

Forging Sustainable Relationships with Stakeholders

The JTEKT Group has grown into what it is today through the support of its 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 are undertaking the building of workplaces in which employees can work enthusiastically and healthily over the long term, as well as putting in place a human resources development framework that encourages every individual employee to undertake self-directed learning and helps them to achieve personal growth.

Human resources development measures

Human resources development policy

Our goal is to realize “Building Professionals” so that every individual employee of the JTEKT Group possesses self-confidence, pride, and enthusiasm, and is able to think and act independently.

Our basic strategy for achieving this objective is to build a systematic human resources development framework based on the following principles:

- Having every individual employee acquire the practical skills that are needed in the workplace, so that they can fulfill their potential
- Fostering and supporting employees who undertake self-directed learning and continue to strive for personal growth, so that they can work enthusiastically over the long term
- Building a corporate culture conducive to the development of human resources, by utilizing hands-on management that makes it possible for experienced employees and younger employees to learn from one another

Promoting diversity

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

Concrete measures for promoting diversity

Based on an approach that recognizes diversity, in its ultimate sense, as valuing the personality of each individual, we are striving, on a daily basis, to build a workplace environment in which every employee is able to undertake their work with enthusiasm and motivation.

- Starting from fiscal 2015, we have been making a major effort to promote diversity, with the commencement of measures focused on fostering the advancement of female employees and non-Japanese employees.
- Since fiscal 2017, we have been expanding and promoting our measures for realizing active participation by senior citizens and people with disabilities.
- In fiscal 2018, as part of our efforts to help employees balance their work responsibilities with their childcare or family care responsibilities, we have launched various measures, including expanding the scope of day-care center provision on weekends and public holidays, organizing seminars for employees wishing to return to work after taking time off for family care or childcare responsibilities, etc.

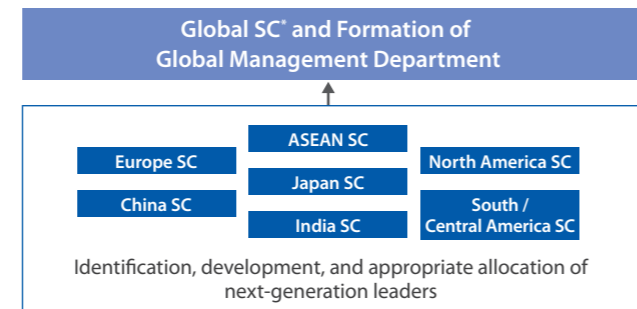
Building a sound framework for human resources development

JTEKT’s human resources development framework comprises the following key pillars: on-the-job training (OJT), off-the-job training (OFF-JT), and career development.

- OJT
- OFF-JT
- Grade-specific, position-specific, and age-specific training
- Selection training / thematic training (problem-solving training, etc.)
- Training in specialist fields (safety and health, environmental, quality management, technology-related, etc.)
- Succession planning
- Helping employees to build up valuable experience through carefully planned training and rotation
- Planning is under way for the utilization of talent management systems and learning management systems to build a framework for employee rotation that makes effective use of data, identify skill gaps at the level of individual employees and implement effective career planning, and realize on-demand training, etc.

Formation of global human resources development

Roughly 60% of the approximately 44,000 employees of the JTEKT Group work overseas. JTEKT promotes the formation of a global human resources 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.



* Succession Committee

JTEKT Awarded Kurumin Mark Certification

In May 2019, JTEKT was awarded Kurumin Mark certification in accordance with the provisions of the Act on Advancement of Measures to Support Raising Next-generation Children. As a “Childcare-supporting Enterprise,” in the future JTEKT will continue to work toward the building of a workplace environment in which every individual employee can fulfill their potential, for example through providing support to help employees balance childcare and work responsibilities.



Employees

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.

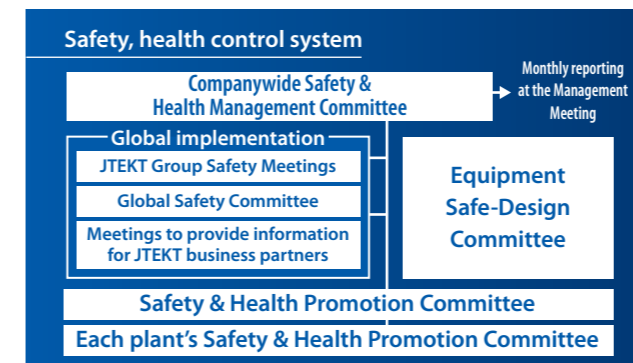
JTEKT Safety Vision—The Group’s pillar for its safety activities



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.

In addition, progress reports on safety and health activities and information relating to natural disasters, etc., is reported at the monthly meetings of the Safety & Health Promotion Committee and the Management Meetings (which are attended by all company officers holding the position of director or higher). This information sharing provides a basis for further activities.



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 their daily work and go about it with vitality.

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 overwork through interviews with doctors and 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 enterprise category, dubbed the “White 500”) three years running

For three consecutive years (as of 2019), JTEKT has been certified as an Excellent Health Management Company (the “White 500”) in recognition of its proactive initiatives promoting the emotional and physical health of its employees.



Customers

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

Conducting a customer satisfaction survey

JTEKT’s Annual Customer Satisfaction Survey, which is administered to the Group’s main customers, was implemented once again in fiscal 2018.

