

Social Report

- This report aims to inform our stakeholders in straightforward language of JTEKT's concept and activities surrounding CSR.
- For FY2014, we have made major changes to the format of the report to make it easier to comprehend, dividing it into a Message (leaflet) and a full online report combining both the Message and the Details & Data section.
- The Details & Data section emphasizes objectiveness, completeness and continuity.
- In this "Social Report" section, we have summarized the overall activities for FY2013 by stakeholder. This report has been consistently configured in the same way since the 2008 CSR Report, in order to make it easy to read on a continuous basis.

Target period and target organizations/scope

Target period

FY2013 (April 2013 - March 2014)

* Some items include content from other periods.

Target organizations and scope

All JTEKT Corporation activities

Management of the JTEKT group is carried out on a group-wide basis, including elements such as environmental data measurement and control based on a uniform standard. Some items also show the performance of our domestic affiliated companies and overseas local affiliates. As a general rule, if there are changes in the tallying scope, we revise data dating back to the past.

Reference guidelines

- ◎ GRI (Global Reporting Initiative)
"Sustainability Reporting Guidelines 2013 (G4)"
- ◎ Japan's Ministry of the Environment
"Environmental Reporting Guidelines (2012 edition)"
- ◎ ISO26000 (International Standard for corporate responsibility)

New! This mark is used to indicate new action begun in FY2013 and information disclosed for the first time in this year's report.

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Together with customers

Social background

Awareness of consumers' rights is rising on a global scale, represented such as the ISO26000, which positions consumer issues as one of its central themes, etc. Following the 3.1 version of the GRI Guidelines, the 4th version (G4) also has a section on "product responsibility". Thorough quality control is being demanded of manufacturers and system suppliers in order to provide safe and secure products.

JTEKT's concept

Considering the entire society as customers

In order to provide customers with the highest quality products, JTEKT naturally searches for value as a supplier but at the same time aims to be considered as having value as a partner that can be relied upon. Moreover, JTEKT's products are used in various industries, such as automotive, railway, steel, aviation and space and are deeply and widely involved with society and environmental issues. JTEKT has a strong awareness of our social responsibility, and constantly strives to improve technology and quality, regarding our customers to be not only those who we directly do business with, but also the society at large.

In the JTEKT GROUP VISION formulated in April 2014, "building value" that exceeds customers' expectations is one of our three pillars.

[→ \[Message\] P6~11 Related article](#)

Quality policy and quality assurance system **New!**

[▶ Figure-01](#)

Establishing a quality policy with the motto of "Customer First", JTEKT is involved in a variety of quality improvement activities. We also maintain and constantly improve a quality assurance system based on this policy.

In 2013, the wording of the quality policy was partially changed. The phrase "product quality" was changed to a more specific expression, "design quality and manufacturing quality". We believe that seeking quality at each stage of design and manufacturing allows us to improve overall product quality and gain our customers' trust.

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

Together with customers

Major activities in FY2013

[Quality]

Implemented QG (*)-20 activities (milestone control)

JTEKT has begun a control meeting using 20 milestones for all stages, from planning, design, development and production preparation to full-scale production. The required quality is properly reflected in the product. * QG is the abbreviation for Quality Gates.

Improvement through regular inspections

JTEKT actively pursues the obtainment of reviewed quality management system certification through third parties. JTEKT continues to receive periodical inspections once or twice a year and uses the results to further revise and improve its quality control system.

Major obtained certifications

- ISO9001 (International quality management system standard)
- TS16949 (Quality management system for the automotive industry)
- AS9100 (Quality management system for the aviation/aerospace industries)

Raising awareness through quality months ★New!

For the purpose of raising quality awareness, JTEKT has set May and November as “quality months”. During these months, we engage in various activities such as calling for and displaying posters and quality slogans, and discuss improvements for each department.



16th quality month poster in November 2013

Establishment of a new organization ★New! overseeing environmentally burdensome substances

Each development and design department at JTEKT is working on environmental problems concerning products. To further advance these efforts, an organization that oversees environmentally burdensome substances on a companywide level was newly established in April 2014.

TOPICS

CMMI3 Certification obtained ★New!

JAST (China), an overseas group company, obtained the CMMI Level 3 Certification in March 2013. CMMI certifies quality processes of software development, and having this certification means that compliance with global standards has been certified by an American certification organization. JAST became the first company to be certified among JTEKT group companies.



Top: CMMI3 certificate
Bottom: Photo taken after obtaining CMMI3 certification

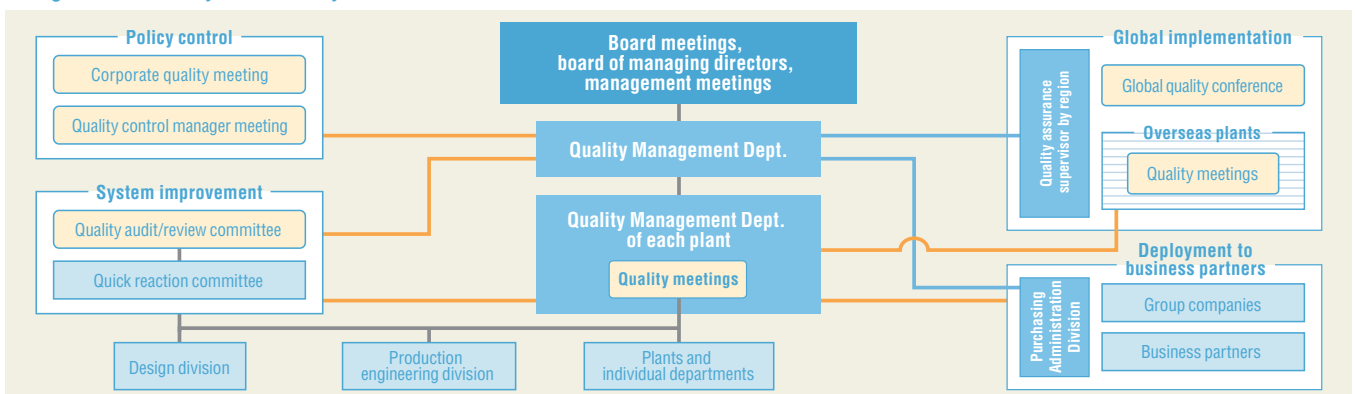
[Training]

Strengthening the ability to foresee needs ★New!

JTEKT sales representatives, who oversee contact with customers, strive to enhance customer trust. In November 2013, training was provided for third-year sales staff to strengthen sales skills at the Kokubu Training Center. The training included “demand creation strategy building training”, which develops skills to make proposals by foreseeing customer needs.



▶ Figure-01 Quality assurance system



Together with customers

1st Global Marketing Meeting ★ **New!**

A global meeting on sales activities for standard bearing products was held in Osaka in March 2014, and 22 employees from 12 overseas group companies attended the meeting. In order to better respond to market needs in each country, attendees engaged in intense discussions such as exchanging information and sharing problems concerning sales tools.



Activities to improve engineering and quality at each workplace

Each workplace is working to improve engineering and quality by promoting TQM activities and implementing the SQC method.

[→ S_08 Related article](#)

[Communication] Conducting a customer satisfaction survey

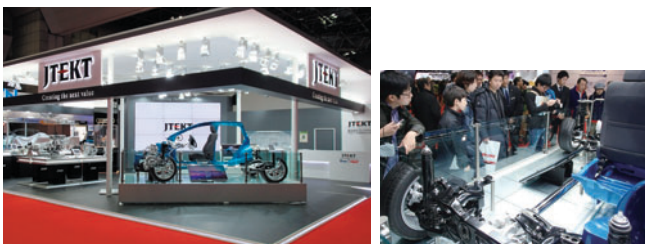
As in previous years, in FY2013 JTEKT conducted customer satisfaction surveys targeting our main customers. We share the issues revealed through such surveys companywide and strive to resolve them swiftly and effectively.

Exhibitions in Japan and abroad ★ **New!**

Every year, JTEKT participates in multiple exhibitions in Japan and abroad, providing an opportunity to communicate with not only our regular customers, but also a broader range of clientele. We aim to introduce more of our technologies and products, and work to better understand market needs.

43rd Tokyo Motor Show 2013

JTEKT introduced its past, present, and future technological innovations at the Tokyo Motor Show, held from November 20th through December 1st at Tokyo Big Sight.



