

Sustainability Report 2005



Sustainability means to conduct business in a way that balances the three aspects of economic activity, environmental consideration and social responsibility in order to increase value for stakeholders. This concept is consistent with our objective of “creating value for all our stakeholders” established in our new business plan, NISSAN Value-Up, which began in April 2005. Activities toward sustainability create the basis for the sustained development of the company, and we will aim to achieve continuous progress and performance improvements.

In fiscal year 2004, we made progress in all areas of activity covered by the Sustainability Report issued for the first time last year. This report describes some of our major activities and achievements. In order to set a clear direction for the future, to further strengthen our activities and to promote both internal and external communication on sustainability, we assigned a corporate officer to the task in April 2005 and established a Sustainability Office inside the Communication Division.

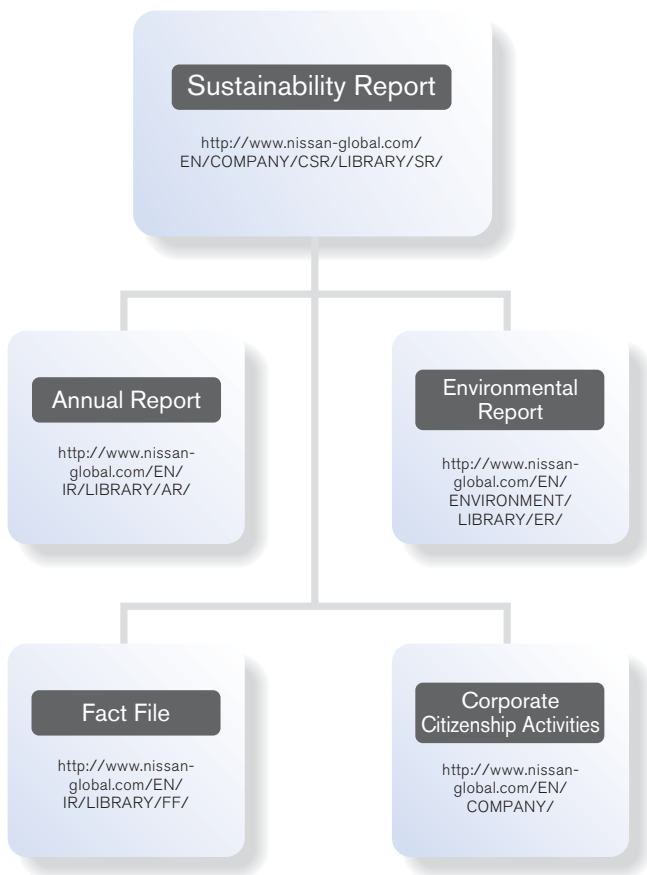
Through this report and the newly established Sustainability Office, it is our hope to engage in a continuous, constructive dialogue with our stakeholders.

Creating Value



Related Corporate Reports

This Sustainability Report describes Nissan's activities in the three aspects of sustainability: economic, environmental and social issues, emphasizing our philosophy and basic approach. For more detailed economic, environmental and social data, please see the following reports. These reports are also available on our website.



Our Websites

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

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

Environment, Design, Safety and Technology Information
<http://www.nissan-global.com/EN/PLAN/>

Product Information (by Country)
<http://www.nissan-global.com/EN/GLOBAL/>

Product Information (Japan)
<http://www.nissan.co.jp/>

Corporate Citizenship Information
<http://www.nissan-global.com/EN/COMPANY/CITIZENSHIP/>

We hope that after reading this report, you will take the time to share your comments and suggestions by completing the questionnaire in the back of the report.

CONTENTS

CEO Statement	01
Corporate History / Corporate Profile	03
Global Operational Presence	05
Our New Three-year Plan: NISSAN Value-Up	07
Corporate Governance	09
The philosophy and systems behind Nissan	
Enhancing Value for Stakeholders	15
Realizing sustainable development for people and society	
For Our Customers	17
Aiming to achieve better quality	
With Our Shareholders	23
Aiming for sustainable profitable growth	
With Our Employees	25
Making full use of the capabilities of our diverse staff	
With Our Business Partners	31
Building partnerships for mutual growth	
With Our Suppliers	31
With Our Dealers	33
With Society	35
Realizing a sustainable future	
With Our Community	35
For Future Generations	39
Protecting the Environment	43
Symbiosis of people, vehicles and nature	
Nissan's Perspective	45
Aiming to achieve a symbiosis of people, vehicles and nature	
Nissan's Challenge	47
Looking at the vehicle life cycle as a whole	
Managing CO₂	47
Protecting the Air, Water and Soil	51
Recycling of Resources	52
Improving Safety	55
Aiming for a society with no traffic accidents	
Nissan's Commitment and Technology	57
Aiming for zero traffic accidents	
Technologies for a Safer Future	57
Collaboration with Society	61
Communication with Stakeholders	63
Sustainability Impressions from Nissan Management and Staff	65
Business and Other Risks	71
Questionnaire	72

*In this report, unless a region is specifically identified, the descriptions of Nissan's activities and practices pertain to the headquarters of Nissan Motor Co., Ltd., in Japan.

