

Introduction 001

CEO Statement 002

Nissan's Approach to CSR 005

Protecting the Environment 022

Improving Safety 060

**Enhancing Value for Stakeholders 074**

**For Our Customers 075**

**With Our Shareholders and Investors 083**

**With Our Employees 086**

**With Our Business Partners 097**

**With Society 103**

Corporate Governance 112

Our Views 122

Business Overview 126

Third-Party Evaluation 130

Enhancing Value for Stakeholders

## Enhancing Value for Stakeholders

—Realizing Sustainable Development for People and Society





Introduction 001

CEO Statement 002

Nissan's Approach to CSR 005

Protecting the Environment 022

Improving Safety 060

**Enhancing Value for Stakeholders 074**

**For Our Customers 075**

With Our Shareholders and Investors 083

With Our Employees 086

With Our Business Partners 097

With Society 103

Corporate Governance 112

Our Views 122

Business Overview 126

Third-Party Evaluation 130

## For Our Customers

### Quality That Ensures Customer Satisfaction

At Nissan, we believe that the quality of our products allows us to build a relationship of mutual trust with our customers and is the foundation for continual growth. Product quality is far more than just the performance of Nissan vehicles. It means everything related to our cars that brings satisfaction to our customers, from the moment of seeing and touching a Nissan car in the showroom to the support given by the sales staff and the post-purchase driving experience. Nissan quality also extends to after-sales inspections and repairs. We will continue to evaluate and improve all areas of our operations in order to provide the products and services that will constantly give satisfaction to our customers.

#### WORKING TO IMPROVE RELIABILITY

#### Enhanced Quality in Four Categories

There are various different aspects to quality. At the core is the product quality of our vehicles, which allows Nissan customers to enjoy years of safe, comfortable driving. Also vital is the attraction at an emotional level that makes people feel they want to drive a Nissan rather than any other vehicle. It is essential that our dealers give a welcoming service and have a wealth of expertise to respond to questions from and give accurate advice to customers. Furthermore, there has to be high-quality management that can ensure robust promotion of these areas. Nissan has established the four categories of "product quality," "perceived quality and attractiveness," "sales and service quality" and "quality of management," with specific targets in each area. In April 2008 we launched the Nissan Excellence Program (NEP) to unite the company in its efforts to effectively improve quality in these categories. We aim to build trust and provide satisfaction in all situations involving our customers, and our goal is to be the leader in overall quality.



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

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



Introduction	001
CEO Statement	002
Nissan's Approach to CSR	005
Protecting the Environment	022
Improving Safety	060
<b>Enhancing Value for Stakeholders</b>	<b>074</b>
<b>For Our Customers</b>	<b>075</b>
With Our Shareholders and Investors	083
With Our Employees	086
With Our Business Partners	097
With Society	103
Corporate Governance	112
Our Views	122
Business Overview	126
Third-Party Evaluation	130

## Initiatives in Three Quality Categories

The categories of "product quality," "perceived quality and attractiveness" and "sales and service quality" in particular relate strongly to the customer. Nissan has set up specific targets to be achieved by 2012 for each of these categories. The goal in the "product quality" category is for Nissan to be top in all markets in the quality indices to which customers attach the greatest importance. We have set internal targets to achieve this goal, which include halving the number of defects that occur within three months of purchase and halving the defect rate of parts from suppliers. We have also started work on improving our design and production quality, ensuring quality of procurement and analyzing traffic accidents. In the "perceived quality and attractiveness" category, we are focusing on 10 items, such as audio, navigation systems and meters, to which customers attach particular importance, in order for more than half of all Nissan models to make it to the top of their market segments.

In the "sales and service quality" category, our aim is to be at the forefront of the industry in terms of customer satisfaction. We set up our Global Sales and Service Quality Division in April 2008, and this has commenced activities aimed at spreading the Nissan Sales and Service Way, our company policy for customer care, throughout our more than 7,000 dealerships. We have also enhanced our customer service training system and our skills competitions.

## Toward Improved Design Quality

A vast number of parts are required for the manufacture of cars. There is a zero defect rate for 65% of these parts, while there has been a problem of some description at some time in the past with the remaining 35% of parts. In order to raise as much as possible the percentage of parts that have absolutely no defects, it is essential to focus on quality of design before the parts are actually manufactured.

