

Basic Policy for Internal Control Systems

(1) Systems for ensuring that the execution of duties by directors/officers and employees of the Company and its subsidiaries complies with the law and the company's articles of incorporation

For the purpose of complying with applicable laws and internal rules and regulations, TAKATA Corporation (the "Company") has established the "TAKATA Conduct Guidelines" which are to be shared among the directors/officers and employees of the Company and its subsidiaries (collectively the "Company Group"), and is taking measures to ensure that all directors/officers and employees are made aware of and comply with these guidelines.

In order to promote the Company Group's compliance, the Company will improve its compliance system by appointing Compliance Officers and establishing the Compliance Committee etc. in each relevant area. In addition, the Company will establish external whistleblower offices available to the directors/officers and employees of the Company Group.

(2) System for retention and management of information relating to execution of directors' duties

Information relating to the execution of directors' duties, including minutes of meetings of the Board of Directors and other important meetings, is retained and managed appropriately in accordance with applicable laws and the Company's document management policy.

(3) Regulations and other systems related to risk control of loss to the Company and its subsidiaries

Important matters related to the Company Group's management will be submitted to the Board of Directors, the Headquarter Executive Committee, etc. and decisions on such matters will be made after the associated risks have been assessed and considered, in accordance with the relevant decision-making rules.

The Company will establish the Company Group's rules related to risk management. The Company will also appoint a director in charge of promoting risk management; collect and assess risk-related information of the Company Group; and give instructions relating to actions that are necessary for risk management, promote such action, and monitor their progress.

(4) System for ensuring that the execution of duties by directors/officers of the Company and its subsidiaries is conducted efficiently

The Company will maintain a system for the operation of its organization that is functional globally. In addition, the Company will establish a system under which important decision making bodies such as the Board of Directors, the Headquarter Executive Committee, etc. are able to make prompt and appropriate management decisions concerning important management issues, in accordance with the relevant decision-making rules, and will make its subsidiaries establish a system based on that of the Company.

In order to conduct the management of the Company efficiently and effectively, the Company will set the Company Group's plans, etc. on an annual basis and for the medium term, and will take measures to share and promote these plans.

(5) System for reporting to the Company matters regarding the execution of duties by directors/officers of the Company's subsidiaries

The Company will require its subsidiaries to periodically report to the Company important matters related to management based on the Subsidiaries Management Rule, and will appropriately grasp its subsidiaries' information and establish a system for the proper management of its subsidiaries.

(6) Other system for ensuring that the corporate group, comprised of the Company and its subsidiaries, conducts business activities appropriately

The Company Group will take measures to share the "TAKATA Conduct Guidelines" and policies regarding corporate governance. In addition, each subsidiary will promote corporate governance which is adapted to the laws of its country and the nature of its business.

The Company will monitor the maintenance and operation status of the internal control system of each subsidiary. In addition, the Company will liaise with the directors/officers and the compliance officers of each subsidiary, and will ensure the appropriateness of the operation of the subsidiary among the corporate group, and as a global company.

(7) Matters relating to employees whose placements have been requested by corporate auditors to assist with their duties, matters relating to the independence of such employees from directors, and matters relating to the effectiveness of the directions

from corporate auditors to such employees

If requested by the corporate auditors, the Company will place fully-devoted employees to assist the corporate auditors after consulting with the corporate auditors.

Fully-devoted employees who will assist with the corporate auditors' duties will not be under the direction or orders of the directors, and should perform their duties solely under the direction and orders of the corporate auditors and the Board of Corporate Auditors. If any of such employees fails to follow such direction and orders, the Company will consider the internal action.

(8) System for reporting to corporate auditors by directors and employees of the Company, corporate auditors, directors/officers and employees of its subsidiaries, or the person who receives such report from them, and other systems related to the reporting to corporate auditors

The directors and the employees of the Company Group will regularly report to the corporate auditors of the Company on the state of the business of the Company Group, the state of the maintenance and operation of their internal control systems, etc. In addition, the directors/officers and employees of the Company Group will promptly report to the corporate auditors of the Company if they discover any matter that has a material effect on the Company or its subsidiaries or receive a report from other directors/officers and employees of the Company Group.

The directors/officers and employees of the Company Group will also report, at appropriate times, any matter which is requested by the corporate auditors.

(9) Systems for ensuring that the person who has reported to corporate auditors shall not be treated adversely by reason of such report

The Company shall prohibit any adverse treatment of directors/officers and employees of the Company Group for reporting information to the corporate auditors, and shall disseminate such prohibition to directors/officers and employees of the Company Group.

(10) Matters relating to the policy for settlement of expenses or debts arising from the execution of corporate auditors' duties, such as the advancement or indemnification of expenses arising from the execution of the corporate auditors' duties

When a corporate auditor makes a request for indemnification of expenses, etc., to the Company with respect to the execution of his/her duties pursuant to the provisions of Article 388 of the Companies Act of Japan, the Company shall promptly settle such expense or debt, except in cases where it proves that the expense or debt relating to

such request is not necessary for the execution of the duties of such corporate auditor.

(11) Other systems for ensuring the effective execution of audits by the corporate auditors

The corporate auditors will work with the Company's internal audit department and other control and administrative departments to conduct audits on the state of maintenance and operation of the internal control systems of the Company Group. In addition, the corporate auditors will attend important meetings regarding the Company's management.

The directors will convene meetings to exchange opinions with the corporate auditors as and when required.