



Business Foundation

Conscientious management and strengthening of business foundations

Quality that Brings Trust

Human Rights

Sustainable and Responsible Sourcing

Stakeholder Engagement

Governance, Regulatory Compliance, and Other Compliance

Disaster Countermeasures (Physical Hazards)

Information Security





Quality that Brings Trust

Policy and approach relating to quality

In its corporate philosophy, JATCO positions itself as “a company trusted by society,” with a mission to provide new value to mobility through products and services. We position quality as a company-wide important issue, formulate a quality policy based on our quality management system, and promote initiatives toward its realization. From product and development to production, logistics, sales, and after-sales service, we continue to provide superior quality in all situations involving our customers, pursuing customer satisfaction and aiming to be a trusted company.

Management relating to quality

JATCO has built systems to promote quality enhancement globally. The responsible persons and processes for quality enhancement activities are clearly defined based on a quality management system that is compliant with IATF 16949 and applied globally. As of September 2025, all 11 production bases have acquired IATF 16949 certification. We also implement quality management system training according to each level, targeting new employees and newly appointed managers.

Management system relating to quality

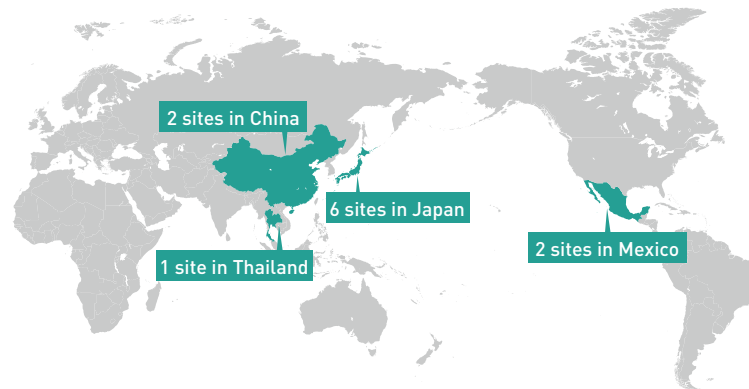
In order to pursue customer satisfaction and aim to be a trusted company, JATCO holds a meeting of the Quality Committee every month. The committee is chaired by the corporate officer in charge of the Corporate Quality Assurance Division. The committee promotes the quick solution of issues with product quality and service quality, and also promotes quality improvement activities with the officers of the respective departments. 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.

Quality Policy

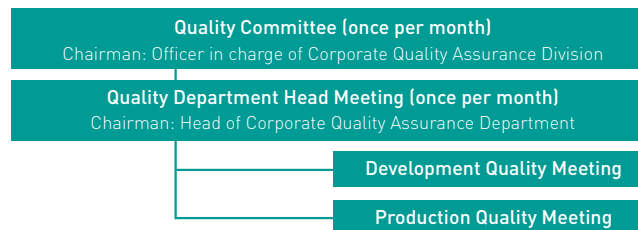
Providing satisfaction and value to society and customers with trusted quality

- **Trust from society** Embedding compliance with laws and high ethical standards and transparency in corporate culture
- **Customer satisfaction** Prioritizing customer satisfaction to provide new value through products and services
- **Quality of products and services** Enhancing the quality of our work with technology and passion to provide superior quality products and services
- **Continuous improvements** Improving the effectiveness of quality management systems through collaboration and co-creation among people in the organization
- **Human talents creating quality** Cultivating a challenging attitude and the ability to see things through

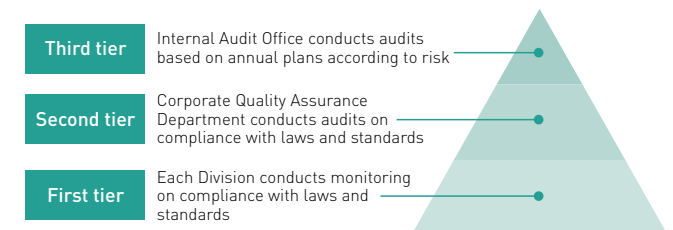
IATF16949 Certification status



Management Promotion System



Monitoring and audit system

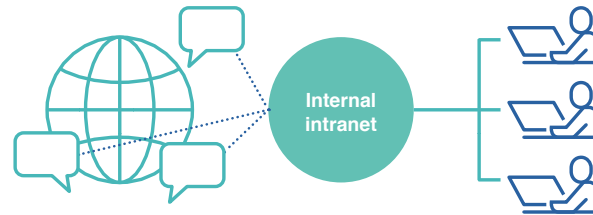


Quality that Brings Trust

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.



