



In the area of compensation, Nissan has moved even further away from the traditional Japanese salary system. Our annual base salary is commensurate with the industry standard, but we have successfully introduced both a performance-oriented pay system and a "commitment and stretched-target" system. Superior performance is rewarded, with even higher compensation—including stock options for executives—for those who meet their commitments and stretched targets. In 2004, nearly five hundred employees exercised stock options, and we are increasing the number of people eligible to receive them. This has effectively brought Nissan's pay scale to the top in the industry, which has in turn inspired a high-performance corporate culture.

HR will assume an even more prominent role as we work to instill the urge for continuous excellence at Nissan. To strengthen the upper ranks of the organization, for example, we have established the Nissan Management

Institute in Hakone. There are other training centers, but this is the first one focused primarily on leadership development. The trainees are a select group of people taken through programs designed to nurture Nissan's next generation of leaders.

My vision of our future is to create a global HR organization that would oversee the entire Nissan group, including our affiliated companies. Harmonizing our HR policies and procedures would help unite the various group companies, which in turn would leave little doubt that there is just one Nissan.

HR is an integral part of what makes Nissan such a powerful organization. We're attempting to create a well-motivated team, and provide good training for tomorrow's leaders. Look at all the changes that have occurred under strong leadership! If we can produce 20 or 30 leaders like Carlos Ghosn, just imagine what kind of company we could be."

DIVERSITY Diversity



YUKIKO YOSHIMARU
General Manager
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Diversity isn't limited to gender issues. Nationality, age, personal values and lifestyle are all areas of continuing interest to us, and addressing the issues surrounding them can produce great value for the organization. Naturally, we felt that tackling gender issues was a logical first step. Our decision was partly market-driven, too, since women make 60 percent of all car purchase decisions in Japan.

We also believe that women can contribute a great deal more to the growth of the Company. When this office started in October 2004, only 1.6 percent of all managers and 5.7 percent of the total workforce were women. By the end of NISSAN Value-Up, our target is to have 5 percent of qualified female managers. To accomplish this, we promote the career

development of women and hold workshops for all managers to instill a deeper understanding of the importance of diversity. We're also exploring the issue of balancing work and private life—an important topic in Japan to both women and men.

A diversified workforce is essential to Nissan's success because the marketplace itself is so diversified. Addressing this makes us a more innovative company, and also delivers a tool for recruiting qualified people. We know this policy is being noticed, too: the Tokyo bureau of the Ministry of Health, Labour and Welfare recently recognized our accomplishments in promoting diversity, and other Japanese companies now use Nissan as a benchmark.