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Enhancing Value for Stakeholders

Realizing Sustainable Development
for People and Society

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Providing Nissan Quality

We want to provide products and services that surpass the expectations of our customers. This is the unwavering goal that guides all our actions. While maximizing quality through continuous improvements to performance, we must also be unceasing in our quest for creativity. It is through combined efforts in all of these areas that Nissan can help to create an automobile society that provides safety and peace of mind.

WORKING TO IMPROVE RELIABILITY

Three Quality Categories for Our Customers

The ultimate judge of Nissan quality is our customers, and our quality assurance starts with the deep attention we pay to listening to their feedback and meeting their expectations.

Nissan has three quality categories that reflect the customer view of quality. The first is “ordinary quality,” the security of driving a car you can rely on. The second is “attractiveness quality,” the pleasure of driving an aesthetically pleasing car. The third is “sales and service quality,” the satisfaction of reliable ownership. We make use of consumer research organization surveys to gauge customer satisfaction worldwide, determining objectively whether we are achieving our quality targets and taking action to improve our performance when we are not. Nissan’s quality policy is founded on our goal to make all customers in all regions of the world deeply satisfied with our vehicles.

A Globally Consistent Approach to Quality Management

In April 2006, Nissan merged the quality assurance division, which was overseeing quality control for products, with those divisions handling quality assurance for sales and services. This created our Total Customer Satisfaction Headquarters, whose mission is to improve overall customer satisfaction. As part of this new effort, we established customer satisfaction officers for Japan, North America, South America, Europe, and the General Overseas Markets. Our goal

Link

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

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is to improve and promote better business processes for overall quality management in all areas of our business—not just our products but our sales and after-sales service as well.

The Nissan Quality Assurance Way

The Nissan Quality Assurance Way is a fully integrated, cyclical approach to quality. Its aim is to guarantee the same quality standard for all Nissan vehicles, during all phases of production, from design and development to sales, and to allow us to achieve even higher quality with each new generation of vehicle. Quality management is constantly checked through customer feedback. Companywide revisions to our standards take place from the very beginning of a product cycle, in the planning and development stages. We have adopted this process to maintain a consistently high level of quality assurance.

Delivering Lifetime Quality to Customers

Nissan established the project quality director (PQD) post to assure quality throughout the life cycle of a vehicle, from design to production, delivery, sales and after-sales service. In North America, one of Nissan's major markets, the PQD has been responsible for quality management and production administration since 2004. The PQD plays a leading role in monthly quality conferences attended by the quality-control personnel from each of the production bases in North America, collecting information from production bases and sales facilities and putting it to use to achieve the lifetime quality goal.

Working Closely with Suppliers to Improve Quality

The Field Quality Center was opened in fiscal 2006 to provide a place for people from the design, development, quality and other divisions to meet with suppliers. Here these people improve quality by analyzing customer feedback about our products, finding the source of problems and revising standards or specifications. Nissan purchases 70% of its parts from suppliers, and the Field Quality Center was established as a hub of quality management and a platform for cooperation with suppliers throughout the world.



Field Quality Center

Carrying Out Recalls Transparently and Quickly

It is a manufacturer's duty to do everything possible to make all its products free from defects. However, in the process of manufacturing a complex product like an automobile, unexpected defects can occur. When a recall is necessary, Nissan carries out required actions quickly, placing the highest priority on ensuring the safety of our customers with minimal inconvenience. At Nissan, the decision to institute a recall is a technical decision, rather than a management decision, and recalls are conducted objectively, fairly and transparently, with the customer's interest in mind.

Responding Quickly to Customer Needs at Our Call Centers

Nissan has established call centers in every region of the world to respond to customers' questions and concerns. As just one example, the Japan Customer Support Center receives about 180,000 calls a year. Nissan has plans to improve its call reception system to respond to customer queries more quickly and accurately. In Europe, we have combined the call centers previously established in each country into one center in Budapest, Hungary.

Cutting-Edge Electrical Diagnostics with Consult-III

Consult-III is a new diagnostic system for automotive electronic systems developed by Nissan for use in the service departments of Nissan dealers. It enables the speedy and accurate diagnosis and repair of electronic problems in high-performance vehicles. Since October 2006 we have been deploying this system at dealerships throughout the world.

Consult-III can quickly and accurately diagnose complex problems that cannot be spotted visually. The results are displayed using graphs and other aids that make it easier to communicate the problem to the customer. Since replacement parts can be ordered online, the time from diagnosis to repair can be drastically reduced.

