

Sustainability Report 2010



Nissan: Enriching People's Lives

Sustainability Report 2010



NISSAN



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Introduction

Guided by its corporate vision of Enriching People's Lives, Nissan aims to contribute to the sustainable development of society through its business activities, and is involved in a wide variety of efforts worldwide. We have made pioneering efforts to develop electric vehicles, in response to growing concern about the potential impact of human activities on the environment, and to make mobility more affordable for people in China, India and other emerging economies.

In addition to these business activities, we devote our energies to corporate social responsibility initiatives. We believe this lets us align two of our vital management objectives: sustainable, profitable growth for the company and the sustainable development of society as a whole.

In fiscal 2005 Nissan formulated a CSR Policy and identified key areas of focus for CSR-related activities. To gauge our progress in these key areas, we created a CSR scorecard, which we have published in this report each year since 2007. Sharing the scorecard with the public in this way both increases the transparency of our actions and gives us a valuable opportunity to incorporate feedback from society. We will continue listening to the views of our stakeholders as we move forward as a global automaker.

Out of consideration for the environment, the Sustainability Report is no longer being published in print form. It can be downloaded from our website as PDF files.

CORPORATE PROFILE

Date of Establishment: December 26, 1933

Consolidated Net Sales (Fiscal 2009): ¥7.5173 trillion

Number of Employees (As of March 31, 2010): 169,298

Group Structure and Business Outline:

The Nissan Group consists of Nissan Motor Co., Ltd., subsidiaries, affiliates and other associated companies. Its main business includes sales and production of vehicles, forklifts, marine products and related parts. The Nissan Group also provides various services accompanying its main business, such as logistics and sales finance.

Vision:

Nissan: Enriching People's Lives

Mission:

Nissan provides unique and innovative automotive products and services that deliver superior measurable values to all stakeholders* in alliance with Renault.

*Our stakeholders include customers, shareholders, employees, dealers and suppliers, as well as the communities where we work and operate.

WEB ▶ Our Related Websites

Corporate Information

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

Environmental Activities

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

IR Information

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

Product Information (by Country)

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

Product Information (Japan)

<http://www.nissan.co.jp/>

Citizenship Activities

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

Corporate Social Responsibility

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

Quality Initiatives

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

Safety Activities

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

Latest Technologies

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

Design Activities

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

Company Information Library

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

CEO Statement

Carlos Ghosn

President and Chief Executive Officer
Nissan Motor Co., Ltd.



A company's sustainability is generally viewed from the perspective of its prospects over the long term. Achieving sustainability requires hard work every step of the way. For Nissan, this means taking steps in the short term that build and reinforce sustainable business objectives over longer periods.

Making sure our short-term decisions are part of a long-term strategy is especially important in times of crisis. The financial and economic crisis that has unfolded since autumn 2008 hit the global automobile industry particularly hard. It was initially clear that a business slowdown would confront us, but as the depth of the problems became evident, we moved swiftly to take recovery actions. We suspended Nissan GT 2012, our midterm business plan, in February 2009 and began to implement short-term controls to protect our free cash flow and improve our business performance. We also focused on private-public dialogue, delivering clear messages to governments and various stakeholders around the world about the risks facing our industry.

During this period, we also kept our eye on priorities for the medium and longer term. For example, Nissan remains firmly committed to leadership in zero-emission vehicles and to affordable cars that will bring mobility to more people than ever. These objectives are linked. We know that human populations and incomes will continue to rise; as incomes rise, people will seek the mobility that only cars can provide. Giving them access to mobility in ways that minimize the impact on the global environment is our duty as a responsible automaker. Sustainability comes from offering cars that are the most environmentally friendly, most fuel-efficient and most affordable possible.

Our work in zero-emission mobility is an important pillar in our sustainability strategy. We remain on track to bring new electric vehicles to the Japanese, U.S. and European markets in 2010 and to mass-market our zero-emission lineup globally two years later.

The basic technology of a battery-powered motor is decades old, and many firms today are building electric cars in limited numbers and putting them on the road. Nissan's approach is entirely different. With our Alliance partner, Renault, we are putting in place a zero-emission mobility system. We are not selling electric cars as stand-alone products. With many different entities, we are involved in every single aspect surrounding electric cars. We are developing batteries with partners. We are investing in battery and vehicle production. We are involved in the infrastructure for charging and recycling the batteries. We are working with governments that are acting to offer financial incentives and educate EV car buyers. Our zero-emission lineup is being presented as an integrated part of an entire mobility system that will fully serve and satisfy our customers.

Governmental support will influence the acceptance of zero-emission cars and help to create a zero-emission society. Our recognition of this has driven us to work closely with national and local governments around the world. To date, Nissan has agreements with more than 60 governments that are eager to make EVs part of the transportation landscape. Governments and societies in general are becoming increasingly concerned about the threat of climate change and the price and availability of oil. Zero-emission cars bring a solution that many governments are open to receive. The way forward is growing clearer, and Nissan is helping to chart this course.

Another pillar of Nissan's approach to sustainability is a commitment to providing access to mobility to as many people as possible.

Demand for cars is growing rapidly in emerging automotive markets like India and China. Once people reach a certain level of prosperity, they look to the automobile as a safer, more reliable way to transport their families and as a means to achieve greater autonomy. Through our Alliance with Renault and our cooperative ties with other automakers spanning the globe, we are developing V-platform cars—fuel-efficient compact cars for global markets—and entry-price and ultra-low-cost cars, thus putting more affordable cars within the reach of more consumers.

From the environmental perspective, putting vast numbers of new vehicles on the road may appear to be a heavy burden for the planet to bear. Indeed, we will need a fresh outlook on ways to develop products appropriate to these markets without compromising on the environmental front. Our role is to meet the demand by creating affordable, safe cars that do not fall short in terms of eco-friendliness. This means EVs, certainly, but we are also working on a range of low-carbon and low-emission technologies called "PURE DRIVE" for our gasoline and diesel engines. By continuously advancing technologies in a range of products, we can meet the different needs of consumers in different markets.

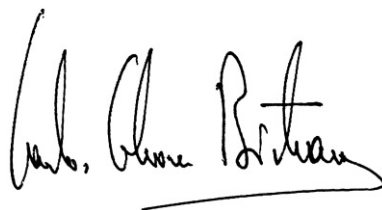
Making cars more affordable gives access to people who have not had access to mobility so far, but our vision goes far beyond the needs in emerging economies. We are increasing access to mobility in mature markets as well, reaching out with such products as our lifecare vehicles for people who have faced challenges in enjoying the pleasure of driving. We are developing innovative safety features to give greater peace of mind to drivers and passengers of all ages. We are working with public-sector authorities to implement Intelligent Transport Systems that make cars a safer, more integral part of local community infrastructure. In all these areas, we are guided by the desire to keep Nissan at the heart of the mobility society into the future.

Nissan's foundation for sustainable business has evolved over many years. In good times and bad, our desire to create attractive, appealing products and to contribute to society has never wavered. We are always working toward the future.

When I came to Nissan in 1999, the company faced a cash crisis that threatened its very existence. At that time, we focused on what needed to be done to revive the company and, at the same time, to build its future. The lessons we learned from our revival experience in 1999 and our recovery actions in 2009 have served us in good stead and are now built into our global business practices.

The balance between short-term emergency and midterm priorities has been an essential lesson. If you fail to be clearly accountable for the situation your company is in today, you have little chance of nurturing sustainability and contributing value to a mobile society over the longer term. This confidence to take actions in line with our strategic priorities, and our deeper knowledge of what must be done when times are tough, will stay with us.

This Sustainability Report presents a detailed picture of our efforts in environmental, safety, corporate governance and other areas. As you read, remember that each action is part of a larger vision. Nissan's short-term strategies are contributors to our company's long-term sustainability.



Carlos Ghosn

President and Chief Executive Officer
Nissan Motor Co., Ltd.



Skyline Crossover

Nissan's Approach to CSR

Toward Sustainable Development for Nissan and Society

Nissan's CSR Management Way 005

Our Eight Key Areas for CSR 010

Nissan CSR Scorecard 012

Nissan's Approach to CSR

Nissan's CSR Management Way

Guided by the vision of Enriching People's Lives, Nissan seeks to create value through the provision of its products and services. Through our corporate activities all around the world, we also aim to contribute to the development of the societies where we do business. To this end, management that sustainably achieves both the expansion of Nissan's profits and the development of society is vital. Making CSR principles part of our management approach is an effective way to make this alignment a reality. We believe it is also a way to build relationships of trust with our diverse stakeholders.



Our Idea of CSR

In recent years companies have seen increasing demands that they carry out their business activities in line with the principles of corporate social responsibility. Many firms are now putting greater emphasis on their CSR activities in response to these voices in society. However, in different nations, corporations and other organizations, there is a broad variety of definitions for CSR and methods of promoting activities in this field. Debate on the true nature of CSR remains active around the globe. At Nissan, we use CSR as a process-management tool in the pursuit of these three balances in our various fields of business.

Three Balances We Pursue

1. A balance between short- and long-term perspectives
2. A balance between corporate growth and societal development
3. A balance of value provided by the company to all its stakeholders

Our CSR Management Way

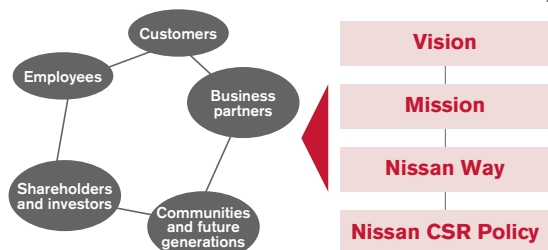
The Nissan CSR Policy and Eight Key Areas

We have defined our approach to CSR management by establishing the Nissan CSR Policy and eight key areas of focus for efforts in this field. We have also set up a CSR Steering Committee, composed of 20 midlevel managers of the sections involved with those areas, as a means of organizing and tracking developments in each field across the company.

Nissan CSR Policy

- Ethical conduct, strong corporate governance with a high degree of transparency and a clear focus on diversity are the foundation for all our activities worldwide.
- We aim for the sustained profitable growth of the company, and at the same time contribute proactively to the sustainable development of mobility and society.
- We will listen to, and work with, our stakeholders around the world and create trust, opportunity and long-term sustainable value.

The Nissan CSR Policy contributes to the creation of value for all our stakeholders in line with our Vision, Mission and Nissan Way.



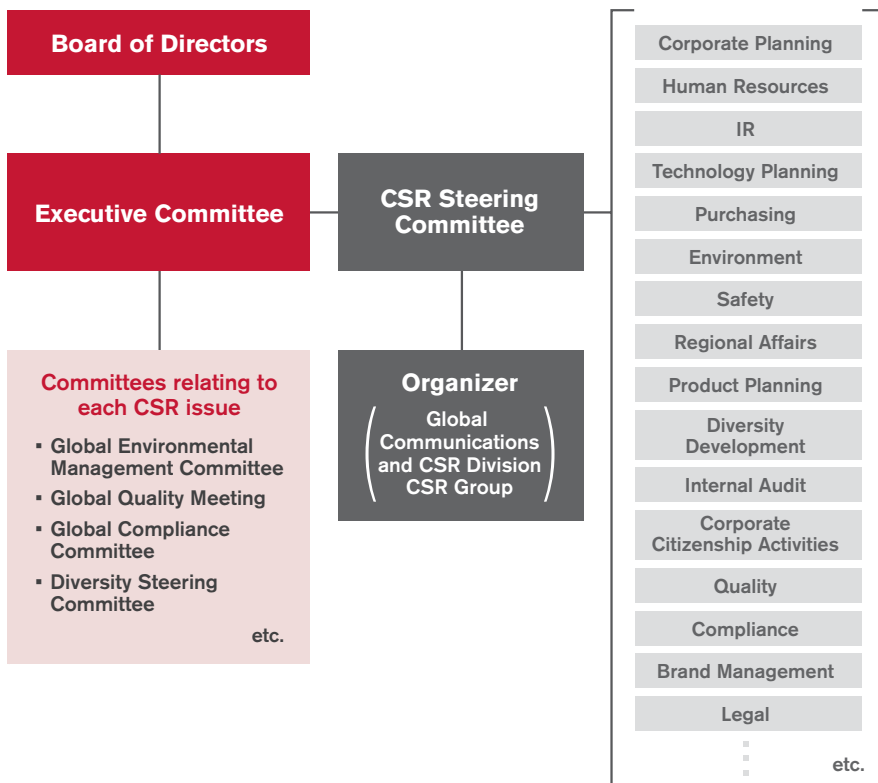
(For information on Nissan's Vision and Mission, see p. 1; for the Nissan Way, see p. 72)

Eight Key Areas



NOTE: In previous years Nissan defined nine key areas of focus. In fiscal 2009, we removed "brand" from these areas. This was based on a recognition that the brand area is one that exists on a different level from the remaining eight areas: it is something to be pursued by the company as a whole, rather than promoted and managed by one particular division. We view the Nissan brand as an important result of all of our corporate activities, and we will continue strengthening and reviewing our efforts in this area.

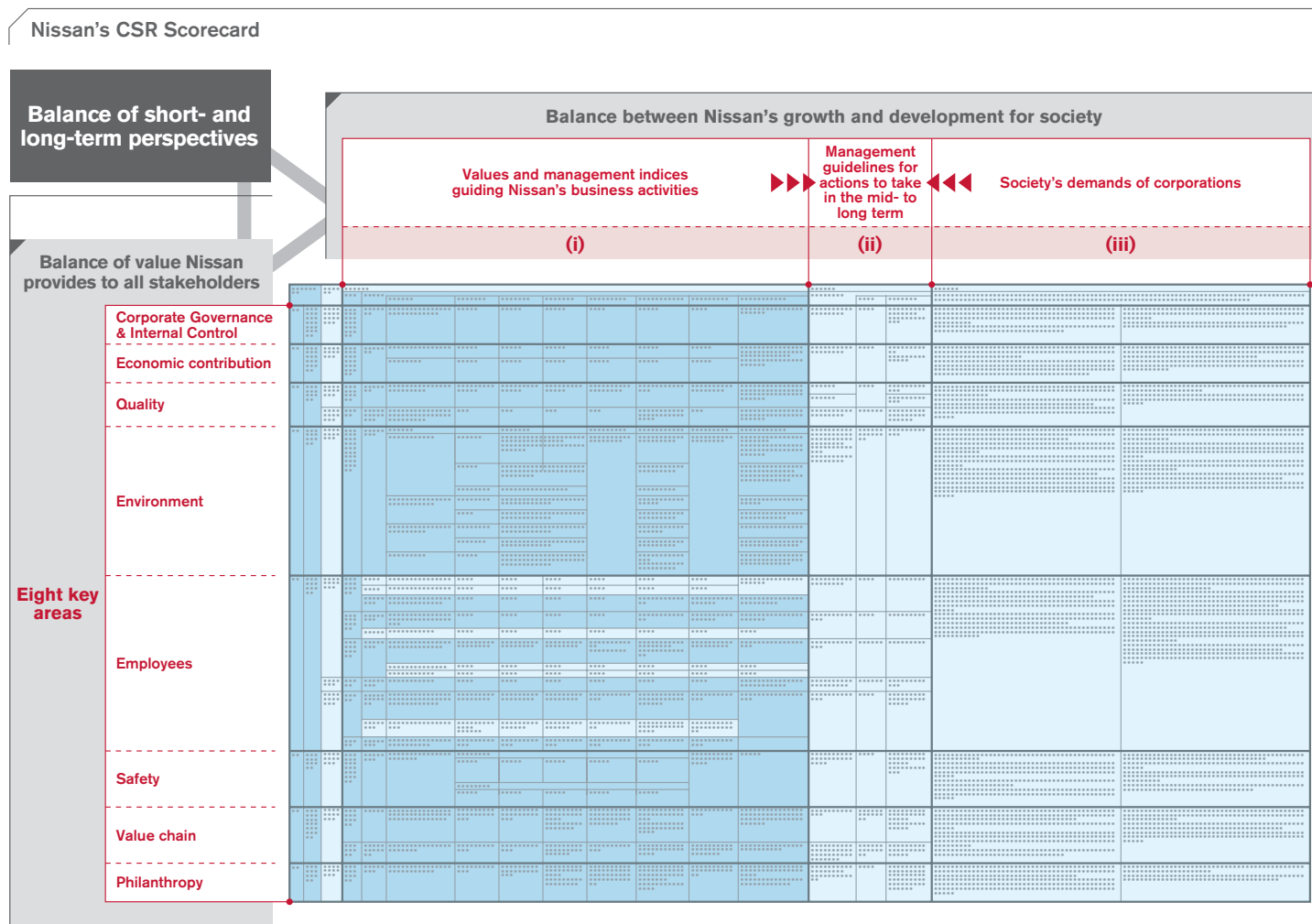
CSR Steering Committee Organization



Nissan's CSR Scorecard

Throughout the year Nissan makes use of the CSR scorecard as a fundamental tool for monitoring and reviewing its progress. The scorecard covers each of the eight key areas, presenting in column (i) the values and management indices that Nissan relies on in its ongoing business activities and in column (iii) the demands that society has of corporations. In column (ii), we list our values and management indices that may play a stronger role in our mid- to long-term efforts to keep our activities aligned with society's wishes. In this way the scorecard's horizontal axis represents the balance we pursue between growth for our company and healthy development for society, and the vertical axis the balance we hope to strike among the various stakeholders to whom we provide value. Nissan also pursues a third form of balance, between short-term and long-term perspectives, based on a comprehensive view of both the vertical and horizontal axes described above.

Each year we revise the contents of the CSR scorecard, including evaluations of our performance in attaining its goals. Since 2007, we have published the scorecard in the pages of this report.

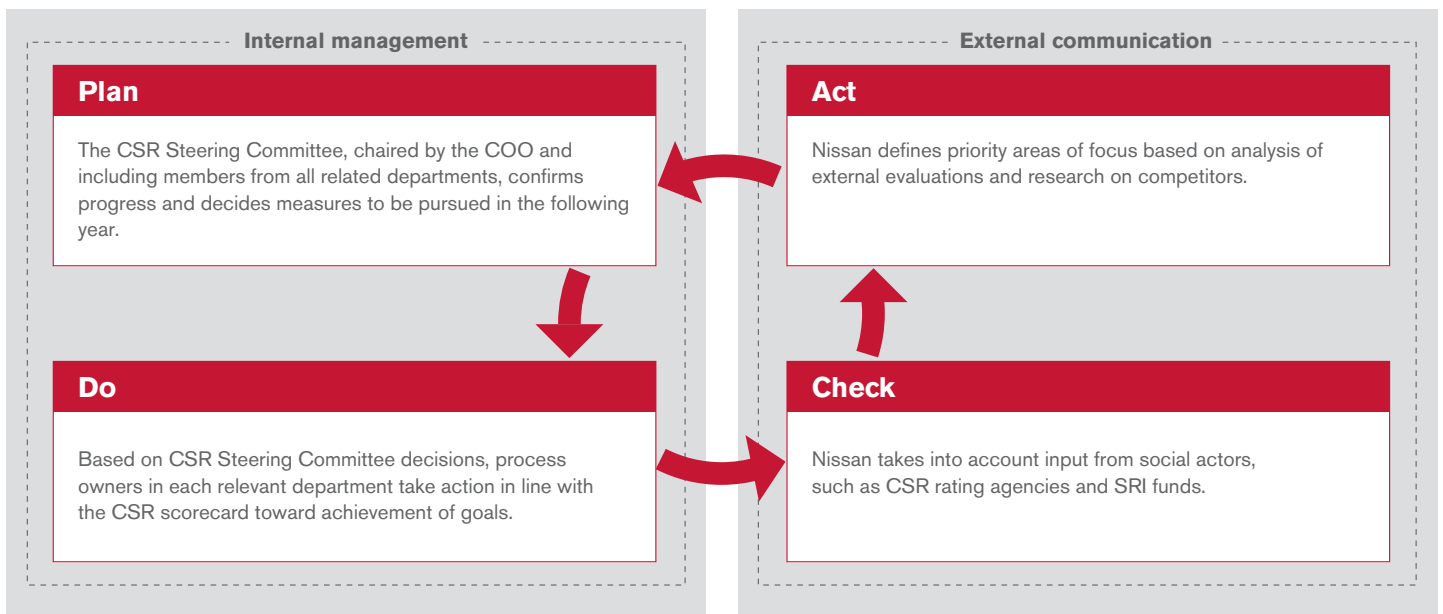


Communication with Stakeholders

Nissan arranges activities for dialogue with as many stakeholders as possible. This dialogue forms part of the Nissan CSR Management Way, our own method of fostering socially responsible behavior, through which we promote the synchronization of our activities with the demands of society.

The Nissan CSR Management Way Framework

The essence of the Nissan CSR Management Way is listening to the voices of society and identifying the seeds of both opportunity and risk. The framework for this plan is built around the PDCA, or "plan, do, check and act," cycle shown below.



Communicating Nissan's CSR Activities Internally

In addition to sharing information with the public via the Sustainability Reports and the Internet, Nissan has long been committed to communication inside the company. In fiscal 2009, we moved in particular to enhance this internal communication to prompt individual employees to consider their connection to CSR and translate this into concrete action.

Specifically, we are maintaining and administering the CSR Headline site established in March 2009 within WIN (Workforce Integration @ Nissan), our corporate intranet. Here employees can easily learn about the eight key areas, the progress made on our scorecard and other facets of Nissan's CSR activities. The "Introduction to CSR" section of this site highlights various CSR events and trends, allowing employees to learn the circumstances that companies face today. Nissan will continue its efforts to promptly communicate the latest information to all employees.

Future CSR Activities

Nissan intends to continue promoting its CSR approach, both internally and externally, through continual implementation of the PDCA cycle described above. The economic climate surrounding the automobile industry remains difficult, but it is our belief that these challenging circumstances in fact give us an opportunity to let people know about Nissan's CSR activities. By energetically communicating these activities, we aim to strengthen our relationship of trust with stakeholders and to build mutual recognition for our respective values.

Message from the Chairman of the CSR Steering Committee



Toshiyuki Shiga

Chief Operating Officer
Nissan Motor Co., Ltd.

Fiscal 2009 was a very difficult year for Nissan. While the financial crisis and recession compelled us to reevaluate our short-term operational strategy, based on our recovery plan we are working intensively to rehabilitate our performance, and we are making steady progress toward a complete recovery. This progress, however, does not come at the sacrifice of our key strategy of pursuing a sustainable mobility society or our product development designed to make our vehicles accessible to an even greater number of people in the future. We cannot allow ourselves to fall into self-satisfaction as we follow this plan: corporations are supported by diverse stakeholders and must develop in step with society. As a global corporation, Nissan maintains its focus on what is being asked of it by society and what kind of social responsibilities it must bear as it carries out its business activities.

To grasp the needs of society and incorporate them into our activities, we have established the CSR Steering Committee, a companywide organization composed of managers from various departments with responsibility for key areas of our CSR initiatives. As chairman of this committee, my role is to ensure these measures are addressed more dynamically. In so doing, I look upon the challenges facing the committee as part of the company's business. Discussion that takes place in the committee is recapped at meetings attended by the full Board of Directors, thereby making these CSR issues part of our company's overall decision-making process.

In particular, the automobile industry is increasingly being called upon to address environmental issues; indeed, this has come to be an expected role for automakers to play. The industry's growth has had impact on the environment. Continuing to rely solely on fossil fuels makes the sustainability of a mobility society a difficult proposition, and will make it impossible for us to survive as a company. Based on our commitment to becoming a leader in zero-emission vehicles, in fiscal 2010 we are launching the Nissan LEAF electric vehicle. This is a major step forward in terms of our contribution to a sustainable mobility society that has less impact on the environment. Our approach goes beyond a simplistic pursuit of zero-emission technologies. Rather, our intention is to always be sincere to society. We work to increase each employee's awareness of the environment on a daily basis and promote company-wide, comprehensive environmental measures until they become second nature.

To grow in step with society is the essence of Nissan's CSR stance.

Message from the Officer in Charge of CSR Activities



Alan J. Buddendeck

Corporate Vice President
Nissan Motor Co., Ltd.

The face of the global automotive industry has been forever changed by the events and challenges of the past two years. At Nissan, we have emerged stronger and more resolute in our commitment to making life better for people with advancements in automotive technology that have the power to transform people's lives through affordable and sustainable mobility.

During the last year, we have worked to share our vision with the world. The myriad headlines and news reports tell a compelling story about how the people of Nissan are working tirelessly to design and deliver mobility that enables positive change for people—and for the planet that we share.

At this writing, we have completed pricing announcements for Japan, the United States and the markets of Europe, where we will launch the Nissan LEAF—the world's first truly affordable, 100% electric, zero-emission car. When this report is published, we will have broken ground on our lithium-ion battery plants at Sunderland in the United Kingdom and Smyrna, Tennessee, in the United States. And throughout fiscal 2010, we will build upon our vision of affordable sustainable mobility by increasing awareness of our Nissan PURE DRIVE offerings, which reduce environmental impact and help consumers to understand the depth and breadth of Nissan's eco-friendly innovations.

The era of affordable sustainable mobility is upon us, and Nissan is at the forefront with its holistic vision for enabling positive change. Together, the people of Nissan are looking to the future while ever mindful of our obligations to society in the present. Our commitment to our vision of Enriching People's Lives is unwavering.

As you will see in this report, during fiscal 2009, the people of Nissan gave back to society not only through our advancements in automotive technology, but also by volunteering their time, donating products and services, and making cash contributions to humanitarian relief organizations, schools, colleges, universities and research institutes, and environmental projects and programs around the world. We are actively engaged and making a difference for people, now and in the future.

We remain steadfast in our commitment to be a positive presence by working with all of our stakeholders for the betterment of society through our innovations and through the creation of opportunities for all people regardless of gender, age, creed or cultural background. And, because we know that we can always improve our efforts in the area of corporate social responsibility, we welcome your feedback and ideas as we strive to make life better for people and the planet that we share.

Thank you for joining us, and thank you for taking the time to learn more about the commitments and actions of the people of Nissan throughout the world.

Nissan's Approach to CSR

Our Eight Key Areas for CSR

The CSR Steering Committee uses our CSR scorecard as a tool to manage, confirm and review our progress in each of eight key areas we have defined for CSR activities. Below are messages from our "owners" of activities in each of these areas, touching on our progress in fiscal 2009 and challenges for fiscal 2010.

Eight Key Areas

Corporate Governance & Internal Control	Environment	Safety
Economic Contribution	NISSAN	Value Chain
Quality	Employees	Philanthropy

"Owner" Messages on the Eight Key Areas

Corporate Governance & Internal Control



Hideaki Kubo
Chief Internal Audit Officer
Global Internal Audit & Corporate Risk Management Department

Risk management is an important foundation of corporate governance and internal control. The term once meant mainly countermeasures for dealing with natural disasters, as exemplified by earthquake-readiness measures. At Nissan, however, we took the opportunity presented by the revisions to Japan's Company Law that took effect in 2006 to create a department for broadly managing risks related to corporate strategies as well. We have implemented a PDCA cycle in this area, reviewing our risk management process as needed as we accumulate more experience. Our intention is to increase transparency by disclosing more information related to these activities.

Economic Contribution



Kazuta Amemiya
Senior Manager
Investor Relations Department

Thanks to our focused efforts based on Nissan's recovery plan, we are making a smooth recovery and are planning to reinstate dividend payments of ¥10 for fiscal 2010. We are still operating in crisis mode toward complete recovery, but have not compromised key strategies for future growth. While we carefully track our management with the indicator of free cash flow, reflecting outcomes of a range of activities, we remain committed to investment toward realizing a zero-emission society, the introduction of a global compact car and expansion in the emerging economies. Through these strategic measures we aim to grow and create value sustainably over the medium and long term.

Quality



Akira Wakabayashi
General Manager
Total Customer Satisfaction Function

To be a brand that customers can continue to rely on, Nissan has implemented its Quality Leadership program, a medium-term quality improvement plan now in its third year. Our goal is to reach the top level in the external quality indices with greatest influence on customers in each market by fiscal 2012. The fruits of our efforts are becoming apparent as we receive favorable evaluations according to external indicators. We remain committed to making progress on the initiative to ensure our goal is met on schedule. Nissan will continue to respond transparently to major quality issues in our markets, promptly carrying out recalls, service campaigns and other measures.

Environment



Hiromi Asahi
Deputy General Manager
Global Environmental Planning Office
Corporate Planning Department

Nissan considers reducing CO₂ emissions, reducing other emissions and recycling resources to be key issues for realizing its environmental philosophy of "a Symbiosis of People, Vehicles and Nature." To reduce CO₂ emissions from our products, one of the most important tasks for us, we are rolling out environmentally conscious vehicles in markets throughout the world. These 13 models of highly fuel-efficient vehicles, the Nissan Eco Series, were introduced in Japan in fiscal 2009, and will be followed by the 100% electric, zero-emission Nissan LEAF in fiscal 2010. In partnership with actors including central and local governments, we are working to build a sustainable mobility society based around electric vehicles.

Employees



Miyuki Takahashi
General Manager
Diversity Development Office

Amid the accelerating pace of globalization, human resources representing different age groups, genders, cultures and nationalities are essential for creating products to meet customers' diverse needs. To encourage diversity Nissan provides support for the career development of female employees and promotes cross-cultural understanding. In fiscal 2009, we appointed two female production line instructors, a first for the Japanese car industry. We also energetically conduct cultural seminars on emerging markets like China and India. Our aims are to spread diversity to all stages of our operations, from production to the sales front, and to continue generating innovative ideas by synergizing different opinions.

Safety



Tetsuo Hasegawa
General Manager
Environmental and Safety Technologies
Global Government Affairs Department

We are working steadily toward our goal of halving the number of fatalities and serious injuries involving Nissan vehicles by 2015, compared to 1995 levels. In fiscal 2009 we marketed the world's first cars with our Driving Safety Support System, providing our customers with more advanced safety technology. We are also active in helping people heighten their traffic safety awareness and avoid dangers in their daily lives. In fiscal 2010 Nissan will continue its activities bringing together individuals, vehicles and society as a whole to realize a safer automobile society.