Sharing customer voices from the market

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.

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. JATCO uses global design as its basic specifications while also responding in accordance to the needs of the regions.

The Chief Quality Engineer (CQE) leads these activities. The CQE is responsible for reflecting the customer perspective in our products and services from the planning stage.

Initiatives to foster a customer perspective

To realize superior quality, it is important for each and every employee to work from the perspective of our customers. JATCO is fostering good mindsets through company-wide training and daily sharing of feedback.

We have been holding the JATCO Quality Forum since 2006, which introduces quality initiatives and improvement activities based on the opinions of our customers in the market through display and hands-on events to deepen understanding. In fiscal year 2024, approximately 4,000 people participated in these events, contributing to the enhancement of quality awareness.



The JATCO Quality Forum held since 2006

Enhancement of the quality of products and services

In order to enable our customers to use our products comfortably and with peace of mind for a long time, we are enhancing 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.

Market quality improvement activities

Enhancement of initial quality



In order to deliver superior quality products to our customers:

- We ensure consistent quality throughout all processes, including planning, development, and production.
- We thoroughly prevent defects by visualizing risks.

Enhancement of durable quality



In order for our customers to ride in comfort for a long time:

- We recover used components for quality confirmation and utilization in the early detection of defects.
- We promote the development of technologies to suppress deterioration by utilizing a variety of data.

Enhancement of service quality



In order to improve the quality of our response to our customers:

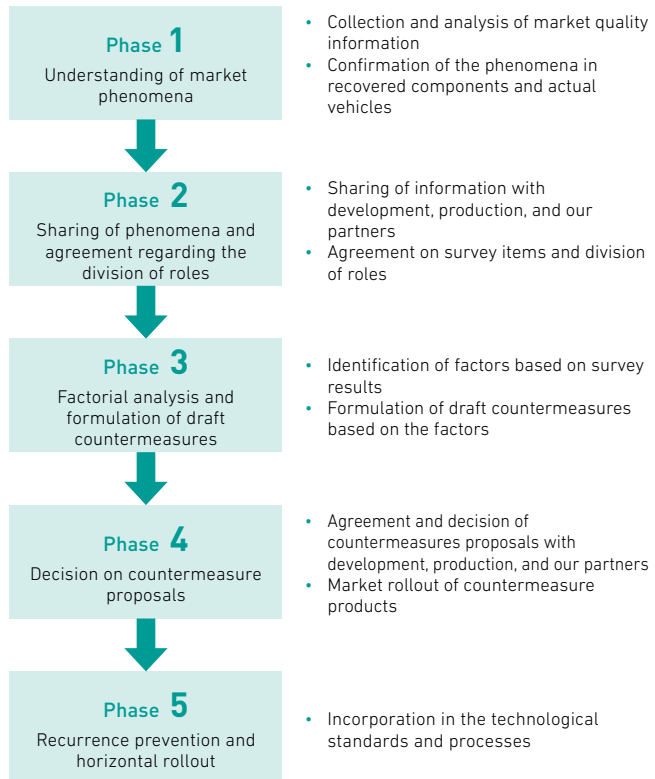
- We alleviate the burden by keeping replacement components to a minimum.
- We optimize inspection and repair methods.

Quality that Brings Trust

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.

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



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.

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.

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 quality enhancement of delivered components

In order to ensure the quality of delivered components, JATCO works together with our partners to implement audits.

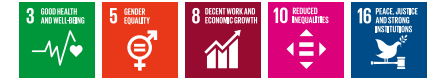
A variety of processes are necessary before one component is delivered from a partner to JATCO, from the confirmations of the planning stage to production of design drawings, construction of prototypes, checks of performance, ensuring the system of mass production, among others. JATCO has stipulated 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.

