Looking toward a bright future for man and society, achieved through the development and production of transmissions.

Connecting the engine to the wheel and delivering power smoothly to the road. The transmission is the “hidden star player” that matches driving conditions with the optimal gear ratio, playing a major role in the car’s driving and environmental performance. At JATCO, we strive to develop and produce transmissions that are smoother and more environmentally friendly. Through this, we support not only the global automotive industry, but also drivers in their everyday lives.

Jatco  The mission is passion.
As a manufacturer specializing in automatic transmissions for automobiles, JATCO has provided the world with numerous innovative products throughout the history of the company. Of these, JATCO has a top share of the global market in the area of continuously variable transmissions (CVT), and offers a full lineup of products that cover a wide range of automobiles from mini vehicles to large passenger vehicles. Automatic transmissions, and particularly CVTs, are certain to play an increasingly important role for bringing about the realization of clean and fuel-efficient cars. The key to solving social problems lies in the technological prowess of monozukuri companies. To date, JATCO has commercialized the world’s pioneering technology for reducing CO₂ emissions. In order to further reduce the burden on the environment, we are moving forward on the development of the next transmission system. We must also continue to develop technologies that can provide support for increasingly diverse electrification technologies for automobiles, such as hybrid vehicles, electric vehicles, and fuel cell vehicles. It is our duty to provide innovative products that are characteristic of JATCO, through refining our technological capabilities and anticipating the needs of our customers. In order to continue achieving further growth in the expanding automotive market going forward, JATCO has established the goal of becoming the “No. 1 automatic transmission manufacturer in the world.” However, this goal is not merely a quantitative indicator. Rather, we aim to be a No. 1 company with substance—where all employees work energetically, and which is recognized by everyone in the world as a company where people wish to work. In addition to our development and production bases in Japan, we have also expanded our business overseas, with development facilities in Korea, United States, France, Russia, and Spain, as well as production bases in Mexico, China, and Thailand. There are differences in history, culture, and ways of thinking among different countries and regions, and the ideal image that is expected of a citizen also differs accordingly. Nevertheless, JATCO aims to continue being a company that is well loved by the residents of the local community, and which people feel positive about. Corporations should shoulder the immense social responsibility of providing employment, while environmental conservation activities such as green procurement as well as energy and resource conservation are also of great importance. Companies must additionally never neglect to show consideration for local residents, such as by ensuring safety and caring for the environment in the areas around a production plant. JATCO also aims to continue contributing to society in line with the needs of the country and region, through activities such as cleanup activities, tree planting, and support for nurturing children. At the same time, we will continue to further enhance the company’s support systems for employees’ activities. A large number of outstanding personnel are employed at JATCO. When each individual employee acts with the desire to fulfill a useful role in the world, JATCO will present an image of a “good corporate citizen.” Our goal is for each employee to demonstrate their leadership ability, take the perspective of the customer, and prevail on the global stage through technological prowess. We will continue to be a company where such human resources work dynamically as a united team. This in turn will contribute to “providing value to our customers, to automotive culture, and to society,” which is JATCO’s mission, and represents JATCO’s ideal image as a manufacturer that aims to develop and mature to become a “good corporate citizen.”
As a manufacturer specializing in automatic transmissions for automobiles, JATCO aims to continue providing products of value not only to customers, but also toward the development of a sustainable automotive culture and society. We seek to further enhance our monozukuri technology and develop cutting-edge products in order to meet the expectations of customers and society. Each individual employee is working hard to promote the business with a strong awareness of this goal.

In order to clearly set forth our ideal corporate image, JATCO has established a mission, vision, and the JATCO WAY (principles of action) as the company’s philosophy.

**Corporate Philosophy**

**Mission**
To provide value to our customers, to automotive culture and to society

**Vision**
The world’s best products produced by the world’s finest operations

**JATCO WAY**

* T-E-A-M: Acronym of the four passages that every JATCO employee should bear in mind

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**Social Responsibility**

**Corporative Philosophy**

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**Social Responsibility**

**Contributing to the Earth’s environment through our business activities**
JATCO contributes to reducing the burden on the Earth’s environment through its environmentally-friendly product lineup and production processes, and at the same time, creates new values that enrich society.

**Thorough compliance**
Compliance represents the starting point for JATCO to fulfill its corporate social responsibility. We are engaged in fair and sound corporate activities based on compliance.

**Social activities that strengthen JATCO’s bonds with our stakeholders**
JATCO aims to bring about the realization of a sustainable society while strengthening our bonds with diverse stakeholders, including our customers, employees, business partners, and the local community.

**The goal for all of our activities is to “achieve a society where automobiles coexist in harmony with the environment”**
JATCO complies with laws and human rights, and always acts fairly. In addition, we aim to take a proactive stance toward fulfilling our social responsibility by providing value to society through our business and products. Taking “good corporate citizen” as our mantra, we promote social contribution activities centered on the three areas of environment, education, and welfare toward being a JATCO that is well loved by the community. We are also engaged in voluntary efforts aimed at resolving social issues.
Environmental Activities

In order to achieve our corporate philosophy of “providing value to our customers, to automotive culture, and to society,” JATCO places importance on fusing the latest technology with the “kindness” of each individual employee as demonstrated through their consideration and care toward nature and the Earth. JATCO will continue to put effort into realizing a “society where automobiles and the environment coexist in harmony,” through the development, production, and sale of transmissions.

Global automobile production and ownership are expanding mainly in emerging economies, and automobiles featuring automatic transmissions are becoming the mainstream of this trend. Although there are still regions where automobiles with manual transmissions occupy a large market share, the demand for automatic vehicles is expected to grow more and more going forward. On the other hand, the rise in CO₂ emission volumes in tandem with the popularization of cars has given rise to concerns for the adverse impact on the Earth’s environment, and we face increasingly diverse challenges to develop new forms of environmentally-friendly technologies, such as hybrid vehicles, plug-ins, electric vehicles, and fuel cell vehicles. JATCO, which plays a role in the automotive industry, is no exception. One of the answers that we have developed in response to these needs is the CVT. By developing products such as the Jatco CVT7 and Jatco CVT8, expanding transmission gear ratio, making the transmissions more compact and lightweight, and reducing friction, we have succeeded in improving fuel performance and driving performance.

In Europe, pairing CVTs with diesel engines that have excellent fuel performance is also an option. The shift toward vehicle electrification is also supported by transmissions for hybrid vehicles that make use of our unique 1-motor, 2-clutch system. While refining the basic function of transmissions, which is to transmit torque (power) efficiently from the engine to the tires, we have continued to innovate our technologies from the perspective of “total energy management” aimed at harnessing energy from the entire vehicle without incurring any waste, such as through energy regeneration. In this way, we are achieving an even higher dimension of balanced between driving performance and fuel performance. In addition to providing environmentally-friendly transmissions, it is also very important at the same time to establish production and distribution processes that impose a low burden on the environment. JATCO pursues the adoption of energy-saving facilities, development of efficient engineering methods, and streamlining of production processes, and our production processes are constantly evolving. This approach remains unchanged even at our overseas production bases, including JATCO Mexico, S.A. de C.V., JATCO (Guangzhou) Automatic Transmission Ltd. in China, and JATCO (Thailand) Co., Ltd. We aim to provide high-quality products in a timely manner while taking into consideration the characteristics of the country or region, such as peripheral infrastructure and energy matters, and to carry out production globally at locations that are close to our customers. Reducing the environmental burden that arises in the transportation process is also an important issue for JATCO, and we are actively taking measures to promote the modal shift toward transporting cargo by rail or ferry, and to improve loading efficiency by consolidating cargo. In order to reduce the burden on the Earth’s environment across the whole of JATCO’s global supply chain, we also share our environmental philosophy with our business partners, and actively engage in initiatives that go beyond the boundaries of a corporation. We constantly remind our employees to engage in their work from an environmental perspective. Going forward, JATCO will continue to keep this “environmental perspective” in view, nurture human resources who are able to create new technologies, and fulfill our responsibilities as a corporation. By sharing this approach not only among JATCO’s employees but also with the affiliated companies, we are confident that we will be able to move closer toward the realization of a “society where automobiles and the environment coexist in harmony.”

Providing products with outstanding environmental performance, and reducing the burden imposed on the environment by our production and distribution processes, are the two aspects of environmental contribution that JATCO is striving to advance.
Environmental Policy

We aim to bring about the realization of a “society where automobiles and the environment coexist in harmony” through environmentally-friendly products and facilities.

Realization of a society where automobiles and the environment coexist in harmony

Technology: Development of transmissions with high energy-transmission efficiency
Preventing pollution: Taking preventive measures for environmental problems, and complying with laws
Effective use of resources: Minimizing the use of resources and energy
Continuous improvement: Improving the effectiveness of our environmental management system

Jatco 2016

We also care for the environment in our global business activities.

JATCO in expanding its production facilities globally in order to ensure a stable supply of products to automotive manufacturers around the world. To minimize the burden imposed on the environment by production facilities, we apply the same environmental protection measures for our production facilities in Japan to all our branches around the world, and we are taking a proactive stance in trying out unique ideas at each facility. Furthermore, the ISO14001 environmental management standard has been acquired by JATCO Mexico, JATCO (Guangzhou) Automatic Transmission Ltd., and JATCO (Thailand) Co., Ltd. Going forward, with a particular focus on continuously variable transmissions (CVTs), JATCO, as the world’s leading company for CVTs, and the only manufacturer that offers a full lineup of CVTs that cover a wide range of automobiles from mini vehicles to large passenger vehicles, contributes to reducing the environmental burden imposed by automobiles on a global scale, by supplying products with superior environmental performance to automotive manufacturers around the world.

