

JATCO Sustainability Report 2024



Jatco

JATCO Sustainability Report
2024

Editorial Policy

This Sustainability Report is intended for all JATCO's stakeholders, including customers, employees, business partners, and local communities. We hope to facilitate your understanding of JATCO's ongoing sustainability efforts and utilize your valuable feedback to uncover new challenges and inform future initiatives. We sincerely welcome any candid opinions or impressions you may have after reading this report.

<Survey>

<https://forms.office.com/r/32KDqbwgJn?origin=lprLink>

**Reference Guidelines**

GRI Standards

Reporting Period

April 2023 – March 2024

Scope

JATCO Ltd and consolidated subsidiaries in Japan and overseas

Reporting Cycle

Annually (previous report issued in December 2023)

Date of Issue

December 2024

Departments Responsible for Publication and Inquiries

Corporate Planning Department, Global Communications Department

https://www.jatco.co.jp/english/inquiry/agreement_other.html

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CEO Message

Strengthening sustainability management to contribute to the future of people, society, and the planet



JATCO Ltd
President and CEO
Tomoyoshi Sato

At JATCO, we position sustainability at the core of our corporate activities. We believe it is integral for us to be a company that is trusted and needed by our stakeholders.

The world faces many pressing challenges, including climate change, resource dependency, and various human rights issues. As a company developing its business globally, we face these kinds of challenges while also striving to provide diverse value to our stakeholders.

Central to this is our company purpose: "Driving the possibilities of mobility with technology and passion." Leveraging our proprietary technology cultivated over many years as an automatic transmission manufacturer, we take on the challenge of new mobility possibilities. By providing valuable products and services to customers and society, we will contribute to developing a more accessible and prosperous society made possible by mobility. To extend the mindset among our employees throughout the company to take on challenges without fear of risk during this period of transformation, we have added "entrepreneurship" to the values of our corporate philosophy. In addition, we have stipulated 18 materialities as priority issues that JATCO should address.

A key pillar is our contribution to vehicle electrification. As a specialized manufacturer of automatic transmissions for gasoline vehicles, JATCO has always pursued product efficiency and offered environmentally friendly products with excellent fuel economy. In the future, we will leverage our unique technologies, including in the area of electric vehicle powertrains, to widely

CEO Message

provide the market with competitive electric powertrains in terms of transmission efficiency, quietness, energy management, and more. This will raise the value proposition of electric vehicles and contribute to realizing a clean and prosperous society through their popularization. During the current fiscal year we will complete preparations in our plant in Fuji City for production of the X-in-1, an electric powertrain for Nissan Motor Co., Ltd. Along with our independently in-development ultra-compact e-Axle, etc., we aim to produce 5 million units for electric vehicles annually by 2030.

Achieving carbon neutrality and a circular economy are other key themes for us. Regarding carbon neutrality, across our entire value chain, including development, production, and logistics, we are making a global effort to attain carbon-neutral operations by 2050. Regarding a circular economy, from the perspective of “maximizing the utilization of resources,” we are making efforts aimed at the effective use of resources and reduction of waste in a variety of areas, including materials procurement, product planning and design, after-sales service, etc.

Additionally, JATCO intends to seek to apply its technologies and expertise, including in electric powertrains, to new mobility and business areas in addition to automobiles. We are working on commercializing a drive unit for electric-assist bicycles utilizing our gear and control technologies. We are also advancing our initiatives globally. For example, our Chinese subsidiary is collaborating with a leading local manufacturer to jointly develop in-wheel drive units for electric scooters. With an awareness of the circular economy, a proof-of-concept speed increaser for low-voltage wind-turbine power generation that combines reused parts from electric vehicles with our transmission gear technology is also one of these initiatives. Guided by an entrepreneurial spirit, we are exploring possibilities for resolving social issues and creating new businesses by applying JATCO technologies.

Driving and advancing these activities are JATCO's people. Moreover, we believe that in order to achieve our activities, it is essential to respect the human rights of all of our stakeholders, including our people. In order to ensure that all individual employees (our people), who are our precious assets, can thrive energetically, we are working to build an environment in which diversity is respected and the employees can maximize their abilities and grow, regardless of job type or workplace, by not limiting anyone based on gender, age, nationality, disability, or other such attributes. We also place our employees' physical and mental health as our foremost priorities, practicing health management aimed at employee well-being and sustainable company growth. Our efforts have earned us designation among Japan's “White 500” corporations for outstanding health and productivity management by the Ministry of Economy, Trade and Industry for six consecutive years.

Earning societal trust requires all employees to comply with various laws and policies and act fairly and with integrity guided by a high sense of ethics. We strive for thorough compliance based on our Global Code of Conduct covering the JATCO Group worldwide.

In today's environment of drastic change, companies inevitably face difficult situations at times. However, this presents opportunities to create new businesses as well. At JATCO, we never lose sight of the importance of sustainability for corporate value enhancement and sustainable growth. We take on the challenges of solving social issues through sincere engagement with our stakeholders during business activities.

We will continue to strengthen sustainability management into the future in order to ensure that we can contribute to the future of people, society, and the planet through our efforts.





About JATCO

Corporate Information


Corporate Philosophy

History of Value Creation

Our Vision

Core Technologies

Our Approach to Monozukuri



Corporate Information

Company Name	JATCO Ltd
Main Businesses Areas	Development, manufacture, and sale of electrified powertrains, parts, and automobile transmissions
Established	June 28, 1999
Headquarters Location	700-1, Imaizumi, Fuji City, Shizuoka, Japan
Number of Employees	12,500 (as of March 31, 2024, consolidated)
Representative	President and CEO Tomoyoshi Sato
Capitalization	¥29,935.3 million
Shareholders	Nissan Motor Co., Ltd. (75%) MITSUBISHI MOTORS CORPORATION (15%) SUZUKI MOTOR CORPORATION (10%)

Economic Aspects (consolidated)

	billion yen			
	FY 2020	FY 2021	FY 2022	FY 2023
Net revenues	542.8	561.3	540.0	621.7
Operating income	18.6	26.7	2.8	24.1
Net income	5.8	16.5	-4.8	15.8

(Reference)

Affiliated Companies in Japan

● JATCO Engineering Ltd

125-1, Yodabashi, Fuji City, Shizuoka 417-0002, Japan

● JATCO Tool Ltd

1-1, Yoshiwaratakara-cho, Fuji City, Shizuoka 417-0023, Japan

● JATCO Plant Tec Ltd

1-1, Yoshiwaratakara-cho, Fuji City, Shizuoka 417-0023, Japan

Affiliated Companies Overseas

● JATCO USA, Inc.

1974 Midway Lane, Smyrna, TN 37167, USA

● JATCO MEXICO S.A. DE C.V.

Carretera Panamericana Km 75, Col. Los Arellano, C.P. 20340.
Aguascalientes, AGS., Mexico

● JATCO Korea Engineering Corporation

Lotte IT Castle 2-4F, 98, Gasan digital 2-ro, Geumcheon-gu, Seoul
08506, Korea

● JATCO Korea Service Corporation

Lotte IT Castle 2-412, 98, Gasan digital 2-ro, Geumcheon-gu, Seoul
08506, Korea

● JATCO (Guangzhou) Automatic Transmission Ltd.

NO.8, Lihong 2 Road, Science City, Guangzhou Hi-Tech Industrial
Development Zone, Guangzhou, Guangdong, 510530, China

● JATCO (Suzhou) Automatic Transmission Ltd.

No.2 Tangqiao Road (M), Tangshi Community, Yangshe Town,
Zhangjiagang City, Jiangsu Province, 215600, China

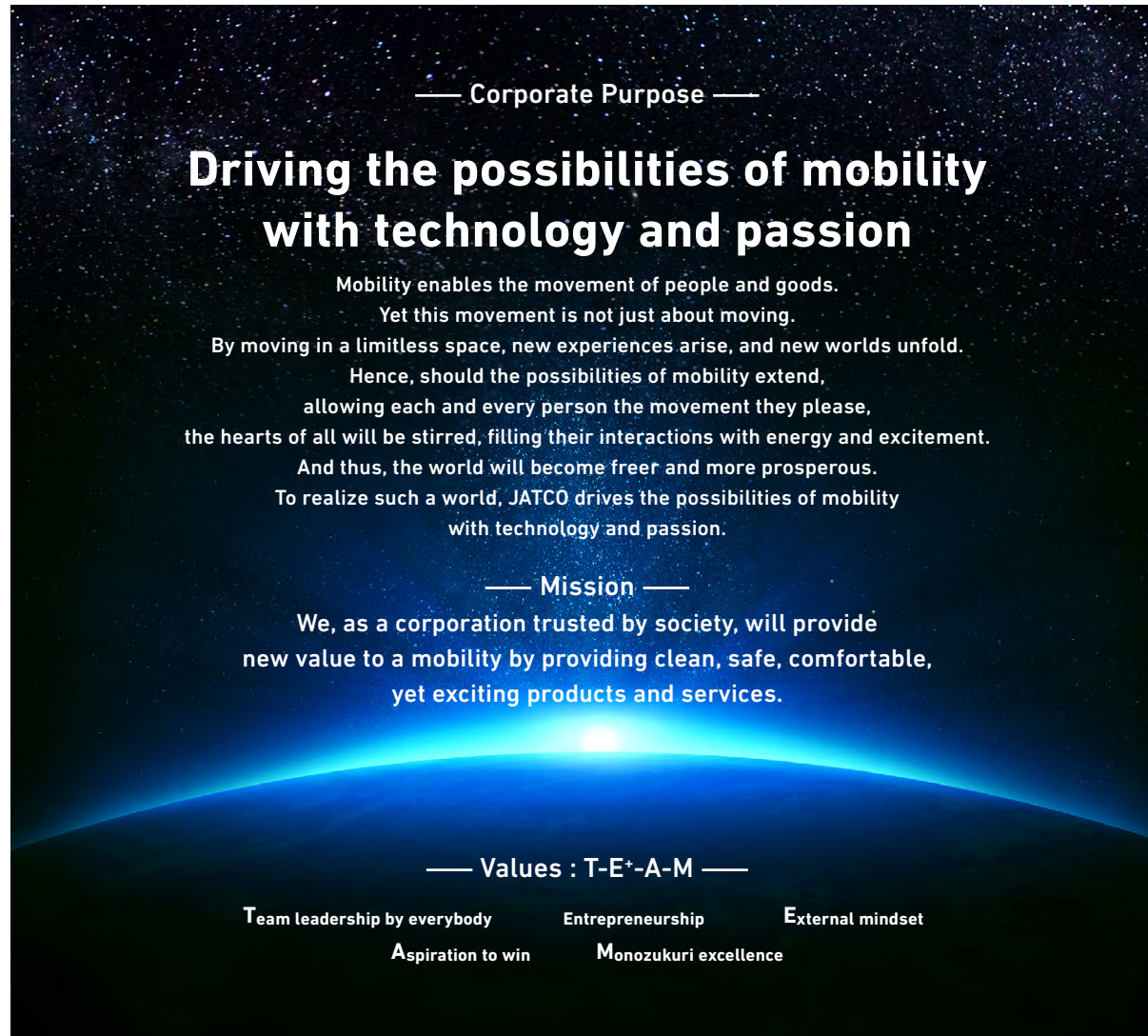
● JATCO France SAS

ZAC des Godets - Batiment C, 1-4 Impasse de la noisette, 91370
Verrières le Buisson, France

● JATCO (Thailand) Co., Ltd.

700/999 Moo 3, Amata Nakorn Industrial Estate, Thumbon
Nongkakha, Amphur Phanthong, Chonburi 20160, Thailand

Corporate Philosophy



Amidst a rapidly changing business environment, JATCO re-examined its reasons for existence in society.

Our corporate purpose, "Driving the possibilities of mobility with technology and passion," signifies our direction in an unpredictable future. It also encapsulates our desire to leverage our strengths to contribute to a better society through mobility.

In April 2024, to promote achievement of our corporate purpose, we added to T-E-A-M, the shared values of our employees, the new item of entrepreneurship, with the meaning of challenging yourself to create new value without fear of failure, thereby defining T-E+-A-M as our new values.

Technology

Technology is JATCO's most important asset and source of value.

We recognize the value of the technology we have cultivated, further deepen it, and open up our future.

Passion

JATCO explores new possibilities with a passion for manufacturing, innovation, and our customers.

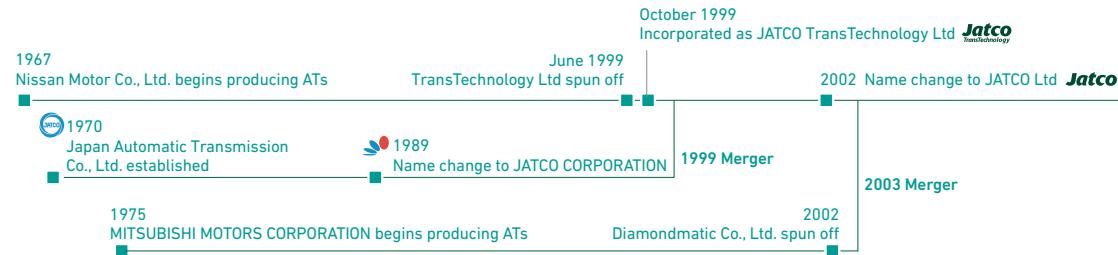
Passion is the driving force behind our challenge mindset.

Mobility

Mobility is all about movement and the means of movement in social activities. The scope of mobility is expanding, beyond the surface of the Earth where cars drive, to the sea, the sky, and outer space.

JATCO's area of activities is also expanding steadily.

History of Value Creation



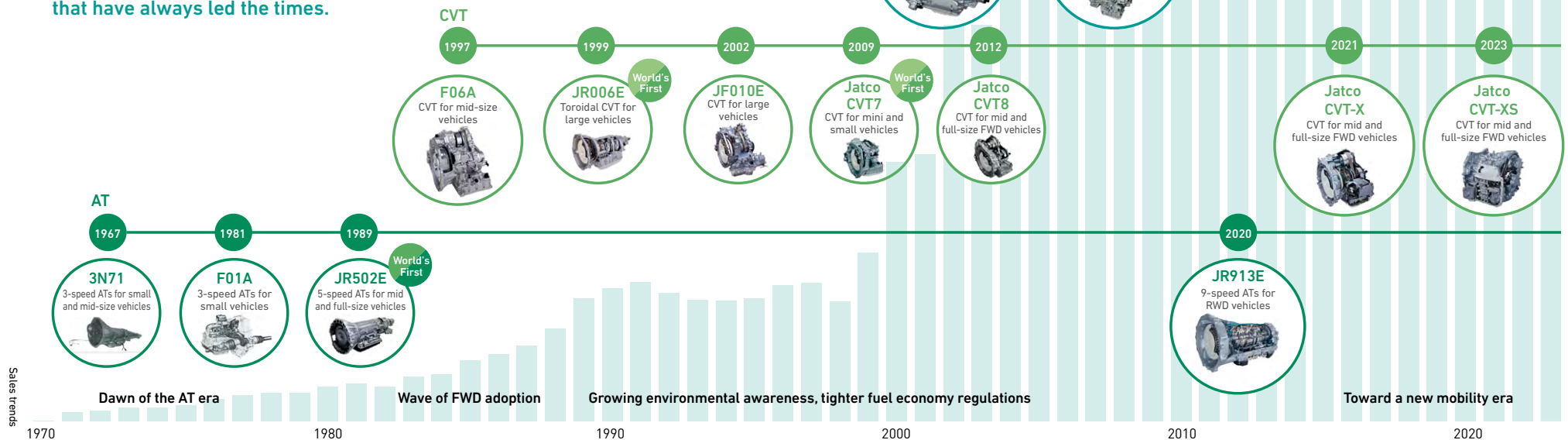
Founding Principles

Cherish people

Maintain cleanliness in all matters

Supply only the highest quality

JATCO's history of evolution is one of innovative products and technologies that have always led the times.



Our Vision

Guided by our corporate purpose, "Driving the possibilities of mobility with technology and passion," JATCO seeks to leverage technology cultivated over many years as an automotive transmission manufacturer to contribute to developing a better society enabled by mobility. Amidst accelerating electrification, we will also contribute to the achievement of a future of more abundant electric vehicles by supplying competitive products that capitalize on our proprietary technologies as an

electric powertrain maker. Additionally, we will expand our technologies to new types of mobility beyond automobiles, exploring possibilities to provide drive units for all kinds of mobility. Making full use of JATCO's unique technical capabilities and expertise, we aim to balance sustainable societal growth with our own growth while keeping the resolution of environmental and social issues in view, by providing valuable new products and services to our customers and society.

Providing Drive Units for All Kinds of Mobility



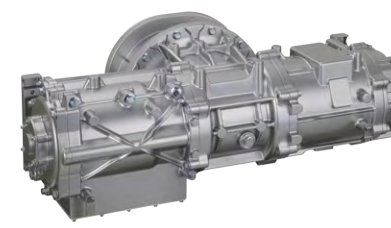
X-in-1 (3-in-1)



X-in-1 (5-in-1)



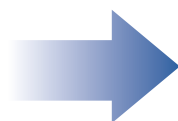
Ultra-compact e-Axle



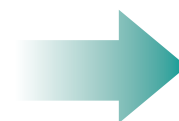
e-Axle (with multi-speed transmission)

Rising interest in sustainability

Carbon neutrality
Circular economy
Shift in value
from cars to mobility



Realizing safe, comfortable mobility



Contributing to a sustainable society

Wheelchair with
transfer mechanism

Drive unit for e-bikes

2-speed in-wheel motor
drive unit for electric motorcycles

Core Technologies

JATCO's core competency

We have delivered over 129 million automotive automatic transmissions since the founding of one of JATCO's predecessors, Japan Automatic Transmission Co., Ltd. Our strengths lie in development capabilities and production technologies for power transmission mechanisms, honed through R&D and production of CVTs and ATs.

In development, in addition to designing and manufacturing units and components, we have always been involved in developing vehicle systems in collaboration with automakers. This allows us to handle aspects

spanning vehicle control and communication to power performance, quietness, and thermal management. Our production strengths include precision design/machining technologies and the capability to mass-produce top-quality products at global sites, enabling stable supply.

Leveraging these core competencies to the fullest, we will pursue the provision of new value, including through electric powertrains and contributions to new types of mobility.

Delivering value across vehicles, units, and components

Vehicle system development

- Power performance
- Quietness
- Thermal management system



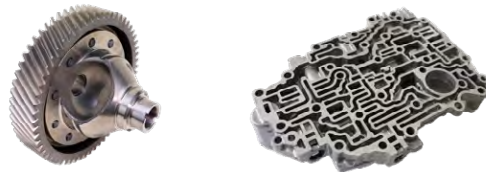
Unit development

- Electrified unit systems
- e-Axles, etc.

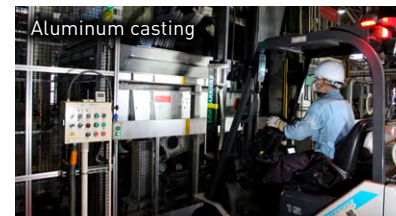


Component development

- Core parts
- Gears, motors, raw materials, etc.



Design and machining technologies for gears and other parts that transmit power in CVTs and ATs



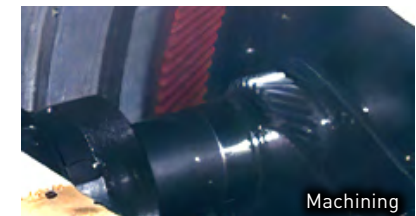
Aluminum casting



Casting



Gear machining



Machining

Technologies to stably supply high-quality products globally



Global mass production

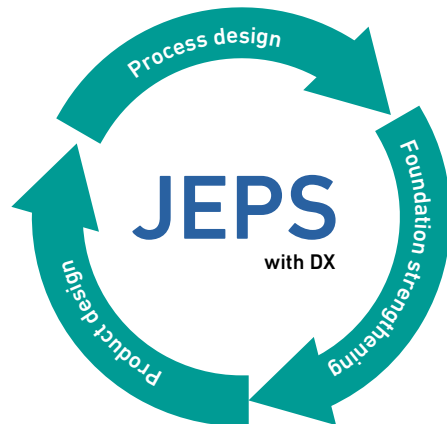


Quality assurance

Our Approach to Monozukuri

Aiming from a customer's perspective to be the world's no. 1 in monozukuri

JATCO aims to respond swiftly to changing customers and to be the world's no. 1 in monozukuri in the aspects of quality, time, and cost. To that end, we have established, and are utilizing, a unique production system known as the JATCO Excellent Production System (JEPS). JEPS eliminates all waste by operating the entire series of processes, from assembly to shipping, at the same speed and in the same order as if they were on a single line, and carrying out production and transportation in a timely manner. Through JEPS, we bring about the realization of two "unlimiteds" across our whole supply chain—unlimited synchronization with our customers, and unlimited innovation and realization of challenges.



Promoting JEPS innovation

The basic concept of JEPS can be summed up in the following two points: unlimited synchronization with our customers, and unlimited innovation and realization of challenges. To pursue these two "unlimiteds," JATCO has established clear metrics in the form of the five "zeros." Toward the achievement of these metrics, JATCO continuously improves JEPS and promotes energy and resource conservation.

JEPS overview



JEPS activities

Pursuing higher competitiveness in all SQTCE*1 aspects

Achieving good monozukuri from the start (MP*2 cycle)

We practice quality design that leaves no residual "quality risks" after mass production commencement and process design that produces as-planned results.

Contributing to greater efficiency by developing and utilizing DX tools

We foresee, prevent, and quickly act on various downtime loss issues (inspections, measurements, adjustments, etc.)

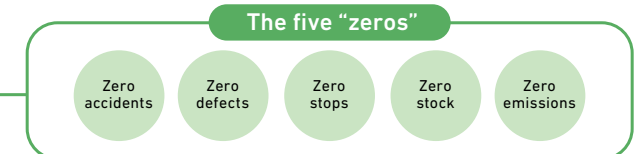
Strengthening foundations via all-hands TPM to produce results

We continually execute improvements and develop personnel (manufacturing, maintenance, engineering, quality assurance, etc.) who are proficient with equipment.

*1 Safety, Quality, Time, Cost, Environment

*2 Maintenance Prevention

The five "zeros"

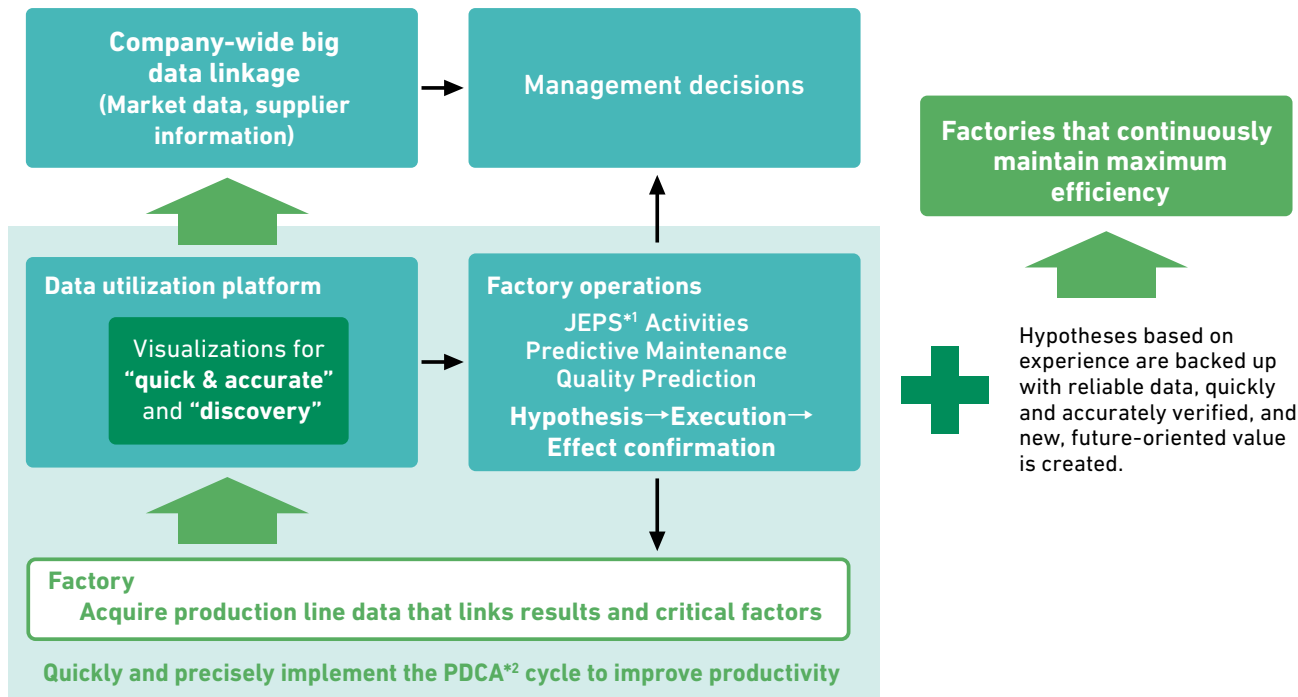


Our Approach to Monozukuri

Achievement of conversion into smart factories

JATCO is promoting the conversion of its factories into smart factories. Led by our Digital Solution Department, we are advancing DX (digital transformation) in manufacturing and promoting productivity improvements and energy conservation.

JATCO Smart Factory Concept



*1 JATCO Excellent Production System

*2 Plan-Do-Check-Act

Visualizing equipment operational status

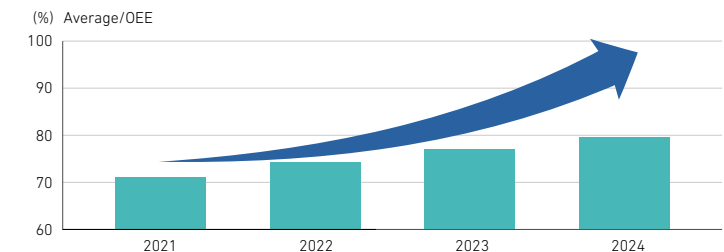
JATCO's plants have a system that eliminates any waste by synchronizing the series of processes from material procurement, processing, assembly, inspection, and shipping as if they were a single line. If production stops due to an error, it will affect the next process and then the one after that. In order to eliminate these effects, we aim to create "factories that never stop" by making the state of equipment in the production process visible at all times. Based on QRQC*, which quickly solves quality problems that occur in the workplace, we have created an in-house operation management software that allows us to see our operational status at a glance. This has made it possible to reduce production losses by quickly identifying phenomena such as short stoppages and breakdowns and implementing countermeasures. The introduction of the operational status monitor has improved the



???????

efficiency of our production lines by approximately 10% (compared to 2021). JATCO is aiming for the ultimate in efficiency and quality, and is expanding the scope of its digital technology to create smart factories. Moreover, we will also contribute to the realization of carbon neutrality by minimizing the energy per unit used to manufacture our products.

Overall Equipment Efficiency (OEE) Results



*Quick Response Quality Control

Our Approach to Monozukuri

In JATCO's product development and production preparation processes, it is promoting "front-loading" to build in performance, by carrying out high-precision and detailed design studies from the earliest stage possible.

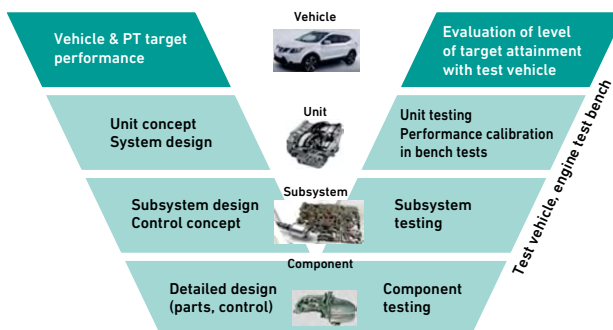
In this way, JATCO is reducing post-process corrections and trial and error iterations on actual equipment, enhancing energy efficiency in its development and production, and helping reduce society's environmental impact.

Development through the V-model of systems engineering

We have adopted the concept of the V-model of systems engineering (SE) to meet the performance demands with respect to increasingly diverse and sophisticated products and to reduce design and testing iterations.

We utilize MBD (model-based development) methodologies for the design and verification of each system hierarchy in the V-model. This involves computer simulation to predict the phenomena that occur in each functional component when a car is actually driven, and then conducting a virtual evaluation.

Through the MBSE (model-based systems engineering) approach



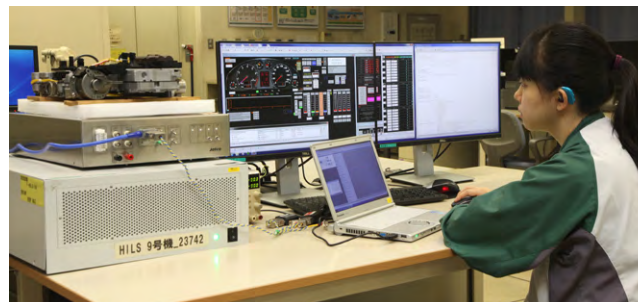
combining SE and MBD, we are promoting front-loading and working to reduce environmental impacts.

Using virtual evaluations to reduce environmental load

In our V-model experimental process, we are replacing what had previously been our real-world vehicle tests with virtual experiments (HILS,* etc.). In addition, by checking the new control system virtually, it has become possible to develop it without having to rework it when it is installed in an actual vehicle. By proceeding with these virtual evaluations, not only is the development period shortened, but also the number of experiments using actual vehicles are reduced, leading to positive environmental effects such as reduced prototyping and reduced use of fuel for experiments.

In addition, by applying the systems engineering methodology to our existing and next-generation products and expanding it globally, it is expected that our rework rate will be improved by 50%, which will not only shorten the development period but also reduce the amount of gasoline used by reducing the number of physical experiments.