Value Chain



Sumio Ono
Senior Manager
Purchasing Administration Department

In 2006, Nissan's purchasing division issued a booklet, together with its counterpart in Alliance partner Renault, to share with suppliers the values and principles important to us in our business dealings. Since then, our business has expanded around the globe, making it necessary to pursue CSR activities together with those suppliers. The jointly produced *Renault-Nissan CSR Guidelines for Suppliers*, distributed to Tier-1 suppliers globally in fiscal 2010, will help all of our partners review their activities from a CSR viewpoint and make CSR a more essential part of their business. Nissan will continue to deepen its relationships of trust with suppliers and build mutually beneficial partnerships with them.

Philanthropy



Katsuaki Yasuda
General Manager
External and Government
Affairs Department

Based on Nissan's vision of Enriching People's Lives, we carry out philanthropic activities as a good corporate citizen in three main areas—education, environmental awareness and humanitarian relief. In addition to maintaining global consistency and sharing best practices via our Corporate Citizenship Steering Committee, we also implement activities at the community level. In Japan, for example, we launched new efforts aimed at winning hearts in local communities with the establishment of monthly employee cleanup activities and Yokoha-Mania, a digital network for posting Yokohama-area-related information. We will continue advancing unique corporate citizenship activities that strike a balance between a global approach and contributions to local communities.

From the CSR Steering Committee Secretariat



Yoshie Motohiro
Senior Manager
Global Communications and
CSR Department

As a company grows, so does the impact of its activities. Nissan bears a range of responsibilities to society, such as its action on environmental issues. We view CSR issues as a vital part of our business operations and make continuous efforts to grow our corporate value with hands-on management by the CSR Steering Committee. We in the secretariat help make Nissan's response to various societal issues viewed as corporate risks more rapid and flexible. We are committed to being a driving force toward effective actions. Through our efforts, we hope to add something "uniquely Nissan" with roots in the corporate vision of Enriching People's Lives.

Nissan's Approach to CSR

Nissan CSR Scorecard

The CSR Steering Committee uses our CSR scorecard as a tool to manage, review and validate our progress in each of eight key areas we have defined for CSR activities. The table below shows some of the values behind Nissan's present activities in these areas and the indices used in the scorecard to gauge our performance.

Eight Key Areas

Corporate Governance & Internal Control	Environment	Safety
Economic Contribution	NISSAN	Value Chain
Quality	Employees	Philanthropy

FY2009 target achievement rate: Achieved Mostly Achieved Not Achieved Not Calculated

Eight Key Areas	Major Activity or Value		Scope of Application	Indicators of Progress	FY2007 (Result)	FY2008 (Result)	FY2009 (Target)	FY2009 (Result)	FY2010 (Target)	Long-Term Vision
Corporate Governance & Internal Control Nissan aims to conduct fair, impartial and efficient business activities, having a high degree of transparency and consistency by adhering to the applicable laws and corporate rules.	Establishment /effective management of internal control system	Compliance/ Code of Conduct	Consolidated companies	Establishment/ global development of compliance promoting organizations and codes of conduct	100.0% completed	Established a global evaluation system for prevention of non-compliance and a medium- to long-term action plan	Introduce a global internal reporting system	Introduced internal reporting systems in each region	Establish mechanisms for prevention of non-compliance; improve mechanisms by implementing PDCA cycles	A fully functioning framework (process) for the prevention of conduct violations
		Risk Management		Establishment/ global development of an effective risk management system	—	<ul style="list-style-type: none"> Implemented quakeproof construction/ earthquake drills; established BCP for primary products/ manufacturing processes To prepare for new flu pandemic, created/distributed pamphlets and manuals for employees including at overseas facilities; stockpiled emergency equipment Established a risk management website on the intranet 	Enhance countermeasures for risks that emerged in FY2008	<ul style="list-style-type: none"> Dealt with outbreak of H1N1 influenza and formulated BCP to prepare for higher absence ratio Recognized new risks emerging from recent financial crisis as corporate risk; appointed risk owners to investigate management methods and strengthen controls 	<ul style="list-style-type: none"> Enhance global coordination with respect to adoption of common risk management process Enhance disclosure of risk management 	Contribute to raising corporate value with a global risk management system; obtain better external understanding through appropriate information disclosure
		Information Security		Addressing personal data protection issues and establishment of stable information security	—	<ul style="list-style-type: none"> Completed principal reinforcement measures on personal data protection from Nissan to dealers respectively Deployed information security policy and reinforced management at primary affiliates 	Establish stable information security management	<ul style="list-style-type: none"> Continuously monitored and improved status of compliance with measures to protect personal data at Nissan Motor Co. and sales companies Produced annual plan and implemented PDCA cycle for information security management at each major affiliate 	Maintain/raise level of information security management	Contribute to pursuing stable corporate activities and social responsibility by globally implementing PDCA cycles on information security

FY2009 target achievement rate: Achieved Mostly Achieved Not Achieved Not Calculated

Eight Key Areas	Major Activity or Value	Scope of Application	Indicators of Progress	FY2007 (Result)	FY2008 (Result)	FY2009 (Target)	FY2009 (Result)	FY2010 (Target)	Long-Term Vision	
Economic Contribution Nissan aims for sustainable, profitable growth, contributing to economic development for all of society.	Suspension of Nissan GT 2012, Nissan's medium-term business plan, to concentrate on ameliorating performance	Consolidated companies	Consolidated net sales	¥10.8242 trillion	¥8.4370 trillion	Focus our efforts on obtaining positive free cash flow in the automotive business and continue activities to maintain competitiveness after the current crisis	Attained positive free cash flow (¥375.5 billion); continued implementing recovery plan	Consolidated net sales : ¥8.2 trillion	Achieve growth with sustained profitability; continue providing long-term value to all stakeholders, including customers, shareholders, employees, business partners and regional communities	
			Dividend	¥40/share	¥11/share	¥0/share	¥10/share			
Brand Nissan works to create a trusted brand known for its attention to people, the environment and the communities where we do business. Note: As of FY2010, "Brand" is no longer included among Nissan's key areas for CSR activities.	Raising the value of the Nissan brand among stakeholders	Customers worldwide (indicators at right apply to conditions in Japan)	CSR index in Nikkei Corporate Image Survey of individuals (used for reference purposes as part of in-house brand management index)	Score for "reliability"	28.6 (86th among approx. 1,000 companies)	31.9 (58th among approx. 1,000 companies)	Upgrade trust and respective survey scores by communicating small-to large-scale activities like EVs under "Blue Citizenship," a communication platform founded at the end of 2008	34.5 (51st among approx. 1,000 companies)	Monitor external indicators related to various corporate brands; continue working to improve scores in surveys at left	Aim for ongoing, steady improvement in scores by positioning the Nikkei index as one measure of how well our corporate activities reflect the values sought by society
				Score for "adaptability to social change"	10.2 (39th among approx. 1,000 companies)	6.3 (119th among approx. 1,000 companies)		9.4 (49th among approx. 1,000 companies)		
			Fortune's "World's Most Admired Companies Top 50"	Nissan: below 50th (Toyota 3rd, Honda 18th, Toyota Auto Body 31st)	Nissan: below 50th (Toyota 3rd, Honda 32nd, Toyota Auto Body 46th)		Nissan: below 50th (Toyota 7th, Honda 36th)			
Quality Nissan provides top-level quality in its products and services around the world.	Score of external indicator that is most influential to customers	Global	[North America] Consumer Report	—	Target achieved for FY2008	Improve rankings of respective KPIs	Achieved nearly all FY2009 targets U.K. : Qashqai and Note earned high marks in <i>What Car?</i> Italy : Qashqai earned high marks in <i>Quattroruote</i> Germany : Qashqai and Note earned reputation for high reliability in <i>ADAC</i> China JDP/IQS: 4 models earned top 3 rankings South Africa PSI: 4 models in top ranking	Improve rankings of respective KPIs	Quality leadership	
			[Europe] U.K.: <i>What Car?</i> Germany: <i>ADAC</i> Italy: <i>Quattroruote</i>	—	Italy: <i>Quattroruote</i> gave Qashqai high marks, placed it in top three picks					
			[Other] China: J.D. Power Initial Quality Study South Africa: Pied Piper Prospect Satisfaction Index Brazil: <i>Quatro Rodas</i>	—	China JDP IQS: Teana No.1 in 2007 and 2008 (Upper Premium Midsize Segment), Tiida 2nd, Livina 3rd					
	Achievement of Sales and Service Quality objectives, resulting in the highest levels of customer loyalty and service retention	Global	Customer satisfaction survey results relating to Sales and Service Quality in focus countries (Nissan and Infiniti)	—	Top-level achievements maintained in countries where Nissan was leading; new achievement of Top-Level Quality in Canada (sales quality, vs. major competitors)	Continue Sales and Service Quality improvement through achievement of Top-Level Quality objectives in focus countries	Maintained position in all countries where Top Level Quality had previously been achieved; continued to improve position in all other countries in the focus group through initiatives, activities aimed at milestones for Top Level Sales and Service Quality	Continue Sales and Service Quality improvement through achievement of Top-Level Quality objectives in focus countries		

FY2009 target achievement rate: Achieved Mostly Achieved Not Achieved Not Calculated

Eight Key Areas	Major Activity or Value	Scope of Application	Indicators of Progress	FY2009 (Result)	2010 goals (NGP2010)	
Environment Nissan provides mobility with minimal environmental impact and dependency throughout its lifecycle, and exercises zero-emission leadership in creating a mobile society with decreasing dependence on fossil fuel.	Implementation and promotion of Nissan Green Program 2010 (NGP2010)	Global operations	Reduction of CO ₂ emissions	Products, technologies <ul style="list-style-type: none"> Announced Nissan LEAF electric vehicle Expanded the Nissan Eco Series of environmentally conscious cars: Cube, Note, Tiida, Tiida Latio and Wingroad improved fuel efficiency with engine and CVT modulation, alternator regenerative system and reduced drag Eco-drive support system (combining Eco-mode Function and navigation-linked speed control) used in Tiida, Tiida Latio and Cube Eco-drive support system won the Agency for Natural Resources and Energy Director General's award in the FY2009 Energy Conservation Prizes Co-developed next-generation CVT together with JATCO 	<ul style="list-style-type: none"> Steadily attain each country's fuel efficiency standards and further fuel economy progress Market vehicles with Nissan's proprietary hybrid technologies in North America and Japan in FY2010 Introduce all-electric vehicles in Japan, U.S. by FY2010; mass-market globally by FY2012 	
			Production	<ul style="list-style-type: none"> Achieved 10% reduction from FY2005 levels in global per vehicle CO₂ emissions 	<ul style="list-style-type: none"> Reduce CO₂ emissions from factories worldwide by 7% from 2005 levels by FY2010 (global per vehicle CO₂ emissions) 	
			Dealers, offices	<ul style="list-style-type: none"> Continued CO₂ management at offices/dealers in Japan, offices/sales companies in U.S. and Europe from FY2008 	<ul style="list-style-type: none"> Begin measurement of emission levels by FY2007 and launch emission management in FY2008 	
			Achievement of clean emissions (to preserve air, water and soil quality)	Products, technologies	<ul style="list-style-type: none"> Continued technological development Announced addition of AT vehicle to clean diesel lineup Expanded use of ultralow precious metal catalyst 	<ul style="list-style-type: none"> Develop technologies to reduce emissions to near-atmospheric levels
				Production	<ul style="list-style-type: none"> 13% decrease in volume of VOC emissions in Japan (from FY2005 levels; for bodies and bumpers) 	[Global] Achieve VOC reductions exceeding each country's standards [Japan] Achieve 10% reduction in volume of VOC emissions (from FY2005 levels)
			Recycling of resources (promotion of the 3Rs)	Production	<ul style="list-style-type: none"> Achieved 100% recycling rate (at five Nissan plants and one business office) and at five affiliate factories (Japan) 	[Global] Achieve top factory recycling rates in each country [Japan] Achieve 100% recycling rate (at Nissan and affiliate factories, according to Nissan calculations)
				Among dealers, in the market	<ul style="list-style-type: none"> Achieved 96.6% recovery rate (Japan) 	[Global] Aim for 95% recovery rate in four major markets [Japan] Achieve 95% recovery rate in FY2010 (five years ahead of legal requirement)
			Management	Joint efforts with society	<ul style="list-style-type: none"> Expanded partnerships in various countries and regions to promote electric vehicles Began research for joint development with Showa Shell Sekiyu for rapid charging systems for electric vehicles Began planning for a joint venture with Sumitomo Corporation on secondary use for EV batteries Yokohama Mobility "Project Zero": started E1 Grand Prix in September 2009; began developing "Eco-Drive Promotion Caravan" activities together with Yokohama; promoted installation of battery charging infrastructure at dealers, other locations 	<ul style="list-style-type: none"> Strengthen environmental management at business partners Strengthen environmental management in all facets of operations Enhance environmental awareness among employees Promote comprehensive measures in conjunction with other sectors Disclose environment-related information and enhance communication with stakeholders

FY2009 target achievement rate: Achieved Mostly Achieved Not Achieved Not Calculated

Eight Key Areas	Major Activity or Value	Scope of Application	Indicators of Progress	FY2007 (Result)	FY2008 (Result)	FY2009 (Target)	FY2009 (Result)	FY2010 (Target)	Long-Term Vision
Employees Nissan aims to form an attractive organization where diverse human resources can achieve personal growth through experience in global business.	Build a learning-oriented corporate culture	Nissan Motor Co., Ltd.	Trainee satisfaction: Based on surveys of employees undergoing annual training courses. Scores (on a scale of 1 to 5) are the lowest of the averages for each course	4.3 or higher	4.2 or higher	Implement education programs to enhance competency. Maintain/upgrade satisfaction degree of attendees	4.5 or higher	Implement education programs to enhance competency. Maintain/upgrade satisfaction degree of attendees	Create a learning-oriented corporate culture and a setup allowing individual employees to achieve personal growth
	Enhance management quality, employee motivation based on employee attitude surveys	Global	Improved scores for management quality, employee motivation; share of positive responses to questions in employee attitude surveys	Surveys not implemented in FY2007	Quality of Management: 46% Employee Motivation: 54%	Promote activities to enhance quality of management and revise corporate culture based on employee attitude surveys. Raise scores on quality of management/employee motivation	Surveys not implemented in FY2009	Promote activities to enhance quality of management and revise corporate culture based on employee attitude surveys. Raise scores on quality of management/employee motivation	Improve quality of management and create an organization that inspires and enhances employee engagement
	Support for self-initiated career development	Nissan Motor Co., Ltd.	Number of successful applicants under Open Entry (employees can apply for advertised position openings) and Shift Career (employees can apply to the department or occupation of their choice, regardless of availability) Systems	125 (Open Entry and Shift Career Systems)	83 (Open Entry and Shift Career Systems)	Further advance assignment of employees to relevant positions based on Open Entry/Shift Career Systems	94 (Open Entry and Shift Career Systems)	Further advance assignment of employees to relevant positions based on Open Entry/Shift Career Systems	Provide support for career development that emphasizes employees' self-initiative
	Creating safe and worry-free workplaces	Nissan Motor Co., Ltd.	Frequency of labor accidents (injuries or deaths per 1 million worker-hours)	0.27	0.19 and no serious accidents	0.20	0.37	0.20	Build and maintain safe, worry-free workplaces
			Intensity of labor accidents (Intensity=total working hours lost/total working hours x 1,000)	0.105	0.003	No serious accidents	0	No serious accidents	
	Promotion of diversity through active development, engagement with women	Global	Share of women in middle management and management positions	Japan (Nissan Motor): 5% North America (U.S.): 13% Europe: 11%	Japan (Nissan Motor): 5% North America: 10% Europe: 12%	Maintain/increase share of women in middle management and management positions	Japan (Nissan Motor): 5% North America: 10% Europe: 13%	Maintain/increase share of women in middle management and management positions	Provide greater value to customers through diversity
			Employee survey score on diversity	Surveys not implemented in FY2007	Global 46%	Maintain/upgrade scores	Surveys not implemented in FY2009	Maintain/upgrade scores	
	Promotion of diversity through cross-cultural recruitment	Nissan Motor Co., Ltd.	Share of non-Japanese employees	1%	1%	Maintain/increase share of non-Japanese employees	1%	Maintain/increase share of non-Japanese employees	

FY2009 target achievement rate: Achieved Mostly Achieved Not Achieved Not Calculated

Eight Key Areas	Major Activity or Value	Scope of Application	Indicators of Progress	FY2007 (Result)	FY2008 (Result)	FY2009 (Target)	FY2009 (Result)	FY2010 (Target)	Long-Term Vision
Safety Nissan develops innovative technology and plays an active role in safety promotion, making the automobile society safer for all.	Establishment of quantitative reduction targets for Nissan-related traffic deaths, etc., real-world analysis of accidents to build safer cars and implementation of driver-education programs	Japan	Reduction from 1995 levels in Nissan-related traffic deaths and injuries	Japan (Nissan Motor): 45% (Figures for calendar 2007)	Japan (Nissan Motor): 49.6% (Figures for calendar 2008)	Make efforts to halve deaths and injuries by 2015 through the development of safety-related technologies based on Nissan Safety Shield approach	Japan (Nissan Motor): 53% (Figures for calendar 2009)	Make efforts to halve deaths and injuries by 2015 through the development of safety-related technologies based on Nissan Safety Shield approach	Halve deaths and injuries involving Nissan vehicles by 2015
Value Chain Nissan promotes ethical, environmentally sound actions in all stages of the supply chain.	Reduce the environmental impact of products through green procurement activities	All primary suppliers to Renault-Nissan Purchasing Organization (RNPO; responsible for 100% of total Renault-Nissan procurement by value, April 2009)	Extent to which values and codes of conduct are shared with suppliers	Began promotion of integrated CSR management with business partners (policy set forth at January 2008 suppliers' meeting)	<ul style="list-style-type: none"> Held suppliers' meeting on Nissan GT 2012 (May 2008) Held suppliers' meetings on sales, production plans for FY2009 (March, May 2009) Held monthly meetings to explain production plans, share information on rapidly changing environment with suppliers in a timely way 	Extend CSR to suppliers by sharing best practices on CSR activities	Created "CSR Guidelines for Suppliers" with Renault in line with the CSR procurement activities of the Japan Automobile Manufacturers Association, and prepared to send them out	<ul style="list-style-type: none"> Together with Renault, spread CSR Guidelines from overseas site purchasing departments to suppliers Start MPA revisions that incorporate penalties for compliance infractions 	Support reinforcement of suppliers' CSR structure
	Reduce the environmental impact of products through green procurement activities	All primary suppliers around the world	Ascertaining compliance with Japan's green procurement guideline for environment-impacting substances in purchased parts, and promotion of such activities with regard to global guideline	Global "Nissan Green Purchasing Guidelines" launched (suppliers' meeting held in Japan in March 2008)	Began deployment of "Nissan Green Purchasing Guidelines" in Europe	Initiate deployment of "Nissan Green Purchasing Guidelines" in Asia	Held meetings with Thai suppliers to explain "Nissan Green Purchasing Guidelines"	Initiate deployment of "Nissan Green Purchasing Guidelines" in North America	Reduce Nissan's environmental impact throughout the lifecycle by establishing structures for suppliers; enhance management scope by extending activities to the whole value chain
	Promotion of CSR activities at sales companies	Sales Companies (Japan)	Share values and support voluntary activities	Dealers Executive Meeting (December 2007) and General Affairs & HR department managers meeting (February 2008)	General Affairs and HR department managers meeting (November 2008)	Establish a compliance self-assessment program	Started introduction of a compliance self-assessment program at sales companies in Japan; at meetings of sales company executives in September 2009 and March 2010, shared information on latest compliance developments, offering support for sales company efforts	Revise content of self-assessment program to improve its effectiveness; work to spread use of program at sales companies	Encourage voluntary activities and provide support to strengthen CSR system
Philanthropy Nissan carries out social contribution activities as a corporate citizen, focusing on education, environmental awareness and humanitarian relief.	Clarification of Nissan's philanthropy policy, reinforcement of in-house organization and enhancement of philanthropic activities	Global	Clarification of Nissan's philanthropy policy and establishment of an in-house promotion organization	Launched Nissan Monozukuri Caravan program for elementary school students (Japan)	Launched "The Science of Survival," Nissan's first global environmental program; started exhibitions in London (April 2008) and New Jersey (October 2008); succeeded in communicating a consistent message globally	Continue implementation of global programs. Consider a humanitarian program that supports potential social needs on a global level	Continued to investigate global programs, but did not implement in FY2009. "The Science of Survival" was discontinued in June 2009 due to organizer's reasons	Begin consideration, partial implementation of social contribution programs to respond to societal needs through globally consistent activities	Continually implement unique philanthropic programs centered on "support for education," "environmental awareness" and "humanitarian relief," balancing global perspectives with the most appropriate activities for each region



Micra

Protecting the Environment

Achieving a Symbiosis of People, Vehicles and Nature

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Protecting the Environment

Nissan's Business Activities and the Environment

Nissan's vision of an ideal society is "a Symbiosis of People, Vehicles and Nature." Since adopting this environmental philosophy in 1992, we have worked hard to make it a reality, constantly assessing the impact of our vehicles and corporate activities on the global environment while making every effort to address such issues. We will continue to make proactive efforts, working with society to create a brighter future for our planet and generations to come.

Achieving a Sustainable Mobility Society

In 2009 the United States, under the new administration of President Barack Obama, and other nations began boosting environment-related spending. These moves were meant to help counter the severe worldwide recession and global warming, and they had particular impact on the automobile industry, with governments introducing stronger fuel-efficiency requirements, stricter regulations of emissions of CO₂ and other greenhouse gases and policies including subsidies and tax incentives to promote a transition to more fuel-efficient vehicles. This greatly increased the consumer demand for environmentally conscious cars.

In the area of CO₂ emissions reductions, the Japanese administration of the Democratic Party of Japan proposed the medium-term target of reducing emissions by 25% from 1990 levels by 2020, and the major industrialized economies took a leadership position at the G8 Summit in L'Aquila, Italy, in moving toward low-carbon societies with agreement on a target of an 80% reduction by 2050 in industrialized countries overall. In the future, the debate on the ideal frameworks for action is expected to take place in line with the Copenhagen Accord the document signed at the 15th Conference of the Parties (COP15) to the United Nations Framework Convention on Climate Change that noted the scientific consensus on the need to limit the rise in global temperature to within 2 degrees Celsius.

Meanwhile, the harsh economic situation continues, and balancing growth with environmental measures will be a major, ongoing challenge for businesses. To get through the recession, companies will need to have a vision for the future, maintain and strengthen their competitiveness through innovative environmental technologies, and create new value, while at the same time providing against risk. At Nissan, we will continue making sincere and proactive efforts toward further innovations based on our medium-term environmental action plan, Nissan Green Program 2010, to realize a sustainable mobility society in which people and vehicles coexist with nature.

Nissan's Approach to Environmental Issues

Motor vehicles are built using a quantity of resources and are primarily powered by fossil fuels such as gasoline and diesel. As a global automaker, Nissan takes active steps to identify the direct and indirect impacts of its business on the environment and subsequently minimize them. Furthermore, our ultimate goal is to reduce the environmental impact caused by our operations and Nissan vehicles throughout their lifecycle to a level that can be absorbed naturally by the Earth, leaving as small a footprint on the planet as possible.

Nissan aims to be a "sincere eco-innovator." We show that we are *sincere* by taking a proactive stance toward addressing environmental challenges and reducing the real-world environmental impact. We believe that being an *eco-innovator* means providing our customers with optimal value in the form of innovative products, technologies and services as contributions to a sustainable mobility society.

We also believe that we can contribute to sustainable development through our environmental initiatives. We are actively working to contribute to the protection of the global environment through sustainable mobility to achieve "a Symbiosis of People, Vehicles and Nature."

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Please see our website for detailed information on our environmental activities.

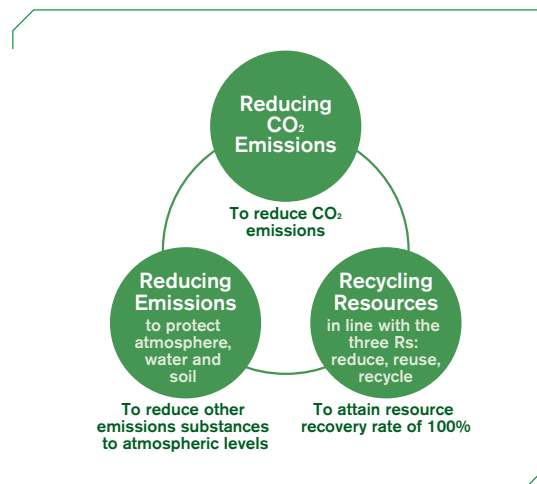
<http://www.nissan-global.com/EN/ENVIRONMENT/>



NISSAN
GREEN PROGRAM

Nissan's Three Key Issues

After considering the impact of various environmental issues, including climate change, the burden placed on the ecosystem and humans by environment-impacting substances, and mineral and water resources, Nissan defined three key issues to be tackled: reducing CO₂ emissions, reducing other emissions (to protect the air, water and soil) and recycling resources. We are working to achieve specific goals in each of these areas in order to minimize the impact of Nissan's motor vehicles and business activities on the environment.



We feel that these issues can be resolved in a sustainable way only by offering customers the right products at the right time and right cost. Reduction of CO₂ emissions, which Nissan considers one of its top priorities, is being advanced companywide under a "QCT-C" framework that adds the component of CO₂ to the traditional management indices of quality, cost and time.

Moving Toward Long-Term Goals

The ultimate long-term strategy for automakers to help protect the environment and create new demand is to develop zero-emission vehicles, which have essentially no environmental impact while being driven.

Nissan has committed to becoming a zero-emission leader, and we are working energetically in pursuit of this goal. In fiscal 2009, we announced the Nissan LEAF, our first mass-production entry into the EV space. The Renault-Nissan Alliance also formed cooperative ties with national and local governments around the world, working to expand partnerships toward the eventual realization of a zero-emission society.

We are also implementing our medium-term environmental action plan, Nissan Green Program 2010, which we launched in December 2006 as a means to help the company as a whole achieve key environmental targets and establish needed frameworks by 2010. We made a number of achievements in this pursuit in fiscal 2009, including our joint development of a next-generation continuously variable transmission (CVT) with an affiliate, JATCO Ltd., and our prompt moves to expand our range of environmentally conscious cars by outfitting them with engine and CVT modulation, alternator regenerative systems and reduced drag.

Expert Comment

Mie Asaoka

President
Kiko Network

Nissan is working to be a leader in zero-emission mobility, and its efforts to develop and promote electric vehicles (EVs) should be an effective way to reduce CO₂ emissions. Growing numbers of consumers are looking at the total cost of vehicle ownership, including fuel prices, and choosing EVs based on their economic sensibility.

We have seen rapid shifts in smart grids and renewable energy in the last few years, and we may see a new type of automobile society sooner than we think. This is a society where EVs are a part of power infrastructure built with smart grids and relying increasingly on renewable energy sources, and where they play a role in promoting the development of compact urban environments.

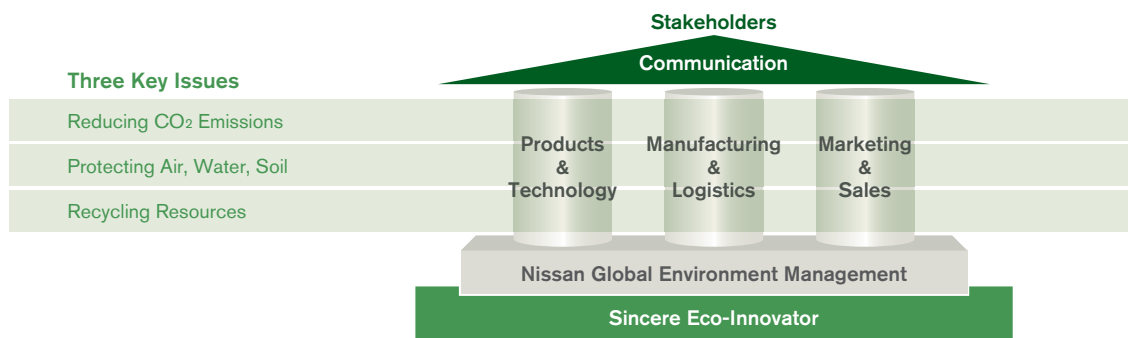
In tackling the challenge of climate change, we need to address issues in a broad range of areas, including energy and water resources. We have gone beyond the stage where companies could consider actions to address these on an individual basis. Today they must work in partnership with governments and other industries. I fully expect that Nissan will show strong leadership in bringing together these actors as it works toward the achievement of a low-carbon society.

Protecting the Environment

Environmental Management

Nissan has identified three major environmental issues on which to focus its energies: reducing CO₂ emissions; protecting the air, water and soil; and recycling resources. To make progress in these areas, we believe a management system is needed that achieves maximum results by organically linking divisions engaged in product and technical development, production, logistics, marketing and sales. We are building a global environmental management framework and establishing targets and action plans in all areas of activity to promote consistent approaches.