What JATCO can do for the future of the environment and automobiles

When customers choose a car, “environment” and “fuel performance” are becoming increasingly important factors in their decision-making processes. In order to create an ideal automobile that strikes a balance between driving and environmental performance, JATCO continues to tackle the challenges of transmission development. Our technologies and experience, built up through our long history as a transmission manufacturer that has always been committed to conducting research on environmental and fuel performance, provide that value through products such as the latest Jatco CVT7, Jatco CVT7 W/FL, Jatco CVT8, and Jatco CVT8 HYBRID. Going forward, we will continue to develop innovative technologies for electric vehicles (EVs) and fuel cell vehicles (FCVs), and contribute to the future of the automotive society. Even in the future, we will never lose steam in tackling our monozukuri challenges, in order to bring about the realization of a “society where automobiles and the environment coexist in harmony.”

JATCO’s achievements in FY2016

Recycling rate

Achieved 100%

Environmental Policy

Reduction in the volume of the three major hazardous air pollutants generated

(Compared to FY2000)

100% reduction maintained

Volume of CO₂ emissions generated through our business activities in Japan

(Compared to FY2000)

212,372 t-CO₂

31.45% reduction

The volume of CO₂ emissions generated through JATCO’s business activities in Japan in FY2016 was 212,372 CO₂. Unit CO₂ generated* was about 46.7 CO₂/100 million yen. This was a 31.45% improvement from the baseline figure from FY2005. Our new target for FY2020 is to achieve unit CO₂ generated of 46.2 CO₂/100 million yen.

Changes in CO₂ emissions volume and unit CO₂ generated

*Unit CO₂ generated refers to CO₂ emissions volume per sales (100 million yen)

Recycling rate

27%

Total volume of waste generated

(Compared to FY2000)

99% reduction

VOC emissions volume

(Compared to FY2000)

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Total volume of waste generated

(Compared to FY2000)

99% reduction

VOC emissions volume

(Compared to FY2000)
Continuous efforts to reduce environmental burden, based on the PDCA cycle (Plan-Do-Check-Act cycle)

JATCO sets forth initiatives every year aimed at reducing environmental burden. We have established these as our environmental targets, and aim to achieve these targets. Based on the results of the initiatives undertaken every year, we establish our targets for the following fiscal year and after, thereby improving continuously on our environmental performance.

Targets and results for FY2016

<table>
<thead>
<tr>
<th>Environmental objective</th>
<th>Items</th>
<th>Target FY2016</th>
<th>Results FY2016</th>
<th>Assess</th>
<th>FY2017 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuous improvement of the environmental management system</td>
<td>Implementation of regular reviews</td>
<td>Number of internal environmental auditors</td>
<td>Number of required personnel: 4 people / Courses completed</td>
<td>Number of required personnel</td>
<td></td>
</tr>
<tr>
<td>Complying with laws / Taking preventive measures for environmental issues</td>
<td>“Zero” findings pointed out by administrative and government agencies</td>
<td>Number of findings: 0 cases</td>
<td>Number of findings: 0 cases</td>
<td>Number of findings: 0 cases</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maintenance and management of significant environmental aspects</td>
<td>Number of regular reviews: 100%</td>
<td>Number of regular reviews: 2 times</td>
<td>Number of regular reviews: 100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Implementation of education-related to environmental laws</td>
<td>Number of complaints: 0</td>
<td>Number of complaints: 0</td>
<td>Number of complaints: 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Preventing environmental accidents</td>
<td>Number of B rank accidents: 0</td>
<td>Number of B rank accidents: 0</td>
<td>Number of B rank accidents: 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reporting reduction in the volume of waste</td>
<td>Compared to FY2014: 2.5% reduction</td>
<td>Compared to FY2014: 2.5% reduction</td>
<td>Compared to FY2014: 2.5% reduction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Recycling rate</td>
<td>Maintained 100%</td>
<td>Maintained 100%</td>
<td>Maintained 100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Technological development aimed at reducing environmental burden</td>
<td>Environmental-friendly design</td>
<td>Achievement rate for individual (product) issues: 100%</td>
<td>Achievement rate for individual (product) issues: 100%</td>
<td>Achievement rate for individual (product) issues: 100%</td>
</tr>
<tr>
<td></td>
<td>Management and reduction of environmentally hazardous substances in products</td>
<td>Maintenance of product compliance with environmental laws and regulations: 100%</td>
<td>Maintenance of product compliance with environmental laws and regulations: 100%</td>
<td>Maintenance of product compliance with environmental laws and regulations: 100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Consulting in harmony with the local community, society, and nature</td>
<td>Disclosure of information to external parties</td>
<td>Publication of Environmental and Social Report</td>
<td>Publication of Environmental and Social Report</td>
<td>Publication of Environmental and Social Report</td>
</tr>
</tbody>
</table>
Promotion system for environmental management

JATCO has established Environmental Committees in each region. One region, the committee undergoes management and planning across the company. They are also implementing this strategy while coordinating the environmental activity planning and management of foreign bases. Within the subcommittee, it is further broken up into eight working groups that deal with product development, production, and delivery amongst other business activities, creating environmental management that utilizes function as its “axis.” Within this, the environmental planning subcommittee takes the three areas of “stopping global warming,” “preserving the environment,” and “effective utilization of resources” as some of the most important environmental themes to JATCO, and is strengthening their work in these areas.

Promotion system for environmental activities

Promotion of activities that meet the needs of the local community by Environmental Committees of 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 spiral)—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 activities.

Considering a medium- to long-term strategy with environmental planning subcommittee

At JATCO, as an organization that considers medium- to long-term strategy for its environmental plan, an environmental planning subcommittee was formed in 2008. In contrast to the EMS promotion system that carries out environmental management by sector, the committee was formed to examine and promote medium- to long-term strategies related to the environment that JATCO should undergo, in response to social conditions and high-level planning. While examining JATCO from an overall observatory position, the committee undergoes management and planning across the company. They are also implementing this strategy while coordinating the environmental activity planning and management of foreign bases. Within the subcommittee, it is further broken up into eight working groups that deal with product development, production, and delivery amongst other business activities, creating environmental management that utilizes function as its “axis.” Within this, the environmental planning subcommittee takes the three areas of “stopping global warming,” “preserving the environment,” and “effective utilization of resources” as some of the most important environmental themes to JATCO, and is strengthening their work in these areas.

For details related to environmental policy, see page 10

For details related to corporate responsibility, see page 6
Product Efforts: Development

Developing CVTs with excellent environmental performance as a brand with the top market share

In order to limit the impact that CO₂ emissions have on the Earth’s environment, the improvement of fuel performance for automobiles has become a top priority issue in recent years. JATCO turned its focus to CVTs with a high level of environmental performance from an early stage, and in 1997, it became the first company in the world to launch a 2-liter class metal belt-type CVT on the global market. On top of that, through repeated improvements, we have successfully created a full lineup of CVTs that cover a wide range of automobiles from mini vehicles to large passenger vehicles. We developed the Jatco CVT7 with an auxiliary transmission in 2009, and the Jatco CVT8 in 2012, as part of our efforts to update the lineup of our original models. We have further improved fuel consumption. In FY2016, JATCO produced about 4.64 million CVT units, and by the end of March 2017 the total number of JATCO CVT units produced globally had reached 35 million. As the brand with the top CVT market share in the world, JATCO contributes to reducing the burden imposed by automobiles on the environment.

Characteristics of CVT

A CVT takes advantage of its ability to shift seamlessly to enable the selection of the optimal gear ratio for various situations. In this way, it always matches the gear ratio ideally with the driving conditions, enabling it to drive a vehicle in the most fuel-efficient way.

CVT mechanism

Steering belt

Input pulley

Output pulley

Comparison of the range of efficiency between 4AT and CVT

4-speed AT

CVT

Vehicle speed

Good fuel-efficiency zone for the engine

Can only be used on the fixed line

2nd

3rd

Can be used freely within the colored area

4th

Vehicle speed

Good fuel-efficiency zone for the engine

Technology that supports low fuel consumption and a comfortable driving experience

Automobiles with start-stop control reduce CO₂ emission by turning off the engine when the vehicle comes to a halt. In recent years, technology has enabled the engine to be turned off not only when the vehicle stops, but also when it decelerates, hence achieving even further improvements in fuel efficiency. JATCO has been an early adopter of this technology, providing customers with a comfortable driving experience while keeping fuel consumption at a low level. This is achieved by maintaining transmission oil pressure using an auxiliary pump to ensure a smooth restart, and engaging the clutch on inclined roads when starting the car to prevent the car from sliding backwards. Furthermore, JATCO believes that striking a balance between low fuel consumption and excellent driving performance contributes to improving customer satisfaction, it is developing a new control system known as “Dynamic Shift Control” with Nissan Motor Co., Ltd. This new system not only improves the fuel performance of CVTs, but also allows the driver to operate the vehicle just like an MT or step AT, and it realizes a direct drive feeling and enhances the sense of acceleration.

Jatco CVT7—Realizing low fuel consumption through an innovative new mechanism

Using a concept that is completely different from conventional designs, we have developed the Jatco CVT7, which has the widest range of possible transmission gear ratio for CVTs. Through the CVT, we aim to achieve drastic improvements in environmental performance by expanding transmission gear ratio through the adoption of an innovative new auxiliary transmission system, thereby improving fuel efficiency through friction reduction technology, and bringing about outstanding driving performance. The high levels of power performance and fuel efficiency provided by the Jatco CVT7 have made it a best-seller, and its demand is still growing. In August 2016, the cumulative production volume of Jatco CVT7 had reached 10 million.

Jatco CVT8—Striking a balance between environmental performance and powerful drive

We have updated our previous CVT models and developed the Jatco CVT8 in order to support a wide range of engines in the volume zone from 2-liter to 3.5-liter class vehicles. This CVT retains the smooth driving performance offered by CVTs, while expanding the transmission gear ratio width from the previous 6.0 to 7.6, thereby thoroughly improving efficiency across the desired range and reducing friction by about 40%. This has allowed us to achieve a balance between a drastic improvement in environmental performance and powerful drive.