Some problems do not show up when a car is parked in the dealer: engine noises heard when driving in the rain or issues that always show up at a certain spot in the road. Consult-III can also be used in a moving vehicle under actual operating conditions to help diagnose problems that would be otherwise difficult to find when the vehicle is stopped.

Nissan dealers in Japan can connect to Nissan's private network via wireless LAN and link diagnostic results with maintenance manuals and other reference information, which can be searched and displayed, making it easier and faster to diagnose and repair problems.

Major Recalls in Fiscal 2006

June	Elgrand (front brakes): about 144,000 vehicles (Japan)
July	Altima, Sentra (crank position sensor, etc.): about 200,000 vehicles (USA)
July	FX (headlights): about 105,000 vehicles (USA)
July	Largo (sunroof glass falling out): about 135,000 vehicles (Japan)
September	AD, Wingroad (rear-door gas stay, rear door): about 435,000 units (Japan)

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The Consult-III system allows accurate diagnosis of problems in today's complex cars. (Japan)

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DIVERSITY IN OUR SALES OUTLETS

Recruiting Women to Respond to Customer Diversity

To be able to respond better to the diverse needs of customers, Nissan has increased the ratio of women working as car-life advisors (CAs) on the front line of customer interaction at Nissan dealerships in Japan. Of the 6 million vehicles sold in Japan annually, women purchase 30%, with another 30% purchased by a man and a woman together, which means that women participate in 60% of the purchasing decisions. At present 6% of CAs in Japan are women, but with active employment and training, we hope to raise that figure to 10% by the end of fiscal 2007. Our technical advisors (TAs) are the point of contact for customers when they bring their vehicles in for service. The percentage of female TAs is about 13%; here, too, we intend to increase the ratio, to 20% by the end of fiscal 2007.

In December 2006, Nissan held the Conference for Female Nissan Dealer Staff. About 90 female staff including outlet managers and plant managers from dealerships around the country participated in this conference, part of our CA training program. They engaged in group discussions, consulted with Chief Operating Officer Toshiyuki Shiga and listened to a panel discussion by veteran female workers to improve their product knowledge and skills for handling customers. The participants reported feeling more enthusiastic toward their work after talking with more experienced employees and others who are dealing with similar situations, learning tips to apply in their own work. It was also a rewarding opportunity for those on the production side to learn from the experiences of the women working on the sales lines.

Introducing People to the Joy of Mobility

The LV, or lifecare vehicle, helps the elderly and people with disabilities get around. Certified LV dealerships have these vehicles on display, and expert LV advisory staff members are on hand to answer questions. Customers can test-drive these vehicles at the certified LV dealers, which have products and services to meet a variety of customer needs. There are certified LV dealers in every prefecture in Japan, and as of the end of March 2007, there are 389 dealers and some 3,500 lifecare vehicle advisors nationwide.



Nissan projects that women will make up 10% of the salesforce by fiscal 2007. (Japan)



The LV advisory staff members are specially trained to assist customers with unique mobility needs.

For Our Customers

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Hands-on Experience with LVs

We hope to bring the joy of mobility to all people. Thus, Nissan is conducting a campaign to allow more people the opportunity to test-drive a lifecare vehicle. In fiscal 2006, we provided LVs on a temporary basis to 201 groups of customers. The customer response to this program was extremely positive. We have launched an LV website complete with customer reviews, information on certified LV dealers, an LV test-drive search engine and other useful information.

Infiniti Moves onto the World Stage

As part of the Nissan Value-Up management plan, we are introducing the Infiniti line of luxury vehicles in more markets worldwide. This is an important part of our long-term global strategy. Infiniti was first launched in the United States in 1989 and in Canada the following year, and it is now marketed in the Middle East, Taiwan, Korea and Russia. We will introduce Infiniti in China and the Ukraine in 2007. As part of the plan to establish a dedicated Infiniti network in Europe during 2008, we set up a new headquarters in Switzerland in summer 2006. Other global markets, including Japan, are under study.



Nissan LVs bring more people the joy of mobility.