*Hardware In The Loop Simulation

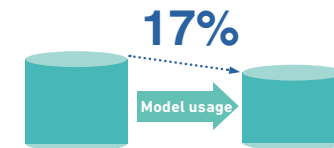


Virtual evaluation using HILS

Example results of virtual evaluations



Using HILS and other tools, simulate results from a running vehicle state and extract the real-world conditions for operating the vehicle



Vehicle running time reduced, fuel consumption reduced by 17%

Aiming for world-leading development efficiency and participating in external organizations such as JAMBE

JATCO participates in JAMBE (Japan Automotive Model-Based Engineering center), comprising Japanese automakers and parts manufacturers, to expand the manufacturing sphere and contribute to developing Japan's automotive industry. JAMBE aims to avoid rework and achieve world-leading development efficiency for the automobile industry overall by aligning models created by universities with those used by automobile and parts manufacturers, using the same models in development. JATCO's participation in JAMBE contributes to automobile technology innovations, including in carbon neutrality and more.

A large, stylized graphic of a wind farm. The image shows several white wind turbines on a brown, grassy hill. The sky is a vibrant blue with scattered white clouds. The graphic is shaped like a large, irregular drop, with the white background of the slide visible on the right side.

Sustainability Management

JATCO's Sustainability

A decorative graphic element consisting of a smooth, horizontal oval with a color gradient from light green on the left to light blue on the right.

JATCO's Sustainability

Guided by our corporate purpose, “Driving the possibilities of mobility with technology and passion,” JATCO provides valuable products and services leveraging our proprietary technologies cultivated through powertrain development and manufacturing. Regarding sustainability as fundamental to business management, we believe a vital role across all business activities is to grow as a corporation, contribute to economic development, and help overcome various societal challenges. Through dialogue with stakeholders, we understand their concerns and aim to contribute to sustainable societal advancement by continuously delivering new value.

Basic Sustainability Policy

1



Overcoming of social issues

Guided by our corporate purpose, “Driving the possibilities of mobility with technology and passion,” JATCO **regards sustainability as fundamental to business management and strives to contribute to economic growth and help overcome societal issues through all business activities and other undertakings.**

2



Provision of unique value

By providing unique value through innovative technologies, JATCO contributes to societal advancement brought about by clean, safe, comfortable, yet exciting mobility.

3



Dialogue with society

In communication with all stakeholders, including customers, employees, business partners, and local communities, **JATCO seeks to realize a sustainable society.**

4



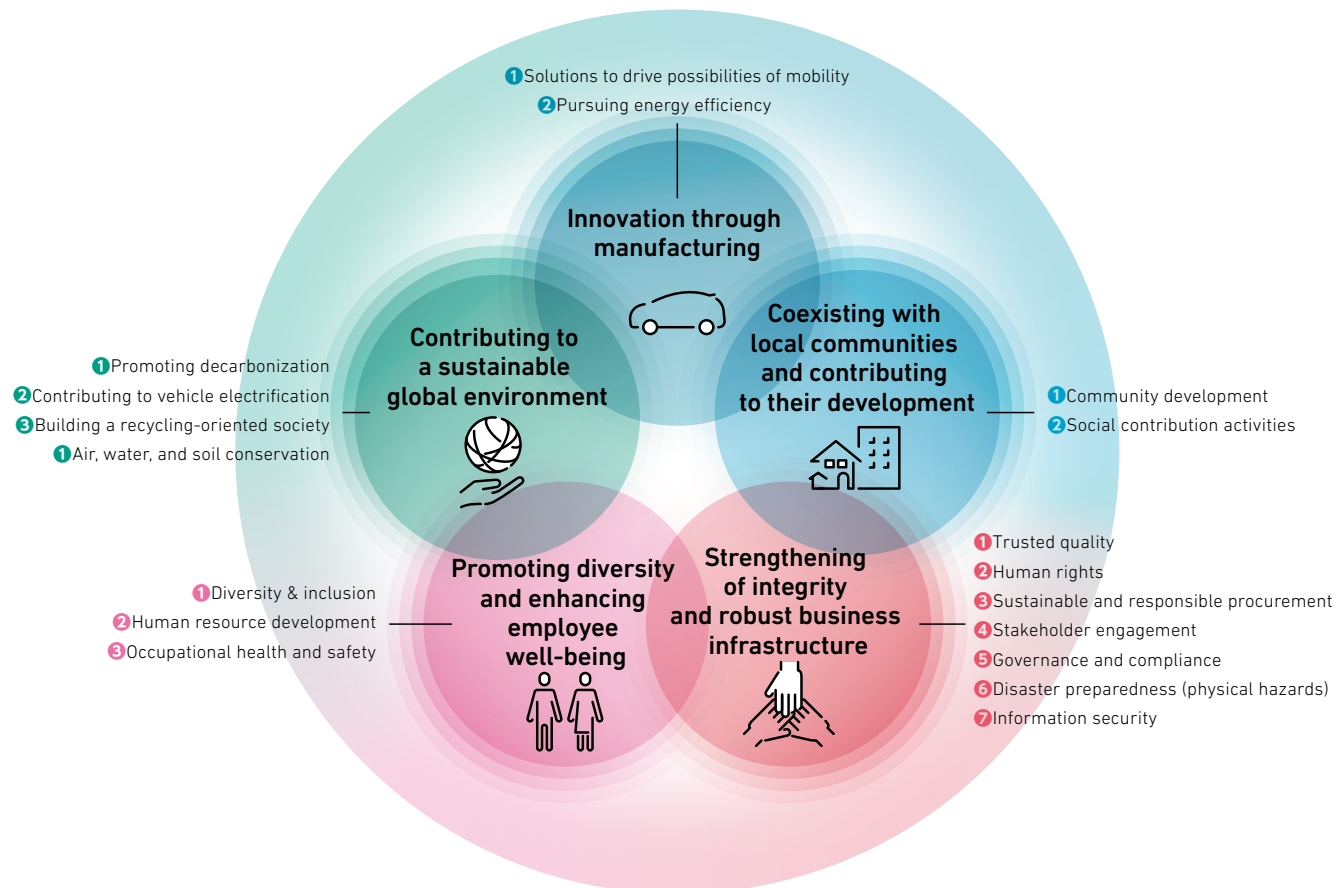
Voluntary initiatives by employees

JATCO advances and raises the level of corporate sustainability activities **by ensuring every employee is aware of and voluntarily engages in sustainability.**

JATCO's Sustainability

Materialities (key issues)

To align stakeholder concerns with the direction of our growth, JATCO has identified 18 key sustainability issues (materialities) in five categories that we should prioritize. These key issues are discussed in the executive committee and incorporated into business activities, ensuring progress on initiatives, leading to the creation of corporate value.



Materiality Identification Process

JATCO identified its materialities through the following process:









- 1 Clarify societal and environmental issues
- 2 Confirm alignment with JATCO's management issues
- 3 Prioritize materialities
- 4 Obtain agreement in the executive committee

JATCO's Sustainability

Materialities (key issues) and our vision

We have established a vision for each materiality aimed at the creation of medium to long-term corporate value.

Materialities (key issues)	Our vision	SDGs
Contributing to a sustainable global environment	Promoting decarbonization JATCO aims to reduce CO ₂ by 46% by 2030 (compared to 2013) and to achieve carbon neutrality across its entire value chain by 2050 through its initiatives in the four areas of entire life cycle, production, development, and environmental activities.	   
	Building a recycling-oriented society Aiming to contribute to global environmental protection and a sustainable society, JATCO will continue to provide its stakeholders with new added value in its products and services by building effective resource recycling mechanisms in a variety of processes in its business activities, such as repairing, reusing, rebuilding and recycling.	   
	Contributing to vehicle electrification JATCO will contribute to the widespread adoption of electric vehicles for the achievement of a decarbonized society by utilizing the technology it has cultivated in transmissions to provide competitive electric powertrains that help improve the product appeal of electric vehicles.	 
	Air, water, and soil conservation JATCO aims for zero impact on the environment by thoroughly managing the resources input into its production activities and the substances released externally, and by working to conserve resources and reduce its environmental impact.	  
Innovation through manufacturing	Solutions to drive possibilities of mobility With its innovative and unique technologies, JATCO pursues the possibilities of achieving clean, safe, comfortable, yet exciting products and services, and provides new value to mobility.	  
	Pursuing energy efficiency JATCO contributes to reducing CO ₂ emissions and environmental impacts throughout society by developing technologies that contribute to enhancing the energy efficiency of our products and improving the energy efficiency of vehicles overall.	 
Coexisting with local communities and contributing to their development	Community development JATCO utilizes its technologies and assets to aim for a society in which communities and companies can develop together, by being actively involved in revitalizing local communities and resolving their issues.	 
	Social contribution activities As a good corporate citizen, JATCO contributes to the resolution of social issues and a better society by having its employees actively participate in activities with the environment, society, and welfare as priority areas.	  

Materialities (key issues)	Our vision	SDGs
Promoting diversity and enhancing employee well-being	Diversity & inclusion JATCO respects the diverse values and individuality of our employees, achieves an organization in which each and every employee can thrive, and uses the new ideas that are born from this to provide new value to our customers and society. For that reason, we promote the participation of women and people with disabilities.	  
	Human resource development Based on the idea that its employees are the assets of the company, JATCO will achieve a motivated workplace where each and every employee can experience growth. It will continually provide employees with all growth opportunities so that the employees and the company can grow together.	  
	Occupational health and safety JATCO will achieve a workplace environment where employees can work safely, healthily, and energetically. Through "Absolute Safety" it will build a workplace free of disasters and fires, develop people who are strong in safety, and through "health management" work to continuously improve the physical and mental health of its employees.	
Strengthening of integrity and robust business infrastructure	Trusted quality JATCO will achieve product quality and quality management that meet customer expectations and gain the trust of our customers. Each and every employee will have a high level of quality awareness and will tackle quality as a company-wide issue.	 
	Human rights JATCO recognizes that respect for human rights is the foundation of its business activities and, as a corporation trusted by society, it respects the human rights of all of our stakeholders and complies with the applicable laws and regulations and standards. All employees share this recognition and act based on the highest ethical standards.	   
	Sustainable and responsible procurement JATCO aims to build mutual trust with its business partners to achieve sustainable growth for both parties. It will implement initiatives aimed at a business which takes into consideration the environment and society in the supply chain and the stable supply of parts and materials.	  
	Stakeholder engagement JATCO will actively engage in dialogue with major stakeholders regarding their concerns to build relationships of trust. By reflecting stakeholder feedback into its corporate activities, JATCO will achieve sustainable corporate growth and societal development.	
	Governance and compliance JATCO will conduct a disciplined and highly transparent business operation by ensuring that employees have a good grasp of our Corporate Philosophy and Code of Conduct and by maintaining and strengthening internal control based on the Basic Policy on Internal Control System. It will constantly monitor the situation in order to respond to issues and it will regularly implement education for employees.	
	Disaster preparedness (physical hazards) JATCO will construct a system for business continuity by anticipating a variety of risks that could shake the foundations of its corporate activities. It will implement regular training and implement continual issue resolution.	
	Information security JATCO will ensure that security policies are thoroughly communicated to everyone, from management to the work sites. It will identify information assets, assess risks, and implement the latest preventative security measures, so that all employees respond with a sense of responsibility to risks such as information asset leaks, etc.	

JATCO's Sustainability

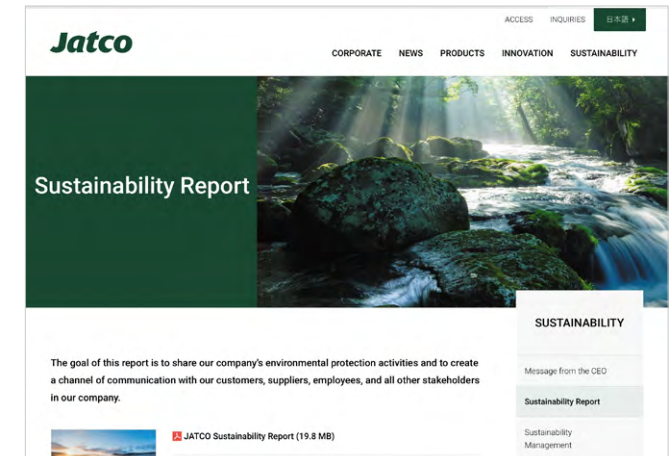
Aiming for proactive information disclosure

JATCO aims to be proactive in disclosing information about its environmental initiatives.

In order to promote widespread understanding of our activities amongst our stakeholders, we have published our Environmental Report since 2005. From 2009 onwards, we expanded the focus to include societal topics, and changed the title to the "Environmental & Social Report." From 2023, we consider sustainability to be the core of our management activities, and have revamped the structure of our Sustainability Report in order to more clearly convey information about our efforts to contribute to economic development and to resolve social issues through all of our business activities and other undertakings.



JATCO Sustainability Report

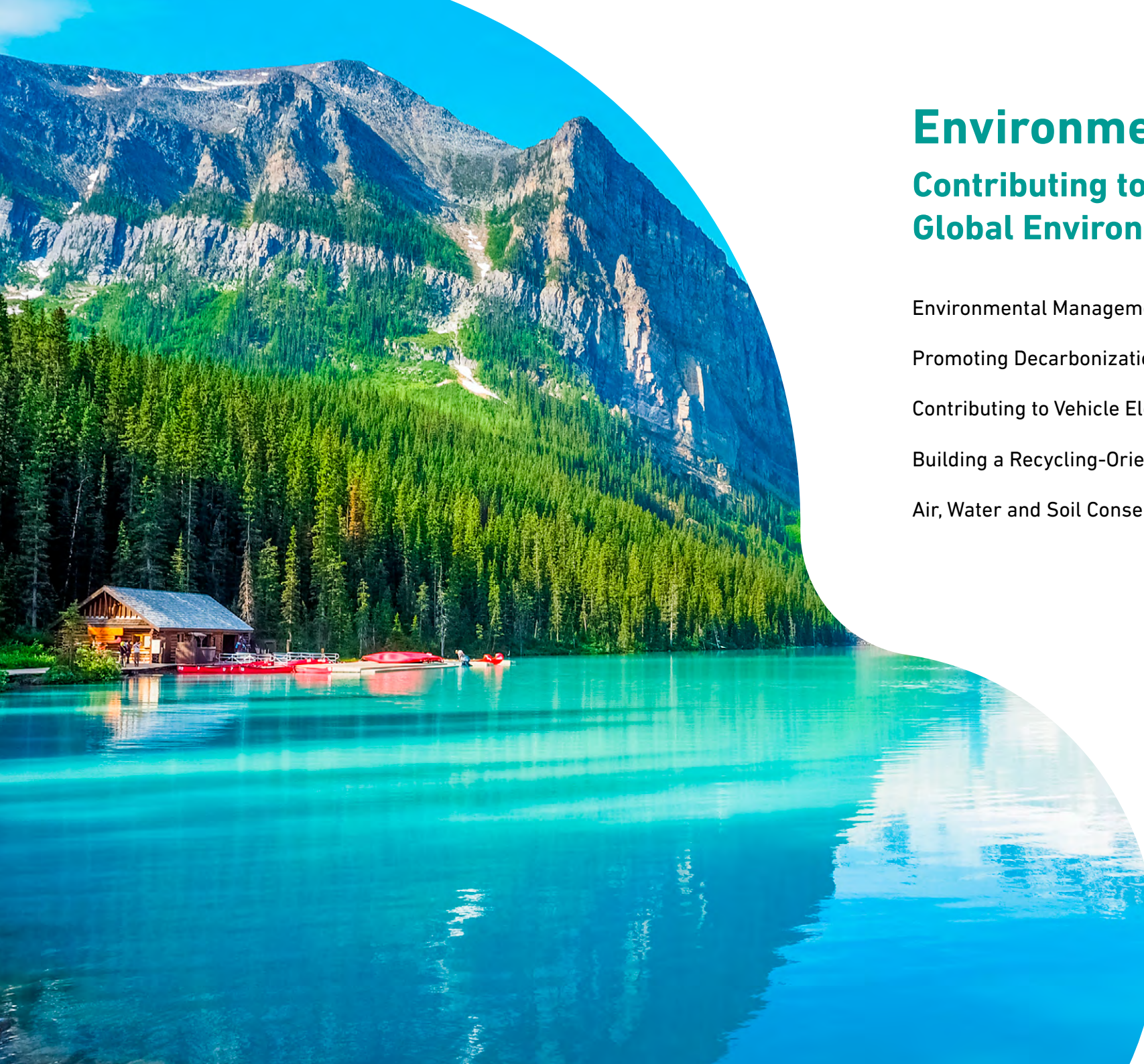


Sustainability page on JATCO's website (FY2023)

Contributing to the Achievement of the SDGs

The 2030 Agenda for Sustainable Development was adopted at the United Nations Sustainable Development Summit in September 2015. JATCO endorses the globally shared Sustainable Development Goals (SDGs) and will contribute to their achievement. In April 2022, for instance, we signed on to the SDGs Future City Initiative declaration of Fuji City, Shizuoka Prefecture, home to our head office, and are doing our part to realize the vision of Fuji as an SDGs Future City. Pages in this report describing related initiatives display the respective goal icons to indicate connections with the SDGs.





Environment

Contributing to a Sustainable Global Environment

Environmental Management

Promoting Decarbonization

Contributing to Vehicle Electrification

Building a Recycling-Oriented Society

Air, Water and Soil Conservation



Environmental Management

What JATCO can do for a sustainable future

JATCO leverages its collected experience in the transmission business and pursues both driving and environmental performance. Currently, we are working both on the development of electric powertrains for EVs and on the further improvement of our CVTs, which boast the No. 1 market share globally (as of a 2023 JATCO survey). Our technologies and experience have further evolved our Jatco CVT-X, which boasts 90% transmission efficiency, into the latest Jatco CVT-XS. Through acceleration that matches the driver's intentions and excellent responsiveness, driving performance is enhanced and with improved fuel efficiency, value is provided to our customers. Going forward, in anticipation of the age of electrification, we will also launch electric powertrains such as our e-Axles. By leveraging these technologies and systems to provide innovative products for non-car mobility, we are contributing to a sustainable future.



Jatco CVT-XS



Ultra-compact e-Axle

JATCO's Environmental Policy

JATCO has revised its environmental policy to content better suited to the times, with a view to promoting environmental activities and realizing a sustainable society.

Based on the new environmental policy, JATCO will make continual improvements and raise the bar in the areas of innovation, decarbonization, resource circulation and pollution prevention in order to realize a sustainable global environment.

Environmental Policy

Contributing to a sustainable global environment through all business activities

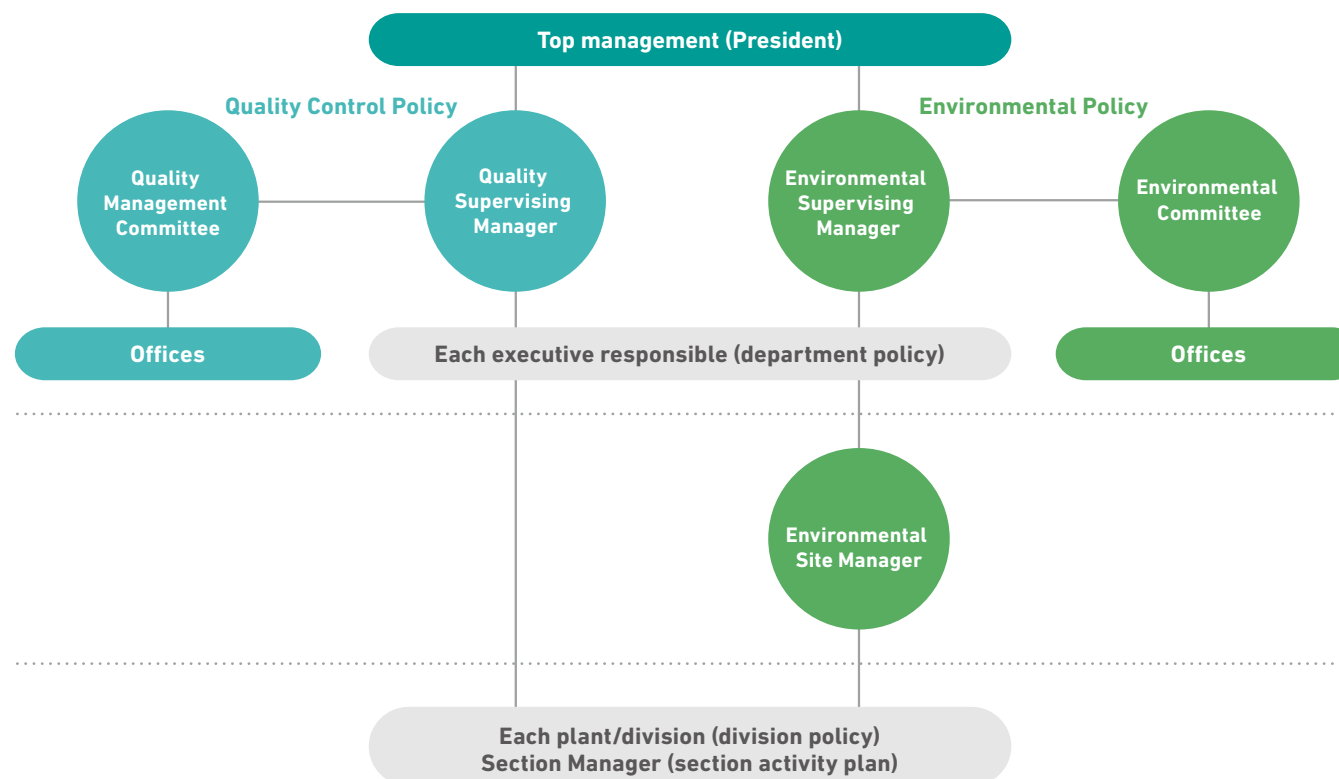
- **Innovation:** Develop and produce energy-efficient products and environmental technologies
- **Decarbonization:** Achieve carbon neutrality across the entire value chain by 2050
- **Resource circulation:** Promote a circular economy that maximizes resource utilization
- **Pollution prevention:** Prevent environmental problems and comply with legal requirements
- **Continual improvement:** Improve the effectiveness of the environmental management system through collaboration and co-creation with the people within the organizations

Environmental Management

Promotion system for environmental management

JATCO's environmental management is carried out by appointing environmental supervising managers and site managers to each global site, and promoting our environmental management system (EMS) under the management and authority of each environmental supervising manager.

JATCO's systems promoting quality and environmental management



With regard to EMS promotion across the entirety of JATCO, comprehensive deliberation and assessment is carried out by a company-wide environmental committee comprised of each of the environmental supervising managers and environmental site managers, and a follow-up system is put in place. By applying the company-wide EMS to all divisions and production bases, we are able to align our efforts as a company, and strongly promote environmental management. This is a major characteristic of JATCO's EMS.

Earning ISO 14001 globally

JATCO has earned ISO 14001:2015, the latest standard for environmental management systems, at all its production bases in Japan and overseas.

To minimize the impact on the environment imposed by the production bases JATCO is deploying globally, we apply the same environmental protection measures used in our production bases in Japan to all our bases around the world, and we are proactive in implementing unique ideas at each base. Furthermore, all our bases have earned the new ISO 14001:2015 environmental management system certification.

Going forward, we will continue engaging in production practices that minimize environmental impact across our bases all over the world.



All of our global bases have acquired ISO 14001:2015 certification. (The certificates for one of our bases)

Base	Corporation name	Fiscal year earned
Japan	JATCO Ltd	1998
Japan	JATCO Engineering Ltd	2004
Mexico	JATCO MEXICO S.A. DE C.V.	2011
China	JATCO (Guangzhou) Automatic Transmission Ltd.	2013
Thailand	JATCO (Thailand) Co., Ltd.	2015
China	JATCO (Suzhou) Automatic Transmission Ltd.	2022

Environmental Management

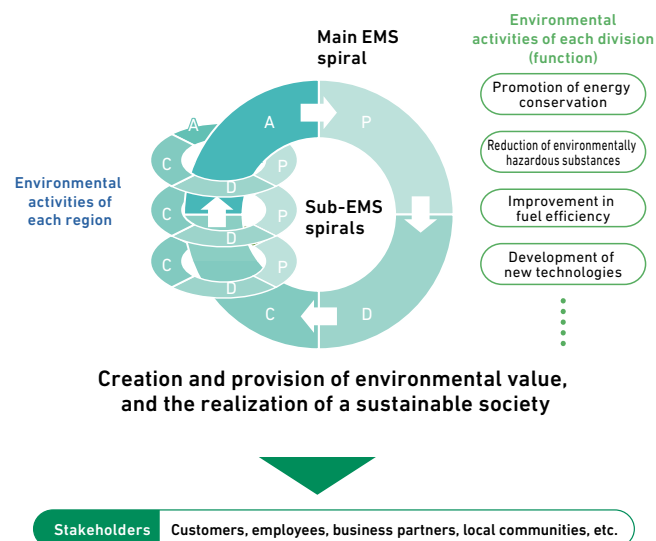
Promotion system for environmental activities

Promotion of activities that meet the needs of the local community by the Environmental Committees of each region

JATCO has established Environmental Committees in each region, and the Committees carry out environmental activities that meet the needs of the local community.

By mutually interlinking and operating two types of PDCA cycles—the PDCA cycle for the whole of JATCO (main EMS spiral) and the PDCA cycles for the regions and divisions (sub EMS spirals)—we strive to unite the direction of all the initiatives that are implemented. The aim is to create and provide environmental value to our stakeholders through continuous improvements, in order to improve the effectiveness of our activities.

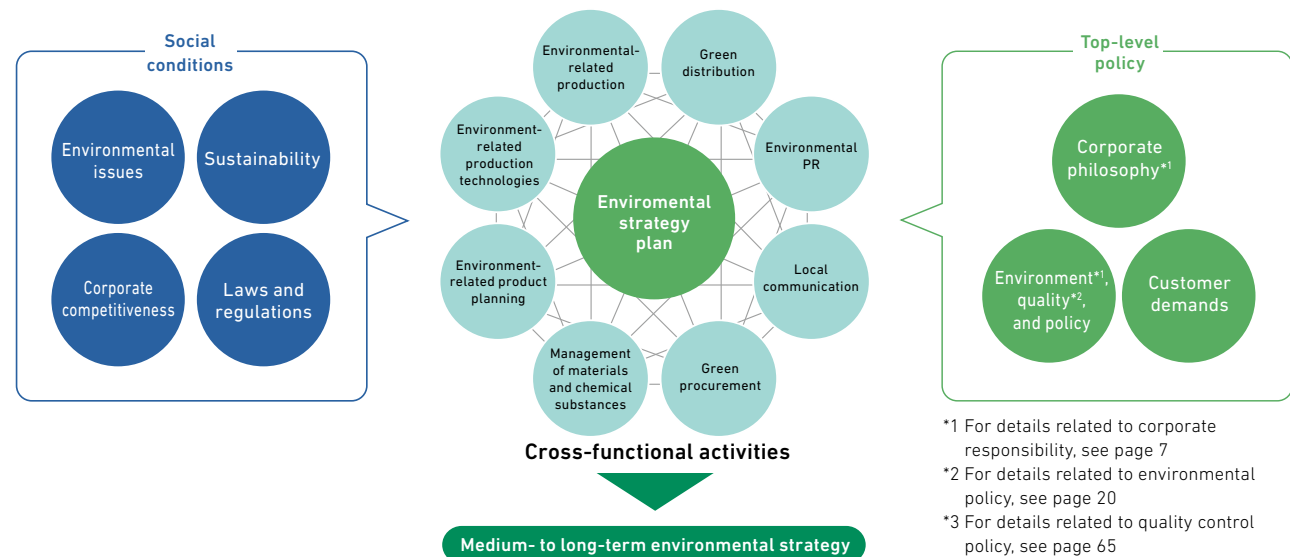
Conceptual diagram of JATCO's environmental activities



Response to environmental issues from a medium- to long-term perspective

In parallel with the promotion of EMS, which carries out environmental management by sector, we are advancing our medium- to long-term initiatives for environmental issues. In relation to changes in social conditions and business environment and to our corporate philosophy and top-level policies, etc., JATCO ascertains the current situation regarding the environmental issues it should address, analyzes the risks, considers the necessary actions, and then executes them. While examining JATCO as a whole, the committee performs management and planning across the company. They implement this strategy while coordinating the environmental activity planning and management of our overseas bases.

Conceptual diagram of JATCO's Environmental Planning Subcommittee



Environmental Management

FY2023 environmental results *In business activities inside Japan

Total waste generated

67.8% reduction
(Compared to FY2006)

Recycling rate

100%

CO₂ emissions

40% reduction
162,607 t-CO₂
(Compared to FY2013)

Emissions of three major hazardous air pollutants

None

Amount of water used

36.2% reduction
(Compared to FY2006)

VOC* emissions

99% reduction
(Compared to FY2000)

*VOC: Volatile Organic Compound, which is an organic compound that enters a gaseous state when exposed to the atmosphere.

Environmental Management

Material balance

JATCO aims to create a recycling-oriented society by properly using resources and reducing emissions.

Input	Unit	2021	2022	2023
Raw materials (aluminum)	kt	77	59	64
Raw materials (steel)	kt	174	137	149
Energy (LNG)	km ³	10,059	10,059	8,726
Energy (LPG)	T	1,754	1,434	1,343
Energy (kerosene)	kL	5,913	4,562	4,321
Energy (other)	kL	125	224	60
Electricity	MW-h	605,669	513,001	551,685
Water resources (industrial water)	km ³	1,262	1,060	1,198
Water resources (tap water)	km ³	241	142	137
Water resources (ground water)	km ³	949	904	1,007

Emissions/output	Unit	2021	2022	2023
CO ₂	t-CO ₂	320,739	281,599	276,604
Gas emissions	kNm ²	701,092	493,700	618,554
Water discharge	km ³	2,207	2,204	2,466
Waste generated	t	5,472	7,009	6,960

(Global data)

Environmental Management

Material management at overseas bases

JATCO (Guangzhou) Automatic Transmission Ltd.

