children to richly imaginative storybooks and picture books, this writing and drawing competition seeks to encourage the production of creative literature for children by amateur authors. Each year's prizewinning works are published and Nissan donates copies through its dealerships to about 3,300 public libraries and 700 kindergartens across Japan. Provisions were made in fiscal 2010 to start donating copies of the prizewinning works to Japanese Schools for children of Japanese citizens living abroad in countries where Nissan operates. To date, we have donated upwards of 176,000 books.

A total of 2,941 works were submitted in fiscal 2010 for the 27th Grand Prix. Nissan hosted special events featuring the prizewinning works in the gallery of its Global Headquarters in May 2010 and March 2011. The aim was to encourage parents to read to their children by letting them experience the positive effects that this activity brings to them and their children. Copies of the prizewinning works were available for purchase during the event, with all proceeds going to the Shanti Volunteer Association.

Each year during spring break Nissan co-hosts the Joyful Storybook and Picture Book Exhibition with the National Children's Castle (Foundation for Child Well-being). The event features exhibits related to the picture books, as well as crafts workshops on the same theme. These workshops give children the chance to use recycled car parts and other materials while Nissan employees and student volunteers share with them the joy of *monozukuri*.

Nissan North America (NNA) supports the Governor's Books from Birth Foundation literacy program, which provides free books to children prior to their entry into grade school. Established in Tennessee, where NNA is headquartered, the foundation seeks to encourage reading and education in the home. In fiscal 2010, NNA donated \$100,000, funding the distribution of more than 300,000 picture books.

■ Contributing to Local Communities

Community Contribution Activities in Japan

On the 23rd of each month, a date that can be pronounced *ni-san* in Japanese, our facilities in Kanagawa Prefecture celebrate “Nissan Day,” and our employees take part in community clean-up activities. Our people at Nissan’s Global Headquarters in Yokohama, Kanagawa, have been actively involved in this cleaning since November 2009—just three months after its move to the city—as a part of our community contributions and a way to enhance environmental awareness among our employees.

Nissan, in cooperation with local community groups, hosted the 11th national Nissan Cup Oppama Championship 2010, a wheelchair marathon, at its Oppama Plant in December 2010. This national competition seeks to invigorate the local community, foster awareness of sports for the disabled and help competitors improve their abilities. The 2010 competition welcomed the participation of Wakako Tsuchida, a participant in the Beijing 2008 Paralympic Games, along with roughly 200 other athletes, providing a platform for participants to put their skills and endurance to the test. Approximately 500 volunteers, including Nissan employees and local citizens, worked together as route marshals and water-station staff for the event. Various organizations supporting athletics for the disabled received contributions from the Taiyo Fund, a donation program set up by Nissan employees especially for this event.

The Nissan Technical Center in Atsugi City contributes to the local community by promoting “Nice Wave” activities, which include neighborhood clean-ups and flower-planting activities.

Community Contribution Activities Abroad

From July 2009 to July 2010, Nissan Korea Co., Ltd. worked with the Seoul city government on the Green Gift campaign, providing scholarships to 37 students with disabilities. Nissan Korea actively participates in various community activities, including distribution of traffic safety picture books for children and a fund-raising photography event in support of UNICEF, while also offering financial aid for university scholarship programs. For its promotion of community contribution activities, Nissan Korea received the City of Seoul CSR Award in September 2010. The award is presented to companies doing business in Korea that have made continuous efforts to demonstrate corporate social responsibility and carry out corporate citizenship activities.

In fiscal 2009, PT. Nissan Motor Indonesia launched a new educational support program titled “Nissan Sahabat Anak Indonesia” (Nissan together with Indonesia). Employees in Indonesia visit primary schools, donating writing and teaching materials, computers and other needed items.

Nissan South Africa (Pty.) Ltd. (NSA) is undertaking a similar program. Employees there are donating teaching materials and textbooks on math and science—as well as school bags made from recycled Nissan billboards—to students at primary educational institutions. At secondary schools, meanwhile, we are making use of our strengths as an automaker by providing engines for use in laboratory classes.

Also in South Africa, the NSA-sponsored Mobile Eye Clinic continues its activities. This fully outfitted Nissan van contributes to the health of children in rural areas.

Area Leaders' Messages

Continuous Support for the Disaster Relief Effort

Yuushi Komota

Manager, CSR Department
Global Communications and CSR Division



Employees of Nissan and its affiliates throughout the world have been involved in the relief effort following the unparalleled natural disaster that struck Japan in March 2011. Ever since the earthquake and tsunami, the CSR Department has been at the core of Nissan's direct and indirect provision of relief to the stricken areas. The generous contributions received from Nissan employees worldwide for the relief effort totaled more than ¥100 million as of the end of May. Nissan employees have also participated in volunteer activities, particularly around the site of the company's plant in Iwaki, one affected area of Fukushima Prefecture. To sustain these contributions, Nissan is considering future cooperation with NGOs to provide appropriate ongoing assistance where it is needed, with the CSR Department playing a leading role.



KEY CSR AREAS

Corporate Governance & Internal Control

— Maintaining Trust Through Transparency

It is essential for Nissan to enhance its corporate governance policies as it fulfills 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.

Nissan's approach to corporate governance is founded on three cornerstones: compliance built on the high ethical standards of all employees, efforts to bolster information security and an effective and appropriate risk management system. Our offices and factories around the world work together to support educational activities, ensuring that all employees are properly trained and understand the issues involved.

Three Cornerstones of Nissan's Corporate Governance

1. Compliance

Compliance built on the high ethical standards of all employees is integral to promoting CSR. To foster compliance awareness throughout the company, Nissan has established specialized departments and placed officers in charge of promoting compliance policy in each region where it operates.

2. Risk Management

At Nissan, we define risk as anything that might prevent us from achieving our business goals. 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.

3. Information Security

Nissan shares its Information Security Policy with group companies worldwide and implements necessary measures through the Information Security Committee, bolstering its capability 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.



Internal Control Systems and Compliance

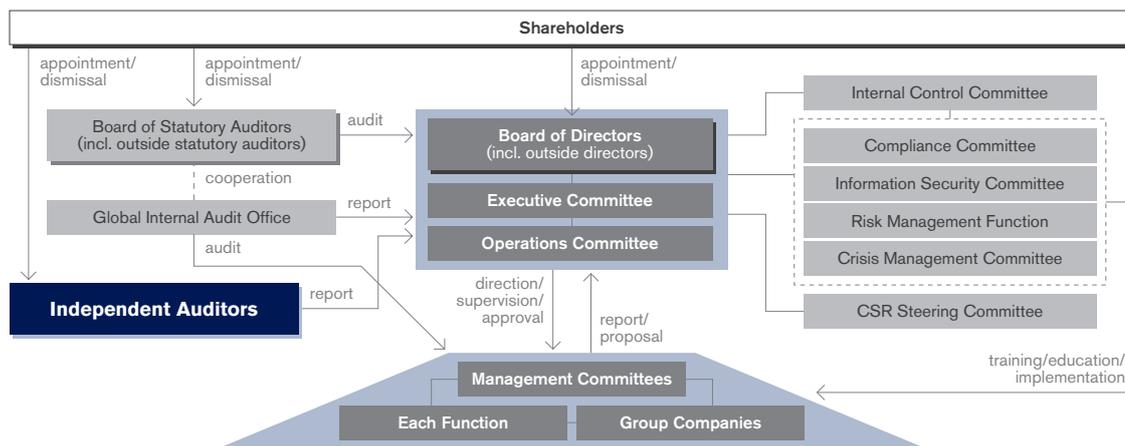


Internal Control Systems for Fair, Transparent Business

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 Companies Act 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 Global Internal Audit Office, making use of this information for their own audits.

