

Social Report

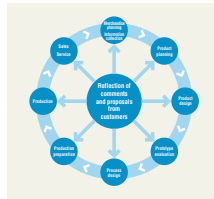
Summary of Activities 2007

Together with Customers

→
P22

Conducting a customer survey →P22

To manufacture from the perspective of customers, we survey customers and make use of the results.



Promoting TQM activities →P23

We promote TQM (Total Quality Management) based on the mottoes of “customer first”, “continuous improvement” and “participation by all”.



Together with Suppliers

→
P25

Hold a meeting regarding purchasing policy →P25

We hold a purchasing policy meeting for the suppliers every year. This meeting for fiscal 2007 was held in March 2008, with 400 people from 334 companies participating.



Publish “Green Purchasing Guidelines” →P25

For green purchasing, we publish “Green Purchasing Guidelines” and ask for our suppliers’ cooperation.



Together with Employees

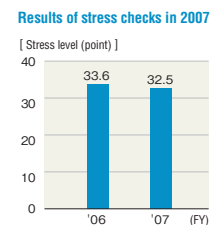
→
P26

Conducted an employee survey →P26

To grasp employees’ opinions and reflect them in corporate objectives, we conduct a morale survey.

Promoting mental health measures →P31

We educate supervisory employees about mental health, and employees about stress management.



Together with Local Communities

→
P32

Hold a “Plant Festival” →P32

To get acquainted with the local community, a “Plant Festival” is held at each plant every year.



Activities for fire prevention and road safety →P34

To be a company that wins the trust of local communities, we attach great importance to fire prevention and road safety.



Together with Shareholders and Investors

→
P35

Hold a general shareholder’s meeting →P35

The general shareholder’s meeting is held in June. After starting with the president’s greetings, various reports are made.



Information disclosure →P35

To enhance management transparency, we always try to promptly disclose accurate and fair information.

Together with Customers

With the motto, “We will put quality first and provide products to earn the trust and satisfaction of our customers,” all employees and managers at JTEKT strive to produce attractive products that satisfy customers’ by thoroughly promoting the policy of putting customers first and focusing on quality.

[Quality Control]

■ For further quality improvement

We build quality into products based on the slogans “improvement in quality of work” and “vitalization of employees and workplaces” in every process of our business operation from product planning to sales and service. Particularly in 2007, we stated our business policy to establish a firm foundation of development through further quality enhancement, and we worked to provide reliable quality and caring service to our customers.

■ Conducting a Customer Satisfaction Survey

To manufacture from the standpoint of customers, JTEKT conducts a customer satisfaction survey of its main customers once a year. In the survey, we gather opinions on quality, delivery, technical capability, cost and other points from our customers and we feed back such opinions to the whole company.

In addition, to satisfy customers’ demands, we have a quality control system that clearly spells out what to do and what to guarantee in all stages of our business, from product planning and information gathering to sales and service.

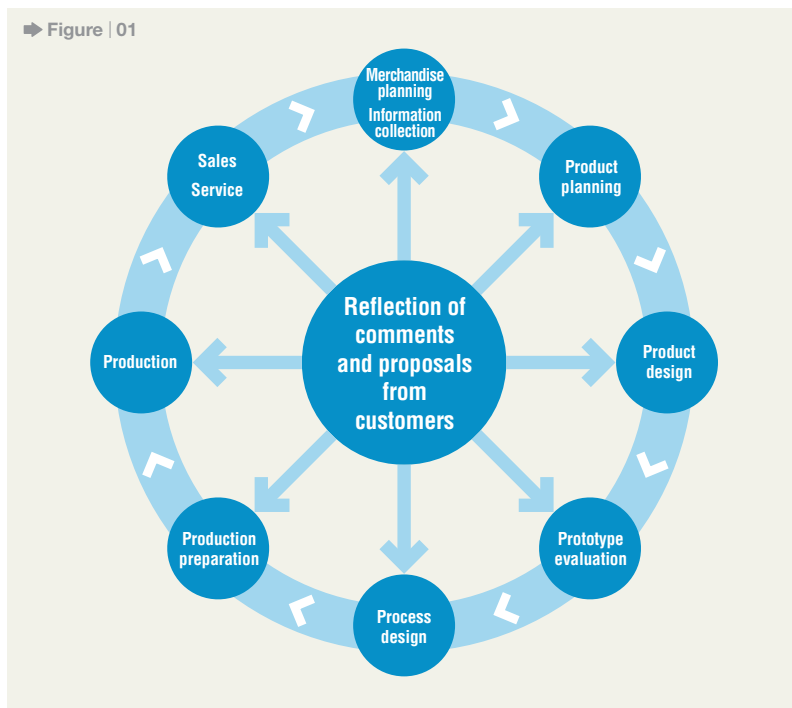


Figure | 01

Quality Control System in which customers’ opinions and proposals are reflected

- ◎ **Merchandise planning / Information collection**
We are willing to accept customers’ comments.
- ◎ **Product planning**
We plan well-balanced products with high quality.
- ◎ **Product design**
We put high-quality based on accumulated technologies and experiences into drawings.
- ◎ **Prototype evaluation**
We check product quality repeatedly under various operating conditions.
- ◎ **Process design**
We build quality into process flow.
- ◎ **Production preparation**
We carefully prepare for production for stable production of high-quality products.
- ◎ **Production**
We manufacture high-quality products based on operation standards.
- ◎ **Sales / Service**
We provide high-quality products and service that satisfy and win the confidence of customers.