	2019	2020	2021	2022	2023
Electricity (kw/h)	105,640,590	109,968,489	87,337,703	61,967,997	52,300,000
Natural gas (m³)	–	–	–	–	–
Propane gas (t)	–	–	–	–	–
Water (m³)	156,462	161,703	131,685	102,045	89,000

JATCO MEXICO S.A. DE C.V.

	2019	2020	2021	2022	2023
Electricity (kw/h)	231,490,755	169,617,431	172,062,929	160,110,000	178,186,000
Natural gas (m³)	2,010,198.67	796,922	1,290,724	1,500,000	812
Propane gas (t)	241	150	–	–	–
Water (m³)	372,382	307,989	329,334	326,700	376,000

JATCO in Japan

	2019	2020	2021	2022	2023
Electricity (kw/h)	354,274,000	266,682,000	300,797,000	285,914,000	298,173,000
Natural gas (m³)	8,718,000	7,422,000	8,433,000	8,157,000	7,883,000
Propane gas (t)	2,329,000	1,686,000	1,734,000	1,686,000	1,322,000
Water (m³)	2,574,000	1,927,000	1,905,000	1,651,000	1,809,000

*JATCO Ltd, JATCO Engineering Ltd, JATCO Plant Tec Ltd, and JATCO Tool Ltd

JATCO (Suzhou) Automatic Transmission Ltd.

	2019	2020	2021	2022	2023
Electricity (kw/h)	–	29,598,000	27,699,000	18,875,000	14,160,000
Natural gas (m³)	–	36,000	36,000	43,000	32,000
Propane gas (t)	–	–	–	–	–
Water (m³)	–	43,438	43,156	24,690	30,000

JATCO (Thailand) Co., Ltd.

	2019	2020	2021	2022	2023
Electricity (kw/h)	27,119,912	14,555,600	19,590,020	13,106,000	14,099,000
Natural gas (m³)	–	–	–	–	–
Propane gas (t)	42.77	17.46	20.12	23	22
Water (m³)	58,891	34,025	42,824	39,000	38,000

Environmental Management

Continuous efforts to reduce environmental impact, based on the PDCA (Plan-Do-Check-Act) cycle

JATCO sets forth initiatives every year aimed at reducing environmental burden as our environmental targets and aims to achieve these targets. Based on the results of these initiatives every fiscal year, we establish our targets for future fiscal years, thereby continuously improving our environmental performance. In FY2023, we did not receive any administrative dispositions due to major violations of laws, regulations, or ordinances related to the environment, but there was one environmental accident in which the exception was exceeded, so we worked with governmental entities to carry out the necessary measures and reviews.

Environmental objectives	Items	FY2023 targets	FY2023 results	Achieved	FY2024 targets
Continuous improvement of our environmental management system	Routine reviews	Receive regular audits: maintain certification Internal environmental audit: 1 time Environmental Committee meeting: 2 times	Received regular audits: maintained certification Internal environmental audit: 1 time Environmental Committee meeting: 2 times	○	Receive regular audits: maintain certification Internal environmental audit: 1 time Environmental Committee meeting: 2 times
	Internal environmental auditor training	Train people as needed	21 people trained	○	Train people as needed
Compliance with laws and preventive measures for environmental issues	Findings highlighted by administrative and government agencies	Number of findings: 0	Number of findings: 0	○	Number of findings: 0
	Maintenance of significant environmental characteristics	Accomplish 100% of regular reviews	Accomplished 100% of regular reviews	○	Accomplish 100% of regular reviews
	Education relating to environmental laws	Perform environmental training: 2 times	Performed environmental training: 2 times	○	Perform environmental training: 2 times
	Prevention of environmental accidents	Number of A & B rank accidents: 0 Number of C rank accidents: 0	Number of A & B rank accidents: 1 Number of C rank accidents: 1	○	Number of A & B rank accidents: 0 Number of C rank accidents: 1
Promotion of resource conservation	Promotion of energy conservation CO ₂ emissions by revenue	51.0 t-CO ₂ / Billion yen	52.1 t-CO ₂ / Billion yen	△	45.3t-CO ₂ / Billion yen
	Promotion of waste reduction Reduction in total waste generated	2.004kg/unit	1.879kg/unit	○	2.105kg/unit
	Reduce water consumption	0.550m ³ /unit	0.555m ³ /unit	△	0.543m ³ /unit
Technological development aimed at reducing environmental impact	Environmentally-friendly design [Contribution to environmental conservation and fuel-economy improvements]	Achieve 100% of goals for individual (product) issues	Achieved 100% of goals for individual (product) issues	○	Achieve 100% of goals for individual (product) issues
	Management and reduction of environmentally hazardous substances in products	Maintain product compliance with environmental laws and regulations at 100%	Maintained product compliance with environmental laws and regulations at 100%	○	100% Conform/Maintain products with changes in environmental laws and regulations

Promoting Decarbonization



Carbon neutrality initiatives

JATCO aims to achieve carbon neutrality across its entire value chain by 2050, focusing on initiatives in the four areas of entire life cycle, production, development, and environmental activities.

Total Product Life Cycle Initiatives

From raw material procurement to final recycling, we evaluate the environmental effects of the entirety of our product life cycles and are tackling the reduction of CO₂ emissions from our supply chain and other business activities.



Production Initiatives

We are working to realize smart factories through innovations in production technologies and by pushing digital transformations (DX), promoting reduced energy usage. Moreover, through the proactive adoption and generation of renewable energy, we are working to reduce the CO₂ emissions from our production processes.



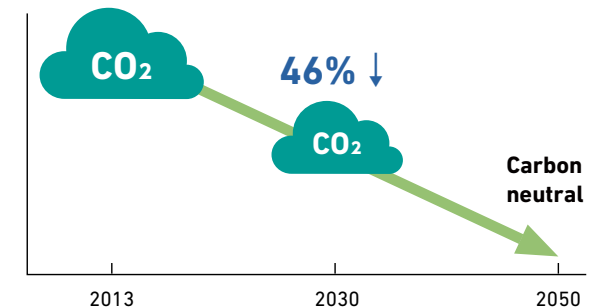
Product Initiatives

We improve the efficiency of our transmissions to the utmost limit to achieve ever better fuel economies. In addition, with our core technologies, we accelerate the development of products for next generation electric and hybrid vehicles, contributing to the reduction of CO₂ emissions.



Environmental Activities and Other General Initiatives

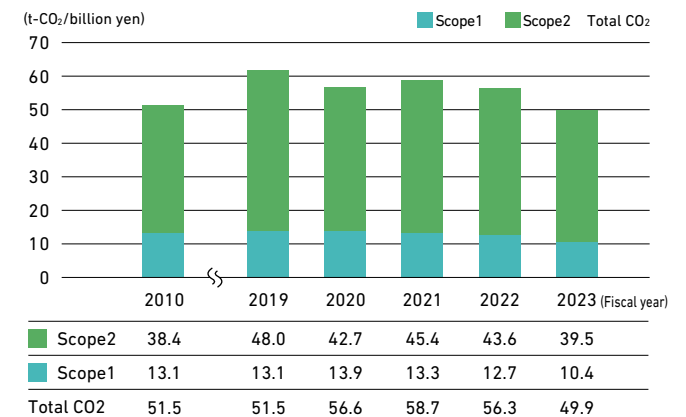
We are driving forward harder than ever with environmental activities such as tree planting in concert with governmental entities, local communities, and NPOs, working as a good corporate citizen to contribute to the reduction of carbon dioxide.



Aiming to reduce CO₂ emissions

by **46%*** by 2030 *Compared to 2013

CO₂ emissions (Japan)



Carbon Neutral Steering Committee

Once every two months, JATCO executives discuss strategy formulation for and confirm progress towards realizing carbon neutrality at the Carbon Neutral Steering Committee. The Committee has the participation of the individuals responsible for total product life cycle, production, products, and environment, and aims to quickly solve problems and invigorate company-wide activities through support and decision-making by reviewers such as our President.

Carbon Neutral Steering Committee Structure

Chairman: Corporate Planning
Department Executive

Sponsor: Corporate Planning
Department

Reviewer: CEO

R&D Division Executive
(Initiatives related to products)

Purchasing Division / Sales Department
Executive (Initiatives across LCA)

Production Division / Quality Division
Executive (Initiatives in production)

Corporate Planning Division Executive
(Initiatives such as environmental
activities)

Promoting Decarbonization

Production efforts

Promoting energy and resource conservation in pursuit of greater efficiency in the production process

After purchasing the raw materials, JATCO carries out production in an integrated manner, from the casting, forging, machining, heat treating, and the assembly, to the completion of the unit, and, when planning for a new product or developing a new technology, we are mindful of Earth's resources. In particular, with the aim of tackling priority issues—such as CO₂ emissions reduction and hazardous substance management—through the active adoption of new technology and the recycling of goods by using idle facilities, we are putting effort into developing innovative technologies to shorten work processes and develop highly-efficient processes with low environmental impact, as well as making the shift toward low-energy and low-resource facilities.

Adoption of production design into the machining and heat treatment lines

The production technology department promotes production designs in the product design process. By minimizing the number of processing stations on the pulley machining line, we significantly reduced the number of production machines and cycle time. By incorporating the requisite specifications in the heat treatment line, we also significantly cut cycle time on that line. These measures have dramatically increased our current production efficiency.

Machining line			
	Line for previous units	Line for new units	
Equipment numbers	49 machines × 3.5 modules	27 machines × 3.5 modules	-43%
Heat treatment line			
	Line for previous units	Line for new units	
Cycle time	100%	66.6%	-33%

Switch from hydraulic press fitting to servo (electric) press fitting

In conventional hydraulic press fitting, which is a part of the assembly process, a hydraulic generator is constantly running. This consumes a large amount of electrical power and generates significant noise and heat, and as such, JATCO is switching to the use of electric press fitting using servos. As a servo does not require a pump to constantly be in operation like for a hydraulic press fitting, it successfully minimizes the electricity consumed, as well as the noise and heat generated.

Enhancing production and engineering process innovation and inventive technology development

In our development of next-generation technologies, we established the elimination of CO₂ emissions as one of JATCO's principal goals and have been putting in place initiatives to achieve our goal of zero greenhouse gas emissions by 2050, for both our production and development processes. With the production process for our latest CVT, we have further reviewed the processes used to date, and succeeded in reducing production lead-time significantly. With regard to our other parts, the development and production divisions are working together to minimize CO₂ emissions. Furthermore, we are working towards balancing product



Vacuum carburizing furnace

performance and improving productivity by promoting "production design," which gets the production technology involved in the design of the product from the development phase. We challenge ourselves to achieve ever greater technological breakthroughs, such as the enabling of lower energy use for the production of our products through the purchase of molten metal at the die-casting stage, the abolishment of the shaving process for gear parts, the development of a vacuum carburizing furnace, the reduction of the weight of units through the use of alternative materials and thin-walled die-casting, and the downsizing of casting machines.

Introducing NaS batteries to streamline power operation

JATCO is actively pushing its collaborations with companies from different industries as part of a new initiative for preserving the Earth's environment. Since FY2005, we have worked jointly with TEPCO Energy Partner, Incorporated, to introduce NaS battery* facilities. The NaS batteries charge at night when power consumption is low, and this electric power is utilized during the day when load is high. This helps to reduce excess operation of power plants and brings about efficient power consumption. In FY2020, we upgraded our equipment, and when the power companies are short on power, we release stored power, contributing to the stability of power supply and demand.



NaS battery facility

*NaS battery: A storage battery composed of liquid sodium (Na), liquid sulfur (S), and special ceramics

Promoting Decarbonization

Logistics efforts

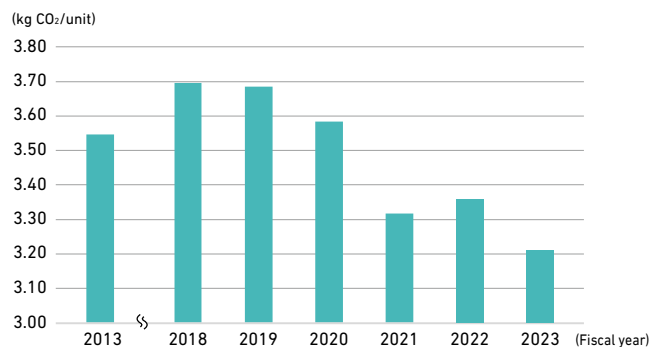
With the aim of reducing our CO₂ emissions, JATCO utilizes green logistics when transporting parts, and from 2013 to 2023 we have achieved a 9% reduction in CO₂ emissions. In order to reduce the CO₂ emissions due to the transportation of our parts, we have been implementing a modal shift in our logistics, while gaining the acceptance of our customers in Japan.

Specifically, starting from FY2009 we switched from using trucks to using railcars for transporting procured parts for the route from Hiroshima (approximately 780 km away) to Shizuoka where JATCO's production bases are located. As a result, we were able to reduce our CO₂ emissions by 83.3%.

Additionally, since September 2019 we have introduced double trailer trucks to transport JATCO production parts from the JATCO Fuji area to the Kyoto Yagi plant.

Transporting at a high load factor led to a reduction in CO₂ emissions. We will continue to pursue this modal shift and work to improve load efficiency to reduce the number of trucks and other vehicles used for shipping.

CO₂ emissions per unit in transportation



Land transportation by railway



Double trailer truck (Photo provided by Vantec Corporation)

FY2023 CO₂ emissions due to transport activities



CO₂ emissions from logistics

(Fiscal year)

	Unit	2021	2022	2023
Total	t-CO ₂	4,376	4,166	4,344
Inbound	t-CO ₂	3,127	2,824	2,834
Internal	t-CO ₂	1,108	1,262	1,422
Outbound	t-CO ₂	141	80	88

Load ratio

(Fiscal year)

	Unit	2021	2022	2023
Truck	%	92.9	94.0	94.3
Rail	%	7.1	6.0	5.7

Promoting Decarbonization

Various initiatives

Enhancing lighting facilities at each production plant

We are systemically reducing CO₂ emissions by improving our lighting equipment. As the energy consumption from lighting equipment in our production plants is by no means low, we have focused on improving the ceiling lights in each production plant. To ensure the brightness of the working environment, we have taken measures such as switching to energy-efficient equipment, using fewer lights, and turning off the lights when appropriate.

Use of energy-regenerating and energy-efficient equipment, and visualization of power consumption

Through the use of regenerative energy from motors and the adoption of energy-efficient equipment such as LED lighting, we have succeeded in minimizing the amount of electricity consumed. We are also promoting activities to increase awareness of energy conservation via visualization of power consumption for the main and sub-lines respectively.



CO₂ emissions posted at the entrance of a conference room

Implementing a green curtain project

At our Yagi Plant in Kyoto we are implementing a green curtain project by growing vines around the plant building to block direct sunlight. By using plants to block the sunlight, we are reducing the generation and penetration of radiant heat.



The Green Curtain Project at Yagi Plant

Reuse of Nissan Leaf batteries, solar powered outdoor lighting

JATCO has changed its Fuji Area 1 Plant and Head Office Area outdoor lighting equipment to solar power specifications, achieving zero CO₂ through zero commercial power.

The CO₂ reduction effect is 0.8t-CO₂/year/unit and the storage batteries reuse Nissan Leaf batteries, also contributing to the circular economy.

In an emergency, the batteries can be removed and used as a portable power source for disasters (capacity of 40.000 mA).



Solar powered outdoor lighting

Educating employees through the use of environmental content

With the aim of raising environmental awareness among employees, we set up a dedicated environmental topics webpage on our employee portal site. In addition to encouraging employees to participate in conservation events both within and without the company, we post content, such as JATCO's unique eco certification and eco-drive certification, to help employees learn about environmental issues in a fun and enjoyable manner.

There is also a section with visualizations of our power consumption, which sheds light on our actual power consumption, and a section on electrical cost reduction, which provides information about energy conservation.

All of our employees can easily check the amount of electricity used in each area, thereby leading to spontaneous energy saving.



Our system for visualizing power consumption

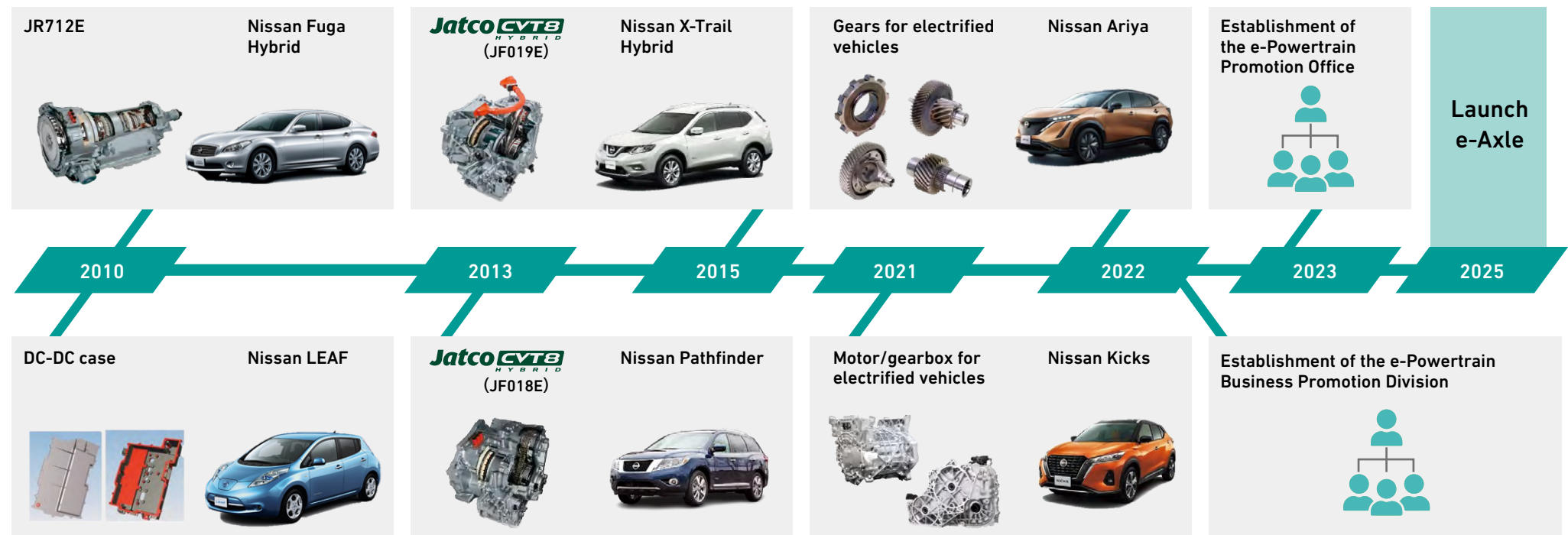


Contributing to Vehicle Electrification



Introducing electrified products utilizing JATCO's proprietary technologies

For more than 10 years, JATCO has been accumulating know-how in preparation for the era of electrification. In 2010, we developed the JR712E, the world's first transmission for RWD hybrid vehicles that uses a one-motor, two-clutch system. In 2013, we launched the Jatco CVT8 HYBRID, the world's first transmission for FWD hybrid vehicles that uses a dry multi-plate clutch for the coupling between the engine and the motor in the same system. In addition, since 2021, JATCO (Thailand) Co., Ltd., has started producing motors and gearboxes for the Nissan Kicks. We are supplying gear parts for Nissan's new flagship EV, the Nissan Ariya, where we are contributing to vehicle quietness, one of the Ariya's characteristic features. Based on our accumulated know-how, by mid-2025 we will fully launch our e-Axles, drive units for electric vehicles that integrate a motor, an inverter, and gears.

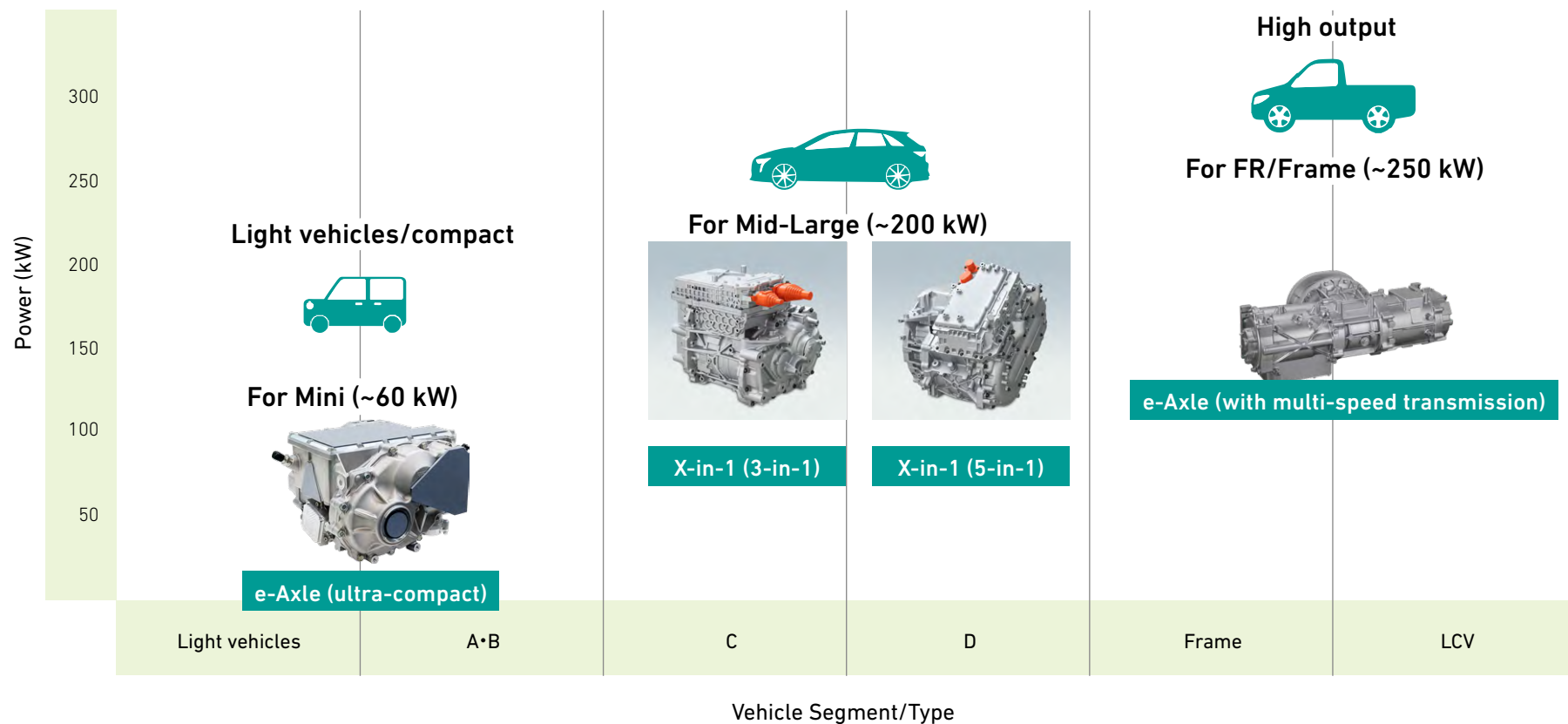


Contributing to Vehicle Electrification

Electrification initiatives

Meeting customer needs with a full lineup of electric powertrains

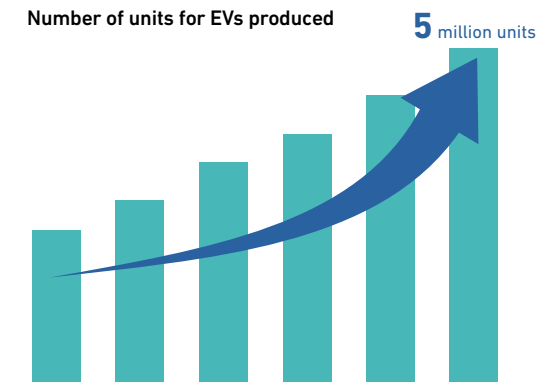
As the shift to electric vehicles accelerates, EV lineups will expand from the small and medium-sized car segments to light vehicles, compact cars, and large vehicles such as high-performance cars and pickup trucks. JATCO is also conducting various kinds of research and studies on these shifts, and the two models that we are focusing on are our offset design e-Axle, which is currently under research and development, and an e-Axle with multi-speed transmission, which is intended for installation in large pickup trucks and other vehicles.



Contributing to Vehicle Electrification

Strengthening our systems to achieve annual production of 5 million units for EVs by 2030

JATCO has set a goal of increasing annual production for EV units to 5 million units by 2030, and to achieve this goal we have been steadily strengthening our internal structure. In April 2023, we established a new e-Powertrain Business Promotion Division. We are planning and promoting our electrification business from a company-wide perspective and will vigorously move ahead with our electric powertrain business. In terms of development, we are continuing to expand our electric powertrain design and development capabilities, including the launch of an R&D center in Zama in October 2022. In order to achieve globally competitive production costs, we are moving away from production methods that are based on mass production, and are considering from scratch production methods that can flexibly respond to changes in production volume and increases or decreases in models.



“3-in-1” for electric vehicles and “5-in-1” for e-POWER (hybrid)



3-in-1 For electric vehicles



5-in-1 For e-POWER

- Sharing of major drive components
- Enhancement of production efficiency through modularization of the constituent components

▶▶▶ **Cost reduction of 30%*** *Compared to 2019

- Use of a motor which uses less than 1% rare earth elements

Development and image source: Nissan Motor Co., Ltd.

X-in-1 production line



This production line, for which we have revised the production methods from scratch, is nearing completion

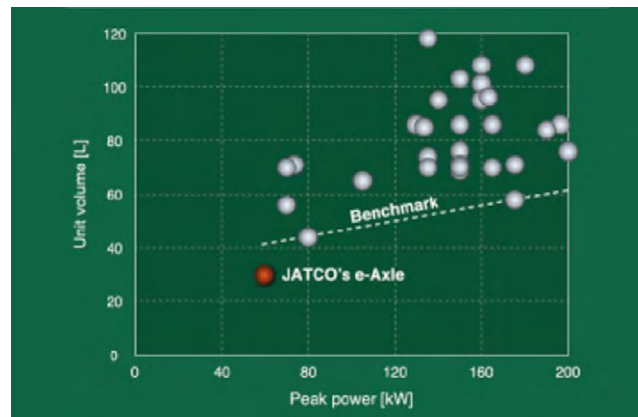
Contributing to Vehicle Electrification

JATCO's independently developed ultra-compact e-Axle

JATCO is advancing research and development on an original e-Axle. This unit is such an ultra-compact size that it can fit in the space of a laptop computer, yet generates sufficient output, boasting industry-leading size efficiency. In the independent development of the e-Axle, downsizing is one of the most important issues. The e-Axle is a size that can be installed in the vehicles of many of our customers, so we believe our business opportunities will expand. Going forward, we will continue to advance the development of our unique electric powertrains from the perspectives of both internalizing electrification technology and expanding our business.



Roughly the same size as a 15-inch laptop computer



Industry-leading size efficiency

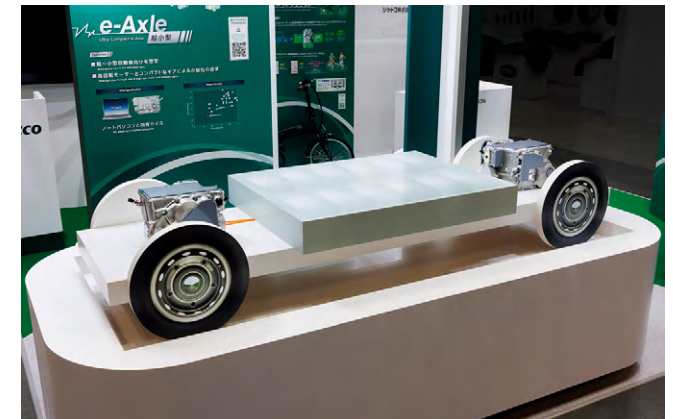


Image of installation in a light vehicle: exhibited in the Automotive Engineering Exposition 2024

Building a Recycling-Oriented Society

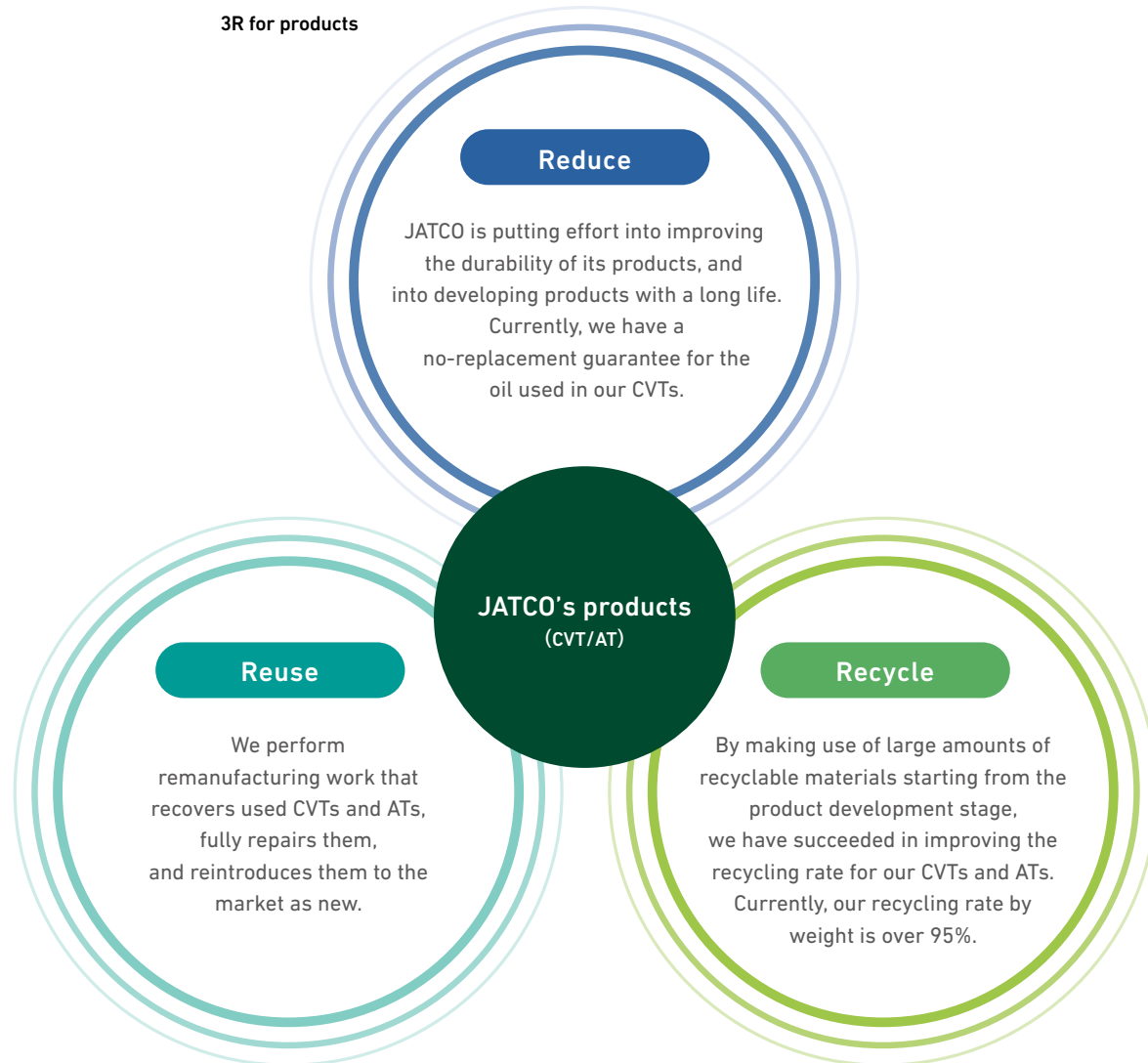


JATCO Circular Economy Concept

As a manufacturing company, JATCO believes that it is important to make effective use of limited resources. For some time now, we have promoted a manufacturing style in which we collect used ATs/CVTs manufactured by us and then remanufacture and reuse them. Going forward, we will also focus on further promoting the circular economy. We will work to build effective mechanisms for a circular economy across our products and business activities, including minimizing resource dependence and reducing waste.

