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Enhancing Value for Stakeholders

With Our Business Partners



Pursuing Sustainable Growth with Shared Values

Nissan aims to achieve sustainable growth through relationships of mutual trust and benefit with its business partners. Our interest is in building cooperative relationships with suppliers and dealers to create best practices; we listen to the opinions and suggestions of these partners, whom we view as equals, without focusing only on our own needs. We strive to establish mutually beneficial partnerships, working together to find win-win solutions to the intense competitive pressures faced by the global auto industry.

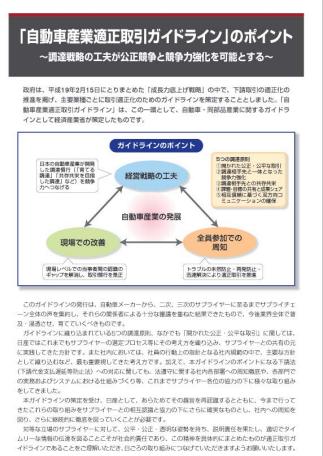
WITH OUR SUPPLIERS

Impartial and Fair Procurement

Nissan selects suppliers through a transparent, fair and impartial process, providing a firm foundation on which to build relationships of mutual trust. We provide a wide variety of opportunities for establishing business relations with suppliers, regardless of their country of origin, scale of operations or business history with us. The selection process involves meetings with personnel from all relevant divisions, and a final decision is made after thorough reviews of the suppliers' proposals. The results of the proceedings are then shared with all the companies participating in the selection process.

Upholding the Nissan Global Code of Conduct (item 4: Be Impartial and Fair), we work to maintain the highest standard of fairness and impartiality in our day-to-day dealings with suppliers. In addition to carrying out close, regular communication with them, we often solicit their feedback through surveys and meetings as a means of evaluating our practices from an external perspective.

As part of our internal education activities, we invited officials from Japan's Ministry of Economy, Trade and Industry to a special meeting on November 14, 2007, to explain the government's stance on appropriate trade guidelines for the automobile industry. Nissan is dedicated to following the industry's best principles for procurement and adhering fully to the laws on subcontracting and antimonopoly issues. Then, on November 19, we followed up the previous gathering with a meeting with suppliers to explain and promote correct practices for procurement throughout the supply chain.

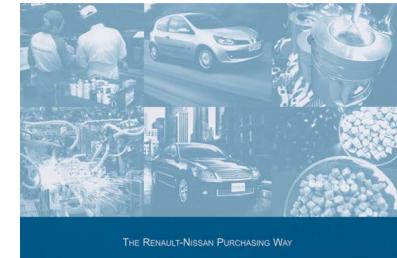


Nissan issues to all employees this leaflet on the government's guidelines for appropriate automotive industry practices.

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Sharing Our Alliance Purchasing Values

The purchasing departments of Nissan and Renault have produced a booklet, *The Renault-Nissan Purchasing Way*, outlining the values and processes important in supplier relations. In addition to reaffirming Nissan's and Renault's key principles of dealing fairly and impartially with all suppliers and maintaining a transparent selection process, the booklet explains the Alliance partners' shared objectives, principles, processes and management tools for the supply chain. The ideas presented therein are applied to Nissan and Renault purchasing activities worldwide, and are shared with all of our suppliers. Both companies have distributed this booklet to the Renault-Nissan Purchasing Organization's primary suppliers around the world. Through this sharing of values, we are working to build mutually beneficial partnerships with our suppliers.



The Renault-Nissan Purchasing Way



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

This booklet is available for download from our website.

Working Together for CSR Management

Nissan works to promote business with its various partners worldwide in ethical and environmentally conscious ways at every step in the supply chain. In addition to publishing and distributing *The Renault-Nissan Purchasing Way*, we modified our selection process in fiscal 2006, requiring our suppliers to provide a written statement about their commitment to preventing environmental pollution and abolishing child labor and forced labor.