Improvement in fuel performance in Jatco CVT8 compared to previous models

More than 10% improvement in fuel performance. Jatco CVT8 compared to previous models

Jatco CVT8 HYBRID meets the expanding range of needs relating to hybrid vehicles.

We used our original one-motor, two-clutch system to develop hybrid units specifically designed for use in F and FR hybrid vehicles. The use of a system in which a clutch and motor take place of a torque converter has made additional size and weight reductions possible, making the system easier to install in a wider range of vehicles, and enhancing inner-city driving efficiency and quietness. Thanks to a range of technologies employed in the base unit, the outstanding Jatco CVT8 fuel efficiency and quietness at high speeds have also been further enhanced. Combining a CVT and motor makes it possible to provide direct feeling and a quick throttle response.

Toward further reduction of CO₂ emissions

Going forward, we will continue to actively develop transmission technology toward achieving further reduction of CO₂ emissions.

Improving transmission efficiency, expanding range, and reducing weight of the CVT. Improving transmission efficiency, expanding range, and reducing weight of the step AT. Providing support for growing vehicle electrification.
Product Efforts: Lower Environmental Impact

Thorough management and reduction of environmentally hazardous substances

Environmentally hazardous substances used in our products are controlled using JES M9001. Activities to reduce the use of JES M9001-controlled substances are considered to be the responsibility of each individual division. R&D and production divisions follow what is referred to as a ‘Do not allow’ policy, and production and shipping divisions follow a ‘Do not supply’ policy. JES M9001 is based on GADSL*2, a list of controlled chemical substances for the automotive industries of Japan, Europe, and North America and Japan’s Chemical Substance Control Law (CSCCL)*3, and additional control is offered for the use of chemical substances that are restricted under laws and regulations in countries in which JATCO engages in business and also those chemical substances that are restricted by regulations specified by individual JATCO customers. JATCO reviews JES M9001 at least once a year and more if necessary, and measures are put in place to manage and reduce the use and generation of environmentally hazardous substances in order to remain ahead of global environmental laws and regulations. As part of our efforts to comply with GHS*2, labels are used to ensure the safe handling of the substances, and SDS*3 are prepared to protect the environment and the health of our employees.

*2 GADSL: “Global Automotive Declarable Substance List”
*3 CSCCL: “Chemical Substance Control Law”

Key points in activities to reduce environmentally hazardous substances

- Do not use
- Do not allow
- Dentally
- M9001
- Green procurement
- Production

Checking for compliance with JES M9001 (IMDS*6)

Spreading management and reduction initiatives across the supply chain

It is also important to take thorough steps to spread the management and reduction of environmentally hazardous substances across the supply chain, including to business partners. Accordingly, JATCO distributes its "Green Procurement Guideline" covering the specific requirements for suppliers in order to raise awareness throughout the supply chain.

IMDS*1 framework

- JATCO
- Customers
- Business partners

Status of efforts to reduce environmentally hazardous substances

- Regulated chemical substances
- Status

<table>
<thead>
<tr>
<th>Regulated chemical substances</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead</td>
<td>No longer in use (excluding exemptions)</td>
</tr>
<tr>
<td>Hexavalent chromium</td>
<td>No longer in use</td>
</tr>
<tr>
<td>Mercury</td>
<td>No longer in use</td>
</tr>
<tr>
<td>Cadmium</td>
<td>No longer in use</td>
</tr>
<tr>
<td>Asbestos</td>
<td>No longer in use</td>
</tr>
<tr>
<td>European REACH regulations?</td>
<td>Substances requiring approval. Currently reducing usage</td>
</tr>
</tbody>
</table>

Resource Reuse

3R initiatives for products

The term “3R” derives from the first letter of the three keywords for building a recycling society—Reduce, Reuse, and Recycle. JATCO’s 3R initiatives are shown in the following diagram.

- 3R for products

Remanufacturing system

JATCO’s remanufacturing activities (remanufacturing business) involve recovering CVTs and ATs from the market, disassembling and repairing them, providing quality assurance, and supplying them back to the market. We have engaged in these activities since 1989. By recruiting and utilizing the resources that are required in CVT and AT production, we contribute to the conservation of the Earth’s environment. In addition to establishing remanufacturing business bases in Japan and Mexico, we have also concluded a technological assistance contract with a local repairing company in China and commissioned the company to undertake repairs of products recovered from the market. Going forward, we will continue to put effort into improving the recycling rate of parts that are recovered, with the aim of protecting the environment.

Processes in the remanufacturing business

Using IMDS functions to implement checks to ensure compliance with JES M9001

- IMDS: “International Material Data System”
- GHS: “Globally Harmonized System of Classification and Labeling of Chemicals,” referring to a standard global system for the classification and labeling of chemicals.
- SDS: “Safety Data Sheets”
- IMDS: “International Material Data System”
- GADSL: “Global Automotive Declarable Substance List”
- CSCCL: “Chemical Substance Control Law”
JATCO is pursuing the introduction of energy and resource-saving facilities, aiming at achieving a balance between improving efficiency and reducing environmental burden in the production process.

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

JATCO carries out production in an integrated manner, from the purchase of raw materials, rough material processing, machining process, and assembly process, to the completion of the unit. However, when planning for a new product or developing a new technology, we are mindful of the Earth’s resources. In particular, with the aim of halving priority issues such as reducing CO₂ emissions and managing hazardous substances through the active adoption of new technology, and recycling goods through the utilization of idle facilities, we are putting effort into developing innovative technologies to shorten work processes and develop highly-efficient processes with a low environmental burden, as well as adopting and making the shift toward energy- and resource-saving facilities.

Innovating production and engineering processes, and strengthening the development of innovative technologies

In the development of next-generation technologies, JATCO has established the reduction of CO₂ emissions as one of our principle goals, and is putting in place initiatives toward the achievement of this goal. Our target is to reduce the emission of greenhouse gases by 50% by 2050, for both the production and development processes. One of these is the production and engineering process for the latest CVTs. We have further reviewed the production and engineering processes used to date and succeeded in reducing the production lead-time significantly. With regard to all other parts, the development and production divisions are working together to minimize the emission of CO₂.

Protecting the Earth’s environment through cross-industry collaboration

JATCO is actively promoting collaboration with companies from different industries as part of a new initiative for protecting the Earth’s environment. Since FY2005, we have worked jointly with Tokyo Electric Power Company to introduce NAS battery facilities. NAS charges in the nighttime when power consumption is low. This helps to reduce the power consumption of the power plant, and brings about efficient power consumption. We have also collaborated with Chubu Electric Power since FY2007 to monitor the combustion conditions in aluminum melting furnaces in real-time, and jointly introduced a system that constantly monitors the optimal conditions. We are working to spread these initiatives laterally across the company in order to achieve further reduction.

Reduction in volume of CO₂ emissions for FY2016

<table>
<thead>
<tr>
<th>Adoption of compact and lightweight casing parts</th>
<th>Reduction of environmental burden through direct carving of the mold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approx. 68 t-CO₂</td>
<td>Approx. 58 t-CO₂</td>
</tr>
</tbody>
</table>

For JATCO CVTs, “production design” was promoted by involving the production technology division in the product design process from the development phase. By reducing the number of cutting phases, we have significantly reduced the number of production machines and cycle time. By incorporating the requirement for low emission in the heat treatment line, we have also significantly reduced cycle time on this line. These measures have dramatically increased current production efficiency.

Launch of the expert diagnostic team for energy conservation

JATCO Plant Ltd and JATCO have jointly established an expert-diagnostic team for energy conservation (E-ESCO* Team), and the team is now actively engaged in activities. To ensure the effective use of energy at our overseas branches by conducting diagnostics on energy-saving equipment, the team started its activities at JATCO (Guangzhou) Automatic Transmission Ltd. in FY2013, and conducted diagnostics at JATCO Mexico, S.A. de C.V. in FY2014. In December 2015, the team was authorized to set as an energy-saving diagnostic team for Nissan Group, and the team’s name was changed to “NESCO-JTC” *2. The team will be sharing information globally and will be further accelerating the energy-saving activities.

Use of regenerative energy and energy-saving equipment, and visualization of the amount of power consumed

Through the use of regenerative energy from the motor and the adoption of energy-saving equipment such as LED lighting, we have succeeded in reducing the amount of power consumed. We are also promoting activities to reduce power consumption by visualizing power consumption for the motor and sub-lines respectively, and by enhancing awareness of energy conservation.

Enhancing lighting facilities at each production plant (Reduction in power consumption: 145MW)

Reducing CO₂ emissions by enhancing our lighting equipment is also one of the main items in our energy conservation initiatives, and is proceeding according to plan. As the rate of energy consumption by lighting equipment in production plants is more than 10% of the total amount of power consumed, we have focused on improving lighting efficiency for each production plant. For example, by reducing the brightness of lighting in the production environment, we have put in place measures such as making the conversion to energy-saving equipment, dimming the illumination, and turning off the lights appropriately.
Office Efforts

Promotion at offices
As part of our energy conservation initiatives at offices in Japan, we promote Cool Biz from June to September by encouraging employees to wear light clothing and raising the temperature settings of air-conditioning equipment at offices, and Warm Biz from December to March by encouraging employees to put on warm clothing when they feel cold and reducing the temperature settings of heating equipment. Through the visualization of power consumption, it is now possible for all employees to easily verify the amount of power consumed at the respective offices. This in turn contributes to voluntary efforts by each individual employee to engage in energy conservation initiatives.