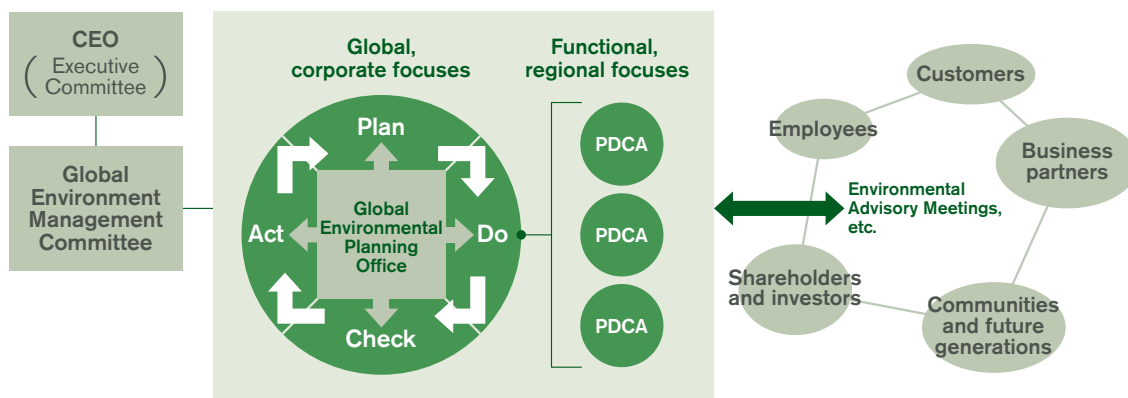
Our Framework for Global Environment Management



Environmental Management Framework

Nissan has created the organizational system shown below to clarify areas of activity, with the aim of promoting environmental management worldwide. Our Global Environment Management Committee (G-EMC), headed by Nissan's chief operating officer, decides overall policies and the proposals to be put before the Executive Committee. The Global Environmental Planning Office, established in 2007, determines which proposals will be forwarded to the G-EMC and assigns specific actions to each division. It is also responsible for the efficient management and operation of progress based on PDCA—the cycle of planning, doing, checking and acting. In addition to operating these internal organizations, we gather the ideas of leading figures and institutes at our Environmental Advisory Meetings, using them to grasp the opinions of our stakeholders and to scrutinize our goals and activities. We seek to further enhance our activities by learning about the trends of socially responsible investment (SRI) funds and assessments from rating organizations.

Nissan's Global Environment Management Organization



A Full Range of Environmental Management Systems

To promote efforts in this field, we are introducing environmental management systems in all companies in the global Nissan Group, including production sites, sales companies and affiliates. We are working to apply ISO 14001 standards at our main global production plants and R&D centers; today 18 of 20 production sites, including those of both Nissan and its consolidated manufacturing affiliates, have obtained ISO 14001 certification. Our policy is to extend environmental management systems with these same criteria to regions in which we are newly expanding.

In addition to undergoing audits by third-party organizations, each year Nissan carries out its own internal audits of its environmental systems and environmental performance. These are to check whether our environmental management systems are functioning properly and to confirm that our various organizations are implementing measures on an ongoing basis in line with our environmental policy.

In Japan, we have introduced the Nissan Green Shop certification system, an original Nissan approach to environmental management based on ISO 14001 certification. As of the end of March 2010, some 2,900 dealership outlets of 178 sales companies, including parts and forklift dealers, have been certified under the system. This ongoing approach is maintained through internal audits conducted by the sales companies themselves every six months, in addition to regular annual reviews and certification renewal audits carried out every three years by Nissan headquarters.

Shared Approach with Suppliers

The Nissan and Renault purchasing divisions have laid out their approach to dealing with suppliers in a booklet titled *The Renault-Nissan Purchasing Way*. In 2010, we created the *Renault-Nissan CSR Guidelines for Suppliers*. Our efforts in the field of supply-chain management are based on these documents. (See page 63 and page 65.)

In April 2008 we issued the Nissan Green Purchasing Guidelines as standards for the environmental efforts of our automobile parts and materials suppliers, and we are now expanding these guidelines globally. We will continue to work together with our suppliers worldwide to realize our environmental philosophy of “a Symbiosis of People, Vehicles and Nature.”

Communication with Stakeholders

Nissan creates a range of opportunities to communicate with stakeholders. We take what we learn through this communication and reflect it in our operations to increase the value of the company and build relationships of trust. An example of this is the Environmental Advisory Meetings we hold each year for discussions with leading experts in the environmental field. The things we learn in these discussions are used to evaluate the direction of our environmental strategy, letting us change course where needed to achieve our environmental goals. The discussions also play an important role in management by providing external feedback on Nissan’s corporate activities. We work to improve communication with our stakeholders through various other means as well, including publishing the annual Sustainability Report and other booklets or pamphlets describing our environmental efforts, disclosing information via our website, and holding exhibitions, test drives, environmental panel exhibits in our factory guest halls, environmental facility tours and traveling environmental lectures with academia-industry cooperation.

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The Renault-Nissan Purchasing Way, Renault-Nissan CSR Guidelines for Suppliers, and Nissan Green Purchasing Guidelines are available for download from our website.

http://www.nissan-global.com/EN/COMPANY/CSR/STAKEHOLDER/BUSINESS_PARTNERS/

Nissan Waku-Waku Eco School

To teach children about environmental issues in a way that is easy to understand and will lead them to action, Nissan conducts education activities outside the company. Since 2008, we have organized the Waku-Waku Eco School, an original program run in cooperation with the nonprofit organization Weather Caster Network (WCN). This program consists of three parts: talks by a weather forecaster from WCN, assembly of kits of fuel-cell car models, and trial rides in an X-TRAIL fuel-cell vehicle. In fiscal 2009 we added a class that focuses on recycling and held these classes at 31 elementary schools, with the participation of some 2,900 children. We will continue these efforts to provide opportunities for children to experience future energy resources and technology and raise environmental awareness through learning about automobiles.

Environmental Education for Employees

Nissan conducts environmental education for all its employees in Japan to promote and deepen individual awareness with regard to the environment. Basic education is a part of the orientation of new employees when they join the company. Classes and seminars are also held to raise the awareness of managers and midlevel employees, using Nissan's original environmental education curriculum.

In January 2008 we began the environmental e-Learning program in Japan. This is an environmental education tool for employees developed in conjunction with Natural Step, an international NGO. The program offers enjoyable learning about the Earth's environmental mechanisms and the ecological issues that we should be aware of as an automobile manufacturer. Environmental e-Learning is already available at affiliated companies and subsidiaries in Japan, and in the future we will develop a more systematic program to spread these unique education activities worldwide.

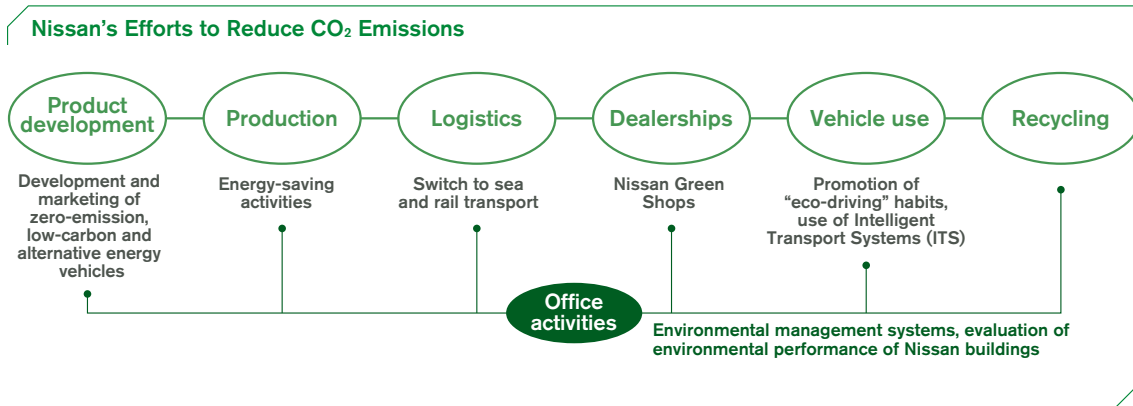
Protecting the Environment

Reducing CO₂

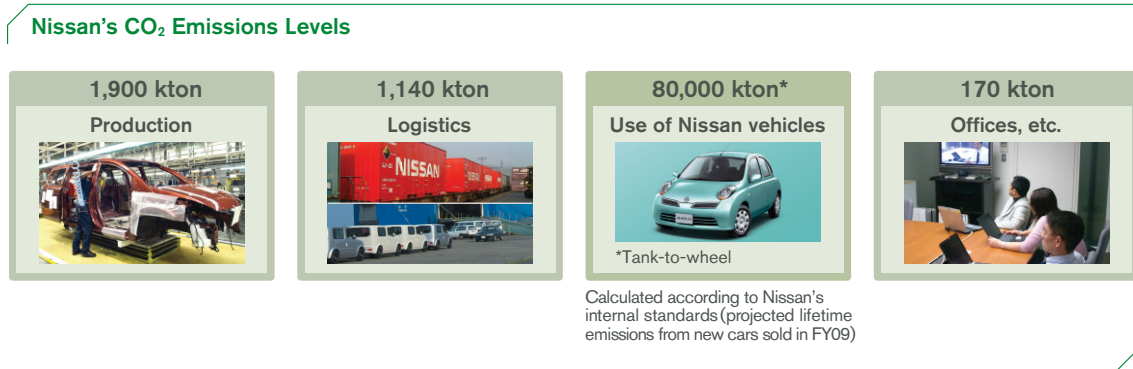
Carbon dioxide (CO₂) is thought to be a leading cause of global warming, and reducing CO₂ emissions is an urgent task that we all need to address. At Nissan, emissions reduction is among our highest priorities. As a global automobile manufacturer, we are working to reduce CO₂ emissions at every stage of our vehicles' lives: from production to transport and operation.

The Tasks for Nissan to Tackle

The first commitment phase of the Kyoto Protocol started in 2008, and international debate toward drawing up the next framework from 2013 is moving forward. These movements are accompanied by increasingly strict regulations on CO₂ emissions by the governments of many nations. European Union countries have already strengthened their emissions regulations with the announcement of regulations for all new vehicles sold in the region from 2012. The United States has announced stepwise increases in automobile fuel efficiency standards until 2016. In Japan, fuel efficiency standards for fiscal 2015 have been announced. More demanding than the fiscal 2010 standards in effect now, these are being applied to large trucks as well. In China, which became the world's top automobile market in 2009, further strengthening of the regulations is being examined. As governments take these steps, increased environmental awareness is taking widespread root among consumers.



We are living in a carbon-conscious society, and today there is an increasing need for a sense of urgency. Society needs to first slow the increase in CO₂ emissions, and then move to reducing them. This demands innovative technologies and business models. At Nissan, we are accelerating our efforts for a low-carbon society.



Nissan's Approach

Technical innovation is essential for reliable progress in reducing CO₂ emissions. We are unlikely, however, to reduce them to sustainable levels with technology alone; this will require cooperative efforts by all of society. Even in the area of technology, we cannot pursue only CO₂ reductions. We will not achieve real sustainability unless consideration is given to basic performance and cost, allowing the technology to be put into widespread use. Based on this awareness, Nissan considers the environment from the perspective of the entire lifecycle of its vehicles, and is working to reduce CO₂ emissions in all its corporate activities. We have made zero-emission vehicles the core of our strategy in our product range in particular, and we want to turn these environmental challenges into an opportunity to contribute to a sustainable society.

QCT-C for Emissions Management

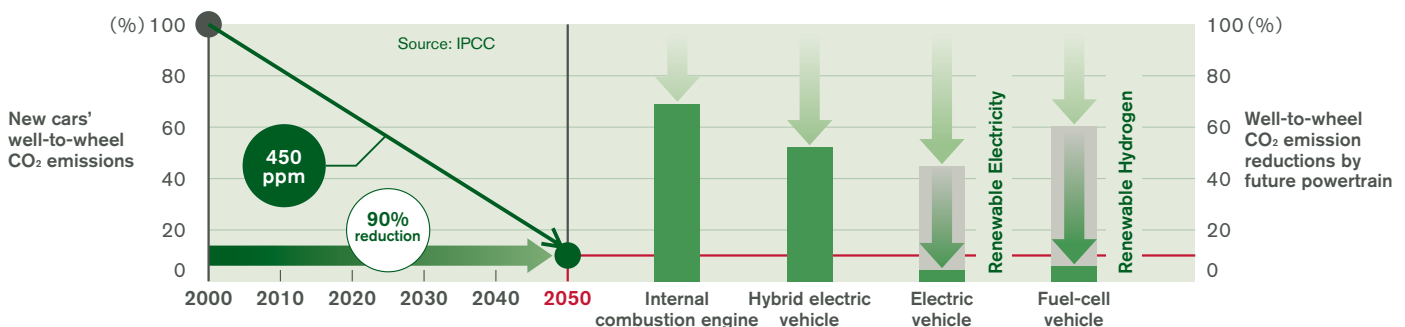
We have introduced the Nissan Global CO₂ Management Way, QCT-C, to ensure results from our CO₂ reduction activities. This is a new set of management indices with CO₂ (C) added to the traditional QCT indices of quality, cost and time, and it shows the efforts we are making across the entire company to reduce CO₂. With QCT-C, we have placed CO₂ reductions alongside quality, cost and time in importance, and we are promoting corporate activities with a balance in these four areas. We have set CO₂ reduction targets in all areas of our business with the aim of creating new value for customers and society.

A Long-Term Roadmap

We have established long-term CO₂ reduction targets and are carrying out systematic research and development based on those targets. Opinions vary with regard to the levels at which average global temperature and CO₂ concentration need to be kept. Based on the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), it is necessary to stabilize atmospheric CO₂ at 450 parts per million or lower in order to keep average temperatures from rising more than 2 degrees Celsius. To achieve this, "well-to-wheel" CO₂ emissions for new vehicles need to be reduced by 90% in 2050 compared with levels in 2000. This includes emissions that automobile makers (including Nissan) do not control, such as those generated from the extraction and refining of crude oil and its delivery to customers as fuel, as well as fuel consumption during operation.

If the 90% emissions reduction target is to be met, there will have to be greater use of electric-powered vehicles, such as electric and fuel-cell vehicles, over the longer term. It will also be necessary for these vehicles to be powered by renewable energy sources. We have set the target of making Nissan the leader in zero-emission vehicles. In addition to boosting our development of these vehicles, we are working on infrastructure development in cooperation with many government and local bodies to facilitate their spread.

Our CO₂ Reduction Scenario



Providing Technology Through the “Four Rights”

To steadily reduce CO₂ emissions, we aim to provide effective technologies at prices customers can afford and to spread these technologies widely with a focus on their total contribution. Our basic approach to introducing technology is the “four rights”—providing the right technology, at the right time, in the right market and at the right value to the customer.

Based on these four rights, we are working to raise the efficiency of internal combustion engines to the highest possible level, while moving ahead with the development and launch of electric and fuel-cell vehicles as the zero-emission vehicles of the future. We believe it is a social obligation of a global automaker to provide technology that has true value while meeting the diverse needs of customers and society.

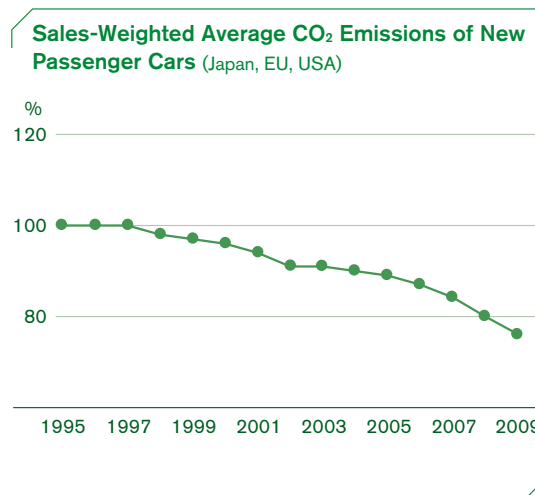
Integrated Approach to Emissions Reduction

We approach CO₂ reductions during vehicle operation from the three perspectives of vehicles, drivers and the driving environment. CO₂ emissions during vehicle operation change depending on vehicle performance and type of fuel, as well as on driving technique and road conditions. We therefore seek not only to improve our vehicles, but also to conduct educational activities and introduce technologies that support eco-driving habits by our customers, and to improve the traffic environment in coordination with local and national governments and other industries.

EFFORTS IN OUR PRODUCTS AND TECHNOLOGIES

Further Emission Reductions from New Cars

Nissan has taken various approaches in its efforts to cut CO₂ emissions from new vehicles. In addition to fuel consumption measured in accordance with the standards of different countries, we have also set our own in-house standards for real-world fuel economy. These standards take into account city, highway and congested traffic conditions, and function as an index for improving fuel efficiency. We also calculate the companywide averages for fuel consumption in Japan and North America, and for CO₂ emissions in Europe, according to the number and type of vehicles shipped each year. This helps us set targets to meet regulatory standards in each region and to reduce overall CO₂ emissions. The graph shows the average annual CO₂ emissions of new Nissan cars sold in the Japanese, U.S. and European markets based on actual shipments.



Our Zero-Emission Approach

The ultimate long-term strategy for automakers to help protect the environment and create new demand is to develop zero-emission vehicles, which have essentially no environmental impact while being driven. Renault and Nissan place the introduction and widespread marketing of electric-powered vehicles producing zero emissions at the center of their Alliance strategy, and Nissan has committed to becoming the leader in zero-emission vehicles.

WEB
 Please see our website for detailed information on our zero-emission strategy.
<http://www.nissan-zeroemission.com/EN/>

Unveiling New Electric Vehicles

Electric vehicles (EVs) that run on a battery-powered motor are one type of zero-emission vehicle, emitting no CO₂ during operation. At Nissan, we sold our first electric car in 1947 and we have been actively developing and marketing electric cars since the 1960s. Using this wealth of experience, we unveiled the Nissan LEAF, an all-electric zero-emission vehicle with an on-board lithium-ion battery, on August 2, 2009. Sales will commence in December 2010 in Japan, the United States and some European countries. In 2012 we will commence large-scale global sales of the vehicle. We also unveiled the Land Glider, an urban EV concept car, at the 41st Tokyo Motor Show in October 2009.



Nissan LEAF



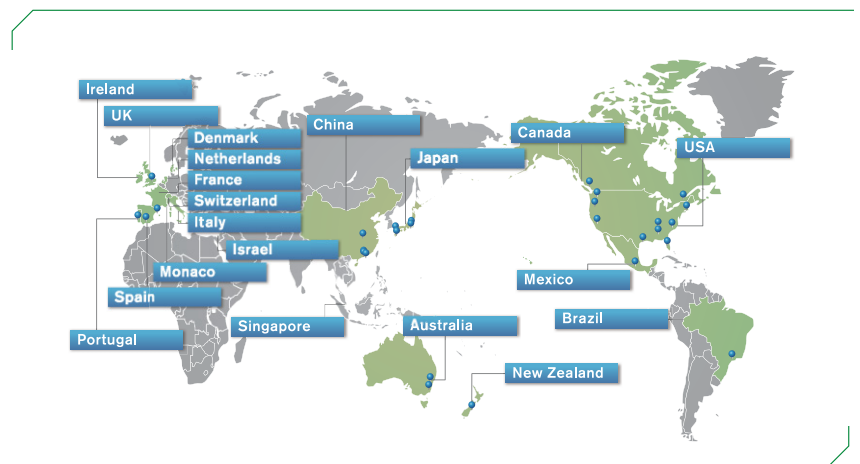
Land Glider

High-Power Lithium-Ion Battery

From a very early stage, Nissan has been committed to the development of motors, batteries and inverters, which are the core technologies of electric-powered vehicles. In 2007, Nissan founded the joint-venture company Automotive Energy Supply Corporation (AESC) with NEC Corp. and NEC Tokin Corp., which manufacture and supply compact lithium-ion batteries. Tests of a high-power lithium-ion battery destined for automobiles began in July 2009. The laminated lithium-ion battery produced by AESC has roughly twice the energy density of conventional cylindrical batteries. The new battery will be used in Nissan's electric and hybrid vehicles released in the United States and Japan in fiscal 2010, and AESC is looking at marketing the batteries to other companies as well.

Partnerships with Different Countries

Increasing the use of zero-emission vehicles is something no single company can do on its own. The wide adoption of these vehicles requires that they be economical to use and that the societal infrastructure be in place to support their use. As of June 2010, the Renault-Nissan Alliance has entered into some 60 partnerships promoting zero-emission vehicles. Overseas we are working with Australia, Brazil, Canada, China, France, Ireland, Israel, Italy, Mexico, the Principality of Monaco, New Zealand, Portugal, Singapore, Spain, Switzerland and the United Kingdom to promote the introduction of zero-emission vehicles. In Japan we have formed partnerships and business tie-ups with Kanagawa Prefecture and Yokohama City, as well as Miyazaki Prefecture, Kitakyushu City, Saitama City and the All Japan Ryokan Association, an industry group for *ryokan*, or Japanese-style inns. In the United States, we are in talks with state governments in Tennessee, Oregon, California, Arizona, Washington, North Carolina, Texas, Florida and Massachusetts regarding similar partnerships for promoting zero-emission mobility and creating the required infrastructure.



Joint Development of Quick Charging System

In August 2009, Nissan and Showa Shell Sekiyu K.K. announced the start of studies on joint development of a quick charging system for electric vehicles combining Nissan's advanced lithium-ion batteries for automotive use with Showa Shell's next-generation CIS (copper, indium and selenium) solar panels. The aim is to contribute to the spread of EVs as fully zero-emission vehicles that emit no CO₂ or other potentially harmful gases during either operation or charging. The jointly created system is to be capable of providing electricity even during power outages, such as in the case of a natural disaster. Moreover, by reducing the load on the grid, the system will permit quick-charging facilities even where there is low electric power capacity.

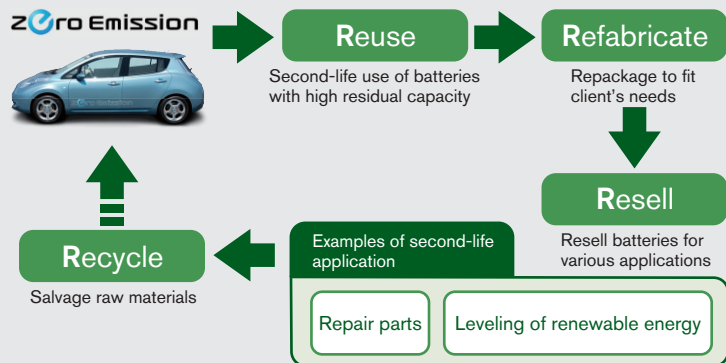
Future application of the technology for the quick-charging system is expected in homes and large-scale solar power plants (mega solar plants).

Second Life for Batteries

In October 2009, Nissan and Sumitomo Corporation announced plans to examine a joint business venture to give a second life to batteries used in EVs. The high-performance lithium-ion batteries used in Nissan's EVs will still retain 70%–80% of their initial capacity at the end of vehicle life. Based on the "4R" business model, the two companies will seek to reuse, resell, refabricate and recycle these batteries, providing an energy storage solution for the global market.

Both companies will examine the feasibility of the business in order to establish a framework for a new joint-venture company, which is expected to be operational by the second half of 2010 in Japan and the United States. In Europe, the Renault-Nissan Alliance partners are carrying out a joint examination of this business model.

Second Life for Batteries: 4R Business



Improving FCV Performance

Fuel-cell vehicles (FCVs) run on electricity generated from hydrogen and oxygen, and are another type of zero-emission vehicle emitting no CO₂ or other exhaust gases. The only substance emitted during driving is water. At Nissan, we began limited leases of FCVs in Japan in 2003, and in December 2008, we delivered an X-TRAIL FCV to the city of Nikko in Tochigi Prefecture, famous for Toshogu Shrine and other UNESCO World Heritage Sites. The X-TRAIL FCV has an original fuel-cell stack developed by Nissan with maximum output of 90 kilowatts, giving maximum speed and acceleration performance equivalent to those of a gasoline engine.

In 2008, we developed a new fuel-cell stack with improved performance and began vehicle tests. This stack features a new thin, metallic internal separator allowing the size to be reduced to about three-fourths that of a conventional unit. At the same time, improvements to the membrane used for producing electricity from the hydrogen and oxygen have increased output from 90 to 130 kilowatts. This means that a high-capacity stack of the same volume as a conventional fuel cell can generate about twice the output, making it suitable even for larger vehicles. We have also reviewed the electrode catalyst layer structure, reducing the amount of precious metal used and improving durability in order to realize considerably lower costs and longer lifespans.

New Inverter Developed

Nissan regards the inverter as one of the key technologies in electric-powered vehicle development, along with the motor and the battery, and is working hard on inverter development. These devices control the electricity for electric-powered vehicles, and their size has often set limitations on vehicle layout. We have developed the world's first inverter for a vehicle that uses silicon carbide (SiC) for the diodes, which are key components of the inverter. We have begun driving tests using an X-TRAIL FCV equipped with the new inverter. In the future this will allow improved energy efficiency and the achievement of lighter, more compact components compared to previous versions. Nissan is aiming for further reductions in size by using SiC for the transistors, another key component of the inverter.

Improved Efficiency for the Internal Combustion Engine

Looking at the potential for further cuts in CO₂ emissions of cars with different sources of power, we believe gasoline engine cars should be able to achieve a further 30% reduction in emissions compared to 2000 levels in the future. Improving gasoline-powered vehicle efficiency is therefore central to Nissan's emissions reduction initiatives in the short to medium term.

Expanding the Fuel-efficient Nissan Eco Series

Japan's new preferential tax scheme for environmentally friendly vehicles came into effect in April 2009. In fiscal 2009, we released 13 fuel-efficient models in what we call the Nissan Eco Series, making an expanded range of cars eligible for this scheme available to our customers. The Cube, Note, Tiida, Tiida Latio and Wingroad have engine and CVT modulation, an alternator regenerative system and reduced drag to improve fuel consumption. The Tiida, Tiida Latio and Cube also incorporate an eco-drive support system, which combines the Eco-mode Function (which assists the driver in accelerating smoothly) and a speed-control function linked to the onboard navigation system. These systems provide appropriate adjustments to the engine and the CVT based on how hard the driver is pressing on the accelerator. They also help to optimize engine and CVT control with input from the navigation system on road-related information like the distance to upcoming curves or toll gates, thereby enabling more effective eco-driving practices. This eco-drive support system won the ANRE Director-General's award in the fiscal 2009 Energy Conservation Prizes.

Nissan Develops Next-Generation CVT

At Nissan, we are aiming to reduce total CO₂ emissions through the proliferation of what we believe to be genuinely effective technology, and we regard the continuously variable transmission (CVT) as an important technology for improving fuel efficiency. CVTs are fitted to many different types of Nissan vehicles, ranging in size from the very small to the very large. Global sales topped one million vehicles in fiscal 2007, and cleared 1.25 million in fiscal 2009.

In July 2009, Nissan announced it had jointly developed a next-generation CVT with its affiliated company JATCO Ltd. The new CVT uses an original construction combining conventional CVT belt operation with an auxiliary gearbox, giving a significantly increased gear ratio range and at the same time allowing more compact size, lighter weight and greater efficiency. Nissan will be using the next-generation CVT in vehicles worldwide.

Automatic Clean Diesel Vehicle

Nissan is also working hard on the development of clean diesel vehicles, which are expected to bring CO₂ emissions below the levels of conventional diesel vehicles. Diesel vehicles have always had an advantage in terms of energy and CO₂ reductions due to their low fuel consumption, but it has been very difficult to make their exhaust cleaner. Through our Alliance with Renault, we developed the new M9R clean diesel engine. This was fitted to the X-TRAIL 20GT, which was launched in Japan in September 2008. The X-TRAIL 20GT has outstanding environmental performance, and is the first vehicle to comply with Japan's 2009 Emission Regulations. It won the ANRE (Agency for Natural Resources and Energy) Director-General's award in the 19th annual Energy Conservation Prizes, presented by the Ministry of Economy, Trade and Industry, and the Minister's Prize in the fifth annual Eco-Products Awards presented by the Ministry of Land, Infrastructure, Transport and Tourism. The X-TRAIL 20GT achieves both clean exhaust and low fuel consumption, and a model with automatic transmission will be available in Japan in 2010.

Original Hybrid System

Hybrid cars combining an engine and an electric motor can achieve substantial CO₂ emission reductions. Nissan has developed a parallel hybrid system in which a motor used for both propulsion and regeneration is connected directly to the engine and the transmission using two clutches. The system also incorporates a high-power lithium-ion battery. It gives even greater driving pleasure than a gasoline car while achieving the fuel consumption of a compact car. This system is mounted in the Fuga hybrid car, which will go on sale in Japan in the fall of 2010.

Biofuel Vehicles Marketed

Biofuels are produced mainly from plant matter, such as sugar cane, corn and construction waste material. These fuels are a renewable energy source. Since they are produced from plants that have absorbed CO₂ during their lives, they do not add significantly to overall CO₂ levels and have been a focus of considerable attention as a renewable energy source. In North America, Nissan has already brought to market the Titan FFV and Armada FFV, which can run on 85% bioethanol fuel (E85). In March 2009, we began marketing our flex-fuel Livina, the first Nissan vehicle that can run on any bioethanol blend (E100), in Brazil.

E1 Grand Prix Held Jointly with Yokohama City

Nissan and Yokohama City launched the E1 Grand Prix on September 28, 2009, as part of their five-year collaborative project, Yokohama Mobility "Project Zero." The E1 Grand Prix, which aims to encourage more drivers to adopt "eco-driving" practices, is a fuel consumption competition open to Yokohama residents. Competitors can register their car details online via the E1 Grand Prix site and report their fuel consumption using a computer or mobile phone. This enables them to see eco-driving rankings by car model and area, as well as graphs and other displays showing improvements made in fuel consumption. There is also an eco-driving diagnosis system that gives points for different driving situations, such as starting, cruising, decelerating and stopping.

Eco-Driving Training Sessions in China

Nissan has been working proactively to increase the number of drivers using eco-driving practices both in Japan and overseas. We held eco-driving training sessions for customers in China during fiscal 2009 in Beijing, Shanghai and Guangzhou. Our classes were well received, and many of the participants saw the benefits of improved fuel consumption as a result of the eco-driving advice and hands-on practice. (Please refer to page 50.)

Support for U.K. Eco-Driving

Nissan carried out a trial project using Intelligent Transport Systems (ITS) to give support for eco-driving to motorists in the United Kingdom for eight months starting June 27, 2009. Some 100 Nissan car owners took part in the trial. Information relayed to drivers onboard included fuel consumption trends to check their eco-driving and rankings to compare their average fuel consumption with that of other drivers from the previous month. Out of the vehicles, the participants received evaluations of their daily eco-driving performance and analyses including a breakdown of fuel consumption trends by distance and road type.