Quality Management System

The fundamentals of quality assurance are achieved by building in quality at each process, never transmitting defective units to the following process, and establishing a process to prevent defective units. To do so, we constantly improve the system to build quality at each process by clarifying requirements for quality assurance and things to be implemented at each process, including development, production preparation and production. As a result, we acquired ISO9001 certification, the international standard of Quality Management System (QMS), and third-party certification of ISO/TS16949, the sector-specific standard of the automobile industry. We keep enhancing customer satisfaction through continuous improvement of QMS.

Promoting TQM (Total Quality Management) Activities

We are promoting TQM (Total Quality Management) Activities based on the policies of “putting customers first”, “continuous improvement”, and “participation by all”. From the top management to each employee, we work on improvement so that we can carry out our work more efficiently and more effectively.

At the front lines of the workplace, we study diligently through J-QC circle activities (activities in small groups in which we take up an immediate problem in workplace and solve it). These activities also play a role in “JTEKT Quality”.

Quality Assurance that Involves Our Suppliers

Quality assurance is the most important point in JTEKT, Koyo, TOYODA and TORSEN. To provide high-quality products, we consider our suppliers as precious partners for manufacturing, and we ensure quality through our quality control system and continuously work on quality improvement.

Efforts to Eradicate Environmentally Burdensome Substances from Our Products

We consider eradicating environmentally burdensome substances from our products as a quality characteristic, to provide products that customers can use safely.

Awards from customers

As a result of activities based on the policy, “Putting customers first and focusing on quality”, JTEKT receives many awards from our customers.

Main awards in fiscal 2007

Customer	Title	Awarded Company
Toyota Motor Corporation	Quality Control Award	JTEKT CORPORATION
Toyota Motor Corporation (Head Plant)	Zero-PPM Award	JTEKT CORPORATION
Asumo Co., Ltd.	Best Quality Award	JTEKT CORPORATION
Sawafuji Electric Co., Ltd.	Quality Award	JTEKT CORPORATION
Toyota Motor Engineering & Manufacturing North America, Inc.	Launch Award	JATM (U.S.: local subsidiary manufacturing steering)
Guangzhou Toyota Motor Co., Ltd.	Quality Award	JAFS (China: local subsidiary manufacturing auto parts)
Tianjin FAW Toyota Motor Co., Ltd.	Best Quality Award	KWA (China: local subsidiary manufacturing bearings)
Tianjin FAW Toyota Motor Co., Ltd.	Quality Award	KWK (China: local subsidiary manufacturing bearings)
Thai Yamaha Motor Co., Ltd.	Best Quality Award	JTC (Thailand: supervising company)
Thai Yamaha Motor Co., Ltd.	Best Delivery Award	JTC (Thailand: supervising company)



ISO/TS16949 Certification of Nara Plant



The 2nd Company-wide J-QC Circle Convention (November 17, 2007)

[Relationship with customers]

■ The keyword is “environment”

Now, people can live convenient lives through the development of technology. On the other hand, environmental problems, including greenhouse effect, have become more urgent. For sustainable human development, enhancing both environmental protection and production or consumer activities become more and more important. Development of environment-friendly technology is being pursued in all industrial fields, for example, hybrid cars and electric cars in automobile industry, and wind power generation in the power industry.

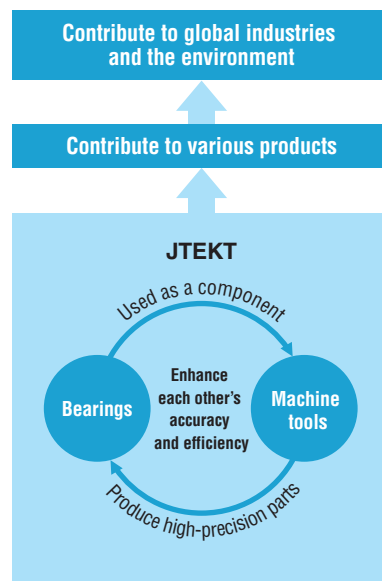
JTEKT also strives to develop environment-friendly and valuable frontier technologies under the watchwords of “Value & Technology”. We keep providing new value to every industrial field and contributing to the realization of a sustainable society through technological innovation.

■ Supporting the foundation of manufacturing

Bearings are called a “staple product of industry” and are widely used in a broad range of machine products and household appliances. In addition, machine tools are called “mother machines”. They support manufacturing as machines that give birth to machines. JTEKT is a rare company in that it has both technologies indispensable for manufacturing.

To produce high-precision machine tools, high-precision bearings are necessary. Production of high-precision bearings requires high-precision machine tools. JTEKT contributes to industrial development by blending and deepening these two technologies.

For that reason, troubles with JTEKT products may affect the entire society. JTEKT is aware of its social responsibility and always strives to improve technology and quality.



Bearings that are called a “staple product of industry”



Machine tools are also called “mother machines”

T O P I C S

Produced a series advertisements expressing our relationship with customers

Products of JTEKT are widely used, surrounding the people of the world. For example, our products, including steering, driving parts, bearings and oil seals, are loaded to automobiles. JTEKT products are also used in air conditioners; washing machines; refrigerators; vacuum machines; computers in homes and towns; railcars, including those of the bullet train; ships; airplanes; elevators and escalators of stations and buildings; and in products related to clothing, food and housing. JTEKT products are used in farm machines and textile machines, in paper manufacturing machines and printing machines, and in steelmaking and electrical generation equipment.

JTEKT regards not only our customers but also end users as important customers. We made a series of advertisements, so as to inform people of our social responsibility widely.



These newspaper ads can be viewed in the newspaper ads library on our website.

Together with Suppliers

JTEKT regards suppliers as partners and respects them. We strive to fulfill our social responsibility by building trustful relationships with suppliers, and making effort towards thorough compliance, information disclosure and promotion of green purchasing.