Taking action to realize a recycling society

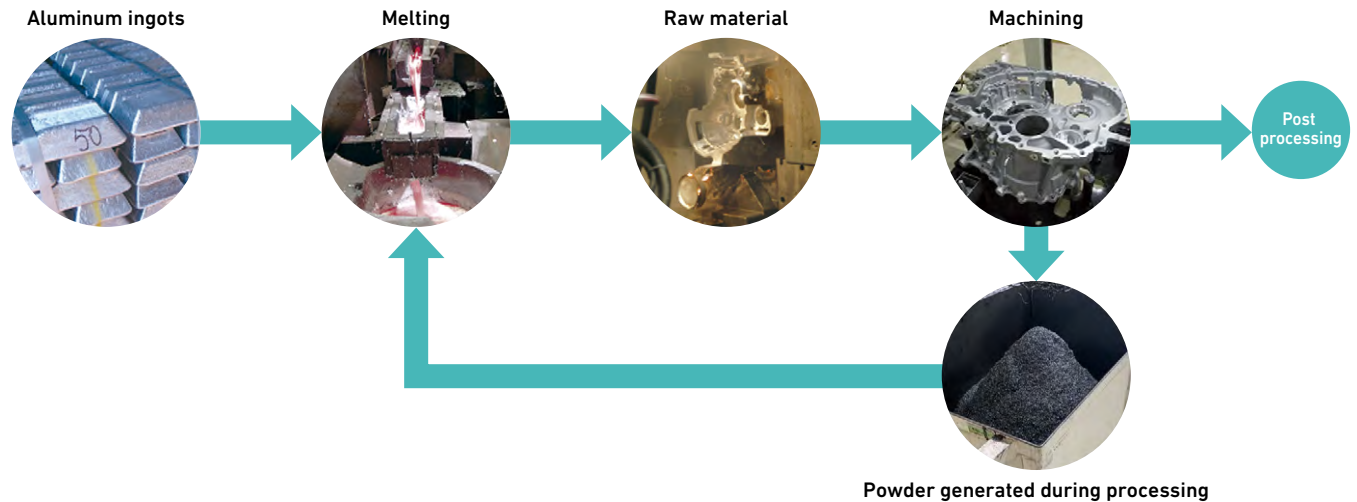
The term “3R” is derived from the first letters of the three keywords for building a recycling society—reduce, reuse, and recycle. JATCO designs and develops its products to ensure that they can be used for as long as possible, thus aiming for reductions in waste. JATCO also reuses usable parts from products that have been recovered from the marketplace. Finally, JATCO uses recyclable materials then recycles them into new resources. By doing so, JATCO ensures that it is contributing to the realization of a recycling-oriented society.



Building a Recycling-Oriented Society

Recycling of aluminum scrap

When cutting aluminum raw materials in the production process, aluminum shavings (powder) are generated. JATCO collects this generated powder in-house, melts it again, removes impurities, and then reuses it in products through the raw material processing process. Recycling aluminum powder not only reduces new resource input and reduces waste, but also contributes to energy conservation and the reduction of greenhouse gas (CO₂) emissions.



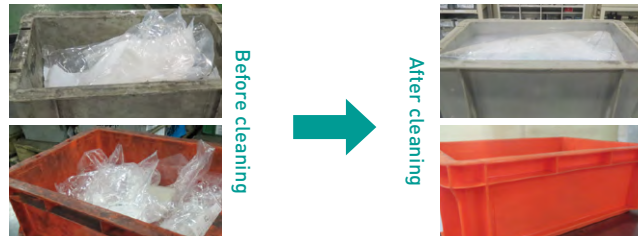
Packing density improvements and reuse of packaging materials

As part of our efforts to improve our loading ratio, which contributes to a reduction in the number of trucks used, JATCO is taking steps to improve the packing density of purchased parts for delivery. Plastic containers and plastic cushioning material used to protect products during transportation and storage that had become unusable as a result of deterioration or product changes had previously been disposed of as industrial waste. However, after 2004, JATCO began reusing this material for other products. We have also gained the cooperation of companies engaged in the production of plastic to help us further reduce the waste we generate, such as by recycling our plastics into raw materials.

Improving the packing density of parts purchased

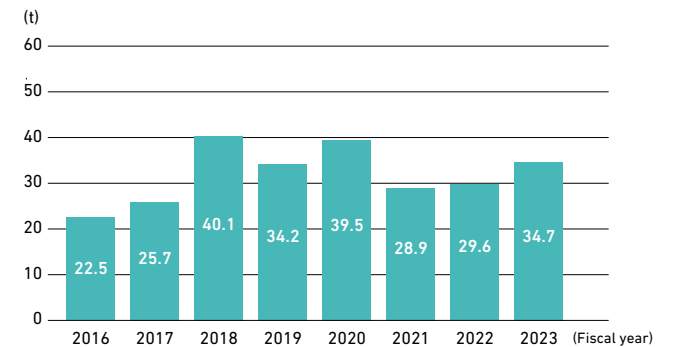


Eliminating wasted space not only improved transportation efficiency, but also made handling goods safer



Employees are also encouraged to keep containers clean

Trend in amount of plastic containers recycled or reused



Building a Recycling-Oriented Society

Initiatives for waste management

Efforts to sort waste thoroughly for recycling

JATCO is endeavoring to recycle waste with thorough sorting in order to use resources efficiently and sustainably. As its waste treatment method, JATCO has eliminated waste disposal through simple incineration and landfills and is implementing material recycling (reuse and recycling) and thermal recycling (conversion to fuel). Due to this, we have attained a 100% recycling rate for waste in the production stage at our locations in Japan.

Recycling rate

100% attained

Initiatives to reduce waste through companywide participation

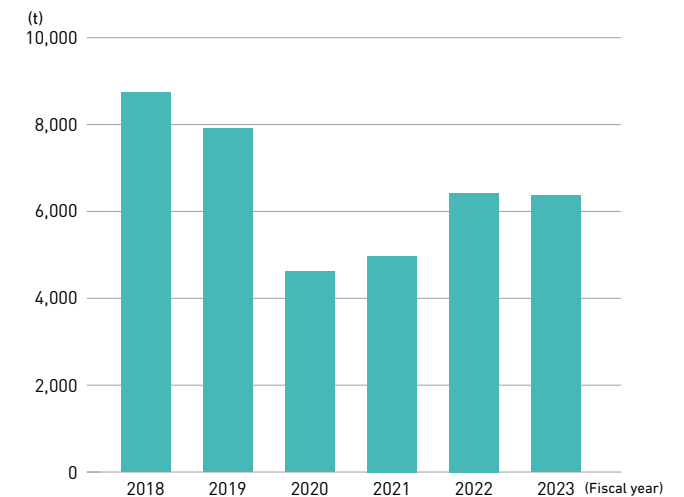
JATCO employees are always working on waste reduction from the perspective of the 3Rs.

At each location, we establish waste reduction targets, register ideas for initiatives implemented at each workplace, and share information on reducing waste to improve employee motivation at each workplace. The amount of waste in 2023 was 6,375 tons, a reduction of 67.8% compared to 2006.

Total waste generated in FY2023

67.8% reduction (Compared to FY2006)

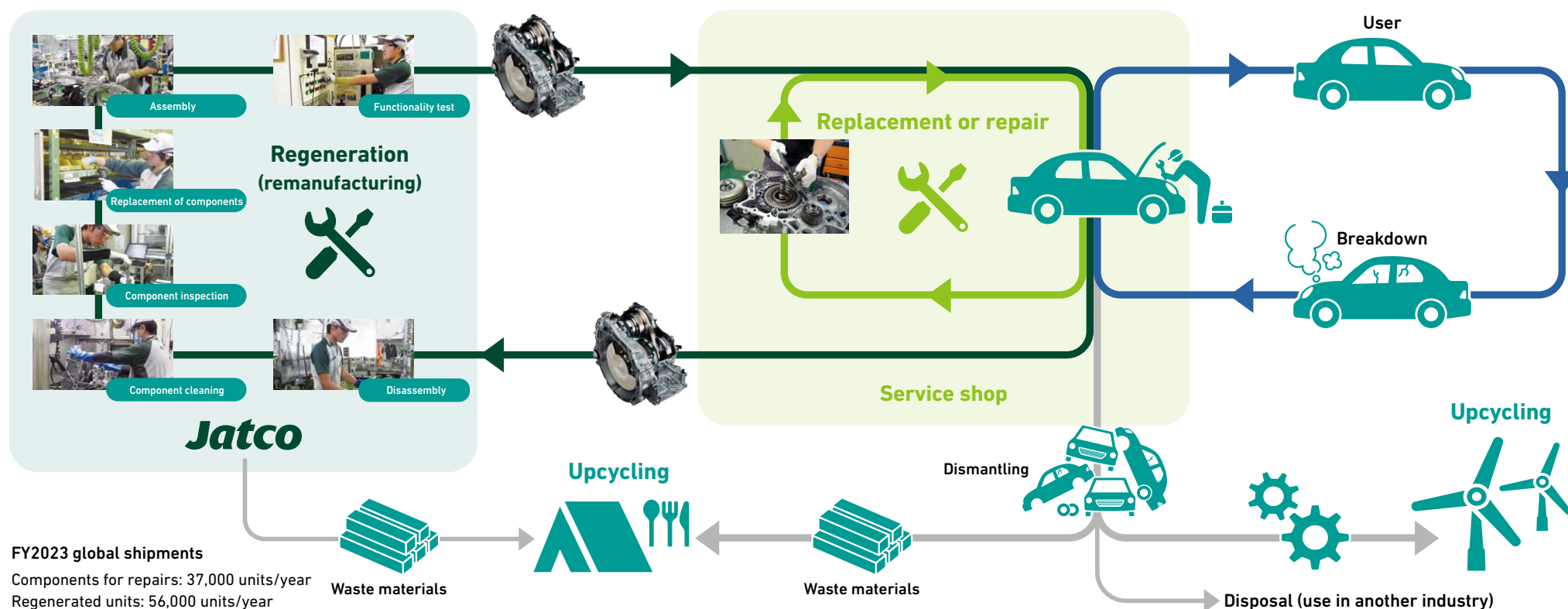
Waste generation



Building a Recycling-Oriented Society

Initiatives for unit repair and regeneration

From the perspective of minimizing resource dependence and reducing waste, JATCO has been developing repair technologies for units released on the market and working on the reuse business. When a CVT/AT produced by our company breaks down, we first identify the breakdown area and, whenever possible, replace or repair the broken component on the spot. In the case that it is difficult to replace the component, we recover the unit, disassemble it, clean it, inspect it, replace it, reassemble it, and carry out a functionality test before regenerating it as an after-sales service component that is no different in quality from a brand-new product and providing it to the customer. Furthermore, we advance the reuse as materials of units that are difficult to regenerate as CVTs/ATs. Through these activities, we will explore further possibilities for reusing units and components, including upcycling, and work to build effective mechanisms for a circular economy.



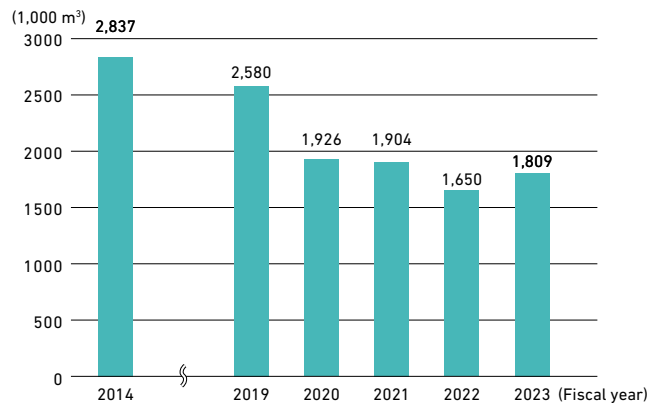
Air, Water and Soil Conservation



Annual water consumption reduction target of 2%

JATCO tracks the amount of water used for production at our plants and is working to reduce it. In accordance with the "Nissan Green Program" formulated by our parent company, Nissan Motor Co., Ltd., we have been working on a comprehensive reduction of our water consumption since fiscal year 2014 as a countermeasure against global water depletion. With the goal of reducing the amount by 2% every year, we achieved a reduction of 36% in fiscal year 2023 compared to fiscal year 2014.

Water usage



Maintaining high standards of purification

JATCO's production plants not only comply with the standards for water discharge established by national and municipal governments, but have also drawn up even more stringent purification standards for internal use. By combining facilities for activated carbon adsorption, ultrafiltration, high-speed aggregation precipitation, contact oxidation, sand filtration, and pressure flotation, we continue to maintain a high level of purification quality.

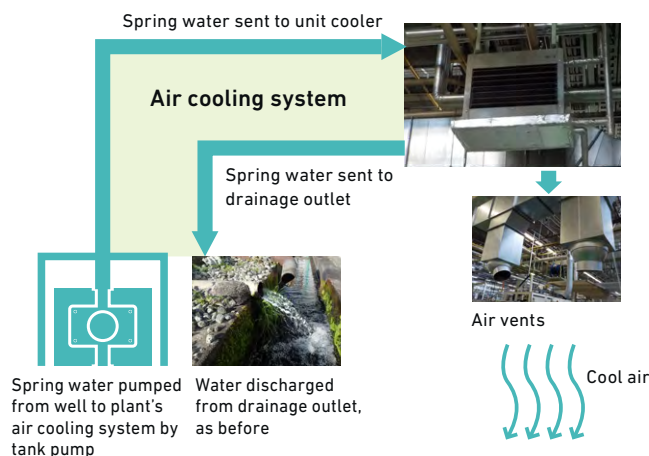
Furthermore, we have installed water-saving valves on the water faucets at each of our domestic offices to reduce our water usage.



Water treatment facilities

Mt. Fuji spring water cooling

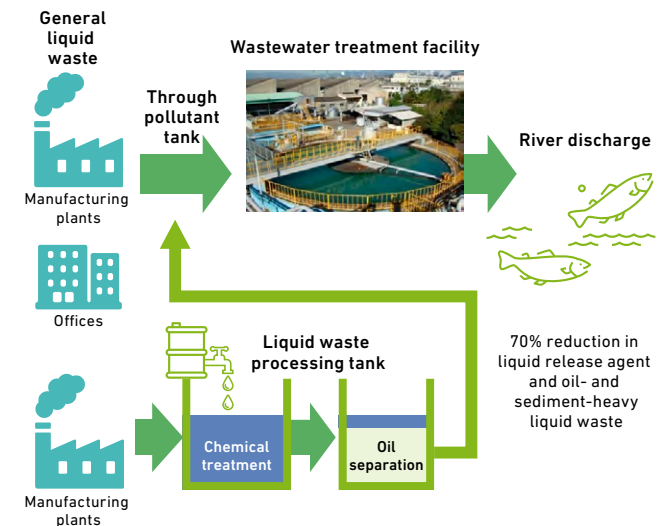
There is a natural spring within the grounds of Fuji Area 1 Plant at the foot of Mt. Fuji. This water used to be discharged through a drainage outlet, but since the temperature of the spring water stays at 15–17 degrees Celsius all year round, we use it as a natural cooler via the plant's air cooling system.



Reduce liquid waste from manufacturing plants

Wastewater discharged from our manufacturing plants and offices is sent to in-house water treatment facilities, treated into safe water, and then discharged into rivers. However, liquid release agent or liquid waste with large amounts of oil or sediment, cannot be treated to safe levels at water treatment facilities, so they have been processed externally as waste.

Therefore, to make it possible to treat the liquid waste, we repeatedly reviewed the chemicals used and our purification methods, and reduced the amount of liquid release agent and liquid waste with large amounts of oil or sediment by 70%.



Air, Water and Soil Conservation

Reusing discharged water through the adoption of cold water circulation equipment

JATCO promotes the reuse of discharged water, and has adopted the use of cold water circulation equipment to purify the water used for the cooling and cleaning of production equipment, as well as for the thinning of cutting oil.



Cold water circulation equipment at forging facilities

Implementation of rainwater measures

Rainwater that falls on the premises of our production plants is discharged through drainage outlets directly into rivers. Employees use cameras to monitor the drainage outlets at all times to prevent rainwater that has been polluted by oil and grease from roads and buildings on the premises from flowing into rivers.

To enable prompt identification of the drainage outlets, employees have manually color-coded the outlets. This not only prevents the accidental use of these drains for polluted water, but also raises awareness among all employees that these drainage outlets lead to rivers.

In the unlikely event that oil leakage from employees' cars or from vehicles transporting parts and products within the premises should flow into the drainage outlets, gates have been installed where the drains connect with rivers in order to prevent these pollutants from flowing through.



Color-coding of drainage outlets by employees

Safe and reliable transportation of polluted water

JATCO not only takes steps to reduce the incidences of water pollution, but also considers safety when transporting polluted water to treatment facilities. Measures have been put in place at the facilities where parts are cleaned to enable the repeated reuse of water after pollutants have been removed from it. After reusing this water for several months, it is then transported to a treatment facility by truck.

Given the fact that transportation of polluted water to treatment facilities through underground pipes and gutters is method that is easily impacted by the passage of time and has reliability issues, we are also making improvements by switching to transportation of this water using aboveground pipes that are visible to employees.



Transportation to a treatment facility via a dedicated waste transportation truck

Air, Water and Soil Conservation

Management of chemical substances

Management of volatile organic compounds

We implemented volatile organic compound (VOC) countermeasures to achieve our target of reducing total VOC emissions by 30% (compared to FY2000) by FY2010, based on the action plan formulated by the Japan Auto Parts Industries Association (JAPIA). As a result of these countermeasures, we were able to reduce VOC emissions by 98% by FY2006, 99% in FY2010, and 99% again in FY2023.

VOC emissions for FY2023

99% reduction
(Compared to FY2000)

Soil and groundwater pollution countermeasures

As part of our soil and groundwater pollution countermeasures, we completely abolished the use of organic chlorine-based solvents, and are currently monitoring our past usage of organic chlorine-based solvents and their impact on the environment.

Emissions of three major hazardous air pollutants

We were able to eliminate our emissions of three major hazardous air pollutants*¹ in FY2006, and we have successfully prevented further emissions through FY2022.

FY2023 emissions of three major hazardous air pollutants

None
(Compared to FY2000)

Management of PRTR*² substances

The amount of PRTR chemical substances handled by JATCO, calculated as the amount discharged and transported by domestic production facilities, is shown in the following table.

Amount of PRTR substances handled and discharged (FY2023)

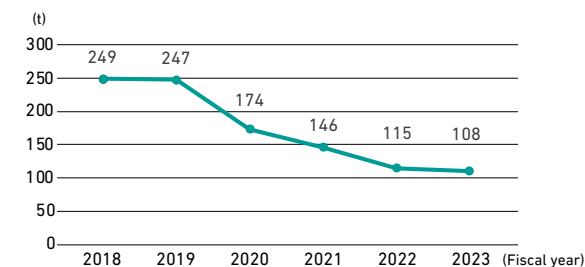
Classification	Chemical substance	Amount handled	Amount discharged			Transported
			Air	Water	Soil	
Specific Class I Designated Chemical Substances	Dioxin (mg-TEQ/yr)	0	4.3	0	0	0
	Benzene	0	0	0	0	0
Class I Designated Chemical Substances	Ethylbenzene	0	9.8	0	0	0
	Xylene	26,000	30.4	0	0	0
	Trimethylbenzene	73,000	11.3	0	0	0
	N-hexane	0	2.1	0	0	0
	Toluene	9,500	45	0	0	0

Unit: kg (mg-TEQ/yr for dioxins)

*¹ Three major hazardous air pollutants: Dichloromethane, trichloroethylene, and tetrachloroethylene

*² PRTR: Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

Amount of PRTR substances handled (t)





Business

Innovation through Manufacturing

Solutions to Drive the Possibilities of Mobility

Pursuing Energy Efficiency



Solutions to Drive the Possibilities of Mobility



Toward achieving our corporate purpose

JATCO's corporate purpose is: "Driving the possibilities of mobility with technology and passion." By applying our proprietary technology to mobility beyond just automobiles, we intend to help resolve various societal issues. To realize such applications, we implemented organizational changes effective April 1, 2024. We will promote new businesses more vigorously, for example by establishing a new business commercialization promotion organization in the Business Development Division. our New Business Promotion Department examines commercialization feasibility.



Development team for an e-bike drive unit

Fostering entrepreneurship to "drive the possibilities of mobility"

JATCO must create new value and businesses and take on risks to continually grow toward our corporate purpose. This posture is that of entrepreneurship. Since FY2022, led mainly by the Corporate Planning Department, we have held business contests and companywide events to foster entrepreneurship. The business contest called for ideas from our global workforce for creating new businesses. In response to over 100 submissions, the management team took part in reviewing the proposals. The aims are to enhance individual flexibility and adaptability to change and to encourage individuals to achieve growth and self-fulfillment by proactively embracing new opportunities and challenges and thinking and acting independently to realize their own ideas.

The outstanding projects from the FY2022 business contest participated in FY2023 external innovation programs to refine their ideas and finally presented business proposals to the management team. As a result, their work has been transferred to the New Business Promotion Department together with its promoters, and there are some projects which are continuing their activities toward commercialization. In the same way, the outstanding projects from the FY2023 business contest are participating in innovation programs and refining their ideas.



The participants in the FY2023 business contest

Solutions to Drive the Possibilities of Mobility

Developing a 2-speed automatic transmission in-wheel motor drive unit for electric motorcycles

We jointly developed this product with Zhejiang Jiuzhou New Energy Technology Co., Ltd., a prominent Chinese manufacturer of drive units for electric motorcycles. This unit, which integrates a 2-speed automatic transmission with a motor, exceeds a maximum torque of 250 Nm and a top speed of 100 km/h, and can climb steep gradients of 30 degrees.



2-speed automatic transmission in-wheel motor drive unit

Developing a drive unit for electric-assist bicycles

This drive unit combines an assist motor and transmission mechanism using our proprietary technology. We have also developed a smartphone app to monitor the remaining battery level and travel range and adjust the assist levels.

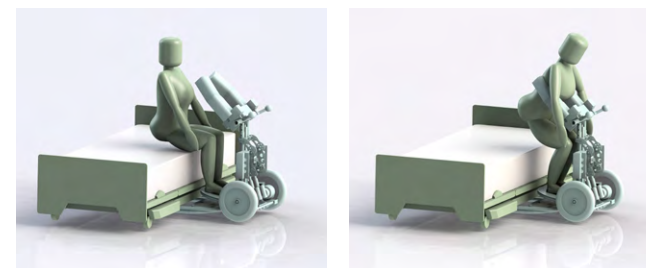
In March 2024 we concluded a Memorandum of Understanding (MOU) regarding collaboration toward mass production of the drive unit with Korean bicycle manufacturer MYVELO.



MOU signing ceremony on March 4, 2024 (left: Eiji Ogawa, corporate vice president at JATCO Ltd, right: MYVELO president Choi Yunho)

Developing a wheelchair with a transfer mechanism

The wheelchair with transfer mechanism that JATCO is developing is a mobility device which integrates transfer and mobility. We are advancing the development of products to achieve smooth transfers and bring smiles to the faces of caregivers on the frontlines by using ergonomic robotic control to overcome challenges in nursing care faced by both caregivers and recipients of care on the frontlines.



Integrating the functions of mobility and transfer

Pursuing Energy Efficiency



As a powertrain specialist manufacturer, JATCO has continually honed its technologies to supply increasingly energy-efficient units, delivering products that balance environmental performance and power. We will firmly carry these technologies forward into the electric powertrains we launch onto the market in the future.

Jatco CVT-XS

CVT with dramatically improved environmental performance and drivability

The Jatco CVT-XS is a product that is the culmination of our technological expertise as a transmission manufacturer and has dramatically improved environmental performance and driving performance. It expands the gear ratio by approximately 13% compared to conventional transmissions of the same size, and has reduced mechanical loss due to its smaller mechanical oil pump. Due to these improvements, the fuel efficiency of the vehicle has improved, contributing to meeting the requirements of the Greenhouse Gas/Corporate Average Fuel Economy (GHG/CAFE) regulations in the United States.



Jatco CVT-XS

X-in-1

An electric powertrain which achieves the sharing of major components and modularization

Integrating major components such as the motor, inverter, and gears makes it possible to create a small, lightweight electric powertrain unit, contributing to enhancing the energy efficiency of vehicles.

Furthermore, sharing major components between the 3-in-1 for electric vehicles and the 5-in-1 for e-POWER enhances the production efficiency of the units and contributes to enhancing energy efficiency during production.

In addition, the use of a motor which uses less than 1% rare earth reduces the environmental impact.



3-in-1: for electric vehicles



5-in-1: for e-POWER

High-efficiency ultra-low-viscosity reducer oil

Ultra-low-viscosity oil contributing to electrical power saving in EVs

We have developed an ultra-low viscosity oil which can contribute to electrical power saving in EVs.

This oil can significantly reduce friction in the reducers of EV systems, making it possible to extend travel range without increasing battery capacity.

As a result, this oil will contribute to reducing the cost of and popularizing EVs, and achieve a reduction in CO₂ emissions that will help prevent global warming.





Society

Coexisting with Local Communities and Contributing to their Development

Community Development

Social Contribution Activities



Community Development



With local communities

The JATCO Group's aim is to become a "good corporate citizen" that is loved by local communities. Corporate activities are conducted through our involvement with local communities. JATCO considers it an important responsibility to be proactively involved with society as a community member and contribute to the local community in a variety of ways.

Participating actively in resolving local issues leveraging the JATCO Group's technologies and assets creates a situation where our presence is appreciated by the community, which is beneficial to the company. This leads to mutual growth and development of the community and company. For instance, by using our automotive unit technologies to develop a drive unit for e-bikes, we can help address community challenges, such as promoting local tourism and health enhancement.

We are maintaining the flower beds at the Gakunan Electric Train's JATCO MAE Station to enrich the lives of everyone in the region. While responding to increasingly complex societal issues, the JATCO Group continually contributes to regional revitalization and the resolution of societal and environmental issues through dialogue with local communities.



Hana-saku JATCO MAE Station Project

Yagi Area: Yoshitomi Station "makeover" by the employees

Yoshitomi Station in Yagicho, Nantan City, Kyoto is used by most of the employees of the Yagi Plant, so we continually clean it to be of as much help as we can. In November 2023, a total of 90 people including our employees and Nantan City officials cooperated on a "makeover" of Yoshitomi Station, improving it so much that it was nearly unrecognizable.

We will continue to take part in various activities to ensure that we take good care of the station that always serves us.



China: Hands-on manufacturing experience for children

JATCO (Guangzhou) Automatic Transmission Ltd. is conducting a program for local children to learn about how cars work. This is an experience-based program that allows children to learn about the CVT mechanism in a fun way through experiences such as seeing, hearing, touching, etc. Moreover, currently this program is expanding beyond Guangzhou City to cover the children in all of Guangdong Province.



Fuji Area: Participation in community development utilizing bicycles

JATCO is developing drive units for e-bikes based on the technology it has cultivated with cars. Meanwhile, in March 2022, the company signed an agreement with Fuji City, where its head office is located, regarding community development that utilizes bicycles, and it is advancing challenges to address regional issues. In 2023, the company will participate in local community development activities,

such as conducting pilot studies with local companies and organizations, etc.



Mexico: High school equivalency certification course offered

JATCO MEXICO has been offering a course since 2021 for employees who were unable to attend or graduate from high school due to family circumstances, etc., enabling them to obtain high school equivalency certification while working at the company. A total of four sessions of this course were held by 2023, and it produced a total of over 100 graduates. JATCO MEXICO will continue to support its employees so that they can achieve their goal of graduating from high school.



Social Contribution Activities

Our three key categories: environment, education, and welfare

The social contribution activities of the JATCO Group have the characteristic that they are mostly in the employee-participation style.

The JATCO Group has established the environment, education, and welfare as the three key categories for our community contribution initiatives and most of these initiatives take a form in which the employees actually move their bodies. Moreover, another major advantage for the employees is that through the activities we carry out in each region and site they can receive direct feedback from the people included in the activities.