Nissan has introduced the method of Design Review (DR), in which designs are subject to a screening process, in order to create high-quality parts and systems. In the DR system, a group of design experts carefully investigates the potential defect risks of each part, incorporating ideas to help prevent problems from occurring. In 2008 Nissan has introduced a new method, Quick DR, which allows the quick, accurate screening of designs. By increasing the range over which DR is applied, we have boosted the creation of parts and systems that are not prone to defects. Quick DR can only be carried out by qualified personnel, but by increasing the number of such personnel to more than 5,000 globally we will enable the screening of many parts and systems more rapidly than ever using Quick DR.

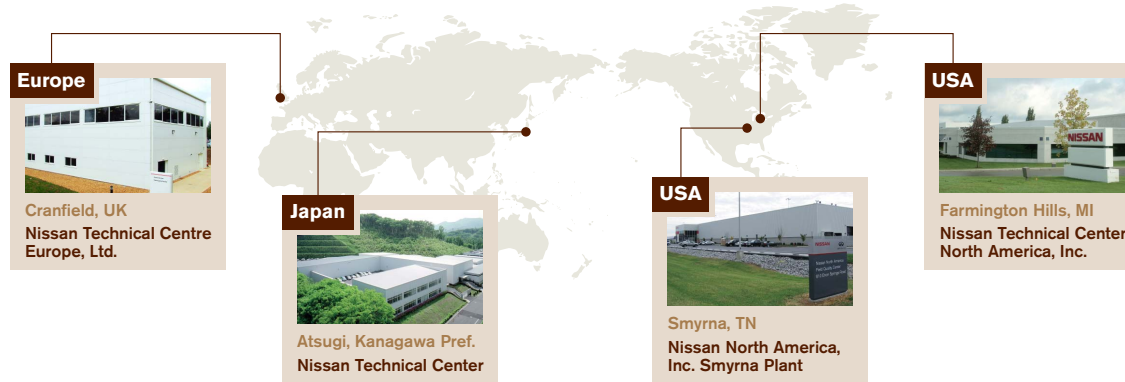
## Striving to Improve Quality

Good quality is the heart of a product, and is an immensely important factor in building the value of the brand. Nissan is working to improve our vehicles' field quality, that perceived by customers when

Introduction	001
CEO Statement	002
Nissan's Approach to CSR	005
Protecting the Environment	022
Improving Safety	060
<b>Enhancing Value for Stakeholders</b>	<b>074</b>
<b>For Our Customers</b>	<b>075</b>
With Our Shareholders and Investors	083
With Our Employees	086
With Our Business Partners	097
With Society	103
Corporate Governance	112
Our Views	122
Business Overview	126
Third-Party Evaluation	130

actually driving a Nissan vehicle. We have set up four Field Quality Centers (FQCs) around the world to act as bases that can respond swiftly to any defects that may occur in the marketplace. These FQCs embody our desire to provide cars that fully satisfy the needs of our diverse range of customers, and to remain loyal to our customers by continuing to manufacture quality vehicles.

Our customers' needs differ depending on the region or the environment in which they drive Nissan cars. By setting up FQCs at four development and manufacturing bases around the world Nissan is able to respond rapidly to any defects or recalls, as well as to make improvements that reflect our customers' driving environments in products under development.

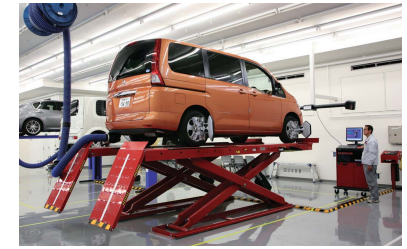


Our FQCs aim to halve the time required to provide the necessary parts once a breakdown or defect has occurred in the marketplace. Specific targets are to cut the time required to respond to problems stemming from the design stage by 40%–50% of the fiscal 2007 level by 2012, and to reduce the time required to respond to production stage problems by 25%–40% over the same period. Faulty parts or vehicles on the marketplace are subjected to a Field Quality Investigation Analysis, in which there is a mass recall and the conditions under which the problem developed are re-created. The development and production divisions of Nissan and our suppliers use highly reliable methods to pinpoint the cause of the problem, allowing swift, optimal improvements.