Highlights

Corporate Governance

9

- Nissan's management techniques are described in detail in the "Nissan Management Way VRM (Values Reference Manual)" which was published in 2004 and distributed to all department and section managers. Through our managers, the management techniques will be communicated to all employees worldwide.
- "Delegation of Authority," a clarification of the principles, procedures and rules for decision-making at Nissan was established and communicated globally.

For Our Customers

17

- The new position of Project Quality Director (PQD), a person in charge of the lifetime quality of vehicles, was established. A total of six PQDs administer quality for each project from a global and cross-functional perspective.
 - The number of LV-approved dealerships was increased in Japan (LV means Life-care Vehicle). At LV-approved dealerships, Nissan welfare vehicles are on display and staff with specialist knowledge are available. The dealerships also feature the latest "barrier-free" design that allow easy access for all our customers — regardless of mobility. As of end of March 2005, more than 1800 LV advisory staff were active at more than 200 LV-approved dealerships.
- ★In the Nissan Group, welfare vehicles that support customers in a variety of mobility situations are called Life-care Vehicles (LVs).

With Our Shareholders

23

- We announced a new three-year dividend plan starting from 2005 to help shareholders and investors make better investment decisions.
- Compared with end of March 2004, the number of individual investors had increased by nearly 40% as of end of March 2005. Compared with March 2002, the increase was about 70%

With Our Employees

25

- The "Diversity Development Office (DDO)" was established to create a corporate culture and organization in which differences in gender, nationality, ethnicity, beliefs and values are not only respected but also actively used to bring added value and strengthen our company.
- Operations started at the "Nissan Learning Center Management Institute," in Hakone, Kanagawa Prefecture, Japan. Target participants for training at this institute are employees of Nissan Group companies worldwide. The facility is positioned as a global center of development for Nissan's corporate culture of learning.

With Our Suppliers

31

- A seminar on corporate social responsibility (CSR) was held for our suppliers. Nissan staff and suppliers exchanged opinions on the issues facing the company and suppliers.
- A CSR related prize was added to our supplier awards program. With this prize, we expanded our supplier evaluation from dealing only with product and technical issues to include also the appraisal of management process improvements and reforms.

With Our Dealers

33

- As part of our initiative to promote customer service worldwide reflecting Nissan's identity, we set the goal of being in the top group of companies in each region with regards to the quality of customer service by 2010. The evaluation will be based on customer satisfaction surveys conducted by external organizations.
- In collaboration with dealers and recycling operators, we reduced by about 245 tons the amount of waste in 2004 through our "Nissan Green Parts" program in Japan. "Nissan Green Parts" are reusable parts taken from used vehicles.

With Our Community

35

- We donated 100 million Japanese yen as humanitarian aid after the earthquake and tsunami occurring off the coast of Sumatra, Indonesia in December 2004. The donation is being used not only for urgent disaster relief, but also to help rebuild the affected areas. We also collected donations from Nissan employees worldwide, and the company matched these contributions.
- Immediately after the Niigata Earthquake in northern Japan in October 2004, we provided food and other emergency supplies to the area. Five Nissan employees took volunteer leave to participate in relief activities.

For Future Generations

39

- Nissan received the first "Asahi Corporate Citizenship Award" from the Asahi Newspaper. Our unique internship initiative started in 1998, the "Nissan NPO Learning Program," in which we collaborate with non-profit organizations, received positive comments from the Asahi Award.
- In the UK, we initiated a program called "Back to School with Nissan." Teachers from schools in the North East of England are invited to visit and work at our Sunderland plant to learn about Nissan management techniques and technologies. The objective of this program is to support teachers in gaining insights and knowledge which may be used in education.

Protecting the Environment

43

- The introduction of CVTs (continuously variable transmission), a technology which contributes significantly to the reduction of CO₂ emissions from vehicles, was accelerated. To offer more customers the benefits of CVTs, Nissan plans to sell around one million CVT-fitted vehicles by fiscal year 2007, up from an estimated 250,000 in fiscal year 2004.
- A wind farm is being planned at our Sunderland plant in the UK. Seven 750 kW wind turbines will be set up within the plant site in the fall of 2005. When all are operational, the wind farm will supply approximately 7% of the electrical demands of the plant (equivalent to the electrical power for about 2,600 households). The project is expected to reduce CO₂ emissions from the plant by approximately 10,000 tons per year.

Improving Safety

55

- We launched our new safety approach, "Safety Shield." Safety Shield classifies driving risks and accidents into six different areas, ranging from "normal driving" to "post-crash." By applying technologies tailored to avoid danger or alleviate the impact in each of these stages, the aim is to prevent the progression to an even more dangerous stage. Based on this approach, ten new safety technologies will be introduced in the next three years.
- At an office complex in Roppongi, Tokyo, a boy lost his life in a revolving door. Nissan volunteered to participate in a joint project set up after the accident because we believed that our experience in dealing with safety technology as an automobile manufacturer would be helpful in investigating the cause of this tragic occurrence. We provided engineering experience and equipment as well as conducting safety simulations using dummies from vehicle crash tests.