JTEKT Technical Fair 2013

The JTEKT Technical Fair was held for three days, from November 20th through 22nd, at the JTEKT Customer Center (Kariya city, Aichi). Products of the JTEKT group companies were exhibited, including new products from our Machine Tools and Mechatronics business. Our booth saw over 2,000 visitors.



Corporate campaign ★ **New!**

JTEKT has established a brand message of “Creating the next value” as a symbol of our ideals. We ran corporate and product advertisements in various media, particularly newspapers, so that our brand message would reach customers in many places. We put a lot of effort into conveying JTEKT’s passion for *monozukuri* and confidence in our technical capabilities to a broader range of people.



Redesigned website ★ **New!**

The JTEKT website was redesigned in April 2013. This user-friendly website allows not only customers in the industry, but also the general public and students to easily access necessary information.



Awards from customer companies

JTEKT received awards from customer companies in recognition of various quality improvement activities.

Major awards in FY2013

Customer name	Award	Awarded company
Aichi Machine Industry Co., Ltd.	Award of Excellence for Quality	JTEKT Corporation
JATCO Ltd.	Global Special Award	JTEKT Corporation
General Motors	Supplier Quality Excellence Award	KBNA(U.S.A.) KRA(Romania) JTEKT Corporation
Caterpillar	Quality Award	KBNA(U.S.A.)

Together with business partners

Social background

As CSR continues to gather interest throughout the world, the implementation of procurement activities in addition to the conventional QCD (quality/cost/delivery) has come to be expected of companies. These include global compliance to laws and regulations, labor conditions, environmental and safety concerns of purchased materials and parts, and activities concerning BCP (business continuity planning).

JTEKT's concept

Promoting fair business

JTEKT regards business partners as equals and aims for mutual development and growth based on strong relationships of trust. JTEKT has stipulated policies for open and fair business practices in its Corporate Activities Standards and its Purchasing Philosophy regardless of country or company size and including companies with no experience supplying to JTEKT. We have outlined procedures in our website for starting business with JTEKT as a means of providing fair, equal opportunities for all.

“Follow proper business practices and engage in fair, transparent and free competition based on a respect for the law.”

(from JTEKT Corporate Activities Standards)

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.

Green Purchasing activities

JTEKT promotes companywide Green Purchasing activities in order to contribute to the creation of a sustainable recycling-based society. For this purpose we have issued Green Purchasing guidelines and have requested the cooperation of business partners.

Requests to our business partners

We make the following requests to our business partners under the Green Purchasing Guideline.

- Construction of an environmental management system based on obtainment of external certification such as ISO14001.
- Observation and reinforcement of environmental laws and regulations
- Prohibit or restrict use of environmentally burdensome substances
- Improve environmental performance by reducing CO₂ emissions, etc.
- Promote actions to conserve biodiversity

Major activities in FY2013

Purchasing Policy Briefing

On April 14th, 2014, the Purchasing Policy Briefing was held at the Hotel New Otani Osaka, attended by 299 companies and 347 people. As FY2014's purchasing policy, JTEKT requested the strengthening of CSR and thorough safety, which are major assumptions of doing business. At the same time, we explained our major implemented items for the fiscal year. We also awarded our business partners who had demonstrated outstanding performance in regards to quality, technology and cost price improvement for the year overall.

Major Implemented Items for FY2014

- Strengthen efforts to solve significant quality problems
- Achieve superior international cost competitiveness
- Respond to global optimal production

Quality Management Convention

The Quality Management Convention was held on November 12th, 2013 at Osaka Matsushita IMP Hall, and was participated in by around 390 people from all 211 member companies of the JTEKT Supplier Association (*). Six companies presented improvement case studies and Nara plant's QC circle supporters also gave a presentation. In addition, there was a lecture relating to QC circles and a talk from a JTEKT retired senior.

*The JTEKT Supplier Association

The JTEKT Supplier Association is comprised of 211 companies (as of FY2013). It is intended to foster mutual trust among members and raise their capabilities through activities such as quality management conventions, workshops, and lectures.

Together with business partners

JTEKT Supplier Association Workshop

The JTEKT Supplier Association participated at the Toyota Commemorative Museum of Industry and Technology in Nagoya on January 30th, 2014. A workshop was held, focusing on the four themes of labor compliance, confidential information control, the safety and health management system, and trade control.

[CSR Activity Item Guidelines]

JTEKT issued the CSR Activity Item Guidelines in 2012 for our business partners, in order to share with them the purpose of the JTEKT CSR policy. These guidelines clarify items relating to management, sociality, and environment that we would like our business partners to observe. Since 2013, our business partners have also been cooperating with our survey concerning conflict minerals.

Katsutoshi Suzuki
Purchasing Headquarters
Purchasing Planning Dept.
Global Purchasing Planning Office
Administration Group

My
CSR



**Working to build business rules
while constantly aware of
laws and regulations**

Even the ordinary everyday business of the Purchasing Department must be executed within the limits prescribed by law. Each employee who is involved with the business of the Purchasing Department on a regular basis will work to raise their awareness and build rules to avoid making improper correspondence with business partners.

Together with employees

Personnel-related actions

Social background

In the 2011 revision of the OECD Guidelines for Multinational Enterprises, a chapter relating to human rights was newly established. In addition, the 4th version (G4) of the GRI Guidelines has more sections on human rights, compared with the 3.1 version. As can be seen by the increasing number of international guidelines relating to human rights which are being established and revised recently, there are strong demands for companies to conduct business activities which place importance on human rights.

JTEKT's concept

Creating a friendly work environment for all

JTEKT fosters discrimination-free workplaces where human rights and diversity are respected and where employees can strive to achieve high goals. We promote 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. JTEKT 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

Included in JTEKT's Corporate Activities Standards and Employee Conduct Guidelines is the following: "Respect the individuality of employees, create 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.

Main actions

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

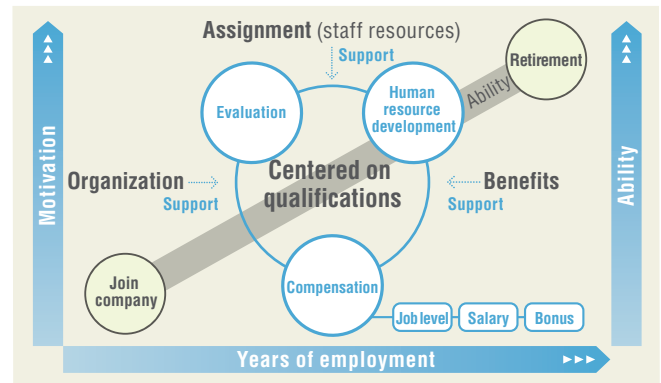
Direction of human resource development

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.

Maintaining high motivation and enhancing abilities

Our human resource development system, consisting of training, evaluation and compensation, enables employees to continually improve their skills and provides them with a motivating working environment during their years in the company.



Major activities in FY2013

[Labor-management relations and employment] Emphasizing labor-management communication

JTEKT places importance on labor-management communication and facilitates numerous opportunities for direct dialogue between workers and management on a companywide and individual plant basis. These include various social gatherings and discussion sessions. Workers and management exchange opinions on company development and improving employee quality of life, and strive to deepen mutual trust and understanding by building even firmer relationships.

Labor-management discussion opportunities (held in FY2013)

- Central Production Subcommittee Meetings (annual)
- Central Labor-Management Meetings (annual)
- Labor-Management Meetings (4 times)
- Labor-Management Committee Meetings (14 times)
- Labor-Management training (annual)
- Plant Production Section Meetings (monthly at each plant)
- Business Facility Labor-Management Discussions (monthly at each business facility)
- Workplace Discussions (as required at each workplace)

Together with employees

Actions to improve the paid leave usage rate ★ **New!**

JTEKT aims to create a workplace in which employees find it easy to use paid leave. Labor and management cooperate together to periodically check the usage status of paid leave in order to improve the usage rate.

Labor condition transition (Average per each workers union member)

	2009	2010	2011	2012	2013
Total work hours (hours)	1,934.8	2,170.6	2,077.2	2,074.7	2,115.3
Work outside of regular hours (hours)	220.9	306.1	321.8	316.0	351.7
Percentage of paid leave consumption (%)	55.0	58.6	62.1	63.2	65.6

Maintain employment

In FY2013 as well, JTEKT exerted an effort to maintain employment through taking various measures such as reassignment. JTEKT observed the relevant laws and internal regulations for managing the employment of fixed-term workers. In FY2013, 184 fixed-term workers were appointed as permanent employees.

