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Enhancing Value for Stakeholders

## For Our Customers

### Going Beyond Expectations

**Our goal at Nissan is to offer customers all over the world products and services that exceed their expectations. Nissan's approach to quality improvement focuses on the customer's viewpoint, providing a level of "ordinary quality" that promises years of care-free driving enjoyment. We continuously work to improve quality from the design and development stage to customer ownership, pushing ourselves to attain world-class standards of quality for all of our vehicles, in every class category. We believe that there are no shortcuts to quality improvement, and we will continue to deliver high-quality vehicles by constantly evaluating our production activities and incorporating necessary improvements from the standpoint of customers.**

#### WORKING TO IMPROVE RELIABILITY

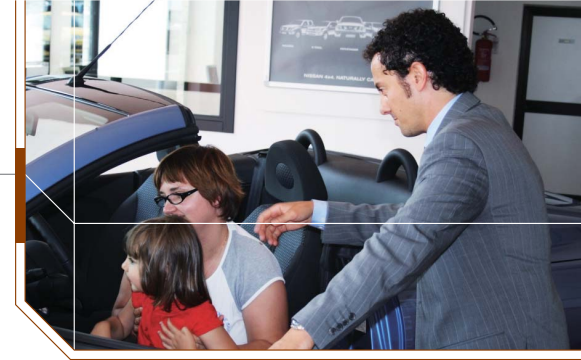
##### Quality Through the Customer's Eyes

Since customers are the ultimate judge of Nissan quality, we pay careful attention to what they have to say. Our approach to quality assurance centers on listening to customer feedback and meeting their expectations.

Nissan focuses on three categories reflecting the customer view of quality: "ordinary quality," the security of driving a car you can rely on; "attractiveness quality," the pleasure of driving an aesthetically pleasing car; and "sales and service quality," the satisfaction that comes with reliable ownership.

We make use of surveys by consumer research organizations to gauge global customer satisfaction, determining objectively whether we are achieving our quality assurance targets in these three categories, and if not, taking action to improve our performance.

We want to make vehicles that our customers can feel safe driving and enjoy for many years to come. Above and beyond "ordinary quality," we want to offer a variety of attractive quality features that give customers in all regions of the world a feeling of deep satisfaction with our vehicles.



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

Please see our website for additional information on our quality initiatives.

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## Nissan's Quality Policy

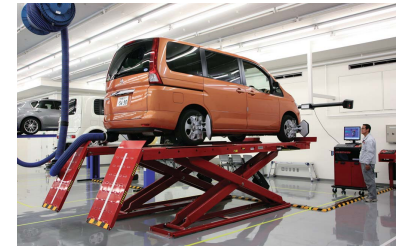
We established the Nissan Product Quality Policy (NPQP) in order to better achieve our goal of deep customer satisfaction around the world. NPQP is built on three fundamental guidelines: evaluating quality from the customer's point of view and maintaining the highest level of quality across all segments in all markets; applying common global standards that take into account the market demands in each region where we operate; and maintaining a global standard of quality by implementing the Nissan Quality Assurance Way (NQAW).

We use the NQAW as a roadmap to help us reach the top of the customer satisfaction rankings for every model of vehicle we produce, in every country where we do business. The NQAW is a fully integrated, cyclical approach to quality based on Nissan's years of experience and expertise as a car manufacturer. 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.

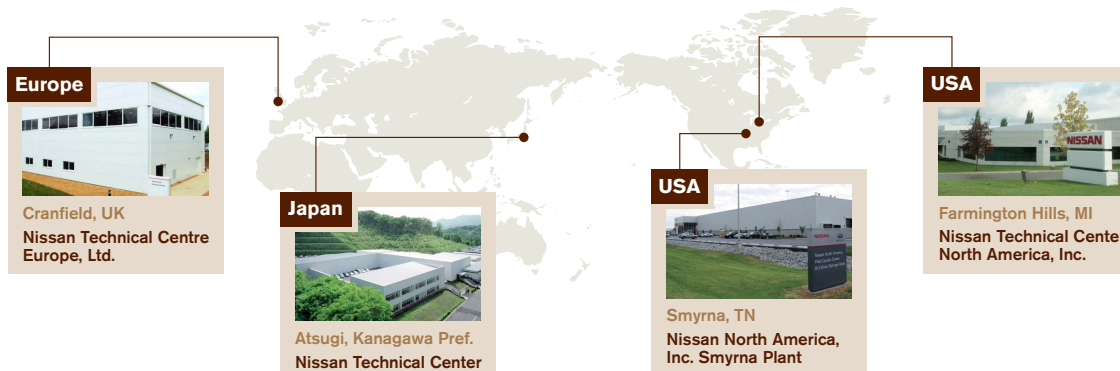
## Our Centers for Quality Improvement

In July 2007 we opened a Field Quality Center (FQC) at our Nissan Technical Center in Atsugi, Kanagawa Prefecture. The FQC is a base from which we can promptly respond to any quality problems that develop in the market, as well as a center for promoting improvements and advancements in "field quality," which refers to the customer usage stage. Nissan's desire to produce quality vehicles and provide complete satisfaction to a diverse range of customers take shape in our FQCs.