[Approach to purchasing]

■ Basic Policy toward Purchasing

JTEKT operates purchasing activity based on the following philosophy and policy

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

(from JTEKT Corporate Activities Standard)

[Purchasing Policy]

● Fair and transparent businesses transactions

We provide fair, transparent and free entry opportunity to all suppliers, regardless of nationality, company size, and presence or absence of transaction record.

Purchasing Basic Policy

● Mutual trust

We build mutual trust through close communication with suppliers.

● Coexistence and Co-prosperity

We realize harmonious relationships with suppliers based on mutual trust.

● Long-term and Stable Dealings

We realize stable purchasing that satisfies quality, price, volume and delivery date requirements through continuous dealing.

● Global Purchasing

We realize optimal purchasing globally. We strive to enhance international competitiveness with a firm supply chain.

■ Holding a “Purchasing Policy Meeting”

We hold a “purchasing policy meeting” every year for suppliers. We held the meeting in March 2008 for fiscal 2007, and received 400 participants from 334 companies. We explained our purchasing policy based on the two important points in purchasing: “change and complete” and “teamwork and speed”. We also held an awards ceremony and honored suppliers that achieved excellent records in quality, cost and technological development.

■ Approach to Green Purchasing

All of JTEKT works on green purchasing activities in order to establish a sustainable recycling society. We established “Green Purchasing Guidelines” for its promotion, and request suppliers’ cooperation.



Awards Ceremony at Purchasing Policy Meeting



Green Purchasing Guidelines

In Green Purchasing Guidelines, we particularly request suppliers the following points;

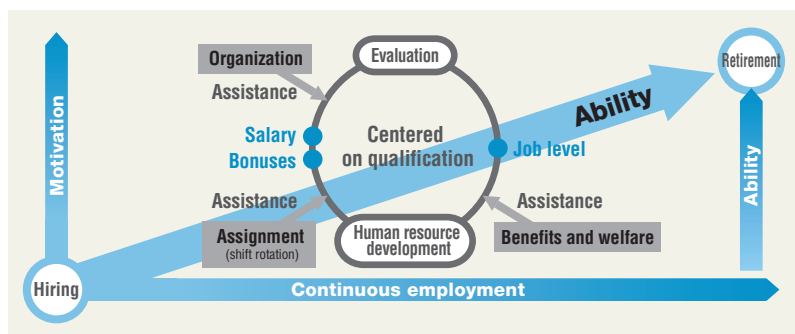
- To establish environmental management system
- To thoroughly follow environment-related laws and regulations
- To ban or limit the use of environmentally burdensome substances
- To improve environmental performance including CO₂ reduction

Together with Employees

JTEKT holds up as one of our management stances the slogan, “Create a bright, energetic corporate atmosphere based on respect for people.” Each employee regards him or herself as a main character of the company and conducts self-sustaining activities. To promote the realization of an ideal company through such employee activities leads to creation of a workplace that motivates employees.

[Philosophy on Human Affairs]

JTEKT’s philosophy is to “seek to contribute to the happiness of people and the abundance of society through product manufacturing that wins the trust of society.” To create new value and provide society with joy and excitement broadly, we develop human resources in a manner that allows all employees to fully use their creative abilities. We strive to create workplaces where the individuality of each employee is respected, that provide employees with the chance to fulfill their potential, and that enable them to contribute to the success of the company. Our human resource development system, which consists of the three elements 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.



[Labor-Management relationship]

Based on a good labor-management relationship, JTEKT conducts various activities for development of the company, stability and enhancement of employees’ lives. In addition to periodically holding “labor-management meetings” and “central manufacturing subcommittee meetings”, we establish opportunities both for labor and management to discuss face-to-face at plants and departments including at “manufacturing subcommittee meetings” and “labor-management meetings” for deepening mutual trust and mutual understanding.

[Morale Survey]

In order to grasp employees’ feelings towards the corporate culture, daily tasks and the merger of two companies and reflect them in corporate policy or departmental policy, we conduct a morale survey. In the survey, we set questions regarding vitality of the organization and employees, including vital powers of organization, employee satisfaction and communication vitality. In the survey, conducted in February 2008, we gained a response rate of 98.9% from 1,500 employees. Results are reported to the top management, fed back to employees through the company magazine, and used for realizing “JTEKT VISION 2015”, based on problems highlighted by the survey.

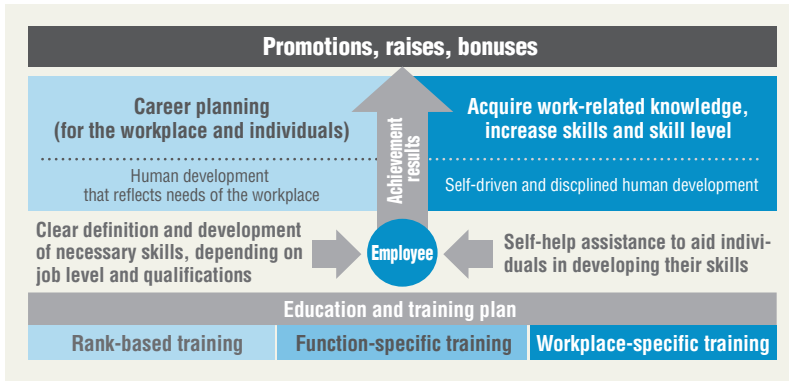
Surveyed items

- Teamwork
- Responsibility
- Employee satisfaction
- Challenge
- Self-sustenance
- Communication

[Human Resource Development]

■ Idea behind human resource development

Based on the “idea behind human resource development” on the right side of this page, JTEKT constructed a systematic human resource development system so that each employee can develop his or her skills while gaining accomplishments.