Transition from fixed term workers to permanent employees

	2011	2012	2013
Number of transitions made (people)	205	167	184

Composition of employees as of end of March, 2014


	Male	Female	Total
Permanent employees	10,119	774	10,893
Fixed-term employees (*1)	3,203	600	3,803
Total	13,322	1,374	14,696

	Male	Female	Average
Years of employment	15.6	11.7	15.3

Job turnover rate(*2)	0.6%
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Job turnover rate within the first 3 years(*3)	3.0%
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- *1 Total fixed-term, part-time, reemployed, and temporary employees
- *2 Voluntary early retirement rate
- *3 Permanent employees, seasonal recruits, voluntary early retirement




My CSR

Ryou Katou
Personnel and General Administration Division
Technical Training Center

Feeling the weight of responsibility as an instructor

As a vocational training instructor, I provide technical, skill, and lifestyle guidance to young students. I cannot help feeling the weight of responsibility when teaching each and every student, visualizing them playing active roles in the workplace. I devote myself to my work, with the belief that this is also my training ground.



[Human resource development] Training held by job type and rank

We are working on further enhancing the training programs for office and engineering staff as well as production staff.

Human resource development for office and engineering staff ★ **New!**

The JTEKT training system is composed of three pillars: rank-based, function-based, and workplace-based training. We are also focusing on supporting the acquisition of qualifications and self-study efforts.

Starting from FY2014, a training program that aims to enhance problem-solving skills is included in the rank-based training. For the first few years, this program will be led by an external instructor while we develop in-house trainers. Later on, we will establish our own trainers for conducting training. We plan to expand this training program to our bases in each region of the world.

[→ \[Message\] P16 Related article](#)

Human resource development for production staff ★ **New!**

Based on the training at the JTEKT Technical Training Center (*1), we strive to foster highly skilled production staff through OJT (*2) at each plant.

Starting from FY2014, a companywide systematic career development program for production staff will be implemented. A trial of this program was carried out for a number of production staff at the Hanazono and Tokushima plants in FY2012, and all plants in FY2013. The program will be officially implemented at all plants starting in FY2014 and is scheduled to be expanded in the future to bases in each region of the world.

*1 JTEKT Technical Training Center Provides vocational training approved by the prefectural governor of Aichi. Focuses on developing excellent production personnel.

*2 OJT Abbreviation for "On the Job Training," or training carried out during actual work.

Rank-based training types and main content

	Training	Main content	Attendees
Managers	Training for new department managers and manufacturing assistant managers	CSR, workplace management	65
	R3 training for new managers	CSR, policy management, daily task control	129
Office & engineering staff	R4 training for new office & engineering staff	CSR, leadership, planned fulfillment of tasks	163
	R5 training for office & engineering staff	Business communication skills	321
	R6 training for office & engineering staff	Problem solution methods and concepts	287
	Training for mid-career new employees	CSR, JTEKT employee basic knowledge and mindset	130
	Training for office & engineering new employees	CSR, JTEKT employee basic knowledge and mindset	138
Production staff	Training for new Chief Leaders	CSR, Management basics and planned fulfillment of tasks	50
	Training for new Group Leaders	Problem solutions based on QC concept	117
	Training for new production employees	CSR, JTEKT employee basic knowledge and mindset	113

Together with employees

Promoting TQM activities

JTEKT promotes TQM (Total Quality Management) activities based on the three pillars of “Customer First”, “Endless Improvements” and “Participation by All”. At workplaces, which are the frontline, we strive to foster mutual instruction and the handing-down of unique techniques through small group activities (QC Circle activities). On November 15th, “Boar Circle” of the Kokubu plant participated in the 43rd Nationwide QC Circle Contest held at Tokyo Big Sight.

[→ S_03 Related article](#)

SQC (*) Improvement Case Study Companywide Presentation

In R&D, design, production activities and so on, JTEKT proactively incorporates the SQC method to be able to make scientific judgments based on data and consider the variation of materials, parts and properties.

In order to share case studies which utilize SQC throughout the company and learn from one another to improve skills, JTEKT holds a SQC Improvement Case Study Companywide Presentation every year. In FY2013, there was an attendance of about 580.

* SQC SQC is the abbreviation for Statistical Quality Control.

[→ S_03 Related article](#)

TOPICS

1st QC Circle Kaizen Activity Global Convention

On September 12th, the 1st QC Circle Kaizen Activity Global Convention was held at the JTEKT Corporate Pension Fund Hall [Wiz] in Kariya city, Aichi. Daily activity results were presented by six selected circles from overseas group companies in six regions: North America, Europe, China, ASEAN, India, and Central/South America.



Presenter : Sumit Kumar Ror



Most outstanding : India region representative (SKSS) GAURAV Circle

[Respect for diversity] Promoting diversity

In the midst of an ever-changing management environment and on top of globalization, securing and developing personnel with diverse values and personalities is essential for a company to grow. JTEKT is strengthening efforts to promote diversity, one of the pillars of our personnel policy.

Assisting female employees in developing their careers

JTEKT has adopted childcare leave and short-time working systems and is creating a work environment that encourages employees to use such systems, so that each and every employee can maximize their talents and abilities regardless of gender. The rate of employees returning from childcare leave was 100% for women from FY2009 to FY2012 (*). For men, one person took childcare leave in FY2013 and returned to work. In addition, we are actively engaging in recruitment PR activities to hire women for each employment type based on fairness and equality.

* The rate of employees returning from childcare leave has not been calculated for FY2013 because there are employees currently on childcare leave.

Hiring women and promoting women to managerial positions

JTEKT hires women, assigns them based on aptitude, and promotes them to managerial positions.

Hiring of women and promotion of women to managerial positions

	2009	2010	2011	2012	2013
Total no. of women hired through seasonal recruitment	15	6	20	20	27
(Total no. of employees hired through seasonal recruitment)	(355)	(175)	(289)	(326)	(316)
No. of women managers	6	8	11	12	13
(Total no. of managers)	(1,384)	(1,386)	(1,446)	(1,491)	(1,577)
No. of women assistant managers	18	20	20	21	29
(Total no. of assistant managers)	(1,226)	(1,204)	(1,240)	(1,183)	(1,228)

Number and percentage of employees who took childcare leave (*)

	2009	2010	2011	2012	2013
Number of employees who took childcare leave	21	26	19	25	24
Percentage of employees who took childcare leave (%)	88	93	89	100	100

* Percentage of female employees who took childcare leave of all female employees who gave birth

Together with employees

Reemployment of retired employees

To allow highly motivated retired employees with abundant knowledge and experience to continue working, JTEKT established a post-retirement reemployment system in April 2006. As of the end of March 2014, 770 persons reemployed by JTEKT and related companies were working at various workplaces and training younger employees who will one day become leaders of JTEKT.

Status of the post-retirement reemployment system in FY2013

Number of those who are applicable			179
Number of applications [a]			147
Number of reemployed [b]	JTEKT	131	147
	Group companies	16	
Rate of employment [b/a]			100%

Continuation of the “Iki-iki 60 Committee”

In FY2011 an “Iki-iki 60 Committee” was formed for employees and management to jointly investigate various measures enabling employees 60 years and above to work positively and with vigor. In FY2013, the committee set qualifications and compensation based on expectations and roles, incorporated them into the re-employment system, and began the system in April 2014.

Expansion of life career plan training scope

Previously, life career plan training was only held for those employees who had turned 55. However, starting in FY2012, the scope was increased to cover those who were turning 50. We provide an opportunity for employees to think about their career and life design after retirement.

Life career plan training participants (FY2013)

50 years old Career 50 training participants	140
55 years old Career/life 55 training participants	219
Total	359

Employment of people with disabilities

JTEKT actively participates in joint-employment seminars aimed at people with disabilities and strives to provide as many people as possible with interviews and opportunities to apply. Currently we have employees with disabilities working mainly as shop floor support and general administration staff. On April 1st, 2013 the percentage of disabled employees required by the law was raised from 1.8% to 2%, and as such we have further enhanced our actions such as expanding the areas in which people with disabilities can work.

Number of disabled persons employed (Average for 2013)

No. of employees with disabilities	278
No. of employees according to legislation	263
No. of over and short	+15
Employment rate	2.11%

* In accordance with legislation, employees with severe disabilities are counted twice (as 2 people) in the above table.