Contribution activities for the environment (one example)

Together with Fuji City Hall, we organize volunteers to pick up trash along a climbing route running from the coast to the summit of Mt. Fuji. This not only protects the environment of Mt. Fuji, a World Heritage Site, but also helps preserve the mountain's ecosystem.



Trash collecting activities on the summit of Mt. Fuji

Contribution activities for education (one example)

In cooperation with local schools, JATCO Group companies assist in youth career formation. Employees visit nearby elementary, junior high and high schools as lecturers, helping create opportunities for the students to think about their own futures through conversations about the fun of monozukuri and the motivation of work, stories of challenges, choosing a career, etc.



Mirai Lecture at Shizuoka Prefectural Fuji High School

Contribution activities for welfare (one example)

Soccer players with intellectual disabilities have only limited opportunities to demonstrate the results of their training. Therefore, JATCO has been organizing the JATCO × Yokohama F. Marinos Futuro Cup (now the JATCO Cup) together with the Yokohama F. Marinos soccer club since FY2015. We continue to support many athletes with intellectual disabilities, along with their teams, with the goal of them participating in this tournament and having an opportunity to know the joy of soccer once again.



Volunteer workers who supported the soccer tournament for players with intellectual disabilities



Social Contribution Activities

Foster biodiversity

At JATCO, we are actively working on biodiversity as part of our contribution activities for the environment, one of our key categories.

The future of the Earth is woven together with a rich ecosystem. JATCO is deeply aware that the conservation of biodiversity is the foundation of a sustainable society, so we are cultivating a world where we can coexist with a diverse range of living creatures through environmental conservation activities rooted in local communities.

Global biodiversity initiatives

JATCO is actively engaged in tree-planting globally. In Japan, we participated in the Mt. Fuji Foothills Beech Forest Creation Project sponsored by Fuji City and in Mexico, we planted trees in a park in Aguascalientes State to mark World Environment Day. In Guangzhou City in China, we planted trees near our plant, which also led to the encouragement of communication among our employees.

Furthermore, in Japan, together with children from Fuji City Imaizumi Kindergarten, every year in June, JATCO releases sweetfish fry into the nearby Tajuku River to coincide with Environment Month. This activity, which we began in 1999, is aimed at protecting the ecosystem of the Tajuku River that runs through Fuji City where our head office is located and is undertaken in the hope that it will foster environmental awareness among the kindergarteners. We are actively tackling biodiversity conservation as a member of society.



Japan
Mt. Fuji Foothills Beech Forest Creation Project



Mexico
Tree-planting in Aguascalientes State



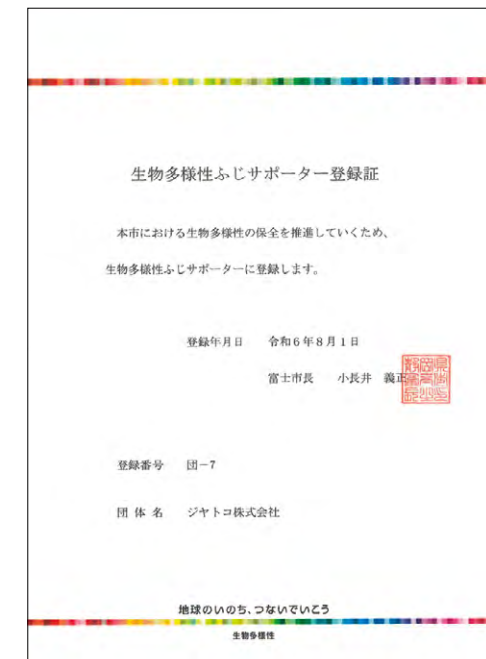
China
Tree-planting in the Guangzhou Development Zone



Japan
Releasing sweetfish fry

Registration in Fuji City's Fuji Biodiversity Supporter Registration System

As an initiative to maintain abundant biodiversity into the future, Fuji City has established the Fuji Biodiversity Supporter Registration System. By registering as a corporate supporter and participating in and cooperating with the initiatives concerning biodiversity conservation implemented by the city, JATCO is encouraging better understanding of biodiversity among its employees, leading to their active participation in the conservation of biodiversity by Fuji City.



Social Contribution Activities

12,297 participants globally

The JATCO Group conducts social contribution activities globally, tailoring efforts to the needs of local communities around the world. In FY2023, 12,297 employees worldwide participated in these activities. They carried out a variety of activities in the areas of the environment, education, and welfare.

A selection of activity examples

Area	Number of participants	Main activity examples
Japan	5459	Gifting picture books (to kindergartens) Kids Engineer (elementary school students) Educational lectures: school & company visits (elementary, junior high and high school students) Mt. Fuji Clean Route 3776 cleaning Supporting powerchair soccer
Mexico	3789	Gifting recycled materials Cleaning of community areas in the city Support for medical treatment for children with cancer Distributing items to the needy
China	472	Career planning seminar Subway station environmental protection Tree-planting activities Zoo volunteering
France	16	Donating used tires Donating used PCs Donating a part of the running participation fee to charity organizations
U.S.A.	69	Food distribution volunteering Distributing toys to children
Thailand	1831	Blood donation Donating used lottery tickets Recycling of beverage containers
South Korea	661	Recycling of plastic caps Distributing free food to the needy Donating towels to support animals



Gifting recycled goods (JATCO MEXICO)



Subway station environmental protection (JATCO (Guangzhou) Automatic Transmission Ltd.)



Free food distribution (JATCO Korea Engineering / JATCO Korea Service)



Donating recycled goods (JATCO (Suzhou) Automatic Transmission Ltd.)



Beverage container recycling activities (JATCO (Thailand))



Food donations (JATCO USA)



Donating a part of the running participation fee (JATCO France SAS)

A large graphic on the left side of the slide features silhouettes of a diverse group of business professionals. They are standing on a reflective surface, and their reflections are visible below. The background is a warm sunset over a city skyline. The scene is framed by a large, semi-circular white shape that overlaps the image and the text area.

Human Capital

Promoting Diversity and Enhancing Employee Well-being

Diversity & Inclusion

Human Resource Development

Occupational Health and Safety

A light green and blue abstract shape, resembling a stylized drop or a cloud, is located in the lower right quadrant of the slide.

Diversity & Inclusion



Diversity at JATCO

In order to expand our business globally in response to changing times, JATCO positions diversity as a value to be cherished by our employees. This involves engaging in a variety of initiatives with the objective of generating new ideas and providing better value to our customers by having employees with a wide range of values work together and exchange opinions while treating one another with respect.

Diverse work styles

JATCO aims to build a workplace environment that enhances productivity and enables everyone to work enthusiastically with a sense of security, improving the quality of life (QoL) for all employees. We have been early adopters of flex time; life support leave for a wide range of family assistance encompassing childcare, nursing care, and fertility treatments; telecommuting; and work interval systems, which many employees utilize. Since 2015, in recognition of our achievements, JATCO has been receiving the Special Certification Based on the Act on Advancement of Measures to Support Raising Next-Generation Children (commonly known as the Platinum Kurumin Certification).



* Platinum Kurumin: Among Kurumin certified companies, those making a higher level of effort and satisfying certain requirements can receive this certification.



Empowering women

JATCO works to empower women as one of the pillars of its diversity promotion efforts. The ratio of women in managerial positions currently stands at 5.2% in FY2023, surpassing the Ministry of Health, Labour and Welfare's published cross-industry average for women in management, and we are focusing our efforts on training with the goal of achieving a further increase of this figure to 7%. We also encourage male employees to take childcare leave to participate in parenting and are working to top the 30.2% male childcare leave rate achieved in FY2023. Additionally, regarding the empowerment of women at our manufacturing facilities, women can demonstrate leadership on our diversity lines, where everyone is made to feel welcome.

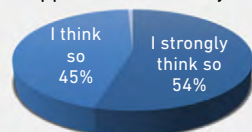


Encouraging the understanding of the entire company

In order to widely inform and encourage understanding among employees about JATCO's approach to diversity and inclusion and the current situation of the entire company, every year we conduct e-Learning and surveys across the entire company, including management.

From 2022, we will introduce diversity training for new employees as

well, providing opportunities for discussions among the employees. In the 2023 survey, 99% of respondents said they related to JATCO's approach to diversity.

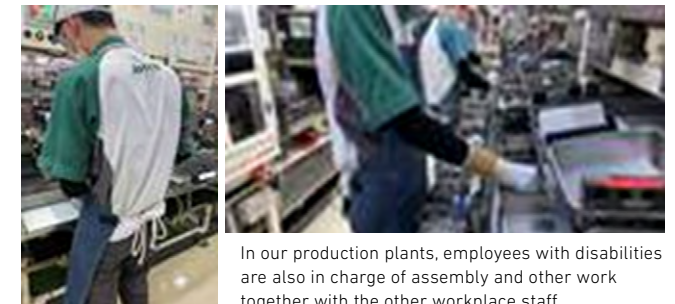


Promoting the active participation of individuals with disabilities

Many employees with disabilities are thriving at JATCO. Establishing workplaces (diversity lines and indoor farms) that accommodate diverse work styles and personnel has led to providing new value, enabling employees to participate vibrantly for a long time. Our employment rate for individuals with disabilities is 2.57% in FY2023, surpassing the statutory rate. The herb teas and vegetables cultivated at our indoor farms are used and sold in the cafeteria during lunch breaks and are very popular with our employees.

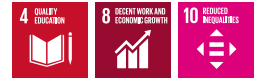


We cultivate vegetables and herbs in our indoor farms, provide them to our employees in the cafeteria, and utilize them as gifts for our customers.



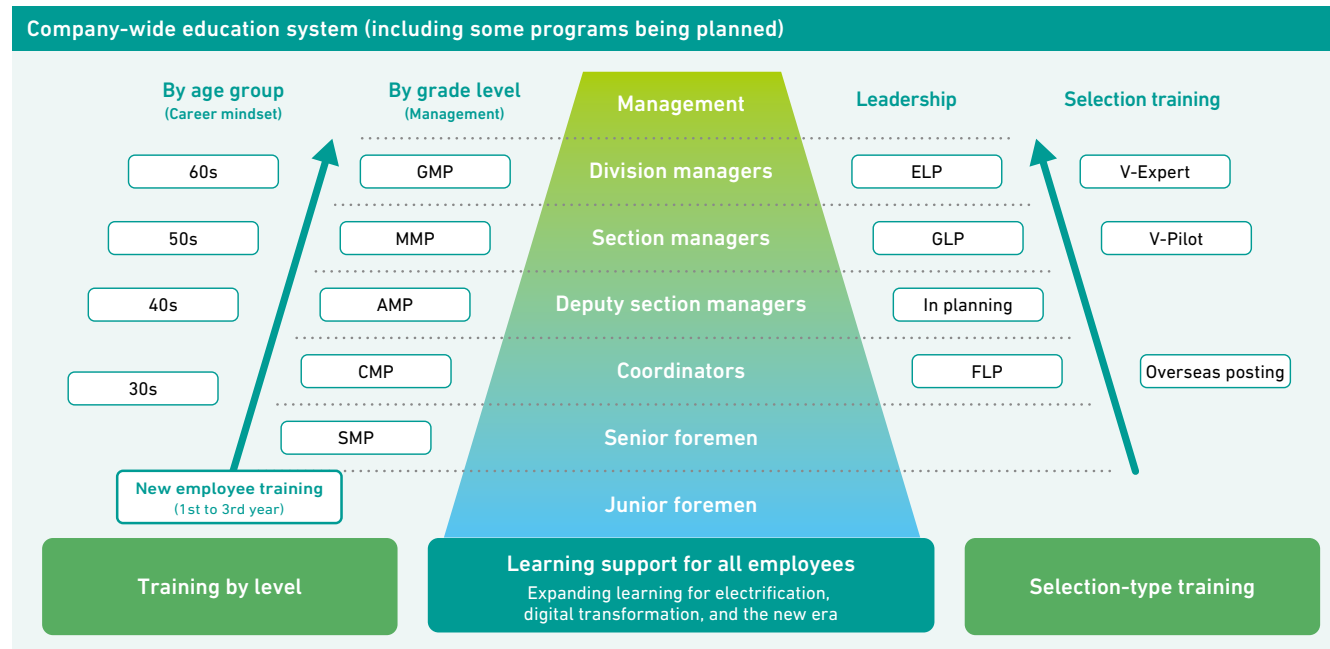
In our production plants, employees with disabilities are also in charge of assembly and other work together with the other workplace staff.

Human Resource Development —JATCO's Approach to Human Resource Development—



JATCO regards each and every employee as important human capital that makes up the company, and we respect their diversity while proactively working to develop human resources with the aim of becoming a company where all employees can experience personal growth and job satisfaction. Employees grow not only by gaining experience in their roles and solving problems in the workplace, but also by actively taking advantage of a wide range of growth opportunities that are provided on an ongoing basis, including role-based skill development programs and trainings for problem-solving and communications skills. Supervisors support employees' growth through interview programs and ongoing on-the-job training. For new employees who have taken their first steps into the workforce at JATCO, we have introduced a Freshman Leader System in which senior employees give daily consultations, guidance, and advice, providing support so that these new employees can enjoy a fulfilling corporate life at their assigned workplace and can take on work assignments with confidence.

Education system (administration and technology)



GMP: General manager management practice, MMP: Manager management practice, AMP: Assistant manager management practice, CMP: Chief management practice, SMP: Staff management practice, FLP: Future leadership program, GLP: Global leadership program

Fostering a global intuition through business and training, etc.

JATCO is working to develop employees that can handle global business. Starting with overseas training in the second year at the company, the short-term dispatch programs in which young employees are sent to overseas offices for several months to a year allow them to build strong relationships with the overseas offices and encounter different cultures, thereby acquiring a sense of global standards, through a variety of experiences, not only in business but also in their daily lives.

Furthermore, we actively accept human resources in the overseas offices through similar kinds of short-term dispatch programs, developing human resources at our offices and promoting inbound globalization.

The use of DX tools has made it extremely easy to communicate with people overseas, so we also started operating a new global training program that allows simultaneous online participation from multiple overseas offices.



Global training program

Human Resource Development —A Wide Range of Growth Opportunities—

JATCO has abundant mechanisms to support employee growth, including a thorough training system, interviews, and open recruitment. We also provide practical role education by grade, career training by age group, global selection training, regular interviews with supervisors, and rotations based on career plans, etc.

New employee training

After joining the company, new employees go through a one-year program called “Getting to Know JATCO.” They learn the ethics and manners required of working adults and about the monozukuri process and how to work based on shared values. In addition, we have established opportunities for all our employees to undergo practical training at the production sites in order to learn about our products and sites. Through a variety of training programs, they deepen their ties with their colleagues and learn about the company’s corporate purpose, which is its reason for existence.



Second year overseas training

We provide five-day overseas training to employees in their second year at the company in order to foster an “axis and resolve” for globalization and therefore a desire for continuous personal growth, by having the employees experience challenging situations overseas at an early stage. We deepen their ties with their colleagues and foster their global mindset by having them take on various challenges in an environment with a completely different language and culture.



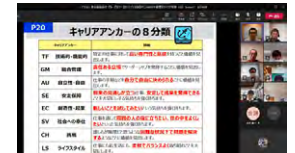
Practical education for each role

In order to understand the roles at each level and acquire practical skills, employees participate in regularly-held group training while actually working for approximately a year. They also hold group discussions with colleagues at the same level from other divisions to share concerns and questions, leading to greater understanding and the strengthening of cooperation among employees. Furthermore, for managers, the PCC Program including subordinate management, evaluations, and interviews, etc., is incorporated into the training content and they learn the basics of being a manager through practice.

This education, called the MMP Series, is based on the above concept and is also implemented at each company of our overseas offices, supporting the shared growth of our employees globally.

Career training for each age group

We provide career training for each age group to increase the number of employees who continue to grow and work vibrantly, regardless of their age. In the training, employees take stock of their careers, picture what they really want to be, make an implementation plan to realize that goal, and then share the plan with their supervisor to work out the concrete details of an action plan. Going forward, we plan to expand career training, which started with employees in their 40s and 50s, to employees in their 30s and 20s.



PMD/PCC Program

Based on the concept that “the company and its employees grow together,” we operate the PMD (Performance & Management Development) Program for Division and Section Managers and the PCC (Performance/Competency/Career) Program for General Employees, and we are concretely and extensively implementing support measures for growth and career formation, based on interviews regularly conducted between supervisors and subordinates.

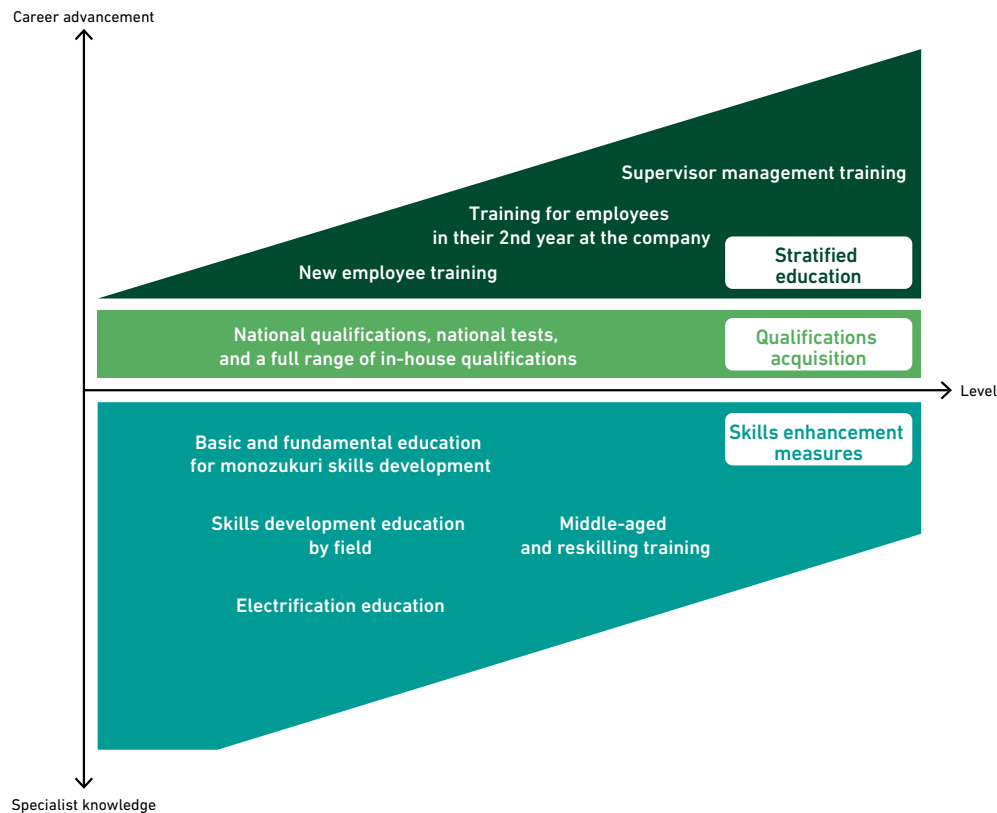
In-house open recruitment system

JATCO has established an in-house open recruitment system that allows employees to take on the challenge of finding the jobs they want, in order to support them in developing their own careers. Many employees utilize this system, under which they apply for jobs advertised in each division, to realize the career formation that is ideal for them.

Human Resource Development —Diverse Educational Programs at Manufacturing Sites—

In an ever-changing environment, we must continually enhance techniques and skills at our manufacturing sites for JATCO to reliably deliver competitive, top-quality products to customers worldwide. JATCO provides systematic education from the time new employees join the company until they become managers and supervisors, ensuring manufacturing personnel can continually enhance the techniques and skills that are the foundation of monozukuri (manufacturing).

Education System (skills)



Supervisor management training

Employees with hands-on experience acquire the practical abilities to act as workplace leaders. With guidance and advice from instructors, they learn in a practical manner about the management cycle, including standardizing tasks, teaching tasks, and post-teaching confirmation. This expands their awareness of others, sensitivity, and strength of character while learning the basics of communication and human skills.



Guidance regarding "teaching tasks"

Monozukuri skills development training

We have staged courses tailored to skill levels across job types so that employees can incrementally acquire techniques from monozukuri fundamentals to the specialized skills in each field and put them into practice at manufacturing sites. Furthermore, a similar kind of human resource development is being carried out at overseas offices as well.



Skills development training (Japan)



General training (Mexico)



Specialized assembly core skills (Thailand)

Human resource development for electrification

As an electric powertrain manufacturer, we are committed to developing personnel who can work on electrified products. Building on JATCO's unique manufacturing expertise cultivated in CVTs and ATs, we are steadily advancing preparations to achieve the higher levels of safety and quality required in electrified products by sufficiently understanding functional and structural aspects unique to these goods. We have also established electrified-product training dojos.



Electrified-product training dojo

Occupational Health and Safety



In order to achieve a workplace environment in which our employees can work safely, healthily, and enthusiastically, JATCO is working on the creation of workplaces with no accidents or fires and the development of people proficient in safety under the banner of “absolute safety” and working on continuous improvements to the physical and mental health of our employees under the banner “health management.”

ABSOLUTE SAFETY

1. Safety has priority over all works.
2. Safety is the most important in any operation.
3. Absolute safety means that safety has priority over work efficiency at all times.
4. Safety is the basis of work efficiency, and safety and efficiency never contradict each other.
5. Safety first begins with the 2S (Seiri & Seiton) in the work area.

Jatco

JATCO's key phrase is “Absolute Safety”

Basic Health and Safety Management Policy

Implementation of health and safety activities in which each and every employee actively participates

Ensuring the health and safety of employees is the basis of our corporate activities.

Recognizing that these are important issues in our corporate activities and that any setbacks could affect the survival of the company, labor and management will work together to promote health and safety activities in which each and every individual actively participates.

Health and safety activities that lead to corporate development

By continuously ensuring health and safety, we aim to be a company that is trusted by employees, their families, our customers, and the community, where the employees can work with peace of mind.

To achieve this, we will efficiently pursue the inherent safety of equipment, improve the work environment and work methods, and advance education and training, aiming for zero work-related accidents, occupational illnesses, and traffic accidents, which will lead to the development of the company.



Site patrols by health and safety officials

Initiatives to secure safety

The three pillars of safety activities

At JATCO, we have established the following three pillars regarding safety activities.

1. Development of people proficient in safety, 2. Realization of safe equipment/work methods, 3. Initiatives to prevent the recurrence of accidents

Firstly, we believe that “education” is an essential measure from the perspective of human resource development, so we repeatedly emphasize the importance of behaving safely and the scariness of unsafe conditions.

Secondly, we are carrying out “activities to eliminate non-standard processes” in order to realize safe equipment and working methods. The main purpose of the activities is to “eliminate non-standard processes,” but even after implementing physical measures we implement the activities in collaboration with the on-site workers for management until elimination.

Finally, as initiatives with respect to “preventing the recurrence of accidents,” we conduct comprehensive inspections of accidents which occurred in the past. We are carrying out activities to identify not only hard countermeasures but also soft countermeasures that can be implemented, and to ensure that accidents are not forgotten.

Occupational Health and Safety

Developing people who are proficient with safety

Raising the safety level for employees overall

The plants have continued to take the lead in implementing safety activities based on Safety CAPDo*¹ activities, but the situation is that accidents both requiring and not requiring time off work are continuing to occur.

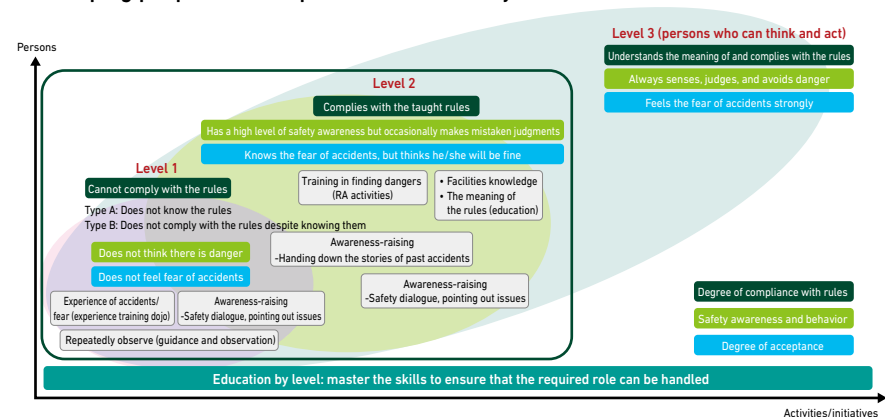
We analyzed the factors behind the accidents occurring from the perspective of the 4Ms*² and in the results the following four points came into sharp relief.

1. Lack of safety knowledge
2. Lack of danger sensitivity
3. Lack of confirmation in daily work
4. Overlooking of accompanying work

Regarding the basic axis, Safety CAPDo, we have given the first priority to raising danger sensitivity without making any changes (Level 1) and have stipulated Level 2 as increasing the propensity to take risks and additionally to abide by company rules.

Furthermore, we have defined Level 3 as employees who understand the meaning of the safety rules and can always sense, judge, and avoid danger, and we are currently working hard on

“Developing people who are proficient with safety” ideal state



safety activities every day with the goal of employees becoming Level 3 “persons who can think and act.”

*1 CAPDo: In contrast to the PDCA method of creating a plan first, this improvement cycle method changes the order of PDCA and starts with “C (Check = ascertain the current situation)”

*2 4Ms: A framework named by taking the initial letter of the four elements of Man, Machine, Material, and Method

Renovating the safety experience training dojo

We provide experiential education at the safety dojo with the goal of providing emotionally compelling education that allows employees to recognize danger and experience the fear of unsafe behavior and unsafe conditions. The content of the education is created based on actual near misses and accidents that have occurred.

Furthermore, for accident/near miss cases that would entail danger if they were actually recreated, we have introduced a theater-style experiential education tool. This enables the trainees to experience danger in a virtual space, as if they were actually present and working in that space.



A scene in education using theater-style experiential education tool



Physical experiential education: demonstration

Implementation of occupational health and safety education

(1) Education to enhance skills with respect to hazardous substances

We develop qualified personnel in-house by implementing skills courses based on the Industrial Safety and Health Act.

Persons eligible for the courses	Number of qualified personnel
Persons engaged in work handling hazardous substances	62 people
In-house certified safety auditors	1,744 people

(2) Safety education by level

Section managers and also health and safety management section assistant managers, plant managers, and leaders are required to receive safety education once a year.

Particular emphasis is placed on training for newly appointed health and safety management for the health and safety management section assistant managers who are present as the people responsible not only for on-site guidance but also for safety and health activities for employees in their divisions and sections.

About the safety education system and our priorities

Level	Current situation		FY24
	Frequency	Content	
Section managers	Only at times of promotion	Training for newly appointed managers	
Health and safety management section assistant managers	↑	Training for newly appointed health and safety management section assistant managers	Priority Once a year Implement inculcation
Plant managers	↑	Foreman education	
Leaders	↑	Subcontractor education (shared)	
General employees	Once each	↑ By SHOP	
		↑ After deployment	
		Skills development education (basic and fundamental)	
		↑ Junior	
		↑ Intermediate	
		↑ Senior	
			Improvement New introduction of DX experiential safety education Physical experiential education Tool updates New introduction of driving simulators

Occupational Health and Safety

Realization of safe facilities/work methods

Safety activities tackled by all of our employees

We recognize the task of ensuring safety as a priority in all our work, and have established “Absolute Safety” as our motto. In line with this, we engage in safety activities with a focus on on-site inspection, such as risk assessments, SES I^{*1}, 5S patrols^{*2}, plant (division) safety patrols, public work inspections, and safety specialist inspections by agilely (adaptably and quickly) applying Safety CAPDo in order to move from zero accident to zero danger workplaces.

*1 SES I (Safety Evaluation System I): Our system for quantitatively assessing safety levels at the workplace

*2 5S patrols: Patrols of our sites on a regular basis to ensure compliance with the 5S methodology (Seiri [Sort], Seiton [Set in order], Seisō [Shine], Seiketsu [Standardize], Shitsuke [Sustain])



Implementing SES I globally, including the overseas offices

Eliminating non-standard processes

Particular emphasis is placed on eliminating non-standard processes that have a high risk of causing work accidents and may also cause losses in our production activities.

The assessed risks of each production activity are summarized in a list. We establish the degree of priority and the appropriate countermeasures based on the size of the risk, and then speedily implement essential safety countermeasures (hard countermeasures, such as improving facilities), and soft countermeasures, such as training and guidance.

Additionally, by revitalizing risk assessment activities in the workplace, we are promoting the creation of workplaces in which all of our employees can work safely and comfortably.

Deployment of health and safety management section assistant managers

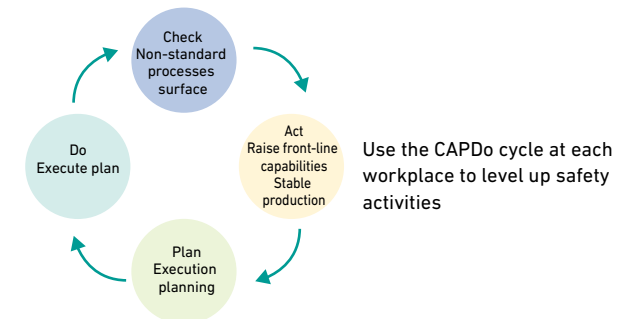
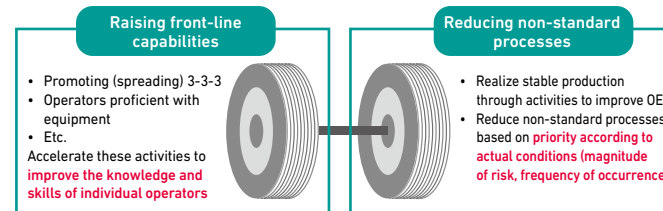
We have deployed a dedicated health and safety management section assistant manager to each of the production sections in order to provide specialized management of health and safety management. They have responsibility for the safety/fires/traffic accidents/health management of their section, and they have the duties of listening to feedback from their colleagues working in the workplace and making improvements.

