



■ Introduction	1
■ CEO Statement	2
■ CSR Dialogue	5
■ Nissan's Approach to CSR	10
● Our CSR Development Process	11
● Our Nine Key Areas for CSR	17
● Nissan CSR Scorecard	20
● Stakeholders Engagement 2006	24
■ <b>Performance and Corporate Governance</b>	<b>25</b>
● Nissan Value-Up Update	
and Fiscal 2006 Financial Review	26
● <b>Corporate Governance</b>	<b>29</b>
■ <b>Enhancing Value for Stakeholders</b>	<b>36</b>
● For Our Customers	37
● With Our Shareholders and Investors	44
● With Our Employees	46
● With Our Business Partners	54
● With Society	60
■ <b>Protecting the Environment</b>	<b>71</b>
■ <b>Improving Safety</b>	<b>100</b>
■ <b>Our Views</b>	<b>110</b>
● Performance Data	116
● Business and Other Risks	118
● Third-Party Evaluation	119

## Building Stakeholder Trust with Transparency

Sound policies for corporate governance lie at the heart of Nissan's corporate social responsibility. We place a strong emphasis on ensuring transparency in our approach to governance; we present our stakeholders with business goals and guidelines that clearly indicate management responsibility, and we share information on our progress toward these goals as early as possible. We believe that striving for enhanced corporate governance and ensuring transparency in dialogue—between management and employees, and between our company and society at large—is central to building a firm relationship of trust with our stakeholders.

### The Nissan Way: A Guiding Principle for Sustainable Growth

Nissan creates value while stressing the coexistence and diversity of different cultures. This unique corporate culture is a source of our strength as a progressive automobile manufacturer. The synergy of the Renault-Nissan Alliance has generated a whole management philosophy, together with an underlying mindset and approach to action in line with it. The Nissan Management Way, including such concepts as our "cross-functional, cross-cultural" approach and "commit and target," was an essential guide during our business revival. The Nissan Way is an evolution and amplification of this management approach.

### Growing Customer Value with the Power Inside

Since fiscal 2006 the Nissan Way has been shared throughout the entire company, allowing every single employee to help put it into action. Our belief is that "the power comes from inside." Building on this, we aim to make further progress in an environment of diversity by learning from and working with different people and society at large. Our focus is the customer: we work to improve business performance while creating sustainable value with customers as the starting point. We are planning yearly surveys of Nissan employees in order to ascertain the extent to which the Nissan Way has spread throughout the company.

■ Introduction	1
■ CEO Statement	2
■ CSR Dialogue	5
■ Nissan's Approach to CSR	10
● Our CSR Development Process	11
● Our Nine Key Areas for CSR	17
● Nissan CSR Scorecard	20
● Stakeholders Engagement 2006	24
■ Performance and Corporate Governance	25
● Nissan Value-Up Update	
and Fiscal 2006 Financial Review	26
● Corporate Governance	29
■ Enhancing Value for Stakeholders	36
● For Our Customers	37
● With Our Shareholders and Investors	44
● With Our Employees	46
● With Our Business Partners	54
● With Society	60
■ Protecting the Environment	71
■ Improving Safety	100
■ Our Views	110
● Performance Data	116
● Business and Other Risks	118
● Third-Party Evaluation	119

**“The power comes from inside”**  
**The focus is the customer, the driving force is value creation and the measurement of success is profit.**

**Mindset**

- 1. Cross-functional, Cross-cultural**  
Be open and show empathy toward 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?

**Enhancing Corporate Ethics Through Worldwide Compliance**

Compliance is a foundation for all our CSR efforts. In 2001 we established the Nissan Global Code of Conduct, setting forth guidelines for all employees of the Nissan Group worldwide. The Global Compliance Committee was also launched, charged with enhancing the company's compliance with legal and ethical functions and preventing lapses before they occur. Committees overseeing Japan, the Americas, Europe and the General Overseas Markets work together to enforce our compliance policy.