Educating employees through the use of environmental contents
With the aim of raising environmental awareness among employees, we have set up a dedicated environment webpage on our portal site for employees. In addition to encouraging employees to participate in environmental events within and outside the company, we also post contents to help employees learn about environmental issues in a light-hearted manner, such as JATCO’s unique eco certification and eco-drive certification. There is also a section on the power consumption visualization section, which sheds light on the situation of actual power consumption, and a section on power cost reduction, which provides information about energy conservation.

Logistics Efforts

Volume of CO2 emissions generated through transportation in FY2016
13 \% reduction
(Comparison with FY2010)

Promotion of a modal shift
JATCO utilizes green logistics with the aim of reducing CO2 emissions, and since 2012, we have achieved an average reduction of 1.4%. In order to reduce the volume of CO2 emissions arising through the product transportation process, we have been promoting a modal shift in logistics since 1994 while working on gaining the understanding of customers in Japan. Specifically, we have switched from using trucks to using ferries for transporting products to customers in Kyushu, thereby reducing CO2 emissions by 79%. On top of that, for the transportation of procured parts to Shizuoka, where JATCO’s production facility is located, we have also switched from truck to rail for transportation from Hiroshima (approximately 780 km away) starting from FY2005, and from Okayama (approximately 680 km away) starting from the beginning of FY2008. As a result, the shipping load amounting to seven 10t trucks per day is now transported in 16 containers, contributing to reduction in CO2 emissions of 83.3% per year. 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.

Adoption of solar power systems, and roof greening initiatives
JATCO has installed a solar power system (10kW), on the rooftop of the head office. The power generated through this is used as electricity to drive the air-conditioning equipment. We have also carried out roof greening initiatives by harnessing the drop in the building’s temperature brought about by plants, which contributes to a reduction in the amount of power consumed by air-conditioning facilities during summer.

Reduction in volume of CO2 emissions based on ideas from the employees

9,888 \( t \)-CO2

JATCO has established targets for reducing CO2 emissions at each place of business, and environmental officers as well as many employees brainstorm and come up with and implement ideas for energy conservation. For ideas that have been implemented and which have proven to be particularly effective, we take the initiative to share the ideas and improve motivation, through means such as introducing them on the internal environment website.

5 \( t \)-CO2

Improvements in transportation and packaging materials

As part of our measures to improve the loading ratio, which contributes to a reduction in the number of trucks used, JATCO is taking steps to improve the packing of purchased parts for delivery. Plastic cushioning material that is used as plastic containers and for protecting products in their transportation and storage, but which have become unusable as a result of deterioration or product changes, had previously been disposed of as industrial waste. However, after 2004, JATCO has begun reusing this material on other products. We have also received cooperation from companies engaged in the production of plastic to further reduce the volume of waste generated, such as by recycling plastics as raw materials.

- Improving packaging of parts purchased
- Improvements in transportation and packaging materials
- Changes in the reuse and recycling of plastic containers
- Changes in unit CO2 emissions generated (Index)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Index</td>
<td>100%</td>
<td>93.2%</td>
<td>90.0%</td>
<td>87.2%</td>
<td>85.4%</td>
<td>83.7%</td>
<td>82.0%</td>
</tr>
</tbody>
</table>
**Waste Reduction & Substance Management**

**Activities to reduce the volume of waste generated**

**Volume of direct landfill waste**

- **Achieved zero emissions**
- **Implementation of zero-emission activities**

At JATCO, we have incorporated the goal of achieving zero emissions of waste into the management of activities to promote the reduction of waste, in our environmental management system (SDS4001). We are promoting initiatives toward the achievement of this goal. As a result of the initiatives, we have reduced the volume of direct landfill waste to “zero” at each of our businesses in Japan. Overseas, we are also putting effort into reducing the volume of direct landfill waste.

- **Changes in the volume of direct landfill waste (Japan)**

**Recycling rate**

- **Achieved 100%**

Recycling waste through thorough efforts to separate garbage is easy to recycle items that we have no choice but to discard, we establish recycling rate (99%) reduction at our places of business in Japan.

**Management of chemical substances**

**VOC emissions for FY2016**

- **Management of volatile organic compounds**

We have implemented measures against volatile organic compounds (VOC) to achieve the 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 measures, we succeeded in reducing VOC emissions by 58% by FY2006, 99% in FY2010, and 99% again in FY2016.

**Measures against soil and groundwater pollution**

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

**Emissions of the three major hazardous air pollutants for FY2016**

- **Reduction in the three major hazardous air pollutants**

With regard to the emissions volumes of the three major hazardous air pollutants*, we achieved 100% reduction in FY2006, and have successfully maintained this level in FY2016.

**Management of PRTR*2 substances**

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

<table>
<thead>
<tr>
<th>Classifications of PRTR substances</th>
<th>Discharged (ton/TG/Q/M)</th>
<th>Volume handled</th>
<th>Volume discharged</th>
<th>Volume transported</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>1,121</td>
<td>2.5</td>
<td>0</td>
<td>0.19</td>
</tr>
<tr>
<td>Benzene</td>
<td>3,902</td>
<td>11</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ethylbenzene</td>
<td>134,454</td>
<td>38.8</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Xylenes</td>
<td>136,743</td>
<td>5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Toluene</td>
<td>2,334</td>
<td>9.6</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Styrene</td>
<td>2,114</td>
<td>5.8</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tetrachloroethylene</td>
<td>50,633</td>
<td>32.5</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*1: “Three major hazardous air pollutants” refer to benzene, ethylbenzene, and toluene.

<table>
<thead>
<tr>
<th>Classifications of PRTR substances</th>
<th>Discharged (ton/TG/Q/M)</th>
<th>Volume handled</th>
<th>Volume discharged</th>
<th>Volume transported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open-Device Natural Chemical Solvent</td>
<td>24.3</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Initiatives for the effective utilization of waste water purification and water resources**

JATCO’s production plants comply with standards for discharged water established by the national and municipal governments, and have also drawn up even more stringent internal standards for purification. By combining facilities for activated carbon adsorption, ultrafiltration, high-speed airgrip precipitation, contact oxidation, sand filtration, and pressure filtration, we are continuing to maintain a high level of quality in our purification activities.

Furthermore, in line with the Nissan Green Program 2016 launched by Nissan Motor Co., Ltd., JATCO commenced activities in FY2014 to reduce water consumption as a countermeasure against water depletion on a global scale.

**Responding to Water Risk**

**Water Risk**

- **Achieved zero emissions for 8 consecutive years**

**Management of PRTR*2 substances**

JATCO promotes the reuse of discharged water, and has adopted cold water circulation equipment to purify the water that is used for cooling and cleaning production equipment, as well as for thinning cutting oil. Water purification equipment was introduced for all 48 units in FY2015, resulting in a 70,000D reduction in water consumption in FY2016.

**Implementation of rainwater measures**

Rainwater that falls on the premises of the production plants is discharged through drainage outlets directly into rivers. Employees monitor the situation at the drainage outlets to prevent name water that has been polluted by oil and grease from roads and buildings in the premises from flowing into the rivers. To enable prompt identification of the drainage outlets, employees have manually color-coded the outlets. This not only prevents polluted water from accidentally flowing through, but also raises awareness among all employees that the drainage outlets lead to rivers. In case of incidents where oil leakage from employees’ cars and vehicles transporting parts and products within the premises flow to the drainage outlets, gates have been installed at the connecting points with rivers, in order to prevent the pollutants from flowing into them.

**Consideration for safety in the transportation of polluted water**

JATCO not only takes steps to reduce the incidence of water pollution, but also gives consideration for safety when transporting polluted water to treatment facilities. Measures are put in place at facilities where parts are cleaned to enable the repeated reuse of water after pollutants have been removed from it. After reusing the water for several months, it is then transported to the treatment facility by truck. In view of the fact that the method of transporting polluted water to treatment facilities through pipes and gutters buried under the ground is easily impacted by changes over time, and gives rise to credibility issues, we are also putting in place improvements by transporting this water to treatment facilities using pipes installed above ground, which are visible to employees.
Environmental Communication

Proactive stance toward information disclosure

JATCO takes a proactive stance toward disclosing information about its environmental initiatives. In order to gain widespread understanding of our environmental conservation initiatives, we have published the Environmental Report since 2005. From 2009 onwards, we have expanded the focus to include societal topics, and changed the title to the “Environmental and Social Report.” The 2015 report, which marked the milestones of 10 years since the first publication, underwent a complete design revision to make the report easier to read and understand. The various initiatives included in the Environmental and Social Report are also published on JATCO’s company website. Additionally, we are putting further effort into circulating the information more widely to society by actively registering information on browsing and search websites for CSR report and environmental reports on the internet.

Thinking about and nurturing the environment together with the local community

Hosting of factory tours (Shizuoka Prefecture)
We host factory tours for numerous organizations, including children’s groups, as part of our open factory initiative. We also implement a 3R policy (reduce, reuse, recycle) in the manufacturing workplace in order to make effective use of renewable resources, including detailed separation of waste produced during manufacturing and the reuse of recyclable materials in new products. Accordingly, our factory tours include an introduction of these environmental initiatives in addition to the tours of manufacturing processes. We also run a program that lets visitors experience the process of converting waste water to clean water using an experimental device as part of the introduction to the system used by our water processing facility.

Cleaning of Koike River (Shizuoka Prefecture)
JATCO proactively engages in social contribution and environmental protection activities at each of its locations. For example, our factory in the Kambara district has engaged in cleaning and grass cutting for twelve consecutive years since 2005 to maintain the banks of the Koike River which flows near the factory. The entire staff of the Kambara Factory, which is located in a residential area, takes the time to follow the local cleaning schedule to work with the community. The factory also distributes decorative plants purchased with the proceeds from aluminum cans collected by staff as a sign of gratitude for the local community, and to help local children develop a deeper interest in the importance of greenery.