As experts, they are aiming to construct a strong health and safety network both inside and outside the company in order to build a team whose members absorb the good things from each other. They are also taking on the challenge of creating a culture where the employees “take action immediately,” “praise what is good,” and “say no to what is bad” by speaking to each other about diverse ideas which are oriented toward the outside world.

Approach to Eradicating Disasters from non-standard processes

- Practice “Stop, Call, Wait”
- Promoting elimination of non-standard processes

Accelerating elimination of disasters from non-standard processes by keeping two wheels turning



Execute and advance risk assessment activities at each site, focusing on eliminating non-standard processes

Occupational Health and Safety

Initiatives to prevent the recurrence of accidents

Comprehensive inspection activities for the horizontal rollout of accidents which occurred in the past

There are activities in which, in order to prevent accidents from recurring, the Safety & Health Administration cooperates with the health and safety management section assistant managers of each section to check and follow up on the status of the countermeasures that have been horizontally rolled out throughout the company, regarding whether they have penetrated the work sites and whether the countermeasures are being implemented on an ongoing basis. The main purpose of the activities is to prevent accidents from recurring, but a comprehensive inspection is also carried out, including OJT (danger awareness) for newly assigned colleagues.

Creating a safety culture which is not forgotten

In addition to the above, the Safety & Health Administration distributes past accident cases with the title of Accident Memorial. In order to ensure that lessons learned from accidents which occurred in the past are not forgotten and to ensure the same accidents do not occur repeatedly, each month we distribute to all of our employees the industrial accidents which have occurred at the company over the past ten years as accident examples which occurred in that month.

We create time for all of our employees to think about accidents, such as by raising awareness at morning meetings in each division as part of our daily safety activities.

Safety activity management metrics

Accident occurrence status

Year	Category	Results
2023	Fatal accidents	0
	Accidents requiring time off work	1
2022	Fatal accidents	0
	Accidents requiring time off work	0
2021	Fatal accidents	0
	Accidents requiring time off work	0

Injury in the course of employment (accidents requiring time off work frequency rate*3)

	Category	Results	All industries*5	JAMA*6
2023	Accidents requiring time off work frequency rate	0.093	2.14	—
	Severity rate*4	0.005	0.09	—
2022	Accidents requiring time off work frequency rate	0.000	2.06	0.07
	Severity rate*4	0.000	0.09	0.002
2021	Accidents requiring time off work frequency rate	0.000	2.09	0.07
	Severity rate*4	0.000	0.09	0.018

*3 Accidents requiring time off work frequency rate: Number of casualties due to work accidents per 1 million actual working hours
[(number of casualties / number of actual working hours) x 1,000,000]

*4 Severity rate: this is the total number of workdays lost per 1,000 actual working hours, and expresses the extent of the seriousness of the accident

*5 Source: Ministry of Health, Labour and Welfare statistical tables

*6 Source: Japan Automobile Manufacturers Association (JAMA) (14 companies)
Scope: JATCO Ltd

Occupational Health and Safety

Initiatives for health management

Declaration on Health Management

The JATCO Group considers the physical and mental health of employees to be an invaluable asset of the company. We have established the JATCO Group's Declaration on Health Management, intending to be a company where employees can work enthusiastically and comfortably.

The JATCO Group's "Declaration on Health Management"

Developing advanced products that reflect the needs of our customers by enabling each and every employee to demonstrate their leadership. Improving manufacturing technology to achieve a level of quality exceeding that of our global competitors. Contributing to the revitalization of communities by running our business fairly and valuing our connections with local communities. These are the driving forces that give energy to every JATCO Group employee.

Such energy is founded on our employees' physical and mental health.

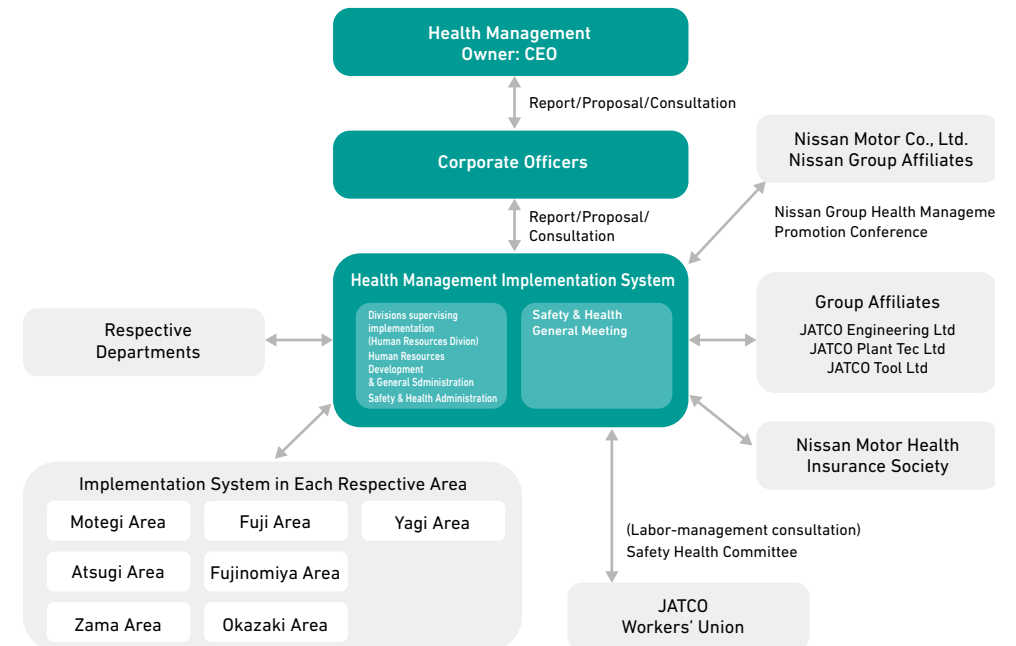
The JATCO Group considers the well-being of its employees to be invaluable assets, so we aim to promote the well-being of both our employees and our company by working to improve quality of life (QoL) so that employees can feel fulfilled, both in and out of the workplace. We believe that ensuring the health of every employee and their family is not only the cornerstone of the JATCO Group's continued growth, but also an answer to societal demands for extending healthy life expectancy.

Acknowledging health care as a significant management task, the JATCO Group declares it will continue working to promote the health of each and every employee and become a company with a healthy and supporting work environment.



Tomoyoshi Sato
President and CEO of JATCO Ltd

Health management implementation system



External evaluations

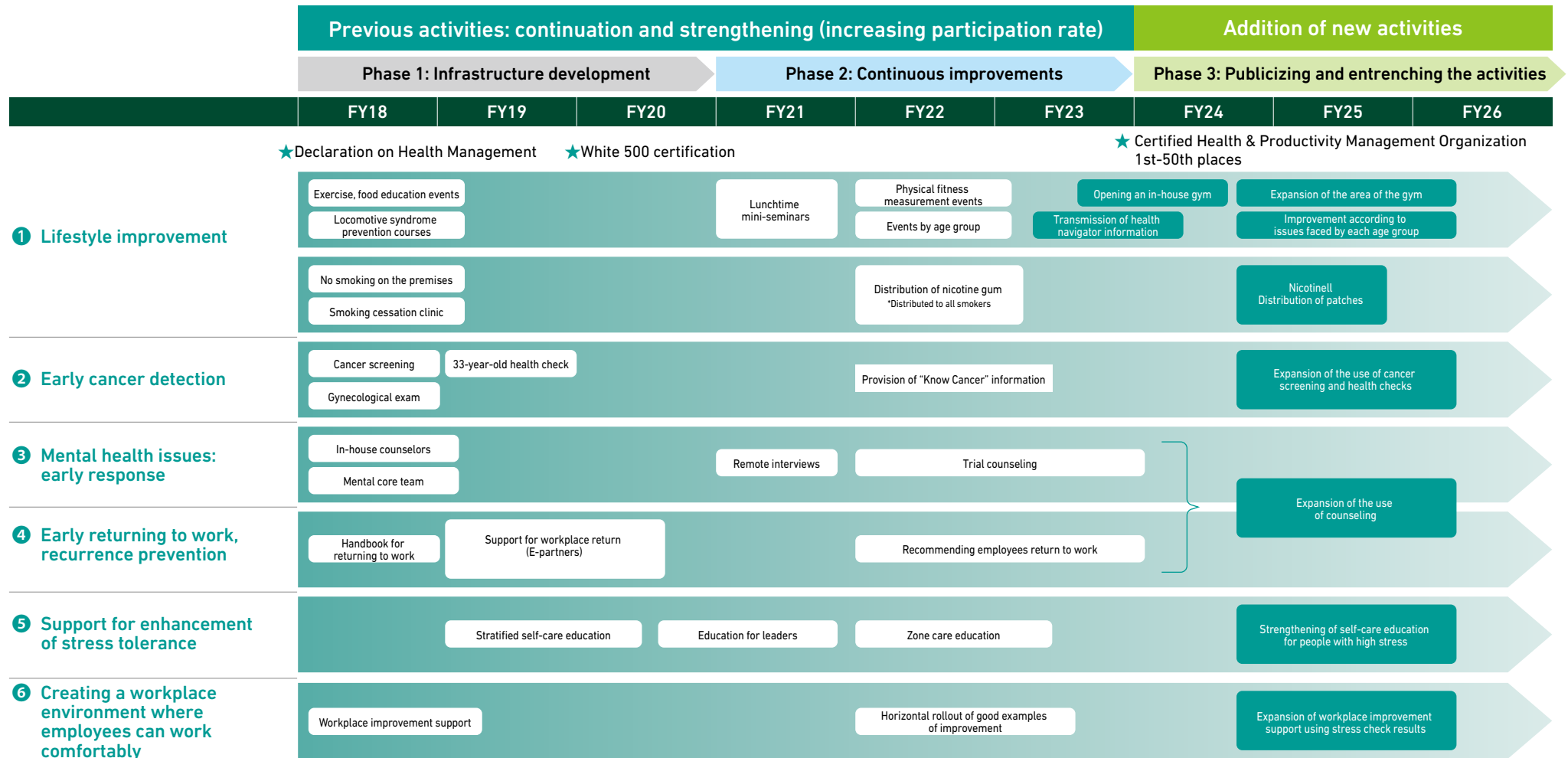
JATCO has been a Certified Health & Productivity Management Organization (White 500) for six consecutive years since 2019.



Occupational Health and Safety

Medium-Term Health Management Plan

We formulated a medium-term plan in order to achieve the vision aimed for by the Declaration on Health Management, and we are implementing activities based on the six pillars of JATCO health management.



Introduction & Table of Contents	CEO Message	About JATCO	Sustainability Management	Environment	Business
Society	Human Capital	Business Foundation	Environmental Data for Each Production Base	Social Data	GRI Standards Reference Table

Occupational Health and Safety

Lifestyle improvement

Health-building events and health education

We continually implement health promotion activities in order to help employees establish better lifestyles with respect to the health risks they face. We hold fun, hands-on, participatory events at each location with the aim of enhancing health awareness.

In-house gym

We have installed a training gym inside our location to create an environment where even people who have not previously had the habit of exercising can exercise easily.



In-house gym



Health event for officers

Health-building events: 1,740 participants

Food education events

- Provision of a healthy menu

Walking events

- Establishment of routes for employees to visit local attractions and shops with their families

Physical fitness measurement

- Maintenance and enhancement of physical fitness for aging

Health education: 599 participants

Education on health issues specific to women

- Implementation of education to enhance knowledge of health issues

Education by age group

- Lifelong health improvement activities adapted to changes in life stages and workplace environments

In-house gym: 122 participants

We have installed a gym in-house where all of our employees (including the related contractors) can exercise at their leisure

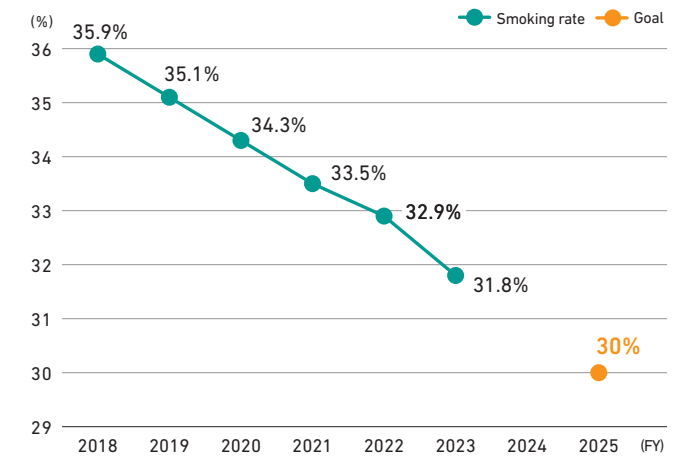
Measures to Reduce Smoking

Our company, including the group companies, started taking measures against smoking from 2003, with full-scale segregated smoking activities starting from 2007, the establishment of non-smoking hours from 2013, and a smoking ban on our premises (inside our site) since 2017. We are also implementing "move beyond smoking (quit smoking)" activities for smokers, such as interviewing former smokers, distributing smoking cessation gum, and opening an in-house smoking cessation clinic.

As a result, the smoking rate among our employees is gradually decreasing.

Our goal is to reduce it to 30% by 2025.

Trend in the smoking rate



Occupational Health and Safety

About initiatives for mental health measures

JATCO has developed mental health support measures for employees, managers and supervisors, occupational health staff, and the Human Resources Division, and is tackling the acquisition of and penetration of understanding of basic knowledge about mental health, knowledge about stress management (self-care), and knowledge about how to deal with subordinates (line care). Since FY2018, as one of its health management activities, the company has been implementing initiatives with a greater awareness of PDCA and approaches to the sense of psychological burden that comes with changes to and diversification of work styles, such as working from home.

- (1) Implementation of regular mental health education for all of our employees and group companies
- (2) PR activities of the in-house and external consultation counters, including trial counseling, etc.
- (3) Conducting of surveys on telecommuting and extraction of the issues
- (4) Implementation of and reflection on workplace improvement activities using the stress check results
- (5) Introduction of good examples of workplace improvement activities using stress check results
- (6) Workplace return support using external EAP for recurrence prevention
- (7) Recommendation of the utilization of external return to work to prevent recurrence
- (8) Collaboration of medical care personnel, the Human Resources Division, the R&D Division, and the Production Division (implementation of a regular mental health meeting)

	Industrial physicians Occupational health staff	Self-care (by the affected people themselves)	Line care (Managers, supervisors)	Safety & Health Administration Human Resources Development & General Administration	External EAP
Prevention management (Primordial prevention)	Mandatory [stress check] system				
	Mandatory [stress check] Follow-up of employees with high stress				
			Workplace environment improvement activities		
	<ul style="list-style-type: none">• Health education planning• Encouragement of attendance• Health consultations	Stratified mental health education		<ul style="list-style-type: none">• Mental health education planning• Encouragement of attendance• Planning• PR activities	<ul style="list-style-type: none">• Educational instructor• Offering of counseling
		Health education by age group			
		(Trial) counseling			
Symptom management (Primary prevention)	Offering of consultations (health consultations, mental health consultations, etc.)				Offering of counseling and workplace return support
	<ul style="list-style-type: none">• Introduction of medical institutions	<ul style="list-style-type: none">• Use of consultation counters	<ul style="list-style-type: none">• Collaboration with medical care personnel	<ul style="list-style-type: none">• Long overtime hours management	
Onset management (Secondary prevention)	Management of employees taking leave and employees on temporary retirement, initiatives for returning to work and returning to work support				
	<ul style="list-style-type: none">• Confirmation of the status of employees taking leave or on temporary retirement	<ul style="list-style-type: none">• Initiatives for returning to work	<ul style="list-style-type: none">• Confirmation of the status of employees taking leave or on temporary retirement	<ul style="list-style-type: none">• Management of employees taking leave or on temporary retirement	
Recurrence management (Tertiary prevention)	Management of employees taking leave and employees on temporary retirement, initiatives for returning to work and returning to work support				Offering of counseling and workplace return support
	<ul style="list-style-type: none">• Recommendation of return to work• Collaboration with medical institutions	<ul style="list-style-type: none">• Initiatives for recurrence	<ul style="list-style-type: none">• Consideration of duties after return	<ul style="list-style-type: none">• Consideration of duties after return• Core mental team activities	

Health management activity management metrics

		FY21	FY22	FY23
Absenteeism	Number of employees taking leave for physical reasons per thousand	4.6	2.6	2.6
	Number of employees taking leave for mental reasons per thousand	8.8	7.4	6.9
Presenteeism	At the same times as the stress checks, employee surveys are regularly conducted using the WHO-HPQ absolute presenteeism scale (0 to 100 points (%)). The actual value is computed by calculating the loss percentage and averaging it across all of our employees, with higher values indicating greater losses. The actual value is the average for all of our employees (%).	38	37	36
Work engagement	At the same times as the stress checks, we regularly conduct Venta Original employee surveys, which are highly correlated with the Utrecht Work Engagement Scale. The actual value is computed by taking the average of the deviation values across all of our employees, with higher values being better. The actual value is the average for all of our employees (%).	47.5	47.8	48.9



Business Foundation

Integrity and Robust Business Infrastructure

Trusted Quality

Human Rights


Sustainable and Responsible Procurement

Stakeholder Engagement

Governance and Compliance

Disaster Preparedness (Physical Hazards)

Information Security



Trusted Quality



Policy and approach relating to quality

It is no exaggeration to say that quality assessments by customers determine the valuation of products and the brand value of a powertrain manufacturer. In the modern world of remarkable technological innovation, the level of quality sought by our customers is increasing more and more.

At a time when the structure of the global economy is changing greatly and urbanization is progressing in each region, needs with respect to mobility are also growing.

As an powertrain manufacturer, JATCO believes that in addition to fulfilling our mission of providing the abundance brought about by mobility to people throughout the world, we have a major responsibility to provide quality that satisfies our customers at all times.

JATCO understands quality to be an issue for the entire company; is continuing activities to provide superior quality in all of the situations involving the customers, from planning of the products to development, production, logistics, sales, after-sales service, etc.; and is aiming to be a company which is trusted by its customers.

Simply put, the word "quality" covers wide-ranging content. JATCO is collaborating across departments and regions to make company-wide efforts to provide superior quality in all situations involving our products, from the useability of the products themselves to the response when there is a defect in a product, etc.

Based on a philosophy centered on the customers, JATCO is making efforts for both "product quality" and "service quality" with the goal of "putting the opinions of our customers first and enhancing the quality of our products and services so that our customers will feel deep satisfaction, in order to ensure that they choose JATCO-made products for many years to come."

The "product quality" of the products themselves is the fundamental quality that enables our customers to use the products comfortably and with peace of mind for a long time.

We aim for the provision of quality which can meet the expectations

of our customers in all of the life cycle of the product, such as the "initial quality" of the product delivered to the customer and the "durable quality" felt when using a product for a long time, etc. Furthermore, in "service quality," the pursuit of quality in our responses to our customers, we carry out activities to make inspections and repairs easy to do at dealers. In order to satisfy our customers in all of the processes, JATCO has introduced initiatives to incorporate the opinions of our customers and give feedback throughout the company.

Quality Policy



Management relating to quality

JATCO understands securing the safety of our customers and providing quality which satisfies them at all times to be important issues. In order to realize sustained growth as a trusted company,

we have built systems to promote quality enhancement globally and all of our employees are working together on quality activities. We clearly stipulate and apply globally the responsible persons and processes for wide-ranging quality enhancement activities in a quality management system that is compliant with IATF 16949. Moreover, we revise manuals appropriately as necessary to ensure that this leads to the thorough implementation of quality management with respect to all of those quality items. Furthermore, we implement training every year regarding the guidelines for building and implementing a quality management system. All of our employees are required to take this training. Note that regarding our production bases, all 13 bases have acquired IATF 16949 certification.

Management system relating to quality

In order to achieve the goal of becoming top level in quality, JATCO appoints a corporate officer dedicated to quality to the position of Chief Quality Officer. A Quality Committee chaired by the Chief Quality Officer meets every month, the officers of the respective divisions participate, and the committee promotes the quick solution of issues with product quality and service quality and also promotes quality improvement activities.

Furthermore, in order to realize the thorough implementation of compliance, we have built a monitoring and auditing system with a three-tiered structure and are making efforts to strengthen our auditing activities. In the first tier, the respective divisions implement monitoring with responsibility for compliance with laws and regulations and standards. In the second tier, the Corporate Quality Assurance Division implements audits concerning compliance with laws and regulations and standards. In the third tier, the Internal Audit Office carries out audits based on the fiscal year plan in accordance with the risks.

Trusted Quality

Quality enhancement initiatives

Reflection of the opinions of our customers in quality enhancement activities

In order to provide the value expected by our customers and respond quickly to the dissatisfaction, etc., felt by customers, we listen to all of the opinions from our customers and reflect them in all of our quality improvement activities, from development to servicing.

Quick responses to the opinions of our customers and timely information sharing

JATCO responds to inquiries and consultations from our customers through the automobile manufacturers.

Furthermore, we share the opinions of our customers in the market by posting them on the in-house intranet so that they can be viewed by our employees at any time.

Reflection of the opinions of our customers in our products and services

We have put in place mechanisms to reliably share the opinions of our customers in the market with all of our divisions including planning, development, production, sales, etc., and reflect the opinions in our products and services. Elements which make our customers feel dissatisfaction even though they are not malfunctions also influence the quality of the products. JATCO understands responding to the dissatisfaction of our customers to also be the subject of quality enhancement activities and is working on improvement.

The expected value that our customers require from our products differs depending on the customers' region, age, tastes, etc., and sometimes is also affected by market characteristics such as the degree of adoption of the product and the climate, etc. JATCO uses global design as its basic specifications while also responding in accordance to the needs of the regions.

The person who bears responsibility for this role is the Chief Quality Engineer (CQE). The CQE is involved from the planning stage to product creation and works on reducing the dissatisfaction of our customers and the number of defects.

We endeavor to extract the opinions of our customers from market information, etc., decide the order of priorities from the planning and development processes onward in order to consider response measures, and reflect the opinions in our products and services.

Initiatives to foster a customer perspective

We believe that it is important for each and every employee to take the perspective of our customers and work on their operations with an awareness of "realization of superior quality that continues to be trusted by customers" so we are promoting a variety of initiatives such as companywide training to foster good mindsets and initiatives to give our employees opportunities to encounter the opinions of our customers on a daily basis.

Furthermore, we have been holding the JATCO Quality Forum for our officers and employees since 2006. This forum introduces the current state of quality, the opinions of our customers in the market, improvement activities based on the opinions of our customers, and activities for the achievement of our goals, using panels, videos, and displays of actual components. It is jointly held by all of the divisions involved in development and services and in recent years hands-on events have been incorporated to encourage our employees to think and take action from a customer perspective. Moreover, in order to reflect the opinions of our employees in



The JATCO Quality Forum held since 2006



Direct dialogues between officers and employees

quality enhancement activities, we have established opportunities for direct dialogues between officers and employees. In 2023, more than 2,500 people participated in these dialogues, which we held in Japan and overseas.

We are working to raise the importance of quality and awareness of our customers among our employees working globally.

Enhancement of "product quality"

"Product quality" is the fundamental quality that enables our customers to use the products comfortably and with peace of mind for a long time. For JATCO, which has carried forth Japanese "monozukuri," "product quality" is the foundation which supports the sustainability of the company. We are endeavoring to think about quality from the customer perspective at all times, respond quickly when a defect occurs, and prevent recurrence of the defect. Furthermore, we are enhancing "product quality" to satisfy as many of our customers as possible, by reliably ascertaining the dissatisfactions of our customers and implementing countermeasure activities in all of our processes to eliminate them.

Trusted Quality

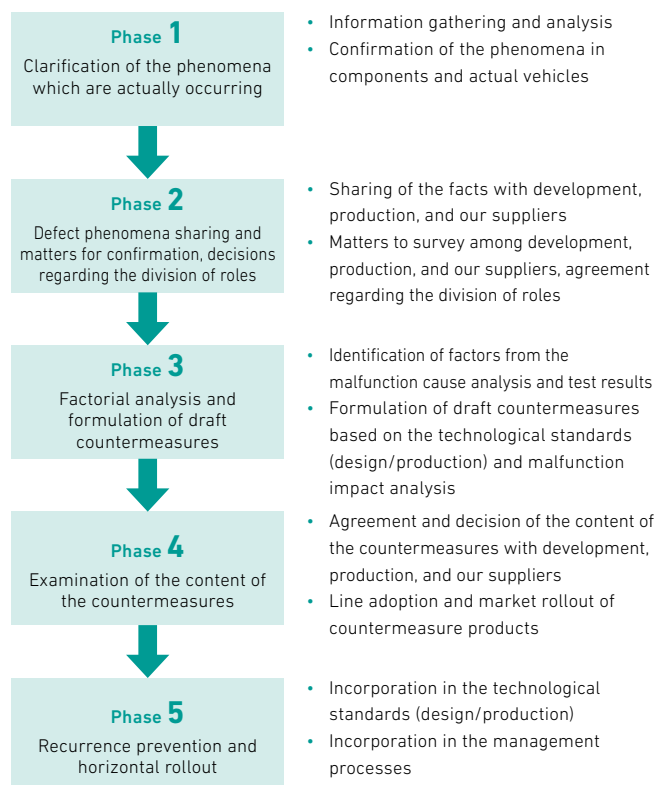
Market quality improvement activities

Initiatives for quick quality improvement in the market

JATCO has taken permanent countermeasures such as ascertaining the state of complaints and defects, through the automobile manufacturers, of sales companies and of customers who have entered the Customer Service Office, etc., sharing the information with the Development Department and the Production Department, and investigating the cause and considering countermeasures, etc., in order to encourage prevention of the spread of the defects.

Furthermore, as a consequence of the corporate activities of JATCO expanding globally, there is a possibility that the complaints and defects could occur in regions around the world. In order to quickly analyze those kinds of defects and analyze the factors behind them locally, JATCO has established survey bases in seven locations: Japan, the United States, Europe, China, South Korea, Mexico, and Thailand. At these survey bases, we are implementing market quality survey and analysis activities divided into five phases.

The concept of market quality survey and analysis activities in five phases



Enhancement of initial quality

We are strengthening initiatives to deliver superior quality products to our customers. We confirm that quality has been improved for each process and visualize the risks which could possibly occur from the planning stage to consider measures to alleviate the risks. We are guaranteeing superior quality at the time of the launch of new products by implementing all of the processes using transparent judgments in this way.

Improvement of durable quality

In order to have our customers ride in comfort for a long time, we are promoting initiatives with respect to deterioration that occurs due to use over many years.

In order to reduce not only the defects which occur during the warranty period but even the defects which occur after the warranty period, JATCO recovers secondhand cars and components that were actually used by our customers to implement quality confirmation, obtain and analyze a variety of data for utilization in the early detection of defects, etc., and strengthen the development of technologies which are resistant to deterioration.

Regarding fair and quick responses to serious defects

We understand that it is our responsibility to make our best effort to ensure that defects do not occur in the products, and at the same time it is also our responsibility to prepare for emergencies in the building of powertrains, which are a complex industrial product. JATCO's basic position is to mount a transparent, fair, and quick response. Specifically, we give top priority to ensuring the safety of our customers, minimizing inconvenience to them, and complying with laws and regulations, which leads to quick repairs.

Trusted Quality

Initiatives with partners

JATCO works together with our partners to tackle quality enhancement in all of the production bases from the component design stage, including the risk response concerning the quality and supply of the components.

Management of risk evaluation and reduction promoted with our partners

We are strengthening global quality management, confirming the quality management status of the production processes in each of the bases of our partners on-site and with the actual products, and supporting the improvement activities of our partners so that they can satisfy the JATCO's required levels.

Furthermore, we are working on a variety of quality enhancement measures such as carrying out joint improvement activities which involve not only our partners who deliver components to JATCO but also the secondary partners who produce the constituent components of those components.

Auditing and training for product safety and quality enhancement

In order to ensure product safety, JATCO works together with our partners to implement audits of not only the products but also the delivered components.

A variety of processes are necessary before one component is delivered from a partner to JATCO, from the confirmations of the planning stage to production of design drawings, construction of prototypes, checks of performance, ensuring the system of mass production, among others. JATCO has stipulated the quality assurance activities necessary in this series of steps as the quality management standards for its business partners, and has put in place mechanisms to ensure that accurate components are delivered by executing these activities for all of the components, one by one.

JATCO is supporting partners who are compliant with the Partner Health Check, which is JATCO's own partner quality evaluation standard. We confirm the worksites of our partners, including confirmation of whether or not there are clear identification methods for good products and defective products, and mechanisms for trouble prevention, etc.

Furthermore, we use a quality management system in collaboration with our partners to confirm that materials certification has been acquired for all of the components with regards to not only the manufacturing processes but also the materials of the components. We have built a system which ensures that accurate components are delivered by implementing training about the quality management standards for business partners in all of our partners and rolling out and executing the standards inside our partners.

Furthermore, we are implementing diagnoses of delivery quality and market quality, etc., using the partner scorecard, and we are also implementing partner plant audits to confirm management systems. Through these diagnoses and audits, we are regularly confirming the mechanisms for the stable supply of good quality components and the implementation status of continuous quality improvement activities.

Enhancement of "service quality"

JATCO is working on optimization of inspection and repair methods. Specifically, we are providing quick, cheap, and reliable repair methods such as alleviation of the customer burden by keeping replacement components to a minimum, alleviation of the repair burden of dealers by optimizing inspection and repair methods, etc.