**Spreading the Code of Conduct**

Nissan places a special emphasis on education to ensure that all employees internalize the Code of Conduct and reflect it in their actions. In North America, regular education programs are held for all employees to promote compliance, and in Europe universal guidelines for all countries in the region have been drawn up. Guidelines have also been drafted for the General Overseas Markets, taking into account the conditions of different countries. In Japan, all Nissan employees attend courses in a code of conduct established in 2004, and all group-affiliated companies have introduced their own codes based on ours. We pay due consideration to the differences between the countries in which we do business, and we are setting up compliance offices and designating promotion officers in each of our business locations to heighten awareness of compliance.



■ Introduction	1
■ CEO Statement	2
■ CSR Dialogue	5
■ Nissan's Approach to CSR	10
● Our CSR Development Process	11
● Our Nine Key Areas for CSR	17
● Nissan CSR Scorecard	20
● Stakeholders Engagement 2006	24
■ Performance and Corporate Governance	25
● Nissan Value-Up Update and Fiscal 2006 Financial Review	26
● Corporate Governance	29
■ Enhancing Value for Stakeholders	36
● For Our Customers	37
● With Our Shareholders and Investors	44
● With Our Employees	46
● With Our Business Partners	54
● With Society	60
■ Protecting the Environment	71
■ Improving Safety	100
■ Our Views	110
● Performance Data	116
● Business and Other Risks	118
● Third-Party Evaluation	119

## Creating a Culture of Ethics and Compliance

In 2002 we set up the Easy Voice System as an internal reporting mechanism. This system allows employees to freely communicate their opinions, questions or requests directly to a dedicated department, using a special written form. This reporting system, which offers full protection to any persons offering information in accordance with Japan's Whistleblower Protection Act that went into effect in April 2006, has been introduced in all Nissan Group companies in Japan.

## Putting the Code to Work in Everyday Business

A Japanese version of the Nissan Code of Conduct, titled "Our Promises," was established in 2004. In order to ensure full understanding of this code, all employees are required to take a course in the code's content through e-learning or video, and to sign an agreement to abide by the code.

### Global Code of Conduct for Nissan Group

#### Principle

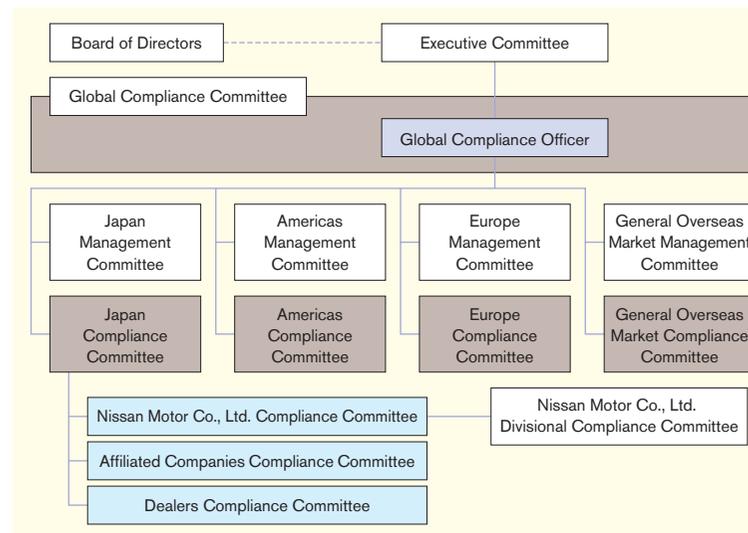
Nissan shall consistently treat customers, employees, shareholders, suppliers and communities with honesty, integrity, fairness and respect.

The following standards apply to all employees in Nissan Group companies. Each member of the companies is charged with the responsibility to uphold and extend this Code of Conduct.

#### Global Code of Conduct

1. Comply with All Laws and Rules
2. Avoid Conflicts of Interest
3. Preserve Company Assets
4. Be Impartial and Fair
5. Be Transparent and Accountable
6. Value Diversity and Provide Equal Opportunity
7. Be Environmentally Responsible
8. Be Active; Report Violations

### Global Compliance Committee Organization



A compliance committee has been or will be established in each region under the governance of the global compliance officer. The committees are responsible for discovering compliance violations at an early stage through internal auditing or reports, for solving problems, and for maintaining and improving internal awareness of the Code of Conduct.



