

**CODE OF CONDUCT
BETWEEN
THE MINISTRY OF DEFENSE OF JAPAN
AND
JAPANESE DEFENSE-RELATED COMPANIES**

1. This Code of Conduct is pursuant to the Security of Supply Arrangement (the “Arrangement”) between the Ministry of Defense of Japan (Japan MOD) and the Department of Defense of the United States of America (U.S. DoD), which came into effect on January 12th, 2023. The terminology used in this Code of Conduct follows the terminology used in the Arrangement.
2. The purpose of this Code of Conduct is to create a mechanism to implement the matters set out in Section 3 of the Arrangement between the Japan MOD and Japanese defense-related companies and to define each role.
3. This Code of Conduct is voluntary and it will not create any legally binding rights or obligations neither to the Japan MOD nor Japanese defense-related companies.
4. A Japanese defense-related company willing to participate in and comply with the matters of this Code of Conduct may apply for registration to the Japan MOD. Such an application will be done in writing and using the attached template (Annex), and submitted to the Japan MOD. The Japan MOD should review whether or not the applying company is eligible to be registered, and will inform it of the result. Upon registration, the company will be considered as an “Accredited Japanese Company” in the context of the Arrangement and a participant in this Code of Conduct. The Japan MOD should treat the information provided in the application as JMOD CHUI (Sensitive), provided that the Japanese defense-related company has declared in its application that the application contains business or trade secrets. Upon application to the Japan MOD, Accredited Japanese Companies may withdraw from this Code of Conduct.
5. The Japan MOD will keep a register of Accredited Japanese Companies. The Japan MOD should notify the U.S. DoD of the Accredited Japanese Companies.
6. To the greatest extent possible, an Accredited Japanese Company should do all that can reasonably be done to provide priority support to contracts supporting the U.S. DoD Programs. It will do this by:
 - a) Accepting that a contract it enters into, or is a part of, with the U.S. DoD or with one of its contractors, after approval by the Japan MOD, be accepted as a contract falling under this Code of Conduct (“Code of Conduct Contract”);
 - b) Inserting into any subcontract provisions designed to ensure due performance of such a Code of Conduct Contract;
 - c) Responding in a timely manner to the requests of the U.S. DoD, transmitted through the Japan MOD, for modifications to the timing of deliveries, provided that the customer is able to compensate them, as required by the relevant contractual provisions; and
 - d) Informing the Japan MOD and the U.S. DoD of priority conflicts between Code of Conduct Contracts and other contracts to resolve the situation by consultation.
7. Under no circumstances should an Accredited Japanese Company be required to suffer a loss without compensation. In the specific instance that a request under this Code of Conduct cannot be satisfied without incurring liability for damages to other customers, and that the requesting customer is unwilling to compensate an Accredited Japanese Company for such identifiable loss as it may incur, it will be reasonable for the Accredited Japanese Company to refuse the request.
8. In any case, an Accredited Japanese Company will be entitled to refuse the request by the U.S. DoD, if such request would seriously imperil future or existing client/customer relations and/or endanger future or existing business. This will be without prejudice to their continued membership of this Code of Conduct.
9. Should an Accredited Japanese Company intend to refuse to provide the priority support requested by the

U.S. DoD, the Japan MOD should investigate the circumstances surrounding the case. The Accredited Japanese Company, through its representatives, will respond either in writing or orally. The Japan MOD should take measures necessary to assess/evaluate the circumstances surrounding the request for priority and subsequent refusal of such request, and will act as follows:

- a) If the Japan MOD considers that the Accredited Japanese Company has complied with this Code of Conduct, the Japan MOD will, if requested to do so by the Accredited Japanese Company, notify the U.S. DoD. The U.S. DoD may act on that notification as it considers appropriate. The Japan MOD may use its offices with the U.S. DoD to resolve any remaining difficulties.
- b) If the Accredited Japanese Company is deemed not in compliance with this Code of Conduct, the Japan MOD should use its offices to obtain assurance that the Accredited Japanese Company takes such steps considered necessary to rectify the situation, and notifies the U.S. DoD.

10. Participation in this Code of Conduct may be offered by Japanese defense-related companies as an indication of their reliability in supplying industrial resources to the U.S. DoD and the contractors supplying it.
11. Failure to comply with the conditions of this Code of Conduct may lead to a review by the Japan MOD. The Japan MOD may remove, or temporarily suspend, an Accredited Japanese Company from this Code of Conduct.
12. If the Japan MOD revises this Code of Conduct, the Japan MOD should inform Accredited Japanese Companies.

Annex

Annex : Application for the Japan MOD Code of Conduct participation			
<i>The information provided in this application may be transferred to the U.S. DoD under the Arrangement, and any information that is generally accessible or available to the public may be shared with associations constituted by Japanese defense-related companies and other Japanese government agencies only for the purpose of the Arrangement and the Code of Conduct.</i>			
Company:		Company Point of Contact:	
Country:	Japan (JPN)	Function:	
Address:		Mobile:	
		E-mail:	
		Web:	
Company profile			
General description of company:			
Sales USD/year:		Employees:	
Products and capabilities (please be as detailed as possible)			
Core capabilities:			
Major products:			
Development capabilities:			
Manufacturing capabilities:			
Maintenance, Repair, Overhaul (MRO) capabilities:			
Certifications:			
Market Position			
Primary customers (Industry and Military):			
Reference programs:			
Relations with U.S. defense contractors:			
U.S. presence:			
Business or Trade Secret			
Does this application contain any of your company's business or trade secrets? If so, please change the color of the cells containing such secrets to yellow.	yes	no	
Indication of Reliability			
Does your company understand the Code of Conduct and wish to participate in it as an indication of your company's reliability in supplying industrial resources to the U.S. DoD and contractors supplying it?	yes	no	