

Forging sustainable relationships with stakeholders

The JTEKT Group has grown into what it is today with the support of our various stakeholders.

We believe the opinions and requests of such stakeholders are important references when making decisions

relating to our business activities and we are working to increase opportunities for productive dialogue.

Employees

We will respect the personality and individuality of our employees and create safe workplaces and train

Together with employees

Create environments in which all employees can work with ease

JTEKT encourages the creation of workplaces in which employees can work with ease from a variety of aspects, including professional development, respect for diversity, and safety and health. As we promote global expansion, we believe it will become even more important to deepen our understanding of human rights and share this with group companies both in Japan and overseas.

Respect for human rights and utilization of diverse human resources

In our Corporate Activities Standards, JTEKT declares that it "respects the personality and individuality of our employees and creates safe workplaces valuing potential and motivation so that each and every employee may feel abundance in their working lives." We also clearly state in writing that we forbid unfair discrimination based on race, gender, age, nationality, etc. as well as child labor or forced labor. This is shared and enforced at group companies both in Japan and overseas. With this as the basis, we are promoting various initiatives in order to utilize diverse human resources.

Major initiatives

- Hiring foreign employees
- Employing persons with disabilities
- Providing assistance for those engaged in childcare or family care
- Reduction of work outside regular hours and encouragement of paid leave usage
- Providing post-retirement employment opportunities
- Assisting female employee's career development
- Changing fixed-term employees to permanent employees
- Various education concerning human rights, etc.

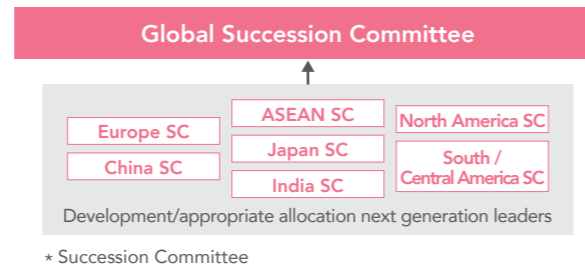
Direction of human resource development

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.

Formation of a global human development

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 company alike so that motivated and capable people, regardless of nationality or race, may perform to their fullest transcending national and regional borders.



Promoting diversity

We position diversity promotion as one of the important management strategies for realizing JTEKT GROUP VISION

Assisting female employees in developing their careers

We made steady progress with such activities.



Career training for female employees (2 days)

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.

Employees

management to value potential and motivate so each and every associate feels respected in his/her working lives.

Safety and health-related Initiatives

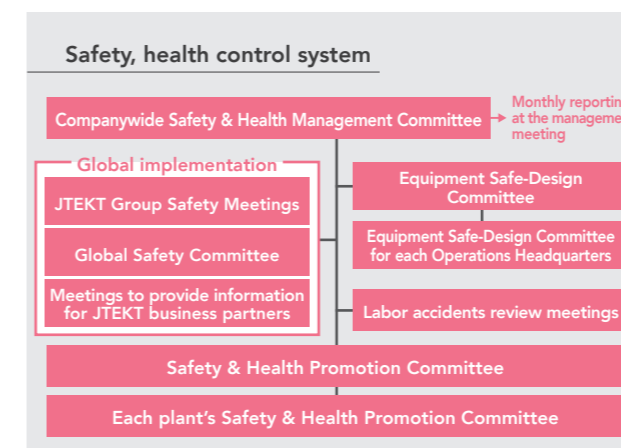
Aiming to create a safe and comfortable workplace environment

All JTEKT employees unite to engage in safety and health activities and create a comfortable workplace environment under our Companywide Safety & Health Policy.



Promotion of activities based on a centralized management system

JTEKT has established a Companywide Safety & Health Management Committee for the systematic promotion of safe and comfortable workplace environments and has created a centralized management system encompassing group companies both in Japan and overseas. We roll out safety and health activities on a global level.



Health-related initiatives

Promoting healthy minds and bodies for every employee

JTEKT values the health of each and every one of its employees and as such, conducts health management activities so that employees may enjoy and go about their daily work with vitality. As an initiative to promote healthy minds and bodies, we proactively promote mental health activities and activities for the prevention of lifestyle-related diseases.

Achieving mental health

JTEKT promotes mental health countermeasures focusing on preventing depression and other mental illnesses. We conduct mental health training and stress level checks for all employees and provide support such as counseling for workplaces or individuals with high stress levels. Furthermore, we are endeavoring to prevent cases of over-working through doctor interviews/guidance for employees who work long hours. We also implement a return-to-work support program focusing on recurrence prevention for those employees who have taken leave due to mental illness.

Achieving physical health

JTEKT places importance on the prevention, early detection and early treatment of illnesses such as lifestyle-related diseases and proactively supports the health management of its employees.

Certified as an Excellent Health Management Company (Large-scale Company Category White 500) two years running

For two consecutive years (2017/2018), JTEKT has been certified as an Excellent Health Management Company (White 500) in recognition of its proactive initiatives promoting the emotional and physical health of our employees.