■ Employee development

Our training system consists of “rank-based training (companywide training)”, “function-specific training” within specialist fields, and “workplace-specific training” carried out by the workplace.

In rank-based training, knowledge, skills and responsibilities that must be attained by employees at each rank are clearly defined and actual training is conducted depending on each employee’s level.

Function-specific training is provided so that employees can obtain advanced knowledge and skills from both in-house and external instructors who are skilled in specific functional fields. At each workplace, an education and training plan is defined so that employees can acquire the skills relevant to their job level and qualifications based on a schedule.

In addition, we support employees’ efforts to obtain qualifications and in self development programs.

■ Technician Development

In order for JTEKT, as a manufacturer operating both a bearing and a machine tool business, to continuously provide the world with advanced and reliable technology rooted in innovative manufacturing technologies, we are organizing the system to train employees to attain advanced technical skills.

Technicians receive basic education through our vocational schools and then through OJT(*1) at workplaces. The whole workplace trains technicians with advanced skills by utilizing national and in-house technical skill examinations and courses to increase their skills.

Idea behind human resource development

1. Develop employees who understand the company philosophy, and who are professional, creative, highly skilled and able to achieve management goals.
2. Develop employees who are creative, always motivated to improve themselves, and able to realize their true potential through self-driven and disciplined actions.
3. Develop employees who respect human rights, live in harmony with the environment, observe social rules, are sensible and have an international perspective.

*1 OJT:

Abbreviation for “On the Job Training”; training is carried out through actual work.

VOICE



Okazaki Plant
Takayoshi Asano

Selected as a “Contemporary Master Craftsman” and awarded by the Ministry of Health, Labor and Welfare in 2007 for his great skill and coaching of younger employees.

I’d like to convey the joy of work with younger employees.

I established a skill test in the company for training the younger employees and wrote the test. I try to let them become interested in a more specific job. I would like to convey the joy of working on a job requiring feeling and a high sense of touch.

TOPICS

Participated in “Skill Olympics”

JTEKT began to participate in “Skill Olympics” in 2006 for the purpose of training core workplace personnel who obtain cutting-edge technology. Young workers under the age of 23 and engaged in the manufacturing industry (excluding some jobs) compete for the championship in this contest. JTEKT keeps recommending our employees to participate in this contest for raising skills.



[Respect for human rights, equal opportunity and diversity]

■ Utilization of diverse human resources

JTEKT writes in its Corporate Activities Standard, “Respect the individuality of employees, create workplaces that are motivating to employees and enable them to fulfill their potential, and strive to provide each with abundant living circumstances”. To utilize diverse human resources, we adopt various measures including hiring foreign employees, assisting female employees’ career development, hiring fixed-term employees as permanent employees, employment of handicapped persons, job assistance for those who engage in child-care and nursing-care, and continued employment for the retired.

■ Assisting female employees’ in developing their careers

We provide equal opportunities based on motivation and qualification and not on gender. Specifically, we hire female managers, properly change employees’ line of work, and promote women to administrative positions.

■ Reemployment of the elderly

In the acceleration of demographic aging, JTEKT established the “Senior Partner System” in April 2006 so that retired employees with high motivation and abundant knowledge and experience can continue working. Senior partners train younger employees who will become leaders of JTEKT.

■ Assist in balancing a career and child-raising ➡ Figure | 01

With the adoption of the childcare leave system and short-time working system, we actively assist those who intend to balance their careers and child-raising and work free from anxiety. In the questionnaire for those who have taken child-care leave, 81% answered that the workplace had an atmosphere of easily taking child-care leave, and 72% answered that they won the understanding of their workplace. We also established a vacation system available at the time of a family member’s illness.

■ Enhancing the power of the workplace

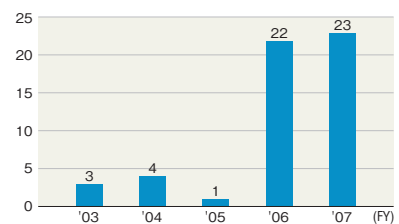
By enhancing each employee’s qualification and teamwork with the use of OJT and systematic workplace-specific training, JTEKT seeks to strengthen the power of the workplace. We stimulate horizontal ties beyond the departmental boundaries, in addition to the normal hierarchical workplace relationships, through various events including plant festivals, club activities and recreational activities.

(➡ Related article, See P.32)

■ Hiring fixed-term employees as permanent employees ➡ Figure | 02

JTEKT provides various ways of working, and as one of the measures for varied personnel to develop their careers, we established a system to assign fixed-term employees as permanent employees in fiscal 2006. We plan to hire approximately 90 fixed-term employees as permanent employees in 2008.