We are currently working with our suppliers to establish a unified process for CSR management. On January 22, 2008, we held a special meeting for 170 of our suppliers. There we explained Nissan's policies on CSR and socially responsible procurement, and asked our suppliers to reinforce their activities in such areas as corporate responsibility and compliance. Our aim is to work together with our suppliers to further improve CSR-related activities, thereby meeting the needs of society.



The suppliers meeting on CSR and procurement

Best Practices with the Project Partner System

Nissan has introduced the Project Partner System to involve suppliers at early stages of the product development process in mid- and long-term projects. This system aims to facilitate best practices through closer consultation with suppliers in such areas as new technology development, product improvement and efficient investment in production capacity, which are expected to render significant results over the long term. We are striving to enhance our competitiveness by cooperating with suppliers from the early development stages. Project partners are selected through the same fair, transparent process as are our standard suppliers.



COO Toshiyuki Shiga addresses the Nissan Suppliers Meeting.

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Recognizing Global Supplier Contributions

Nissan recognizes the contributions that suppliers make to the development of our business in every region that we operate. With this aim in mind, in fiscal 2005 we established two new global Nissan supplier awards—the Global Quality Award and the Global Innovation Award.

Recipients of Global Quality Awards are selected by our purchasing and quality departments based on supplier quality standards that we apply uniformly around the world. Global Innovation Awards, meanwhile, are presented in the categories of product technology and process management to suppliers selected from among the candidates nominated by our production, development and quality departments. In fiscal 2007, four companies received awards in the product technology category and four companies in the process management category.

We hope that these awards will inspire our partners throughout the global supply chain to adopt management approaches that balance the economic pursuits of quality, cost reduction and technological development with consideration for the environment and social responsibility.



Suppliers receive recognition at our Global Supplier Awards ceremony.

Mutually Advantageous Growth Through Nissan 3-3-3

The Nissan 3-3-3 Program is a cooperative initiative involving suppliers, the Nissan purchasing department and the Nissan product development department. It aims to identify best practices and maximize performance by reducing costs and increasing quality. The three parties continuously strive to improve product competitiveness, sharing ideas based on scientific evaluations carried out by cost engineers and through close communication between Nissan and its suppliers. We also send personnel to work with suppliers around the globe to find ways to improve their production processes and make them more competitive.

Promoting Green Procurement Throughout the Supply Chain

Through its Green Procurement Standards, first issued in 2001, Nissan has asked its suppliers of parts and materials to standardize their approach to environmental issues and to reduce their environmental impact. As of the end of 2006, more than 95% of our suppliers had received certification under ISO14001, an international standard for environmental management, or Eco Action 21, the environmental activity evaluation program established by Japan's Ministry of the Environment.



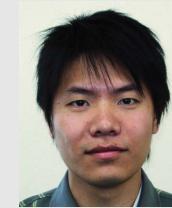
A seminar held to share information on green procurement issues

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In fiscal 2007 we revised the Green Procurement Standards, which had applied only in Japan, expanding coverage globally and launching them anew as the Nissan Green Procurement Guidelines. Through these we ask our primary suppliers to work with us in promoting systems to manage substances that impact the environment and achieving continual reductions of such substances throughout the entire supply chain.

Messages from Our Stakeholders

Developing Products to Meet Customer Needs



Yuji Ryosho
Research and Development Department
Japan Polypropylene Corporation

I am in charge of the research and development of polypropylene resin for use in automobiles. This resin is used in a wide variety of products, including filing folders and other stationery items, kitchen utensils, tableware, packaging film, disposable diapers and such medical supplies as disposable syringes. In automobiles, it is used for bumpers and interior materials, as well as in parts around the engine. Close to 50 kilograms of polypropylene resin goes into every car in Japan.

Since our product is a component material, the supply chain leading to the finished product is long, and it is difficult to perceive the needs of the end user. We communicate closely with Nissan from the initial stages of development, helping to create better, more innovative automobiles. We would like to continue offering our new technologies and products globally.

WITH OUR DEALERS

Providing Services with Nissan Value

Nissan's approach to service is centered on the customer. We strive to see things through our customers' eyes and to provide professional, high-value services that meet their individual needs. To improve the services offered to customers around the world, Nissan established a set of guidelines known as the Nissan Sales and Service Way (NSSW). Based on the principles in these guidelines we carry out a range of activities to improve customer satisfaction.