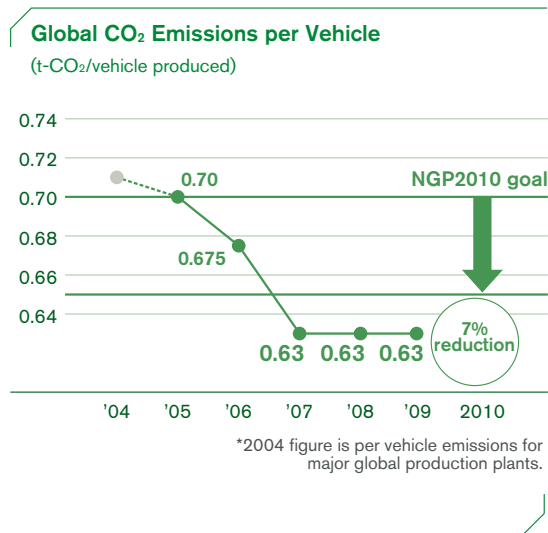
Nissan held briefing sessions about the trial with the U.K. government, and will be checking to see if this sort of information provision can help increase individual awareness of CO₂ reductions in normal daily driving scenarios in the United Kingdom. The results of the trial will be used in the development of a next-generation navigation system for the European market.

EFFORTS IN OUR BUSINESS ACTIVITIES

Global Energy Saving

Most of the CO₂ emissions in the manufacturing process are from the consumption of energy generated with fossil fuels. We are confronting these issues directly and engaging in a variety of energy-saving activities in manufacturing our vehicles. In the area of production technology, this includes the introduction of highly efficient facilities, improved production methods and the use of energy-efficient lighting. In our business offices, fine control of lighting and air-conditioning equipment enables us to operate with lower levels of energy use and loss. We then share these activities and best practices with our global production sites to promote lower CO₂ emissions.

We have also started to utilize renewable energy sources appropriate to the location of each plant site. Since 2005, we have installed 10 power-generating wind turbines on the grounds of Nissan Motor Manufacturing (UK) Ltd., which together provide about 7% of the electricity used at the entire site. In Japan, Nissan Motor Company is co-sponsoring the city of Yokohama's Y-Green Partner program for wind power generation. We are also adopting solar energy; Nissan Motor Iberica, S.A. in Spain has set up solar energy panels and Nissan Mexicana, S.A. de C.V. in Mexico has installed facilities to produce hot water by solar power. Nissan's target is to reduce CO₂ emissions by 7% below the fiscal 2005 level by fiscal 2010 as measured by "CO₂ emissions per global vehicle" (total emissions generated from global Nissan vehicle manufacturing sites divided by the total Nissan vehicle production volume). To achieve this, we are promoting CO₂ emission reduction activities and introducing Japan's cutting-edge energy conservation technology at our plants worldwide, while our plants in all countries also learn and share best practices with each other. CO₂ emissions per vehicle in our global manufacturing sites for fiscal 2009 were approximately 0.63 tons, a 10% reduction from the fiscal 2005 level.



Two Approaches for Logistics

For Nissan, which has markets and production sites around the world, transport efficiency is an important way to reduce our environmental impact. Logistics can be made more efficient through two major approaches. One is to raise the loading ratio, by increasing the amount that is carried at one time and decreasing the number of shipments; the other is to shift the transport mode from trucks to ships or trains, which emit less CO₂. At Nissan, we are working to reduce CO₂ emissions through an integrated approach.

In 2009, CO₂ emissions from our activities related to logistics amounted to about 87,000 tons in Japan. Overall, there was a decrease of some 1,000 tons of CO₂ from the previous year. We are now moving to monitor and control CO₂ emissions from transport in North America, Europe and other regions as we do in Japan.

More Efficient Delivery

Nissan has been sending its own trucks to take delivery of needed parts from suppliers since 2000, making it the first Japanese automaker to do so. This has enabled us to “visualize” waste during transport that had been hidden in the past. We have worked with suppliers to optimize the frequency of deliveries and transport routes and to improve packaging specifications, or the “mode of packaging.” The result is better loading ratios and reduced truck runs. We have already introduced this approach in China and Thailand, and as of May 2010 we are using it in our newly completed plant in India as well.

In Europe, we are conducting joint shipment of parts and completed vehicles in cooperation with our Alliance partner Renault. In joint shipments by ferry across the English Channel, we have also linked up with other automakers to further improve transport efficiency.

A huge number of parts of many different materials and shapes go into an automobile. We therefore put much effort into devising efficient modes of packaging. We have developed an original program to cultivate packaging design engineers, and we are now training them at production sites in Japan and other countries. As of the end of March 2010, 26 people from eight countries had completed this training. These specialists are contributing to further improving transport efficiency at the global level.

Modal Shifts

To increase transportation efficiency and reduce CO₂ emissions, we have reviewed our transport methods and are undertaking a modal shift from truck to maritime and rail transport. Some 60% of our completed vehicles in Japan are transported by sea. Parts shipments from the Kanto area to our Kyushu Plant are nearly all by rail and ship. The Japanese Ministry of Land, Infrastructure, Transport and Tourism has recognized Nissan as an outstanding enterprise for this modal shift to sea transport.

At our overseas sites, transport methods are selected to best match the local geographical conditions. In China, barge and rail transport have been used from an early stage for parts shipments to inland plants. We are also shifting from truck to rail and ship for completed vehicle transport, depending on the destination. In Mexico, we are increasing the proportion of completed vehicles that are transported domestically by rail.

EFFORTS AT OUR DEALERSHIPS AND OFFICES

Comprehensive Emissions Management

We are currently working to upgrade the Nissan Green Shop program implemented throughout Japan to introduce comprehensive CO₂ management measures at our dealers. (See page 21.) In fiscal 2008, based on Nissan Green Program 2010, we began managing CO₂ emissions from the business activities of Nissan dealers. Among our offices, the Nissan Advanced Technical Development Center in Atsugi, Kanagawa Prefecture, received the top “S” ranking in the Comprehensive Assessment System for Building Environmental Efficiency, or CASBEE, from Japan’s Ministry of Land, Infrastructure, Transport and Tourism. In October 2008, the same ranking was given to Nissan’s global headquarters in Yokohama City, which was completed in 2009. The “S” ranking certifies office buildings that conform to the highest level of environmental performance in Japan. CASBEE forms part of the Japanese government’s efforts to fulfill its obligations under the Kyoto Protocol by promoting energy-saving structures, and Nissan is helping Japan to meet its national environmental targets.

We have also begun managing CO₂ emissions from corporate activities at European business sites and the new Nissan North America headquarters in Tennessee, which was built with consideration for its environmental impact ahead of the global headquarters in Japan. We plan to strengthen our management of CO₂ emissions in many more countries and regions in the future.

Environmentally Friendly Headquarters

Nissan's global headquarters in Japan, which went into operation in August 2009, is an environmentally friendly facility that makes the best possible use of renewable energy, enabling significant CO₂ reductions and energy savings. The building makes active use of sunlight through its "curtain wall"—movable louvers that allow the entire building exterior to be made of glass—and five condensing lenses in the central channel of the building. Combined with a natural light control system, these ensure optimal lighting and reduce energy use. The distinctive louvers, which draw on the image of traditional Japanese bamboo blinds, control the amount of direct sunlight during summer and actively allow light in during other seasons, thus cutting the energy needed for climate control.

Dampers (on-off valves for the air conditioning) in the outside wall have sensors to detect wind speed and humidity, and they bring in outside air to reduce the energy needed for air conditioning. The energy needed for ventilation systems is reduced through the use of ascending air currents in the central channel of the building that provide natural ventilation.

The efficient use of renewable energy throughout the structure means that the new headquarters building is expected to emit approximately 3,800 tons of CO₂ per year less than our former headquarters (total for main building and annex of former headquarters: 14,000 tons/year).

WEB

Please see our website for more information on our global headquarters.

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

Protecting the Environment

Protecting the Air, Water and Soil

Our lives depend on a balance within the ecosystem composed of air, water, soil and other living beings. At Nissan, we are working to reduce the environmental effects of our vehicles throughout their lifecycles so that we may hand down a healthy global environment to future generations. We are making this approach a new part of our values as we continue to develop and champion environmentally friendly technologies.

Promptly Adapting to National Regulations

The impact of automotive products on the environment comes primarily in the usage stage in the form of emissions. Countries around the world are implementing stricter regulations covering these exhaust emissions. In particular, governments are expected to bring the regulations on diesel vehicles, which offer an effective means of reducing CO₂ emissions, into line with those now covering gasoline vehicles. In addition, China and other emerging countries are now moving toward closing the time lag in implementation of exhaust regulations as stringent as those seen in Europe and North America. Efforts are being strengthened in each country to limit the use of environment-impacting substances in vehicle materials and help minimize the release of formaldehyde, toluene and other volatile organic compounds (VOCs) in vehicle cabins.

Responding to the demands of society to reduce our environmental impact as much as possible, we are progressively implementing and carrying out measures to address these issues as we expand our business globally. We have been quick to develop vehicles that meet the various environmental protection regulations in effect in the countries where we do business.

EFFORTS IN OUR PRODUCTS AND TECHNOLOGIES

Toward Cleaner Exhaust Emissions

Nissan proactively sets strict regulations and targets for the design and production of its vehicles with the aim of making them more environmentally friendly. Building on our research and development, in which we have set ourselves the ultimate goal of emissions as clean as the atmosphere, we are working to be a world leader in reducing exhaust emissions with the early introduction of vehicles that meet emissions regulations in each country.

Our Sentra CA, released in the United States in January 2000, was the first gasoline-powered car in the world to receive Partial Zero Emissions Vehicle (PZEV) certification in compliance with the emissions requirements of the California Air Resources Board (CARB). PZEV vehicles must meet the zero evaporative emission regulations as well as have an on-board diagnostic (OBD) system that warns of problems with the catalytic converter or other emission-control systems. Our Bluebird Sylphy, released in Japan in August 2000, became the first vehicle to gain certification from the Ministry of Transport (now the Ministry of Land, Infrastructure, Transport and Tourism) as an Ultra-Low Emission Vehicle (U-LEV) producing 50% less nitrogen oxide (NO_x) and non-methane hydrocarbon (NMHC) than the 2005 emission standards level. In 2003, this model became Japan's first to receive SU-LEV certification as a Super Ultra-Low Emission Vehicle, with emissions at 75% less than that level. As of the end of February 2010, over 90% of all Nissan gas-powered vehicles sold in Japan are SU-LEVs.

Rolling Out Clean Diesel Vehicles

Nissan aims to stay ahead of the regulatory curve in the field of cleaner exhaust emissions with the development of new clean diesel vehicles equipped with such technologies as diesel particulate filters (DPFs) that trap and remove the substances that make up dark fumes, NO_x-absorbent catalysts and oxidation catalysts. In September 2008, we launched a manual-transmission X-TRAIL 20GT as the world's first clean diesel vehicle to meet Japan's 2009 Emission Regulations, which are among the strictest in the world. In 2010, we plan to introduce an automatic model in Japan.

World's First Ultralow Precious Metal Catalyst

Nissan is the first automaker in the world to put into practical use an "ultralow precious metal catalyst" for gasoline vehicles that uses only half the precious metals of conventional catalysts. The new 2008 model Nissan Cube incorporates this technology. Exhaust-cleaning automotive catalysts use such metals as platinum to facilitate chemical reactions that convert the nitrogen oxide (NOx), carbon monoxide (CO) and hydrocarbon (HC) in exhaust gases into less harmful byproducts. Controlling the use of large quantities of limited and costly precious metals, however, was a major technological obstacle. The Cube reduces the use of precious metals in the underfloor converter from 1.3 grams to 0.65 grams, achieving the same level as SU-LEV models. Plans call for the catalyst to hereafter be gradually incorporated in new compact models released in Japan. At present we are expanding our use of this catalyst.

Nissan's Tough Voluntary Standards

Stricter controls on the environmental impact of substances are being sought in countries around the world. Examples include the European End-of-Life Vehicles (ELV) Directive and the European Commission's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation, which went into force in June 2007. To help minimize the potential release of formaldehyde, toluene and other VOCs in vehicle cabins, the Japan Automobile Manufacturers Association has launched a voluntary program that calls for all new models launched in Japan from April 2007 to meet standards set by the Japanese Ministry of Health, Labor and Welfare for concentration levels of 13 compounds in vehicle interiors.

Nissan has steadily advanced efforts to meet these requirements. In an effort to reduce the potential release of environment-impacting substances, we have established voluntary standards to meet the environmental regulations enacted in countries where we do business. We are working on a global basis to prohibit or limit the use of four heavy metals (mercury, lead, cadmium and hexavalent chromium) and polybrominated diphenyl ether (PBDE) flame retardants in all new models launched from July 2007 onward. We are also reconsidering the parts and adhesives used in the seats, door trim, floor carpets and other parts of our vehicle cabins with the aim of reducing in-cabin VOCs.

Impact Reduction Throughout the Vehicle Lifecycle

Nissan believes that the timely delivery of vehicles equipped with effective environmental technologies at an affordable price is connected to reducing environmental impact. As such, we work to reduce environmental impact throughout the entire vehicle lifecycle, from development and manufacturing to usage and disposal. In the design and development stage, we utilize top-level catalytic technologies to develop cleaner vehicles.

As our procurement network for parts and materials expands globally, we have decided to standardize our environmental initiatives, producing the Nissan Green Purchasing Guidelines. In 2009, we began spreading the use of these guidelines to other operations in Asia. By sharing Nissan's corporate philosophy and environmental action plan with suppliers, we are working to build a management structure for reducing environmental impact all the way up the supply chain.

EFFORTS IN OUR BUSINESS ACTIVITIES

Reducing the Environmental Impact of Production

Nissan has taken a thorough approach to establishing a management system and usage standards to control environment-impacting substances in the manufacturing process, and is actively engaged in activities to reduce both usage and emissions of such substances. Keeping in step with the globalization of markets and parts procurement channels, we have instituted voluntary standards worldwide that are more stringent than the regulations in the countries where our main plants exist as we work together with our suppliers to reduce the use of environment-impacting substances.

For example, Japan revised its Air Pollution Control Law in fiscal 2006, outlining new requirements for VOCs to be met by fiscal 2010. Nissan complied with these requirements ahead of schedule by switching to water-based paints that include minimal amounts of VOCs, as well as by reducing the amount of paint and thinner used and collecting leftover materials, thereby improving production efficiency.

Protecting the Environment

Toward Sustainable Recycling of Resources

Nissan manufactures and markets its vehicles all around the world, utilizing resources in a variety of forms. In line with our basic stance of treating resources as limited, and believing that they should be used as efficiently as possible, we are working to make effective use of resources at every stage of our vehicles' lifecycles. In this way, we hope to continue contributing to the enrichment of people's lives with sustainable mobility.

Promoting Recycling in Every Region

The average passenger vehicle, which weighs from 1 to 2 tons, is constructed of finite materials, including iron, aluminum, copper and synthetic resin. It also consumes fossil fuels once it is on the road. Nissan is keenly aware of the importance to its business of making effective use of all resources, no matter how common or rare they may be. We also conduct studies with leading researchers to obtain information on the environmental impacts of resource extraction that we should be aware of as an automobile manufacturer.

Nations around the world are taking steps to boost efficient resource usage. Japan and the countries of the European Union were among the first to regulate automobile recycling; the End-of-Life Vehicles (ELV) Directive came into effect in Europe in 2000, followed by an Automobile Recycling Law in Japan that came into force in 2005, promoting the creation of better recycling systems. Korea also brought into force a law mandating ELV recycling in 2008. Moreover, preparations are being made in China and other developing economies to cope with the expected dramatic increases in ELVs accompanying rapidly rising car sales there. Nissan is taking its own independent measures and making every effort to promote resource recycling globally, using the methods best suited to each area in which we do business.

Reduce, Reuse, Recycle

The Global Nissan Recycling Way is a guideline that we constantly keep in mind as we consider ways to recycle and implement them. Our basic approach in identifying and resolving issues is to employ the "three Rs"—reduce, reuse and recycle. Essentially, we aim to reduce the use of substances that will end up as waste, reuse what we can and recycle materials whenever possible. This is done throughout a car's lifecycle, which we have separated into four stages: development, production, sales and service and end-of-life.

Responding quickly to Japan's Automobile Recycling Law, which set a 95% recovery rate as the target to achieve by 2015, Nissan moved its own target up by five years, incorporating it into the Nissan Green Program 2010 (NGP2010). We hit this target in fiscal 2006, four years ahead of NGP2010 and nine years ahead of the legal requirement. We are now aiming to reach this 95% target on a global basis.

At the development stage, Nissan vehicles are designed to reduce their use of environment impacting substances and make them easier to recycle, with consideration even to the point of reducing automobile shredder residue, or ASR, created during recycling. To reduce reliance on nonrenewable resources, we also give consideration to the use of recycled plastics and other materials, as well as renewable biomaterials. Material reclaimed from bumpers exchanged in repairs is recycled for use in new vehicles. We are also examining the possibility of recycling material from ELVs for use in new vehicles, exploring methods to overcome the technical challenge of maintaining their quality. The Nissan LEAF, an all-electric, zero-emission vehicle scheduled for

The Global Nissan Recycling Way



launch in December 2010, will see expanded use of recycled material, including some from plastic parts recovered from ELVs. Nissan is planning to use recycled material from non-ELV sources as well, including home appliances and plastic bottles, and will continue to make effective use of limited resources.

Recycled Materials to Be Used in the Nissan LEAF



- Plastics recycled from ELV parts
- Plastics recycled from end-of-life home appliances
- Plastics recycled from unpainted bumpers
- Plastics recycled from painted bumpers
- Other recycled plastics
- Recycled PET fabric
- Other recycled fabric
- Vibration dampers with wood powder
- PLA and recycled PET fabric

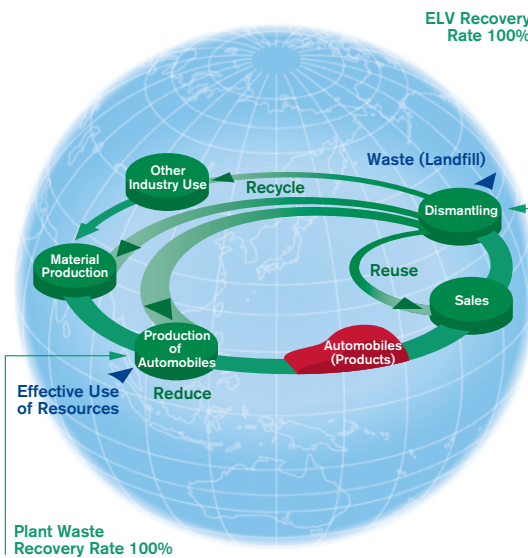
Note: The above is subject to change once production and sales are officially launched.

Nissan is working to reduce as much as possible the waste generated during the production phase, while also promoting reuse and recycling. Reused parts provide new value in the sales and service phase. Moreover, we research ways to make dismantling and recycling easier at the end of a vehicle's life. We then share the knowledge and techniques gained in this stage with people involved in the earlier phases of the lifecycle to improve the total process. Nissan places particular emphasis on recycling used cars into new vehicles to the greatest extent possible, rather than into other products, without sacrificing material quality.

Through such measures Nissan seeks to achieve an ultimate goal in the area of resource recycling of a 100% recovery rate* for all byproducts of its production and other business activities. We hope to expand our resource recycling approach through connections with different groups in society, as well as through partnerships with industries outside our own.

* The waste energy recovered and material recycled or reused, expressed as a percentage of total waste weight.

Resource Recycling Flows: Our Ultimate Goals



Auto Parts from Derelict Bamboo Groves

In an effort to reduce resource consumption in automobile manufacturing, Nissan came up with the idea of using bamboo harvested from derelict groves and culled in the process of thinning cultivated groves—a resource that has been difficult to dispose of in Japan—as material for car parts. We are currently working with local governments, universities and parts suppliers to develop techniques for effectively converting bamboo into useful material. This initiative will help us improve our carbon neutrality when the material is incinerated in the vehicle's end-of-life phase by emitting the same amount of CO₂ that the plants absorbed while they grew. It will also let us contribute to resolving the problem of dealing with derelict groves and fostering regional development.

EFFORTS IN THE DEVELOPMENT STAGE

Design Centered on Vehicle Lifecycle

Making efficient use of all natural resources to produce environmentally friendly vehicles is essential to the sustainability of our mobility society. Nissan designs and develops new vehicles from the point of view of the three Rs, taking into consideration the automobile's entire lifecycle, from the design stage until the end of its useful life. We seek to avoid the use of substances that impact the environment and ensure that our products are easy to dismantle and recycle. Since 2005, Nissan has achieved a recoverability rate of 95% or greater for all new models in Japan, and we are focusing development efforts on pushing this rate still higher.

Working together with our Alliance partner Renault, we have created a recycling simulation system called OPERA for use in the early design stages to calculate recoverability rates and recovery costs for new models. This has led to enhanced recycling efficiency from an economic standpoint as well.

Achieving a 95% Recoverability Rate with the Skyline



Parts that have generally been recycled

Parts that have been designed for recycling

EFFORTS IN THE PRODUCTION AND LOGISTICS STAGES

Thorough Measures for Waste Materials

Nissan actively promotes measures based on the three Rs in its production processes whenever possible, striving to minimize the waste generated and maximize recycling efficiency by means of thorough sorting of waste. In line with the objectives of our medium-term environmental action plan, NGP2010, we are working to achieve a 100% recycling rate for our operations in Japan and bring this rate to automotive-industry-leading level in each region. Our efforts have paid off; as of the end of 2009, we have achieved this 100% rate at five manufacturing plants, one operations center and five of our affiliates in Japan.

Reductions in Containers and Packaging Materials

To help preserve forest resources, Nissan has been moving forward with efforts to replace the wooden pallets and cardboard boxes used in parts shipping with units made from such materials as steel and plastic, which can be returned for reuse. We have been working with our Alliance partner Renault since 2001 to standardize and share our returnable pallets, and with the inclusion of China and other Asian markets in this initiative, global standardization is now nearly complete. We are also working with our suppliers to develop and adopt new packaging materials for shock absorbers that are more reusable and recyclable than the paper and plastic now used.

100% Recycling Rate Achieved at Mexican Assembly Plant

At Nissan Mexicana's Aguascalientes assembly plant a recycling rate of 100% was achieved in vehicle manufacturing processes in fiscal 2009. A target of 100% recycling rate by fiscal 2010 was set based on NGP2010, but this target was achieved one year ahead of schedule.

This plant had maintained a recycling rate of 99% in its production processes since 2006, but the remaining 1% was a major challenge. In addition to activities to separate waste, employees reviewed everything from food packaging to cup material from vending machines, reinforcing 3R activities in every aspect within the company. This was the first time for a production site outside Japan to achieve complete recycling of waste materials—not only plastic, metals and other materials discarded in production processes but also paper and organic waste from offices.

EFFORTS IN THE MARKET AND AT DEALERSHIPS

Nissan Green Shop Certification System

Nissan has implemented its own Nissan Green Shop environment management certification system in line with ISO 14001 standards at its dealerships in Japan, which totaled some 2,900 outlets belonging to 178 sales companies as of March 2010. Dealers certified as Nissan Green Shops designate officers responsible for environmental issues. These officers maintain dealer compliance with environmental regulations, ensure that ELVs and various forms of waste are disposed of properly, manage all environment-related equipment and carry out communication activities aimed at customers. We regularly conduct internal audits with the aim of improving the quality of operations. In 2008, we added new measures based on Nissan Green Program 2010 to reduce CO₂ emissions related to sales activities.

Sales of Nissan Green Parts

Parts with the potential for recycling include those reclaimed from ELVs as well as those replaced during repairs. In Japan, Nissan collects and thoroughly checks the quality of these secondhand parts, and those that receive a passing grade are sold through our sales outlets as Nissan Green Parts. We sell these parts in two categories: reusable parts, which are cleaned and tested for quality before sale, and rebuilt parts, which are disassembled and have components replaced as needed. Sales of these parts in fiscal 2009 reached ¥1.76 billion.

Reuse of Aluminum Wheels

Nissan is engaged in a unique recycling program to collect aluminum wheel rims from ELVs and recycle them as materials for new vehicles. While waste aluminum materials are usually recycled into engine parts, we work together with recyclers throughout Japan to collect rims from Nissan ELVs and put the recycled high-grade aluminum back to use in suspensions and other important vehicle parts. Striving to reduce the use of virgin natural resources, we presently collect and recycle around 140 tons of end-of-life aluminum wheel rims each month.

Dismantling Methods that Raise the Recovery Rate

To optimize processing and improve the recovery rate for ELVs, Nissan carries out experimental studies to develop more efficient ways of dismantling its cars. While such research has until now focused on establishing methods of processing waste oil, waste liquids, lead and other substances that impact the environment, we are presently moving ahead with research aimed at further increasing the recovery rate in order to reclaim and reuse valuable raw materials from ELVs. Feedback from the studies has led to improvements in dismantling techniques and has also proved useful to our product design division in choosing suitable materials and designing vehicles that are easier to dismantle.

Increasing Overall Industry Recycling Efficiency

Japan's Automobile Recycling Law, which was enacted in 2002 and went into force in January 2005, requires automakers to take back and recycle automobile shredder residue (ASR) and airbags, as well as to take back and dispose of chlorofluorocarbons and hydrofluorocarbons (CFCs and HFCs) from their ELVs. As part of its efforts to comply with the law and increase the efficiency of its resource recovery, Nissan joined with 13 automobile manufacturers and other firms to form the ASR Recycling Promotion Team (ART). As a leading member of this team, Nissan is working together with society to improve recycling efficiency throughout the industry.

Nissan's recovery rate in Japan for ASR from April 2009 through March 2010 was 81.7%, more than satisfying the 50% level mandated by the law for fiscal 2010 and even clearing the 70% requirement set for fiscal 2015. We have also achieved an airbag recovery rate of 94.4%, exceeding the legally required 85%, and have recovered and safely destroyed 176,963.4 kilograms of CFCs and HFCs.

Recycling Performance Overview

(Apr. 2009-Mar. 2010; Japan)

ASR	Volume Received	134,517.2 t
	Volume Recovered	109,852.4 t
	Recovery Rate	81.7 %
Airbags	Volume Received	70,814.3 kg
	Volume Recovered	66,837.5 kg
	Recovery Rate	94.4 %
CFCs/ HFCs	Volume Received	176,963.4 kg
Total Deposits Received		¥6,586,287,894
Total Cost for Recovery, etc.		¥6,295,394,414

Recovery of Shredder Residue

Even before the 2002 enactment of Japan's Automobile Recycling Law, Nissan was taking action to recover automobile shredder residue, or ASR. Nissan developed technology to control the temperature of ASR during the heat recovery process, which had been difficult due to the material's high heat index. After modifying the furnace at our Oppama Plant, in fall 2003 we became the first automaker in the world to recover energy from ASR in its own furnace. Since the Automobile Recycling Law went into force in 2005, we have processed about 5,500 tons of ASR annually. With the energy generated in the incineration, we create steam used in the vehicle painting process at the factory.

Protecting the Environment

Our Ecosystem and Biodiversity Approach

The United Nations Millennium Ecosystem Assessment report issued in 2005 concluded that the ecosystem services evaluated had degraded over the past 50 years. Humans have changed the Earth's ecosystems more rapidly and extensively than in any comparable period of time in history. Humankind depends greatly on a number of ecosystem services, including provision of food and fresh water, climate regulation and protection from natural disasters. Industry must recognize not just its impact on ecosystems, but also its dependence on these services. Companies today face the pressing need to balance between environmental preservation and economic progress as they pursue their business activities. In October 2010, Japan will host COP10, the tenth meeting of the Conference of the Parties to the Convention on Biological Diversity, and companies are expected to step up their efforts in this field. Nissan recognizes the impact of its products and corporate activities on ecosystems, and is moving forward with preservation actions on a global scale, in line with its own unique approach for sustainability.

Mobility and the Ecosystem

Nissan has carried out extensive studies on the relationship between mobility and ecosystem services through workshops with specialists in the field. We have cooperated with the United Nations University Institute of Advanced Studies, which played a central role in the U.N. Millennium Ecosystem Assessment, on the impact of mobility on the ecosystem and the benefits to humans of ecosystem services. In 2010, we will publish the results of this research, provisionally titled "Nissan's Mobility and Ecosystem Assessment."

Sustainable Use of Water Resources

Ensuring environmental sustainability is one of the seven Millennium Development Goals outlined in the U.N. Millennium Development Declaration, which was adopted at the Millennium Summit in September 2000. One of the Environmental Sustainability targets in the Development Goals is to "halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation." At Nissan we use water resources in our production processes and elsewhere, and are deeply aware of the importance of this issue. We are working to preserve water resources by reducing our water use and to continue reusing water to minimize discharge. For example, at our Oppama Plant in Kanagawa Prefecture, we carry out intensive purification of water used in production so it can be reused. At our global headquarters in Yokohama, we have installed recycling systems for treatment and reuse of graywater and rainwater in toilets and other facilities. In these ways we are reducing the amount of water resources we consume.

Working Locally to Preserve Biodiversity

The Nissan Technical Center and Nissan Advanced Technical Development Center in Atsugi, Kanagawa Prefecture, are located in the natural splendor of the Tanzawa-Oyama region. We are working to preserve the greenery that remains on the grounds of these centers, as well as to maintain the natural connections between these grounds and the natural environment that exists in surrounding areas.