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 Employee Satisfaction (ES) Enhancement Committee meetings, 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 regular discussions between labor and management 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 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 implementing Code of Conduct education incorporating content related to Human Rights Policy and Guidelines through e-learning for all global bases, and striving to raise the awareness of and enlighten our employees. Furthermore, in 2024, we revised the harassment training, which had previously been conducted only for managers in Japan, into

content based on Human Rights Guidelines and implemented it at all global bases.

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. In 2024, we conducted a human rights due diligence audit by a specialist consultant in Japan, and we have been evaluated as having fostered a very favorable corporate culture. Regarding human rights governance, 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.

Sustainable and Responsible Sourcing



Message

With “environmentally and socially responsible sourcing” as our basic policy, we aim to realize a sustainable supply chain toward becoming a 100-year company together with our partners. We have guidelines that lead to sustainable activities, such as the JATCO Purchasing Way and CSR Guidelines. In terms of the environment, we are promoting carbon neutrality initiatives to reduce the use of environmentally hazardous substances and reduce greenhouse gas emissions, not only within our company but also in collaboration with our partners. We have also established strict standards regarding working environments and respect for human rights, and request that our partners fulfill their social responsibilities as well. By promoting ethical sourcing, we aim to enhance the reliability of the entire supply chain and contribute to society as a whole.



Head of Purchasing
Division
Corporate Vice President
Masaru Omori

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 respecting laws and 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 this process, having our business partners share our vision and policies is essential for fulfilling our own company responsibilities. JATCO believes that we can achieve our goals that are beneficial to both parties by building long-term relationships of trust with our business partners.

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.

Based on this declaration, JATCO is working to achieve shared growth and prosperity throughout the entire supply chain, while also promoting new collaboration that transcends scale and affiliations.



Furthermore, we are actively working to correct trading practices and commercial practices, and place importance on promoting proper transactions.

We are complying with promotion standards in accordance with this declaration, striving for the appropriateness of transactions, addressing various challenges, and aiming for sustainable development together with our business partners.

Establishment of the JATCO Purchasing Way and the CSR Guidelines

At JATCO, we believe that it is important for not only our Tier 1 business partners, but also our Tier 2 or higher business partners to understand our vision, policies, and responsibilities.

For that reason, we have established the JATCO Purchasing Way based on the basic principles of “trust,” “respect for the other party,” and “transparency” to clarify the values that we should have as a company. At the same time, we have established the CSR Guidelines to explicitly state the social responsibilities required for continuous development in the supply chain overall.

Sustainable and Responsible Sourcing

JATCO Purchasing Way

With the JATCO Purchasing Way, we make the values that 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

In the 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.” We ask our business partners to address a variety of issues.

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

Establishment of the Green Procurement Guideline

Based on 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 Guidelines, and we clearly state initiatives with respect to the environment and the management of environmentally hazardous substances.

In particular regarding environmentally hazardous substances, we ask our business partners to input data into the International

Material Data System (IMDS) from the perspective of supply management. We 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.

Business continuity activities with our business partners

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

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 the supply chain must be further strengthened.

JATCO has built a supply chain that can respond when natural disasters occur by formulating Business Continuity Plans (BCPs) that are integrated with our business partners. At the same time, from the perspective of Business Continuity Management (BCM), JATCO of course provides humanitarian aid and support for the restoration of 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, 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, if the supply chain is damaged, each company’s core systems will be shut down, having a major impact on business activities.

JATCO is reviewing the status of cybersecurity efforts together with its business partners to confirm preventive measures and the impact on business activities in the event of damage.

Furthermore, we are implementing simulations with some of our business partners 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 strengthen collaboration.

Sustainable and Responsible Sourcing

Initiatives toward a sustainable global environment

At JATCO, we are promoting activities aimed at reducing the impact of climate change and maintaining and improving the social environment.

Establishing environmental management systems

To reduce the burden on the environment and contribute to a sustainable society, it is necessary not only to comply with various laws and regulations but also to actively promote environmental conservation initiatives. Therefore, we are working to ensure that not only our company but also our business partners actively incorporate environmental management and address these challenges.