➡ Figure | 01
The number of employees who took child care leave



➡ Figure | 02
Composition of employees as of March 31, 2008

	Male	Female	Total
Permanent employees	9,386	637	10,023
Fixed-term employees (*2)	1,788	312	2,100
Total	11,771	966	12,737
Length of employment	18.0 years	16.5 years	17.9 years
Job turnover rate (*3)			1.1%

*2 The total of fixed-term employees, part timers, reemployed employees and temporary workers
*3 Voluntary termination rate

[Safety, Hygiene and Health]

■ Decided “Safety and Health Policy”

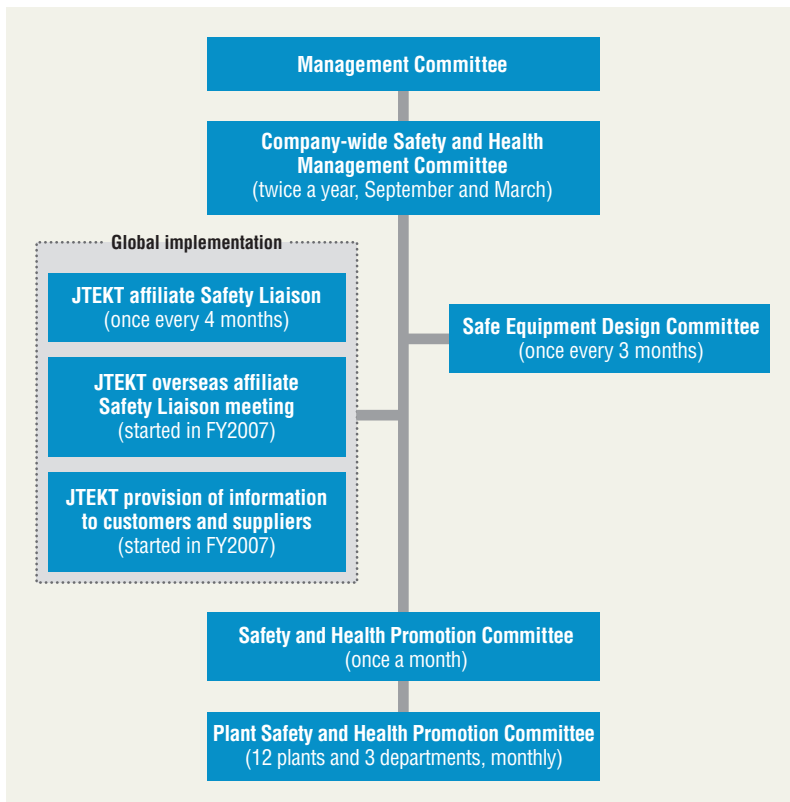
JTEKT decided on its “Safety and Health Policy” in 2007 for creating a safe and pleasant workplace where employee can maintain mentally and physical health. Then, based on this, each plant decided its own “Safety and Health Policy”. Based on such policies, the entire staff participates in various kinds of activities to create a safer, healthier and more pleasant workplace.

■ Management System to realize policies

The “Safety and Health Management Committee” discusses and decides policies, goals and measures regarding safety, hygiene, health, and traffic and fire prevention, and then, manages progress and achievement. Regarding safety and health activities overseas, we divide responsibility among parent plants, local subsidiaries and the Secretariat and conduct various activities. Regarding safety and health activities at plants, we provide all employees the action program and important information dealt with at the “Safety and Hygiene Promotion Committee” for preventing recurrence of accidents and for enhancing workplace safety.

Thus, JTEKT built a management system covering the whole company to realize its “Safety and Health Policy” deliberately and efficiently.

Centralized management



Safety and Health Policy

1. We deeply understand that maintaining employees' safety and health is indispensable for operating business at JTEKT, so we proactively promote safety and health management activities for its realization.
2. We abide by safety and health related laws, instructions and guidelines issued by administrative authorities by properly reflecting them in our company regulations. We also try to specify and eliminate risk factors and hazardous substances by promoting accident prevention with the use of our safety and health management system with improved risk assessment.
3. We improve employees' self-awareness and promote a truly safe workplace and safety-conscious employees, and the following control points for safety and health management.
 - (1) Elimination of labor accidents
 - (2) Formation of a pleasant workplace
 - (3) Eradication of traffic accidents
 - (4) Strengthening of fire-prevention management
 - (5) Promotion of mental and physical health
 - (6) Enhancement of safety and health education
4. We promote change and innovation at every phase while listening to employees' opinions.

Promote Activities Systematically

To improve safety and health level systematically and continuously, we set medium and long-term plans regarding safety and health management. In the plan, based on “establishing a safe workplace”, “developing safety-conscious employees”, and “enhancing implementation methods of OSHMS (*1)”, we set a single-year goal and medium-term goal. We pursued the following items in 2007 as main measures.

01 | Activities based on the safety and health management system

We pursued improvement of working methods and facilities by promoting risk assessment (*2). In addition, we promoted acquiring safety-related certification from external organizations. All 12 of our plants had acquired the certification by the end of 2007.

02 | Improving the work environment and enhance safety-consciousness of employees

We improved the work environment by reflecting daily safety and health activities in our risk assessment. We also expanded our internal safety audit system.

03 | Promoting efforts to improve the intrinsic safety of equipment

We make a “Safety and Health Check Sheet” when introducing equipment. In addition, we make a “Risk Assessment Operating Procedure” when designing equipment.

04 | Improving the work environment

We succeeded in reducing noise at eight workplaces (66 pieces of equipment). To create pleasant workplaces for female and elderly employees, we also implemented a work environment assessment based on human engineering at three domestic plants. A work environment assessment is scheduled to be implemented at the remaining nine plants in 2008.

Improving awareness and knowledge through education

Safety and health education is an important part of training and is carried out consistently. Mainly, we conduct “rank-based education” based on job level, “special education”, “Basic KYT 4R training (*3)”, “Danger Training” and “Skill Training”.

Enhance safety

In the first half of 2007, eight lost-time accidents occurred (*4). JTEKT recognized it as a serious crisis. We held an urgent meeting on safety in August and enhanced safety activities. As a result, in the latter half of 2007, the number of such accidents was reduced to two. We keep trying to reduce the risk of work-related accident through various kinds of safety activities.



Hanazono Plant acquired OSHMS Certification

*1 OSHMS:

Abbreviation for Occupational Safety & Health Management System, the system to responsibly, systematically and continuously promote safety and health management for improving safety and health standards at business facilities.