At the Nissan Technical Center, for instance, we work to preserve the natural stands of forest growing on the grounds and to maintain the area's biodiversity by planting trees in areas affected by construction of the facilities. Various birds, wild deer and even troops of monkeys can be spotted on the grounds. The site is also home to a rare natural growth of a perennial orchid called *ebine* in Japanese, which is on the "Red List" of threatened species published by Japan's Ministry of the Environment. In recent years overharvesting of these flowers has pushed them to the brink of extinction in the wild. We are carrying out minimally invasive management of these flowers to preserve them in an undisturbed, natural state. The green areas near our facilities are used by local residents for both recreation and environmental education activities. Here we have set up a network of walking trails connecting a number of nearby parks; these trails have proved popular with adults and children alike.



A walking trail near our facilities



Infiniti M

Improving Safety

Aiming for a Society with No Traffic Accidents

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Improving Safety

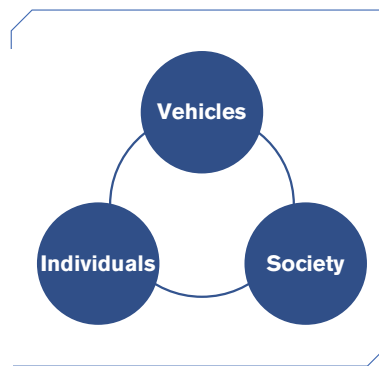
Nissan's Safety Approach

In addition to providing their users with comfortable surroundings, automobiles should function as a convenient, enjoyable mode of transportation that people themselves control as they travel to their destinations. Nissan aims to create cars that embody the “pleasure and richness of driving,” but we believe this must be based on a high level of safety. In addition to working to improve the safety of our vehicles themselves, we are carrying out development of Intelligent Transport Systems (ITS) that can help reduce accidents and traffic congestion and educational activities to help raise the safety consciousness of as many people as possible—not just drivers, but pedestrians and passengers in other vehicles as well. As an automaker, Nissan positions safety as a core aspect of its automobile development, alongside factors like the environment and energy efficiency.

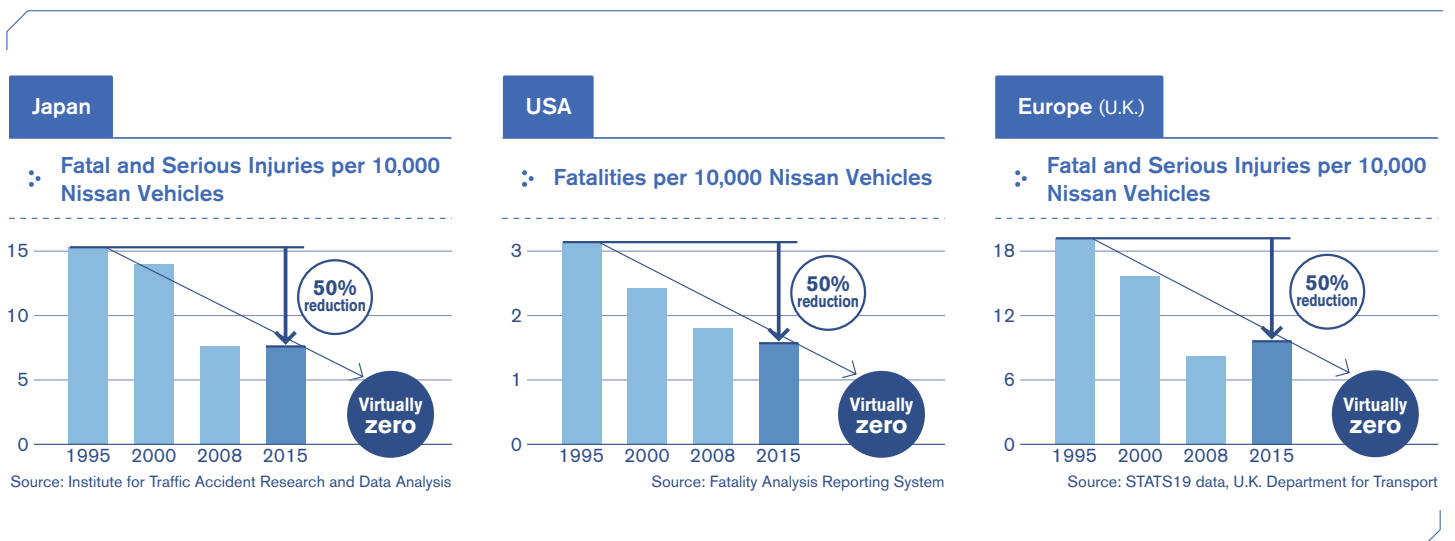
Nissan's Concept of Real-World Safety

Each year around 1 million lives are lost in traffic accidents around the world. In 2009 there were 4,914 accident deaths in Japan. This represented a drop of nearly 5% from the previous year, and the figure dropped below 5,000 deaths for the first time since 1952. However, work is still needed to help further reduce accident deaths.

Nissan's fundamental approach is to pursue safety in the real world. Based on this “real-world safety” concept, we are seeking to progress toward the ultimate goal of a world with virtually no accidents leading to death or serious injury. As a first step, we are working to reduce the numbers of fatalities and serious injuries involving Nissan vehicles to half of their 1995 levels by 2015. Toward this end we gather a wide range of data on traffic accidents and through scientific analysis identify accident causes and trends so that we can more effectively develop our safety technologies.



WEB Please see our website for more information on our safety activities.
<http://www.nissan-global.com/EN/SAFETY/>



The “Safety Shield” Concept

In its efforts to create safer automobiles, Nissan relies on the unique “Safety Shield” concept, which is based on the idea that cars should help protect people. The concept defines the conditions surrounding a vehicle in terms of six phases, from “risk has not yet appeared” through “post-crash,” and guides our active development of technologies to address each phase.



<p>Risk has not yet appeared</p> <ul style="list-style-type: none"> ▪ Distance Control Assist System ▪ Navigation-enabled Intelligent Cruise Control with full-speed range following capability ▪ Adaptive Front Lighting System (AFS) ▪ Around View Monitor 	<p>Helps the driver to maintain comfortable driving</p>	
<p>Risk has appeared</p> <ul style="list-style-type: none"> ▪ Lane Departure Prevention ▪ Lane Departure Warning ▪ 4-Wheel Active Steer 	<p>Helps the driver to recover from dangerous conditions to safe driving</p>	
<p>Crash may occur</p> <ul style="list-style-type: none"> ▪ Anti-lock Braking System (ABS) ▪ Brake Assist ▪ Vehicle Dynamic Control (VDC) 	<p>Helps minimize injuries when a collision is unavoidable</p>	
<p>Crash is unavoidable</p> <ul style="list-style-type: none"> ▪ Intelligent Brake Assist ▪ Front Pre-Crash Seatbelts 	<p>Helps minimize injuries when a collision is unavoidable</p>	
<p>Crash</p> <ul style="list-style-type: none"> ▪ Zone Body construction ▪ SRS Airbag Systems ▪ Front-seat Active Head Restraints ▪ Pop-up Engine Hood 	<p>Helps minimize injuries when a collision is unavoidable</p>	
<p>Post-crash</p> <ul style="list-style-type: none"> ▪ HELPNET (Emergency call service) 	<p>Helps minimize injuries when a collision is unavoidable</p>	

Improving Safety

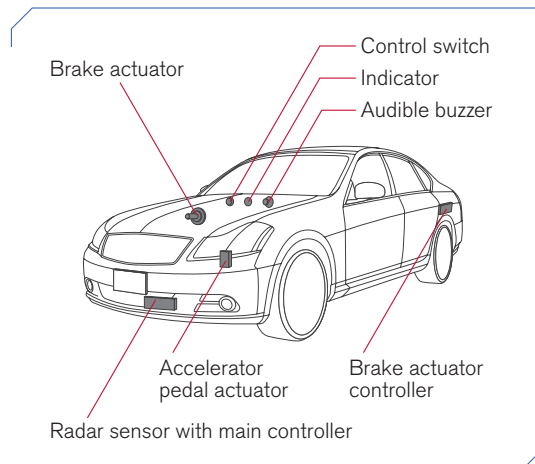
Developing Safety Technologies

Based on its unique “Safety Shield” concept, Nissan is working to develop automotive technologies from the perspective that people are at the center of the driving experience. Our focus is on solutions that help maintain distance from potentially dangerous conditions. We also provide technologies that aim to activate the vehicle’s onboard systems when a collision is unavoidable, thereby helping to reduce injuries.

Putting Drivers at Ease Behind the Wheel The Distance Control Assist System

Nissan’s Distance Control Assist System uses a radar sensor to calculate the distance between the car and the vehicle in front. Based on the gap and relative speed between the cars, the system then supports the driver by assisting with braking and pedal operations, thus helping to maintain a safe space between the vehicles. We first installed this system in the 2007 Fuga marketed in Japan.

We have also developed a world-first technology integrating the car’s navigation system together with these functions. Our new system can import data from the navigation system on upcoming curves in the road and help to apply the brakes gradually in preparation for them. When the driver continues depressing the accelerator pedal, the system provides support by lifting the pedal to assist the driver in switching to the brakes. The system also implements smooth deceleration when the accelerator pedal is lifted, helping make it easier to navigate curves. This upgraded system made its debut in the Fuga marketed in Japan in November 2009.



WEB See our website for more information on systems including our Intelligent Cruise Control with low-speed following capability and Adaptive Front-Lighting System (AFS).
<http://www.nissan-global.com/EN/SAFETY/INTRODUCTION/COMFORTABLE/>

Technologies in the All Around Collision-Free Prototype

Distance Control Assist
When the driver is approaching too close to the vehicle ahead, DCA helps the driver maintain an appropriate following distance.

Lane Departure Prevention
When the vehicle is veering off, LDP helps the driver return to its designated lane.

Blind Spot Intervention
When the driver decides to change lanes and an approaching vehicle is detected, BSI helps the driver prevent a potential collision.

Back-up Collision Intervention
When the driver starts backing up and objects are detected in the path of the vehicle, BCI helps the driver avoid a collision.

Lane Departure Prevention

Blind Spot Intervention

Our New Around View Monitor

The Around View Monitor system made its first appearance in the 2007 Elgrand. We later added the following three functions to this system, launching its upgraded version in the Japan-marketed Skyline Crossover in July 2009.

1. Front/rear wide-view function

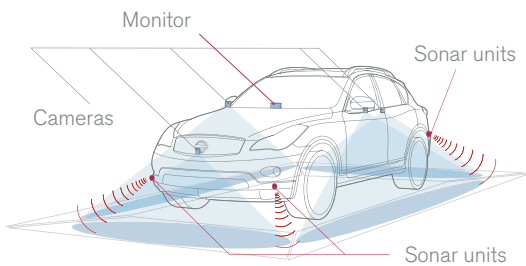
The monitor displays views covering approximately 180 degrees from both the front and rear cameras, helping the driver to check on other vehicles that may be approaching. This helps put the driver at ease when the car travels through blind intersections or exits a parking space. The rear wide-view function in particular is a world first.

2. Front wide-view function linked to the navigation system

After the driver registers a location on the navigation system's map, the monitor will automatically switch to front wide-view mode when the vehicle arrives at that location and comes to a stop. This lets the driver check for approaching vehicles more smoothly, without the need to manually activate the front-view camera. We hope this world-first technology will help to enhance users' peace of mind at intersections with poor visibility, for example.

3. Parking Guide function

This new function enhances our Around View Monitor, making it easier than ever to move the car in and out of garages or parking spaces. The driver can use the touch panel on the navigation screen to get an overhead view of the vehicle in relation to its surroundings, along with audio and visual guidance on parking maneuvers.



The system gives helpful views when backing into a space.

The Parking Guide system gives the driver an intuitive feel for the vehicle's position while parking.

An illustration showing a blue car in a parking lot. The car is surrounded by other vehicles. Red arcs represent the sonar's range. A blue arrow indicates the car's movement path into a parking space. The diagram shows how the system provides a 3D-like perspective of the car's position relative to its surroundings.

When parallel parking, the driver can simultaneously check the car's rear, side and curbside front views.

An illustration of a blue car performing parallel parking. The car is positioned between two other vehicles. Red arcs represent the sonar's range. Blue arrows indicate the car's movement path. The diagram shows how the system provides simultaneous views of the rear, side, and curbside front views during parallel parking.

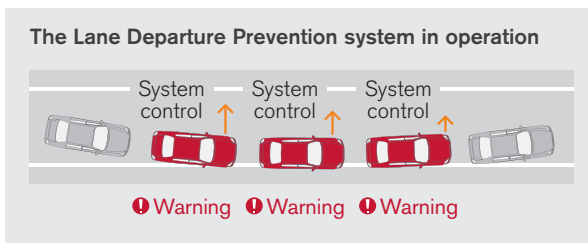
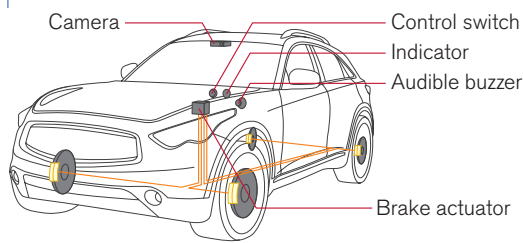
Auto Headlights

The number of accidents involving death or serious injury rises in dim light and rainy conditions. Our lighting system automatically turns on the vehicle lights when external light dims or when the wipers are turned on. By helping improve the car's visibility to nearby pedestrians and drivers, this system helps to reduce accidents. It made its first appearance in the Cube launched in Japan in November 2008.

Helping Recovery from Dangerous Conditions to Safe Driving
Lane Departure Prevention

This system helps the driver return the vehicle to its designated travel lane when the vehicle is drifting out of the lane. A camera unit installed behind the rear-view mirror detects lane markers in front of the vehicle and calculates its position relative to them. When the system judges that the car may unintentionally leave its lane, it alerts the driver with visual and audible warnings and briefly activates the brakes on one side of the vehicle to assist the driver's efforts to return to the lane center. We rolled out this system in the Skyline Crossover launched in July 2009 and the Fuga that went on the Japanese market in November that year.

WEB
 Our website has additional information on our safety systems.
<http://www.nissan-global.com/EN/SAFETY/INTRODUCTION/RECOVER/>



Blind Spot Intervention

Nissan's Blind Spot Intervention system goes into action when the vehicle approaches the lane markers while another vehicle is detected in the blind spot area. Sensors installed on the sides of the car detect vehicles in the adjacent lanes, and the system alerts the driver with audible and visual warnings. The system also generates a force to help the driver keep the vehicle traveling in its lane.

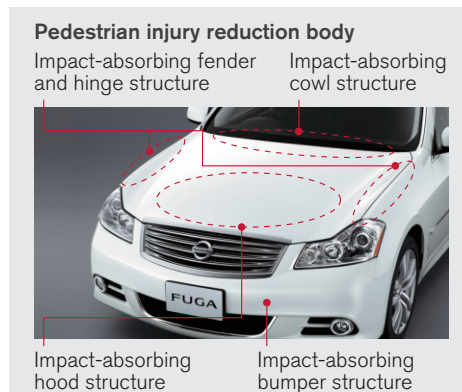
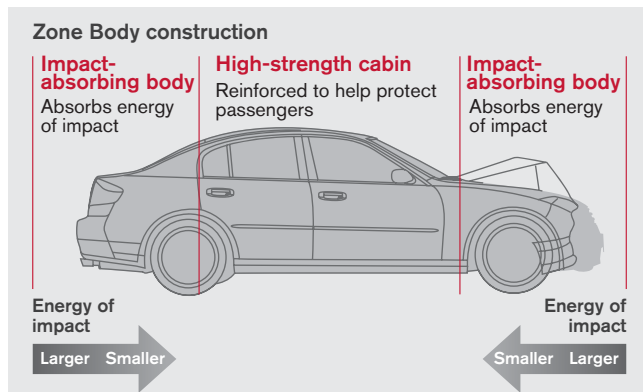
Back-up Collision Intervention

When the vehicle is in reverse, such as backing out of a parking space, Back-up Collision Intervention goes to work. Sensors mounted on the rear and sides of the vehicle are used to detect vehicles and other obstacles in the car's path. If an object is detected, an alarm sounds and then the brakes are activated to help the driver avoid a collision.

Helping Reduce Injuries When a Collision is Unavoidable
Zone Body

Nissan's Zone Body construction technique creates separate zones in a car: the impact-absorbing body structures and the high-strength cabin that helps to protect the car's driver and passengers. At Nissan we ensure that our body structures conform to safety regulations in Japan and the other markets where our vehicles are sold. We also constantly evolve our designs based on comprehensive analysis of actual accidents. We give thought to pedestrian safety as well in our designs, making use of shock-absorbing structures that help to reduce pedestrian injuries in case of an unavoidable collision.

WEB
 For detailed information on technologies including our Intelligent Brake Assist, brake-operated pre-crash seatbelt system, SRS curtain airbags and Active Head Restraints, please see our website.
<http://www.nissan-global.com/EN/SAFETY/INTRODUCTION/UNAVOIDABLE/>



Our Seatbelt Technologies

The seatbelt is a fundamental mechanism for increasing the safety of drivers and passengers in a car. Statistics from Japan's National Police Agency show that when seatbelts are worn, they can reduce accident deaths and serious injuries to one-sixth the rate for front-seat passengers without seatbelts, and one-third for rear-seat passengers.

Nissan has made active efforts to promote the wearing of seatbelts. Our low-friction seatbelts use an irregular herringbone weaving process to create softer webbing, thereby improving seatbelts' ease of extension and comfort.

This technology helps reduce friction by around 10% when the belt is pulled out and cuts the feeling of constriction by some 20%. We have also made the seatbelt buckles in our vehicles' rear seats easier to find and use by making them self-standing. The increased ease of use can help promote seatbelt use among rear-seat passengers.



Self-standing buckles help make seatbelt use easier for passengers in the rear seats.

Reduction in pullout force
 An approximately **10%** reduction from conventional seatbelts

Reduction in tightness
 An approximately **20%** reduction from conventional seatbelts

Improving Safety

Working Together with Society

In addition to focusing on its “Safety Shield” concept, Nissan believes that it is possible to create an even safer automobile society by using information from the traffic environment surrounding the vehicles on the road. We are working together with a wide range of governmental agencies, universities and other companies toward the eventual achievement of a safer, more pleasant mobility society making use of ITS—Intelligent Transport Systems that connect people, roads and vehicles via information.

Helping Reduce Accidents and Congestion with ITS

In October 2006, Nissan launched the ITS Project in Japan’s Kanagawa Prefecture. This project seeks to use Intelligent Transport Systems to create integrated networks of people, roads and vehicles, thereby helping to reduce traffic accidents and ease road congestion. The ITS Project aims to gather and use information on nearby vehicles and the traffic environment surrounding a car in order to help reduce accidents involving other parties that can be difficult for a driver to see and react to.

We are building on the results of the ITS Project with our development of the brand-new Driving Safety Support System (DSSS). This will be an ongoing project promoted by Japan’s National Police Agency and the Universal Traffic Management Society of Japan, an organization operating under its aegis. It uses the latest ITS technologies, such as optical-beacon communication tools to connect vehicles and the network of roads, with the aim of reducing traffic accidents. At intersections with reduced visibility, roadside infrastructure communicates with vehicles to deliver information to drivers via onboard navigation systems, warning them of dangers like crossing collisions and helping make sure they notice stop signs, signals and vehicles stopped at lights. The Fuga marketed in Japan in November 2009 was the world’s first to be outfitted for this system. (As of this date there were no DSSS beacons in operation, but the NPA is scheduled to announce the system’s operational locations in time for its formal launch.)

Combating Drunk Driving

Traffic accidents caused by drunk driving are an issue of deep concern to society that grows more serious each year. Nissan is taking active steps to help do away with this problem. In August 2007, working with the city of Kita-Kyushu, Fukuoka Prefecture, the Tochigi prefectural government, the town of Kaminokawa in Tochigi and the city of Atsugi in Kanagawa Prefecture, we began trials of a system to help prevent drunk driving.

Nissan has also carried out joint research with the University of Occupational and Environmental Health in Kita-Kyushu on the physiological, psychological and behavioral effects of alcohol on the human body. This research is aiding our development of technologies to quickly and accurately detect the errors and abnormalities in vehicle operation under the influence of alcohol. Other Nissan approaches to help reduce drunk driving include a function added to our Carwings navigation system in Japan that displays warnings against driving under the influence during the most common hours for such behavior, with the aim of increasing driver awareness of the danger of getting behind the wheel after consuming alcohol.

Improving Safety

Our Traffic Safety Activities

A truly safe automobile society cannot be achieved through technology alone. To create a better mobility society in the future, it is important to ensure that as many people as possible, including drivers and passengers in vehicles as well as pedestrians outside them, share an understanding of road safety. Nissan takes part in educational activities to boost this safety awareness, measures to improve drivers' skills behind the wheel and a range of other safety promotions, with the goal of one day reducing the numbers of fatalities and serious injuries caused by traffic accidents to practically zero.

Our Hello Safety Campaign

Each year since 1972, Nissan has carried out its Hello Safety Campaign activities as part of nationwide traffic safety campaigns. In fiscal 2009 we focused on three areas, delivering messages to children and their guardians and to senior citizens: "proper use of seatbelts and child safety seats in all seats of the vehicle," "traffic safety education to raise awareness of dangers in daily life and ways to avoid them" and "eradicating drunk driving."

We created storytelling picture cards and delivered them to traffic safety instructors around Japan in April 2009. We also worked together with driving schools to distribute educational traffic safety cards as part of our efforts to help prevent accidents in all the nation's regions.



We gave sets of safety picture cards to kindergartens around Japan.

Safety Education in Korea and the Middle East

Last year Nissan Middle East FZE produced a booklet titled "Be Safe with Nissan" to help children learn about safety on the road in an enjoyable way. This was followed with a website based on the booklet, launched in October 2009, that uses puzzles, pictures for coloring and other features to make learning online fun as well. The website shares easy-to-understand information with elementary school students in Arabic, English and French.

Nissan Korea Co., Ltd. launched its Nissan Kids Safety Campaign in April 2009. This campaign features similar content to that of the Middle East project and uses a website and booklets to educate children on traffic safety.



Children around the Middle East received copies of our safety booklet.

Promoting Accident Prevention in China

Traffic safety has become an increasingly important issue in China, which is seeing a rapid increase in the number of automobiles on the road. In 2005 Nissan (China) Investment Co. hosted the first Nissan Safe Driving Forum, a program to improve drivers' skills and safety awareness, in cooperation with the China Road Traffic Safety Association. In fiscal 2009 forums were held in September and October. Many customers, government officials and media representatives attended the forums, which featured programs for learning braking, cornering and other driving techniques from qualified instructors, contributing to deeper understanding of traffic safety. Programs for eco-driving skills were also included.

The company also designed a contest to test Chinese high school students' knowledge of traffic safety issues. 2009 marked the fourth year for the event, which aims to increase interest and awareness of safety issues among young people, the drivers of tomorrow. In addition to taking simple quizzes on basic traffic rules, automotive safety devices and environmental issues, participating students made their own presentations on automotive and traffic safety. Nissan will continue its efforts to help prevent traffic accidents.



Chinese drivers got to test airbags and other safety features at the forum.



Juke

Enhancing Value for Stakeholders

Realizing Sustainable Development for People and Society

For Our Customers 052

With Our Shareholders and Investors 056

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Enhancing Value for Stakeholders

For Our Customers

The rating of a car and the value of an auto manufacturer's brand come entirely from the customer's appraisal of quality. At Nissan, we view "quality" as a multifaceted concept covering every single situation involving Nissan customers and their vehicles. To ensure overall advances in quality we make continual inspections and improvements in all areas with the aim of providing the products and services that consistently give maximum satisfaction to our customers.

WORKING TO IMPROVE RELIABILITY

Comprehensive Improvement Through "Quality Leadership"

There are many aspects to the single word "quality." We consider anything involving our vehicles to be connected with this concept, from the condition of a vehicle and the customer's impression of the showroom salespeople's service to even the creation of a working environment in which every single Nissan employee can find fulfillment.

Nissan has established the four categories of "product quality," "perceived quality and attractiveness," "sales and service quality" and "quality of management," with the goal of becoming the auto industry leader in each category.

In April 2008 we launched the Nissan Excellence Program. Specific objectives and measures for improvement to be achieved by 2012 in each of the four categories are set out in our "Quality Leadership" program, and the company is united in its efforts to effectively improve quality in these categories. In our aim to become the leader in overall quality, we will continue to inspire trust and ensure satisfaction in all situations involving Nissan customers and their vehicles.

Product Quality: The Basis for Customer Trust

Product quality is the fundamental quality that allows our customers to enjoy years of safe, comfortable driving. We believe it is the customers who judge product quality. In order to improve product quality, we have set the goal of reaching the top level in the quality indices used by third-party organizations that most influence customers in the marketplace.

To implement improvements within Nissan via a faster cycle, our objective is to halve all of the following by 2012: the number of warranty claims that arise within three months of purchase, the incident rate of supplier parts, the breakdown rate (the rate of breakdowns on the road such that the customer judges that the car can no longer be driven and calls for road service) and the lead time from the occurrence of an incident to the preparation of countermeasures.

We aim to provide cars with a high level of customer satisfaction by paying careful heed to the increasingly diverse needs of our customers. To help us do this, we set up Field Quality Centers (FOCs) at development bases in Japan, Europe and the United States in 2007. These centers collect as many incident parts as possible, and they work with our design and production divisions and our suppliers to locate the cause of the problems and rapidly come up with solutions. We have also launched FOCs in China and India, and plan to open more in the future.

These efforts will ensure steady improvement of our product quality.

Perceived Quality and Attractiveness: Keys to Satisfaction

Perceived quality is the quality that customers feel when seeing, touching and using a vehicle. For example, when customers come to the showroom they open the vehicle doors, sit in the seats and check things like the texture of interior fittings. Nissan is carefully analyzing and quantifying what makes people perceive something they handle to be good, and has the goal of more than half of all Nissan models being at the top of their class in terms of perceived quality across all market segments.

However, the feeling of quality is a subjective matter, and fixing quantified criteria calls for very careful investigation. Nissan evaluates cars using the opinions of numerous in-house product monitors and specialists with in-house training. We also survey customers who have purchased or

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

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

are considering purchasing a Nissan car in order to fix criteria for quality evaluation from the customer's point of view.

While there is great diversity in customers' take on what quality means, we believe that culturing a better understanding of this will enable us to uncover common themes. On this basis, we are aiming for quality that will match as closely as possible the sensibilities of our customers.

Sales and Service Quality: Top-Level Customer Care

Sales and service quality means giving our customers the sort of care that exceeds their expectations when they purchase a car or bring it in for servicing, thereby enhancing the Nissan brand. We are aiming for the highest level of customer satisfaction in our main regions of Japan, the United States and Europe and in four other major countries. We are currently working on four key initiatives aimed at boosting our sales and service quality: improving the knowledge and skills of our sales and technical staff at sales outlets; ensuring service that is fully in line with our customers' expectations when they purchase a car or bring a car in for servicing; strengthening Nissan management systems to support the quality activities of dealerships and showrooms; and fostering a customer-oriented mindset among Nissan employees. These four initiatives will be pivotal to our continuous and consistent activities to maximize customer satisfaction. (See page 65.)

Quality of Management: Supporting Our Activities

Quality of management lets staff approach their work with a full understanding of company policy and with confidence in it. This employee understanding will help foster a sense of solidarity between them and management, leading to corporate growth. We are actively encouraging the understanding of Nissan strategies through direct communication, with initiatives that include opinion exchange sessions bringing the CEO or COO together with employees. (See page 59.)

As a way to improve quality of management we carry out attitude surveys of workers at the global level and publicize the results internally. These surveys aim for improved quality of management by bringing to light issues in all divisions and departments so that measures can be drawn up to resolve them. (See page 58.)

A Fair, Prompt Approach to Recalls

It is the primary responsibility of the manufacturer to make every effort to ensure that product incidents do not occur in the first place. Nonetheless, manufacturing cars is an extraordinarily complex process, and there are occasions in which an incident, or the possibility of one, can occur unexpectedly. Our approach is to make recalls transparent and to handle them fairly and promptly. The decision to make a recall is based on our compliance with relevant laws and our consideration of how the incident may affect the safety of our customers. 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.

Service and Support for Customers, Dealers

Nissan opened its National Customer Service Center (NCSC) in March 2008 in Japan to make qualitative improvements to the service support it offers customers and dealerships. The NCSC consolidates our customer support hotline, dealership vehicle repair support and service technical support functions, which were previously spread over different parts of the country. 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, collecting market data on incidents and acting as a center for customer inquiries. Initiatives adopted by the NCSC include collaboration with service technical support teams, digitization of product information and the introduction of a new call-handling system. Benefits include the provision of highly precise technical data and reduced waiting times for customers with telephone inquiries, resulting in an overall improvement in the quality of our response to customer inquiries.

DIVERSITY IN OUR SALES OUTLETS

Female Employees Meet Diverse Customer Needs

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 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.

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.

Bringing Mobility to All with Lifecare Vehicles

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 for customers who have such needs. As of the end of March 2010, in Japan there are 384 certified LV dealerships where customers can find these cars on display and a total of 5,882 advisory staff members who are specially trained LV experts. In this way we can respond to the needs of customers and offer the chance to test-drive LVs in every prefecture of the country.

Since 2003, we have also been carrying out an annual campaign of LV trial rides for families who have limited opportunities to get out and about, so that they too can experience the joy of mobility. In fiscal 2009 we gave trial rides to six groups of mobility-challenged people accompanied by friends or family members. Moreover, in March 2010 we invited children attending special-needs schools in the Kanto area, together with their family members, to touch and experience LVs directly, providing consultations at the Pacifico Yokohama.

DESIGNING FOR HUMAN HEALTH AND EXCITEMENT

Life on Board: Designing Cars Around People

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, we are working on developing layouts for even more comfortable driving.

We also pay attention to the comfort of the seats and the onboard air conditioning, putting our research and development efforts on optimal interior environments to use in new products. An example of this is our Forest AC air conditioning system. We took a scientific approach to development, examining breezes, humidity, fragrance and other components of a wooded area's environment, and developed the world's first air conditioning system that lets customers feel the refreshing air of a forest inside their cars. The Forest AC is installed in the Fuga, marketed in Japan in November 2009.