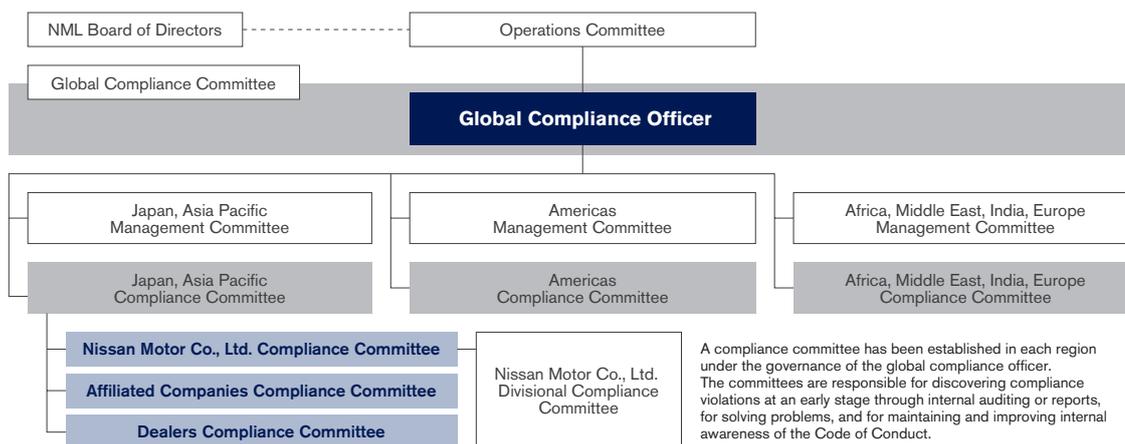
Nissan's Internal Governance System



Legal Compliance Framework

Nissan's CSR approach is founded on compliance with a strong sense of ethics held by each and every employee. We produced the Nissan Global Code of Conduct in 2001, outlining a set of guidelines for all employees of the Nissan Group worldwide to put steadily into practice. Under the oversight of our Global Compliance Committee, we have established three regional compliance committees to form a system for preventing illegal and unethical behavior worldwide. To enhance legal and ethical compliance, we are working with coordination among all regions and bases of operation to ensure full awareness of compliance issues and engage in prevention of illegal activities.

FY2011 Global Compliance Committee Organization



Security-Related Export Controls

Nissan thoroughly complies with the laws and regulations of Japan and the other countries where it does business, giving full consideration to the requirements of the international community. Part of this effort includes the company's initiatives aimed at contributing to global peace and security. Nissan has established export control rules to prevent the proliferation of weapons of mass destruction, conventional weapons and any products or technologies used for their development. In line with these rules, Nissan implements export controls under an independent system headed by the company's chief operating officer. Affiliated companies also strictly adhere to the same export control rules, thereby enhancing the entire Nissan Group's level of compliance.

Global Export Control Policy Framework



Global Educational Activities to Promote Compliance

To foster 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 focus particularly on education to give all employees a correct understanding of the Code of Conduct so that they 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," revised most recently in October 2010—after which they sign an agreement to abide by it. In this way we seek to ensure across-the-board understanding, making all our people more deeply aware of compliance issues.

A range of education programs to promote compliance are held regularly for employees in North America, and a set of universal guidelines has been drawn up for each country in Europe. We are also carrying out compliance-related training in other regions based on guidelines that take into account conditions in each country. 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, as well as an information security policy. With these regulations in place, Nissan is working to prevent compliance infractions.

Global Code of Conduct for Nissan Group

Principle

The following standards apply to all employees in Nissan Group companies (collectively herein referred to as "Nissan" or "Company"). Each member of the Company is charged with responsibility to uphold and extend this code of conduct.

Global Code of Conduct

1. Comply with All Laws and Rules

Nissan employees will abide by all laws of the country, and all regulations of the Company, in which they work.

2. Avoid Conflict of Interest

The best interests of Nissan are expected to be foremost in the minds of employees. It is prohibited to behave, act or use information in a way conflicting with Company interests.

3. Preserve Company Assets

Nissan employees are personally accountable for preserving and safeguarding Company assets. Unauthorized use or diversion of Company assets, including funds, information and intellectual property, is prohibited.

4. Be Impartial and Fair

Nissan employees must maintain impartial and fair relationships with business partners, including dealers, parts suppliers and other third parties.

5. Be Transparent and Accountable

Nissan employees shall make fair, transparent, timely and appropriate disclosure of the Company's business activities to our stakeholders, including stockholders, customers, other employees and local communities.

6. Value Diversity and Provide Equal Opportunity

We value and respect the diversity of our employees, suppliers, customers and communities. Discrimination or harassment, in any form or degree, will not be tolerated.

7. Be Environmentally Responsible

Nissan employees shall strive, within the business objectives of Nissan, to consider environmental protection when developing products and services, to promote recycling and to conserve materials and energy.

8. Be Active; Report Violations

Nissan employees are expected to carry out their work in accordance with the Code of Conduct. Employees who suspect that a violation of the Code of Conduct has occurred are obligated to report it as soon as possible, and such employees shall be protected from retaliation.



We also publish the Global Code of Conduct on our website.

http://www.nissan-global.com/EN/COMPANY/CSR/CORPORATE_GOVERNANCE/index.html

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

To promote thorough understanding of compliance among all employees worldwide and to facilitate sound business practices, Nissan employs a variety of internal reporting mechanisms. These allow employees to submit opinions, questions or requests to the company, thereby improving workplaces and operations as well as fostering a compliance-oriented corporate culture. In Japan our Easy Voice System, which offers full protection to any persons offering information in accordance with Japan's Whistleblower Protection Act of April 2006, has become an integral part of operations in all Nissan Group companies in the country.

Independent Internal Audits

Nissan has established a 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.

■ Risk Management



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 established 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, Europe and the Americas, as well as other markets.

Nissan continuously carries out measures including antiseismic reinforcement of facilities, improvement of its business continuity plan (BCP) and simulation training. These measures helped us minimize physical damage to our facilities and smoothly start up the Global Disaster Control Headquarters following the March 11, 2011, earthquake in Japan. We constantly shared up-to-date information through the headquarters, conducting consistent actions throughout the company, thus helping the effective recovery of our value chain from suppliers to dealers. Furthermore, we are addressing the issue of how to manage the electricity shortages expected this summer and we aim to achieve both power saving and business continuity.

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 risks affecting companies. The financial crisis of 2008 emphasized the importance of careful management of this risk. Nissan established a liquidity risk management policy and clear, objective guidelines for the level and type of funding needed for its business operations. Based on these, we have diversified risk in this area through a combination of well diversified funding sources and limited reliance on short-term debt. We maintain our liquidity in line with the liquidity risk management policy.

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 foreign exchange risk, 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 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 consisting of 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 issues do sometimes occur and cannot be completely prevented. If a quality issue does arise once a model is in the market, we seek to understand it through analysis and take appropriate actions as necessary. We then move to thoroughly analyze the nature of the issue to avoid its occurrence in vehicles under development or in production.

In addition to rigorous quality assurance and field quality monitoring activities, Nissan has also established a framework for broad 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. Environment, climate change

The automotive industry is affected on a global basis by various regulations related to the environment and safety, such as those covering exhaust emissions, CO₂ and fuel efficiency, noise, recycling, etc., and related regulations are getting more stringent year by year. In this environment, one effective solution from a long-term perspective is widespread use of zero-emission vehicles. Nissan started sales of its 100% electric vehicle (EV), the Nissan LEAF, in December 2010 in the United States and Japan and in March 2011 in Europe. Based on its commitment to becoming a zero-emission leader, the Renault-Nissan Alliance has been promoting zero-emission vehicles and building infrastructure, as well as forming partnerships with national and local governments and other industries.

Regarding the use of water resources, careful attention is necessary to the issues of resource depletion in certain geographical areas and further depletion in the future. Nissan recognizes the deep importance of this issue and is working to preserve water resources, such as by reducing water use and reusing water in our production processes and elsewhere.

In order to promote these environmental management approaches on a global basis, the Global Environment Management Committee (G-EMC) chaired by the chief operating officer (COO) makes decisions on general directions and presents proposals to the Executive Committee. The Global Environmental Planning Office decides concrete actions for each function and conducts effective activities to follow up on the progress based on the PDCA (plan, do, check, act) management cycle.

D. Compliance-related reputation

Nissan makes a range of efforts to foster a compliance-oriented mindset and to prevent compliance issues 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 or higher on the Japanese seismic intensity scale strikes one of our business locations in Japan, including suppliers and dealers, a first-response team made up of key members of the Global Disaster Control Headquarters moves swiftly to collect information. The team then calls the Global Disaster 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 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.

In the aftermath of the March 11, 2011, disaster, our periodic simulation training helped to ensure the smooth launch of actions by our Global Disaster Control Headquarters. This supported the quick recovery of our business through consistent, companywide actions, as well as by updating and sharing information on a daily basis.