We also make every effort to identify even the smallest gaps between the pre-sale shipping quality and the field quality, which the customer experiences first-hand. For this we have adopted an approach that always takes into account the “three *gen*” principle, which stands for *genba* (onsite operating conditions), *genjitsu* (fact-based data) and *genbutsu* (real parts). We continually ask ourselves what the best quality is from the point of view of the customer, so that we can provide the quality that will earn confidence and trust.

**Working with Suppliers for the Highest Quality**

Cars are complex engineering products, made up of huge numbers of parts. Some 20,000 parts are used for a single car, and Nissan purchases 70%–80% of these parts from suppliers. We have



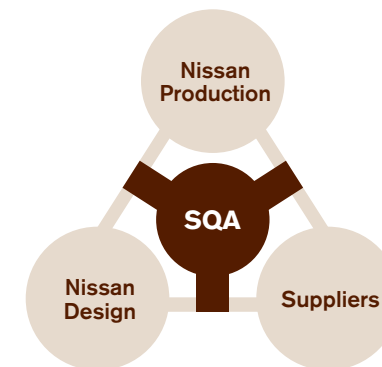
FQC engineers use recalled parts to reproduce the conditions when problems occurred, helping us to improve our vehicles.

Introduction	001
CEO Statement	002
Nissan's Approach to CSR	005
Protecting the Environment	022
Improving Safety	060
<b>Enhancing Value for Stakeholders</b>	<b>074</b>
<b>For Our Customers</b>	<b>075</b>
With Our Shareholders and Investors	083
With Our Employees	086
With Our Business Partners	097
With Society	103
Corporate Governance	112
Our Views	122
Business Overview	126
Third-Party Evaluation	130

to accurately ensure the quality of every single part we purchase from the approximately 5,000 suppliers we currently work with in order to maintain the quality of Nissan cars, the finished product. We carry out our own Supplier Quality Assurance (SQA) activities, which we developed to guarantee the quality of suppliers, and we have systems in place to ensure that we receive parts of the highest quality.

Nissan also builds strong partnerships with high-caliber suppliers in order to ensure stable supplies of parts. We work together with our suppliers on an equal footing to build mutually beneficial relationships. The Purchasing Monozukuri Support Department, which promotes our SQA activities, takes a neutral standpoint to mediate among our design division, our production division and our suppliers, working to build mutual understanding and improve the quality of the parts we purchase.

Since April 2001, Nissan has established global quality standards with our suppliers in every region of the world, helping to ensure the quality of every part. Particularly since forming our Alliance with Renault, we have strengthened our global management systems relating to suppliers. This has allowed us to receive stable supplies of parts that meet Nissan's quality standards from suppliers worldwide.



**For Fair and Prompt Recalls**

It is the primary responsibility of the manufacturer to make every effort to ensure that product defects do not occur in the first place. Nonetheless, manufacturing cars is an extraordinarily complex process, and there are occasions in which a defect, or the possibility of a defect, can occur unexpectedly. 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 approach is to make recalls transparent and to handle them fairly and promptly. The decision to carry out a recall is an objective decision made purely on the basis of technical considerations, with no influence from management.

**For Rapid Service for Customers and Dealers**

We launched the Nissan Customer Service Center (NCSC) in Yokohama City, Kanagawa Prefecture, in March 2008, bringing together the functions relating to product quality and after-sales service in order to improve the quality of service offered to customers and dealers. 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 and collecting market data on defects. The NCSC also functions as a customer support center, and is able to provide precise technical information through collaboration with service technology support teams. Every year, the customer support center receives some 230,000 telephone inquiries.



We offer centralized customer support from the NCSC in Japan.

Introduction	001
CEO Statement	002
Nissan's Approach to CSR	005
Protecting the Environment	022
Improving Safety	060
<b>Enhancing Value for Stakeholders</b>	<b>074</b>
<b>For Our Customers</b>	<b>075</b>
With Our Shareholders and Investors	083
With Our Employees	086
With Our Business Partners	097
With Society	103
Corporate Governance	112
Our Views	122
Business Overview	126
Third-Party Evaluation	130

## ∴ The Nissan Production Way ∴

At Nissan, we are proud that our quality and productivity are in the top class in the global auto industry. We have achieved this through manufacturing centered on complete synchronization with our customers, as well as complete exposure of all issues coupled with reform. Our success has been made possible by the Nissan Production Way (NPW), which makes use of individual customer order data not only for the overall car manufacturing process, but also to synchronize the production of engines and other units, as well as assemblies and other components. The NPW allows us to manufacture high-quality vehicles efficiently and to guarantee short delivery times to our customers.