Infiniti dealership (Korea)

Messages from Our Stakeholders

Finding the Perfect Fit for Our Family



Yaeko Shimojo Nissan vehicle owner (Japan)

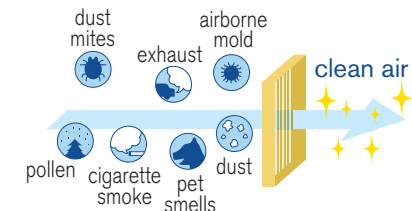
After suffering a stroke, my husband spent time rehabilitating in a nursing-care facility. While preparing for his return home, the family made plans to make the house wheelchair accessible, and we all agreed on the purchase of a lifecare vehicle. Based on the recommendations of a Nissan car-life advisor, we tried out several vehicles and finally decided on the Ramp-Type Personal Chair Cab Cube. My husband liked this model's spacious interior and appreciated the optional handrails, which allow him to steady himself inside the car. Our daughter, his

regular caregiver, says the adjustability of the car's height makes it very easy to help him in and out; she also finds the electric-wheelchair locking device simple to use. Driving has always been one of my husband's favorite pastimes, and we now plan family road trips together with the aid of a new guidebook.

DESIGNING FOR HUMAN HEALTH AND EXCITEMENT

New Filters Remove Allergy-Causing Particles

Nissan has developed a new, high-performance filter that uses the anti-allergenic properties of natural grape-seed polyphenol to remove pollen and other allergens from the air. Regular filters are designed primarily to remove dust and pollen particles, but they are largely ineffective at removing ultra-fine particles of soot or fine pollen dust and other minute allergens. Nissan focused on polyphenol's ability to counteract allergens including cedar pollen and dust mites, developing a new filter whose fibers are impregnated with natural grape-seed polyphenol. In December 2006 Nissan began using this filter in compact cars like the Cube.



Nissan's grape-seed polyphenol filter

Toward a Universal Design Society

To contribute to the creation of a universal design society, Nissan has been researching the diverse ways in which people use their vehicles and the emotions they experience when they are driving. We use this information as the launching point for creating distinctive Nissan vehicles. The automobile has helped humankind pursue the dream of greater mobility; building on this idea we seek to provide the greatest possible safety, ease of use and drivability with our vehicles. To achieve aesthetically pleasing and comfortable vehicle interiors, we follow human-centered design principles, use cross-division task teams and promote technological development.

For example, in our pursuit of an easier driving experience, we developed the Pivo, an electric city-commuter concept vehicle with a compact body and a revolving cabin that uses drive-by-wire technology. The Pivo has see-through pillars to reduce blind spots, and the driver enjoys a bird's-eye view of the space surrounding the vehicle with the Around View Monitor.



Pivo

Communicating the Emotion of Driving Through Motor Sports

Motor sports events are a competitive arena where automakers can push their technological skills to the limit. Some of Japan's top championship racing takes place in the Super GT Series, and Nissan is proud to take part in this competition, as well as many other racing series in Japan and around the world. To share the fun and excitement of motor sports with as many people as possible, Nissan sponsors the March Cup, an entry-level series held in Japan, helps operate a racing school staffed by pro drivers and provides technical assistance to individual teams taking part in races. By taking part in these grass-roots activities we hope to build broad appreciation for the emotion of motor sports.



A May 2006 Super GT race at the Fuji Speedway (Japan)

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For Our Customers

Nissan Breaks the 100 Million Mark

As of June 2006, Nissan had produced over 100 million vehicles worldwide since its founding 73 years ago. Approximately 76.6 million of these vehicles have been produced in Japan and 23.5 million overseas.

Nissan was established in December 1933 as the Jidosha-Seizo Co., Ltd., after taking over the production of the compact Datsun from the Tobata Casting Co., Ltd. In the following year, the company changed its name to the Nissan Motor Co., Ltd. In 1935, Nissan opened Japan's first mass-production automobile manufacturing plant in Yokohama, becoming a pioneer in the nation's automobile industry. Nissan opened its Oppama Plant in 1962 and its Zama Plant in 1965; in 1966, after the company merged with Prince Motor, it started operations at its Murayama Plant. This was followed by the opening of the Tochigi Plant in 1971 and the Kyushu Plant in 1976. Nissan's production capacity grew steadily as these factories came online and began assembling vehicles.

The first overseas factory began operation in Taiwan in 1959. The Mexico factory was established in 1966, followed by locations in the United States and Spain in 1983, the United Kingdom in 1986, and China in 1995.

Reaching the 100 million mark is a testament to the support Nissan has received from customers over our 73-year history. We will strive to reach the next 100 million by further improving quality and productivity and working to shorten the time to market for our new creations.



Ceremony in Yokohama to commemorate the production of our 100 millionth vehicle

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