B. New influenza strains

In response to the outbreak of H1N1-type 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 outbreaks of highly virulent flu by keeping our BCP up to date, as well as by keeping employees informed about ways to prevent infection on an ongoing basis.

Additionally, as systems for facilitating working at home were already in place as one of our pandemic response measures, we were able to achieve quicker solutions to commuting problems due to train stoppages and gasoline shortages following the March 11 disaster.

C. Interruptions in production continuity

In order to minimize the impact of disaster on its production, Nissan has continuously carried out earthquake preparedness measures for its physical infrastructure (quakeproofing and reinforcement of buildings and other facilities) and has created recovery manuals and implemented BCP simulation training aimed at reducing the recovery time following a disaster. We also focus on quality issues that may affect this continuity. To address quality risk relating to the increasing amounts of parts procured in emerging countries, 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 to prevent leakage of unsatisfactory products at key points in the manufacturing and logistics processes.

Due to reinforcement measures ongoing since 2003, physical damage to Nissan facilities was minimized in the March 11 disaster. Recovery support teams outfitted appropriately for the situation were quickly dispatched to damaged plants, helping them to recover in a short time with additional support from our business partners.

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 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 quickly.

Following the March 11 disaster, we provided relief supplies to our suppliers in the stricken region. We also carried out active aid efforts for suppliers based on their requests in order to help restore the supply chain more quickly. We are currently preparing measures with suppliers to address expected power shortages.

E. Risk financing and loss prevention

Nissan treats hazard risk with risk financing techniques that combine high self-retentions with external risk transfer via insurance.

In order to optimize the cost of risk, Nissan has introduced a risk management policy to retain risks up to an acceptable level on a consolidated basis. Risks whose financial impact may exceed the self-retention are transferred outside the company via insurance. Generally, risks with low impact and high frequency are predictable, and therefore retained by the company, while unpredictable risks with low frequency and high impact or shock value are covered by outside insurers.

For the purpose of more efficient self-retention on a consolidated basis, a captive insurance company is utilized. The captive insurance company helps to reduce total cost of hazard risk and to manage risks that occur on a global and sometimes interdependent basis. Global insurance programs have been established for fixed property damage/business interruption and marine transportation. In addition to minimizing the cost of hazard risks, Nissan has implemented global loss prevention and loss mitigation initiatives, including investments aimed at improving employee safety and reducing accidents.

Information Security

Protecting Personal Data and Reinforcing Information Security

Nissan recognizes its social responsibility to properly handle customers' personal information, in full compliance with Japan's Personal Information Protection Act. We have set up internal systems, rules and procedures for handling personal data. All group companies in Japan are fully enforcing these processes.

Moreover, Nissan shares with group companies worldwide its Information Security Policy as its basis to reinforce overall information security. Our Information Security Committee implements measures as necessary to further strengthen information security in order to prevent information leaks and other such incidents. To thoroughly educate and motivate employees to uphold their responsibilities in this regard, we institute regular in-house educational programs every year.



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

Area Leaders' Messages

Proactively Disclosing Risk Management Information

Hideaki Kubo

Chief Internal Audit Officer
Global Internal Audit Office



Corporate risk management is a key pillar of our corporate governance and internal controls. At Nissan, we believe that part of our social responsibility as a corporation is to proactively disclose information on the status of our risk management activities as we carry them out. We see one outcome of this policy in the form of the positive evaluations received from third-party organizations. Moreover, the preparations we have carried out for some time now for earthquakes and other disasters, such as antiseismic reinforcements and crafting our business continuity plan, have proven their effectiveness in the wake of the Great East Japan Earthquake that struck on March 11 this year, allowing us to quickly resume normal operations. New risks are on the horizon, so we need to aim for further improvements while reviewing our activities to date.

CSR DATA

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Nissan CSR Scorecard

The CSR Steering Committee uses our CSR scorecard as a tool to manage, review and validate our progress in each of eight key areas we have defined for CSR activities. The table below shows some of the values behind Nissan's present activities in these areas and the indices used in the scorecard to gauge our performance.

FY2010 target achievement rate: Achieved Mostly Achieved Not Achieved Not Calculated

Eight Key Areas	Major Activity or Value	Scope of Application	Indicators of Progress	FY2008 (Result)	FY2009 (Result)	FY2010 (Target)	FY2010 (Result)	FY2011 (Target)	Long-Term Vision	
Corporate Governance & Internal Control Nissan aims to conduct fair, impartial and efficient business activities, having a high degree of transparency and consistency by adhering to the applicable laws and corporate rules.	Establishment/ effective management of internal control system	Compliance/ Code of Conduct	Consolidated companies	Establishment/ global development of compliance promoting organizations and codes of conduct	Established a global evaluation system for prevention of noncompliance and a medium- to long-term action plan	Introduced internal reporting systems in each region	Establish mechanisms for prevention of noncompliance; improve mechanisms by implementing PDCA cycles	<ul style="list-style-type: none"> Clarified key tasks in each region and formulated action plans to advance activities to prevent noncompliance Disclosed Nissan's Global Code of Conduct to outside parties worldwide 	<ul style="list-style-type: none"> Construct a system for clarifying compliance-related risks and for priority management Enhance problem-solving and follow-up capabilities by strengthening PDCA cycle (craft medium-term plan in each region for FY2011-13) 	A fully functioning framework (process) for the prevention of conduct violations
	Risk Management		Establishment/ global development of an effective risk management system	<ul style="list-style-type: none"> Implemented quakeproof construction/ earthquake drills; established BCP for primary products/ manufacturing processes To prepare for new flu pandemic, created/distributed pamphlets and manuals for employees including at overseas facilities; stockpiled emergency equipment Established a risk management website on the intranet 	<ul style="list-style-type: none"> Dealt with outbreak of H1N1 influenza and formulated BCP to prepare for higher absence ratio Recognized new risks emerging from recent financial crisis as corporate risk; appointed risk owners to investigate management methods and strengthen controls 	<ul style="list-style-type: none"> Enhance global coordination with respect to adoption of common risk management process Enhance disclosure of risk management 	<ul style="list-style-type: none"> Promoted common understanding among Global Headquarters and regional headquarters in the Americas and Europe regarding fundamental processes of risk management; exchanged related information with Renault Explained risk management initiatives in the Annual Report and Sustainability Report 	<ul style="list-style-type: none"> Review our response to the Great East Japan Earthquake and reflect results in the BCP Continue and enhance disclosure of information on our risk management activities Continue and enhance benchmarking activities together with Renault 	Contribute to raising corporate value with a global risk management system; obtain better external understanding through appropriate information disclosure	
	Information Security		Addressing personal data protection issues and establishment of stable information security	<ul style="list-style-type: none"> Completed principal reinforcement measures on personal data protection from Nissan to dealers respectively Deployed information security policy and reinforced management at primary affiliates 	<ul style="list-style-type: none"> Continuously monitored and improved status of compliance with measures to protect personal data at Nissan Motor Co. and sales companies Produced annual plan and implemented PDCA cycle for information security management at each major affiliate 	Maintain/raise level of information security management	<ul style="list-style-type: none"> Continually monitored compliance with policies to safeguard personal information at Nissan Motor Co. and its sales companies; verified levels had been maintained or improved Globally implemented an annual plan for information security management and confirmed its progress; verified levels had been maintained or improved 	Maintain/raise level of information security management	Contribute to pursuing stable corporate activities and social responsibility by globally implementing PDCA cycles on information security	

FY2010 target achievement rate: Achieved Mostly Achieved Not Achieved Not Calculated