*2 Risk Assessment:

Measure to investigate the risks in a workplace and implement proper risk-reduction measures.

Figure | 01

Principal education (the number of attendees in 2007)

Rank-based Education	Safety Managers Education	114
	Group Leader Education	208
	New Employees Education	133
	Education for Academy Students	64
Special Education	Grinding stone replacement	148
	Arc welding	59
	Forklifts	53
	Cranes	192
	Robots	51
Others	Toyota-group education of people in charge of outside workers	549
	Toyota-group education of people in charge	379
	Education for high-elevation work	758
	Electric shock prevention	740
	Risk assessment education	427
Total		3875

*3 Basic KYT 4R Training:

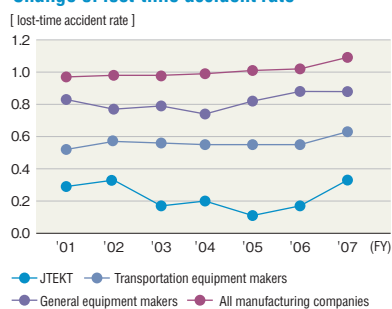
KYT means Kiken (hazard), Yochi (prediction), and Training. 4R means 4 rounds. This is hazard-prediction training through 4 phases.

*4 Accidents resulting in an employee's absence due to a work-related injury:

JTEKT defines an accident resulting in an employee's absence due to a work-related injury as “more than one day's absence due to a work-related injury”.

Figure | 02

Change of lost-time accident rate



$$\text{Lost-time accident rate} = \frac{\text{Number of lost-time accidents}}{\text{Total labor hours}} \times 1 \text{ million}$$

■ Achieving mental and physical health

Maintaining each employee's health is indispensable for our business activities. JTEKT implements various programs to maintain employees' mental and physical health.

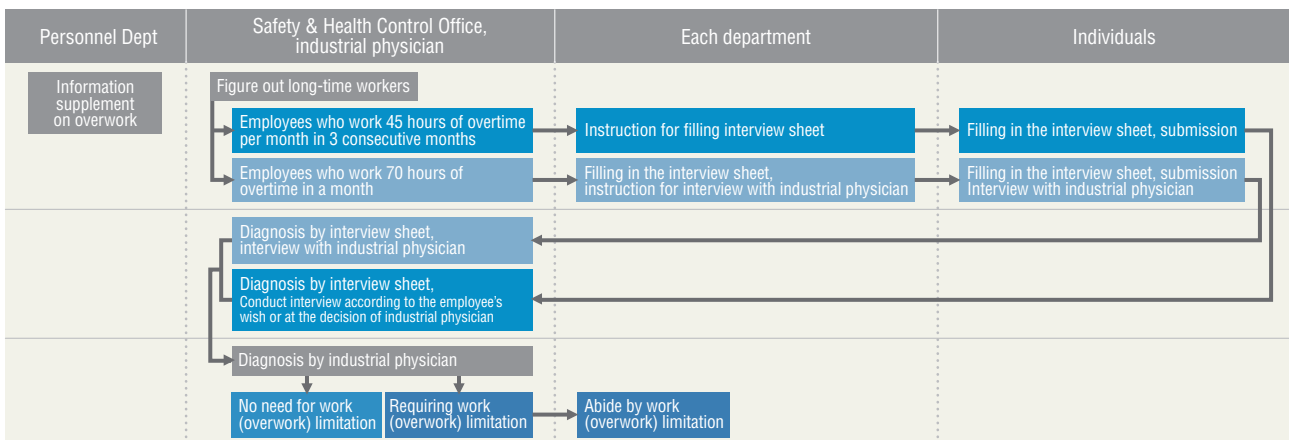
01 | Achieving mental health

We proactively promote mental health measures focused on preventing depression. In addition to educating managers about mental health and educating all employees about stress management, we conduct stress checks so that our employees can realize their own stress levels and so that we can grasp the actual status of workplace. As a result of these stress checks, we counsel high-stress individuals and deal with any cases requiring mental care at an early stage. In FY2007, we implemented "critical path for mental health improvement". As a result of such activities, stress levels (*5) are decreasing.

Implementation item	2000	2005	2008	2010
Self-discovery	Stress checks			
Early discovery of abnormalities	Health counseling at workplace	Critical path for mental health improvement		
Mental health education	Managers	Mental health lecture	Mental health education for managers (480 managers)	Mental health education for managers (800 managers)
			Education for listeners (740 listeners)	Education for listeners (1,200 listeners)
Mental health education	All employees	Stress management education (6 business facilities)	Stress management education (9 business facilities)	

02 | Measures to crushing labor

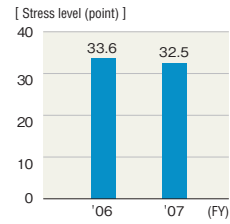
For health management, it is a company's obligation to have long-term workers interviewed by a doctor. JTEKT conducts after-the-fact measurement and health guidance through an interview by an industrial physician's for employees who work 45 hours of overtime during 3 consecutive months and want to have a doctor interview, and for employees who work 70 hours of overtime in one month.



03 | Measures to combat lifestyle-related diseases

Prior to implementation of "health checkups and healthcare advice" in April 2008, we started healthcare advice in October 2007.