Human Rights



Our approach regarding human rights

In order to realize our corporate purpose to “drive the possibilities of mobility with technology and passion,” JATCO recognizes that it is essential to respect the human rights of all of our stakeholders and comply with the applicable laws and regulations and standards, and for our employees to act based on the highest ethical standards stipulated in our in-house rules. We value and respect the diversity of our suppliers, customers, communities, and employees. Discrimination or harassment, in any form or degree, will not be tolerated. Officers and employees shall respect each other’s human rights, and shall not tolerate the carrying out or state of discrimination or harassment based on race, nationality, sex, religion, disability, age, place of origin, gender identity, sexual orientation, or any other reason. We respect the human rights stated in the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR), and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work (an ILO core labor standard). We have positioned the United Nations Guiding Principles on Business and Human Rights (UNGPs) as international standards to which we should refer and we are taking initiatives to manage the risks that could possibly arise in our business activities and actively prevent all impacts on human rights. We have released both the Basic Policy concerning Respect for Human Rights to make this approach concerning respect for human rights clearer and more robust, including in the supply chain, and the Global Human Rights Guidelines for explaining our commitment to human rights and ensuring that human rights are reliably respected in our business activities so that JATCO employees in each country and region can work with greater

peace of mind. In these guidelines, we established seven themes in light of the business activities of JATCO, further strengthening our initiatives to respect the human rights of our employees across the entire business.

Initiatives for human rights

In order to not only enable the proper management of employee labor and human rights, but also to maintain and enhance quality of life (QoL) at a high level, we are promoting the creation of comfortable workplaces in each country and region. Regarding annual paid leave, in Japan we not only comply with the law (taking a minimum of five days per year), but we also take measures such as establishing “encouraged days for taking leave” before and after long vacations in each division so that each employee can take 15 days of annual paid leave per year. Furthermore, we regularly hold ES (Employee Satisfaction) Enhancement Committee meetings in each country, introducing a mechanism to directly accept improvement requests from employees and working to create comfortable environments. JATCO also considers dialogue with our employees to be an important opportunity to respect human rights. In addition to discussions with employee representatives, we hold the Global Employee Meeting once a quarter, where we provide opportunities not only for the management team to convey messages but also for the management team to answer questions from employees. We value communication between employees and the management team globally, such as establishing direct communication time between local presidents and employees in each country and region.

We take a stance of not committing, allowing, or tolerating sexual harassment, power harassment, or any other type of harassment in the workplace and based on this stance we strive to prevent all employees, regardless of gender (male, female, or other), from meeting with harm. Our measures in this area

include making our e-learning on human rights and compliance mandatory training for all employees, and striving to raise the awareness of and enlighten our employees. In Japan, we implement harassment training for managers every year. Concerning violations which could have negative impacts on respect for human rights, we are taking corrective actions through the introduction of an internal reporting system.

Human rights management

As a company in the Nissan Group, we implement a human rights due diligence process and carry out risk management in order to prevent negative impacts on human rights in advance. Issues and risks concerning human rights are discussed in our Management Council as necessary. We recognize the importance of implementing initiatives concerning human rights over a scope that exceeds the activities of our own company, so we have set the goal of realizing ethically, socially and environmentally friendly business activities in all of the stages of the global supply chain. In order to achieve this goal, we cooperate with all of our business partners, including suppliers and contracted operators, to conduct our business in a manner that takes into consideration human rights.

[The social data is here >](#)

Sustainable and Responsible Procurement



JATCO's basic approach with respect to the supply chain

JATCO is aiming to take into consideration our constantly changing society and environment and fulfill our responsibilities as a company while complying with laws and regulations, protecting human rights, and communicating with a variety of stakeholders.

Furthermore, based on our corporate purpose to "drive the possibilities of mobility with technology and passion," we are challenging ourselves to start new businesses and we will continue to expand the fields of our corporate activities going forward.

In order for it to fulfill its own company responsibilities in that process, JATCO believes that we can only achieve our goals if our business partners share our vision and policies and we build long-term mutually-beneficial relationships of trust.

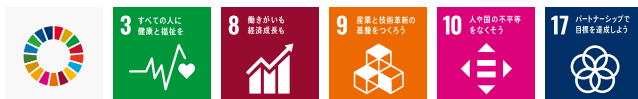
Measures to deepen mutual trust with our business partners

Signing of the Declaration of Partnership Building

In 2022 JATCO endorsed the purpose of the Declaration of Partnership Building and signed this declaration.

In accordance with this declaration, JATCO is actively working to promote proper transactions, for example by correcting trading practices and commercial practices which obstruct the building of partnerships with our business partners.

We are contributing to the achievement of the following five sustainable development goals (SDGs) by complying with this declaration.



Establishment of the JATCO Purchasing Way and the CSR Guidelines

We believe that in order for us to gain understanding regarding our vision, policies and responsibilities from not only our Tier 1 business partners engaged in direct transactions with JATCO but also our Tier 2 or higher business partners who have transactions with us indirectly, it is important to clearly state them in writing and share them.

For that reason, we have established the JATCO Purchasing Way to clarify the "values which we should have as a company" based on the basic principles of — "trust," "respect for the other party" and "transparency" —. In conjunction with this, we have established the CSR Guidelines to explicitly state the social responsibilities required for continuous development in the supply chain overall.

JATCO Purchasing Way

With the JATCO Purchasing Way, we make the values which are important to us when conducting transactions explicitly clear to our business partners.

Based on these values, we not only share our social responsibility but also promise to share the challenges faced by our business partners and utilize our in-house know-how and human resources to support them.



CSR Guidelines

We explain the elements for fulfilling our corporate social responsibilities and achieving mutual sustainable development from the perspectives of "compliance," "safety and quality," "human rights and labor," "environment" and "information disclosure," and ask our business partners to address a variety of issues.

Furthermore, we also ask our suppliers to build management systems for substances of concern and conflict minerals from the perspectives of human rights and the environment.

Business continuity activities with our business partners

Support for monozukuri improvements

JATCO has a variety of experience and know-how, including monozukuri improvement techniques and human resource development programs. We provide this knowledge and these human resources to our business partners upon request and help them with improvements.

Such support activities not only improve the monozukuri structure of our business partners, but also lead to energy conservation and resource conservation throughout the entire supply chain.

Strengthening of BCP cooperation systems and support activities at times of disaster

JATCO has built a supply chain which can respond when unpredictable natural disasters occur by formulating BCPs which are integrated with our business partners.

In recent years, natural disasters and problems with wide-ranging and prolonged impacts have occurred frequently, including business closures and suspensions of operations due to infectious disease pandemics, so further strengthening of the supply chain is required. For that reason, from the perspective of BCM, JATCO of course provides humanitarian aid and support for the restoration of

Sustainable and Responsible Procurement

production activities when there is an emergency, but we also endeavor to stabilize the supply chain at normal times by providing support for our business partners through a variety of initiatives.

For example, with respect to all kinds of disasters, we regularly visit the production sites of our business partners to advance the visualization of the risks of disasters using our original assessment form. Based on the results of this assessment, we discuss countermeasures and priorities tailored to each company's circumstances, and cooperate to reduce risks.

Collaboration in cybersecurity

In the modern world, cyber attacks targeting computer systems and networks have emerged as a major threat.

Just like in a natural disaster, once the supply chain is damaged, each company's core systems will be shut down, having a major impact on business activities.

JATCO is re-verifying the status of cybersecurity efforts together with its business partners to confirm preventive measures and whether or not business activities will be possible in the event of damage.

Furthermore, with some of our business partners we are implementing simulations based on the premise that there has been a cyber attack. We share the issues and countermeasures revealed by these simulations with our business partners to further advance collaboration.

Initiatives with our business partners for a sustainable global environment

Carbon Neutrality Initiatives

JATCO has set the goals of reducing CO₂ emissions by 46% compared to 2013 levels by 2030 and to zero in 2050.

Of course the scope of this initiatives includes activities at our own locations but we are also aiming for the realization of carbon neutrality, including in the supply chain.

We will accelerate activities for carbon neutrality going forward and we will also work together with our business partners to advance environmental improvement, reduce CO₂ emissions and contribute to the realization of a sustainable society.

Initiatives for the circular economy

JATCO is actively working to achieve a circular economy by reducing waste through the design of products with outstanding durability (Reduce), sorting and recycling components of products collected from the market (Reuse), and actively employing components made of recyclable materials such as aluminum (Recycle).

Furthermore, regarding new products in new businesses, we are considering employing not only recycled materials but also green aluminum materials, and we are actively promoting the use of renewable energy.

Enhancement of the management of environmentally hazardous substances

JATCO complies with the laws of each country and region concerning environmentally hazardous substances and responds promptly to changes in such laws. In particular concerning chemical substances, the number of substances subject to management is increasing in each country, and restrictions on their use are rapidly progressing. In conjunction with these global trends, JATCO is promoting efforts to prohibit or reduce the use of environmentally hazardous substances

in advance of domestic and overseas laws and regulations, such as the EU ELV, the EU REACH, and the Japanese Act on the Regulation of Manufacture and Evaluation of Chemical Substances.

To achieve this, it is necessary not only to develop products that do not use chemical substances prohibited by laws as raw materials, but also to avoid using such chemical substances in the manufacturing process.

With the cooperation of our business partners, we have built a management system for substances which have an impact on the environment throughout our entire supply chain and we are collecting and managing information about the use of these substances.

Establishment of the Green Procurement Guideline

As mentioned above, in accordance with our environmental policy of "contributing to a sustainable global environment through all of our business activities," JATCO is promoting environmentally-friendly initiatives throughout the lifecycle of products.

For that reason, we have established the policies and standards pertaining to the environment which should be shared with our business partners as the Green Procurement Guideline and we clearly state that initiatives with respect to the environment and the management of environmentally hazardous substances are our corporate social responsibility.

In particular regarding environmentally hazardous substances, we ask suppliers to input data into the IMDS (International Material Data System) from the perspective of supply management and confirm the management of the environmentally hazardous substances used in the products and their compliance with the full range of regulations based on this IMDS data.

Stakeholder Engagement



Understanding concerns through dialogue with stakeholders

JATCO's corporate activities are founded upon relationships of trust between the company and all of its various stakeholders. JATCO believes that in order to combine the sustainable growth of our company with the development of a better society, it is important to actively hold dialogues on the concerns of our stakeholders, listen to the opinions of our stakeholders, and reflect them in our corporate activities. Establishing opportunities for dialogues with our stakeholders will lead to the discovery of risks and opportunities. JATCO has established opportunities for a variety of dialogues and is reliably giving feedback on the results of the dialogues within the company in order to reflect more of the opinions of our stakeholders in our corporate activities.

Working toward building relationships of trust

Responding quickly to the changing needs of customers and offering products and services which give top priority to safety and peace of mind, we pursue true customer satisfaction through this provision.

Through fair trade with our business partners based on mutual trust, we are promoting initiatives to achieve mutual growth.

We also aim to implement respect for diversity and human resources development and to create a motivated workplace where each and every employee can experience growth.

Moreover, we will continue to work on the solution of social issues together with local communities and communication activities deeply rooted in local communities in order to be a good corporate citizen in all the regions in which JATCO conducts business.

Stakeholders	Opportunities for dialogue	Main themes	Main initiatives
Customers	Information provision through communication in daily business activities, the corporate website, social media, the mass media, etc., and the establishment of inquiry windows, etc.	<ul style="list-style-type: none"> The quality of the products and services Support for customers 	<ul style="list-style-type: none"> Technology briefings, test-ride events Responses to customer requirements Analysis and improvement of the evaluation of JATCO by customers
Employees	The regular exchange events with employees, interviews (evaluations, career development), a full range of surveys of employees, etc., labor-management councils, the in-house reporting system, the intranet	<ul style="list-style-type: none"> The business performance and issues of our company In-house diversity Diverse work styles The workplace environment and occupational health and safety Careers, education 	<ul style="list-style-type: none"> Sharing of management information with all of our employees by the officers (Global Employees Meeting) Meetings to exchange opinions with officers by business theme Business performance evaluation interviews Employee surveys In-house reporting system (Easy Voice, SpeakUp)
Business partners	Communication in daily business activities, policy briefings, the websites of our business partners, a full range of guidelines, etc.	<ul style="list-style-type: none"> Fair transactions Procurement policy Sustainability policy 	<ul style="list-style-type: none"> Business partner policy briefings Business partner awards Monozukuri seminars
Local communities	Communication with local governments and regional organizations, social contribution activities by our employees, events involving local residents, etc.	<ul style="list-style-type: none"> Contributions to local communities Working together with local governments and regional organizations for the solution of social issues 	<ul style="list-style-type: none"> Volunteer activities by our employees Events at our locations involving local residents (JATCO Festa)
Shareholders	General Meeting of Shareholders	<ul style="list-style-type: none"> JATCO's business strategies, business performance, company value enhancement 	<ul style="list-style-type: none"> General Meeting of Shareholders

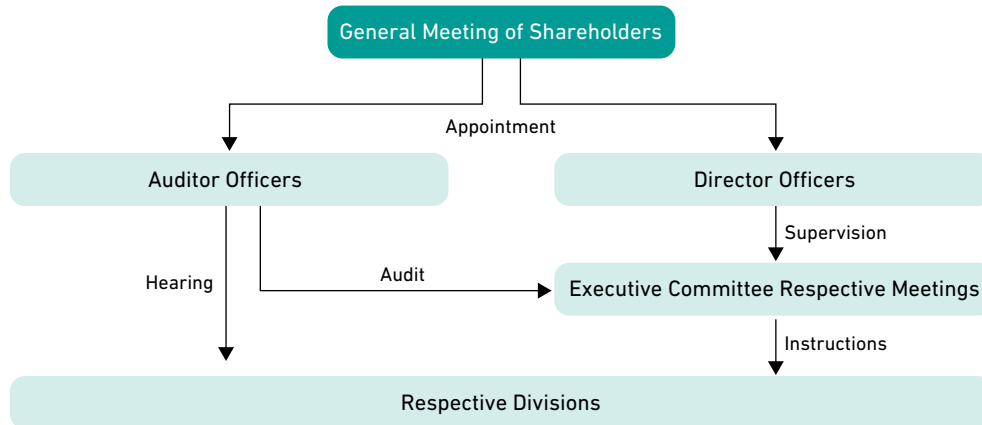
Governance and Compliance



Commitment to corporate governance

Corporate Governance System

JATCO is a “Company with Board of Company Auditors” as defined in the Companies Act, and is established as a legal entity with a General Meeting of Shareholders, a Board of Directors, and a Board of Auditors. In principle, the Board of Directors convenes once a month to decide on important management matters as well as to preside over the details of the operations being executed. The Board of Directors is composed not only of the directors who execute our operations, but also several directors from outside the company in order to create a system that allows for objective supervision of the execution status of our operations. A Corporate Officer system has also been introduced to facilitate efficient and flexible management, and authority has been delegated to Corporate Officers in clearly defined ways in the management of the business.



Strengthening our internal control system

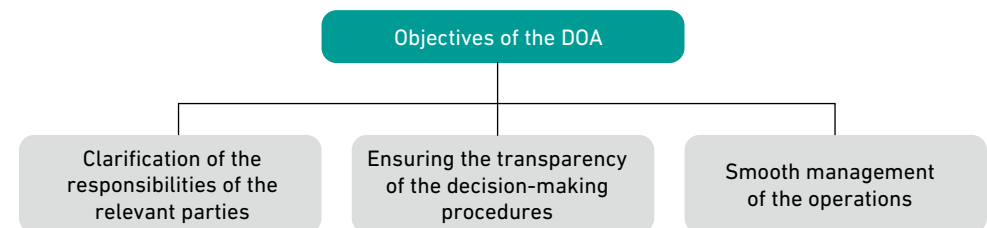
JATCO maintains and strengthens its internal control system based on the Basic Policy on Internal Control System passed by our Board of Directors in order to ensure proper and efficient corporate activities. This policy lays out the following items as its major items and checks are conducted every six months to verify that the internal control system is functioning effectively, and the results are reported to the Board of Directors.

Major items of the Basic Policy on Internal Control System

- Compliance with laws and regulations and the Articles of Incorporation in the execution of work by the directors and employees
- Storage and management of information pertaining to the execution of work by the directors
- Appropriate risk management
- Efficient execution of the work of the directors
- Ensuring that the work in the corporate group (the parent company and the subsidiaries) is performed properly
- Ensuring the effectiveness of the audits by the auditors, etc.

Important operational matters and decisions

The authority standards pertaining to important operational matters and decisions are stipulated in the Delegation of Authority (DOA). The objectives of establishing the DOA are clarification of the responsibilities of the relevant parties, ensuring the transparency of the decision-making procedures, and smooth management of the operations.



Governance and Compliance

Strengthening compliance

Basic stance on compliance

The JATCO Group considers strict compliance with the laws of each country and region to be a minimum requirement for being trusted by society. In addition to strict compliance with laws, we consider it important for all employees of our Group to act fairly and honestly with a strong sense of ethics. JATCO has instituted a Global Code of Conduct, and we put effort into ensuring thorough compliance by providing action guidelines for all employees to abide by.

Standards in the Global Code of Conduct

1. Comply with all laws and rules
JATCO employees will abide by all laws of the country, and all regulations of the Company, in which they work.
2. Promote Safety
JATCO is committed to employee safety and wellness. JATCO employees are expected to engage in safe work practices to promote a healthy work environment. JATCO is also committed to the safety of our customers and JATCO employees are expected to continually promote safety of JATCO products.
3. Avoid Conflict of Interest
The best interests of JATCO are expected to be foremost in the minds of employees. It is prohibited to behave, act or use information in a way conflicting with Company interests.
4. Preserve Company Assets
JATCO employees are personally accountable for preserving and safeguarding Company assets. Unauthorized use or diversion of Company assets, including funds, information and intellectual property, is prohibited.
5. Be Impartial and Fair
JATCO employees must maintain impartial and fair relationships with business partners, including automobile manufacturers, suppliers, and other third parties.
6. Be Transparent and Accountable
JATCO employees shall make fair, transparent, timely and appropriate disclosure of the Company's business activities to our stakeholders, including stockholders, customers, local communities and other employees.
7. Value Diversity and Provide Equal Opportunity
We value and respect the diversity of suppliers, customers, communities and our employees. Discrimination or harassment, in any form or degree, will not be tolerated.
8. Be Environmentally Responsible
JATCO employees shall strive, within the business objectives of JATCO, to consider environmental protection when developing products and services, to promote recycling and to conserve materials and energy.
9. Be Active; Report Violations
JATCO employees are expected to carry out their work in accordance with the Code of Conduct. Employees who suspect that a violation of the Code of Conduct has occurred are obligated to report it as soon as possible, and such employees shall be protected from any disadvantage.

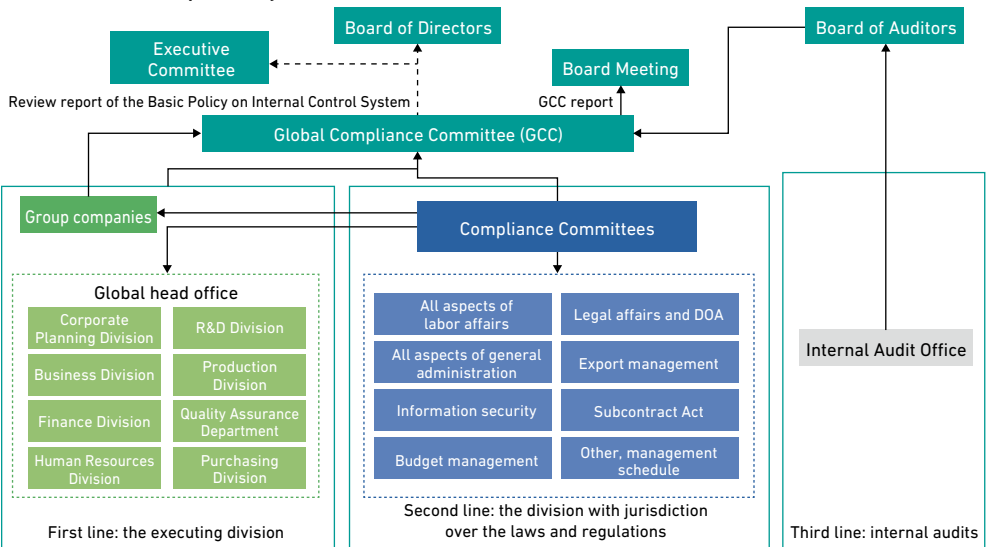
Governance and Compliance

Strengthening compliance

Promotion system for compliance

The compliance activities of the JATCO Group are promoted through (i) formulation of the activities policy, (ii) monitoring of the status of the activities, (iii) internal reporting response, and (iv) compliance education and enlightenment, with the Compliance Secretariat organized by the Legal & Intellectual Property Department and the Human Resources Development & General Administration Department as the center. Furthermore, the Compliance Secretariat supports the promotion of each individual activity in collaboration with the compliance promoters appointed to the respective divisions and each subsidiary.

Overview of the compliance system



Governance

JATCO has organized a Global Compliance Committee (GCC) comprised of representative executives from each division and the presidents of Group Companies in Japan and overseas, and meetings of the GCC are held four times a year by the Compliance Secretariat. The GCC puts effort into ensuring the proper implementation of the PDCA cycle, such as by sharing common global matters related to compliance, sharing specific cases of incidents that have actually occurred, and checking the details of the compliance activities of each company.

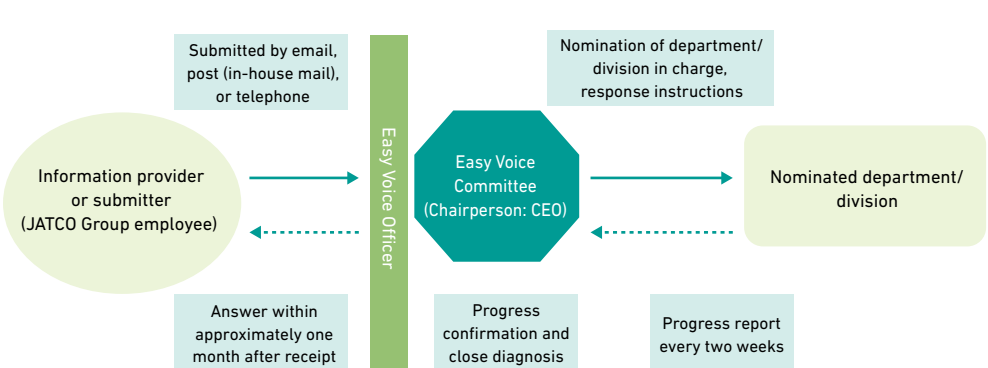
Monitoring

Every year, as a part of a comprehensive compliance inspection, we implement confirmations, etc., with respect to the division with jurisdiction over the laws and regulations, which is the second line, regarding the process for responding when there is a violation of laws or regulations, and implement monitoring of the status of the activities.

Internal reporting response

The JATCO Group has established the Easy Voice System for responding in-house, which is an internal reporting system that allows employees to report directly to the company on matters such as compliance violations, and SpeakUp, a window outside the company (Nissan Group), as part of our efforts to develop an environment where employees can take a proactive stance toward reporting violations.

Overview of the Easy Voice System



Compliance education and awareness-raising

Code of Conduct training is provided every year for all employees in the Group through the use of the e-Learning system. The attendance rate at Code of Conduct training is reported in the Global Compliance Committee and follow-up is carried out until the implementation rate reaches 100% every year. As compliance education other than the above, with regard to information security policies, harassment, export and import control, the Anti-Monopoly Act, prevention of the giving or acceptance of a bribe, trade secrets, DOA, the Subcontract Act, and company rules, etc., the division with jurisdiction over the laws and regulations, which is the second line, draws up and implements programs to educate employees.

Governance and Compliance

Risk management initiatives

Promoting risk management

In order to respond to the diversifying risks accompanying the global expansion of our business, JATCO carries out a risk management audit as part of its internal control system. Specifically, we hold interviews with the relevant parties, including the officers, regarding the 12 items of product,

- (i) product strategies,
- (ii) production strategies,
- (iii) sales and marketing strategies,
- (iv) business continuity,
- (v) product and service quality,
- (vi) information quality,
- (vii) management quality,
- (viii) ethics and wrongful acts,
- (ix) human resources,
- (x) finance and market risks,
- (xi) adaptability to external environmental changes, and
- (xii) legal risks,

identify risks each year, determine the items that should be tackled in the Executive Committee meetings, assign personnel to take charge of each item, and formulate and implement measures to mitigate the risks. The progress of initiatives for each item are reported at the Executive Committee meetings, and a control-level assessment for each item is conducted at the end of the fiscal year.

Annual Plan for Corporate Risk Management	
Risk identification through officer interviews, etc.	January to February
Evaluation through risk assessment and selection of issue candidates	February
CRM* issues definitions and determination of the issue owners (Executive Committee)	March to April
Interim report: agreement of the direction of measures	September to October
Final report: completion of execution of measures	March

*CRM: Corporate Risk Management

Initiatives through the BCM* Committee

There are scenarios that endanger business continuity, such as earthquakes, typhoons, or other natural disasters. JATCO predicts the various risks that may arise, and has established a BCM Committee to implement measures to eliminate risks before they develop and to mitigate risks when incidents do occur. If a situation arises that has continuous impact on production, the relevant parties are notified immediately, and the BCM Committee takes a central role in resolving the problem with the cooperation of the respective divisions across the company. BCM simulation training is carried out every year to help employees learn how to react to a large-scale earthquake, and how to appropriately respond in order to achieve quick recovery.

* BCM: Business Continuity Management. This involves determining the countermeasures to take in situations where the company becomes unable to continue operations due to large-scale disasters, epidemics and the like and conducting the needed training and other activities to execute these countermeasures.

Risk management system for JATCO Group companies

With regard to Group companies, including our overseas production bases, risk management is performed by implementing countermeasures for the expected risks to each company. The experience and know-how that JATCO has built up through its BCM activities are disseminated to the Group companies, and for risks that are common to all our facilities across the world, risk management is carried out in cooperation with other Group companies.

Disaster Preparedness (Physical Hazards)

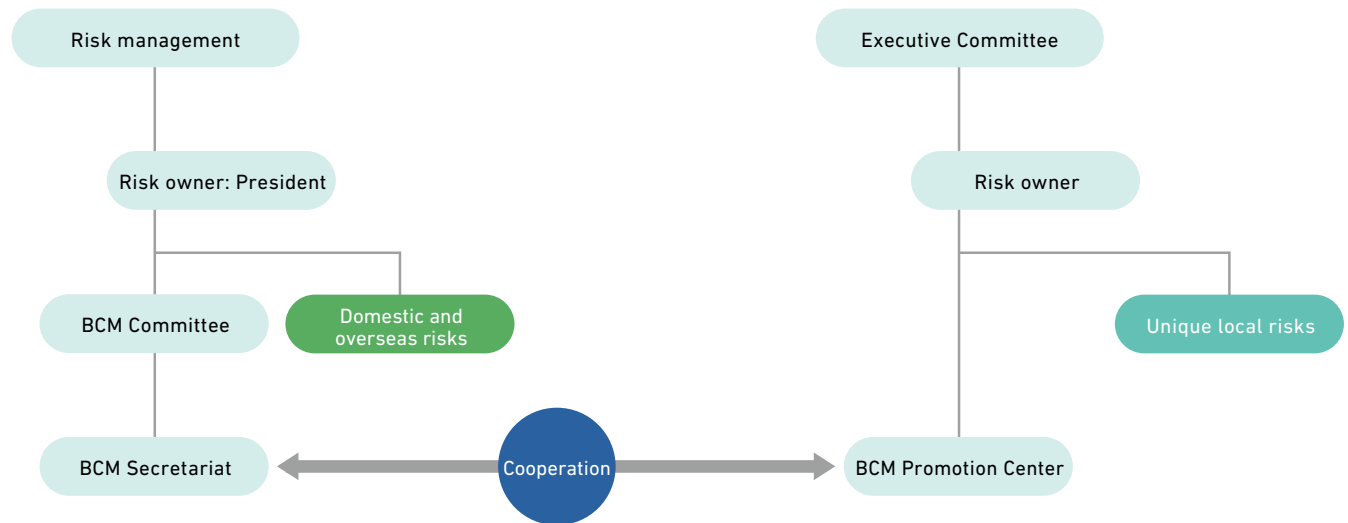


Ensuring business continuity in the event of a large-scale earthquake

As part of JATCO's BCM initiatives, we organize disaster preparedness activities with regards to a large-scale earthquake (seismic intensity of 6 Upper or greater) that is feared to occur in the near future. These activities are aimed first towards saving lives, preventing secondary disasters, and a prompt and effective recovery to aid in the recovery of our business. Our BCM formulations are being reviewed and strengthened through our experience from such disasters as the Niigata Chuetsu-oki Earthquake in July 2007, the Great East Japan Earthquake in March 2011, and the earthquake in eastern Shizuoka Prefecture in March 2011, which resulted in significant damage to one of our plants. The disasters that we prepare for are not limited to just earthquakes. They cover a wide range that includes novel strains of coronavirus, IT failures, and supply chain stoppages. We also apply the experience that we have gained in developing BCM in Japan to the risks facing our overseas locations, including Mexico, China, and Thailand to extend our BCM practices globally across the entire JATCO Group. In order to promote activities focused on our supply chain in light of our experience during past disasters, we have made efforts to strengthen our overall supply chain by performing diagnoses of the BCM systems of each Group company. JATCO's highly effective BCM is driven by the repeated use of training. We have been conducting BCM simulation training every year since FY2008, through which we confirm our initial disaster response and recovery system for business continuity. This training is based on expected levels of damage and involves the relevant departments and company bases working together to solve problems related to business recovery. These problems include how to respond to automobile manufacturers, business partners, local communities, and the media. Through the repeated use of this training, we aim to provide a speedy response in the event of a disaster. This emphasis on simulation training with a focus on cooperation between bases has already yielded results at our Fujinomiya Plant, when during the earthquake in eastern Shizuoka Prefecture, the plant was able to easily receive assistance from our other bases and make a rapid recovery.