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.

Nissan has consolidated these initiatives into the "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.

Sharing the Passion of Motor Sports

Nissan takes part in a variety of motor sport activities around the world. These include Japan's most popular grand touring car race, the Super GT Series, and events abroad, such as the FIA GT1 World Championship and the China Touring Car Championship.

In 2006 we started the Nissan Driver Development Program, which fosters young drivers to support motor sports. During the 2010 racing season, Nissan is giving its support to six scholarship racers, aged 17 to 22, competing in championship racing in Japan.

Enhancing Value for Stakeholders

With Our Shareholders and Investors

At the heart of all Nissan's investor relations activities is a commitment to continual disclosure with stringent standards of transparency. We place the greatest importance on promptly providing accurate and detailed information on how we will implement our strategies, vision and management plans to enable institutional investors, analysts and individual investors to make optimal investment decisions. We also strive to maintain full communication with all our stakeholders and investors.

Global IR Activities

The aim of our global IR activities is to ensure an accurate understanding of our corporate activities through consistently making prompt and transparent disclosure. As part of our financial results reporting, we meet directly with our institutional investors every quarter and we respond to inquiries from analysts. Nissan also takes part in conferences held by securities companies and other events to report proactively on its business status. In order to further strengthen stakeholder and investor trust, we have increased the opportunities for direct dialogue with executive managers at investors' meetings and similar events, and we carry out transparent financial activities under the strict control of the chief financial officer.

Through timely and fair disclosure of information enabling shareholders and investors to make the best investment decisions, Nissan seeks to carry out sound IR activities that ensure the trust of the marketplace and contribute to a stable increase in value for shareholders.

110th Shareholders Meeting

The 110th Ordinary General Meeting of Shareholders was held at the Pacifico Yokohama on June 23, 2009, and was attended by 1,578 shareholders. The agenda included a report on the number of voting rights and an audit report, followed by an explanation of Nissan's business during fiscal 2008. There was then a question and answer session with the shareholders in attendance.

Communication with Stakeholders and Investors

Nissan carries out voluntary disclosure through a variety of IR events. We took part in the 2009 Tokyo Motor Show Investors Conference, which was aimed at domestic and overseas institutional investors, giving a presentation on the technology development and future vision of Nissan's electric vehicles. At the Nomura Investment Forum 2009, we gave presentations on our business results in fiscal 2009, an update of our status in China and our zero-emission leadership.

We regard our private investors as important partners in our business activities, and we have made strengthening and enhancing communication with them a vital cornerstone of our IR activities. To increase the opportunities to access information on Nissan and to disclose information promptly, we have a website for individual investors and an e-mail information service, "Nissan IR News" (both in Japanese).

Top in Disclosure for Three Years in a Row

In the 15th Awards for Excellence in Corporate Disclosure of the Securities Analysts Association of Japan, Nissan came top for the third year in a row in the automobiles, auto parts and tires category. These awards are made to improve levels of corporate disclosure, and winners are selected by analysts who use a questionnaire survey to assess companies' IR activities during the fiscal year. Nissan was well rated for its fair disclosure initiatives, its voluntary disclosure on corporate governance and business activities, and the proactive IR efforts made by its top management.

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Detailed information for investors is available on our website.

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

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Nissan's Japanese-language site for individual investors:

<http://www.nissan-global.com/JP/IR/INDIVIDUAL/>

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Register to receive "Nissan IR News," our Japanese-language e-mail bulletins:

<https://www.nissan-register.jp/irregister/>

Enhancing Value for Stakeholders

With Our Employees

The diversity of Nissan's employees is the driving force enabling us to meet the varied needs of our customers and to maintain sustainable growth. Our employees create greater value by sharing their knowledge, based on their individual experiences and different ways of thinking, in response to the various challenges we all face. For these reasons, we have made diversity a corporate strategy and strive to create an environment where all our employees—who numbered 169,298 at Nissan and its affiliates as of March 2010—can extend their individual talents to the fullest.

SUPPORTING CAREER DESIGN

Continually Improving Human-Resource Systems

A company's employees are its most important resource. So that both Nissan and its employees can reach their full potential, we constantly work to improve our human-resource systems. The evaluation-based remuneration system used to accurately gauge employee contributions is structured in a way that motivates them to set and achieve high goals. An employee's salary is determined through a combination of performance evaluations, which measure how well the employee achieved certain goals (commitments), and competency evaluations, which measure such intangible variables as technical skill, knowledge and attitude.

Support for Self-Designed Careers

Nissan believes that employees should "design their own careers" and actively assists their efforts to do so. Employees in Japan meet with their supervisors twice a year to discuss their performance and competency evaluations, as well as to express their ideas on how to proceed in their career path.

Employees in Japan also have the chance to take on the challenge of a new position through the Shift Career System (SCS) and the Open Entry System (OES). The SCS enables employees to apply for positions in other departments and work areas that interest them regardless of whether there is a position immediately available. The OES allows them to apply for all openly advertised positions. Around 250 employees applied for approximately 100 open posts during fiscal 2009, and roughly 80 of them were successful in getting the positions they applied for.

Fostering Specialized Skills

Helping employees develop specialized skills over the medium to long term is vital for a company to achieve sustainable growth. We introduced the Nissan Expert Leader System as a means of strengthening and fostering further development of specialized skills in a wide range of technical and nontechnical areas like purchasing and accounting. In fiscal 2009, the system's fourth year, we focused on 91 fields of specialization, designating 42 employees as Expert Leaders and 2 management-level employees as Nissan Fellows. The Expert Leaders and Fellows make use of their specialized knowledge to contribute to Nissan's business endeavors overall. In addition to sharing their knowledge with others via our corporate intranet and other communication tools, they contribute to the fostering of the next generation of experts by passing on their specialized skills in seminars and training courses.

CREATING A CULTURE OF LEARNING

A Variety of Learning Opportunities

As an organization that continues to grow through constant learning, Nissan supports employees' personal growth with a proactive, systematic approach to human-resource development. The act of learning is one in which people stretch themselves to develop skills that create value. We believe

that a corporate culture of learning cannot exist without the motivation to take part in this value creation. The Learning Navigation system on our intranet is one means of providing employees with opportunities for learning. This system lets employees search for information whenever they wish to develop specialized skills, receive training in management techniques, participate in e-learning programs or take distance-learning courses. The site is updated regularly to provide information our employees need to increase their skills and build their careers, meeting their growing thirst for knowledge.

Management Institute

The Nissan Learning Center Management Institute in Hakone, Kanagawa Prefecture, was established with the aim of cultivating human resources with the specialized skills and leadership qualities needed for future development. The institute contributes to the ongoing creation of Nissan value through a number of programs, including human-resource development seminars, which provide leadership training to pass on the company's accumulated experience and knowledge to the next generation; cultural diversity workshops; and our Consortium Program, in which we invite other global companies to take part in cross-industry exchange. Moreover, the leaders of our business activities around the world who have taken part in such programs as our Nissan Way Workshops are now active in educating fellow employees in the Nissan Way—the crystallization of experience and knowledge gained through our company's revival—demonstrating our commitment to promoting a corporate culture of learning.

Global Training Centers

With the globalization of production systems, manufacturers must ensure that all of their manufacturing sites maintain consistent standards of quality. Nissan established Global Training Centers (GTCs) at its Oppama and Yokohama Plants in Kanagawa Prefecture, Japan, and at its Sunderland Plant in the United Kingdom to educate trainers who share their knowledge at Nissan plants around the world. Trainees selected from among all employees at Nissan's production facilities worldwide are brought to the GTCs to take part in the company's Master Trainer Program. Upon finishing the program they are certified as Master Trainers and charged with instructing other employees at Regional Training Centers using a globally standardized curriculum and materials. As of the end of March 2010, 466 Master Trainers were hard at work passing on their technical skills to local employees at Nissan plants worldwide.

Nissan's accumulated know-how has been put into audio-visual form as an educational tool, available in five different languages, for global-standards training at GTCs. We also conduct "Nissan DNA" training seminars for all management-level employees at our production sites, working to strengthen skills that contribute to improved quality and lower costs and to foster the human resources that can carry out more efficient management of production operations.

INTERNAL COMMUNICATION

Employee Surveys

Nissan carries out surveys to get employee input and suggestions for improvements, using the results to help improve the company's management quality and employee motivation. From the results of these surveys, we identify the strengths of the company as a whole and those of individual divisions, as well as areas for improvement. We then work to make improvements that will lead to the creation of a better work environment for our employees and to continued growth for the company. The results of these efforts are analyzed for the company as a whole and for each region and department. Based on these analyses, each level of management formulates and carries out action plans tailored to specific needs. (See page 53.)

Enhancing Communication Tools

Nissan introduced a corporate intranet system called WIN (Workforce Integration @ Nissan) in 2005 as a tool to promote communication and information sharing. Since then we have continued to update the system with new technologies while encouraging employees to make active use of

this tool for internal communication and collaborative activities. We have expanded the WIN network beyond Japan, North America and Europe to include other markets and our major business partners. We also use internal newsletters and in-house video broadcasts to provide a variety of information to be shared by all employees at Nissan production sites around the world with no difference in time.

N-Square, a Tool for Employee Exchange

Nissan has introduced a new internal social networking service called N-Square as a communication tool for employees in Japan. This community-style website enables employees to create ties with each other based on shared interests, thus promoting improved information sharing and personal interaction within the company. With N-Square, employees of various positions and across departments can freely express and share their ideas and opinions with one another. The Land Glider concept electric vehicle shown at the 2009 Tokyo Motor Show was the realization of an idea expressed by an employee in an N-Square community called "This is the car I want."

Employee-Executive Exchange

Nissan holds opinion-exchange meetings involving executives and employees as a means of building trust through clear communication between these two groups, as well as among employees themselves. These meetings, held at Nissan's corporate headquarters in Japan as well as the company's business offices in China, North America and other parts of the world, give executives a venue for informing employees of the current situation of the company and delivering management messages. They also provide employees with opportunities to ask questions and voice their concerns in a direct and open manner. We plan to continue these meetings as an important channel for active communication. (See page 53.)

NISSAN'S RESPECT FOR DIVERSITY

Diversity as a Corporate Strategy

Fostering diversity is an important management strategy at Nissan. We established a Diversity Development Office (DDO) in Japan in October 2004 to play a principal role in this pursuit. Since then, we have been working with the human-resource divisions of our offices in North America, Europe and other markets in a variety of ways to realize our common goal of achieving sustainable corporate growth while respecting diversity. Moreover, we established a Diversity Steering Committee, headed by executives representing each business division, to set the direction and establish strategies for promoting diversity throughout the company.

The DDO aims to leverage workplace diversity for the company's competitive advantage by focusing on ways to make full use of the talents of female employees while also actively exploring ways to create higher value through cultural diversity, utilizing the cross-cultural nature of the Alliance formed with Renault in 1999.

Initiatives to Utilize the Talents of Women

Since fiscal 2004 the DDO has been concentrating its efforts in the following two areas as a cornerstone for utilizing the talents of female employees.



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Please see our website for more information on Nissan's diversity.
<http://www.nissan-global.com/EN/COMPANY/DIVERSITY/>

1. Women's career development

Diversity takes on different meanings in various regions of the world. In Japan, where the ratio of women in the automobile industry workforce has traditionally been low, the participation of women, particularly in positions of responsibility, is essential to providing diverse value to our customers.

Nissan is working to create an inclusive environment that encourages active participation from all employees, regardless of gender, and supports the career development of female employees. In addition to providing personalized support to female employees through individual counseling sessions with career advisors, the DDO works with Nissan's human-resource divisions to organize activities geared especially to female employees, including skill-development training courses and networking events. Moreover, interviews with senior female employees who are active in a variety of fields within the company are posted on the corporate intranet system to offer further encouragement.

Additionally, we are promoting ergonomic design of our equipment and work processes at our manufacturing plants to benefit female workers, who are generally smaller in stature and have less strength than men.

2. A work-life balance for employees

Nissan has implemented a system offering flexible working arrangements to enable employees to effectively balance work with family responsibilities, such as childcare and nursing of elderly relatives. Arrangements to help employees of both genders strike an appropriate work-life balance include "Family Support Leave," which allows an employee to take time off for a wedding, the birth of a child, child rearing or nursing care; special leave for women during pregnancy; reduced working hours and home-based telecommuting for employees to provide childcare or nursing care; and the establishment of a daycare center, called "March Land," in our Technical Center in Atsugi, Kanagawa Prefecture. Nissan has been recognized by the Japanese government as a corporation actively promoting childcare support, successfully implementing programs to achieve the goals set forth in the action plan of the Ministry of Health, Labor and Welfare based on an April 2005 law outlining measures to support the development of future generations.

Establishing a Community Supporting Work and Childcare

In May 2009, a new community site called "Work/Life Park" opened on our internal social networking website, N-Square, to help employees balance work and child rearing. Through the site, employees at our various operation sites can exchange useful information, such as how to respond in the case of a child's sudden illness or how to establish efficient work patterns. The community is very active, facilitating discussions among its more than 300 members, including supervisors with subordinates who work while also handling child-rearing tasks.

A Firm Grounding for Cultural Diversity

Nissan recognizes the need to make full use of the strengths and abilities of its multinational, multicultural family of employees in order to develop the company's business globally. We are working to leverage the synergy created through our cross-cultural Alliance with Renault, which not only recognizes and accepts cultural differences but also utilizes such differences to the full, to make cultural diversity our strength.

We organize cross-cultural training workshops to help employees better understand different cultures, thereby entrenching cultural diversity as a lasting part of our corporate culture.

Nissan's Diversity Mindset

Nissan has been holding diversity workshops in Japan since 2005 as part of the company's managerial training program. These workshops play an integral role in promoting diversity throughout the company by helping participants understand the importance of diversity, learn how to best utilize employee diversity and think about how diversity can be useful in the company's business activities. Moreover, executives post articles on the company intranet discussing their views on diversity as well as their own personal experiences. Having such regular, personalized messages from management encourages the development of a diversity mindset among our employees.

Enhanced Diversity in the Workplace (United States)

Nissan North America (NNA) is launching Business Synergy Teams (BSTs) to achieve business objectives, expand cross-functional interaction and assist with community outreach. The Women's BST, the first such group, was established in 2007 at NNA's Nashville headquarters. In 2009, this was followed by the Multicultural BST, which aims to enhance the company's consumer relations capabilities through cross-cultural communications and awareness. In its first year of activity, the MBST sponsored a local jazz festival, the International Black Film Festival of Nashville and other multicultural events. It also held internal seminars to promote understanding of Latino, Indian-American, African-American and other diverse cultures. The group also carried out publicity activities to celebrate the U.S. Black History Month, held in February each year.

SAFE WORKPLACES

Improved Production-Line Environments

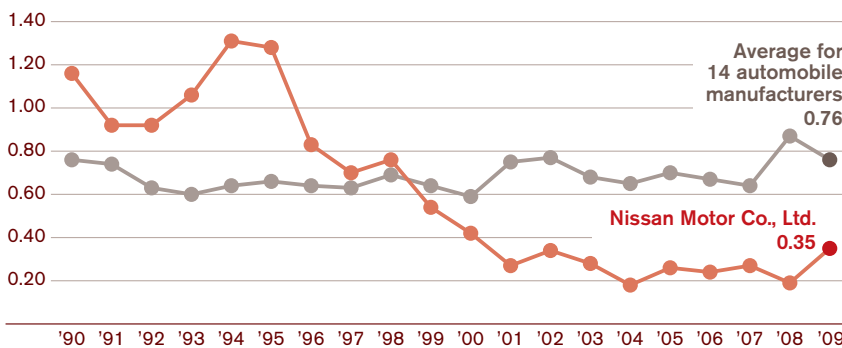
Nissan seeks to fulfill the company's mission of engaging in "human-friendly production" by improving the workplace environments of its manufacturing facilities worldwide through ergonomics—the science of designing the job, equipment and workplace to fit the worker. We took a big step in this direction by introducing methods pioneered by our Alliance partner Renault to objectively gauge the difficulty and physical burden of workplace tasks. Utilizing our shared know-how, we are working to promote practices aimed at reducing worker burdens and increasing productivity. One such example is the "strike zone" approach, which provides a line worker with easy physical access to all needed parts, reducing stressful body positions and wasteful movement in the production process. In creating an environment where all workers can concentrate on their tasks without undue stress, we are contributing to improved product quality and increased productivity.

Creating Safe Workplaces

Nissan employs its own safety management diagnostic methods, as well as a risk-assessment approach to workplace management introduced in fiscal 2004, to create a danger-free environment and prevent accidents through proactive inspections of facilities to identify potential dangers. We also bring trainees together from around the world to give them practical instruction in labor safety management.

In April 2007, we added "promotion of employee health" to the existing tenets related to occupational safety in our companywide declaration on workplace safety.

Trends in Occupational Accidents (Total Accident Frequency Ratio)



Total accident frequency ratio:
 $\text{total accident cases} \div \text{total working hours} \times 1 \text{ million}$
 Source: Statistics on occupational accidents in the automobile industry (The Japan Automobile Manufacturers Association, Inc.)

Specialized Mental Healthcare

Nissan has put together a specialized team led by a clinical psychiatrist to care for the mental health of employees in Japan. In fiscal 2005 we introduced a mental healthcare program, Advantage EAP (Employee Assistance Program), in cooperation with external mental healthcare specialists with the aim of providing employees with consistent care covering everything from prevention and early diagnosis to treatment and recovery. In fiscal 2007 we extended the program to include production-line workers, giving all employees in Japan and their family members access to mental-health professionals for consultations, diagnosis and counseling. We offer specialized care programs that respect employee privacy, such as the eMe mental health checkups, through which employees receive advice from the doctor via e-mail or letters. We have also been providing mental-health management training for managers to help them give emotional support to subordinates. In fiscal 2009 we changed this to a topic-specific program separated into "preventive measures" and "response measures," allowing managers to select the sessions that best suit their needs.

Our Response to New Influenza

In response to the wave of emerging virus strains sweeping the globe, Nissan published a new influenza prevention guide in fiscal 2008, presenting sanitary measures to prevent spreading the flu virus as well as the company's policy in the case of an outbreak. To strengthen our business continuity plan (BCP), in fiscal 2009 we also developed a guideline of conduct for Nissan employees worldwide outlining actions to be taken in the workplace and at home in the event of a flu outbreak. These guidelines have been widely publicized within the company to ensure that employees are well informed.

Managing and Preventing HIV/AIDS

The management of employee health is one of the most important factors in a company's sustainability. In 2003, Nissan South Africa (Pty.) Ltd. instituted its Employee Wellness Program (EWP) to provide comprehensive support for employees' mental and physical well-being. In addition to health consultations, the EWP includes measures for the prevention and management of HIV/AIDS, hypertension, depression, diabetes and other chronic conditions. With respect to HIV/AIDS in particular, the Workplace Program launched in 1999 has been followed by preventive education, voluntary counseling and testing, financial assistance to help cover treatment costs and other steps to stave off the disease's spread.

As part of its educational outreach efforts, in May 2009 NSA held its first Wellness Week. This successful event sought to boost health management awareness among all employees and contractors and to have them undergo health checkups. Furthermore, the company is providing some of the EWP services to employees' family members and residents of communities where many workers live, thereby contributing to local society.

Nissan North America offers employees support in this area by arranging insurance coverage for HIV/AIDS in addition to mental healthcare and substance abuse treatment. The benefit levels are among the most competitive in the industry.

Employee Health Promotion (United States)

Nissan North America (NNA) has introduced the LiveWell initiative to help employees manage their personal health. This is a free health improvement program open to all employees that provides support for reducing such health risks as stress and weight gain; preventing asthma, diabetes and other chronic diseases; and improving maternal health during pregnancy. Another component is consumer-driven health plans that allow NNA employees to take a more active role in managing their health, as well as providing an opportunity to save for future healthcare costs.

Enhancing Value for Stakeholders

With Our Business Partners

Together with its business partners, Nissan aims to achieve sustainable, profitable growth on a foundation of mutual trust. Rather than insisting solely on our own demands, we always strive to listen carefully to the ideas and suggestions of our suppliers and dealers from an equal footing. We place a special focus on working together with them as partners, developing cooperative relations that enable us to bring in best practices in order to stay ahead in the fierce competition of the auto industry.

WITH OUR SUPPLIERS

Nissan's Fair, Impartial Procurement

Nissan uses a fair, impartial and completely transparent business process when selecting suppliers. We provide a wide variety of opportunities for other companies to do business with us, regardless of their nationality, size or history with us. When making selections, the relevant Nissan divisions meet to examine from a range of perspectives the proposals that suppliers have given us. We explain our final decision to every supplier that has taken part in the selection process.

We make every effort to maintain the highest standards of impartiality and fairness in our business transactions, abiding by the Nissan Global Code of Conduct (item 4: Be Impartial and Fair). As well as maintaining close communication in our day-to-day dealings with suppliers, we also take heed of their ideas using questionnaires and direct meetings, checking our business practices from an external perspective.

Nissan works hard to promote correct business practices throughout the supply chain. We have disseminated internally a leaflet on guidelines for appropriate business practices in the automobile industry, focusing on the industry's principles of procurement and important points relating to subcontracting and antimonopoly law, and we hold briefings with our suppliers on these issues.

CSR Guidelines for Suppliers

The purchasing divisions of Nissan and Renault have produced a booklet, *The Renault-Nissan Purchasing Way*, outlining the important values and processes to be adhered to when doing business. This booklet has been shared with the primary suppliers of the Renault-Nissan Purchasing Organization since 2006. Since that time, our business activities have expanded rapidly in areas as diverse as Asia, Eastern Europe, South America and South Africa, while emissions reduction and other environmental issues have become the subject of increasing global focus. We are expected to work together with our suppliers, who are spread around the world, to put CSR into practice.

To address this situation, in 2010 we produced the *Renault-Nissan CSR Guidelines for Suppliers* and began distributing them to all global primary suppliers. Their aim is to help our suppliers review their business activities from a CSR viewpoint and further instill CSR activities. As well as setting out Nissan's CSR and procurement policies, the guidelines have sections detailing issues like safety and quality, human rights and labor, and the environment. In drawing up this document we made use of the CSR guidelines of the Japan Automobile Manufacturers Association, Inc. and the Japan Auto Parts Industries Association for reference. Both Nissan and Renault will continue working to further mutual understanding and trust and to build mutually beneficial relationships with them.

WEB

The Renault-Nissan Purchasing Way and Renault-Nissan CSR Guidelines for Suppliers are available for download from our website.

http://www.nissan-global.com/EN/COMPANY/CSR/STAKEHOLDER/BUSINESS_PARTNERS/

Working Together to Promote CSR Management

Nissan has business partners throughout the global markets, and our aim is to promote ethical, environmentally conscious business at all stages of the supply chain. We work together with our suppliers to promote enhanced CSR-based management, such as by having new suppliers submit written statements of commitment to preventing pollution and abolishing child labor and forced labor. We held a briefing on CSR and socially responsible procurement in 2008 for 170 suppliers, at which we explained Nissan's CSR policy and CSR procurement policy and our efforts in these areas. We asked suppliers to ensure rigorous compliance with laws and regulations and to strengthen their internal systems relating to CSR.

With measures that include the guidelines mentioned above, Nissan will continue to support the establishment of a CSR mindset among its suppliers.

Enhanced Communication with Suppliers

The Renault-Nissan Alliance held its first ever suppliers' meetings in Paris and Yokohama in March 2010 in order to explain directly the Alliance purchasing objectives and strategy from fiscal 2010 onward. The meetings, hosted by the Renault-Nissan Purchasing Organization, were attended by some 1,200 people from around 800 suppliers. At the meetings, Renault and Nissan executives explained the companies' guidelines and strategy for the medium to long term and took questions from the suppliers' top managers.

In addition, Nissan has held monthly production plan briefings since December 2008 to keep suppliers up to date on production and sales information in the rapidly changing market environment. We are working to boost our communication activities to further enhance the relationship of trust with our suppliers.

Activities to Improve Manufacturing Approaches

Nissan has been working to continually produce more competitive products through its Monozukuri Activities, a collaboration among suppliers and Nissan that commenced in 2008.

Since 2009, we have been expanding these activities through our Thanks Activities initiative, in which the groups work together to improve product quality, reduce costs and streamline production with an emphasis on trust and cooperation between Nissan and its suppliers. We held a briefing in January 2010 to share the details and the benefits of the activities with a large number of suppliers, thereby helping the activities to become more deeply ingrained. The briefing was attended by some 350 people from around 200 companies.

With the goal of working together to become cost leaders in today's adverse markets, we are further strengthening the Thanks Activities to increase production volume per part, promote localization and improve logistics.

Recognizing Supplier Contributions Worldwide

Each year Nissan recognizes the contributions of its suppliers with awards presented in each of the regions where we operate, as well as with two worldwide supplier awards, the Global Quality and Global Innovation Awards. These are presented to suppliers that have contributed to our business performance at the global level.

Global Quality Award recipients are selected by our purchasing, quality and other divisions using standard criteria applied worldwide. Global Innovation Award recipients are selected from suppliers nominated by our production, development and quality divisions in the two categories of product technology and process management. In fiscal 2009, three companies received Global Quality Awards, and Global Innovation Awards were awarded to two companies in the product technology category.

Nissan hopes that this awards system will encourage suppliers in the global supply chain to embrace our management approach, which balances the economic activities of quality, cost reduction and technological development with environmental concern and social responsibility.

WEB

Please see our website for more information on the quality initiatives we undertake with suppliers.

http://www.nissan-global.com/EN/QUALITY/GLOBAL_SP/

Global Rollout of Our Green Purchasing Guidelines

Nissan set out environmental standards for its suppliers of vehicle parts and materials in the Green Procurement Guidelines in 2001, asking suppliers across Japan to cooperate by reducing their environmental impact. We expanded this coverage to include suppliers worldwide in fiscal 2007, and in 2008 we reissued the guidelines as the Nissan Green Purchasing Guidelines. We have asked our primary suppliers to comply with the new guidelines, and we are promoting management of environment-impacting substances and continually reducing their use throughout the supply chain, including the sources from which our suppliers procure goods. At the end of 2009, 90% of our domestic suppliers had acquired certification under either ISO 14001, an international environmental management standard, or Eco Action 21, an environmental evaluation program set up by the Japanese Ministry of the Environment.

In fiscal 2008 we advanced the Nissan Green Purchasing Guidelines in the European region, and in 2010 we updated them in line with the *Renault-Nissan CSR Guidelines for Suppliers* and set about explaining them to encourage even greater efforts toward environmental management.

WEB

The Nissan Green Purchasing Guidelines are available for download from our website.

http://www.nissan-global.com/EN/COMPANY/CSR/STAKEHOLDER/BUSINESS_PARTNERS/

WITH OUR DEALERS

The Nissan Sales and Service Way

Nissan has established the Nissan Sales and Service Way (NSSW) as a set of global guidelines helping dealers to better respond to the individual needs of customers, seeing things through their eyes to provide professional, high-value service. We conduct various activities to increase customer satisfaction and to improve our sales and service quality based on these guidelines. These activities include dealer training to improve product-related knowledge, service skills and customer care, as well as the provision of guidance to improve dealership operations in response to customer satisfaction surveys. We are also developing personnel and systems to put these improvements into place and enhance the customer focus of our job process, with care given to the voices of customers collected through our call centers and other means.

Nissan carries out these initiatives globally while keeping in mind differences in cultural conditions and customs across countries and regions. In this way we seek to provide the best customer service during the purchase and ownership experiences, as well as in other areas. (See page 53.)

Working with Dealers for CSR Management

To promote consistency in the CSR management approaches taken by Nissan and its dealers, we carry out activities on an ongoing basis aimed at helping dealerships in Japan enhance their compliance. As a specific measure, we organize self-inspection programs at all dealerships to grasp their current compliance management status and bring about improvements. These programs have led to increased awareness and improvements on a voluntary basis. To bolster dealers' own initiatives in this area, we also held a meeting in September 2009 for dealership representatives to share information on recent trends in compliance.

Nissan aims to further improve its CSR management by ensuring its sense of compliance is shared with dealerships and working to build stronger internal controls.

Enhancing Value for Stakeholders

With Society

In line with its vision of Enriching People's Lives, Nissan's desire is to provide attractive products and services to customers worldwide while at the same time fulfilling its responsibility as a corporate citizen to help realize a sustainable society. As a member of the global community, we engage in a variety of social contribution activities supporting the creation of a better world.

WEB ::::::::::::::::::::

Please see our website for additional details about our corporate citizenship activities.

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

OUR WORK AS A GLOBAL COMPANY

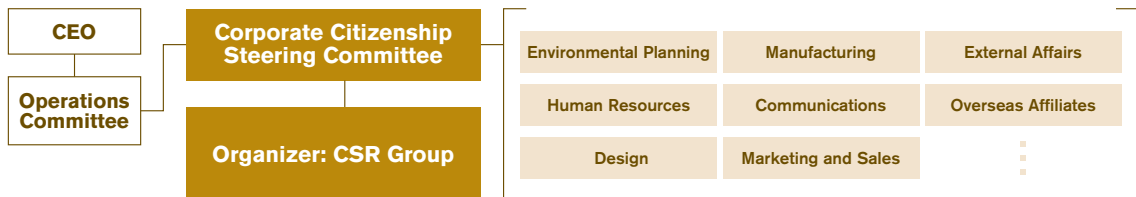
Unique Social Contribution Activities

To fulfill its role as a corporate citizen and contribute toward a sustainable society, Nissan carries out social contribution activities, mainly in the fields of education, environmental awareness and humanitarian relief. The Corporate Citizenship Steering Committee, a companywide organization comprising executives and staff in charge of social contribution activities, oversees the development of these activities to ensure consistency, sharing the company's vision across its global network while also fitting the needs and circumstances of each country or region where the activities are implemented.