[Employee satisfaction improvement] Workplace management questionnaires

Each year, JTEKT conducts a workplace management questionnaire for all employees, from January through February. In FY2013, we collected comments from employees in both managerial and non-managerial positions at each workplace through questions regarding the “understanding of the workplace mission”, “common perception of the upper management policies”, and “understanding of the connection between the upper management policies and personal themes”, etc. This allowed us to understand management status, such as whether the progress of daily operations is properly controlled and whether company policies are steadily communicated. We aim to create a better workplace by incorporating issues found through this questionnaire into the plan for the following fiscal year.

→ [\[Message\] P16 Related article](#)

Confirming the level of satisfaction through morale surveys

JTEKT conducts a morale survey from January through February every year, along with a workplace management questionnaire, in order to confirm the level of employee satisfaction/dissatisfaction towards the organization and policies, and their associated reasons. Incorporating the results into the plan for the following fiscal year will lead to improvement in employee satisfaction.

→ [\[Message\] P19 Related article](#)

Adoption of Cafeteria Plan for benefits **New!**

JTEKT has adopted a selection-based benefit program (Cafeteria Plan). Employees can freely select from the benefit menu, including food, travel, and nursing care, according to points received. In FY2013, the point usage rate was 96%. We support our employees in having a fulfilling life through various programs and facilities such as the employee savings scheme, employee shareholder association, dormitories, and gym.

Together with employees

Safety, hygiene and health related actions

Social background

According to the Health, Labor and Welfare Ministry, every year approximately 110,000 people are injured or fall ill during work and take at least four days off to rest. Furthermore, the percentage of people who feel stress or anxiety due to work is increasing and mental health countermeasures are becoming more important in the workplace. In June 2014, the Industrial Safety and Health Act was partially revised, and employers are now obliged to provide stress checkups for their employees.

JTEKT's concept

Making the workplace safe and protecting employee health

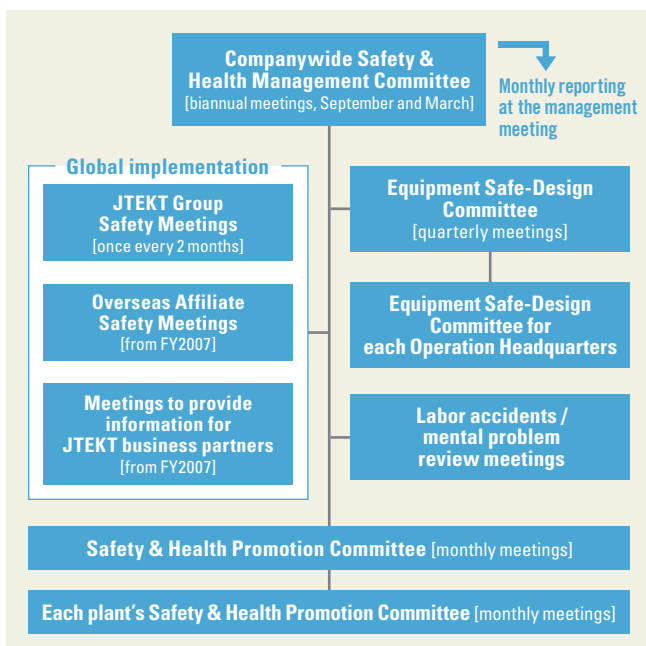
Maintaining the health of all employees is indispensable to a lively work environment and to protect the mind and body. In our "Safety & Health Policy", we at JTEKT clarify that "safety and health activities are promoted by the company as a whole".

Promoting activities under a centralized control system

▶ Figure-01

Under the "Companywide Safety & Health Policy," in order to strategically and systematically promote the creation of safer and healthier workplaces, JTEKT has constructed a centralized control system.

▶ Figure-01 Safety, hygiene and health control system



Major activities in FY2013

[Safety and health]

Activities based on the safety & health management system

By FY2007, 11 plants and the Higashi-kariya operations center had acquired certification concerning occupational safety and health management systems, "JISHA OSHMS Standards Certification", from the Japan Industrial Safety & Health Association. Since then, activities have been ongoing in accordance with the management system. In FY2014, the Sayama plant plans to newly acquire certification.

JISHA OSHMS Standards Certification

FY2013 Renewals at Nara plant, Hanazono plant, Toyohashi plant, Tadomisaki plant, Tokushima plant, and Higashi-kariya operations center, as planned

FY2014 Renewals are planned for Kokubu plant, Kagawa plant, and Kameyama plant. New acquisition is planned for Sayama plant.

Aiming for zero work-related accidents

JTEKT is continuously promoting various safety & health activities aiming for zero work-related accidents. Amongst these, accidents which can easily lead to death and impairment have been established as the 6 Major Accidents (*1), and efforts are being made to prevent these through work and equipment improvements.

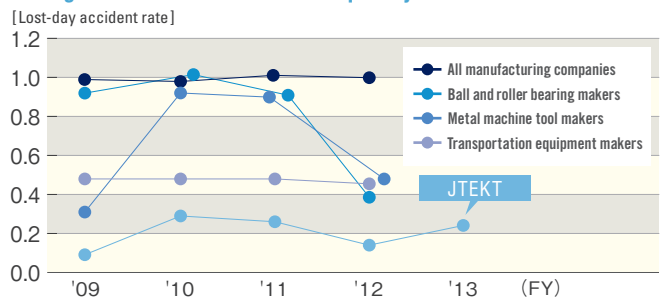
From FY2011 have been onwards, countermeasures for Failure-to-Stop Accidents (*2) have been of the highest importance and the eradication of these has been heavily focused upon. Regrettably, there were 13 Failure-to-Stop Accidents in FY2013, a significant increase from 6 accidents in FY2012. Consequently, the number of all accidents and lost-day accidents both increased from the previous year. We are analyzing the causes in detail and making renewed efforts to continue safety activities, aiming for zero work-related accidents.

→ [Message] P16 Related article

*1 **6 Major Accidents** Accidents arising through pinching/entanglement, heavy objects, vehicles, falling, electric shock and hot surfaces.

*2 **2 Failure-to-Stop Accidents** Accidents which occur when troubleshooting work or repairs are conducted without first stopping the machine.

Change of industrial accident frequency rate



* The FY2013 section of the graph only shows the lost-day accident rate for JTEKT.

$$\text{Lost-day accident rate} = \frac{\text{Number of lost-day accidents}^{(+3)}}{\text{Total work hours}} \times 1 \text{ million}$$

*3 **Lost-day accidents** : JTEKT defines lost-day accidents as work-related accidents resulting in work absence of 1 day or more.

Together with employees

Standardization of difficult-to-do work

- Assessed and implemented countermeasures for troubleshooting work on frequently-stopping equipment.
→ Countermeasures and standardization of work were conducted for all 127 pieces of equipment that were registered.
- Assessed and implemented countermeasures for time consuming, high frequency repair/maintenance work.
→ Countermeasures and standardization of work were conducted for all 117 pieces of equipment that were registered.

Created workplaces where safety awareness is shared and workers warn each other about unsafe behavior

- Reinforced safety checks using the pointing and calling method, targeting 100% execution.
- Promoting proposals for near misses (*1).
→ Countermeasures were completed for all 98,750 proposals.
- Actions during safety reinforcement months.
→ Held a safety talk for all 1,965 young employees in light of the frequency of accidents involving young employees.
- Conducted a safety awareness survey.
→ Conducted a questionnaire twice during the year for half of the employees at a time. Analyzed the questionnaire results and shared the contents with other plants.
- Established Safety Dojos and shop-based Safety Dojos (*2).
- Instituted a zero accident pledge day (memorial day).

***1 Near misses** A safety and health activity involving gathering and sharing of information on near misses and the devising of reoccurrence prevention measures.

***2 Shop-based Safety Dojo** A safety dojo targeting risk sources and equipment specific to a certain workplace or production line.

Creating an environment of friendly competition in plants

- Exposing hazardous places through safety cross-checks and countermeasures.
→ Of the total 265 extracted, countermeasures have been completed for all.

Global roll out

- Rolled out domestically deployed items to our overseas group companies.
→ Rolled out the latest equipment safety standards. Held investigations when accidents occurred and promoted countermeasures. Promoted safety activities.

Workplace noise countermeasures

JTEKT is engaging in improvements to eliminate all Noise Level 3 Classification areas (workplaces requiring improvement by law) by FY2014. In FY2013, 2 workplaces (27 pieces of equipment) were improved, but 5 additional workplaces now require improvement. We have therefore extended our target completion year to FY2016.