## ∴ Launching New Models with Consistent Quality ∴

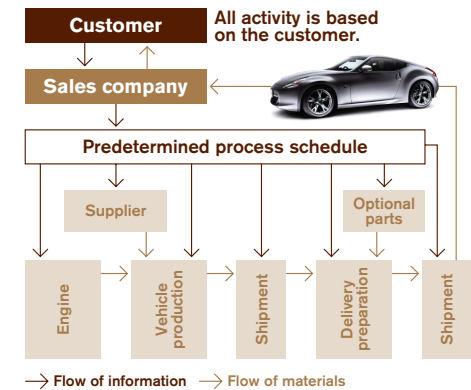
The Global Production Engineering Center (GPEC) was established in 2007 in order to ensure consistent quality at the global level, starting at the pre-production preparation stages, and to put in place the processes that allow us to deliver attractive products within a short space of time. The GPEC uses digital data and a pilot plant to carry out intensive trials and analyses of all stages of the manufacturing process, from pressing to body welding and assembly, before full-scale production begins on a new model. This allows us to optimize manufacturing conditions at an early stage. Computerizing information and expertise amassed from the production line and using it at all our production sites enables us to carry out mass production with high quality and greatly decreases the lead time from development to production of new models.

## ∴ Diagnostics for Sophisticated Onboard Electronics ∴

As cars attain ever higher performance, onboard electronics are becoming increasingly complex. To enable prompt and accurate diagnosis and repair of automotive electronics, Nissan has rolled out the Consult diagnostic system in the service workshops of our dealers around the world.

Consult is able to accurately diagnose defects in electronic devices that cannot readily be identified visually, using the data from onboard sensors to scientifically determine the site of the problem. The system is designed to give the customer a readily comprehensible indication of the status of the car through a display that indicates whether units like the engine or airbags are functioning correctly. Features including online ordering of replacement parts directly from the Consult system terminal greatly reduce the time required from diagnosis to completion of the repair, allowing repairs to be carried out with greater efficiency.

## ∴ Synchronized Manufacturing Under the NPW ∴



GPEC engineers optimize our production processes.



Nissan's Consult system helps service personnel identify problems in complex modern cars.

Introduction	001
CEO Statement	002
Nissan's Approach to CSR	005
Protecting the Environment	022
Improving Safety	060
<b>Enhancing Value for Stakeholders</b>	<b>074</b>
<b>For Our Customers</b>	<b>075</b>
With Our Shareholders and Investors	083
With Our Employees	086
With Our Business Partners	097
With Society	103
Corporate Governance	112
Our Views	122
Business Overview	126
Third-Party Evaluation	130

**∴ DIVERSITY IN OUR SALES OUTLETS ∴**

**∴ Female Employees Respond to Customer Diversity ∴**

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. Around a third of all vehicles sold in Japan each year are purchased by women, and in another third of cases a woman is involved in the buying decision; women thus play a role in at least two thirds of all car purchases. Nissan actively employs and trains women to meet the demands presented by this situation and to reflect society's diversity in its own operations. In fiscal 2008, the ratio of female car-life advisors (CAs) was raised to 6%, roughly twice the ratio in fiscal 2003, and the ratio of female technical advisors (TAs) was raised to 13%, roughly twice the fiscal 2003 ratio. In our fiscal 2009 recruitment of new graduates, we took on 194 female CAs (a ratio of 32%) across the whole country.

Nissan is currently increasing the opportunities at domestic dealers for female CAs and TAs to put forward car-life proposals incorporating a female perspective through activities that include study meetings for female CAs and TAs to discuss ideas together.

**∴ Spreading the Joy of Mobility ∴**

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, and we are enhancing the products and services available to them. As of the end of January 2009, in Japan there were 401 certified dealerships with LVs on display and advisory staff with expert knowledge of the vehicles, and a total of 5,520 LV advisors. There are dealerships in every prefecture of the country meeting the needs of customers and offering the chance to test-drive these vehicles.