BCM promotion organization

JATCO's BCM promotion organization



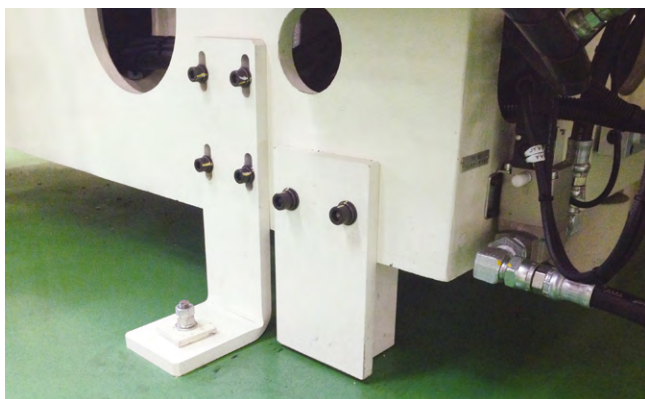
BCM simulation training

Disaster Preparedness (Physical Hazards)

Ensuring the safety of employees and the local community

Earthquake measures for buildings and facilities in Japan

In order to prevent damage to buildings and facilities and harm to employees in the event of a large-scale earthquake, as well as to achieve early recovery of production plant functions, we have taken a wide range of earthquake countermeasures that include securing production equipment at and strengthening the earthquake resistance of our main production bases in Japan, and taking measures to prevent objects from falling from ceilings or cranes. As a member of the supply chain, we are constantly coming up with countermeasures to minimize our impact on the production activities of our customers.



Newly added support leg on equipment

Earthquake countermeasures at overseas bases

JATCO operates globally and has implemented BCM activities at our overseas bases similar to those at our domestic bases to prepare them for earthquakes or other large-scale disasters. At JATCO (Thailand) Co., Ltd., which commenced operations in July 2013, we have drawn lessons from the major floods that occurred in 2011, and raised the foundation filling of the building by 50 cm compared to the initial plans, in preparation for tsunami and floods.

Ensuring the safety of employees

In order to ensure the safety of employees in the event of a large-scale earthquake, JATCO has established detailed procedures with regard to evacuation actions and evacuation shelters. In order to ensure that employees have a good grasp of this information, regular drills are conducted based on a variety of day and night emergency situations that we expect could occur.



Building site where the filling was carried out

Given the possibility of having employees at each facility who are unable to return home during an emergency, we have prepared supplies such as water, food, helmets, blankets, sleeping bags, and portable toilets at each facility.

Securing safety and peace of mind for local residents

JATCO is a company that stands together with local residents. Hence, we cooperate actively to secure safety and peace of mind for local residents. We are working to be included on municipal emergency shelter lists and to establish a system that allows us to provide company facilities as emergency shelters for local residents who have nowhere to evacuate to in the event of a large-scale disaster.



Designated by Fuji City as a designated emergency evacuation site and wide-area evacuation area

Introduction & Table of Contents	CEO Message	About JATCO	Sustainability Management	Environment	Business
Society	Human Capital	Business Foundation	Environmental Data for Each Production Base	Social Data	GRI Standards Reference Table

Information Security



Strengthening information security

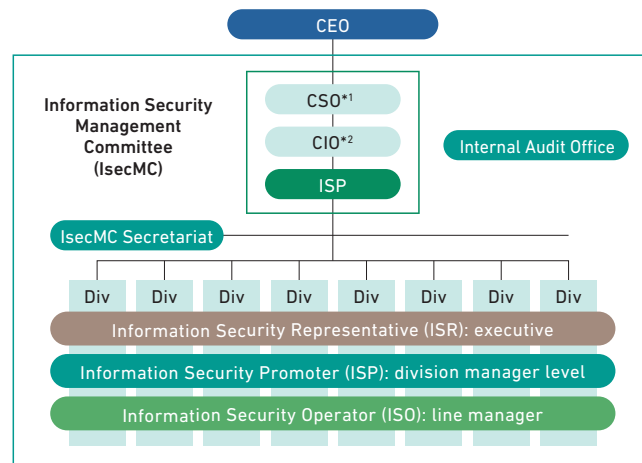
Information security promotion system

In order to maintain a high level of information security, JATCO has enacted an Information Security Policy to ensure that all of our employees can tackle their work with an awareness of information security.

The Information Security Policy comprehensively presents the basic policies of JATCO concerning information security, and has been established for the objective of maintaining the confidentiality, completeness, and availability of information, as follows:

- 1) Confidentiality: only people who have been given access permission can access the information
- 2) Completeness: maintaining the accuracy of the information and maintaining the accuracy and transparency of processing methods

Information Security Management Committee



*1 CSO: Chief Security Officer *2 CIO: Chief Information Officer

- 3) Availability: ensuring that the users with permission can use the information when necessary

JATCO has established the Information Security Committee and has built a promotion system to ensure that information leakages, releases of erroneous information, and situations in which the information can no longer be used are not caused as a result of these features being damaged. Through the committee, we share problems common to and solutions applicable across the Group companies, and check on the implementation of these solutions in each Group company and division.

Commitment to information management, and promotion of training activities and activities to raise awareness

In recent years, as the importance of the data held by companies and organizations has grown rapidly, threats such as information leakages, hacking, malware attacks, etc. have also increased, so robust information security has become an essential element for the growth of a company.

JATCO is putting effort into further strengthening our information infrastructure.

To prepare for cyber attacks, we are implementing various technical measures to prevent external attacks, while establishing the Cyber Attack Countermeasures Headquarters, putting in place systems and manuals to enable prompt responses, and carrying out training once a year based on the scenario of an actual emergency to prevent information from leaking out in the event of a security breach.

Information security is dependent on there being a proper awareness of information management by those who must handle the information—each and every one of our employees. Hence, we work to reduce the risk of information leakages with respect to new threats through targeted email training, etc. and

continuously strive to raise awareness about information security management, including thorough management of information assets using information asset management ledgers, regular provision of information security education to all employees in the JATCO Group, etc.

Information security activities in each division and Group company

In order to ensure the appropriate management of information security, it is vital to have each division and Group company correctly grasp the current state of and risks pertaining to information security, then formulate and implement countermeasures, and review the results, so JATCO takes measures which properly continue the PDCA cycle. For example, every year it implements assessments compliant with an information security management system (ISMS) based on international standard ISO 27001.

Details on the information security activities undertaken by each division and Group company and incident cases which have occurred are shared with the Information Security Committee, which meets three times a year. By encouraging the divisions and Group companies to incorporate each other's best practices, we are striving to further enhance the standardization of information security activities across the entire Group, including the overseas locations, introduction of shared facilities, promotion of education, etc.

Environmental Data for Each Production Base



Environmental Data for Each Production Base (FY2023 results)



Fuji Area

[Including the Head Office]
Site: 580,440 m²
Buildings (Total): 389,403 m²



Fujinomiya Area

Site: 67,698 m²
Buildings (Total): 66,756 m²



Kakegawa Area

Site: 95,522 m²
Buildings (Total): 14,954 m²

Air pollution

NOx: Nitrogen oxide, SOx: Sulfur oxide

Equipment	Item	Unit	Regulatory limit (including exceptions)	Measured values	
				Maximum	Average
Compact boiler (22 units)	Dust and soot	g/Nm ³	0.05	0.007	0.0006
	NOx	ppm	100	46	27
	SOx	Nm ³ /h	0.002	0	0
Metal-heating furnace (17 units)	Dust and soot	g/Nm ³	0.05	0.016	0.007
	NOx	ppm	150	21	12
	SOx	Nm ³ /h	0.018	0	0
Steel-heating furnace (9 units)	Dust and soot	g/Nm ³	0.05	0.003	0.0010
	NOx	ppm	150	7	3
	SOx	Nm ³ /h	0.026	0	0
Aluminum-melting furnace (9 units)	Dust and soot	g/Nm ³	0.06	0.019	0.005
	NOx	ppm	150	43	9.81
	SOx	Nm ³ /h	0.019	0	0
	Dioxin	ng-TEQ/Nm ³	5	0.52	0.12
Drying kiln (1 unit)	Dust and soot	g/Nm ³	0.05	0.028	0.022
	NOx	ppm	56	24	22
	SOx	Nm ³ /h	0.0048	0	0
Drying combustion furnace (1 unit)	Dioxin	ng-TEQ/Nm ³	5	0.0000063	0.0000063
	Dioxin	ng-TEQ/Nm ³	5	0.0000044	0.0000044

Water quality

Figures shown in brackets () for the regulatory limit are daily averages

Item	Unit	Regulatory limit (including exceptions)	Measured values	
			Maximum	Average
Hydrogen ion concentration (pH)	—	5.8 - 8.6	7.3	7.2
Biochemical oxygen demand (BOD)	mg/L	20 (15)	8	5.5
Chemical oxygen demand (COD)	mg/L	20 (15)	9.3	7.3
Suspended solids (SS)	mg/L	20 (10)	1	1
n-hexane extracts (mineral oils)	mg/L	4	0	0
Copper	mg/L	0.1	0	0
Zinc	mg/L	1.0	0.09	0.07
Coliform count	units/mL	3,000	6	6
Trichloroethylene	mg/L	0.3	0	0
Dichloromethane	mg/L	0.02	0	0
Boron	mg/L	10	0.1	0.1
Fluorine	mg/L	15	0	0
Ammoniacal nitrogen			1.7	1.4
Nitrate-nitrogen			2.6	2.6
Nitrite-nitrogen			2.84	1.605

Air pollution

NOx: Nitrogen oxide, SOx: Sulfur oxide

Equipment	Item	Unit	Regulatory limit (including exceptions)	Measured values	
				Maximum	Average
Compact boiler (6 units)	Dust and soot	g/Nm ³	0.05	0.007	0.00116667
	NOx	ppm	100	92	76
	SOx	Nm ³ /h	0.01	0	0
Metal-heating furnace (3 units)	Dust and soot	g/Nm ³	0.05	0.016	0.00525
	NOx	ppm	150	72	33
	SOx	Nm ³ /h	0.01	0	0

Water quality

Figures shown in brackets () for the regulatory limit are daily averages

Item	Unit	Regulatory limit (including exceptions)	Measured values	
			Maximum	Average
Hydrogen ion concentration (pH)	—	5.8 - 8.6	7.4	7.3
Biochemical oxygen demand (BOD)	mg/L	20 (15)	3	2.5
Chemical oxygen demand (COD)	mg/L	20 (15)	2.6	1.9
Suspended solids (SS)	mg/L	20 (15)	0	0
n-hexane extracts (mineral oils)	mg/L	5	0	0
Phenols	mg/L	5	0	0
Copper	mg/L	3	0	0
Zinc	mg/L	2	0.18	0.18
Soluble iron	mg/L	10	0	0
Soluble manganese	mg/L	10	0	0
Chromium	mg/L	2	0	0
Coliform count	units/mL	3,000	0	0.0
1, 1, 1-trichloroethane	mg/L	0.001	0.001	0
Boron	mg/L	10	0	0
Ammoniacal nitrogen			0.4	0.40
Nitrate-nitrogen			0	0
Nitrite-nitrogen			0.02	0

Air pollution

NOx: Nitrogen oxide, SOx: Sulfur oxide

Equipment	Item	Unit	Regulatory limit (including exceptions)	Measured values	
				Maximum	Average
Compact boiler (2 units)	Dust and soot	g/Nm ³	0.05	0	0.0000
	NOx	ppm	100	60	60
	SOx	Nm ³ /h	0.01	0	0

Water quality

Figures shown in brackets () for the regulatory limit are daily averages

Item	Unit	Regulatory limit (including exceptions)	Measured values	
			Maximum	Average
Hydrogen ion concentration (pH)	—	5.8 - 8.6	7.4	7.2
Biochemical oxygen demand (BOD)	mg/L	20 (15)	10	4.9
Chemical oxygen demand (COD)	mg/L	80 (60)	14.2	9.9
Suspended solids (SS)	mg/L	20 (10)	4	1.3
n-hexane extracts (mineral oils)	mg/L	3	0	0
Phenols	mg/L	2.5	0	0
Copper	mg/L	0.5	0	0
Zinc	mg/L	2	0.19	0.17
Soluble iron	mg/L	5	0.76	0.45
Soluble manganese	mg/L	5	0	0
Chromium	mg/L	1	0	0
Coliform count	units/mL	3,000	125	25.5
Cadmium	mg/L	0.03	0	0
Cyanide	mg/L	0.5	0	0
Organic phosphorus	mg/L	1	0	0
Lead	mg/L	0.1	0	0
Hexavalent chromium	mg/L	0.25	0	0
Arsenic	mg/L	0.1	0	0
Total mercury	mg/L	0.0005	0	0
Alkyl mercury	mg/L	Undetected	Undetected	Undetected
PCB	mg/L	0.001	0	0
Trichloroethylene	mg/L	0.1	0	0
Tetrachloroethylene	mg/L	0.05	0	0
Carbon tetrachloride	mg/L	0.01	0	0
1, 1, 1-trichloroethane	mg/L	1	0	0
Boron	mg/L	10	0	0
Ammoniacal nitrogen				
Nitrate-nitrogen	mg/L	100	9.6	6.05
Nitrite-nitrogen				

Environmental Data for Each Production Base

Yagi Area

Site: 233,323 m²
Buildings (Total):
68,277 m²



Air pollution

NOx: Nitrogen oxide, SOx: Sulfur oxide

Equipment	Item	Unit	Regulatory limit (including exceptions)	FY2021		FY2022	
				Measured values		Measured values	
				Maximum	Average	Maximum	Average
Compact boiler	Dust and soot	g/Nm ³	0.1	ND	ND	ND	ND
	NOx	ppm	150	51	41	50	37
	SOx	Nm ³ /h	0.00	ND	ND	ND	ND
Continuous carburizing furnace	Dust and soot	g/Nm ³	0.1	ND	ND	ND	ND
	NOx	ppm	150	63	43	66	67
	SOx	Nm ³ /h	5.00	ND	ND	ND	ND

Water quality

Figures shown in brackets () for the regulatory limit are daily averages

Item	Unit	Regulatory limit (including exceptions)	FY2021		FY2022	
			Measured values		Measured values	
			Maximum	Average	Maximum	Average
Hydrogen ion concentration (pH)	—	5.8 - 8.6	7.5	7.4	7.5	7.2
Biochemical oxygen demand (BOD)	mg/L	20 (10)	2	1.5	3	1.3
Chemical oxygen demand (COD)	mg/L	30 (20)	1.1	0.8	2.9	1.3
Suspended solids (SS)	mg/L	30 (20)	0.8	0.5	3.8	0.8
n-hexane extracts (mineral oils)	mg/L	2.5	Undetected	Undetected	Undetected	Undetected
Phenols	mg/L	0.5	Undetected	Undetected	Undetected	Undetected
Copper	mg/L	1.5	Undetected	Undetected	Undetected	Undetected
Zinc	mg/L	2.5	Undetected	Undetected	Undetected	Undetected
Soluble iron	mg/L	5	Undetected	Undetected	Undetected	Undetected
Soluble manganese	mg/L	5	Undetected	Undetected	Undetected	Undetected
Chromium	mg/L	1	Undetected	Undetected	Undetected	Undetected
Coliform count	units/mL	1,500	Undetected	Undetected	Undetected	Undetected
Nitrogen	mg/L	16 (12)	9.6	9.2	9.6	7.6
Nickel	mg/L	1	Undetected	Undetected	Undetected	Undetected
Phosphorus	mg/L	1(0.5)	Undetected	Undetected	Undetected	Undetected
Boron	mg/L	10	0	0	0	0
Fluorine	mg/L	7.5	0	0	0	0

Environmental Data for Each Production Base



Air pollution

NOx: Nitrogen oxide

Equipment	Item	Unit	Regulatory limit (including exceptions)	Measured values	
				Maximum	Average
Metal-heating furnace	Dust and soot	g/Nm ³	1,022.5	0.32	0.05
	NOx	ppm	—	—	—
Aluminum-melting furnace	Dust and soot	g/Nm ³	—	0.14	0.14
	NOx	ppm	375.0	136.44	106.42
Metal-heating furnace	Dust and soot	g/Nm ³	1,113.8	0.25	0.1
	NOx	ppm	—	—	—

Water quality

Item	Unit	Regulatory limit (including exceptions)	Measured values	
			Maximum	Average
Hydrogen ion concentration (pH)	—	5–10	7.8	7.2
Biochemical oxygen demand (BOD)	mg/L	150	71.5	48.3
Chemical oxygen demand (COD)	mg/L	320	107.1	73.2
Suspended solids (SS)	mg/L	150	45.2	17.2
n-hexane extracts (mineral oils)	mg/L	15	15.9	10.6
Phenols	mg/L	n/a	—	—
Copper	mg/L	4	2.2	1.7
Zinc	mg/L	10	5.5	4.2



Air pollution

TSP: Total suspended particulates

Equipment	Item	Unit	Regulatory limit (including exceptions)	Measured values	
				Maximum	Average
Heat treatment line	TSP	mg/m ³	120	2.4	2.11
	Nonmethane hydrocarbons	mg/m ³	120	5.8	3.52

Water quality

Item	Unit	Regulatory limit (including exceptions)	Measured values	
			Maximum	Average
Hydrogen ion concentration (pH)	—	6.0–9.0	7.0	7.0
Biochemical oxygen demand (BOD)	mg/L	300	55.0	35.9
Chemical oxygen demand (COD)	mg/L	500	155.0	103.0
Suspended solids (SS)	mg/L	400	51.0	41.0
n-hexane extracts (mineral oils)	mg/L	20	0.2	ND



Air pollution

TSP: Total suspended particulates

Equipment	Item	Unit	Regulatory limit (including exceptions)	Measured values	
				Maximum	Average
Vacuum carburizing furnace VF No. 1	TSP	mg/m ³	400.0	20.26	—
Vacuum carburizing furnace VF No. 2	TSP	mg/m ³	400.0	38.14	—

Water quality

Item	Unit	Regulatory limit (including exceptions)	Measured values	
			Maximum	Average
Hydrogen ion concentration (pH)	—	5.5–9.0	7.58	—
Biochemical oxygen demand (BOD)	mg/L	500	26.8	—
Chemical oxygen demand (COD)	mg/L	750	119	—
Suspended solids (SS)	mg/L	200	15.6	—
n-hexane extracts (mineral oils)	mg/L	10	3.20	—

Air pollution

TSP: Total suspended particulates

Equipment	Item	Unit	Regulatory limit (including exceptions)	Measured values	
				Maximum	Average
Heat treatment line	TSP	mg/m ³	120	2.1	1.8
	Nonmethane hydrocarbons	mg/m ³	60	55.2	38.5
Machining line	TSP	mg/m ³	120	2.1	1.9
	Nonmethane hydrocarbons	mg/m ³	60	2.6	1.3

Water quality

Item	Unit	Regulatory limit (including exceptions)	Measured values	
			Maximum	Average
Hydrogen ion concentration (pH)	—	6.0–9.0	7.4	7.1
Biochemical oxygen demand (BOD)	mg/L	300	68.4	53.8
Chemical oxygen demand (COD)	mg/L	500	463	306.0
Suspended solids (SS)	mg/L	400	108	46.9
n-hexane extracts (mineral oils)	mg/L	100	53	10.2

Social Data



Social Data

Social data (FY)

JATCO Ltd		Unit	2021	2022	2023
Number of employees		People	5,250	5,000	4,909
	Men		4,811	4,570	4,478
	Women	People	439	430	431
Average age		Years old	44	44	43
	Men		44	44	44
	Women	Years old	39	39	39
Years of service		Years	20.8	21.0	18.8
	Men		21.4	21.8	19.2
	Women	Years	16.4	15.9	15.6
Employment rate for individuals with disabilities		%	2.48%	2.47%	2.57%
Percentage of men taking childcare leave		%	0.9	16.5	30.2
Percentage of employees returning to work after taking childcare leave		%	95.7	100	100
	Men		100	100	100
	Women	%	95.5	100	100
Number of days of annual leave taken		Days	18.8	16.8	15.8
Average overtime hours		Hours/month	17.7	17.9	22.8
Female managers		People	13	13	14
	Ratio	%	4.6%	4.8%	5.2%
Number of new hires		People	45	50	42
	Men		38	42	36
	Women	People	7	8	6

* Percentage of men taking childcare leave = male employees who took one day or more of childcare leave in the applicable fiscal year ÷ the number of male employees whose spouse gave birth in the applicable fiscal year

* The FY2023 figures for the number of new hires are the figures as of April 2024

GRI Standards Reference Table



GRI Standards Reference Table

Statement of use	JATCO Ltd referred to the GRI Standards to report the information stated in this reference table regarding the period from April 1, 2023 to March 31, 2024.
GRI 1 used	GRI 1: Foundation 2021

GRI Standards			Disclosure	Location	Pages (PDF)
General Disclosures					
2	General Disclosures 2021	2-1	Organizational details	Corporate Information	P.6
		2-2	Entities included in the organization’s sustainability reporting	Editorial Policy Corporate Information	P.2 P.6
		2-3	Reporting period, frequency and contact point	Editorial Policy	P.2
		2-4	Restatements of information	—	—
		2-5	External assurance	—	—
		2-6	Activities, value chain and other business relationships	History of Value Creation Core Technologies	P.8 P.10
		2-7	Employees	Social Data	P.84
		2-8	Workers who are not employees	—	—
		2-9	Governance structure and composition	Commitment to corporate governance	P.73
		2-10	Nomination and selection of the highest governance body	Commitment to corporate governance	P.73
		2-11	Chair of the highest governance body	Commitment to corporate governance	P.73
		2-12	Role of the highest governance body in overseeing the management of impacts	Commitment to corporate governance	P.73
		2-13	Delegation of responsibility for managing impacts	Commitment to corporate governance	P.73
		2-14	Role of the highest governance body in sustainability reporting	Materialities (key issues) Commitment to corporate governance	P.16 P.73
		2-15	Conflicts of interest	Strengthening compliance	P.74
		2-16	Communication of critical concerns	Promotion system for compliance Risk management initiatives	P.75 P.76
		2-17	Collective knowledge of the highest governance body	—	—
		2-18	Evaluation of the performance of the highest governance body	Commitment to corporate governance	P.73
		2-19	Remuneration policies	—	—
		2-20	Process to determine remuneration	—	—
		2-21	Annual total compensation ratio	—	—

GRI Standards		Disclosure		Location	Pages (PDF)
	2-22	Statement on sustainable development strategy		CEO Message	P.3-4
	2-23	Policy commitments		Our Approach to Monozukuri	P.11-13
				Basic Sustainability Policy	P.15
				JATCO's Environmental Policy	P.20
				Policy and approach relating to quality	P.65
				Our approach regarding human rights	P.69
				JATCO's basic approach with respect to the supply chain	P.70
	2-24	Embedding policy commitments		Our Approach to Monozukuri	P.11-13
				Basic Sustainability Policy	P.15
				JATCO's Environmental Policy	P.20
				Policy and approach relating to quality	P.65
				Our approach regarding human rights	P.69
				JATCO's basic approach with respect to the supply chain	P.70
	2-25	Processes to remediate negative impacts		Our approach regarding human rights	P.69
				Strengthening compliance	P.74-75
	2-26	Mechanisms for seeking advice and raising concerns		Strengthening compliance	P.74-75
	2-27	Compliance with laws and regulations		Strengthening compliance	P.74-75
	2-28	Membership associations		—	—
	2-29	Approach to stakeholder engagement		Stakeholder Engagement	P.72
	2-30	Collective bargaining agreements		—	—
Material Topics					
3	Material Topics 2021	3-1	Process to determine material topics	Materialities (key issues)	P.16
		3-2	List of material topics	Materialities (key issues)	P.16
				Materialities (key issues) and our vision	P.17
		3-2	Management of material topics	JATCO's Sustainability	P.15-17
				Environmental Management	P.20
				Diversity & Inclusion	P.52
				Trusted Quality	P.65
Economy					
201	Economic Performance	201-1	Direct economic value generated and distributed	History of Value Creation	P.8
	2016			Our Vision	P.9
				Core Technologies	P.10
				Contributing to Vehicle Electrification	P.31-34
				Building a Recycling-Oriented Society	P.36-38
		201-2	Financial implications and other risks and opportunities due to climate change	—	—

GRI Standards			Disclosure	Location	Pages (PDF)
202	Market Presence 2016	201-3	Defined benefit plan obligations and other retirement plans	—	—
		201-4	Financial assistance received from government	—	—
		202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—	—
203	Indirect Economic Impacts 2016	202-2	Proportion of senior management hired from the local community	—	—
		203-1	Infrastructure investments and services supported	Community Development Social Contribution Activities	P.47 P.48-50
		203-2	Significant indirect economic impacts	—	—
204	Procurement Practices 2016	204-1	Proportion of spending on local suppliers	—	—
205	Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	—	—
206	Anti-competitive Behavior 2016	205-2	Communication and training about anti-corruption policies and procedures	—	—
		205-3	Confirmed incidents of corruption and actions taken	—	—
		206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	—	—
		207	Tax 2019	207-1	Approach to tax
207		207-2	Tax governance, control, and risk management	—	—
		207-3	Stakeholder engagement and management of concerns related to tax	—	—
		207-4	Country-by-country reporting	—	—
		Environment			
301	Materials 2016	301-1	Materials used by weight or volume	Material balance	P.24
302	Energy 2016	301-2	Recycled input materials used	Building a Recycling-Oriented Society	P.35-38
		301-3	Reclaimed products and their packaging materials	Building a Recycling-Oriented Society	P.35-38
		302-1	Energy consumption within the organization	Material balance	P.24
				Material management at overseas bases	P.25
				Continuous efforts to reduce environmental impact, based on the PDCA cycle	P.26
		302-2	Energy consumption outside of the organization	Promoting Decarbonization	P.27-30
		302-3	Energy intensity	Continuous efforts to reduce environmental impact, based on the PDCA cycle	P.26
		302-4	Reduction of energy consumption	Material balance	P.24
				Material management at overseas bases	P.25
Continuous efforts to reduce environmental impact, based on the PDCA cycle	P.26				

GRI Standards		Disclosure	Location	Pages (PDF)
303	Water and Effluents 2018	302-5	Reductions in energy requirements of products and services	Environmental Management Pursuing Energy Efficiency Promoting Decarbonization P.23 P.45 P.27-30
		303-1	Interactions with water as a shared resource	Air, Water and Soil Conservation P.39-41
		303-2	Management of water discharge-related impacts	Air, Water and Soil Conservation P.39-41
		303-3	Water withdrawal	Material balance Material management at overseas bases Continuous efforts to reduce environmental impact, based on the PDCA cycle P.24 P.25 P.26
		303-4	Water discharge	Material balance Material management at overseas bases Continuous efforts to reduce environmental impact, based on the PDCA cycle P.24 P.25 P.26
		303-5	Water consumption	Material balance Material management at overseas bases Continuous efforts to reduce environmental impact, based on the PDCA cycle P.24 P.25 P.26
		304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Social Contribution Activities P.48-50
		304-2	Significant impacts of activities, products and services on biodiversity	— —
		304-3	Habitats protected or restored	Social Contribution Activities P.48-50
		304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	— —
305	Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Carbon Neutrality Initiatives P.27
		305-2	Energy indirect (Scope 2) GHG emissions	Carbon Neutrality Initiatives P.27
		305-3	Other indirect (Scope 3) GHG emissions	— —
		305-4	GHG emissions intensity	Continuous efforts to reduce environmental impact, based on the PDCA cycle P.26
		305-5	Reduction of GHG emissions	FY2023 Environmental Results Material balance P.23 P.24
		305-6	Emissions of ozone-depleting substances (ODS)	— —
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Management of chemical substances Environmental Data for Each Production Base P.41 P.81-83
306	Waste 2020	306-1	Waste generation and significant waste-related impacts	Building a Recycling-Oriented Society P.35-38

GRI Standards		Disclosure	Location	Pages (PDF)
308	Supplier Environmental Assessment 2016	306-2 Management of significant waste-related impacts	Building a Recycling-Oriented Society	P.35-38
		306-3 Waste generated	Material balance	P.24
			Initiatives for waste management	P.37
			Management of chemical substances	P.41
		306-4 Waste diverted from disposal	Initiatives for waste management	P.37
		306-5 Waste directed to disposal	Initiatives for waste management	P.37
		308-1 New suppliers that were screened using environmental criteria	Sustainable and Responsible Procurement	P.70-71
		308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable and Responsible Procurement	P.70-71
		Society		
401	Employment 2016	401-1 New employee hires and employee turnover	Social Data	P.84
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	—	—
		401-3 Parental leave	Social Data	P.84
402	Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	—	—
403	Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	P.55-59
		403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	P.55-59
		403-3 Occupational health services	Occupational Health and Safety	P.55-59
		403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	P.55-59
		403-5 Worker training on occupational health and safety	Occupational Health and Safety	P.55-59
		403-6 Promotion of worker health	Initiatives for health management	P.60-63
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Initiatives for health management	P.60-63
		403-8 Workers covered by an occupational health and safety management system	Initiatives for health management	P.60-63
		403-9 Work-related injuries	Safety activity management metrics	P.59
		403-10 Work-related ill health	Initiatives for health management	P.60-63
404	Training and Education 2016	404-1 Average hours of training per year per employee	—	—
		404-2 Programs for upgrading employee skills and transition assistance programs	Human Resource Development	P.53-55
		404-3 Percentage of employees receiving regular performance and career development reviews	Human Resource Development	P.53-55

GRI Standards			Disclosure	Location	Pages (PDF)
405	Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Diversity & Inclusion Social Data	P.52 P.84
		405-2	Ratio of basic salary and remuneration of women to men	—	—
406	Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	—	—
407	Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	—	—
408	Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	—	—
409	Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	—	—
410	Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	—	—
411	Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	—	—
413	Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Community Development Social Contribution Activities	P.47 P.48-50
		413-2	Operations with significant actual and potential negative impacts on local communities	—	—
414	Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Sustainable and Responsible Procurement	P.70-71
		414-2	Negative social impacts in the supply chain and actions taken	—	—
415	Public Policy 2016	415-1	Political contributions	—	—
416	Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Trusted Quality	P.65-68
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	—	—
417	Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	—	—
		417-2	Incidents of non-compliance concerning product and service information and labeling	—	—
		417-3	Incidents of non-compliance concerning marketing communications	—	—
418	Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A	—

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