Eight Key Areas	Major Activity or Value	Scope of Application	Indicators of Progress	FY2008 (Result)	FY2009 (Result)	FY2010 (Target)	FY2010 (Result)	FY2011 (Target)	Long-Term Vision
Economic Contribution	Suspension of Nissan GT 2012, Nissan's medium-term business plan, to concentrate on ameliorating performance	Consolidated companies	Consolidated net sales	¥8.4370 trillion	Attained positive free cash flow (¥375.5 billion); continued implementing recovery plan	¥8.2 trillion	¥8.7731 trillion	¥9.4 trillion	Achieve growth with sustained profitability; continue providing long-term value to all stakeholders, including customers, shareholders, employees, business partners and regional communities
			Dividend	¥11/share	¥0/share	¥10/share	¥10/share	¥20/share	
Quality	Score of external indicator that is most influential to customers	Global	[North America] Consumer Report	Target achieved for FY2008	Achieved nearly all FY2009 targets	Improve rankings of respective KPIs	Achieved nearly all FY2010 targets	Improve rankings in respective KPIs	Achieve Top-Level Quality in all areas through quality improvements in products, services, brand and management
			[Europe] U.K.: <i>What Car?</i> Germany: <i>ADAC</i> Italy: <i>Quattroruote</i>	Italy: <i>Quattroruote</i> gave Qashqai high marks, placed it in top three picks	U.K.: Qashqai and Note earned high marks in <i>What Car?</i> Italy: Qashqai earned high marks in <i>Quattroruote</i> Germany: Qashqai and Note earned reputation for high reliability in <i>ADAC</i>		<ul style="list-style-type: none"> U.K.: Qashqai and Note earned high marks in <i>What Car?</i> Italy: Qashqai earned high marks in <i>Quattroruote</i> Germany: Qashqai and Note earned reputation for high reliability in <i>ADAC</i> 		
			[Other] China: J.D. Power Initial Quality Study South Africa: Pied Piper Prospect Satisfaction Index Brazil: <i>Quatro Rodas</i>	China JDP IQS: Teana No.1 in 2007 and 2008 (Upper Premium Midsize Segment), Tiida 2nd, Livina 3rd	China JDP/IQS: 4 models earned top 3 rankings South Africa PSI: 4 models in top ranking		China JDP/IQS: 3 models earned top 3 rankings		
	Achievement of Sales and Service Quality objectives, resulting in the highest levels of customer loyalty and service retention	Global	Customer satisfaction survey results relating to Sales and Service Quality in focus countries (Nissan and Infiniti)	Top-level achievements maintained in countries where Nissan was leading; new achievement of Top-Level Quality in Canada (sales quality, vs. major competitors)	Maintained position in all countries where Top-Level Quality had previously been achieved; continued to improve position in all other countries in the focus group through initiatives, activities aimed at milestones for Top-Level Sales and Service Quality	Continue Sales and Service Quality improvement through achievement of Top-Level Quality objectives in focus countries	Improvements carried out according to plan toward achievement of Top-Level Quality objectives	Continue Sales and Service Quality improvement through achievement of Top-Level Quality objectives in focus countries	

FY2010 target achievement rate: Achieved Mostly Achieved Not Achieved Not Calculated

Eight Key Areas	Major Activity or Value	Scope of Application	Indicators of Progress	FY2008 (Result)	FY2009 (Result)	FY2010 (Result)	FY2010 Goals (NGP2010)	Long-Term Vision	
Environment Nissan aims to lead a social transformation aimed at bringing about a sustainable mobility society by reducing vehicles' environmental impact throughout their life cycle and expanding the lineup of effective green products and technologies.	Implementation and promotion of Nissan Green Program 2010 (NGP2010)	Reduction of CO ₂ emissions	Global	Releasing new models with low CO ₂ output	Released the clean diesel X-TRAIL 20GT in Japan; Livina capable of running on E100 fuel marketed in Brazil	Launched the Nissan ECO Series of environmentally conscious cars	Launched all-electric Nissan LEAF (Japan, U.S., Europe), Fuga Hybrid (Japan), Infiniti M Hybrid (U.S., Europe)	7% reduction (global per-unit CO ₂ emissions, compared with FY2005)	Reduce environmental impact and dependence to within the Earth's natural ability to absorb
			Global	CO ₂ reduction from all Nissan plants (FY2005 = 0, global per-vehicle CO ₂ emissions)	Achieved 10% reduction	Achieved 10% reduction	Achieved 18.6% reduction	7% reduction (global per-unit CO ₂ emissions, compared with FY2005)	
		Achievement of clean emissions (to preserve air, water and soil quality)	Nissan Motor Co., Ltd.	VOC emissions reduction in painting process in plants (FY2005 = 0)	1.0% increase in volume of VOC emissions in Japan	13% decrease in volume of VOC emissions in Japan	17.1% decrease in volume of VOC emissions in Japan	10% reduction from FY2005 (per unit, body + bumper)	
		Recycling of resources (promotion of the 3Rs)	Nissan Motor Co., Ltd. and consolidated companies (based on Nissan calculation standard)	Resource recovery rate	Achieved 100% recovery rate at five Nissan plants and one business office and at three affiliate factories (Japan)	Achieved 100% recovery rate at five Nissan plants and one business office and at five affiliate factories (Japan)	Achieved 100% recovery rate at five Nissan plants and two business offices and at five affiliate factories (Japan)	Achieve resource recovery rate of 100%	
			Nissan Motor Co., Ltd.	ELV (end-of-life vehicle) recovery rate	Achieved 95.7% recovery rate (Japan)	Achieved 96.6% recovery rate (Japan)	Achieved 97.0% recovery rate (Japan)	Achieve ELV recovery rate of 95% (5 years ahead of 2015 regulation)	

Note: Please see the detailed information on the NGP2010 activities on pp. 17–18.

FY2010 target achievement rate: Achieved Mostly Achieved Not Achieved Not Calculated

Eight Key Areas	Major Activity or Value	Scope of Application	Indicators of Progress	FY2008 (Result)	FY2009 (Result)	FY2010 (Target)	FY2010 (Result)	FY2011 (Target)	Long-Term Vision
Safety Nissan develops innovative technology and plays an active role in safety promotion, making the automobile society safer for all.	Establishment of quantitative reduction targets for Nissan-related traffic deaths, etc., real-world analysis of accidents to build safer cars and implementation of driver-education programs	Japan, U.S., Europe, other key regions	Reduction from 1995 levels in Nissan-related traffic deaths and injuries (Figures are available approx. one year later due to calculation based on publicly released data)	Japan: 49.6% U.S.: 42% U.K.: 57%	Japan: 53% U.S.: 48% U.K.: 56%	Develop and boost use of safety-related technologies based on Nissan Safety Shield approach to reduce fatal and serious injuries from previous FY, progressing toward ultimate goal	Figures to be calculated once data is released	Develop and boost use of safety-related technologies based on Nissan Safety Shield approach to reduce fatal and serious injuries from previous FY, progressing toward ultimate goal	Aim for ultimate goal of zero fatalities and serious injuries involving Nissan vehicles

FY2010 target achievement rate: Achieved Mostly Achieved Not Achieved Not Calculated

Eight Key Areas	Major Activity or Value	Scope of Application	Indicators of Progress	FY2008 (Result)	FY2009 (Result)	FY2010 (Target)	FY2010 (Result)	FY2011 (Target)	Long-Term Vision
Employees Nissan aims to form an attractive organization where diverse human resources can achieve personal growth through experience in global business.	Build a learning-oriented corporate culture	Nissan Motor Co., Ltd.	Trainee satisfaction: Based on surveys of employees undergoing annual training courses. Scores (on a scale of 1 to 5) are the lowest of the averages for each course	4.2 or higher	4.5 or higher	Implement education programs to enhance competency. Maintain/upgrade satisfaction degree of attendees	4.5	Implement education programs to enhance competency; maintain/increase satisfaction of attendees	Create a learning-oriented corporate culture and a setup allowing individual employees to achieve personal growth
	Enhance management quality, employee motivation based on employee attitude surveys	Global	Improved scores for management quality, employee motivation; share of positive responses to questions in employee attitude surveys	Quality of Management: 46% Employee Motivation: 54%	Surveys not implemented in FY2009	Promote activities to enhance quality of management and revise corporate culture based on employee attitude surveys. Raise scores on quality of management/employee motivation	Quality of management: 50% Employee motivation: 57%	Promote activities to enhance quality of management and revise corporate culture based on employee attitude surveys; raise scores on quality of management/employee motivation	Improve quality of management and create an organization that inspires and enhances employee engagement
	Support for self-initiated career development	Nissan Motor Co., Ltd.	Number of successful applicants under Open Entry (employees can apply for advertised position openings) and Shift Career (employees can apply to the department or occupation of their choice, regardless of availability) Systems	83 (Open Entry and Shift Career Systems)	94 (Open Entry and Shift Career Systems)	Further advance assignment of employees to relevant positions based on Open Entry/Shift Career Systems	103 (Open Entry and Shift Career Systems)	Further advance assignment of employees to relevant positions via Open Entry/Shift Career Systems	Provide support for career development that emphasizes employees' self-initiative
	Creating safe and worry-free workplaces	Nissan Motor Co., Ltd.	Frequency of labor accidents (injuries or deaths per 1 million worker-hours)	0.19 and no serious accidents	0.37	0.20	0.43	0.27	Build and maintain safe, worry-free workplaces
			Intensity of labor accidents (Intensity=total working hours lost/total working hours x 1,000)	0.003	0	No serious accidents	0	No serious accidents	
	Promotion of diversity through active development, engagement with women	Global	Share of women in middle management and management positions	Japan (Nissan Motor): 5% North America: 10% Europe: 12%	Japan (Nissan Motor): 5% North America: 10% Europe: 13%	Maintain/increase share of women in middle management and management positions	Japan (Nissan Motor): 6% North America: 12% Europe: 14% Other: 11%	Japan (Nissan Motor): 6% North America: 13% Europe: 15% Other: 12%	Provide greater value to customers through diversity
			Employee survey score on diversity	Global 46%	Surveys not implemented in FY2009	Maintain/upgrade scores	Global 50%	Maintain/upgrade scores	
	Promotion of diversity through cross-cultural recruitment	Nissan Motor Co., Ltd.	Share of non-Japanese employees	1%	1%	Maintain/increase share of non-Japanese employees	1.0% (as of April 2010)	Maintain/upgrade share of non-Japanese employees	