Since 2003, we have also been carrying out an annual campaign of LV trial rides for people who have only limited opportunities to get out and about, so that they too can experience the joy of mobility. In fiscal 2008 we gave trial rides to eight groups of mobility-challenged people accompanied by friends or family members. Moreover, in August 2008 we invited children attending schools for the disabled in Tokyo and Kanagawa Prefectures, together with family members, to ride in LVs at our Grandrive test course and familiarize themselves with the vehicles.



Nissan actively promotes the hiring and training of female employees.



Our lifecare vehicles put mobility in reach of many more people.

Introduction	001
CEO Statement	002
Nissan's Approach to CSR	005
Protecting the Environment	022
Improving Safety	060
<b>Enhancing Value for Stakeholders</b>	<b>074</b>
<b>For Our Customers</b>	<b>075</b>
With Our Shareholders and Investors	083
With Our Employees	086
With Our Business Partners	097
With Society	103
Corporate Governance	112
Our Views	122
Business Overview	126
Third-Party Evaluation	130

Test-Drive Campaign Report

**Making Family Travel Possible Again**



Yoshihisa Kamiya (Japan)

I took part in Nissan's test-drive campaign for its lifecare vehicles (LVs) after thinking about taking a family trip to a hot spring with my mother, who is not as mobile as she used to be. The test vehicle was a Serena Wheelchair Accessible Vehicle equipped with a fully automated ramp and a flat space, created by removing the rear seat, where my mother could ride in her wheelchair. The ample space and mechanism that lowers the vehicle to create a gentler incline for the ramp made getting in and out of the vehicle very smooth.

The lack of LV parking spaces and other challenges we faced during the trip made me think anew about what "barrier free" means, but this vehicle made it possible for our whole family to enjoy a memorable trip together. Still, I would like society to become one in which it is easy for physically challenged people to get around using LVs.

**Worldwide Expansion for the Infiniti Brand**

As part of Nissan's long-term global strategy, we are expanding the Infiniti luxury brand around the world. The brand was first introduced in the United States in 1989, and was subsequently launched in Canada, the Middle East, Taiwan, South Korea, Russia and elsewhere. We commenced sales in China and Ukraine during 2007 and launched Western European sales in October 2008. We are planning to set up a dedicated sales and service network for Europe in the future.



An Infiniti dealership in Russia

**DESIGNING FOR HUMAN HEALTH AND EXCITEMENT**

**Focusing on Customer Individuality to Enhance Driving Pleasure**

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 around the navigation system so that even first-time users can easily operate them, Nissan introduced such features as a touch screen to reduce as much as possible the workload on the customer when driving.

We also carry out research and development to provide customers a comfortable cabin environment, giving attention to seating comfort, air quality and other factors. Our Intelligent Air Conditioning System, which enables the air in the cabin to be cleaned with the simple push of a button, is one example.



Introduction	001
CEO Statement	002
Nissan's Approach to CSR	005
Protecting the Environment	022
Improving Safety	060
<b>Enhancing Value for Stakeholders</b>	<b>074</b>
<b>∴ For Our Customers</b>	<b>075</b>
With Our Shareholders and Investors	083
With Our Employees	086
With Our Business Partners	097
With Society	103
Corporate Governance	112
Our Views	122
Business Overview	126
Third-Party Evaluation	130

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.

Efforts like these are the foundation of Nissan's "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.

### ∴ The Thrill of Motor Sports ∴

At Nissan, we share the passion of driving with our customers by taking part in a variety of motor sports events in Japan and abroad, including the Super GT Series, Japan's top motor sports championship series. We also support a range of grass-roots activities aimed at putting people in touch with the thrill of motor sports, such as the March Cup, an entry-level racing series held in Japan; the Nissan Racing School, which is staffed by professional racing drivers; and technical support for private teams. In 2006 we also started the Nissan Driver Development Program (NDDP), which fosters young drivers with the ability to compete internationally and contributes to the development of motor sports. During the 2009 racing season, six NDDP-sponsored racers aged from 17 to 21 are competing in such races as the Formula Challenge Japan and the Japanese Formula 3 Championship.



Our motor sports programs help us share the thrill of racing with our customers.