

Human resource management

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The JTEKT group is comprised of roughly 130 bases and approximately 44,000 employees (As of the end of March 2017), making JTEKT a global company. It is therefore essential that we accept and employ people who possess a variety of different values, regardless of their gender, nationality, age, or culture.

Creating a friendly work environment for all

JTEKT promotes the creation of a workplace in which all of our employees find it easy to work, considering various aspects such as human development, respect for diversity and safety and hygiene. Our company believes that, as we expand globally, it will become even more important to deepen understanding towards human rights and share this with group companies both domestically and overseas.

Respect for human rights and utilization of diverse human resources

JTEKT's Corporate Activities Standards states the following; "Respect the individuality of employees, create safe workplaces that motivate employees and enable them to fulfill their potential and strive to provide each with abundant living circumstances." We give explicit instructions regarding the prohibition of discrimination based on race, gender, age, nationality, etc., and share and enforce this thinking with our group companies both in Japan and overseas. Additionally, we engage in various actions to utilize diverse human resources.

Direction of human resource development

Based on the following 3 points, JTEKT constructed a systematic human resource development system to enable all employees to grow while achieving a sense of accomplishment.

1. Develop employees who understand the Corporate Philosophy and are professional, creative, highly skilled, and able to achieve management goals.
2. Develop employees who have confidence, pride, and passion, think for themselves, and act as a member of the JTEKT group.
3. Develop employees who respect human rights, live in harmony with the environment, observe social rules, are sensible, and have an international perspective.

Main activities FY2016

Formation of a global human management / development framework

Around 60 percent of the approximate 44,000 employees of the JTEKT group work overseas. JTEKT promotes the formation of a global human management/development framework with the aim of creating the optimal environment for employees and the compa-

ny alike so that motivated and capable people, regardless of nationality or race, may perform to their fullest transcending national and regional borders. JTEKT assembled information on the careers and capabilities of employees currently occupying major posts at our domestic and overseas bases and potential successors and held regional Succession Committees in FY2016 also to discuss the discovery, development and appropriate allocation of successors for each post. We also gather information from each region and hold a Global Succession Committee to discuss the discovery, development and appropriate allocation of human resources for the group overall. Moreover, from FY2016, personnel nominated at the Succession Committee as candidates for overseas bases are provided the opportunity to participate in selection-based training held at JTEKT Head Office in order to improve management skills of the group overall. We plan to continue this in FY2017.

Assisting female employees in developing their careers

In order to accelerate female participation in the workplace, JTEKT conducted an actual condition survey targeting all female employees and all management personnel in FY2014. We investigated the environment surrounding female employees, awareness of female employees' work and the development/assessment by superiors of subordinates. Based on the issues brought to light through this survey we established the following four elements which have been focused on since FY2015. We made steady progress with such activities in FY2016 also.



Career training for women (Two days)

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| 1. Reform consciousness | We implement training for all administrative positions on understanding diversity management from the aspects of eliminating stereotyped perception of gender roles, and the nurturing of female subordinates. |
| | We conduct career training for women in all positions on long-term career design and network formation. |
| 2. Dual support | Creation of systems and environments enabling employees with limitations to continue working. |
| | Introduction of systems aimed at supporting career development. |
| 3. Strengthen hiring | Proactive hiring of women who are strongly career-oriented. |
| 4. Foster culture | We foster a corporate culture that enables all employees to flourish, regardless of gender, based on diversity education for all employees as well as other methods. |

Communication with stakeholders

The JTEKT group continues to grow and develop thanks to the support of our many stakeholders. Your opinions and requests serve as important criteria when selecting our business activities, and we are working to provide more opportunities for fruitful communication between our company and our stakeholders.

Customers

We derive concepts from the market, provide the best in quality, technology and service, and obtain the satisfaction and trust of customers.

- 1 We detect issues in the market at an early stage from the perspective of customers and implement EDER (*) activities to roll out countermeasures.
- 2 We conduct customer satisfaction surveys each year to improve the satisfaction of our customers.

3 We participate in exhibitions in Japan and overseas to introduce JTEKT technologies and products, and assess market demands.



* EDER EDER is an abbreviation of "Early Detection Early Resolution."

Business partners

We follow proper business practices and engage in fair, transparent and free competition based on a respect for the law.

- 1 Once a year, we hold a procurement policy briefing (249 companies participated in FY2016), as well as a quality control tournament (253 companies participated in FY2016), and a JTEKT Supplier Association workshop.
- 2 Major Implemented Items for FY2016
Strengthen efforts to resolve significant quality problems / Achieve superior international cost competitiveness / Support for optimal global procurement

Shareholders / Investors

We maintain close communication not only with shareholders but also with society at large and disclose corporate information properly, while at the same time working to improve our corporate value on a continuous basis.

- 1 At the financial results briefing, JTEKT's President and heads of each business headquarters share information with securities analysts and institutional investors.
- 2 In addition to financial information, we provide opportunities for investors and securities analysts to see and touch actual products and participate in factory tours in order to gain a deeper understanding of JTEKT.
- 3 So that we can disseminate important management information in addition to financial results, JTEKT has established a council of public disclosure which discusses disclosure content and timing.
- 4 In addition to the financial results briefing held for institutional investors and IR conferences held for overseas investors, we also hold company briefings for individual investors so that a broader scope of investors can better understand what kind of company JTEKT is.

Region

As a good corporate citizen, we aggressively pursue activities that contribute to society.

1

In order to be a company that constantly contributes to society, JTEKT promotes local beautification, co-existence with nature, youth development, road safety and other grassroots activities. In FY2016 we engaged in a total of 655 activities including welfare and disaster zone support.

2

We have held a charity caravan supporting disaster areas for four consecutive years at all our bases in Japan. In FY2016, our total monetary contribution to charity exceeded the previous year's at 3,401,851 yen.



For the first time, JTEKT participated in Kids Engineer 2016 held at PACIFICO Yokohama. Children learnt about the functions and mechanisms of various car parts.

Employees

JTEKT promotes the creation of a safe workplace, and the health of the minds and bodies of each employee.

1

We promote industrial safety, hygiene and health according to OSH in Japan (JISHA OSHMS Registration) through partnerships with all JTEKT bases and group companies within and outside of Japan, with the aim of achieving zero work-related accidents.

2

In order to promote the mental and physical health of all of our employees, JTEKT conducts health check-ups, stress level checks, health check-ups specifically for employees working long hours, special health advice and non-smoking campaigns. Based on the results of these activities, we are making ongoing improvements to our workplaces.

3

In February 2017, JTEKT was certified by the Ministry of Economy, Trade and Industry and NIPPON Kenko Kaigi as a 2017 Excellent Health Management Company (Large-scale Company Category White 500).



4

From FY2014, JTEKT has been running a walking campaign where employees aim to walk 10,000 steps a day.

5

To further mutual trust and understanding between labor and management, we provide opportunities for the two parties to communicate and hold regular opinion exchanges.

6

Once a year, we conduct a workplace management questionnaire and morale survey for all our employees.