Examples of such initiatives include training for dealership staff to improve product knowledge and customer care skills, the establishment of outlet presentation guidelines to revitalize Nissan's brand image and surveys to gauge customer satisfaction. In designing and carrying out these activities, we keep in mind the cultural conditions and customs that make requirements different in each part of the world so we can provide the best customer service possible in areas including car purchase and maintenance and repair services.

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Recognizing Contributions to the Nissan Brand

Through the Global NSSW Awards program, Nissan recognizes dealerships around the world that have made substantial contributions to the Nissan brand by achieving exceptional customer satisfaction ratings for sales and service.

In 2007 a total of 42 dealers from 31 countries received Global NSSW Awards, including two in Japan, six in North America, 16 in Europe and 18 in the General Overseas Markets.

Each year we compile information on the successful practices of the award-winning dealerships, distributing it to our dealerships worldwide to share expertise in customer satisfaction management. Through the Global NSSW Awards program we seek to recognize and share examples of success from outstanding dealerships around the globe and, in turn, to provide greater motivation for our dealerships to work harder for customer satisfaction, contributing to further enhancement of Nissan's customer service.



The 2007 Global NSSW Awards ceremony

Putting Dealership Staff Behind the Wheel

In the fall of 2007 Nissan opened the Grandrive test course at its Oppama vehicle proving ground in Yokosuka, Kanagawa Prefecture. In addition to being a site for vehicle evaluation and development testing, Grandrive is designed to showcase the driving dynamics of Nissan products to employees, dealers and other stakeholders. The four-kilometer course simulates a range of driving conditions, including rough surfaces and the bumps that can be found on Japanese expressways, allowing drivers to experience the steering stability, responsiveness and handling of Nissan vehicles during everyday driving.

A test-drive event specifically for car-life advisors was held in September 2007, and in November another event was held as part of the training program for prospective new employees at Nissan dealerships. These events give employees the opportunity to experience for themselves the pleasure of driving, allowing them to communicate this feeling as well as the merits of Nissan vehicles to customers.

Future plans call for hosting similar events at Grandrive for dealership staff, from both in and outside Japan, as we aim to strengthen the skills of our dealers.



Dealership employees got to test-drive vehicles at the new Grandrive course.

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A New Visual Identity in Japan

In 2005 Nissan consolidated its two affiliated dealership networks in Japan, Red Stage and Blue Stage, so that all Nissan dealerships in the country now sell all models. Marking this integration of sales operations, the dealerships adopted a new visual identity and made steady progress on the shift to new store designs. As well as carrying out renovations to project the new Nissan image, the dealerships boosted their lineup of display and test-drive vehicles.

In January 2007 a huge outlet shop for used cars, Carminal Tokyo, opened right next to a new Tokyo Nissan Auto Sales store—Shinsha no Hiroba, or “new car plaza”—on the site of the former Nissan Murayama Plant. The synergistic effect of having both dealerships on the same site, providing the best possible range of choices to customers unsure of whether to purchase a new or used car, contributes to raising Nissan's brand value.



Carminal Tokyo, Nissan's giant used vehicle outlet

Messages from Our Stakeholders

Measuring Success by Customer Satisfaction



Craig Pearce
Dealer Principal
Ferntree Gully Nissan
(Australia)

Over time we have learned that customers come first and profits second. Most businesses focus on bottom-line profitability as a measure of success, but the true yardstick of success is sustainable profitability. In the retail world, sustainable profits come from one thing only: customer retention through customer satisfaction. Our focus on this truth has earned us five consecutive Global Nissan Sales and Service Way Awards, an achievement of which we are extremely proud.

Positive word of mouth and repeat business are direct results of satisfied customers. If you satisfy your customers, you will more than likely make high, sustainable profits and command a solid share of the market.

As a dealer and stakeholder I congratulate Nissan for its continued focus on customer satisfaction at the dealer level. Nissan's communication of its initiatives and expectations to its dealers helps promote mutually beneficial relationships among us all.