Creating a workplace environment considerate of senior and female workers

To promote the creation of a workplace environment considerate of senior and female workers, we conducted a posture-weight assessment on newly installed lines. Posture-weight assessments allocate a score for posture determined by the work posture, and a score for weight, determined by the weight of the object(s) handled. It is a method to quantitatively assess the risk of lower back pain. The assessment gave satisfactory results and no workplaces required improvement.

Improving high temperature workplaces

From the perspective of worker protection, JTEKT revised our

work environment measurement standards and began WBGT-based (*3) assessments in FY2010. JTEKT's index is WBGT 30°C. A FY2012 investigation showed that improvements were necessary in 6 plants, and therefore we established pressure air fans and coolers in FY2013 as countermeasures for hot workplaces. We will continue implementing countermeasures in FY2014.

***3 WBGT (Wet-Bulb Globe Temperature)** An indicator incorporating humidity, radiation heat and temperature, which significantly impact a person's heat balance. Calculated using dry-bulb temperature, wet-bulb temperature and globe temperature.

WBGT (Wet-Bulb Globe Temperature) calculation method

Outdoors: WBGT = 0.7 × wet-bulb temp. + 0.2 × globe temp. + 0.1 × dry-bulb temp.
Indoors : WBGT = 0.7 × wet-bulb temp. + 0.3 × globe temp.

Safety & health education and training

One of the key requirements of safety & health activities is the planned implementation of education and training. Our main forms of education are rank-based training based on job level and special training based on job type, while our main forms of training are basic KYT 4R training (*4), sensing-danger training, and skill training.

***4 Basic KYT 4R training** KYT stands for Kiken (hazard), Yochi (prediction), and Training. 4R means "4 rounds." This is hazard-prediction training through 4 phases.

Main training types (number of attendees in FY2013)

Rank-based training	Safety management training	111
	Group Leader training	95
	New employee training	142
	Training Center student training	79
Special training	Grinding wheel replacement	76
	Low-voltage handling	76
Others	All-Toyota training for those overseeing outside workers	518
	All-Toyota training for those overseeing construction	104
	Elevated-work training	738
	Electric shock prevention training	636
	Risk assessment training	104
		2,679

Hiroyuki Niimi
Management TOP Direct Control
Safety & Health Control Dept.

My
CSR



Safety & health education for new supervisors

I am in charge of safety and health education for new supervisors. What is important in this education is to have supervisors understand that operations do not stand without abiding by laws, as all operations are tied to the Industrial Safety and Health Act. When supervisors do not understand laws, machine equipment will be in an unsafe state and operators will engage in unsafe behavior. This creates dangerous conditions under which accidents may occur at any time. If fatal accidents occur, society may even question the reason for our existence as a company. I continue to put my efforts into training supervisors who can correctly understand and comply with laws so that potential risks existent at workplaces will not lead to accidents.

Together with employees

[Health]

Achieving mental health

▶ Figure-01

JTEKT is aggressively promoting mental health measures with a focus on preventing depression. As a result, the number of people and days taken off work due to mental disorders decreased in FY2013. We were also able to reduce the average stress level and the number of high stress individuals.

Implementation of a mental health workplace diagnosis

From August to September, a questionnaire relating to mental health was held on an individual level to all employees (excluding fixed-term employees and temporary staff). The return rate was 75%. Results of the mental health workplace diagnosis and stress surveys were analyzed and reported to division managers, to be utilized for workplace management.

Results of the mental health workplace diagnosis

Improvement necessary

- Allocation of work
- Clarification of work policies
- Support from superiors and colleagues

Good

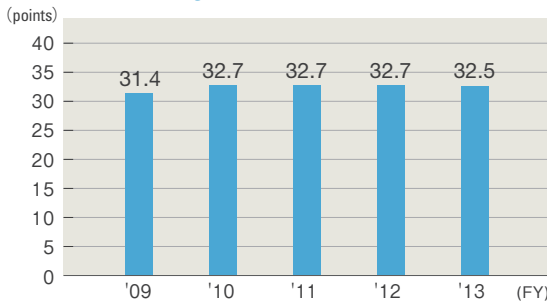
- Good interpersonal relationships
- Appropriate work hours, easy to take breaks
- Good workplace environments

Implementation of a stress survey

JTEKT conducts a stress survey as part of a health checkup so that employees may be aware of their own stress and know their level of psychological burden. This survey is in accordance with the Industrial Safety and Health Act revised in June 2014 (commonly referred to as the mandatory Stress Check Test).

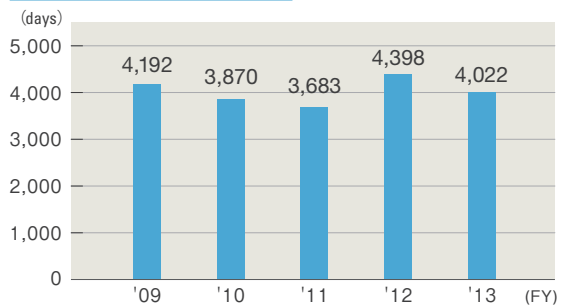
▶ Figure-01

Transition of average stress levels (*1)

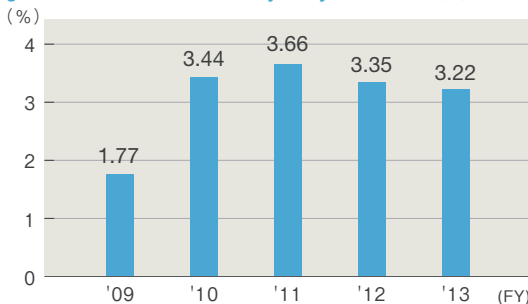


Number of work absences due to mental disorders

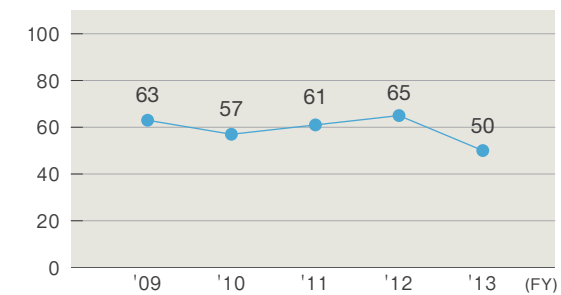
New number of missed work days



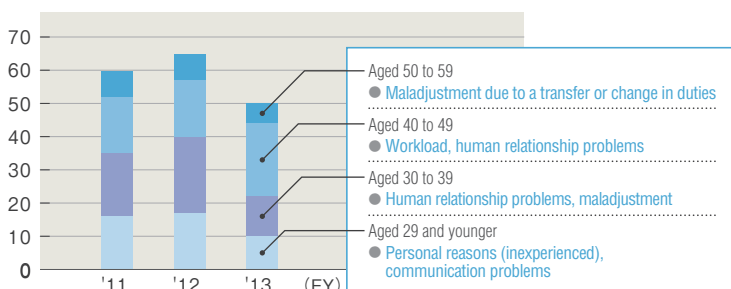
High-stress individual ratio yearly transition (*2)



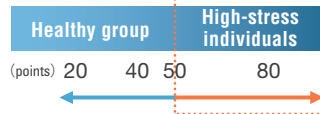
Number of newly absent employees



No. of new people taking time off work and reason by age



Stress level



*1 **Stress level** Stress level = depression scale. Indicates the mental state and stress at the time the survey was conducted. Individuals with a stress level of 50 points or over are classed as "high-stress". Individuals with 60 points or over are suspected of suffering from depression.

*2 **High-stress individual ratio** Number of high-stress individuals against the total number of employees who submitted stress surveys.

Together with employees

Implementation of mental health training

Mental health training was held for each rank, and lectures were provided on how to respond to individuals in need within their workplace. As a result, appropriate actions taken by management and supervisors prevented the increase in the incidence of depression among young employees.

Level 4 mental health training for management

Theme: "Response to employees who disturb the workplace"

- Held in a lecture style (via video conference)
- 1,500 attendees

Content

1. Status of mental health today
2. Who are the employees who disturb the workplace?
3. Response to employees who disturb the workplace

R4 mental health training

Theme: "Preventing and responding to maladjustment in the workplace"

- Held in a lecture style (via video conference)
- 2,407 attendees

Content

1. Report of results of mental health workplace diagnosis
2. Response to young employees (twenties)
3. Preventing workplace maladjustment and responding to sufferers of maladjustment
4. Peer counseling, coaching (practical skills)

Support for employees taking off work due to mental disorders in returning to work

JTEKT supports the return of employees taking off work due to mental disorders, based on the Guidelines for Maintaining and Improving Workers' Mental Health established by the Ministry of Health, Labor and Welfare.