Carbon neutrality initiatives

Starting from 2013, JATCO aims to reduce CO₂ emissions by 46% by 2030 and to zero by 2050.

The scope of these initiatives includes not only activities at our own locations but also aims to realize 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 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. 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, JATCO has built a management system for substances that have an impact on the environment and is collecting and managing information about the use of these substances.

Enhancement of the management of conflict minerals

Specific mineral resources mined in conflict zones are widely known as a source of funding for armed groups and a factor that cause prolonged conflicts and human rights violations. The conflict minerals issue is not limited to human rights; illegal mining activities cause environmental destruction such as deforestation, soil contamination, and water pollution, resulting in serious impacts on ecosystems.

JATCO is working to improve transparency in the supply chain and eliminate conflict minerals by consolidating information not only on environmentally hazardous substances but also on the production processes of constituent materials contained in our products.

Improvement of communication with business partners

Corporate activities aimed at realizing a sustainable society also affect the business activities of our business partners who cooperate with us. Therefore, maintaining and improving fair and equal relationships with our business partners is an important element for maintaining the supply chain.

JATCO implements various initiatives to maintain fair and equal relationships between both parties. We hold "Policy Briefing Sessions" and "Monozukuri Seminars" to communicate our direction and challenges to business partners.



Furthermore, we recognize business partners who actively promote sustainable activities and contribute to our activities, both globally and in each region, every year.



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 career 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	<ul style="list-style-type: none"> • Communication in daily business activities • The corporate website • Social media • Information provision through the mass media, etc. • 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	<ul style="list-style-type: none"> • The regular exchange events with employees • Career development interviews • A full range of employee awareness surveys • Labor-management councils • The internal 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 safety and health • 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 • Career development interviews • Workplace environment improvement activities based on employee awareness surveys • Internal reporting system (Easy Voice, SpeakUp) • Social events with employee family participation
Business partners	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 • Social exchange event with local governments and regional companies (P**) • 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

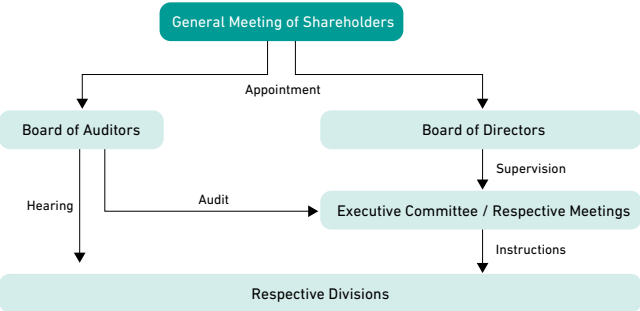


Governance, Regulatory Compliance, and Other Compliance

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 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

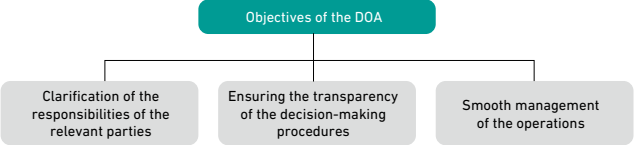
JATCO maintains and strengthens its internal control system based on the Basic Policy on Internal Control System passed by our Board of Directors in order to ensure proper and efficient corporate activities. This policy lays out the following items as its major items and checks are conducted every six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



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

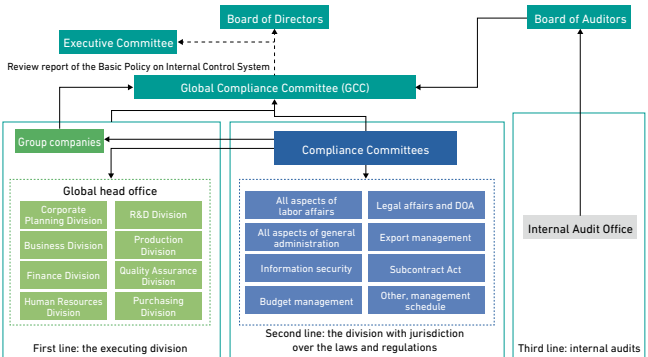
1. Comply with all laws and rules
2. Promote Safety
3. Avoid Conflict of Interest
4. Preserve Company Assets
5. Be Impartial and Fair
6. Be Transparent and Accountable
7. Value Diversity and Provide Equal Opportunity
8. Be Environmentally Responsible
9. Be Active; Report Violations

Governance, Regulatory Compliance, and Other 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.