FY2010 target achievement rate:  Achieved  Mostly Achieved  Not Achieved  Not Calculated

Eight Key Areas	Major Activity or Value	Scope of Application	Indicators of Progress	FY2008 (Result)	FY2009 (Result)	FY2010 (Target)	FY2010 (Result)	FY2011 (Target)	Long-Term Vision
Value Chain Nissan promotes ethical, environmentally sound actions in all stages of the supply chain.	Reduce the environmental impact of products through green procurement activities	All primary suppliers to Renault-Nissan Purchasing Organization (RNPO; responsible for 100% of total Renault-Nissan procurement by value, April 2009)	Extent to which values and codes of conduct are shared with suppliers	<ul style="list-style-type: none"> Held suppliers' meeting on Nissan GT 2012 (May 2008) Held suppliers' meetings on sales, production plans for FY2009 (March, May 2009) Held monthly meetings to explain production plans, share information on rapidly changing environment with suppliers in a timely way 	Created "CSR Guidelines for Suppliers" with Renault in line with the CSR procurement activities of the Japan Automobile Manufacturers Association, and prepared to send them out	<ul style="list-style-type: none"> Together with Renault, spread "CSR Guidelines for Suppliers" from overseas site purchasing departments to suppliers Start MPA revisions that incorporate penalties for compliance infractions 	 <ul style="list-style-type: none"> Worked with Renault to distribute "CSR Guidelines for Suppliers" from purchasing departments at operational sites to suppliers (from June) Carried out MPA revisions incorporating penalties for compliance infractions (from July) 	Boost CSR understanding and approaches among suppliers by continued video and other presentations on Nissan CSR activities at suppliers' meetings, etc.	Continually support suppliers' efforts to enhance their systems for CSR activities
	Reduce the environmental impact of products through green procurement activities	All primary suppliers around the world	Ascertaining compliance with Japan's green procurement guideline for environment-impacting substances in purchased parts, and promotion of such activities with regard to global guideline	Began deployment of "Nissan Green Purchasing Guidelines" in Europe	Held meetings with Thai suppliers to explain "Nissan Green Purchasing Guidelines"	Initiate deployment of "Nissan Green Purchasing Guidelines" in North America	 Globally published "Nissan Green Purchasing Guidelines" on the website; initiated their deployment in North America	Give suppliers explanation of ways to improve activities to reduce their environmental impact	Reduce Nissan's environmental impact throughout the life cycle by establishing structures for suppliers; enhance management scope by extending activities to the whole value chain
	Promotion of CSR activities at sales companies	Sales Companies (Japan)	Share values and support voluntary activities	General Affairs and HR department managers meeting (November 2008)	Started introduction of a compliance self-assessment program at sales companies in Japan; at meetings of sales company executives in September 2009 and March 2010, shared information on latest compliance developments, offering support for sales company efforts	Revise content of self-assessment program to improve its effectiveness; work to spread use of program at sales companies	 Further enhanced awareness of compliance through implementation of companywide self-assessment program	Continue implementing self-assessment program; hold regular events to exchange information (e.g. meetings between supplier representatives)	Assist sales companies' autonomous efforts
Philanthropy Nissan carries out social contribution activities as a corporate citizen, focusing on education, environmental awareness and humanitarian relief.	Clarification of Nissan's philanthropy policy, reinforcement of in-house organization and enhancement of philanthropic activities	Global	Clarification of Nissan's philanthropy policy and establishment of an in-house promotion organization	Launched "The Science of Survival," Nissan's first global environmental program; started exhibitions in London (April 2008) and New Jersey (October 2008); succeeded in communicating a consistent message globally	Continued to investigate global programs, but did not implement in FY2009. "The Science of Survival" was discontinued in June 2009 due to organizer's reasons	Begin consideration, partial implementation of social contribution programs to respond to societal needs through globally consistent activities	 Launched joint projects with Habitat for Humanity, beginning in March 2010 in India and in March 2011 in Indonesia and Thailand	<ul style="list-style-type: none"> Enhance the 3 regional systems (Asia, AMIE, Americas) and strengthen management Develop new programs to assist "base of pyramid" Engage in dialogue with stakeholders twice per year as part of philanthropic activities 	Continually implement unique philanthropic programs centered on "support for education," "environmental awareness" and "humanitarian relief," balancing global perspectives with the most appropriate activities for each region

Fiscal 2010 Financial Review

For fiscal 2010, Nissan's financial results on a consolidated basis were as follows: net revenues were ¥8.7731 trillion, operating profit was ¥537.5 billion and net income was ¥319.2 billion. Nissan had positive automotive free cash flow of ¥459.3 billion, and net debt for the auto business was eliminated completely, leaving the company with a net cash position of ¥293.3 billion at the close of the fiscal year.

Global sales for fiscal 2010 were at their highest level ever, climbing 19.1% from 3,515,000 units in fiscal 2009 to reach 4,185,000 units. Nissan's overall global market share stood at 5.8%. In the Chinese market, Nissan sold 1,024,000 units, up 35.5% from fiscal 2009. In the United States sales were up 17.3% to 966,000 units, securing Nissan an 8% share of the market, its highest ever. Sales were up 20.2% in Mexico, giving Nissan an industry-leading 23.1% share of the Mexican market. Sales in Europe climbed 19.3% year on year to reach 607,000 units, representing 3.3% of the market.

Our performance was also strong in other markets. In Latin America, we sold 169,000 units, up 65.7% from fiscal 2009; in Russia, sales roughly doubled to 102,500 units; and in Thailand, sales were up 87.6% to 64,900 units. Indonesia also saw strong growth for Nissan, with sales up 65.4% to 42,600 units. Middle East sales increased slightly to 180,000 units.

Following the March 11 earthquake and tsunami that struck eastern Japan, Nissan has made steady, solid progress toward the restoration of its operations. We are well-positioned in all regions of the world for profitable growth over the long term.