The quality of a product determines its value, and quality as a whole is an important factor in deciding the value of our brand. Since the needs of customers vary according to the region and environment in which they live, Nissan has set up FQCs at four of its development and



At the FQC testing ground, we install recalled parts in vehicles to reproduce the conditions when problems occurred.



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manufacturing bases around the world. This arrangement enables us to respond quickly in the case of a manufacturing defect or a recall and to reflect any necessary improvements in the next generation of vehicles as we strive to increase the quality of our products globally.

Our FQCs serve as a base for conducting Field Quality Investigation Analysis (FQIA), a process in which we carry out mass recalls of a faulty part, reproduce the conditions in which the problem occurred, use highly reliable methods to determine the problem's cause and develop measures for speedy improvement. The centers are also places where members of all Nissan's relevant divisions can meet with suppliers. Activities carried out at the FQCs focus on improving quality by analyzing the source of problems through hands-on testing and evaluation in a real-life environment, and revising standards or specifications to prevent recurrences or to progress to the next stage of development.

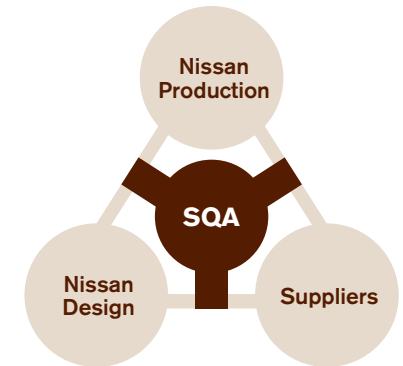
We strive to identify even the smallest differences that may occur between "shipping quality," which is before the vehicle is sold, and "field quality." In this we adhere to the "three *gen*" principle, which stands for *genba* (onsite operating conditions), *genjitsu* (fact-based data) and *genbutsu* (real parts). We keep in mind our customers' best interests as we aim to offer them a level of quality that instills confidence and earns their trust.

## Working with Suppliers for World-Class Quality

Automobiles are complex products made with thousands of parts. Nissan purchases from suppliers around 70% to 80% of the roughly 10,000 parts used in building just one vehicle. In order to raise the quality of the final product, we must ensure the quality of each and every part we receive from the approximately 5,000 suppliers that we currently work with. Nissan promotes Supplier Quality Assurance (SQA) activities as a means of guaranteeing the quality of suppliers and ensuring the procurement of high-quality parts.

Building strong partnerships with reputable suppliers is also important in insuring a stable, continuous supply of parts. Through its SQA activities, Nissan aims to foster mutually beneficial relationships with suppliers, working together as business partners on an equal footing. The Supplier Quality Assurance Group, which promotes our SQA activities, continually works to improve the quality of purchased parts by acting as a neutral mediator between Nissan's design and production divisions and its suppliers, promoting deeper mutual understanding while also facilitating speedy improvements in the quality of parts.

In 2001 Nissan established global standards for quality with its suppliers in every part of the world, making clear its position on quality assurance for each and every part. In particular, Nissan took action to strengthen its global management system in relation to suppliers after forming the Alliance with Renault, leading to a stable, consistent supply of parts that meet Nissan's quality standards from suppliers around the world.



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## Handling Recalls Quickly and Fairly

A manufacturer must do everything possible to make sure all its products are free from defects. In the process of manufacturing a complex product like an automobile, however, unexpected defects can occur. Nissan is dedicated to prompt action in the event that a recall is necessary, placing the highest priority on ensuring the safety of our customers and minimizing their inconvenience. At Nissan, the decision to institute a recall is based purely on technical factors, rather than being a management decision, and recalls are conducted quickly, fairly and transparently, with the customer's best interest always in mind.

## Concentrating Service and Support Functions

In March 2008, we launched full-scale operations at the Nissan Customer Service Center (NCSC). The NCSC brings together a variety of service and technological operations related to product quality, offering after-sales service to facilitate dramatic improvements in the speed and quality of service support provided to our customers and dealers.

The NCSC serves various functions, such as providing technical expertise in equipment and maintenance service, offering maintenance support for dealers, conducting training in sheet metal painting and collecting information on market defects. The NCSC also operates the Customer Support Center to respond to customers' questions and concerns. We have strengthened relations between this call center and our service technology support teams, enabling us to provide high-quality, informative responses to customers. The call center receives about 230,000 inquiries a year.