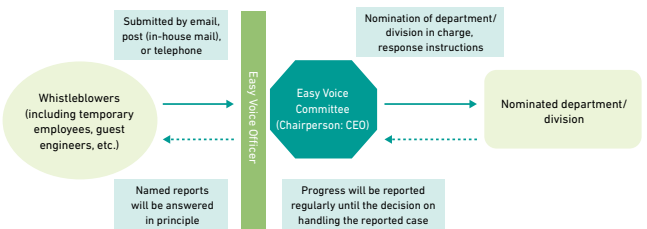
Monitoring

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

As an internal reporting system that allows employees and others to report compliance violations and conduct with concerns about potential violations, we have established the Easy Voice System, an in-house reporting channel, and SpeakUp, a window outside the company (Nissan Group), to create an environment where compliance violations and other issues can be detected and corrected at an early stage.

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.

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, Regulatory Compliance, and Other 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 the risk universe, 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 is reported at the Executive Committee meetings, and a control-level assessment for each item is conducted at the end of the fiscal year.

Risk universe 12 items

(i) Product strategies	(vii) Management quality
(ii) Production strategies	(viii) Ethics and wrongful acts
(iii) Sales and marketing strategies	(ix) Human resources
(iv) Business continuity	(x) Finance and market risks
(v) Product and service quality	(xi) Adaptability to external environmental changes
(vi) Information quality	(xii) Legal risks

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

In the JATCO Group, we implement comprehensive risk management for each company's unique risks at Group companies, including our overseas production bases. We disseminate the experience and know-how built up through BCM activities throughout the entire Group, and for risks that are common across the globe, each company works in cooperation to respond.

In order to realize appropriate and efficient management, domestic and overseas Group companies conduct their business in close cooperation with each division in charge at the HQ. To ensure the effectiveness of the governance system, we regularly dispatch auditors and internal audit office staff to continuously verify the effectiveness of each company's internal control system.

As specific initiatives, we have introduced the Easy Check List for Group company presidents to verify the soundness and efficiency of management themselves, utilize support tools that systematize check items from the perspective of maintaining and improving governance, and implement governance education for newly appointed directors including those at Group companies, to improve governance awareness throughout the entire Group. Through these initiatives, we are promoting the securing of management transparency and soundness throughout the entire JATCO Group.

Disaster Countermeasures (Physical Hazards)