Our return to work support program focuses on recurrence prevention and cooperates with external organizations such as vocational centers for persons with disabilities. The recurrence rate dropped from 0.34% in FY2009 to 0.22% in FY2013.

Implementation of a "one word from each person" activity

We have been promoting an activity where everyone gives a few remarks according to a monthly theme during morning or afternoon assembly in the workplace. It turned out that workplaces regularly conducting the activity tended to have less employees taking off work due to mental disorders or to seek consultation.

Purpose of a "one word from each person" activity

- Work to raise workplace morale by understanding and helping each other.
- Convey feelings and ideas to each other to improve communication skills.
- Share feelings and ideas to create an opportunity to support each other.

Transition of excessive work measures

It is a company's obligation to have employees working long hours interviewed by a doctor to ensure health maintenance. During the interview, an industrial physician checks the employee's degree of fatigue and work situation. Employees diagnosed to have accumulated fatigue are given guidance on overtime work restrictions for the next month and on lifestyle.

Awareness activities

There is a high possibility that excessive work may lead to cerebral vascular disturbance and ischemic heart disease. As such, JTEKT considers the health risks related to working long hours and engages in awareness activities which raise the points to observe concerning "correction of frequent overtime, working weekends, and non-stop working stretches" and "assessing and controlling work time".

Transition of number of employees receiving checkup for working long hours

Managers		Staff	
FY2010	Approx. 2,558 (Average: 213/month)	FY2010	Approx. 1,898 (Average: 158/month)
FY2011	Approx. 2,511 (Average: 210/month)	FY2011	Approx. 2,231 (Average: 186/month)
FY2012	Approx. 2,523 (Average: 210/month)	FY2012	Approx. 1,563 (Average: 130/month)
FY2013	Approx. 2,767 (Average: 230/month)	FY2013	Approx. 1,753 (Average: 146/month)

* Health checks for employees who work long hours apply to employees who have worked over 45 hours a week for 3 months consecutively, including management and general employees as well as employees who have worked over 70 hours in a single month.

Achieving physical health

Beginning with lifestyle-related diseases, we focus on the prevention, early detection and early treatment of illnesses, and actively support the health management of our employees.

Special health guidance

The program that JTEKT began in April 2008 for special health checkups and healthcare guidance is gradually taking hold. We are taking assertive action towards our objective of eradicating metabolic syndrome.

We interviewed and educated individuals with high health risks (employees under 40 years of age with metabolic syndrome and employees receiving treatment for diabetes).

FY2013 healthcare guidance implementation

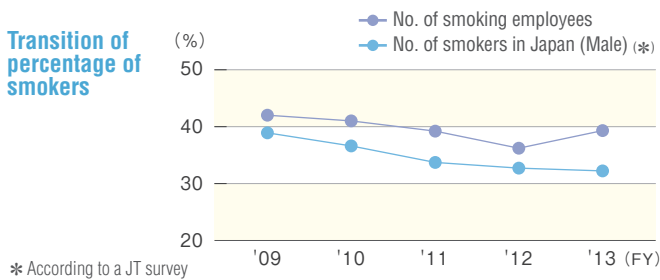
	Special health checkups	Education for employees with high health risks
No. of those applicable [a]	1,096	145
People screened/ people participating [b]	1,033	145
% of total	Result [b/a]	100%
	Target	70%

Together with employees

Quit Smoking campaign

The Quit Smoking campaign is an activity that supports people who want to quit smoking, with detailed assistance from an industrial doctor and a nurse. We ran the campaign once a year in the past, but conducted it twice in FY2013. A total of 49 employees participated, and 49% of them successfully quit.

The overall number of smokers among employees showed a decreasing trend year by year, but it unfortunately increased in FY2013. We will continue to support employees in quitting smoking.



Yukiko Oda
 Management TOP Direct Control
 Safety & Health Control Dept.



Nourished by the voices of employees

I feel most rewarded when people at JTEKT talk to me and tell me, “I was able to quit smoking thanks to you”, or “I’ve been walking every day since I received your advice.” I can interact with many people working at JTEKT through companywide health management activities, which is one of the appeals of my work. I want to be a public health nurse to whom everyone can talk to— this is my determination, which has not changed since I joined this company. I continue to put my all into caring for JTEKT employees’ health.

Together with local communities

Social background

The importance of participating in and contributing to the local community is one of the seven core themes of ISO26000. The 4th version (G4) of the GRI Guidelines published in May of 2013 touches on local community development programs based on the needs of the local community. As “corporate citizens”, companies are expected to contribute to the local society in a variety of ways.

JTEKT’s concept

“Social contribution activities” as one of the Corporate Activities Standards

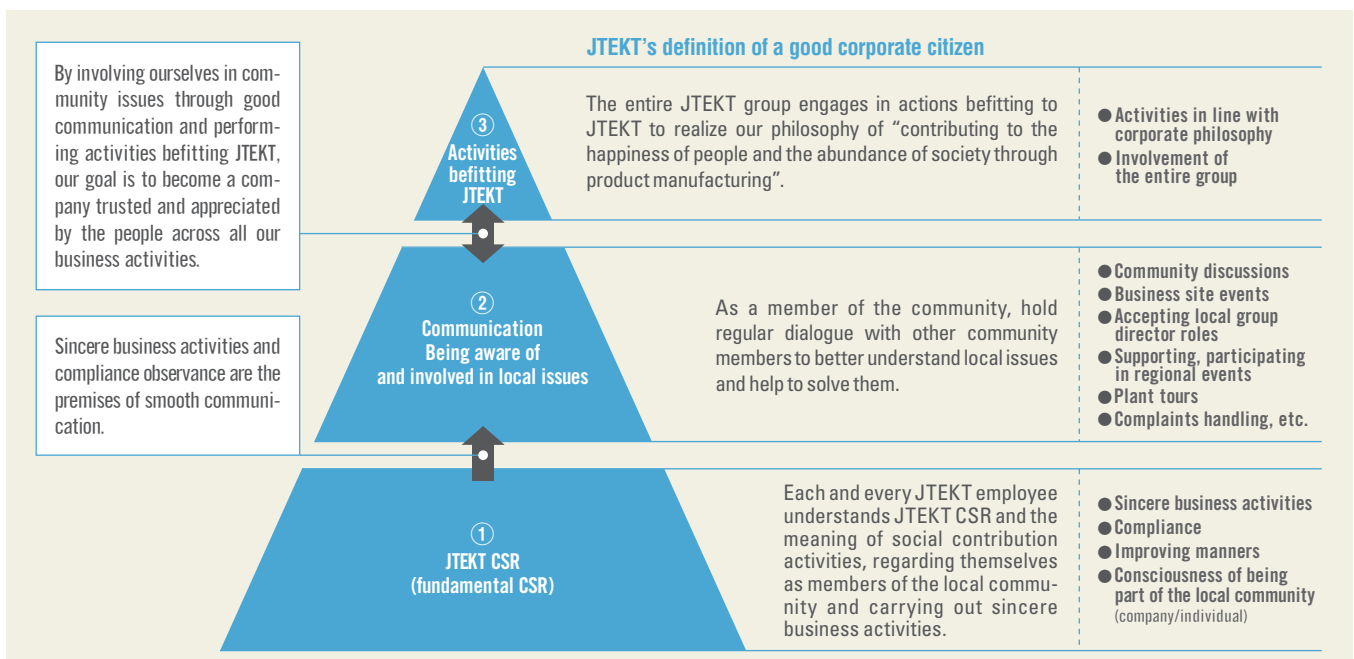
JTEKT has established “actively promoting social contribution activities as a good corporate citizen” as one of its seven Corporate Activity Standards. The Social Contribution Working Group under the CSR Promotion Committee leads in expanding a variety of social contribution activities, supported by activities rooted in the local community, proactive individual activity towards building nature and culture, and activities to support the affected areas of the Great East Japan Earthquake.

What we want to achieve

▶ Figure-01

JTEKT promotes activities for social contribution as a good corporate citizen, with the aim of developing alongside the local community. For activities befitting JTEKT, each plant and operations center actively interacts with their local communities, uncovers local needs, and engages in actions rooted in the local community.