Protecting Mount Fuji, a World Heritage site

The JATCO headquarters are located in Fuji City at the foot of Mt. Fuji, and the company carries out numerous environmental activities to protect this registered World Heritage.

For example, the company works with the staff of the Fuji City Hall to plan and implement the cleaning of climbing route 3776 on Mt. Fuji leading from sea level to the top of the mountain. Another activity to nurture the mountain is the planting of beech trees near its base in collaboration with other local companies.

We also support the Waterside Expedition to teach the importance of protecting Mt. Fuji’s abundant water resources through such activities as releasing fish fry into rivers and observing living creatures and the mechanisms of springs, while also cooperating with universities, the prefecture, and the city to work on environmental education initiatives.

We also work with local NGOs and companies to plan and implement grass cutting at river banks and the planting of flowers to keep the local river in a pristine state that will be loved by local residents. Our employees volunteer their time proactively to participate in all of these activities, which provides them with a great opportunity to think about the environment.
JATCO strives to be a company that is widely accepted by society, and to that end, engages in various activities. In order to build relationships of trust with all stakeholders and resolve the various issues confronting our society, we aim to be a corporation that is well loved and trusted by the people, and which contributes to the development of a sustainable society.

**Reducing Environmental Impact**

JATCO Mexico’s environmental management system

Since its establishment in April 2003, JATCO Mexico, S.A. de C.V. has promoted various environmental initiatives, including formulating an environmental policy, energy conservation activities from the power supply side, and the promotion of garbage separation to improve the recycling rate. In particular, since 2009, it has established an environmental management system, and acquired the ISO14001 accreditation in May 2011. Three committees have been established to oversee the environmental management system—the Environmental Committee, and under that, the Environmental Legal Requirements Sub-Committee, as well as the Energy Conservation Sub-Committee. The Environmental Committee is led by the President and Vice-President of the company, and comprises representatives from the respective divisions. It engages in comprehensive deliberations, assessments, and follow-up on activities related to the environment. The Environmental Legal Requirements Sub-Committee deliberates on and promotes efficient operation for each group that uses electricity, water, gas, or other power sources. Annual environmental targets are also established with the aim of reducing environmental burden. Furthermore, by reflecting on the previous year and setting targets for the next fiscal year, continuous efforts are also made to improve on the environmental management system.

### JATCO Mexico’s energy consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>Electricity</th>
<th>Natural gas</th>
<th>Propane gas</th>
<th>Water consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>206,514,034 kWh</td>
<td>9,783,077 m³</td>
<td>322.26 t</td>
<td>371,224 m³</td>
</tr>
<tr>
<td>2014</td>
<td>219,253,959 kWh</td>
<td>9,324,743 m³</td>
<td>332.30 t</td>
<td>271,339 m³</td>
</tr>
</tbody>
</table>

*Increase in energy consumption as a result of plant expansion on the second site

Environmental management system of JATCO (Guangzhou) Automatic Transmission Ltd.

JATCO (Guangzhou) Automatic Transmission Ltd. began establishing its environmental management system from 2013, and acquired the ISO14001 accreditation in March 2014. With the aim of realizing a “society where automobiles and the environment coexist in harmony,” it also established an Environmental Committee and ISO Office to manage the environmental management system. The Environmental Committee comprises the General Manager, respective Assistant General Managers, and representatives from each division, and conducts comprehensive management, assessments, and follow-up on environmental activities. The ISO Office is established under the engineering division, and carries out assessments on compliance with environmental legal requirements as well as the implementation of other everyday items.

### Energy consumption of JATCO (Guangzhou) Automatic Transmission Ltd.

<table>
<thead>
<tr>
<th>Year</th>
<th>Electricity</th>
<th>Natural gas</th>
<th>Propane gas</th>
<th>Water consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>81,657,635 kWh</td>
<td>-</td>
<td>-</td>
<td>140,121 m³</td>
</tr>
<tr>
<td>2015</td>
<td>80,057,025 kWh</td>
<td>-</td>
<td>-</td>
<td>26,934 m³</td>
</tr>
</tbody>
</table>

Environmental management system of JATCO (Thailand) Co., Ltd.

JATCO (Thailand) Co., Ltd., which started production in September 2013, has been working on creating an environmental management system since its establishment and in February 2016 acquired ISO14001 accreditation. JATCO (Thailand) Co., Ltd. has also formulated a plan called “JATCO Thailand Green Action” with the aim of further reducing the burden imposed on the environment. In line with this, it plans measures such as the following to reduce environmental load in collaboration with local companies.

1. Purchasing molten metal in place of using aluminum ingots
2. Introduction of vacuum carburizing heat treatment facility
3. Purification of water discharged from the production plant
4. Reuse of resource materials through separation and recovery
5. Maximizing the proportion of green spaces on the plant premises

### JATCO Thailand’s energy consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>Electricity</th>
<th>Natural gas</th>
<th>Propane gas</th>
<th>Water consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>24,883,460 kWh</td>
<td>-</td>
<td>-</td>
<td>94,820 m³</td>
</tr>
<tr>
<td>2015</td>
<td>26,934,436 kWh</td>
<td>-</td>
<td>-</td>
<td>30,137 m³</td>
</tr>
</tbody>
</table>

JATCO strives to be a company that is widely accepted by society, and to that end, engages in various activities. In order to build relationships of trust with all stakeholders and resolve the various issues confronting our society, we aim to be a corporation that is well loved and trusted by the people, and which contributes to the development of a sustainable society.
Contributing to the maintenance and strengthening of cooperative relationships, and the development of society

JATCO strives to bring about mutual growth and the realization of a “society where automobiles and the environment coexist in harmony,” based on the relationships of trust that we share with our business partners. To that end, it is important to work together in accordance with standards that are fair, just, and transparent. We follow clearly established rules, as represented by green procurement, in selecting our business partners, and present awards to outstanding corporations.

Procurement in the global market

In light of the expansion of production in Mexico, China, and Thailand, we are promoting local production and the procurement of materials from highly competitive overseas sources in order to increase competitiveness while ensuring fairness in the global market and improving efficiency in the shipping of parts.

Environmental initiatives

Promoting the management of environmentally hazardous substances

In light of the expansion of the global market, JATCO promotes the management of environmentally hazardous substances in cooperation with our business partners with a focus on the following four items.

1. Global implementation of the JATCO Green Procurement Guidelines

Beginning with the head office in Japan, we manage environmentally hazardous substances on a global scale, including our overseas affiliates.

2. Standardized application of requirements to new business partners

We promote the management of environmentally hazardous substances among new business partners by clearly indicating the requirement of submitting green procurement documents.

3. Compliance with REACH* regulations

Without limiting the scope of items targeted for management to data on chemical substances contained in our products, we extend the scope to data on chemical substances in packaging materials and shipping parts during transportation, and in recent years to supplies used in the production process (for example, stationery items such as marker pens). Going forward, we will continue to put effort into minimizing the use of environmentally hazardous substances.


4. Promoting the management of environmentally hazardous substances through the utilization of IMDS*

Corresponding with an era of “No Data, No Market” (no sales without data), we are cooperating with business partners to promote the management of highly precise data using IMDS (International Material Data System), jointly with the development division.

*IMDS: “International Material Data System”

Promoting green procurement activities

JATCO’s green procurement activities tackle environmental conservation across all the products that are supplied by our business partners. The following are the three key points.

1. Verifying the intention to promote green procurement

2. Establishing an environmental management system

3. Reporting on the use of environmentally hazardous substances

JATCO prioritizes the purchase of products from companies that take a proactive stance toward green procurement activities. We also request that our business partners prioritize companies that promote green procurement activities when deciding on a company to purchase products from. In addition, JATCO awards business partners that have put particular effort into achieving JATCO’s vision of realizing a “society where automobiles and the environment coexist in harmony.”
JATCO's quality policy

Customers are the ones who ultimately assess the quality of JATCO's products. Responding sincerely to assessments from our customers serves as our starting point for meeting the expectations of customers. In order to achieve the high quality that our customers can continue to trust, it is necessary for JATCO to provide products and services that exceed their expectations, based on our world-class monozukuri capability. Amidst the global expansion of our business, it is vital for us to ensure that we offer quality that JATCO can take pride in regardless of the region or country that we are in. JATCO complies with global law, and also constantly strives to improve itself and to take up the challenge of being innovative. We believe that this approach can contribute to the creation of a comfortable and safe automotive society.

JATCO aims to respond swiftly to changes in customers, and to be the world's no. 1 in monozukuri in the aspects of quality, cost, and delivery. To that end, we have established, and are operating, 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 sequence as if they were on a single line, and carries out production and transportation in a timely manner. Though JEPS, we are bringing about the realization of two "unlimited" features across the whole supply chain—"unlimited synchronization with our customers," and "visualization of unlimited challenges and innovation."

Aiming to be the world's No. 1 in monozukuri, from the customers' perspective

JATCO aims to respond swiftly to changes in customers, and to be the world's no. 1 in monozukuri in the aspects of quality, cost, and delivery. To that end, we have established, and are operating, 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 sequence as if they were on a single line, and carries out production and transportation in a timely manner. Through JEPS, we are bringing about the realization of two "unlimited" features across the whole supply chain—"unlimited synchronization with our customers," and "visualization of unlimited challenges and innovation."

Promoting JEPS innovation

The basic stance of JEPS can be summed up into the following two points: unlimited synchronization with our customers, and visualization of unlimited challenge and innovation. To pursue these two "unlimited goals," JATCO has established clear indicators in the form of the five "zeros." Toward the achievement of these goals, JATCO continuously improves JEPS and promotes energy and resource conservation.

Two "unlimteds"

1. Unlimited synchronization with our customers
   Q: To synchronize quality by producing the quality demanded by our customers
   C: To synchronize costs by offering reasonably priced products
   D: To synchronize delivery time by reducing production lead-time, JATCO aims to pursue these three "synchronizations" and move infinitely closer to our customers.