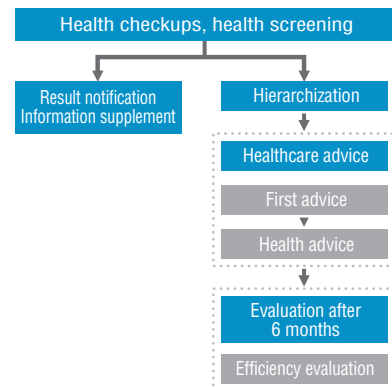
Results of stress checks in 2007



*5 Stress level (Depression scale):

Stress level shows the status of stress and emotional status at the time of stress checks. Above 60 points is suspected of depression.

Healthcare advice items implemented in 2007



Results of healthcare advice in 2007

	First advice	health advice	efficiency evaluation
Timing of implementation	December 2007	January to April, 2008	June 2008
The number of cases	770	628	346
Implementation rate	100%	81%	45%

Together with Local Communities

JTEKT emphasizes interaction with local communities as a member of the community.

We proactively promote communication through various activities including “Community Discussion Meetings” and “Plant Festivals”.

[Promotion Framework]

■ Company-wide Management through a “Local Environment Subcommittee”

JTEKT forms a “Local Environment Subcommittee” as one of six specialized subcommittees of the “Global Environment Conservation Committee” chaired by the President. The purpose of this subcommittee is for “JTEKT to win the respect of local communities and the confidence of administrative authorities, and for our plants, headquarters, branch offices, sales offices, distribution centers and technical centers to develop without interruption and to continue operation”. We believe that we will fulfill our responsibility by listening to the opinions of local communities and by continuing to improve.

[Communication]

■ Hold “Community Discussion Meetings”

We periodically invite local residents and hold a “Community Discussion Meeting” at each plant. At these meetings, we report the results of our environmental preservation activities and exchange opinions with local residents. We build good relationships with local communities through such activities. A total of 160 attendees gathered at all plants in 2007.

■ Holding an event called “Let’s have a peek at a manufacturing scene”

This is a joint event held by seven companies of Toyota Group to celebrate the 50th anniversary of the municipality of Kariya City and it was started in 2000. We hold this event every year for the local residents to deepen their understanding of our business activities. They are invited to the showrooms and plants of these companies. At first, participants were limited to those who live, work or study in Kariya City. But now, the coverage area of this event has been expanded to the Mikawa Region (Kariya, Anjo, Takahama, Hekinan, Chiryu), Obu City and Tokai City. We deepen exchanges with local residents from children to the elderly by giving them firsthand knowledge of the manufacturing sites (plants).

■ Plant Festival

JTEKT holds a “Plant Festival” every year at each plant to cultivate friendship among the employees, families of employees and local residents. We prepare various activities including a stage show, games and sales booths at each plant, and such activities entertain the visitors. We held total of 10 plant festivals and drew a total of 7,723 attendees in 2007.



“Community Discussion Meeting” (Higashikariya Plant)



“Let’s have a peek at a manufacturing site”



Plant Festival

1. Hanazono Plant Festival, 2. Kariya Plant Festival, 3. Okazaki Plant Festival, 4. Tadamisaki Plant Festival

[Activities Contributing to Local Communities]

■ Participation in local beautification activities and greening activities

We carry out local beautification activities every year to enhance employees' environmental consciousness. To live together with local communities, employees proactively participate in cleanup activities around the plants and flower-planting activities.

For example, Kameyama Plant participated in “the cleanup campaign of the Suzuka Path” held by Kameyama City on June 3, 2007. There is no end to littering and illegal-dumping around the Suzuka Path. In drizzling rain, the operation gathered about 500 participants, including those from Kameyama Plant. They gathered up various kinds of rubbish including plastic bottles, tires and wheels.

We also participated in the “Midosuji Cleanup Campaign” held in Chuo-Ward, Osaka City on August 24, 2007. This campaign is to clean up Midosuji Boulevard which was selected as the marathon course of the World Championships in Athletics in Osaka. About 800 participants from the municipality and companies along the street and 11 from JTEKT Osaka Head Office participated in the campaign. They gathered rubbish, including plastic bottles, and cleaned bronze statues in extreme heat.

We gathered a total of 2,472 participants for cleanup activities and beautification activities in the local community.

■ Participation in “Child’s Emergency Call” campaign

The “Child’s Emergency Call” campaign is to maintain as many shelters as possible for children. Local authorities around Japan promote this campaign to establish an environment where everyone can live with a sense of security. The prefectural government of Osaka calls for companies and homes to be engaged in the “Child’s Emergency Call” campaign. Kokubu Plant participated in this campaign in December 2007. It was one of the activities by which they contributed to the local community. They helped prevent trouble with mobile “Child’s Emergency Calls”, which are promoted by putting “Child’s Emergency Call” stickers on four commuter buses and three company cars.



Zero Emission Campaign (Toyohashi Plant)



The cleanup Campaign of the Suzuka Path (Kameyama Plant)



Midosuji Cleanup Campaign (Osaka Head Office)



“Child’s Emergency Call” campaign (Kokubu Plant)

T O P I C S

Sponsored an Elementary School Soccer Tournament

To educate children through sports, JTEKT sponsors the “JTEKT Challenge Cup”, an elementary school soccer tournament held in Kariya City, since 1997. This tournament is held in winter every year and attracts more than 30 teams from 16 elementary schools.

The JTEKT soccer team sends volunteer referees to this tournament. JTEKT plant volunteers providing free miso soup service to players and their parents is also an annual event.



[Traffic and Fire Prevention]

■ Promoting fire prevention

To be a company that wins the confidence of local communities, we think that fire prevention is an important activity. So, we promote fire prevention voluntarily and under the instruction of local fire-fighting authority. We also conduct fire prevention activities at each workplace with a sense of taking good care of our workplace by mapping fire hazards. In 2007, the Tokyo Plant received the Fire Commissioner's Award for fire-fighting activity and hazardous material management. The Tadomisaki Plant and the Higashikariya Plant received a commendation from their local fire stations.