Nissan is working to build stronger ties with local communities where its offices and plants are located not only through economic measures like job creation, but with various other activities as well. In addressing issues that go beyond country or region, we balance a global vision with the activities best suited to each community where we operate. We believe this enables us to make social contributions that are uniquely Nissan.



Organization of the Corporate Citizenship Steering Committee



Our Three Key Approaches

In our social contribution activities, we place great importance on the following points:

- 1. Fostering a spirit of voluntary participation among employees**
We do our best to support the social contribution activities carried out by individual employees and we encourage as many of our people as possible to get involved in the spirit of corporate citizenship, with the aim of contributing as much as possible to society through such activities.
- 2. Making the best use of our corporate strengths and qualities**
Some of our contributions are financial in nature, but we also aim to go beyond this by making full use of the resources built up through our business activities, such as our expertise and our facilities, to carry out sustainable activities.
- 3. Cooperating with specialized NPOs and NGOs**
Nissan continually looks for ways to develop highly specialized programs to work with nonprofit and nongovernmental organizations in order to make its social contributions all the more effective and productive.

ACTIVITIES AROUND THE WORLD

Fostering the Joy of Reading

Access to quality books from an early age is very important to children's creative and emotional development. Nissan partners with the International Institute for Children's Literature, Osaka, to organize the Nissan Children's Storybook and Picture Book Grand Prix. Started in 1984 to introduce children to richly imaginative storybooks and picture books, this writing competition seeks to encourage the production of creative literature for children by amateur authors. Entries are received from across Japan, and have included numerous outstanding works over the years. A total of 2,666 works were submitted in fiscal 2009 for the 26th Grand Prix. In addition to publishing the prizewinning entries each year, Nissan donates through its dealerships copies of these works to about 3,400 public libraries and around 680 kindergartens across Japan. To date, we have donated upwards of 168,000 books.



Additionally, Nissan North America (NNA) supports the activities of the Governor's Books from Birth Foundation, which provides free books to children prior to their entry into grade school. Established in 2004 in Tennessee, where NNA is headquartered, the foundation seeks to encourage reading and education in the home. NNA provided financial assistance in the amounts of \$140,000 in fiscal 2008 and \$100,000 in fiscal 2009.

Nissan Volunteers Build Homes

Since 2006, NNA has been helping to provide low-cost housing to people in need, including those affected by natural disasters and poverty, through its partnership with Habitat for Humanity International. In 2009 Nissan renewed its \$1 million yearly partnership with the organization, sponsoring the construction of 12 new homes for the needy across the United States and Canada. Nissan also donated seven Titan pick-up trucks to help with the transport of building materials. Roughly 2,500 Nissan employees, including company executives, have participated in home building to date, working shoulder to shoulder with the residents of the new homes and sharing their joy when the work is complete.



Nissan Korea Co., Ltd. and Nissan Motor Co. (Australia) Pty. Ltd. have also engaged with local branches of Habitat for Humanity, supporting their activities through volunteering or vehicle donations.

Enhanced Traffic Safety Awareness

In October 2009, Nissan Middle East FZE launched a website to help children learn about traffic safety through puzzles, picture coloring and other fun activities. In April 2009, Nissan Korea started the Nissan Kids Safety Campaign to teach children about traffic safety.

Nissan China Investment Co., Ltd. has hosted the Nissan Safe Driving Forum annually since 2005 with the aim of increasing awareness of traffic safety and improving driver skills. (See page 50.)

ACTIVITIES IN JAPAN

School-Visit Programs

Nissan continued to carry out three different school-visit programs for children in the upper grades of elementary school during fiscal 2009: the Nissan Monozukuri Caravan, Nissan Design Waku-Waku Studio and Nissan Waku-Waku Eco School.

The Nissan Monozukuri Caravan is an original program designed to provide children with the opportunity to experience the enjoyment of *monozukuri* (crafting things), based on Nissan's experience and know-how as a manufacturer. Since 2008, the program has been expanded outside Kanagawa Prefecture to include schools in Tochigi and Fukuoka Prefectures. In fiscal 2009, 13,456 students from 204 schools participated in the program.

The Nissan Design Waku-Waku Studio is a unique work-experience class developed by Nissan in line with the objectives of the career education program promoted by Japan's Ministry of Education, Culture, Sports, Science and Technology. In this class, which was first launched in elementary schools in Kanagawa Prefecture in 2008, professional designers working at Nissan explain the vehicle-production process as well as their jobs as product designers.

Developed in cooperation with the nonprofit organization Weather Caster Network (WCN), the Nissan Waku-Waku Eco School aims to increase environmental awareness among children, the leaders of tomorrow. (See page 22.)



Support for Community Activities

In 2009 Nissan supported the Karuizawa Arts Festival, a classical music festival held in August each year to celebrate the cultural arts. We provided two X-TRAIL FCVs, our latest fuel-cell vehicle, for use in transporting performers during the event, and also exhibited and demonstrated a prototype of our new electric vehicle. Inspired by the organizing committee's aim to host an environmentally conscious event, which fits right in with our environmental philosophy, "a Symbiosis of People, Vehicles and Nature," we have been a supporter of the event for three years running.

In conjunction with the festival, an exhibition of works entered in the Nissan Children's Storybook and Picture Book Grand Prix was held at the Karuizawa Picturebook Museum. Other interesting programs, including a collaborative event involving a saxophone quartet performance at a children's book reading, were also presented.

Company Backing for Employee Volunteerism

Nissan supports the proactive citizenship activities of employees. The Nissan Financial Support Program for Volunteer Activities, introduced in 1996, is one way that we do so. With this program, Nissan pledges to match employee donations and to provide financial assistance when there are insufficient funds for employees to carry out volunteer activities or purchase the necessary supplies for such activities. We support a variety of undertakings, including visits to welfare facilities to share a hobby with residents, as well as activities related to environmental conservation or arts and culture. In fiscal 2009 we provided approximately ¥2 million for 15 projects.

The Nissan Cup Oppama Championship

In cooperation with local community groups, Nissan hosted the national wheelchair marathon Nissan Cup Oppama Championship 2009 at its Oppama Plant from December 4 to 6, 2009. Participants in the Beijing 2008 Paralympic Games were among the roughly 200 athletes who competed in this year's marathon, which marked its tenth anniversary. Approximately 500 volunteers, including Nissan



employees and local citizens, work together as route marshals and water-station staff for the event, which since its start in 2000 has sought to invigorate the local community, to foster awareness of sports for the disabled and to help competitors further improve their abilities.

Various organizations supporting athletics for the disabled were presented with contributions from the Taiyo Fund, a donation program set up by Nissan employees especially for this event.

Aid for Scientific and Technological Progress

Established in 1974 with the aim of advancing Japan's culture and scientific progress, the Nissan Science Foundation provides grants to a wide range of productive research in various fields of the natural sciences. It strives to "create solutions for social progress" by focusing specifically on research in the areas of the environment, cognitive science and education in science and technology. As of March 2010, the Nissan Science Foundation has provided cumulative assistance of ¥6.6 billion to approximately 2,400 projects. Furthermore, the Nissan Science Prize has been awarded to a promising researcher every year since 1993 in recognition of achievements in basic research related to the global environment.

Much effort is also being put into supporting education. Our Science and Environmental Education Fund, for example, is a grant program that promotes children's interest in and better understanding of science and technology, environmental problems and the like. We provided such grants to 91 schools in Kanagawa, Tochigi and Fukuoka Prefectures in fiscal 2009.

Promoting Social Participation

Nissan seeks to cultivate employees' sense of citizenship and strives to create an environment that encourages active social participation. In 2009, we launched a new webpage concerning social contribution activities on our corporate intranet, offering more detailed information, including notices for recruiting volunteers and calls for collecting various items, such as cancelled stamps, that can be used in fund-raising drives.

As part of our efforts to increase employee awareness of social contribution activities, we hosted a seminar in cooperation with some nonprofit organizations in December 2009. Another aim of the event was to provide a launching pad to get employees involved in grass-roots activities through sales of fair-trade products and introductions to the activities of NPOs. Approximately 270 people, including Nissan employees as well as guests from the NPOs Shanti Volunteer Association and Shapla Neer, the Citizens' Committee in Japan for Overseas Support, participated in the event. Many of the attendees said that they would like to have more opportunities to learn about social contribution activities.

ACTIVITIES IN OTHER COUNTRIES

Mobile Eye Clinic (South Africa)

Many children living in rural villages in South Africa cannot get needed medical checkups and other services due to a lack of medical facilities and transportation infrastructure. Nissan South Africa (Pty.) Ltd. (NSA) provides the Mobile Eye Clinic for vision testing and eye screening of elementary school students in such areas. In addition, the clinic itself—a Nissan Interstar van fully outfitted with optometry equipment—allows for 4,000 pairs of eyeglasses to be dispensed to children each year. Thanks to our partnership with the International Centre for Eyecare Education, a nonprofit organization involved in community healthcare activities in Africa, the first Interstar has served as a mobile clinic in the Province of KwaZulu-Natal since 2007. NSA aims to continue the project and plans to provide assistance in the amount of 4.8 million rand (about ¥58 million) over five years. The Mobile Eye Clinic is an indispensable project for children living in rural villages, not only for the prevention and treatment of diseases that afflict them, but also for improving their learning capabilities.

Walking the Silk Road to Raise Funds and Awareness (China)

The Nissan Ten-Year International Silk Road Walk is a fund-raising event that covers the whole 7,000 kilometers of the historic Silk Road over the course of a decade. Supported by Nissan China Investment Co., Ltd. since 2005, this walk provides participants with the moving opportunity to experience for themselves the wonders of China's history and art as they travel through different regions, along with fresh insight into China's educational and environmental issues. The event includes fund-raising activities for elementary schools in some of China's poorest regions.

Race Participants Support Reconstruction Efforts

Nissan Europe S.A.S. (France) supported a sustainable development program in Nicaragua administered by its NGO partner, CARE France. In 2009 a group of 40 Nissan employees participated in La Grande Classique, a race from Paris to Versailles, to raise money to help 1,120 farming families living along the Coco River in northern Nicaragua. Nissan employees collected €1,210 through internal fund raising, to which Nissan provided a matching gift, amounting to a total donation of €2,420. Nicaragua has suffered great destruction in recent years due to a series of large-scale hurricanes and other disasters. Nissan intends to continue cooperating with reconstruction support efforts around the world.

HUMANITARIAN AID

Help for Disaster-Stricken Areas

Nissan Motor Co., Ltd. has pledged monetary donations to aid emergency-relief efforts in response to a series of catastrophic disasters that have struck regions around the world. In addition to ¥3 million provided through Japan Platform, a Japan-based international NGO, as emergency relief to help those affected by Typhoon Ketsana, which hit the Philippines in September 2009, Nissan's local sales company Universal Motors Philippines loaned vehicles free of charge to assist in recovery activities.

We contributed ¥1 million through Médecins Sans Frontières Japan for relief efforts in the wake of a tsunami that devastated Samoa, also in September, as well as ¥5 million through Japan Platform to aid victims of the devastating Indonesian earthquake that same month. Out of their concern for the victims of these disasters, employees at Nissan's offices and plants in Japan collected donations in the amount of ¥1.2 million, which have since been put to good use helping reconstruction efforts in Indonesia.

Nissan North America was quick to act after a massive earthquake struck Haiti in January 2010, offering around \$100,000 in financial aid on behalf of the Nissan Group. In response to the devastating Chilean earthquake of February 2010, Nissan Motor Co., Ltd. donated ¥3 million to Japan Platform. This aid was in addition to a total of \$17,000 donated by Nissan companies in North America.



Patrol

Corporate Governance

Maintaining Trust Through Transparency

Corporate Governance

Corporate Governance

Enhancing corporate governance policies is essential for Nissan to fulfill its corporate social responsibilities. We strive to maintain a high level of management transparency by disclosing to stakeholders our business goals and guidelines that clearly indicate management responsibility, and by sharing information on our progress toward these goals as promptly as possible. As a company we will work to continue earning the trust of our stakeholders.

THE NISSAN WAY

Through Nissan's Alliance with Renault, we have developed a corporate culture that creates new values while respecting different cultures and diversity. The Nissan Way, the crystallization of our business principles, was developed based on the thinking that we could apply what we have learned in that process to our corporate activities to help ensure our future growth. It outlines five "mindsets" and five "actions" to guide our achievement of greater results while we continuously create new value with a steady focus on the customer. The Nissan Way has been made available in eight languages (Japanese, English, French, Chinese, German, Spanish, Dutch and Russian) for our employees worldwide. Building on these principles, we emphasize the idea that "the power comes from inside." We encourage employees to think about what they can do individually with the belief that their efforts to overcome challenges are the driving force for Nissan's growth.

"The power comes from inside"

The focus is the customer, the driving force is value creation and the measurement of success is profit.

Mindsets

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

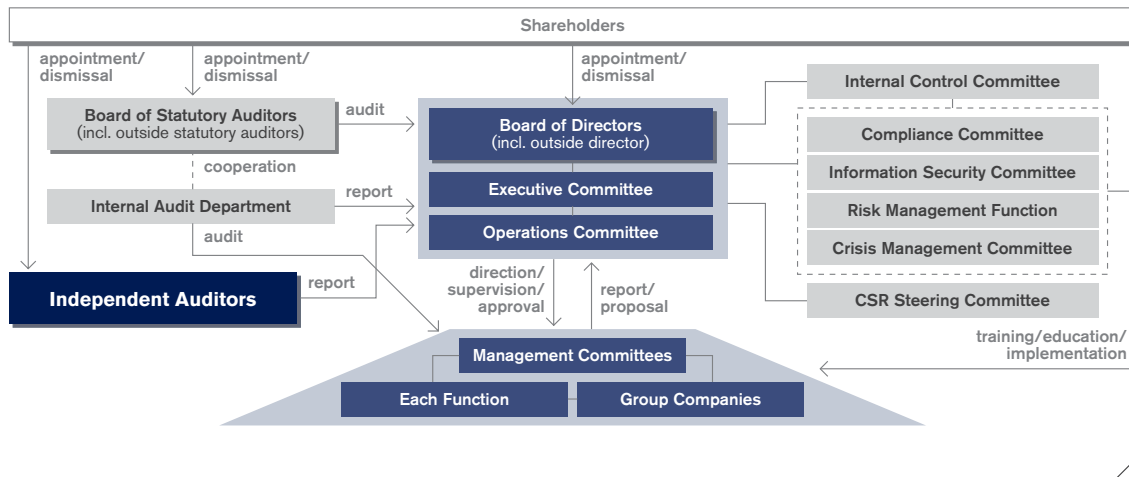
INTERNAL CONTROL SYSTEMS AND COMPLIANCE

Internal Control Systems for Fair, Transparent Business

Nissan places high value on transparency, both internally and externally, in its corporate management. We focus consistently on the implementation of efficient management for the purpose of achieving clear and quantifiable commitments. In line with this principle, and in accordance with Japan's Company Law and its related regulations, the Board of Directors has decided on the Internal Control Systems to pursue these goals and on its own basic policy. The board continually monitors the implementation status of these systems and the policy, making adjustments and improvements as necessary. One board member has also been assigned to oversee the Internal Control Systems as a whole.

Nissan has adopted a system under which the Board of Statutory Auditors oversees the Board of Directors. The Statutory Auditors attend board and other key meetings, and also carry out interviews with board members to audit their activities. The Statutory Auditors regularly receive reports on the results of inspections and plans for future audits from independent accounting auditors, as well as exchange information to confirm these reports. The Statutory Auditors also receive regular reports from the Japan Internal Audit Office, making use of this information for their own audits.

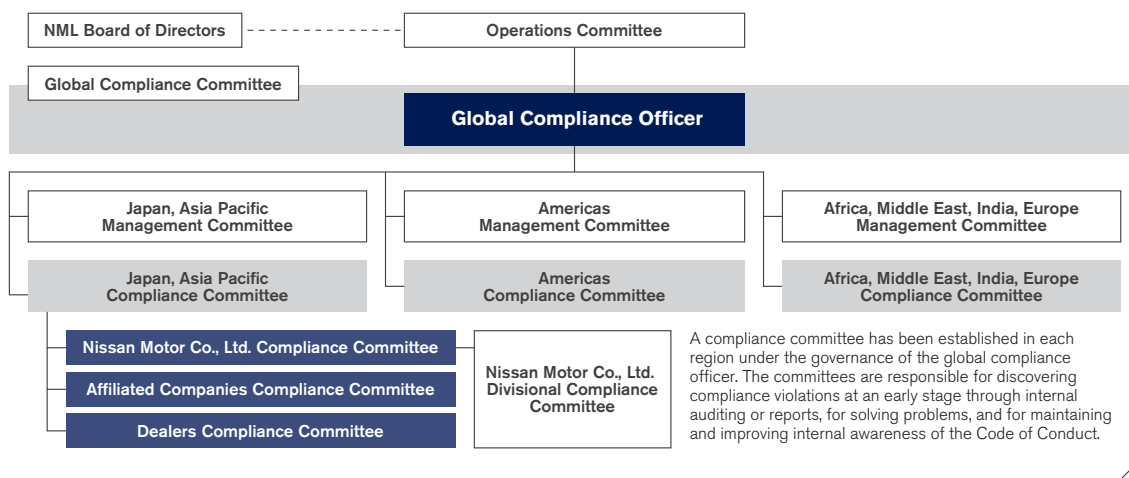
Nissan's Internal Governance System



Legal Compliance Framework

Nissan's CSR approach is founded on compliance. We produced the Nissan Global Code of Conduct in 2001, outlining a set of guidelines for all employees of the Nissan Group worldwide. In addition, three regional Compliance Committees have been established as supports to a global system for preventing incidents of illegal and unethical behavior. The committees work together to maintain and promote our high compliance standards.

FY2010 Global Compliance Committee Organization



Global Educational Activities to Promote Compliance

As a means of fostering compliance awareness throughout the company, Nissan has established groups and placed officers in charge of promoting compliance policy in each region where it operates. We place special emphasis on education to ensure that all employees have a correct understanding of the Code of Conduct and, as a result, make fair, transparent judgments in the course of their duties.

To ensure full understanding of the code in Japan, all employees, including executives, take an e-learning or video training course based on the Japanese version of the Nissan Code of Conduct—“Our Promises,” instituted in April 2004—after which they sign an agreement to abide by it.

The Nissan Code of Conduct was revised in fiscal 2010 to correspond to legal amendments and changes to portions of our internal rules, and re-education activities for all employees will begin in the same year to strengthen their awareness of compliance issues.

Education programs to promote compliance are held regularly for all employees in North America, and a set of universal guidelines has been drawn up for each country in Europe. Compliance-related training is also being carried out in the General Overseas Markets based on guidelines that take into account conditions in each of those countries. Moreover, all group-affiliated companies have introduced their own codes based on the Nissan Code of Conduct.

Additionally, we have created sets of internal regulations covering the global prevention of insider trading and the management of personal information. Nissan seeks to heighten awareness of compliance companywide through such measures as well as various education and training programs.

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

Our Stance Against Discrimination and Harassment

Item 6 of Nissan's Global Code of Conduct, “Value Diversity and Provide Equal Opportunity,” is our requirement to accept, value and respect the diversity to be found among our employees, business partners, customers and communities where we do business, and to reject discrimination and harassment in all their forms, no matter how minor they may be. Nissan executives and employees must respect the human rights of others, and may not discriminate against nor harass others based on race, nationality, gender, religion, physical capability, age, place of origin or other reason; nor may they allow such a situation to go unchecked if discovered. We also work to ensure that all employees, both male and female, can work in an environment free from sexual and other forms of harassment.

Internal Reporting System for Corporate Soundness

Nissan employs the Easy Voice System to promote the spirit of compliance among employees and facilitate sound business practices. This internal reporting mechanism allows employees to submit opinions, questions or requests to the company. It has played an instrumental role in creating a self-managed, compliance-oriented corporate culture. This system, which offers full protection to any persons offering information in accordance with Japan's Whistleblower Protection Act of April 2006, has been put in place in all Nissan Group companies in Japan.

In Japan we began accepting Easy Voice comments by e-mail in October 2008. An internal reporting system was also introduced in the first half of fiscal 2009 for Nissan's North American operations. In that market we are now working to consolidate compliance issues on a comprehensive basis. In the coming years we will expand such internal reporting systems globally.

Independent Internal Audits

Nissan has established the Global Internal Audit unit, an independent department under the direct control of the Chief Operating Officer, to handle internal auditing tasks. Under the control of the Chief Internal Audit Officer, audit teams set up in each region carry out efficient, effective auditing of Nissan's activities on a groupwide and global basis.

Principles for and Approach to Corporate Risk Management

For Nissan, the term *risk* refers to any factor that may prevent the Nissan Group from achieving its business objectives. By detecting risk as early as possible, examining it, planning the necessary measures to address it and implementing those measures, we work to minimize the materialization of risk and the impact of damage caused should it arise. Risk management must be a real-world activity closely linked at all times with concrete measures. Based on its Global Risk Management Policy, Nissan carries out activities on a comprehensive, groupwide basis.

In order to respond swiftly to changes in its business environment, Nissan has set up a department in charge of risk management, which carries out annual interviews of corporate officers, carefully investigating various potential risks and revising the company's "risk map" in line with impact, frequency and control level. An executive-level committee makes decisions on risk issues that must be handled at the corporate level and designates "risk owners" to manage the risks. Under the leadership of these owners, the company designs appropriate countermeasures. Finally, the board member in charge of internal controls (currently the chief operating officer) regularly reports to the Board of Directors on progress being made.

With respect to individual business risks, each division is responsible for taking the preventive measures necessary to minimize the frequency of risk issues and their impact when they do arise as part of its ordinary business activities. The divisions also prepare emergency measures to put in place when risk factors do materialize. Nissan Group companies in Japan and overseas are strengthening communication in order to share basic processes and tools for risk management, as well as related information, throughout the group.

In 2009 we set up a website as part of WIN, our corporate intranet system, addressing companywide risk management issues. We also share information on risk management with partner companies in Japan, North America and Europe, as well as other markets.

The Current State of Nissan's Risk Management

Below we present some of our efforts to address Nissan's corporate risks.

1. Risks Related to Financial Markets

A. Liquidity

Liquidity is one of the fundamental risk factors affecting companies. The financial crisis touched off in the second half of 2008 has driven home the importance of careful management of this risk. Nissan established a liquidity policy and clear, objective guidelines for the level of funding needed for its business operations. Based on these, we have moved to diversify risk in this area through a combination of several funding sources.

B. Financial markets

In financial markets, we are exposed to the risk of fluctuating commodity costs, foreign exchange rates and interest rates. As a long-term measure to address this, Nissan is promoting the production of vehicles in markets where they are used and the geographic optimization of its parts procurement. With respect to material costs, we are engaged in research to reduce the amount of rare metals used, among other steps. In the shorter term we may hedge against risk within certain ranges prescribed by internal regulations. We are also addressing interest rate risk by striking an appropriate balance between fixed- and variable-rate financing.

C. Sales finance

In its sales financing operations, Nissan is exposed to interest rate fluctuations, the risk that financial receivables may not be recovered from customers or sales companies (credit risk), and risk in the form of fluctuating residual values for leased vehicles. With respect to interest rates, we calculate risk with statistical methods, controlling the interest rate maturities of both assets and liabilities to maintain the risks within acceptable levels. To address credit risk, meanwhile, we gauge the creditworthiness of counterparties through careful assessments, implement appropriate measures for account receivable protection and maintain allowance as needed. For residual value risk, we work to define objective values in lease contracts and to maintain the value of our used vehicles, in addition to setting aside sufficient allowance to cover residual value losses.

D. Financial institutions, pension liability

Nissan maintains a certain level of assets with multiple financial institutions. To protect these assets, we have set up our own system for assessing creditworthiness, strengthening our position against the counterparties' credit risk.

We have established a pension committee including members of senior management to oversee pension assets related to our retirement benefit systems. In its regular meetings, the committee makes decisions on asset management, discusses assessment of asset-managing institutions and their track records and addresses other issues.

2. Risks Related to Corporate Strategy, Competitiveness

A. Product strategies

Nissan's plans for future product lineups form the core of its future profitability and potential for sustainable growth. As part of our strategic product-planning process, we monitor a number of risk scenarios, including future shifts in global markets and demand levels, assessing their potential impact on the profitability of our entire lineup. We review these plans as necessary in order to help ensure profitable business and sustainable growth into the future.

B. Quality of products and service

Nissan is making companywide efforts to achieve "quality leadership," the goal of becoming a recognized leader in quality areas by fiscal 2012. To this end, we constantly monitor our progress in quality improvement activities in each market. However, because an automobile is a very complicated, sophisticated engineering product, unexpected incidents cannot be perfectly prevented. If a problem does arise once a new model is on the market, we promptly implement analysis and take actions as necessary. We then move to thoroughly analyze the nature of the problem and ensure that it will not recur in vehicles under development or in production.

In addition to these quality assurance measures in our new vehicle projects and our everyday activities to improve quality, in fiscal 2009 we established a framework for quality risk management. To ensure that our efforts being carried out today will continue into the future, we take a broad overview of the situation, revealing potential risks, assessing risk levels and designating officers to follow them up as called for. A Quality Risk Management Committee chaired by an executive vice president meets twice a year to discuss related issues.

C. Compliance-related reputation

Nissan makes a range of efforts to foster and put into practice a compliance-oriented mindset among its employees. We also work to put internal regulations in place on a global scale to prevent insider trading and securely manage personal information, among other goals. By engaging in employee education programs and training activities on the importance of observing these internal rules and important public laws, we seek to counter risks to the company's reputation.

3. Risks Affecting Business Continuity

A. Large-scale disasters

Nissan places top priority on protecting human life. When an earthquake measuring 5-upper or higher on the Japanese seismic intensity scale strikes one of our business locations in Japan, a first-response team made up of key members of the Global Disaster Control Headquarters moves swiftly to collect information. The team then calls into action the Global Headquarters, or a Regional Disaster Headquarters at the affected site, to confirm employees' safety, ascertain disaster conditions and take needed steps to keep operations running. We are also working in advance of major disasters to identify priority operations for each department in our entire organization to pursue in an emergency as part of our business continuity plan (BCP). Our suppliers join us in efforts to implement this BCP on a broad basis. The Global Disaster Control Headquarters and Regional Disaster Headquarters carry out drills simulating a major earthquake to make sure that all parties are able to function and take appropriate actions when the time comes. We stay prepared by revising our plans in response to issues clarified through these drills.

B. New influenza strains

In response to the outbreak of a new strain of influenza in April 2009, Nissan created a global framework to address disease issues, produced a number of response manuals, built up stocks of medicine and sanitation equipment and created an influenza-specific BCP. We will remain prepared against new outbreaks by keeping our response team fully staffed and our BCP up to date, as well as by keeping employees informed about ways to prevent infection on an ongoing basis.

C. Interruptions in production continuity

In order to minimize the impact of disaster on its production, Nissan has carried out earthquake preparedness measures for its physical infrastructure (quakeproofing and reinforcement of buildings and other facilities) and has created recovery manuals aimed at reducing the recovery time following a disaster. To ensure continuity of our operations, we are also prepared to actively adjust our resource allocation in response to major shifts in demand. We will continue to improve our disaster preparedness still more as we also focus on quality issues that may affect this continuity. To address quality risk relating to the increasing amounts of parts procured in developing economies, we audit prospective suppliers thoroughly prior to selection and offer them support to improve their quality after we choose them. At the mass-production stage, we also carry out quality checks at various points in the manufacturing and distribution processes.

D. Interruptions in supply continuity

In addition to auditing the financial health of suppliers and managing our relations with them via our Supplier Risk Management Committee, we are responding to climbing credit risks among suppliers by issuing monthly reports on risk conditions and projected expenditures that would be needed to address risk. When unforeseen conditions arise, we are prepared to launch cross-functional committees capable of swift response, and we have prepared rules governing their authority to allow them to make needed decisions right away when needed.

Ensuring Personal Information Protection and Reinforcing Information Security

Aware of our social responsibility to properly handle customers' personal information, Nissan has set up internal systems, rules and procedures for handling personal data in full compliance with Japan's Personal Information Protection Act. All companies in Japan associated with Nissan are fully enforcing these processes.

Moreover, Nissan shares with group companies worldwide its Information Security Policy as its basis to reinforce overall information security. We have also established an Information Security Committee, which implements measures as necessary to further strengthen information security to prevent information leaks and other such incidents. Furthermore, we carry out various in-house programs every year to thoroughly educate and motivate employees to uphold their responsibilities in this regard.

WEB
 Please see our website for additional details on Nissan's measures to protect privacy.
http://www.nissan-global.com/EN/SITE_INFO/PRIVACY/

Nissan as a Responsible Global Citizen

Since January 2004, Nissan Motor Co., Ltd. has participated in the United Nations Global Compact, a corporate responsibility initiative built around universal principles regarding human rights, labor, the environment and anti-corruption. The U.N. Global Compact was originally proposed by U.N. Secretary-General Kofi Annan in an address to the World Economic Forum (Davos forum) in 1999. Businesses may pledge to support its principles of their own free will.

In order to convey its progress in activities that contribute to fulfilling these 10 principles, Nissan publishes its annual Sustainability Reports on the U.N. Global Compact website.



WEB
 Additional information on the Global Compact is available online.
<http://www.unglobalcompact.org/>

The 10 Principles of the Global Compact

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labor Standards

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Joining the World Business Council for Sustainable Development

Nissan is a member of the World Business Council for Sustainable Development (WBCSD), an international association of companies with a shared interest in sustainable development based on three pillars of economic growth, environmental preservation and societal fairness. Some 200 companies from more than 35 countries and 20 major industrial sectors have joined the WBCSD.

The Council pursues the following objectives in contributing to industry.