2. Visualization of unlimited challenge and innovation

While recognizing the gap between the current situation and the "ideal state" that JATCO should aim achieve as the world's no. 1 in monozukuri, we are striving to visualize difficult issues. We are continuously trying to improve the monozukuri system through repeated improvements and innovation.
The JATCO Group has established the corporate philosophy of “providing value to our customers, to automotive culture and to society.” We have also set forth the goal of becoming a “good corporate citizen” in our mid-term management plan. Corporate activities are conducted through our involvement with the local community. JATCO considers it our important responsibility to be actively involved with society as a member of the community, and to contribute to the local community in various ways. We promote social contribution activities with this approach in mind.

Transforming social contribution activities into a corporate culture

Three priority areas of activities

Based on our desire to be a presence that the local community is glad to have, the JATCO Group has identified the three priority areas of “environment,” “education,” and “welfare.” We are implementing social contribution activities around the world in these three areas, and undertake activities that meet the needs of the respective local communities.

Contribution activities in the area of environment

Hana-saku * JATCO-MAE Station Project (Shizuoka Prefecture)

JATCO-MAE is a station on the Gakunan Line in Fuji City. It is one of the very few stations in Japan that are named after a company. This project began when a JATCO staff member proposed the idea of turning the local station named after JATCO into a popular flower-viewing spot. During FY2016, the second year of the project, flower beds were planted over 1/3 of the site’s area, into which 850 pots of moss phlox were planted. Meanwhile, the area planted in FY2015 was renewed by planting white moss phlox in the shape of Mt. Fuji, which symbolizes Fuji City. The work to carefully cultivate the flower beds continues on a daily basis in collaboration with the members of the Fuji City “Koko Kara” Youth Consultation Office.

Soccer match for intellectually disabled soccer players (Shizuoka Prefecture)

Intellectually disabled soccer players have only limited opportunities to demonstrate the results of their training. Accordingly, JATCO organizes the “JATCO×Yokohama F. Marinos Futuro Cup” together with the Yokohama F. Marinos soccer club. In 2016, the event’s second year, a total of 12 teams and approximately 120 athletes participated. The event was managed by ten university student volunteers from the Shinkanto Riko-kei League, which is supported by JATCO and the Yokohama F. Marinos.

Planting mangroves (Thailand)

JATCO (Thailand) Co., Ltd. has continued to implement a reforestation event named “9,999 trees for ecology… we care.” This event involves planting mangroves in the mud at the wetlands of Chonburi Province, which is located about 20km from the production plant. In addition to JATCO employees, many of their family members also participate in the event where they have a good time working together.

Contribution activities in the area of education

Kids Engineer (Kanagawa Prefecture)

The “Kids Engineer” event was organized by the Society of Automotive Engineers of Japan, Inc. JATCO agrees with the spirit of this event, which is targeted at elementary school students and seeks to communicate the joy of manufacturing, and has continued to participate in it since the inaugural event in 2008. The event was held in Yokohama, Kanagawa Prefecture in FY2016.

Experiential learning for middle and high school students (Shizuoka Prefecture)

We host experiential learning courses for middle and high school students in Fuji City. We provide participants with experience in a wide range of workplaces from development to production to help provide an opportunity for the children to consider what type of work they want to do in the future, and which path to take. The activities include CAD software operation, tours of testing facilities, experiencing next generation technologies at the Future Technology Center, factory tours, and factory work experience.

Contribution activities in the area of welfare

Soccer match for intellectually disabled soccer players (Shizuoka Prefecture)

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Creation of hats for children in Africa (Korea)

The JATCO Korea Engineering Corp. carries out social contribution activities proposed by employees. One of these activities was the creation of hats for children in Africa. In some parts of Africa, children run the risk of losing their vision due to the strong sunlight and sandstorms. Accordingly, the use of these hats, which include a wind blocking mesh, can serve to protect the eyes and prevent the loss of vision. The hats made by the employees were delivered to the children via a non-government organization.

**JATCO×Yokohama F. Marinos Futuro Cup**

**The creation of hats for children in Africa**
Ensuring work safety

JATCO aims to move from “zero accidents” to “zero danger,” and promotes the development of a workplace where all employees can work safely and comfortably through measures such as actively conducting risk assessments at the workplace and promoting health management for 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 assessment activities, SESI, 5S patrols, plant (division) safety patrols, public work inspections, and safety commitment inspections. Particular emphasis is placed on eradicating abnormal processes with a high risk of causing work accidents, and which also cause potential loss in production activities. The risks that are detected in each activity are summarized in a list. We determine the degree of priority and the appropriate countermeasures based on the size of the risks, and speedily implement “hard” countermeasures such as improving facilities, as well as “soft” countermeasures such as training and guidance.

Scene at a mental health seminar

Scene at a mental health seminar

Initiatives for mental health

Initiatives for mental health include those aimed at preventing mental health issues, the mental health seminars that had previously been conducted for managers and supervisors have also been extended to general employees. As part of our countermeasures against lifestyle-related diseases and metabolic syndromes, we extract a list of targeted employees based on the health examination results, and provide health guidance to these employees. Support is provided even after the interview, and various forms of guidance are provided to help employees improve steadily and achieve their goals.

Activities to prevent passive smoking and reduce smoking rates

Since 2003, JATCO has promoted measures to prevent passive smoking and reduce the smoking rate. As a result of initiatives such as (1) Segregating office break rooms from the smoking areas, (2) Activities to raise awareness on non-smoking, and (3) Suspending the sale of cigarettes in the company, the smoking rate has decreased significantly among employees, thereby also dramatically reducing the risks of passive smoking. Furthermore, an initiative to completely eliminate smoking on the entire grounds of all locations was begun on April 1, 2017. Smoking is known to cause cancer and has a major effect on brain and heart diseases. JATCO will continue to work to increase the number of employees who quit smoking in order to protect the health of those employees. JATCO’s most important asset, through education activities that include continued promotion of non-smoking among visitors, a consultation desk to support quitting smoking at the health support office, and seminars on quitting smoking.

With Our Employees:

Work Enviroment

Ensuring work safety

With Our Employees:

Diversity

Tackling diversity as a management issue

In order to continuously provide our customers with good value as we expand our business globally to respond to the changes of the times, it is necessary for us to incorporate diverse perspectives and create new value. From this perspective, JATCO positions diversity as a management issue, and has put in place various initiatives to that end. In FY2008, we established the Diversity Steering Committee, headed by the President and staffed by management personnel, to actively promote employment and human resource deployment without discrimination based on gender, nationality, or other forms of bias.

Promoting work-life balance

Promoting work-life balance includes various efforts to develop an environment where employees can find a balance between childcare and work. These include maternity leave, childcare leave, telecommuting, and flextime systems that allow employees to adopt diverse working styles. These activities have been highly rated, and in August 2015 we became the first company headquartered in Shizuoka Prefecture to be specifically certified under the Act on Advancement of Measures to Support Raising Next-Generation Children (typically known as “Platinum Kurumin Certification”), established by the Ministry of Health, Labor and Welfare. In March 2016, JATCO was listed in “New Diversity Management Selection 100” by the Ministry of Economy, Trade and Industry. We were the first company headquartered in Shizuoka Prefecture to be selected for this list as well. Enterprises selected for the list are fully involved in such a way “as to create innovation and generate value with diverse human resources while providing them with the opportunity to realize their maximum potential.” JATCO was also recognized for its wide range of programs that allow employees to engage in work in diverse ways and reduce the number of hours of overtime hours. The company was additionally recognized for its creation of production plant workplaces that are comfortable for women, leading to production lines that are comfortable places to work not only for women but everyone, and leading to enhanced quality and efficiency at the same time.

Encouraging multinational human resources to play an active role

One of JATCO’s diversity initiatives involves promoting employment without discrimination based on nationality. Already, employees of various nationalities including China, Korea, and Mexico play an active role in the company, particularly at our overseas bases. We also promote human resource and technological exchanges with our respective overseas bases. When conducting a review for a new project, relevant members from the overseas members come together as global JATCO, and work united across the barriers of their affiliations and regions to tackle and solve problems.

Promoting occupational health

Promoting occupational health includes various efforts to develop an environment where employees can stay physically and mentally healthy. Initiatives for mental health at JATCO, the following initiatives are implemented as part of our efforts to help employees stay physically and mentally healthy.

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DIVERSITY WORK ENVIRONMENT

JATCO has introduced various systems as part of our efforts to develop an environment where employees can find a balance between childcare and work. These include maternity leave, childcare leave, telecommuting, and flextime systems that allow employees to adopt diverse working styles. These activities have been highly rated, and in August 2015 we became the first company headquartered in Shizuoka Prefecture to be specifically certified under the Act on Advancement of Measures to Support Raising Next-Generation Children (typically known as “Platinum Kurumin Certification”), established by the Ministry of Health, Labor and Welfare. In March 2016, JATCO was listed in “New Diversity Management Selection 100” by the Ministry of Economy, Trade and Industry. We were the first company headquartered in Shizuoka Prefecture to be selected for this list as well. Enterprises selected for the list are fully involved in such a way “as to create innovation and generate value with diverse human resources while providing them with the opportunity to realize their maximum potential.” JATCO was also recognized for its wide range of programs that allow employees to engage in work in diverse ways and reduce the number of hours of overtime hours. The company was additionally recognized for its creation of production plant workplaces that are comfortable for women, leading to production lines that are comfortable places to work not only for women but everyone, and leading to enhanced quality and efficiency at the same time.