(1) Creating a workplace where fires don't happen

- Maintaining the latest edition of fire maps and procedures
- Legal and voluntarily inspection of high-pressure gas facilities
- Implementation of initial-stage firefighting training
- Legal and voluntary inspection of dangerous facilities
- Fire prevention inspection by a fire-prevention manager

(2) Promotion of fire prevention measures

- Review of facilities, including buildings and equipment
- Removal of LPG tanks (switch to LNG)
- Updating automatic fire receiving equipment
- Promoting fire prevention at fire pits and in-line facilities

■ Traffic Safety Activity together with Local Communities

As an automobile-related company, JTEKT believes that promoting traffic safety is key social responsibility. We implement activities including participation in traffic patrols and holding a traffic safety lecture with a police-related person, the local community, local authorities and police. In 2007, the Hanazono Plant acquired a good reputation for its traffic safety activity and received a commendation from local police station as a superior traffic safety company.



Received Fire Commissioner's Award (Tokyo Plant)



Initial-stage firefighting training (Okazaki Plant)



United Activities of the Toyota Group (Kagawa Plant)

● Yellow-stop activities	● Traffic patrol
July 200 participants	September 300 participants
December 300 participants	

T O P I C S

Promoting traffic safety activities for employees

To avoid all traffic accidents, including accidents in employees' private time, and to protect employees' safety and happiness, we proactively promote traffic safety activity for employees. Specifically, we implement hazard prediction training at intersections and awareness activities for enhancing consciousness of dangerous spots in commuter routes. In addition, we conduct traffic safety education on "the traffic accident and insurance system" and "the situation at the outbreak of the accident and countermeasure".



Traffic safety education (Kokubu Plant)



Traffic safety lecture (Hanazono Plant)

Together with Shareholders and Investors

JTEKT seeks to build long-term trustful relationships with shareholders and investors.

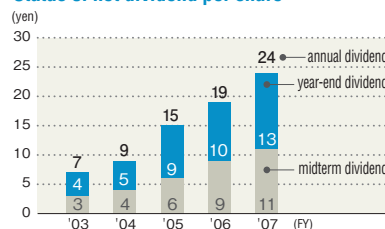
To do so, we emphasize heightening corporate value, stable dividends, and transparency in management.

[Performance and profit return]

Consolidated sales for FY 2007 were 1,157.5 billion yen, an increase of 133.2 billion yen or 12.9%, over the previous period. Regarding profit, despite a rise in raw material prices and increase of depreciation allowance by the revision of corporate tax law, consolidated operating income rose to 72.8 billion yen, an increase of 5.9 billion yen or 8.9%, thanks to increased sales. Consolidated net income decreased 1.4 billion yen or 3.2%, to 43.4 billion yen. As a result, we issued an annual dividend to shareholders of 24 yen per share, an increase of 5 yen per share from the previous year.

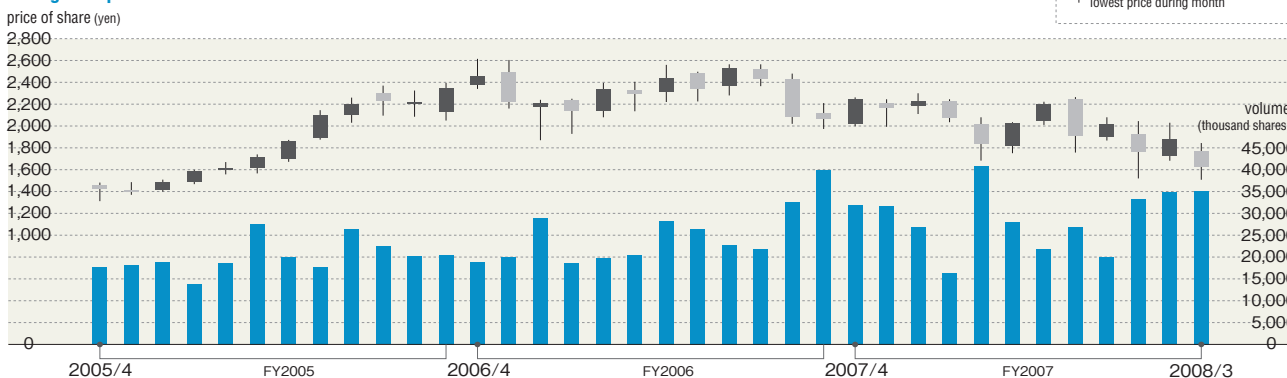
We are eager to response to expectation of shareholders and investors through establishing better quality control system, product development that takes the market in advance and strengthening revenue base by cost reduction.

Status of net dividend per share



JTEKT CORPORATION started its operation on January 1, 2006 by merger of KOYO SEIKO CO., LTD. and TOYODA MACHINE WORKS, LTD. Dividend of FY 2003 and 2004 are those of KOYO SEIKO CO., LTD.

Changes in price of share



[General Shareholders Meeting]

JTEKT holds general shareholders meeting every June. The meeting starts with the President's opening remarks, then audit issue, operating statement, balance sheet and profit & loss are reported.



108th general shareholders meeting

[Information Disclosure]

In order to build long-term trustful relationship with shareholders and investors, transparency in management is essential point. Therefore, we strive to disclose proper, fair and accurate information continuously.

major IR activities

- Holding results briefings once a 6 months
- Issuing report
- Financial and IR related information transmission through the website
- Issuing annual report
- Accepting interviews
- Plant tour