- 1 Quality
- 2 Delivery
- 3 Technical response capability
- 4 Cost response capability
- 5 Technology and sales service provision

With the aim of enhancing customer satisfaction with all of the five items listed above, we share any issues that may arise throughout the company, and strive to resolve them quickly and effectively.

Activities to overhaul the company’s quality culture

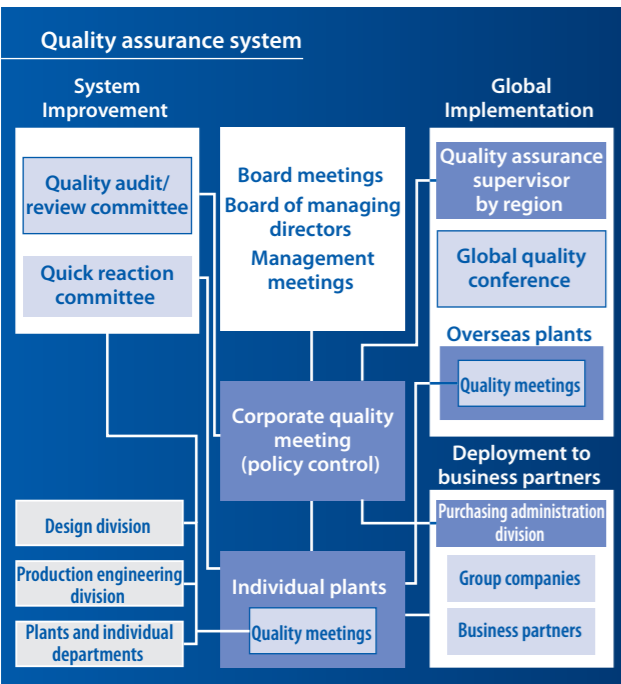
JTEKT has designated each November as “Quality Month.” In order to enhance employees’ quality awareness, a variety of different activities are implemented, including quality poster and slogan competitions (with the dissemination of the winning entries), the holding of quality-related discussions in individual units, etc.

JTEKT exhibits its “J-PAS” Power Assist Suit—an innovative product that represents a whole new business area for the company—at trade shows in Japan.

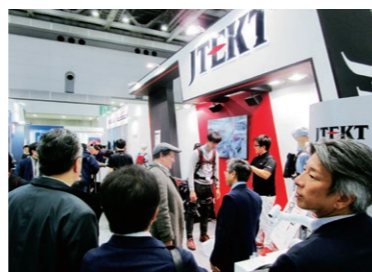
JTEKT has been exhibiting J-PAS, which was launched in August 2018, at trade shows, giving visitors the opportunity to try on the suit and experience for themselves how J-PAS reduces the strain on the back when performing heavy manual labor, and how comfortably the suit fit.

[Summary of trade shows where J-PAS was exhibited]

- Logis-Tech Tokyo 2018 –INNOVATION EXPO– (Sept. 11–14, 2018, Tokyo Big Sight)
- RoboDEX – 4th Robot Development & Application Expo (Jan. 16–18, 2019, Tokyo Big Sight)
- Next Innovation Technology Fair 2019 (March 19–20, 2019, Fukiage Hall, Nagoya City)



Logis-Tech Tokyo 2018



RoboDEX

Business Partners

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

Promotion of fair and equal business transactions

JTEKT respects its 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 publicly 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 through a strong supplier chain.

Holding of the Purchasing Policy Meeting and JTEKT Cooperation Council Workshop

JTEKT’s annual Purchasing Policy Meeting was held in April 2018, with 297 representatives of 261 companies attending. This year, besides making some requests concerning the strengthening of CSR and thorough implementation of safety measures, we also explained the key implementation items for the current year, and awards were presented in various categories, including the newly established VE / VA solutions category. The JTEKT Cooperation Council Workshop included a quality management meeting, training session, lectures, and a new disaster mitigation study meeting. The aim of the workshop was to build relationships of mutual trust among council members and to strengthen enterprise fundamentals.

Holding meetings with suppliers about their problems

JTEKT began holding meetings with suppliers about their problems in fiscal 2017, and as of September 2018 we had arranged opportunities for approximately 200 suppliers to discuss any difficulties that they were encountering in their transactions with JTEKT. We are striving to make improvements based on the views expressed by suppliers. Follow-up meetings have been held, and we will continue to implement this initiative in the future.

Implementation of a combined procurement meeting in India

In May 2018, the JTEKT Group held its first procurement policy presentation in India since the merging of the procurement functions of our three local subsidiaries in India: JTEKT India Ltd., Koyo Bearings India Private Ltd., and JTEKT Sona Automotive India Ltd. Besides explanations of JTEKT’s procurement policy, current market trends, and the company’s quality strategy, there was also a Q&A session; the aim of which was to provide an opportunity for suppliers to develop a better understanding of the future activities of the “new” JTEKT India.

CSR Activity Items Guidelines for suppliers

In order to share JTEKT’s approach to CSR with suppliers, we have issued a set of CSR Activity Items Guidelines for suppliers, which clarify which items we expect suppliers to comply with. Suppliers are asked to also request that their own upstream suppliers follow these Guidelines.

Activity items that the Guidelines request suppliers comply with:

1. Managerial measures

- Compliance
- Risk management

2. Stakeholder-related measures

- Quality maintenance and enhancement
- Fair transactions
- Good labor relations
- Human rights protection and respect for diversity
- Adherence to corporate ethics
- Contributing to the local community

3. Global environment measures

- Environmental management
- Environmentally friendly business activities