

Corporate Social Responsibility

The Company's goal is to build a high level of trust with all types of stakeholders. This statement is the core component of our corporate governance philosophy.



Hiroshi Masuda
Senior Managing Director

At the Company, we have defined "Compliance" to be those activities undertaken in full compliance with all laws and regulations and with the purpose to achieve sustainable growth while meeting the expectations entrusted in us by stakeholders. More specifically, a Compliance Committee led by the President has been formed to establish compliance manuals that take into account any necessary revisions of laws and regulations, and deliberate over employee training programs. In addition, the Chief Compliance Officer who sits on the Committee is responsible for implementing the policies across the Company.

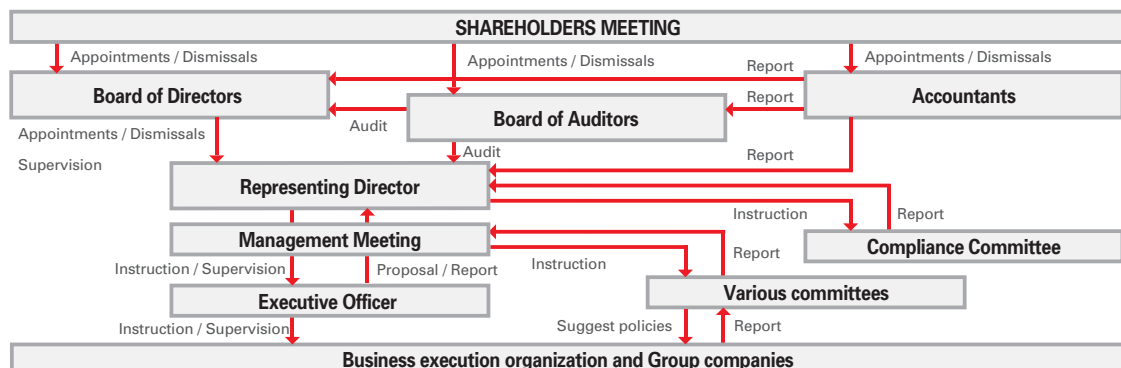
Furthermore, we define "Risk Management" to be the process of identifying, assessing, responding and controlling risks and opportunities that face the Company. The concept of risk management is formed around the fundamental policy of being accountable to stakeholders. The system in place ensures that if any risks to compliance or corporate reputation are discovered within the Company, the Chief Compliance Officer is immediately notified of the incident.

The Company also holds the Management Meeting in order to improve and maintain the efficiency of our management activities. Moreover, we inform all directors and employees of management plans and objectives, and evaluate each division and department employee based on an operational goal. State-of-the-art information technology is also being utilized to support these activities.

In terms of the corporate audit process, the President of the Company periodically meets with four corporate auditors to ensure that effective audits are being carried out. Also, the Internal Audit Office works closely with the auditors. Appropriate rules and procedures are in place to ensure that if an issue relating to an important risk is discovered, the Board of Auditors is immediately notified.

Finally, we believe that in order to maintain accountability towards stakeholders, it is necessary to disclose any important decisions and incidences in a timely manner. For this reason, the Company has established and properly maintains an information network that is designed to transmit items that require disclosure quickly to stakeholders.

Corporate Governance of Nissan Diesel



Environmental Philosophy: "Feel the Warmth"



Tadamichi Harada
Senior Managing Director

To continue its pursuit of sustainable development that will enable human beings to live in harmony with our precious earth's environment in the future Nissan Diesel has adopted the slogan "Feel the Warmth" for its environmental philosophy. The Company has positioned efforts to actively conserve the global environment as one of its most critical management issues, and in every aspect of its business strives to protect the environment.

Nissan Diesel established an Environmental Committee in 1993, when it prepared the Code of Conduct for the Environment and actively began environmental conservation activities. The Company followed up by formulating its Voluntary Plan in 1996, and since then has promoted systematic, medium to long-term activities. One measure was introduction of the ISO14001 environmental management system; the Company obtained ISO certification for its Ageo Plant in fiscal 1998, followed by the Product Development Division in fiscal 2002 and the Kounosu Plant and Hanyu Plant in fiscal 2004. The Company has broadened environmental conservation

activities from its production plants to every Company division, and also has begun expanding these programs to other Nissan Diesel Group firms.

Recently the Company summarized its approach to reducing the environmental impact of the entire Nissan Diesel Group in its 2004-2008 Nissan Diesel Group Long-term Environmental Plan, and is promoting environmental activities throughout the entire life cycle of the Company's products and in its relationship with society.

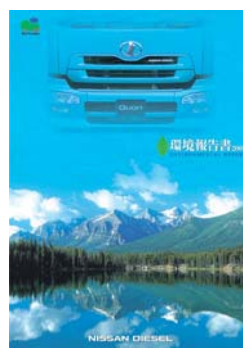
Environmental Activity in Fiscal 2005

From the standpoint of environmental measures for its automotive products, the Company has adopted the world's first urea SCR system, combining environmentally friendly enhanced fuel efficiency and low emissions performance, for Nissan Diesel's entire new model line of Quon heavy-duty trucks. The new vehicle is extremely popular with customers who are using it and has been awarded a Nikkei Superior Product and Services Award in 2005.

In April 2005, the Company combined its Recycling Promotion Office and Environmental Section and established an Environmental Management Section in its Production Control & Engineering Department. This section is responsible for conducting the Company's environment-related activities, including plans and proposals, support for Group firms and contact with ISO secretariats. During Fiscal 2005, the section focused on activities such as promotion of automobile recycling, receipt of ISO14001 certification for two affiliated companies based on the Company's support, reduction of CO2 as pledged under the Kyoto Protocol and control of chemical substances based on the PRTR Law. Nissan Diesel also remained acutely aware of its position as a corporate citizen, and provided opportunities for dialogue

to encourage communications with local residents, environmental groups and government organizations that made it possible to deepen mutual understanding regarding local environmental conservation.

The Nissan Diesel Group will continue promoting environmental conservation activities in the future, in conjunction with the Nissan Diesel Group Long-term Environmental Plan.



Environmental Report 2005