Nissan is currently carrying out an "amazingly quick repairs" campaign, aiming to reduce as much as possible the time between when customers first notice a problem and when they are back behind the wheel, satisfied by the inspection and repairs that have been carried out. Just as we strive to produce vehicles without defect, it is also important to quickly fix any problem that does occur, to the customer's full satisfaction. At the NCSC we conduct investigations to identify the cause of lengthy repairs and analyze each step of the maintenance process after a vehicle has been brought into a service center, resulting in improvements to our parts procurement system and in the support provided to dealers.

## Increasing Repair Efficiency with Consult-III

Nissan has been progressively introducing Consult-III—a proprietary diagnostic system for automotive electronic systems that enables the speedy and accurate diagnosis and repair of

## Major Recalls in Fiscal 2007

April	Serena (muffler and exhaust pipe): about 113,000 vehicles (Japan)
July	Altima (engine air filter element): 155,000 vehicles (North America, other)
September	Pathfinder QX4 (fuel filler tube): 417,000 vehicles (North America)
November	Altima, Sentra (electronic control module): about 686,000 vehicles (USA)



The NCSC's Customer Support Center in Japan



The Consult-III system can accurately identify problems in today's complex cars. (Japan)



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electronic problems in high-performance vehicles—in the service departments of its dealerships throughout the world.

By quickly and accurately diagnosing complex problems that cannot be spotted visually, Consult-III lets technicians determine problems in about a third of the time that it previously took. Results are displayed via graphs and other aids that make it easier to communicate the problem to the customer. Such services as online ordering of replacement parts have contributed to a drastic reduction in the time from diagnosis to repair, making vehicle servicing more efficient. Consult-III can also be used in a moving vehicle under actual operating conditions, allowing the diagnosis of problems that would otherwise be difficult to find when the vehicle is stopped, such as engine noises heard when driving in rainy weather or problems that always occur at certain road locations.

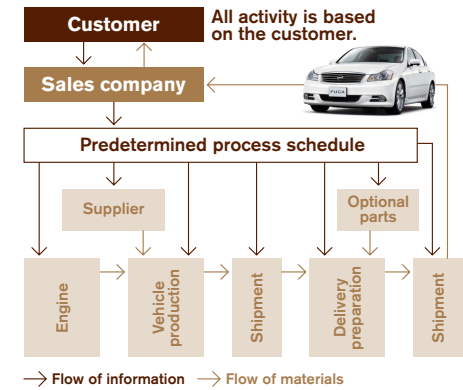
### Speedy Delivery of Attractive Products

Nissan is constantly challenging itself to achieve still higher levels of manufacturing quality. We are proud of our quality and productivity, metrics by which we rank at the top level of the global automotive industry. Underpinning our success in this area is the Nissan Production Way (NPW). Through the NPW we aim for efficient production of high-quality vehicles and rapid delivery to get those cars to customers on schedule. In the NPW approach we make use of data on customer orders not only to adjust the production of whole cars, but to synchronize the production of components, such as engines and assemblies, so they can be put together into complete vehicles in shorter times.

### Reduced Development Lead Time

In April 2007 Nissan's Global Production Engineering Center (GPEC) began full-scale operations at our Zama Operations Center in Kanagawa Prefecture. Here we carry out efforts to boost quality from the production trial stage onward and to ensure consistent quality on a global basis. Before the start of volume production of a new vehicle, this center carries out computerized and real-world analysis of all steps in the production process, from the press shop to body-welding and final assembly, to fully optimize the manufacturing stage. By preparing and distributing packages of data on this manufacturing-line information and know-how, we can apply it at all of our worldwide production sites to enhance quality and decrease the lead time for introduction of new models.

### Synchronized Manufacturing Under the NPW



Testing at the GPEC

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## DIVERSITY IN OUR SALES OUTLETS

### Responding to Customer Diversity with Female Staff

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. Of the roughly 6 million vehicles sold in Japan each year, around a third are purchased by women, while another third are purchased by a man and a woman together, giving women a role in at least two-thirds of all purchasing decisions.

Nissan actively employs and trains women to meet the demands presented by this situation and to reflect society's diversity in its own operations. As of the end of fiscal 2007 we had roughly doubled the ratio of female car-life advisors (CAs) from the end of fiscal 2003 to reach 6%, and raised to 13% the ratio of female technical advisors (TAs), around double the percentage of the end of fiscal 2003.

Our efforts in this area were recognized in January this year when Nissan won the 2008 Catalyst Award. Presented by the nonprofit research group Catalyst USA, this award is presented to businesses that show a solid track record in recruiting, developing and advancing women in management positions. (See page 62 for more on this recognition.)