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With Our Employees:
Training Global Talent

Human resource development that encourages independent growth
JATCO practices human resource development that corresponds with the changing times, as well as respect for diversity, and aims to establish motivated workplaces where each individual employee can experience growth. To provide support for employees with the desire to earn, we offer programs that employees can take through their own volition. A wide range of courses is available, from topics that are directly related to work, to self-development programs. To ensure that employees can continue to grow dynamically, even after they join the company and are assigned to a division, we have introduced a Freshman Leader System. Under this system, the senior employees that new employees report directly to at their designated divisions provide guidance and advice to the new employees, and provide support to help them adapt smoothly to their work and corporate life.

Responding to globalization
JATCO has put in place initiatives for the development of global human resources who can respond to the expansion of the overseas market in the future. The human resource exchange program, undertaken in cooperation with overseas bases for the purpose of encouraging the early growth of employees as global human resources, is one such program. Young employees strive to acquire a global outlook through various experiences that encompass not only their work, but also everyday life. We furthermore offer overseas training programs, conduct various communication seminars (on assertiveness, debating, etc.) for employees in their second year in the company, based on the skills that are necessary in the globalizing world, and conduct intercultural seminars (Mexico, China, Thailand), as part of our efforts to improve employees’ global skills and mindsets.

As part of JATCO’s efforts to transplant the specialized skills and know-how on site management that we have built up over many years at our production sites in Japan to our overseas bases, we are working on nurturing local employees with the aim of putting in place management and practices based on the same approach and methods that are used in Japan. To ensure that the supervisors at each of our overseas facilities are able to properly conduct the necessary training courses as employee trainers, we dispatched instructors from Japan to develop the skills of each trainer. Together with these trainers, who receive training in their respective countries, we are aiming to provide training to JATCO employees around the world and work on further enhancing their skills.

Promoting the development of a culture of acknowledgement and praise
JATCO promotes the development of a culture of praise, and has introduced a Thanks Card System that encourages employees to express feelings of gratitude by writing on cards. This system contributes to improving the motivation of employees. In addition, the Global JATCO CEO Award and Employee Award are also presented to employees who have achieved results or taken positive action to enhance the results and reputation of the company. By positively evaluating and commending such achievements and positive action, we are developing an environment where employees can carry out their work in a motivated manner.

In order for JATCO to further enhance our value as a company that can continue to win the trust of diverse stakeholders, it is vital to enhance our corporate governance system. In addition to building a management structure that combines a strong sense of ethics with transparency, all employees strive to raise their own awareness and compliance with laws.
**Governance Efforts**

**Commitment to corporate governance**

JATCO is a company with a Board of Corporate Auditors, in line with the Companies Act, and is established as a legal organization with a General Meeting of Shareholders, Board of Directors, and Board of Auditors. In principle, the Board of Directors convenes once a month to decide on important management matters as well as to oversee the contents of the execution of operations. The Board of Directors is composed of Directors who undertake the execution of operations, as well as several external Directors in order to create a system that enables an objective check on the situation of the execution of operations. A Corporate Officer system has also been introduced to facilitate efficient and flexible management, and authority is delegated to Corporate Officers in clearly defined ways in the management of the business.

- JATCO’s corporate governance system

**Strengthening the internal control system**

JATCO maintains and strengthens its internal control system based on the Basic Policy on Internal Control System passed by the Board of Directors. The Basic Policy on Internal Control System lays out the basic policy on matters such as compliance with laws, information management, risk management, proper and efficient execution of work by the Directors, management of Group companies, and ensuring an effective audit system among the Auditors. Regular checks are conducted to verify that the internal control system is functioning effectively, and the results are reported to the Board of Directors.

- System for ensuring proper management of Group companies

**Strengthening compliance**

**Basic stance on compliance**

The JATCO Group considers compliance with the laws of each country and region a minimum requirement for winning the trust of society. In addition to compliance with laws, we also consider it important for all employees of the Group to act fairly and honestly with a strong sense of ethics. JATCO has enacted a Global Code of Conduct, and puts effort into ensuring thorough compliance by providing action guidelines that all employees should abide by.

- Items set forth in the Global Code of Conduct
  1. Compliance with laws and regulations
  2. Prevention of acts of conflict of interest
  3. Protection of company assets
  4. Fair and just relations
  5. Ensuring transparency and accountability
  6. Non-misappropriation, non-strategic opportunities, etc.
  7. Environmental conservation
  8. Observe of practice and reporting

- Global Compliance Committee (GCC)

**Promotion system for compliance**

In order to promote compliance across the whole of the JATCO Group, JATCO has organized a Global Compliance Committee (GCC) comprising representative Executives from each division and the Presidents of Group companies in Japan and overseas, and holds regular meetings of this Committee. 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 contents the compliance activities of each company. Compliance committees are also established in the respective Group companies, and these committees work together with the GCC Secretariat while engaging in their own compliance activities.

- Compliance education and activities to raise awareness

Code of Conduct training is provided once a year for all employees in the Group, through the use of the e-learning system. With regard to important legal fields that are related to the execution of work by employees, such as prohibition of monopolization, prohibition of corruption, product safety, intellectual property, and export control, the GCC Secretariat draws up and implements programs to educate employees.

**Promoting the internal reporting system**

The JATCO Group has established the Easy Voice System, which is an internal reporting system that allows employees to report directly to the company on matters such as acts of violation. In addition, we have also established the Speak Up System that allows employees to report via phone or the website to a third-party organization, as part of our efforts to develop an environment where employees can take a proactive stance toward reporting on violations.

**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 the internal control system. Specifically, we identify risks each year, determine the items that should be tackled in the Executive Committee, appoint 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, and a control-level assessment for each item is conducted at the end of the fiscal year.

- Risk management promotion system

- Initiatives through the BCM* Committee

There are scenarios that endanger business continuity, such as earthquakes, typhoons, or other natural disasters. JATCO draws up hypotheses on the various risks that may arise, and has established a BCM Committee to implement measures for preventing risks before they happen and to mitigate risks when incidents do occur. In the event that a situation that has continuous impact on production arises, the relevant parties are notified immediately, and the BCM Committee takes a central role in resolving the issue with the cooperation of the respective divisions across the company. BCM training is carried out every year to help employees familiarize themselves with initial responses to take in the event of a large-scale failure, and the appropriate responses to take in order to achieve early recovery.

- Risk management system in Group companies

With regard to Group companies, including our overseas production facilities, risk management is carried out through the implementation of measures to counter hypothetical risks for 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 bases across the world, risk management is carried out in cooperation with other Group companies.

**Strengthening information security**

**Information security promotion system**

JATCO has enacted an Information Security Policy, and conducts proper operations in relation to information security.

The Information Security Committee, which operates in a Group-wide fashion, shares issues and measures that are common across the Group, and checks on the implementation status in each division and Group company. Personnel in charge are assigned for each division and Group company, and these personnel supervise the everyday management of information security matters.

- Information Security Committee

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*Abbreviation: BCM (Business Continuity Management) System*
Toward ensuring business continuity in the event of a large-scale earthquake

As part of JATCO’s BCM initiatives, we organize disaster preparedness activities with a view to the possibility of a large-scale earthquake (magnitude of 6 or greater) that may occur in the near future. These activities are aimed at enabling the saving of lives as an initial response, preventing secondary disasters, and prompt and effective recovery to aid in the recovery of the business. With regard to initial response activities, we completed the establishment of a reception facility for emergency earthquake reports in March 2010, and commenced the operation of the facility. Furthermore, in order to implement BCM more smoothly, we expanded the BCM Room in FY2011, thereby further enhancing our response capability in the event of an emergency, as well as our response to all risks related to business continuity. We also apply the experience that we have gained in developing BCM in Japan to our overseas bases, such as in Mexico, China, and Thailand. We are expanding BCM practices globally across the entire JATCO Group.

To ensure 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 quick recovery of production plant functions, we have taken a wide range of earthquake countermeasures that include strengthening the earthquake-resistance of main production bases in Japan, stabilizing production facilities, and taking measures to prevent objects from falling from ceilings or cranes. As a member of a supply chain, we are constantly coming up with countermeasures to minimize the impact to the production activities of our customers.

Earthquake countermeasures at overseas bases

BCM activities that are similar to those at our domestic bases are also implemented at JATCO’s overseas bases, which are expanding globally, in preparation for the event of a large-scale disaster such as an earthquake. At JATCO (Thailand) Co., Ltd., which commenced operations in July 2013, we have drawn lessons from the major floods that occurred in 2011, and implemented at JATCO’s overseas bases, which are expanding globally, in preparation for the event of a large-scale disaster such as an earthquake.

Ensuring the safety of employees

In order to ensure the safety of employees, JATCO has established detailed procedures with regard to evacuation shelters and actions. In order to ensure that employees have a good grasp of this information, regular training is conducted based on various hypothetical situations that may occur in the day or night. Taking into consideration the possibility of having employees at each base who are unable to return home during an emergency, we have prepared supplies such as water, food, helmets, and blankets.

Securing safety and peace of mind for local residents

JATCO is a company that stands hand-in-hand with local residents. Hence, we cooperate actively with local residents to secure safety and peace of mind in everyday life in the region.

We are promoting the establishment of a system that provides company facilities as emergency shelters for local residents who have nowhere to escape to in the event of a large-scale disaster.
### JATCO’s History

#### 1943.8
JATCO’s predecessor operation as Yoshiwara Plant of aircraft division of Nissan Motor Co., Ltd. (Current Fuji Area No. 1.)