Nissan Code of Conduct

## Internal Controls Ensure Fairness and Transparency

Nissan places emphasis on transparency of management, both internally and externally. We also carry out consistent, efficient management in order to achieve our explicit commitments. Under this basic philosophy, and in accordance with Japan's Corporation Law and its related enforcement regulations, the Board of Directors decided on systems to ensure appropriate corporate operations. The board continually monitors the implementation status of the system and its policy, making adjustments and improvements as necessary, and one board member has been put in charge of all aspects of the company's internal controls.

Nissan has adopted an auditing system in which the Statutory Audit Committee oversees the Board of Directors. The auditors attend all board meetings, and also carry out interviews with directors to assess their performance. The members of the Statutory Audit Committee regularly receive reports on the results of inspections and plans for future audits from independent financial auditors, as well as exchanging information and assessing the suitability of the level of oversight. The committee also receives regular reports from internal audit teams in place throughout Nissan's organization, making use of this information for its own audits.

## Independent Audits for Increased Trustworthiness

Nissan's Domestic Internal Audit Office is an independent group under the direct control of the chief executive officer, overseeing the business activities of Nissan and its domestic affiliates. At a global level, regional audit teams have been set up in Nissan's foreign subsidiaries under the control of the chief internal audit officer, who carries out efficient, effective auditing of Nissan's activities on a groupwide and global basis.

## A Responsive Risk Management System

Nissan defines risk as any factor that may prevent the company from reaching its business objectives. We detect risk as early as possible, assess its implications and examine and carry out the necessary measures to address it in order to minimize the incidence of risk and the damage caused should it arise.

We have evaluated risk within the company and throughout the Nissan Group from various perspectives, carrying out repeated examinations of the systems and methods necessary for risk management. Since 2004 the Treasury Department has played a central role in reducing market and hazard risks (such as accidents, natural disasters and damage accruing from business partner bankruptcies) in accordance with risk management methods.

Since fiscal 2005 this approach has been broadened to cover not only traditional risks but also strategic risk and risk to our business processes. Risk is coordinated across the whole company via the same reporting lines used for internal controls. Members of the top-management Executive Committee directly monitor risks that must be controlled at the corporate level.

■ Introduction	1
■ CEO Statement	2
■ CSR Dialogue	5
■ Nissan's Approach to CSR	10
● Our CSR Development Process	11
● Our Nine Key Areas for CSR	17
● Nissan CSR Scorecard	20
● Stakeholders Engagement 2006	24
■ Performance and Corporate Governance	25
● Nissan Value-Up Update	
and Fiscal 2006 Financial Review	26
● Corporate Governance	29
■ Enhancing Value for Stakeholders	36
● For Our Customers	37
● With Our Shareholders and Investors	44
● With Our Employees	46
● With Our Business Partners	54
● With Society	60
■ Protecting the Environment	71
■ Improving Safety	100
■ Our Views	110
● Performance Data	116
● Business and Other Risks	118
● Third-Party Evaluation	119

## Protecting Privacy

The Personal Information Protection Act came into full force in Japan in April 2005. Nissan has set up fully compliant internal systems, rules and procedures for handling personal data. All members of the company took an e-learning course in data management when the systems were first introduced, and since then all new employees—including both recent graduates and those joining the company mid-career—have taken this course. Nissan's office in charge of privacy protection issues is taking a leading role by implementing all necessary measures to bolster data security and prevent leaks. Domestic companies associated with Nissan are taking similar steps.

Nissan Financial Services Co., Ltd. handles credit and leases related to auto sales in Japan, and thus has a special responsibility for data security as it deals with the financial information of Nissan customers. This firm has been working to reinforce its data protection systems since before the Personal Information Protection Act came into effect. At the end of fiscal 2005 Nissan Financial Services gained Privacy Mark certification, which is awarded only to companies doing business in Japan that have the appropriate systems in place for handling personal information; since then it has continued strengthening its privacy protection measures.

### Security Measures to Prevent the Recurrence of Leaks

In October 2006 the possibility was confirmed that some of the information on Nissan's old customer database (information from Nissan dealers about customers who had purchased Nissan vehicles) had been leaked. Nissan had improved the level of its internal data security when the Personal Information Protection Act came into effect, but we fully recognized the gravity of the situation; in order to become the sort of company that society could have confidence in, we further strengthened our systems and put even stricter data security measures in place to ensure that there will be no recurrence. Nissan would like to apologize sincerely to our customers for the concern and the loss of privacy caused by this incident.