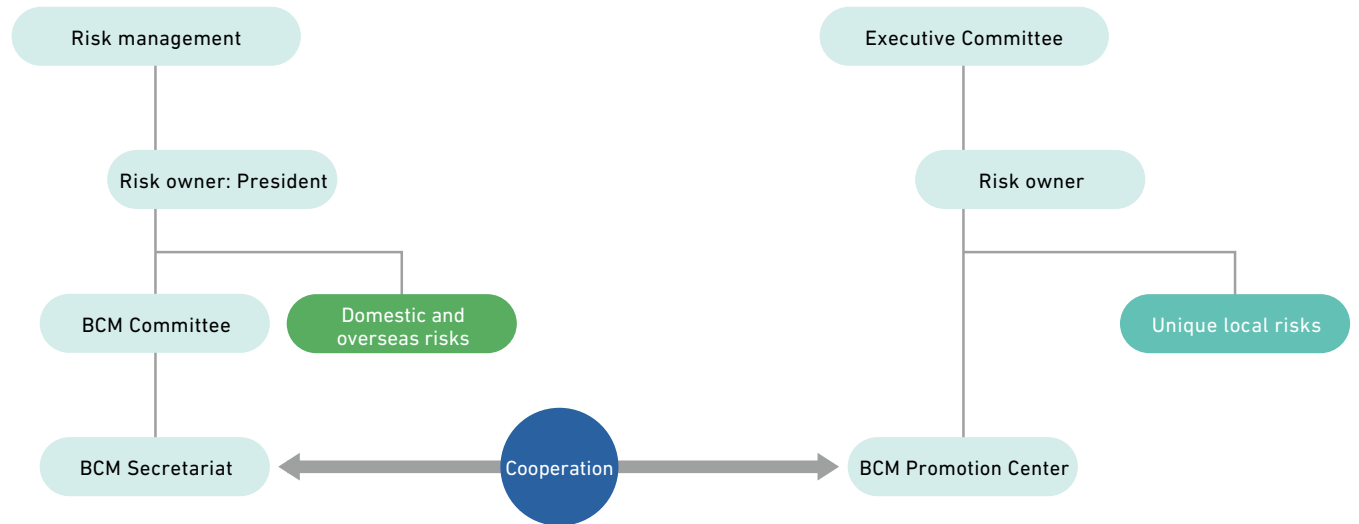


Ensuring business continuity in the event of a large-scale earthquake

As part of JATCO's BCM initiatives, we organize disaster countermeasures 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.

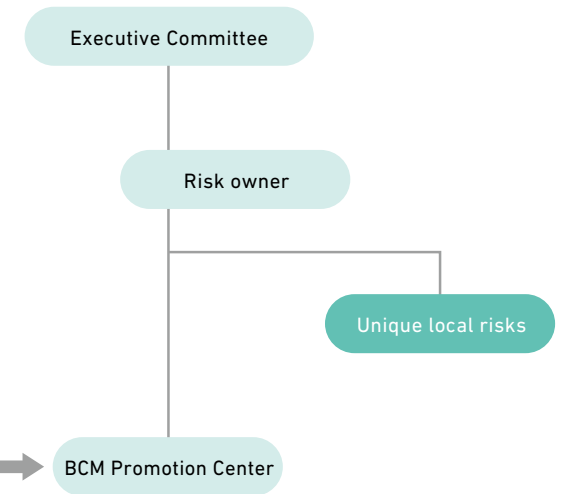
BCM promotion organization

JATCO's BCM promotion organization



BCM simulation training

BCM promotion organizations at overseas bases



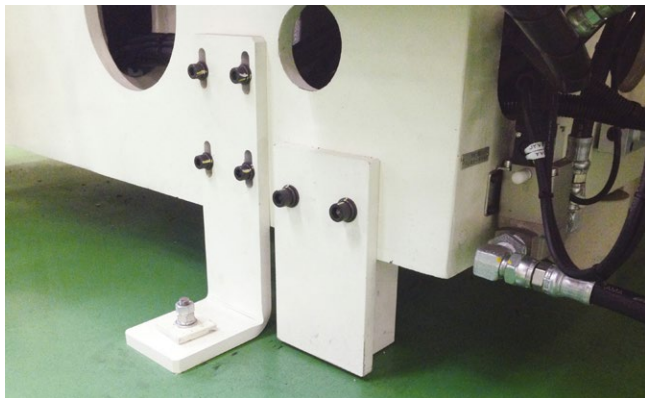
Disaster Countermeasures (Physical Hazards)

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. Given the possibility of having employees at each facility who are unable to return home during an emergency, we have prepared supplies



Building site where the filling was carried out

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



Information Security

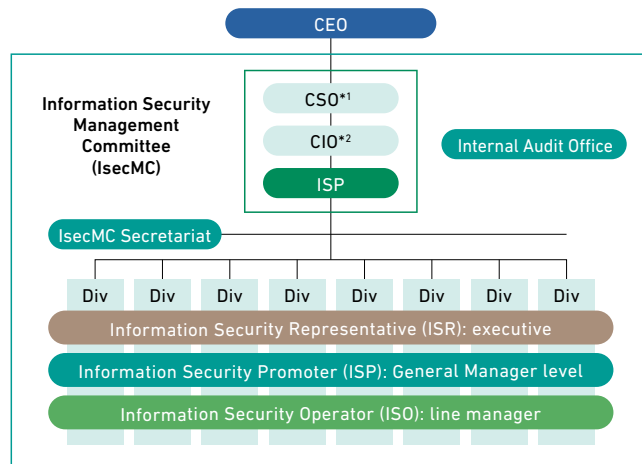
Strengthening information security

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



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

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.