▶ Figure-01



Major activities in FY2013

Activities rooted in the local community

JTEKT is immersed in social contribution activities at each plant and branch office throughout Japan. In FY2013, there were a total of 607 (101 new) activity reports from 466 plants and 141 branch offices.

[Communication]

JTEKT believes that ascertaining the needs of the surrounding people through interaction is the first step in locally rooted activities. Community discussions and plant festivals are held at each plant to further communication with the local community.

Holding community discussions at all plants

We periodically invite local government officials to participate in community discussions at each plant. At these discussion sessions, we report achievements and exchange opinions concerning environmental conservation activities, and conduct plant tours, etc., to build a good relationship with the local community. In FY2013, a total of 324 people participated at all 12 plants and the Higashi-kariya operations center. [→ E_17 Related article](#)

Deepening friendships through plant festivals

Each of JTEKT’s plants hold festivals every year, with stage shows, games, employee-run stalls and more. The aim is to promote friendship between employees, families and the local community. Festivals were held at 12 plants and at the Higashi-kariya operations center in FY2013, counting a total of 8,475 visitors.

Together with local communities

Introduction of activities

Briefing for the local residents with the 6 companies of the local coordinating committee Hanazono plant (Okazaki city, Aichi)

On November 21st, six companies including the Hanazono plant (from the industrial park where the Hanazono plant is located) invited nine representatives and officials from the surrounding local region to participate in a company briefing. JTEKT took the role of lead company, and conducted a plant tour. At the ending survey, we received many compliments such as, "I feel reassured with the local contribution activities and periodic environmental surveys that are being conducted."



Introduction of activities

Conducting an environment observation tour at the plant festival Tokushima plant (Itano ward, Tokushima)

An environment observation tour was conducted at the Tokushima plant festival held on October 5th, as part of the festival events. Presentation meetings were held on the Tokushima Cooperation forest-building project and on the reuse of cooking oil from JTEKT cafeterias, and a production site tour was given. These events illustrated JTEKT's production and endeavors towards the environment for visitors to the festival.



Introduction of activities

Overseeing security volunteers at the Summer Festival Tokyo plant (Hamura city, Tokyo)

New!

At the largest event held in Hamura, the Hamura Summer Festival held on July 27th and 28th, 39 employees from the Tokyo plant participated as volunteers to oversee the security of the event. The volunteers contributed to preserving the safety of citizens amidst the enthusiastic venue.



[Nurturing of young community members]

Through activities such as *monozukuri* classes and sporting events, JTEKT contributes to the nurturing of young community members.

Introduction of activities

Beach cleanup and presentation on sea turtles Toyohashi plant (Toyohashi city, Aichi)

New!

The Toyohashi plant collaborated with the non-profit organization Niji no Tobira to hold the Aichi Forest and Greenery Environment Activity/Learning Promotion Project's "friendly walk on the beach" on October 27th, where participants walked along the shoreline and cleaned it. Employees from the Kariya plant and Tadamisaki plant and their families gathered together, with a total of 119 participants. A beach seining experience and a presentation on sea turtles were held after the cleaning event.

→ E_18 Related article



Introduction of activities

Cooperation with an elementary school social studies class Nara plant (Kashihara city, Nara)

New!

JTEKT received consultation from Tawaramoto Elementary School, located close to the Nara plant, that the school would like to introduce the automobile industry of Japan to their 5th grade in social studies class. The teachers were given a tour of the plant, upon which they based learning materials for their class. The class was acknowledged as a "model case" class of Nara Prefecture, and a public class was held for educators. JTEKT later received a handmade newspaper from the students, and feedback stating that they "learned for the first time what kind of company JTEKT is", and some even said that they want to work at JTEKT in the future.



My CSR

Yasumasa Fujikawa
Machine Tools & Mechatronics
Operations Headquarters Kariya Plant
Administration Dept. General Affairs Sect.

I want to widen the circle by having fun

I always try to have fun when engaging in various social contribution activities. I feel that by greeting people emphatically and never losing my smile, I can convey the enthusiasm I feel to the people with whom I interact. I hope to widen the circle of our social contribution activities by doing so.

Together with local communities

[Welfare support]

JTEKT supports the socially vulnerable, such as sick persons and those with disabilities, in many ways.

Introduction of activities

Bread and cookie sale by a social welfare service corporation

Kokubu plant (Kashiwara city, Osaka)

New!

Once a month in the lobby of one of the Kokubu plant buildings, social welfare corporation You tone holds a bread and cookie sale. The goods are baked by people with disabilities, who are also in charge of sales and customer service. These sales are a chance for employees to purchase delicious bread and cookies, while simultaneously benefitting the participation of people with disabilities in society.



Introduction of activities

Use of canned bread from the vocational aid center as emergency food provisions

Tadomisaki plant (Takahama city, Aichi)

New!

The Tadomisaki plant purchased 300 tins of canned bread, to be used as emergency provisions, from Coffee & Bakery FURUFURU, a café where people with disabilities work. The cans were given an original label bearing the Tadomisaki plant slogan.



My CSR

Takao Kawamoto
Bearing Operations Headquarters
Kameyama Plant
General Affairs Section

Aspiring to be a plant based in local society

The Kameyama plant is participating in the planning of the woodland preservation activity "Kameyama Eco Forest", held by the local government, civilians, and nearby companies. We also run a popular refreshment booth each year at the local summer festival. I would like to continue these activities, which are based in the local society.

[Road safety and fire prevention]

JTEKT actively promotes a number of road safety activities, including "risho" (*). We also believe that fire prevention is very important to maintaining a trusting relationship with the community and as such implement thorough fire prevention measures.

* **Risho** A practice unique to Japan where, on the morning of a set day every month, employees of automotive-related companies promote road safety awareness amongst drivers. This activity aims to reduce the number of road accidents.

Introduction of activities

Implementing road safety "risho" four times

Kagawa plant (Higashikagawa city, Kagawa)

In FY2013, the Kagawa plant implemented road safety "risho" four times. A total of 36 employees participated in road safety "risho" conducted on April 10th. The main job of those participating was teaching and giving support to elementary and middle school students about safely crossing the road, along with conducting traffic with the cooperation of the local civilians.



[Community clean-up, beautification]

Every year JTEKT holds community beautification activities to raise company environmental awareness. Employees proactively participate in cleaning up around plants and co-exist with the community. In FY2013, all 12 plants and the Higashi-Kariya operations center implemented such activities.

Introduction of activities

Cleaning the road to the train station and the surrounding area

Higashi-kariya operations center (Kariya city, Aichi)

Cleaning of the road to the Noda-shinmachi JR station and the surrounding area is conducted by the Higashi-kariya operations center each year, in May and November. On November 2nd, 35 employees participated in the cleaning, picking up empty cans and trash.



Together with local communities

[Environmental preservation]

JTEKT considers environmentally-orientated social contribution to be of particular importance. Each workplace engages in a diversity of environmental preservation activities with community members.

Introduction of activities

Participating in begonia planting

Sayama plant (Sayama city, Saitama)

On June 8th, eight people from the Sayama plant joined in the Begonia Planting Circle volunteer activity held by the local municipality. The volunteers weeded and planted flowers along roughly one kilometer of railway track. People passing through the area stated that the flowers make them feel relaxed and refreshed along their way.



Introduction of activities

Continuing woodland conservation activities

Okazaki plant (Okazaki city, Aichi)

New!

Employees from the Okazaki plant have been volunteering in woodland conservation activities at the "Okazaki Eco-Education Forest", which include maintaining bamboo groves, repairing walking paths, and creating biotopes. Beginning with the participation of 5 employees in February of 2014, the plant will continue periodic activities within the forest once every 2 months. [→ E_19 Related article](#)



Building nature and culture through each person's active participation

Each year, JTEKT conducts a questionnaire survey concerning individual volunteer activities for all employees, geared towards building an environment where volunteering is easier. The results of the questionnaire will be used to build a framework which encourages volunteer activities. In FY2013, 4,644 volunteer activity participations were logged.

[Collection activities]

▶ Figure-01

JTEKT is devoting efforts to the collection of PET bottle caps, erroneous postcards, used ink cartridges, and other items, as an activity that anyone can easily participate in. The earnings from these recycling activities are used in medical and educational assistance for developing nations, via an NPO.

Introduction of activities

"Cap art" at the Family Festival

Nara plant (Kashihara city, Nara)

New!

Visitors to the Family Festival in Nara brought approximately 5,000 PET bottle caps with them to the festival. "Cap art" was made from the bottle caps and displayed within the plant. Afterwards, a non-profit organization used the bottle caps to send polio vaccines to children in developing countries.