Nissan sent direct mail to every single customer (a total of 5,379,909 people) whose details may have been on the old customer database, and along with the results of our investigation into the incident we also issued warnings over possible misuse of the leaked data.

### Action to Tighten Security and Prevent Recurrence

In line with the Personal Information Protection Act that came into effect in April 2005, we put additional security measures in place on all systems handling customer information. These included restricting access to the system and verifying the identity of users, logging system use and encrypting data. In January 2006 we made the move from the old customer database to

a new one, with strict management enforced for enhanced security.

On the basis of the report into the information leak of October 2006 we boosted our data protection systems in accordance with the Personal Information Protection Act and further tightened the level of security of our data management. Specifically, in the period up until March 2007, we took physical measures, such as tightening control of people entering and leaving the specialized areas where customer data is handled; system measures, including the introduction of software to monitor access to systems handling customer data; and organizational responses, such as further strengthening security education and stricter enforcement of the rules on handling confidential information.

■ Introduction	1
■ CEO Statement	2
■ CSR Dialogue	5
■ Nissan's Approach to CSR	10
● Our CSR Development Process	11
● Our Nine Key Areas for CSR	17
● Nissan CSR Scorecard	20
● Stakeholders Engagement 2006	24
■ Performance and Corporate Governance	25
● Nissan Value-Up Update	
and Fiscal 2006 Financial Review	26
● Corporate Governance	29
■ Enhancing Value for Stakeholders	36
● For Our Customers	37
● With Our Shareholders and Investors	44
● With Our Employees	46
● With Our Business Partners	54
● With Society	60
■ Protecting the Environment	71
■ Improving Safety	100
■ Our Views	110
● Performance Data	116
● Business and Other Risks	118
● Third-Party Evaluation	119

■ Introduction	1
■ CEO Statement	2
■ CSR Dialogue	5
■ Nissan's Approach to CSR	10
● Our CSR Development Process	11
● Our Nine Key Areas for CSR	17
● Nissan CSR Scorecard	20
● Stakeholders Engagement 2006	24
■ Performance and Corporate Governance	25
● Nissan Value-Up Update and Fiscal 2006 Financial Review	26
● Corporate Governance	29
■ Enhancing Value for Stakeholders	36
● For Our Customers	37
● With Our Shareholders and Investors	44
● With Our Employees	46
● With Our Business Partners	54
● With Society	60
■ Protecting the Environment	71
■ Improving Safety	100
■ Our Views	110
● Performance Data	116
● Business and Other Risks	118
● Third-Party Evaluation	119

## A Tighter Alliance to Pool Our Strengths

The Renault-Nissan Alliance, signed on March 27, 1999, is the first such agreement to be signed between a Japanese and a French company, and is based on respect for the brand identities and corporate culture of both partners. Under the agreement, the two Alliance partners will pursue a joint strategy for profitable growth and mutual benefits.

### Our Alliance Vision

In March 2004, the Alliance partners marked the fifth anniversary of the Renault-Nissan Alliance with the announcement of our determination to advance the Alliance even further. Both partners reconfirmed the values and principles we share with each other.

**RENAULT NISSAN**



The Renault Scenic (left) and Nissan Dualis

### Alliance Vision: Destination

The Renault-Nissan Alliance, a group of global companies linked by cross-shareholding, is unique for its successful pursuit of the following characteristics:

- Renault and Nissan are united through a coherent strategy and common goals and principles. Through results-driven synergies and shared best practices, the companies pool their strengths to achieve top goals.
- At the same time, Renault and Nissan respect their respective identities and brands, working constantly to reinforce them.

### The Principles of the Alliance

The Alliance is based on trust and mutual respect. Its organization is transparent. It ensures:

- Clear decision-making for speed, accountability and a high level of performance;
- Maximum efficiency by combining the strengths of both companies and developing synergies through common organizations, cross-company teams, and shared platforms and components.

The Alliance attracts and retains the best talent, and provides good working conditions and challenging opportunities: it grows people to have a global and entrepreneurial mindset.

The Alliance generates attractive returns for the shareholders of each company and implements the best established standards of corporate governance. The Alliance contributes to global sustainable development.