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Customer

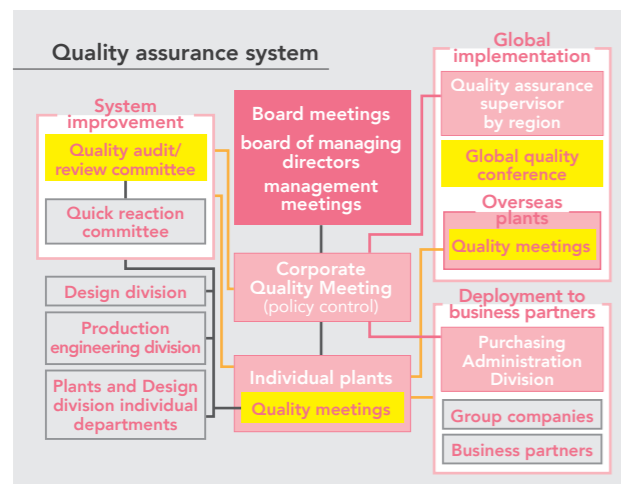
We derive concepts from the market, provide the best in quality, technology and service, and obtain the satisfaction and trust of customers.

Quality policy and quality assurance system

With our "Customer First" philosophy being the foundation of our quality policy, we engage in various quality improvement activities. Moreover, we have established a quality assurance system based on our quality policy and are endeavoring to implement further improvement.

Quality policy Adhering to the theme of "Quality First", we offer products which earn the trust and satisfaction of our customers.

- Making decisions and taking swift action from the standpoint of our customers
- Improving design and manufacturing quality through the ingenuity of all members



- 1 Discover market problems from the customers' perspective at an early stage and implement the EDER* activity to roll out countermeasures.
- 2 Implement annual customer satisfaction surveys to lead to higher customer satisfaction.
- 3 Participate in exhibitions both in Japan and overseas in order to introduce JTEKT's technologies and products and appraise market needs.



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

Together with business partners

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

Promotion of fair and equal business transactions

JTEKT respects our business partners and aims to develop and grow based on mutual trust. In our Corporate Activities Standards and Purchasing Philosophy, we have clearly stated our policy of practicing open and fair business regardless of nationality, company scale, and experience doing business with JTEKT. Moreover, in order to offer fair and equal opportunities to trade with us, we publically disclose the preliminary steps to establishing trade with JTEKT on our website.

Purchasing Philosophy

Fair and transparent business transactions We provide open, fair and equal opportunities to all regardless of nationality or company size, including companies with no experience doing business with JTEKT.

Purchasing Basic Policy

Mutual trust Build mutual trust through close communication with business partners.

Coexistence and co-prosperity Achieve harmonious relationships with business partners based on mutual trust.

Long-term, stable business relationships Achieve stable procurement meeting JTEKT's quality, cost, volume, and delivery requirements through continuous business.

Global purchasing Achieve optimal purchasing from a global viewpoint and improve international competitiveness by a strong supplier chain.

- 1 Hold a Purchasing Policy Meeting (attended by 247 companies in FY2017), Quality Control Meeting (attended by 253 companies in FY2017), and the JTEKT Cooperation Council Workshop once a year.

- Principal actions in FY2017**
- 1 Strengthening of initiatives addressing major quality issues, realization of excellent international cost competitiveness and response to global optimal purchasing.
 - 2

Local Communities

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

Our ideal

By forging good relationships through social contribution activities, JTEKT aims to be a company trusted and loved by local communities, as well as a company that advances hand-in-hand with the community.

Principal activities

- Local community** We appraise the needs and evaluation of local community and continue appropriate contribution activities.
- Youth development** Target: Senior high school students and younger. JTEKT leverages its experience and knowledge related to culture, sports and company business to provide opportunities for the healthy development of our youth, who will be leaders of the future, on an ongoing basis.
- Environmental conservation** * Primarily run by the Environment Dept. We continuously participate in environment-building activities so that all living creatures may coexist in harmony.
- Support for disaster-stricken regions** In order not to allow a repeat of what happened after the Great East Japan Earthquake, we will increase the participation awareness of each and every employee.
- Employee participation** All employees will understand the aim of JTEKT's social contribution activities and as many employees as possible will participate in activities once a year.

- 1 In order to be a company that continues contributing to society, we promote grassroots activities such as community beautification, harmonization with nature, youth development and road safety. We will also further promote activities related to welfare, support for disaster-stricken regions, etc.

- 2 We have dispatched a charity caravan to support disaster-stricken regions around Japan for five years in a row. JTEKT's total contributions in FY2017 amounted to 2,365,897 yen.

Shareholders and 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.

Aiming for highly-transparent management

We strive to secure transparency in our management and build long-term relationships of trust with all our shareholders and investors.

In terms of information disclosure relating to management, naturally we comply with rules relating to legal disclosure and timely disclosure, in order to increase the transparency of our management and help shareholders and investors to deepen their understanding of JTEKT and the JTEKT Group, we also proactively disclose information voluntarily in a fair, timely and appropriate manner through various IR activities.

- 1 At our financial results briefings, our president and the General Chief of each business department provides information for securities analyst and institutional investors.
- 2 We hold plant tours for shareholders, investors and securities analysts so that they may make contact with our actual products and deepen their understanding of JTEKT rather than rely on financial information alone.
- 3 We have established an internal Council of Public Disclosure to deliberate on content and timing of disclosures to ensure the appropriate and timely dissemination of important management information other than financial results.
- 4 In addition to financial results briefings for institutional investors, IR conferences for overseas investors, etc., we hold company briefings for private investors so that a broader range of investors can gain an understanding of JTEKT.

JTEKT bond ratings

Rating institution	Long-term rating	Short-term rating
Japan Rating Agency	A+	J-1
Rating & Investment Information, Inc	A	