Fiscal 2010 Financial Performance (billion yen)

	FY2009	FY2010	Change
Consolidated net revenue	7,517.3	8,773.1	1,255.8
Consolidated operating profit	311.6	537.5	225.9
Non-operating loss/profit	-103.9	0.3	—
Ordinary profit	207.7	537.8	330.1
Net extraordinary loss	-66.1	-57.7	—
Net income	42.4	319.2	276.8
CAPEX	273.6	312.0	—
R&D	385.5	399.3	—
Depreciation	363.3	372.1	—

FOREX for FY2010: ¥85.7/\$ ¥113.1/€

Performance Data

	FY2008	FY2009	FY2010
No. of employees (consolidated)	175,766	169,298	155,099
No. of individual investors	317,000	273,000	264,940
Corporate tax	¥90.2 billion	-¥26.5 billion	¥140.7 billion
R&D expenditures (% of sales)	¥455.5 billion (5.4%)	¥385.5 billion (5.1%)	¥399.3 billion (4.6%)
Capital investment (% of sales)	¥383.6 billion (4.5%)	¥273.6 billion (3.6%)	¥312.0 billion (3.6%)
Donations for disaster relief	¥30.0 million (by Nissan Motor Co., Ltd. for China's Sichuan Earthquake, etc.) AU\$50,000; 100 vehicles (by Nissan Motor Co. [Australia] Pty. Ltd. for Australian wildfires; vehicles leased at no cost)	¥12.0 million (by Nissan Motor Co., Ltd. for 2010 Chile earthquake, etc.) \$117,000 (by Nissan North America, Inc. for 2010 Haiti earthquake, etc.)	Over ¥430 million (by Nissan Motor Co., Ltd., Nissan North America, Nissan Europe S.A.S., etc. for Great East Japan Earthquake) About ¥6.8 million (by Nissan [China] Investment Co., Ltd. for Yushu earthquake) \$100,000 (by Nissan North America for 2010 Haiti earthquake)
Nissan Motor Co., Ltd. data			
No. of employees	30,718	30,277	28,403
Average age (years)	41.6	41.8	42.4
Average service (years)	19.9	20.1	20.7
Average annual salary*	¥7,280,776	¥6,271,632	¥6,847,796
Disabled employment ratio	approx. 2.1%	approx. 2.1%	2.0%
No. of employees taking parental leave	111	161	195
No. of employees taking nursing care leave	4	9	15
No. of unionized employees	27,822	27,271	26,790

* Average annual salary for employees not in managerial positions; includes bonuses and overtime pay.

No. of Employees (as of end of March 2011)

Japan	72,876
North America	23,411
Europe	13,891
Asia	42,718
GOM	2,203
Total (consolidated)*	155,099

* Includes 27,816 nonpermanent workers.

Union Information

Nissan Motor Co., Ltd.'s employees are affiliated with the All Nissan Motor Workers' Union, for which the governing body is the All Nissan and General Workers Unions, and the Japanese Trade Union Confederation (Rengo) through the Confederation of Japan Automobile Workers' Unions. The labor-management relations of the company are stable, and the number of union workers was 26,790 as of March 31, 2011.

At most domestic group companies, employees are affiliated with their respective trade unions on a company basis, and the governing body is the All Nissan and General Workers Unions.

At foreign group companies, employees are affiliated with their respective trade unions. In Mexico, for example, workers are affiliated with a domestic trade union for which the governing body is the Confederation of Mexican Workers (CTM) or independent trade unions, whereas most employees in the United Kingdom are affiliated with the Unite the Union, Nissan Motor Manufacturing (UK) Ltd., Branch. Local employees of other group companies are affiliated with different types of trade unions according to the labor environment in each country.

Global Network (Numbers/locations as of June 2011)

R&D:

12 countries/areas (Japan, USA, U.K., Taiwan, China, Thailand, India, South Africa, Mexico, Brazil, Spain, Vietnam)

Design:

4 countries (Japan, USA, U.K., China; total of 5 design centers)

Automobile Production Plants:

20 countries/areas (Japan, USA, U.K., Spain, Taiwan, China, Thailand, Philippines, Malaysia, Indonesia, Mexico, Brazil, Iran, South Africa, Kenya, Egypt, Pakistan, Russia, Vietnam, India)

Sales by Model (Top 5)

Japan (units)

Model	FY2010 (Apr. 2010—Mar. 2011)
Serena	71,510
Note	55,629
March	51,880
Cube	43,473
Tiida	36,213



Serena

U.S. (units)

Model	FY2010 (Apr. 2010—Mar. 2011)
Altima	239,331
Rogue	114,518
Sentra	110,049
Versa (Tiida in Japan)	98,706
Infiniti G (sedan and coupe)	61,578



Altima

Europe (units)

Model	FY2010 (Apr. 2010—Mar. 2011)
Qashqai	198,823
Juke	51,797
Qashqai+2	50,234
Note	49,652
Micra	49,276



Qashqai

Environmental Indices, Human Resources, etc. (Fiscal 2010)

Environmental Indices (As of March 31, 2011)

Energy input*		
Direct usage		15,568 (1,000 GJ)
Indirect usage		16,769 (1,000 GJ)
Water input* 25,851 km ³		
CO ₂ emissions		
Production		2,486 kton
Logistics		1,586 kton
Offices and dealers		371 kton
Vehicle use		90,000 kton
Water discharge* 19,784 km ³		
Waste generated —		
Environmental impact indices	Reduction of global per-vehicle CO ₂ emissions in production	18.6% (from FY2005 level)
	Reduction of VOC emissions in production (painting)	17.1% (from FY2005 level)
	Resource recovery rate (Japan)	100%
	Recovery rate	97%
Certifications, etc.	ISO 14001 certification ratio (global)	100%
	ISO 9001 certification ratio (global)	100%

* The figures are for the Nissan Group worldwide including 71 consolidated companies.

Human Resources, etc. (As of March 31, 2011)

Board of Directors	No. of board directors	9	
	No. of representative board members	2	
	No. of female directors	0	
	No. of outside directors	1	
Auditors	No. of auditors	4	
	No. of outside auditors	3	
Shareholders	No. of shares	4,520,715,112	
	No. of shareholders	267,600	
	Ratio of stable shares	61.3%	
	Ratio of floating shares	4.6%	
	Major shareholders		Government organs (0.0%) Financial institutions (18.02%) Financial instrument traders (1.01%) Japanese companies (1.86%) Foreign companies, etc. (69.59%) Individuals, etc. (9.52%)
	Disabled Employment	No. of disabled employees	—
Employment ratio		2.0%	
Employees	No. of employees (nonconsolidated)	28,403	
	No. of employees (consolidated)	155,099	
	No. of temporary employees	27,816	
	Average age (years)	42.4	
	Average service (years)	20.7	
Graduate Employment	No. of male college graduates	—	
	No. of female college graduates	—	
Female Employment	Ratio of female managers	6%	
	Ratio of female general or higher-ranking managers	3%	
	Ratio of female executives	2%	
Occupational Accidents	Total accident frequency ratio	0.43	

Business and Other Risks

Information on risks involved in business operations has been disclosed in the Yukashoken-Hokokusho for the year ended March 31, 2010, as follows. Any future forecasts included in the following descriptions are based on the estimates or judgment of Nissan as of June 30, 2010.

1. Rapid changes in the global economy and economic climate

(1) Economic factors

The demand for products and services provided by the Group is strongly affected by the economic conditions in each country or market in which they are offered for sale. Although the Group strives to predict change in economic climate and demands precisely and to take necessary measures in the major markets like Japan, the Americas, Europe and Asia, in case of greater-than-anticipated downturn such as global economic crisis it could have a significant effect on the Group's financial position and business performance.

(2) Situation regarding resources and energy

The demand for products and services provided by the Group largely varies depending on rapid changes in the situation surrounding various resources and energy as represented by the hike of crude oil prices. Any greater-than-anticipated fluctuations in such resources or the energy situation could have a significant effect on the Group's financial position and results of operations due to a deterioration in operating performance and/or opportunity loss.

2. Rapid changes and moves in the automotive market

The automobile industry is currently experiencing intensified market competition worldwide. To win given such intense competition, the Group maximizes its efforts in all aspects of technology development, product development and marketing strategy to timely provide products that address customer needs.

Nevertheless, the failure to timely address customer needs or improper responses to environmental and/or market changes could have a significant effect on the Group's financial position and business performance.

For example, any specific issues related to resources, energy or environment could cause a sharp decline in demand or an unbalanced preference for certain products. Moreover, demand might decrease or change due to the progress of negative factors such as a decline in population, the aging society and a dwindling birthrate in a mature market, whereas demand might considerably increase in emerging markets. These changes or trends might generate favorable results for the Group with a rise in business opportunities but could result in an adverse effect on the Group's financial position and results of operations due to an excessive dependency on certain products and/or regions unless appropriate forward-looking steps are undertaken.

3. Risks related to the financial market

(1) Fluctuation in foreign currency exchange rates

The Group's products, finished cars, are produced in 18 countries and regions, and are sold in more than 160 countries. Along with the extended production and sales activities, the Group's procurement activities for raw materials, parts/components and services are conducted in many countries.

As the consolidated financial statements of the Group are calculated and presented in Japanese yen, the appreciation of the yen against other currencies adversely affects the Group's financial results of operations, in general. In contrast, the depreciation of the yen against other currencies favorably affects the Group's financial results of operations. Any sharp appreciation of the currencies of countries where the Group manufactures vehicles against the yen could lead to increases in both procurement and production costs that would adversely affect the Group's competitiveness.