- Business Leadership:** to be a leading business advocate on sustainable development
- Policy Development:** to help develop policies that create framework conditions for the business contribution to sustainable development
- The Business Case:** to develop and promote the business case for sustainable development
- Best Practice:** to demonstrate the business contribution to sustainable development and share best practices among members
- Global Outreach:** to contribute to a sustainable future for developing nations and nations in transition

WEB
 Additional information on the WBCSD is available online.
<http://www.wbcd.org/>

THE RENAULT-NISSAN ALLIANCE

WEB

Please see our website for more information on the Renault-Nissan Alliance.

<http://www.nissan-global.com/EN/COMPANY/PROFILE/ALLIANCE/RENAULT01/index.html>

Working Together to Create Lasting Value

Launched on March 27, 1999, the Renault-Nissan Alliance has built a unique business model that has created significant value for both companies. Objectively the most enduring, stable and successful of all the global auto industry partnerships, the Alliance now enters its second decade with the same founding principles of trust and the pursuit of strategies aimed at mutual success.



Comprising five brands—Renault, Dacia, Renault Samsung, Nissan and Infiniti—the Alliance sold a combined 6.1 million vehicles* in 2009, making it the fourth largest automotive group in the world.

* This figure includes Lada sales (AvtoVAZ of Russia).

Principles of the Alliance

The Alliance is based on trust and mutual respect. Its transparent organization ensures clear decision-making for speed, accountability and a high level of performance. The Alliance seeks to maximize efficiency by combining the strengths of both companies and developing synergies through such common organizations as the Renault-Nissan Purchasing Organization (RNPO), joint working groups and shared platforms, components and industrial facilities.

Operating in 190 countries around the world, the Alliance seeks to attract the best global talent, providing good working conditions and challenging opportunities. It encourages employees to develop a global and entrepreneurial mindset. The Alliance targets attractive returns for the shareholders of each company and complies with best practices in corporate governance. It upholds the principles of sustainable development in all areas of its business operations.

Alliance Objectives

The Alliance pursues a strategy of profitable growth with three 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 margin and steady growth

Multi-Cultural Management

Nissan and Renault, headquartered in Yokohama and Paris respectively, have separate management structures. The responsibility for managing their activities lies with their respective executive committees, which are answerable to their own boards of directors and shareholders.

In March 2002, the Alliance set up a strategic management company incorporated under Dutch law and jointly and equally owned by Nissan and Renault. The aim was to establish a common strategy and manage all synergies. Renault-Nissan b.v. (RNBV) hosts the Alliance Board, chaired by Carlos Ghosn, chairman and CEO of the Renault-Nissan Alliance. The board steers the Alliance's medium- and long-term strategy and is made up of three directors each from Renault and Nissan. Other members of the Renault group's Executive Committee and the Nissan Executive Committee (the most senior directors in each company) also attend meetings of the Alliance Board, which are held up to 10 times a year.

In May 2009, the Alliance organization was strengthened by the creation of a small, dedicated team to foster deeper, broader cooperation and to maximize the contribution of synergies to the performance of both partners. This new team focuses on the following priority areas: purchasing, global sourcing, common platforms and parts, powertrains, support functions, global logistics, IS/IT, research and advanced technologies and the new zero-emission business. In 2010, two new strategic business initiatives were added to these areas: the battery business (for the development of electric vehicles) and entry cars, supporting Alliance growth in emerging markets. The team reports directly to the Alliance CEO and meets monthly to review projects and make recommendations to the Alliance Board on new areas of synergies and business opportunity.

In addition, there are more than 30 joint working groups, called Cross Company Teams or Functional Task Teams, dedicated to the Alliance. These groups operate in all the main sectors and areas of activity and are tasked with exploring new synergies between the two companies. Team managers report regularly to the Alliance Board on the progress made in their specific areas of activity.

In April 2010, the Alliance signed an agreement with Daimler AG to establish a new strategic partnership. The agreement, which included a new cross-shareholding structure among Renault, Nissan and Daimler, is initially focused on several projects including a jointly developed replacement for the Renault Twingo and Daimler Smart and the use of Daimler engines for the Infiniti premium brand.

Alliance & Sustainability: Zero-Emission Leadership

In 2007, the Alliance declared its intention to be the global leader in the mass marketing of zero-emission vehicles. 2009 saw substantial progress toward that objective, driven by the strong alignment and cooperation between the two companies. With the first electric vehicle (EV), the Nissan LEAF, launching in late 2010, the Alliance is investing €4 billion in research, engineering, product development and manufacturing. A further seven EVs have been confirmed for production across the Renault, Nissan and Infiniti brands.

At the heart of the Alliance leadership strategy in zero-emission vehicles is the battery. Our advanced technology and control of the total supply chain will give the Alliance an advantage unmatched in the global automotive industry. During 2009, the Alliance confirmed five all-new battery production plants to be built in Japan, France, the United States, the United Kingdom and Portugal. When fully operational, these plants will give the Alliance battery production capacity of 500,000 units a year.

The Benefits of Scale and Synergy

At the heart of the Alliance is the principle of "win-win." As each partner develops and executes its strategic plans, opportunities to leverage the scale and synergy effect of the Alliance are presented. In each project or initiative where the two partners are involved—such as a new manufacturing plant or shared platform—a careful evaluation is made to ensure that the time and resources invested from both sides will produce tangible results and benefits to each company.

With global volume of over 6 million vehicles a year, the Alliance is well positioned in the global auto industry to make full use of this scale. In many cases, this enables the Alliance to make investments in new products, technologies and markets that would be impossible or highly resource-intensive for the individual companies to pursue alone. Examples of this include the drive toward mass-marketed EVs and the development of multiple engine technologies that can meet a broad range of future consumer and regulatory demands.

In March 2010, the Alliance inaugurated its first dedicated all-new manufacturing plant, located in Chennai, India. When fully operational, this plant will have the capacity to produce 400,000 vehicles a year for both Renault and Nissan. By using the scale of the Alliance and sharing the core investment costs, both partners were able to develop localized manufacturing capacity in India at a lower cost and higher speed than would have been possible operating alone.

Business Overview

Fiscal 2009 Financial Review

For fiscal 2009, Nissan's financial results on a consolidated basis were as follows: net revenues were ¥7.5173 trillion, operating profit was ¥311.6 billion, ordinary profit was ¥207.7 billion and net income was ¥42.4 billion, a considerable improvement from the ¥233.7 billion net losses in fiscal 2008.

Nissan's global sales for fiscal 2009 were 3,515,000 units, up 3.0% from the previous year. Sales in North America were down 5.8% to 1,067,000 units, while sales in the United States fell by 3.8% to 824,000 units. In Japan sales were up 2.9% to 630,000 units, and sales in Europe fell by 2.4% to 517,000 units. Sales in China were up 38.7% to reach 756,000 units, and total sales in all other markets fell 7.8% to 545,000 units.

In fiscal 2010 Nissan will continue implementing its recovery plan centered on the three goals of increasing sales, thoroughly controlling costs and producing positive free cash flow, with the aim of bringing the plan to completion within the fiscal year.

Fiscal 2009 Financial Performance (billion yen)

	FY2008	FY2009	Change
Consolidated net revenue	8,437.0	7,517.3	-919.7
Consolidated operating profit	-137.9	311.6	449.5
Non-operating loss	-34.8	-103.9	-
Ordinary profit	-172.7	207.7	380.4
Net extraordinary loss	-46.1	-66.1	-
Net income	-233.7	42.4	276.1
CAPEX	383.6	273.6	-
R&D	455.5	385.5	-
Depreciation	421.2	363.3	-

FOREX for FY2009: ¥92.6/\$ ¥131.2/€

Business Overview

Performance Data

	FY2007	FY2008	FY2009
No. of employees (consolidated)	180,535	175,766	169,298
No. of individual investors	249,000	317,000	273,000
Corporate tax	¥164.9 billion	¥90.2 billion	- ¥26.5 billion
R&D expenditures (% of sales)	¥457.5 billion (4.2%)	¥455.5 billion (5.4%)	¥385.5 billion (5.1%)
Capital investment (% of sales)	¥428.9 billion (4.0%)	¥383.6 billion (4.5%)	¥273.6 billion (3.6%)
Donations for disaster relief	¥6.5 million (by Nissan Motor Co., Ltd.) ¥5.57 million (for Noto Peninsula and Niigata Chuetsu-oki Earthquakes by Nissan employees, union members in Japan)	¥30.0 million (by Nissan Motor Co., Ltd. for China's Sichuan Earthquake, etc.) AU\$50,000; 100 vehicles (by Nissan Motor Co. [Australia] Pty. Ltd. for Australian wildfires; vehicles leased at no cost) 10 Qashqais (by Dongfeng Motor Co., Ltd. for China's Sichuan Earthquake; vehicles donated)	¥12.0 million (by Nissan Motor Co., Ltd. for 2010 Chile earthquake, etc.) \$117,000 (by Nissan North America, Inc. for 2010 Haiti earthquake, etc.)
Nissan Motor Co., Ltd. data			
No. of employees	31,453	30,718	30,277
Average age (years)	41.4	41.6	41.8
Average service (years)	19.9	19.9	20.1
Average annual salary*	¥7,138,692	¥7,280,776	¥6,271,632
Disabled employment ratio	approx. 2.1%	approx. 2.1%	approx. 2.1%
No. of employees taking parental leave	148	111	161
No. of employees taking nursing care leave	5	4	9
No. of unionized employees	29,025	27,822	27,271

*Average annual salary for employees not in managerial positions; includes bonuses and overtime pay.

No. of Employees

(as of end of March 2010)

Japan	82,387
North America	24,371
Europe	13,795
Other	48,745
Total (consolidated)*	169,298

*Includes 17,600 non-permanent workers.

Union Information

Nissan Motor Co., Ltd.'s employees are affiliated with the Nissan Motor Workers' Union, for which the governing body is the All Nissan and General Workers Unions, and the Japanese Trade Union Confederation (Rengo) through the Confederation of Japan Automobile Workers' Unions. The labor-management relations of the company are stable, and the number of union workers was 27,271 as of March 31, 2010. The Nissan Motor branch of the All Japan Metal and Information Machinery Workers Union (JMIU) is another trade union with which employees may be affiliated.

At most domestic group companies, employees are affiliated with their respective trade unions on a company basis, and the governing body is the All Nissan and General Workers Unions.

At foreign group companies, employees are affiliated with their respective trade unions. In Mexico, for example, workers are affiliated with a domestic trade union for which the governing body is the Confederation of Mexican Workers (CTM) or independent trade unions, whereas most employees in the United Kingdom are affiliated with the Amalgamated Engineering and Electrical Union (AEEU). Local employees of other group companies are affiliated with different types of trade unions according to the labor environment in each country.

Global Network (Numbers/locations as of June 2010)

R&D: 12 countries/areas (Japan, USA, U.K., Taiwan, China, Thailand, India, South Africa, Mexico, Brazil, Spain, Vietnam)

Design: 4 countries (Japan, USA, U.K., China; total of 5 design centers)

Automobile Production Plants: 20 countries/areas (Japan, USA, U.K., Spain, Taiwan, China, Thailand, Philippines, Malaysia, Indonesia, Mexico, Brazil, Iran, South Africa, Kenya, Egypt, Pakistan, Russia, Vietnam, India)

Sales by Model (Top 5)

Japan (units)

Model	FY2009 (Apr. 2009—Mar. 2010)
Selena	95,642
Note	71,830
Cube	63,186
Tiida (includes Latio)	59,919
Moco	56,646



Serena

U.S. (units)

Model	FY2009 (Apr. 2009—Mar. 2010)
Altima	213,393
Versa (Tiida in Japan)	97,460
Sentra	88,677
Rogue	78,944
Maxima	60,415



Altima

Europe (units)

Model	FY2009 (Apr. 2009—Mar. 2010)
Qashqai	170,412
Micra (includes C+C)	92,664
Note	60,860
Qashqai+2	43,827
Pixo	36,930



Qashqai

Business Overview

Business and Other Risks

Information on risks involved in business operations has been disclosed in the Yukashoken-Hokokusho for the year ended March 31, 2009, as follows. Any future forecasts included in the following descriptions are based on the estimates or judgment of Nissan as of June 24, 2009.

1. Rapid changes in the global economy and economic climate

(1) Economic factors

The demand for products and services provided by the Group is strongly affected by the economic conditions in each country or market in which they are offered for sale. Although the Group strives to predict change in economic climate and demands precisely and to take necessary measures in the major markets like as Japan, the Americas, Europe and Asia, in case of greater-than-anticipated downturn such as global economic crisis it could have a significant effect on the Group's financial position and business performance.

(2) Situation regarding resources and energy

The demand for products and services provided by the Group largely varies depending on rapid changes in the situation surrounding various resources and energy as represented by the hike of crude oil prices. Any greater-than-anticipated fluctuations in such resources or the energy situation could have a significant effect on the Group's financial position and results of operations due to a deterioration in operating performance and/or opportunity loss.

2. Rapid changes and moves in the automotive market

The automobile industry is currently experiencing intensified market competition worldwide. To win given such intense competition, the Group maximizes its efforts in all aspects of technology development, product development and marketing strategy to timely provide products that address customer needs.

Nevertheless, the failure to timely address customer needs or improper responses to environmental and/or market changes could have a significant effect on the Group's financial position and business performance.

For example, any specific issues related to resources, energy or environment could cause a sharp decline in demand or an unbalanced preference to certain products. Moreover, demand might decrease or change due to the progress of negative factors such as a decline in population, an aging society and a dwindling birthrate in a mature market, whereas demand might considerably increase in emerging markets. These changes or trends might generate favorable results for the Group with a rise in business opportunities but could result in an adverse effect on the Group's financial position and results of operations due to an excessive dependency on certain products and/or regions unless appropriate forward-looking steps are undertaken.

3. Risks related to the financial market

(1) Fluctuation in foreign currency exchange rates

The Group's products, finished cars, are produced in 16 countries and regions, and are sold in more than 160 countries. Along with the extended production and sales activities, the Group's procurement activities for raw materials, parts/components and services are conducted in many countries.

As the consolidated financial statements of the Group are calculated and presented in Japanese yen, the appreciation of the yen against other currencies adversely affects the Group's financial results of operations, in general. In contrast, the depreciation of the yen against other currencies favorably affects the Group's financial results of operations. Any sharp appreciation of the currencies of countries where the Group manufactures vehicles against the yen could lead to increases in both procurement and production costs that would adversely affect the Group's competitiveness.

(2) Hedging of currency and interest rate risks

The rise in market interest rates and/or in the cost of capital procurement due to the Company's decreased rating by credit rating agencies could have a significant effect on the Group's financial position and business performance.

The Group may utilize derivative transactions for the purpose of hedging its exposure to risks such as fluctuations in the foreign exchange rates of its receivables and payables denominated in foreign currencies, the interest rates of interest-bearing debt and fluctuations in commodity prices. Although the Group can hedge against these risks by using derivatives transactions, the Group might miss potential gains that could result from seizing the market opportunities to profit from such fluctuation in exchange rates and interest rates. In addition, the Group manages its exposure to credit risk by limiting its counterparties to financial institutions with high credit ratings. However, a default by any one of these counterparties could have an adverse effect on the Group's financial position and business performance.

(3) Liquidity of funds

The Company endeavors to raise funds from appropriate sources with measures such as an accumulation of net cash and the conclusion of loan commitment agreements so that the Group can ensure an appropriate level of liquidity even if any environmental change takes place in the financial market. However, this factor could entail a greater-than-anticipated level of risk that might hinder the smooth execution of the initially planned financing, thereby having a significant effect on the Group's financial position and business performance.

(4) Sales financing business risk

Sales financing is an integral part of the Group's core business. The Global Sales Financing Business Unit was established at the Company. This dedicated internal department provides strong support to its automotive sales, while maintaining high profitability and a sound and stable financial condition through strict risk management policies. However, the sales financing companies inevitably have high exposure to interest-rate risk, residual value risk and credit risk. Accordingly, these risk factors could entail a greater-than-anticipated level of risk, which could adversely affect the Group's financial position and business performance.

(5) Counterparty credit risk

The Group does business with a variety of local counterparties including suppliers and sales companies in different regions around the world. The Group manages its own counterparty credit risk by conducting a comprehensive annual assessment of suppliers' financial condition based on their financial information.

Nonetheless, should unprecedented conditions such as a chain of bankruptcies be triggered by an economic crisis, the resulting production interruption and/or troubles in any other production activity at the procurement side and any significant default by a counterparty at the sales side would adversely affect the Group's financial position and business performance.

(6) Employee retirement benefit expenses and obligations

The amounts of retirement benefit obligations and related expenses of the Group, which are provided for retirement benefits of employees of the Group companies, are calculated using various actuarial assumptions including the discount rate applied, the projected rate of return on plan assets and other factors.

If the Group's actual results differ from those assumptions or if the assumptions change, the resulting effects will be accumulated and recognized systematically over future periods. The cumulative effect could adversely affect the recognition of expenses and liabilities recorded in future periods.

4. Risks related to business strategies and maintenance of competitive edge

(1) Risks involved in international activities and overseas expansion

The Group's products, finished cars, are produced in 16 countries and regions, and are sold in more than 160 countries. The Group intends to extend its global manufacturing and marketing activities in other countries and regions. The Group forecasts and evaluates a wide variety of risks inherent in conducting business in overseas markets including the factors noted below. Each of these factors could entail a greater-than-anticipated level of risk without achieving the planned rate of capacity utilization and/or profitability, which could have significant effects on the Group's financial position and business performance.

- Unfavorable political or economic factors
- Legal or regulatory changes
- Changes in corporate income tax, customs duties and/or other tax system
- Labor disputes including strikes
- Difficulties in recruiting and retaining human resources
- Social turmoil due to terrorism, war, coup, epidemic disease or other destabilizing factors

(2) Research and development

The Group's technology must be useful, pragmatic and user friendly. To this end, the Group anticipates the nature and scope of the market demand and then prioritizes and invests in the development of new technologies. However, any sudden and greater-than-anticipated changes in its business environment or in customer preferences could impact negatively on customer acceptance of these new technologies.

(3) Collaboration with other corporations

The Group may collaborate with other corporations that have excellent technologies to effectively acquire higher competitiveness within the short term. However, the anticipated results might not be achieved depending on the market environment of the business field concerned and/or changes in technological trends, which could adversely affect the Group's business performance.

(4) Quality of products and services

To provide products and services of superior quality, the Group endeavors to ensure and enhance maximum quality from the standpoint of research and development, manufacturing and services. However, the adoption of new technology to propose higher added value might cause unexpected quality issues after sales of a product start even if it has been repeatedly tested prior to its launch with maximum care.

Although the Group has insurance policies to assure payment ability for product liability claims, this does not necessarily mean that all damages are fully covered. If the Group were to implement significant recalls in volume and amount for the benefit of customers' safety, the Group would incur significant additional expenses that could adversely affect its financial position and business performance.

(5) Environmental and safety-related restrictions and corporate social responsibility (CSR)

The automobile industry worldwide is influenced by a broad spectrum of regulations governing the emission levels of exhaust fumes, fuel economy guidelines, noise level limitations, recycling-related restrictions and safety standards. These regulations are forecasted to become increasingly stringent. Indeed, compliance with such regulations is obvious to industrial corporations, and it's becoming common to comply to autonomous guidelines and stricter objectives are required in an increasing number of fields as part of CSR. The burden of ongoing development and investments has been increasing to ensure and/or maintain an advantageous position against competitors. As a consequence, a further rise in these costs could have an impact on the Group's financial position and business performance.

(6) Critical lawsuits and claims

It is possible that the Group could encounter claims or lawsuits with counterparties and/or third parties in the course of conducting business. With respect to various lawsuits and claims that the Company and the Group might encounter, the possibility exists that the Company's opinions will not be accepted and that the outcome may be significantly different from that anticipated. As a result, any such judgment verdict or settlement could adversely affect the Group's financial position and business performance.

(7) Intellectual property rights

The Group owns a wide variety of proprietary technologies and has the expertise to differentiate the Group's products making them unique from those of its competitors. These assets have proven their value in the growth of the Group's business and will continue to be of value in the future. The Group strives to protect its intellectual property assets. However, in certain markets, the Group may encounter difficulty in fully protecting the proprietary rights to its own technologies.

The Company established the Intellectual Property Rights Management Department to protect intellectual property rights in such markets, strengthen activities to protect Nissan's intellectual property rights, accumulate new intellectual property rights and perform various activities to protect and create the Brands. However, cases may arise where the Group finds itself unable to prohibit others from infringing on its intellectual property rights.

(8) Recruitment and retaining of talented human resources

The Company considers human resources to be the most important corporate assets. The Company therefore focuses its efforts on enhancing the development of human resources and implementing fairer and more transparent performance evaluation systems. However, industrial competition to secure talented people is intense. Should appropriate recruitment and/or retaining of such desirable human resources not go according to plan, such an unsuccessful personnel development strategy could adversely affect and reduce the competitiveness of the Group on a long-term basis.

(9) Compliance and reputation

The Group always takes appropriate preventive measures and conducts regular audits with regard to compliance of laws and regulations including necessary information security measures for the protection of personal and confidential information. Furthermore, the Group has strived to streamline the relevant systems to rapidly cope with any possible detection of compliance-related incidents to prevent their adverse effects on trust in and/or the reputation of the Company. Nevertheless, in view of increasing expectations relative to CSR in contemporary society, delayed, insufficient and/or improper responses on compliance-related issues could adversely affect the confidence and/or reputation of the Group, thereby adversely affecting the Group's results of operations through, for example, a possible decline in sales resulting from a damaged reputation.

5. Continuation of business**(1) Large-scale natural disasters**

The Group's corporate headquarters and many of its manufacturing facilities are located in Japan, where the statistically proven probability of earthquakes is higher than in many other countries. The Group has developed risk management guidelines relating to earthquake damage, and has organized a global task force (headed by the COO) to direct disaster prevention and recovery activities. In addition, the Group has been strengthening its manufacturing facilities with anti-seismic reinforcement. However, if a severe earthquake were to hit one of the Group's key facilities causing a halt in production, this would adversely affect the Group's financial position and results of operations.

The Group addresses preventive measures and the improvement of emergency response systems to prepare for risks other than earthquakes, including fires, typhoons and epidemics of new types of influenza. Nevertheless, if any of these risk factors occurs or spreads on an unprecedented scale, such risk could adversely affect the Group's financial position and business performance.

(2) Purchase of raw materials and parts

The Group purchases raw materials, parts/components and services from many suppliers by reason of its business structure. In recent years, the use of rare metals, of which production volume is extremely small and production mines are limited to several restricted areas of a few countries, has been increasing, in association with the implementation of new technologies. The unpredictable fluctuation of market conditions resulting from a drastic change in the supply-demand balance or a radical change in the political situation of a production country could entail a greater-than-anticipated level of risk in the stable procurement of necessary raw materials, parts/components or services on an ongoing basis, which could adversely affect the Group's financial position and business performance.

(3) Dependency on specific suppliers

If procurement of higher technology or higher quality is pursued at more competitive pricing, actual orders might sometimes concentrate on only one or a small limited number of suppliers. In such cases, a possible suspension of supply due to any unforeseen accident or any other reason could lead to the forced suspension of the Nissan Group's production plants, thereby adversely affecting the Group's financial position and business performance.

(4) Computer information systems

Almost all the Group's business activities are supported by computerized information systems. As information systems have become increasingly complicated and sophisticated, the Group takes a variety of measures to ensure security and improve their reliability. However, any possible shutdown of overall systems due to the occurrence of any greater-than-anticipated disaster or by the intrusion of a wrongful computer virus would make it difficult for the Company to continue operations, thereby adversely affecting the Group's financial position and business performance.

Third-Party Evaluation

The history of industrial modernization has been inextricably intertwined with the development of the automobile society. Today, however, unavoidable constraints like climate change and dwindling resources point the way to a gradual closing of the curtain on the era of cars that consume vast quantities of oil. By around 2030, we should see significant shifts in the form of mobility around the world, particularly in developed economies. Automakers have a major role to play in helping to build the next generation of social infrastructure, and expectations are rising regarding how they will apply their creative innovation to build sustainable mobility for the future.

Nissan CEO Carlos Ghosn has a clear view of this landscape. In his statement at the outset of this report he states that Nissan is “committed to leadership in zero-emission vehicles.” With this he delivers the clear message that Nissan will not seek simply to be number one in selling electric vehicles (EVs) as standalone products, but will work as it markets them to provide throughout society the infrastructure needed for the introduction of zero-emission vehicles. Switching from gasoline-powered vehicles to EVs is something that cannot be done as an extension of previous developments. It requires that new systems be implemented to bring about change reaching all parts of society.

Nissan’s Areas of Focus

I view Nissan as a front-runner in integrating CSR management as part of its overall business framework. The company’s CSR scorecard presents specific goals and track records for each of its key areas of focus, thus giving a comprehensive overview of the company’s progress. The statements from the “owners” of these key areas of focus also enlighten us as to the company’s direction and determination in each of them. This year Nissan has removed “brand” from its CSR scorecard, focusing on the other eight areas. It must be recognized, though, that in the years to come society will expect sustainability to be a vital element in brand building. Therefore, despite this change, I hope that Nissan will continue its companywide efforts in this area.

The Environment and Safety

This year’s report introduces the technologies of a solar-powered rapid battery charge system and a project for second life application of used batteries for EVs. These projects have the potential to become vital components of a sustainable society. They provide insight into Nissan’s sincere approach to creating a social system for zero-emission mobility.

For automakers, safety is of material importance, as it involves human lives. Nissan builds on the concept of “real-world safety” in the pursuit of its ultimate goal of eliminating accidents leading to death or serious injury. This report makes clear that the company’s various research efforts are making steady progress in this area.

Stakeholder Concerns

As a company that values its individual shareholders, I expect that Nissan will identify clearly how it will address its long-term challenges and deliver communications that will lead to greater long-term investment by shareholders and investors. Concerning business partners, deeper treatment in this report of the CSR guidelines produced together with Renault would have been preferable, with additional information on how the companies plan to ensure that these guidelines take root in the future.

Other Issues

From the perspective of global balance, this report appears to be somewhat lacking in information on the emerging economies of China, India and Russia. China in particular is an important market for Nissan, where last year it sold some 760,000 vehicles—more than in either Japan or Europe—and it is also a market where sustainability is increasingly becoming more significant. Furthermore, this report provides explanations of the general frameworks within which Nissan carries out its operations, but lack of detail is evident in places. By being transparent with the dilemmas and challenges in dealing with sustainability issues, Nissan can gain better understanding from readers.

In next year’s Sustainability Report, I hope to see Nissan, as a zero-emission leader, paint a clearer vision of the world and how it will work on a companywide basis to achieve its sustainability goals. I eagerly look forward to Nissan’s future contributions as it makes good on its promise to pioneer the next generation of mobility.



Hiro Motoki

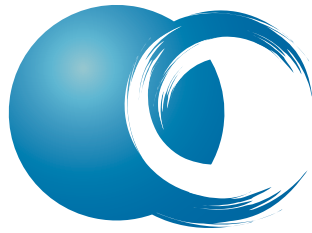
Deputy Chief Executive,
E-Square Inc.

Part-time Lecturer, Tohoku
University Graduate School of
Environmental Studies

Blue Citizenship

Nissan is deploying various activities under the banner of Blue Citizenship, which encapsulates our desire to preserve the blue Earth and to be a corporate citizen in harmonious coexistence with people and society. Those activities range from such global issues as the environment to contributing to communities, promoting diversity and making personal mobility available to as many people as possible.

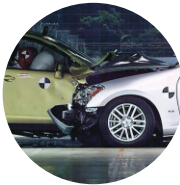
We look forward to working together with people all over the world as we develop and expand our Blue Citizenship activities over the long term.



Blue Citizenship



Contributing to people and communities



Pursuing a safer mobility society



Creating high-quality products and services



Making cars more accessible



Achieving eco-friendly vehicles and infrastructure

Nissan and Socially Responsible Investment

In recent years investors have paid more attention to the concept of socially responsible investment (SRI), evaluating corporations from environmental and social perspectives in addition to financial fundamentals. Nissan is proud to be listed as part of the FTSE4Good Index Series, Morningstar SRI index and DJSI Asia/Pacific (as of June 2010).



FTSE4Good Index Series

This SRI index is managed by the FTSE Group, an independent company co-owned by the Financial Times and the London Stock Exchange.



Dow Jones Sustainability Asia/Pacific Index

Dow Jones Sustainability Indexes, the world's first global SRI tracking tools, were developed by Dow Jones & Co., Inc. and Sustainable Asset Management. The DJSI Asia/Pacific is a new index launched in January 2009, monitoring leading companies in the Asia-Pacific region.



Morningstar SRI

The MS-SRI (Morningstar Socially Responsible Investment Index) is managed by financial information services firm Morningstar Japan K.K.

Scope of the Report

The focus of this report is on introducing Nissan's global policies and our approach to and activities toward sustainable development. Where we are describing regional efforts, we refer to the specific region name in the text; when no specific region is identified, the descriptions of Nissan's activities and practices pertain to Nissan Motor Co., Ltd. in Japan.

Period Covered

The report covers fiscal 2009 (April 2009–March 2010); content that describes efforts before or after this time period is indicated in the respective section.

Third-Party Certificates

No globally accepted method for third-party certification of sustainability reports has yet been established. Considering this situation, in which a review would not necessarily lead to the intended assurance of credibility, we have decided not to seek third-party certification.

Referenced Reporting Guidelines

This report uses the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (2002 version and G3) and the Environmental Reporting Guidelines (2003 version) of Japan's Ministry of the Environment as references. We also report on a number of other actions that are not covered by the guidelines.

Forward-Looking Statements

This Sustainability Report contains forward-looking statements on Nissan's future plans and targets and related operating investment, product planning and production targets. Please note that there can be no assurance that these targets and plans will actually be achieved. Achieving them will depend on many factors, including not only Nissan's activities and development, but also the dynamics of the automobile industry worldwide, the global economy and changes in the global environment.

Mistakes and Typographical Errors

All errors discovered after the report is published will be corrected and displayed at the URL below.
<http://www.nissan-global.com/EN/COMPANY/CSR>

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