### Three Objectives for the Future

The Alliance develops and implements a strategy of profitable growth and sets itself the following 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 profit margin and pursuing growth.

■ Introduction	1
■ CEO Statement	2
■ CSR Dialogue	5
■ Nissan's Approach to CSR	10
● Our CSR Development Process	11
● Our Nine Key Areas for CSR	17
● Nissan CSR Scorecard	20
● Stakeholders Engagement 2006	24
■ Performance and Corporate Governance	25
● Nissan Value-Up Update	
and Fiscal 2006 Financial Review	26
● Corporate Governance	29
■ Enhancing Value for Stakeholders	36
● For Our Customers	37
● With Our Shareholders and Investors	44
● With Our Employees	46
● With Our Business Partners	54
● With Society	60
■ Protecting the Environment	71
■ Improving Safety	100
■ Our Views	110
● Performance Data	116
● Business and Other Risks	118
● Third-Party Evaluation	119

### The Alliance Decision-Making Process

The Alliance organization comprises nine steering committees, 18 cross-company teams, nine functional task teams and five task teams, as well as two joint companies, the Renault-Nissan Purchasing Organization and Renault-Nissan Information Services. The steering committees, which are headed by executive and senior vice presidents from the two companies, oversee the cross-company teams, functional task teams and task teams, as well as resolving issues beyond the scope of these teams. The steering committees deal with operational issues, while questions relating to strategy are discussed and resolved at the Alliance Board Meeting, attended by all the members of Renault's and Nissan's Executive Committees.

### Learning from Each Other: The Alliance Convention

The fourth Alliance Convention was held in Paris in September 2006, attended by more than 300 people, including top management and key Alliance players, with representatives from all sectors of Renault and Nissan. The Convention provided an opportunity to reaffirm the Alliance's founding principles and its three objectives.

### Cooperation for Dynamic Growth

Global sales for the Renault-Nissan Alliance reached approximately 5.91 million units in 2006, accounting for a 9% share of the world market. Through cooperation in various different fields and shared best practices, the Alliance is building a win-win relationship.

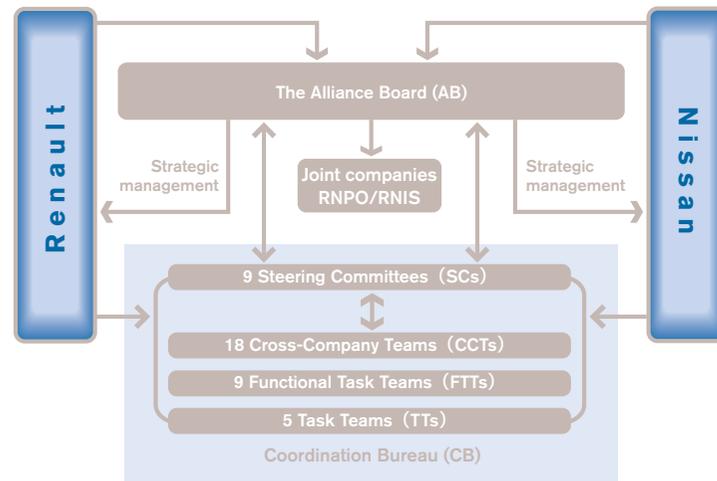
Link

Please see our website for additional details about the Alliance with Renault.  
<http://www.nissan-global.com/EN/COMPANY/ALLIANCE/>



Alliance Convention

### The Alliance Organization



**AB:** The Alliance Board steers the Alliance's medium- and long-term strategy and coordinates joint activities on a worldwide scale.

**SCs:** Steering committees. Coordinate the activities of the CCTs, FTTs and TTs, making operational decisions going beyond the CCT level and reporting to the AB.

**CCTs:** Cross-company teams. Explore opportunities for Alliance synergies, and proposing, planning and monitoring joint projects.

**FTTs:** Functional task teams. Assist the CCTs and contribute to Alliance synergies through process, standards, management, information tools and other support functions.

**TTs:** Task teams. Assigned to address and solve specific issues as they arise.

**CB:** The Coordination Bureau (with offices at Renault in Paris and Nissan in Tokyo) provides functional support to the SCs, CCTs, FTTs and TTs and prepares the meetings of the Alliance Board.