(2) Hedging of currency and interest rate risks

The rise in market interest rates and/or in the cost of capital procurement due to the Company's decreased rating by credit rating agencies could have a significant effect on the Group's financial position and business performance.

The Group may utilize derivative transactions for the purpose of hedging its exposure to risks such as fluctuations in the foreign exchange rates of its receivables and payables denominated in foreign currencies, the interest rates of interest-bearing debt and fluctuations in commodity prices. Although the Group can hedge against these risks by using derivatives transactions, the Group might miss potential gains that could result from seizing the market opportunities to profit from such fluctuation in exchange rates and interest rates. In addition, the Group manages its exposure to credit risk by limiting its counterparties to financial institutions with high credit ratings. However, a default by any one of these counterparties could have an adverse effect on the Group's financial position and business performance.

(3) Liquidity risk

The Company endeavors to raise funds from appropriate sources with measures such as an accumulation of net cash, the conclusion of loan commitment agreements and the diversification of funding sources and geographies for fund-raising by formulating relevant internal rules so that the Group can ensure an appropriate level of liquidity even if any environmental change beyond expectations occurs in the financial market. However, this factor could entail a greater-than-anticipated level of risk that might hinder the smooth execution of the initially planned financing, thereby having a significant effect on the Group's financial position and business performance.

(4) Sales financing business risk

Sales financing is an integral part of the Group's business. The Global Sales Financing Business Unit was established at the Company. This dedicated internal department provides strong support to automotive sales while maintaining high profitability and a sound and stable financial condition through strict risk management policies. However, sales financing companies inevitably have high exposure to interest-rate risk, residual value risk and credit risk. Accordingly, these risk factors could entail a greater-than-anticipated level of risk, which could adversely affect the Group's financial position and business performance.

(5) Counterparty credit risk

The Group does business with a variety of local counterparties including suppliers and sales companies in different regions around the world. The Group manages its own counterparty credit risk by conducting a comprehensive annual assessment of suppliers' financial condition based on their financial information. Nonetheless, should unprecedented conditions such as bankruptcies be triggered by a global economic crisis, the resulting production interruption and/or troubles in any other production activity at the procurement side and any significant default by a counterparty at the sales side would adversely affect the Group's financial position and business performance.

(6) Employee retirement benefit expenses and obligations

The amounts of retirement benefit obligation and related expenses of the Group, which are provided for retirement benefits of employees of the Group companies, are calculated using various actuarial assumptions including the discount rate applied, the projected rate of return on plan assets and other factors. If the Group's actual results differ from those assumptions or if any of the assumptions change, the resulting effects will be accumulated and recognized systematically over future periods. The cumulative effect could adversely affect the recognition of expenses and liabilities recorded in future periods.

4. Risks related to business strategies and maintenance of competitive edge

(1) Risks involved in international activities and overseas expansion

The Group's products, finished cars, are produced in 18 countries and regions, and are sold in more than 160 countries. The Group studies the extension of its global manufacturing and marketing activities in other countries and regions. The Group forecasts and sufficiently evaluates a wide variety of risks inherent in conducting business in overseas markets including the factors noted below. Nevertheless, each of these factors could entail a greater-than-anticipated level of risk at any place in our overseas presence without achieving the planned rate of capacity utilization and/or profitability, which could have significant effects on the Group's financial position and business performance.

- Unfavorable political or economic factors
- Legal or regulatory changes
- Changes in corporate income tax, customs duties and/or other tax system
- Labor disputes including strikes
- Difficulties in recruiting and retaining talented human resources
- Social turmoil due to terrorism, war, coup, epidemic disease or other destabilizing factors

(2) Research and development

The Group's technology must be useful, pragmatic and user friendly. To this end, the Group anticipates the nature and scope of the market demand and then prioritizes and invests in the development of new technologies. However, any sudden and greater-than-anticipated changes in its business environment or in customer preferences could impact negatively on customer acceptance of these new technologies, which could have a significant effect on the Group's business performance.

(3) Collaboration with other corporations

The Group may collaborate with other corporations that have excellent technologies to effectively acquire higher competitiveness within the short term. However, the anticipated results might not be achieved depending on the market environment of the business field concerned and/or changes in technological trends, which could adversely affect the Group's business performance.

(4) Quality of products and services

To provide products and services of superior quality, the Group endeavors to ensure and enhance maximum quality through detailed management systems from the standpoint of research and development, manufacturing and services. However, the adoption of new technology to propose higher added value might cause unexpected quality issues after sales of a product start even if it has been repeatedly tested prior to its launch with maximum care. Although the Group has insurance policies to assure the source of funding product liability claims, this does not necessarily mean that all damages are fully covered. If the Group were to implement significant recalls in volume and amount for the benefit of customers' safety, the Group would incur significant additional expenses that could adversely affect its financial position and business performance.

(5) Environmental and safety-related restrictions and corporate social responsibility (CSR)

The automobile industry worldwide is influenced by a broad spectrum of regulations governing the emission levels of exhaust fumes, fuel economy guidelines, noise level limitations, recycling-related restrictions and safety standards. These regulations have become increasingly stringent. Indeed, compliance with such regulations is obvious to industrial corporations, and it is becoming common to comply with autonomous guidelines and stricter objectives are required in an increasing number of fields as part of CSR. The burden of ongoing development and investments has been increasing to ensure and/or maintain an advantageous position against competitors. As a consequence, a further rise in these costs could have an impact on the Group's financial position and business performance.

(6) Critical lawsuits and claims

It is possible that the Group could encounter claims or lawsuits with counterparties and/or third parties in the course of conducting business. With respect to various lawsuits and claims that the Company and the Group might encounter, the possibility exists that the Company's opinions will not be accepted and that the outcome may be significantly different from that anticipated. As a result, any such judgment verdict or settlement could adversely affect the Group's financial position and business performance.

(7) Intellectual property rights

The Group owns a wide variety of proprietary technologies and has the expertise to differentiate the Group's products, making them unique from those of its competitors. These assets have proven their value in the growth of the Group's business and will continue to be of value in the future. The Group strives to protect its intellectual property assets. However, in certain markets, the Group may encounter difficulty in fully protecting the proprietary rights to its own technologies.

The Company established the Intellectual Property Rights Management Department to protect intellectual property rights in such markets, strengthen activities to protect Nissan's intellectual property rights, accumulate new intellectual property rights and perform various activities to protect and create the brands. However, cases may arise where the Group finds itself unable to prohibit others from abusing or infringing on its intellectual property rights by imitating and manufacturing similar vehicles.

(8) Recruitment and retaining of talented human resources

The Company considers human resources to be the most important corporate assets. The Company therefore focuses its efforts on enhancing the development of human resources and implementing fairer and more transparent performance evaluation systems. However, industrial competition to secure talented people is intense. Should appropriate recruitment and/or retaining of such desirable human resources not go according to plan, such an unsuccessful personnel development strategy could adversely affect and reduce the competitiveness of the Group on a long-term basis.

(9) Compliance and reputation

The Group always takes appropriate preventive measures and conducts regular audits with regard to compliance of laws and regulations including necessary information security measures for the protection of personal and confidential information. Furthermore, the Group has strived to streamline the relevant systems to rapidly cope with any possible detection of compliance-related incidents to prevent their adverse effects on trust in and/or the reputation of the Company. Nevertheless, in view of increasing expectations relative to CSR in contemporary society, delayed, insufficient and/or improper responses to compliance-related issues could adversely affect the confidence and/or reputation of the Group, thereby adversely affecting the Group's results of operations through, for example, a possible decline in sales resulting from a damaged reputation.

5. Continuation of business

(1) Large-scale natural disasters

The Group's corporate headquarters and many of its manufacturing facilities are located in Japan, where the statistically proven probability of earthquakes is higher than in many other countries. The Group has developed risk management guidelines relating to earthquake damage, and has organized a global task force (headed by the COO) to direct disaster prevention and recovery activities. In addition, the Group has been strengthening its manufacturing facilities with antiseismic reinforcement. However, if a severe earthquake were to hit one of the Group's key facilities causing a halt in production, this would adversely affect the Group's financial position and results of operations.

The Group addresses preventive measures and the improvement of emergency response systems to prepare for risks other than earthquakes, including fires, typhoons and epidemics of new types of influenza. Nevertheless, if any of these risk factors occurs or spreads on an unprecedented scale, such risk could adversely affect the Group's financial position and business performance.

