



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.



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

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.

■ Product 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 QCT (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.


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Nissan NV200 Taxi