▶ Figure-01

Campaign	Time period	Collection items	Collection results	Conversion	Beneficiary
Nihokai Collection of goods for East Japan recovery support	August–October	Erroneous postcards, bell marks (cards for funding education for poor children), unused stamps, all types of coupons		Equivalent to 462,343 yen	Nihokai
Collection at year-end and New Year	December–January	Used ink cartridges	1,891	Equivalent to 9,000 yen	EDF-Japan
		Erroneous/unused postcards	800	Equivalent to 30,000 yen	
Collection of New Year's lottery postcards	January–February	Election postcards/stamp sheets	47 stamp sheets 15 other stamps	Equivalent to 7,360 yen	Under consideration
Collection of PET bottle caps	All FY2013	PET bottle caps	719,874	Polio vaccinations for 900 people	NPO Cabinet Office Certified Ecocap Movement

Together with local communities

Great East Japan Earthquake disaster area support activities

It has been three years since the Great East Japan Earthquake, yet devastated areas are still in the midst of recovery and reconstruction. JTEKT has designated the support for disaster areas as a pillar of our societal contribution activities, and our employees continue to participate in support activities.

Charity caravan supporting disaster areas ★ New!

We have developed a system for fundraising utilizing cafeteria menus and vending machines, and conducted fundraising at every domestic plant. This has yielded a total of 2,314,976 yen in donations, which has been sent in the form of cash and desired articles to 10 volleyball club teams of 6 high schools in Minamisanriku and Kesenuma, Miyagi prefecture.

[→ \[Message\] P17 Related article](#)

Participation in the Toyota group's recovery support volunteer activities

Toyota group is conducting recovery support volunteer activities, which are participated in by its employees. In FY2013, two employees from JTEKT also participated.

Voices from participating employees

It's important to work steadily, bit by bit

Youko Inoue

Sales & Marketing Headquarters Corporate Sales Management Dept.
Management Office 1 Business Management Group

Searches, etc. were organized in Furukawanuma to look for relics and remains. Even now, there are still over 200 people declared missing in Rikuzentakata City, Iwate, into which entry was previously prohibited. We joined the bereaved families of those missing as they searched the places where they hoped they might find their loved ones. Our task was to sift dirt through a sieve to discern any objects that might be hidden. There was a vast amount of ground to cover, and it seemed as though the task would take a long time. I felt how important it was that we work diligently, bit by bit, towards reconstruction. (Period: October 9th–13th)



Voices from participating employees

I once again realized what's important

Yosuke Nishimura

Automotive Systems Business Headquarters Driveline System Engineering Dept.2
Coupling System Engineering Office Coupling Engineering Group

I visited Rikuzentakata City, Iwate, to help the local fishermen. Seeing the condition of the disaster area with my own eyes made me truly understand how vast the damage was. When I asked the local people about the disaster, their replies really made me feel that they never wanted anyone else to go through the same things that they had. Participating in recovery support activities has made me realize the important things in life, like how I want to be a person who shares with others, and be thankful for what I have. (Period: November 7th–10th)



My CSR

Kazuto Takahashi
Personnel and General Administration Division
Personnel Dept.
Personnel Office
Shared Service Group

Cooperating with JTEKT regional contributing activities



We received much support and cooperation from local people at the Kariya Tournament of the "V Premier League", the highest league for adults. We hope to convey courage, passion, and vitality to everyone in the local community through our playing. We will also cooperate more actively with the surrounding region through JTEKT regional contributing activities such as the plant festival. I hope to hold more of the volleyball classes that we began in 2013 in regions throughout Japan.

Together with shareholders and investors

Social background

The transparency of company management is scrutinized, making it increasingly important to disclose information in an accurate and timely manner, and establish accountability. Moreover, in the financial sector as well, it is becoming more commonplace to emphasize ESG (*) information when assessing a company's value. Not only is a company's earning power important, but also the balance with business sustainability.

* ESG Abbreviation for Environment, Social and Governance; the matters a company is expected to consider as their responsibility when conducting business activities.

JTEKT's concept

Aiming for highly transparent management

At JTEKT, we make "communication with not only shareholders but also the community at large and the fair disclosure of corporate information" part of our Corporate Activities Standards. Based on this concept, we make management transparent, and strive to construct a long-term relationship of trust with shareholders and investors.

Major activities in FY2013

Information disclosure and IR activities

JTEKT not only observes rules on legislated disclosures and timely disclosures. We also strive to increase transparency of our management and, in order to deepen understanding of JTEKT and the JTEKT group by our shareholders and investors, we also actively disclose information that is both well-timed and appropriate voluntarily and in a fair manner, through various IR activities.

Presenting the JTEKT GROUP VISION and Mid-term Management Plan at the year-end IR results briefing

At the year-end IR results briefing held for analysts and corporate investors in May 2014, JTEKT group presented the JTEKT GROUP VISION as our newly formulated guidelines, and the 5-

year Mid-term Management Plan ending in FY2018. A lively Q&A session followed, furthering attendees' understanding about the future of the JTEKT group.

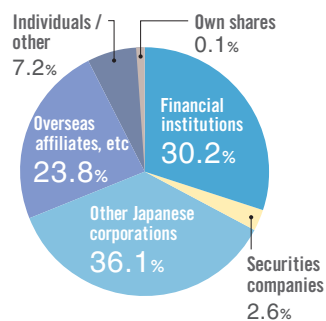
Main IR activities

- Hold IR results briefing and small meetings
- Individual interviews
- Company information sessions for individual shareholders and investors
- Conduct plant tours
- Issue annual reports
- Disclose information on HP

Shareholder status

Current at end of March, 2014, the number of shares issued was 342,186,000 and the breakdown of shareholders is as follows.

Shareholder distribution status



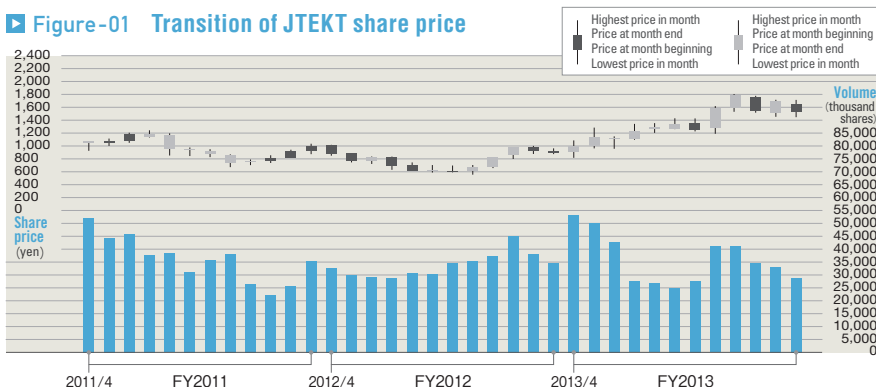
Financial institutions	103,315	thousand shares
Securities companies	9,006	thousand shares
Other Japanese corporations	123,409	thousand shares
Overseas affiliates, etc	81,546	thousand shares
Individuals / other	24,648	thousand shares
Own shares	259	thousand shares
Total	342,186	thousand shares

As of end of March, 2014
(anything less than 1,000 rounded down)

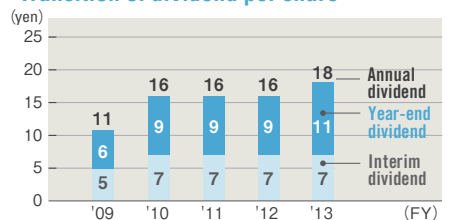
Business performance and return of profits ▶ Figure-01

Our consolidated sales for FY2013 were 1 trillion 206.1 billion yen, 18.0% higher than the previous year. Our consolidated operating profit was 58.2 billion yen (29.1 billion yen for the previous year), while our combined ordinary income was 61.8 billion yen and combined current net earnings were 23.3 billion yen. As a result, the annual dividend per share is 18 yen, an increase of 2 yen from last year. Now in FY2014, it is still difficult to predict what lies in store, but we will strive towards the achievement of "Shaping a Better Future Through the Spirit of 'No.1 & Only One' " as part of the JTEKT GROUP VISION, for which activities were begun in April 2014. We will further strengthen cooperation between group companies and work to establish a strong management foundation and revenue base not susceptible to change.

▶ Figure-01 Transition of JTEKT share price



Transition of dividend per share



JTEKT bond ratings

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