#### 1970.1

#### 1989.4
Japan Automatic Transmission Co., Ltd. changes name to JATCO Corporation.

#### 1999.6
ATCVT division of Nissan Motor Co., Ltd. splits off to become TransTechnology Ltd.

#### JR006E
Mass Production of an ultimate “Toroidal CVT” for the first time in the world.

#### 2002.4
ATCVT division of Nissan Motor Co., Ltd. changes name to JATCO Ltd.

#### 2005.11
Production commences in Mexico (Aguascalientes)

#### JR712E
World’s first 1-speed, 2-clutch type manual transmission without a torque converter for hybrid vehicles.

#### 2009.9
Production commences in China (Guangzhou)

#### 2013.7
Production commences in Thailand (Chonburi)

#### 2014.9
Production commences at second plant in Mexico (Aguascalientes)

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### Our Business

#### Corporate Profile

<table>
<thead>
<tr>
<th>Company Name</th>
<th>JATCO Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established</td>
<td>June 29, 1999</td>
</tr>
<tr>
<td>Head Office</td>
<td>700-1, Inasmizu, Fujii City, Shizuoka, Japan</td>
</tr>
<tr>
<td>Main Businesses</td>
<td>Development, manufacture and sale of transmissions and automobile components</td>
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<tr>
<td>Capital</td>
<td>¥9,303.3 million</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>14,300 (as of March 31, 2017)</td>
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<tr>
<td>Shareholders</td>
<td>NISSAN MOTOR CO., LTD. 75%</td>
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<tr>
<td></td>
<td>MITSUBISHI MOTORS CORPORATION 15%</td>
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<tr>
<td></td>
<td>SUZUKI MOTOR CORPORATION 10%</td>
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#### Financial results (consolidated)

<table>
<thead>
<tr>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td>7,401</td>
<td>7,521</td>
</tr>
<tr>
<td>Operating income</td>
<td>464</td>
<td>583</td>
</tr>
<tr>
<td>Net income</td>
<td>231</td>
<td>199</td>
</tr>
</tbody>
</table>

#### Locations

- **Head Office and Fuji Area**
  - Fujii City, Shizuoka
  - PHONE: +81-0545-89-0600, FAX: +81-0545-89-0601

- **Shin-Yokohama Office**
  - Yokohama City, Kanagawa
  - PHONE: +81-045-473-8107

- **Kambara Area**
  - Shizuoka City, Shizuoka

- **Fujinomiya Area**
  - Fujinomiya City, Shizuoka

- **Kakegawa Area**
  - Kakegawa City, Shizuoka

- **Hyogo Area**
  - Hyogo City, Kansai

- **Kyoto Area**
  - Kyoto City, Kyoto

- **Yap Area**
  - Nantian City, P.R. China

- **Attasui R&D Center**
  - Atsugi City, Kanagawa

- **Okazaki R&D Center**
  - Okazaki City, Aichi

- **Motegi Proving Ground**
  - Higashi-ku, Tochigi

#### Affiliated companies in Japan

- **JATCO Engineering Ltd**
  - Fujii City, Shizuoka
  - PHONE: +81-0545-51-5777, FAX: +81-0545-51-5494

- **JATCO Tool Ltd**
  - Fujii City, Shizuoka
  - PHONE: +81-0545-54-2221, FAX: +81-0545-54-1160

- **JATCO Plant Tec Ltd**
  - Fujii City, Shizuoka
  - PHONE: +81-0545-57-5510, FAX: +81-0545-57-5515

#### Affiliated companies overseas

- **JATCO USA, Inc.**
  - 38705 Country Club Drive, Farmington Hills, MI 48331, USA

- **JATCO Mexico, S.A. de C.V.**
  - Carretera Panamericana Km 75, Col. Los Arellanos, C.P. 20340, Aguascalientes, AGS., Mexico
  - PHONE: +52-449-229-5064, FAX: +52-449-971-1038

- **JATCO Korea Engineering Corp.**
  - IT Castle 2-4F, 98, Gasan digital 2-no, Geumcheon-gu, Seo-gu, Seoul, Korea
  - PHONE: +82-2-2082-7000, FAX: +82-2-2082-7103

- **JATCO Korea Service Corp.**
  - IT Castle 2-4, 98, Gasan digital 2-no, Geumcheon-gu, Seo-gu, Seoul, Korea
  - PHONE: +82-2-2082-7133, FAX: +82-2-2082-7130

- **JATCO (Guangzhou) Automatic Transmission Ltd.**
  - NO.8, Li Hong 2 Road, Science City, Guangzhou Hi-Tech Industrial Development Zone, Guangzhou, Guangdong, 510500, China
  - PHONE: +86-20-8226-7338, FAX: +86-20-8226-7002

- **JATCO France SAS**
  - ZAC des Gosets - Batiment C, C-14 Impasse de la rosette, 91370 Vernissis le Buisson, France

- **JATCO (Thailand) Co., Ltd.**
  - 705/999 Moo 3, Amata Nakorn Industrial Estate, Thumnon Nongkakha, Amph Phathong, Chonburi 20600, Thailand
  - PHONE: +66-38-332-000, FAX: +66-38-930-051

Please refer to our website for information on our representative offices, etc.
### Environmental data for each production base

#### Figure shown in the brackets indicates daily averages.

### Water quality

### Atmosphere

<table>
<thead>
<tr>
<th>Facility</th>
<th>Item</th>
<th>Unit</th>
<th>Maximum Average:</th>
<th>Item</th>
<th>Unit</th>
<th>Measurement value:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compact boiler</td>
<td>NOx (ppm)</td>
<td></td>
<td>0.01</td>
<td>NOx</td>
<td>ppm</td>
<td>0.00</td>
</tr>
<tr>
<td>City gas boiler</td>
<td>NOx (ppm)</td>
<td></td>
<td>0.01</td>
<td>NOx</td>
<td>ppm</td>
<td>0.00</td>
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### Air pollution

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<td>ppm</td>
<td>0.01</td>
</tr>
<tr>
<td>City gas boiler</td>
<td>NOx (ppm)</td>
<td></td>
<td>0.01</td>
<td>NOx</td>
<td>ppm</td>
<td>0.01</td>
</tr>
</tbody>
</table>

### Water quality

<table>
<thead>
<tr>
<th>Facility</th>
<th>Item</th>
<th>Unit</th>
<th>Maximum Average:</th>
<th>Item</th>
<th>Unit</th>
<th>Measurement value:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compact boiler</td>
<td>NOx (ppm)</td>
<td></td>
<td>0.01</td>
<td>NOx</td>
<td>ppm</td>
<td>0.01</td>
</tr>
<tr>
<td>City gas boiler</td>
<td>NOx (ppm)</td>
<td></td>
<td>0.01</td>
<td>NOx</td>
<td>ppm</td>
<td>0.01</td>
</tr>
</tbody>
</table>

---

### Water quality

- **Figures shown in the brackets indicate daily averages.**

### Table contents

- **Table headings:**
  - Facility
  - Item
  - Unit
  - Measurement value

- **Measurement units:**
  - ppm (parts per million)
  - mg/L (milligrams per liter)
  - g/m³ (grams per cubic meter)

- **Regulation values:**
  - NOx: Nitrogen oxide
  - SOx: Sulfur oxide

- **No values:**
  - Undetected

- **Maximum Average:**
  - Item
  - Unit

- **Measurement value:**
  - Item
  - Unit

---

### Additional notes

- **Environmentally controlled furnace (2 units):**
  - NOx (ppm)
  - SOx (Nm³/H)

- **Vacuum carburizing furnace VF No. 1:**
  - NOx (ppm)
  - SOx (Nm³/H)

- **Metal-heating furnace (4 units):**
  - NOx (ppm)
  - SOx (Nm³/H)

- **Metal-heating furnace (18 units):**
  - NOx (ppm)
  - SOx (Nm³/H)

- **Vacuum carburizing furnace VF No. 1:**
  - NOx (ppm)
  - SOx (Nm³/H)

- **Compacted boiler (11 units):**
  - NOx (ppm)
  - SOx (Nm³/H)

- **Compacted boiler (11 units):**
  - NOx (ppm)
  - SOx (Nm³/H)

---

### Diagram and figure information

- **Figures shown in the brackets:**
  - For the regulation value are daily averages.

- **Hydrogen ion concentration (pH):**
  - Range: 5.5 to 8.0

- **Chemical oxygen demand (COD):**
  - Range: 15 to 25

- **Suspended solids (SS):**
  - Range: 15 to 25

- **Coliform count:**
  - Range: 15 to 25

- **Total suspended particulates (TSP):**
  - Range: 30 to 50

- **Particulate matter (PM):**
  - Range: 30 to 50

- **Soluble iron:**
  - Range: 30 to 50

- **Zinc:**
  - Range: 30 to 50

- **Cyan:**
  - Range: 30 to 50

- **Water quality:**
  - Range: 30 to 50

- **Air pollution:**
  - Range: 30 to 50

---

### Additional information

- **JATCO Mexico, S.A.de.C.V.:**
  - Environmentally controlled furnace (2 units)
  - NOx (ppm)
  - SOx (Nm³/H)

- **JATCO (Guangzhou) Automotive Transmission Lim. Co., Ltd.:**
  - Environmentally controlled furnace (2 units)
  - NOx (ppm)
  - SOx (Nm³/H)

---

### Conclusion

- The environmental data for each production base are provided in detail, including various pollutants and their respective measurement values and maximum averages.

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### Environmental data

- **Environmental data for each production base:**
  - Fuji Area
  - Fujinomiya Area
  - Kyoto Area
  - Kakegawa Area
  - Yamaha Area

---

### Additional resources

- **Environmental data:**
  - Detailed information on NOx, SOx, TSP, PM, pH, COD, SS, Coliform count, and other pollutants.

---

### Methods

- **Measurement techniques:**
  - Use of environmental monitoring instruments
  - Regular sampling and analysis

---

### References

- **Regulation values:**
  - NOx: Nitrogen oxide
  - SOx: Sulfur oxide

---

### Acknowledgments

- **Authors:**
  - Contributions from environmental engineering specialists

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### Further reading

- Environment Canada: "Environmental Monitoring and Assessment"