(2) Purchase of raw materials and parts

The Group purchases raw materials, parts/components and services from many suppliers by reason of its business structure. In recent years, the use of rare metals, of which production volume is extremely small and production mines are limited to several restricted areas of a few countries, has been increasing, in association with the implementation of new technologies. The unpredictable fluctuation of market conditions resulting from a drastic change in the supply-demand balance or a radical change in the political situation of a production country could entail a greater-than-anticipated level of risk in the stable procurement of necessary raw materials, parts/components or services on an ongoing basis, which could adversely affect the Group's financial position and business performance.

(3) Dependency on specific suppliers

If procurement of higher technology or higher quality is pursued at more competitive pricing, actual orders might sometimes concentrate on only one or a small limited number of suppliers. In such cases, a possible suspension of supply due to any unforeseen accident or any other reason could lead to the forced suspension of the Nissan Group's production plants, thereby adversely affecting the Group's financial position and business performance.

(4) Computer information system

Almost all the Group's business activities are supported by computerized information systems. As information systems have become increasingly complicated and sophisticated, the Group takes a variety of measures to ensure security and improve their reliability. However, any possible shutdown of overall systems due to the occurrence of any greater-than-anticipated disaster or by the intrusion of a wrongful computer virus would make it difficult for the Company to continue operations, thereby adversely affecting the Group's financial position and business performance.

Third-Party Evaluation

A company's sustainability report should go beyond simply providing information on its undertakings in the area of corporate social responsibility. It should also be a means of expressing the company's commitment to realizing its corporate vision. It is from this perspective that I offer my evaluation of Nissan's Sustainability Report.

Positive aspects of the report

Nissan is to be commended for clearly stating the goals it aims to achieve, for the emphasis it places on making CSR concepts a part of its management, and for pursuing CSR activities worldwide. In his interview, CEO Carlos Ghosn notes that "CSR is foremost in the minds of the leaders of the company." Nissan's decision to reorganize its management of CSR issues has sent a clear signal throughout the company and to external observers, and is a demonstration of its leaders' commitment in this area.

Nissan is pursuing CSR-related measures by defining eight key areas of focus based on its overall CSR policy. Within each of these areas it sets goals and carries out activities to achieve them. With its CSR scorecard, a tool for managing progress in each area, the company tracks and evaluates its own actions, posting them for review alongside its targets for the next fiscal year and its long-term vision. It is clear that Nissan is successfully adhering to the PDCA (plan, do, check and act) cycle in taking a coherent approach to all its CSR areas.

This report contains messages from the "owners" of each key area of focus. These provide fascinating insight into the direction Nissan takes in its efforts, as well as the aspirations of its employees for the future.

With respect to environmental issues, Nissan is not just developing and manufacturing zero-emission vehicles. It is also working together with national and local governments, as well as with other firms, to create the infrastructure needed to promote wider use of these vehicles. In the area of safety, the report is noteworthy for its presentation of Nissan's "triple-layered approach" that addresses vehicles, individuals and society, as well as its development of technologies aimed at the realization of "collision-free cars."

In the "employees" section of this report, Nissan makes the clear case that it positions diversity as a key business strategy and as a direct contributing factor to the company's competitiveness. The various activities undertaken in this connection are characteristic of Nissan.

Finally, the message from the chief of Nissan's Global Disaster Control Headquarters and the accompanying information on what the entire Nissan Group has done to respond swiftly to the Great East Japan Earthquake—both its relief activities in the stricken regions and its efforts to get affected production sites back online—were impressive examples of the company's CSR approach.

Issues to address in future editions

In order to further promote CSR activities in all eight areas of focus on a global scale, Nissan will need all its employees—the people who actually carry out these activities—to share an understanding of the company's vision and CSR direction. It will not be easy to ensure that this information reaches every single one of these workers, who number 150,000 on a consolidated worldwide basis. While Nissan works on educational activities in this area, it will need also to carry out regular checks to gauge how deeply and broadly its CSR consciousness is penetrating the organization. Ideally, reports on the progress made in this area will be paired with more extensive coverage of the faces and views of Nissan's employees all around the world.

In regions other than Japan, Nissan will need to carry out activities attuned to the conditions in each area—an approach that will benefit the company in terms of risk management as well. Ideally, this report will contain information on the issues faced and measures implemented in these countries and regions. In particular, I hope to see reporting on activities in China, where Nissan sold more than 1 million units in fiscal 2010, making it the company's largest market in the world.



One Akiyama

President
Integrex Inc.

With respect to the environment, the company is to be commended for implementing its Nissan Green Program 2010 according to plan. At the same time, it is to be hoped that Nissan will put together a concrete plan to cover the next five or 10 years and continue its environmental activities on an ongoing basis.

Looking toward the future

The Great East Japan Earthquake that struck on March 11 this year has given even more importance to the ties between corporations and society and to companies as social actors. It is now vital that companies come together with other entities in society—individuals, communities and other companies—pooling their abilities and working alongside one another. I believe this is the very essence of *ichien yugo*, a concept proposed by the Japanese philosopher Ninomiya Sontoku (1787–1856), who stated: “It is only when all beings work together as one that they can achieve true results.”

The rapid global growth of the automobile society brings with it serious issues in terms of energy and the environment. We are now at a historic juncture when we must achieve a state of *ichien yugo* among nature, people and corporations.

It is my hope that Nissan, as a company with the vision of Enriching People's Lives, will do everything it can to enrich the lives of the people of tomorrow's society.

Nissan and Socially Responsible Investment

Today investors are paying more attention than ever to the concept of socially responsible investment (SRI), evaluating corporations from environmental and social perspectives in addition to financial fundamentals. Nissan is proud to be listed as part of the FTSE4Good Index Series, Morningstar SRI index, DJSI Asia/Pacific and Global 100 (as of June 2011).



FTSE4Good



Dow Jones
Sustainability Indexes
Member 2010/11



MS-SRI | モーニングスター 社会的責任投資株価値指数
Morningstar Socially Responsible Investment Index



Most Sustainable Corporations in the World

GLOBAL100

FTSE4Good Index Series

This SRI index is managed by the FTSE Group, an independent company co-owned by the Financial Times and the London Stock Exchange.

Dow Jones Sustainability Asia/Pacific Index

Dow Jones Sustainability Indexes, the world's first global SRI tracking tools, were developed by Dow Jones & Co., Inc. and Sustainable Asset Management. The DJSI Asia/Pacific is a new index launched in January 2009, monitoring leading companies in the Asia-Pacific region.

Morningstar SRI

The MS-SRI (Morningstar Socially Responsible Investment Index) is managed by financial information services firm Morningstar Japan K.K.

Global 100

Conducted since 2005 by the Canadian publisher Corporate Knights Inc., Global 100 is a corporate evaluation scheme focusing on sustainability. The survey reviews some 3,500 major firms in various industries, selecting 100 of them as the "most sustainable corporations in the world" based on their environmental, social and governance initiatives.

Scope of the Report

The focus of this report is on introducing Nissan's global policies and our approach to and activities toward sustainable development. Where we are describing regional efforts, we refer to the specific region name in the text; when no specific region is identified, the descriptions of Nissan's activities and practices pertain to Nissan Motor Co., Ltd. in Japan.

Period Covered

The report covers fiscal 2010 (April 2010–March 2011); content that describes efforts before or after this time period is indicated in the respective section.

Third-Party Certificates

No globally accepted method for third-party certification of sustainability reports has yet been established. Considering this situation, in which a review would not necessarily lead to the intended assurance of credibility, we have decided not to seek third-party certification.

Referenced Reporting Guidelines

This report uses the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (2002 version and G3) and the Environmental Reporting Guidelines (2003 version) of Japan's Ministry of the Environment as references. We also report on a number of other actions that are not covered by the guidelines.

Forward-Looking Statements

This Sustainability Report contains forward-looking statements on Nissan's future plans and targets and related operating investment, product planning and production targets. Please note that there can be no assurance that these targets and plans will actually be achieved. Achieving them will depend on many factors, including not only Nissan's activities and development, but also the dynamics of the automobile industry worldwide, the global economy and changes in the global environment.

Mistakes and Typographical Errors

All errors discovered after the report is published will be corrected and displayed at the URL below.

<http://www.nissan-global.com/EN/COMPANY/CSR/>

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