A training conference for CAs and dealership managers

### Infiniti Spreads Its Wings

As one part of its long-term global strategy, Nissan is introducing the Infiniti line of luxury vehicles in more markets worldwide. The 1989 introduction of the Infiniti brand in the United States was followed by launches in Canada, the Middle East, Taiwan, Korea and Russia. Most recently, Infiniti began sales in China in July 2007 and in the Ukraine in September. Future plans call for expanding the brand's sales and service network in Europe as well.



An Infiniti dealership in China

### Bringing the Joy of Mobility to More People

Occupying an important position in the Nissan vehicle lineup is the LV, or lifecare vehicle, which helps provide mobility for the elderly and people with physical disabilities. Certified LV dealerships, which have these vehicles on display and expert LV advisory staff members on hand to answer questions, have been established in every prefecture in Japan. Customers can test-drive these vehicles at these dealerships, which offer a variety of products and services to meet customer needs. As of the end of March 2008, the number of certified LV dealers stood at 395, and the number of LV advisors at 4,141.

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Nissan is also taking various steps to ensure that attendees who arrive in LVs or other wheelchair-ready vehicles will enjoy uninhibited access at the Nismo Festival. This annual motor sports fan appreciation event, organized by Nissan Motorsports International Co., Ltd., takes place at Fuji Speedway in Shizuoka Prefecture. One way we provide this access is with the Caravan Chair Cab LV shuttle service that we began in 2005.



LV advisors have extensive knowledge about these special vehicles.

Messages from Our Stakeholders

**Simple Hand Operation Makes Nissan LV a Joy**



Nissan vehicle owner (Japan) **Yoshiharu Hashiba**

I suffered spinal caries as a child, so my car is vital to giving me mobility in my daily life. However, I lost confidence in my ability to operate the foot brake after an accident eight years ago. I was using a third-party hand-operation device with my Nissan March, but I found the big arm movements tiring. The year before last, I bought Nissan's specially outfitted Cube model, which lets me smoothly operate the brake and accelerator just with wrist movements. The spacious interior and the Intelligent

Key system, which lets me open or lock the doors at a touch, are very convenient, as I walk with crutches. I also like the tight turning radius and excellent visibility. The car is invaluable for shopping or going to the hospital. When my children were small, we often went out for drives as a family. I'm sure I will be able to go for long trips again in this Cube.

**DESIGNING FOR HUMAN HEALTH AND EXCITEMENT**

**Innovating for a Universal Design Society**

By exploring the diverse ways in which people use their vehicles and the emotions they experience while driving, Nissan is working to create attractive, safe and comfortable automobiles as a positive contribution to the realization of a safe and convenient mobility society. Based on our research, we have assembled cross-division task teams whose goal is the creation of distinctive Nissan vehicles.

Our Pivo 2 commuter concept car, which incorporates a number of user-friendly innovations and advanced technologies, is one such example. In addition to incorporating a 360-degree revolving cabin that eliminates the need for driving in reverse, an advanced technology for which the first-generation Pivo received wide acclaim, the Pivo 2 features advanced control technology that allows the vehicle to move sideways, providing the ultimate in maneuverability. Following our



The Pivo 2 concept car showcases Nissan's universal design.

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belief that people can enjoy a “partnership” with a vehicle, the Pivo 2 employs the Robotic Agent. This interface connects car and driver by using facial recognition and speech analysis to gauge the driver’s mood, communicating through speech and gestures and inspiring affection almost like a pet. Nissan’s new concept in car culture combines function and feeling in a way only possible with an electric vehicle.

Sustainable mobility is a major issue for cars today. Nissan believes it can provide high value to customers by pursuing design and development activities that utilize the special characteristics of environmentally friendly technologies to create attractive and unique cars.

Nissan aims to continue developing original, high-value products to enrich people’s lives.

### Sharing Excitement Through Motor Sports

Motor sports provide a thrilling way for automakers to push their technological skills to the limit. Nissan is proud to take part in the Super GT Series, home to some of Japan’s top championship racing, as well as a number of other competitive events in Japan and around the world. We also participate in various grass-roots programs and events with the aim of sharing with as many people as possible the fun and excitement of motor sports. For example, we host the March Cup, an entry-level racing series held in Japan; we support the Nissan Racing School, which is staffed by pro drivers; and we provide technical assistance to private teams taking part in professional races.

Additionally, in 2006 we established the Nissan Driver Development Program (NDDP) to help nurture Japan’s motor sports culture and groom young drivers for activity on the world stage. In the 2008 season we are offering scholarships to five promising young racers between the ages of 16 and 22, helping them to gain valuable experience on the racing circuit both inside and outside Japan.



Racing team members pose with the new Nissan GT-R (January 2008).