

JTEKT CSR

**“Seek to contribute
to the happiness of people
and the abundance of society
through product manufacturing
that wins the trust of society.”**

(from Corporate Purpose)

The very activities required by the Corporate Philosophy are what compose CSR activities: This is the definition JTEKT adopted in FY2008.

JTEKT's CSR activities have taken a step forward.

This section explains the background to these changes and introduces JTEKT's newly established CSR Policy and CSR promotional structure

along with its corporate governance and compliance policies, indispensable elements of proper corporate management.

CSR Concept

What CSR means to JTEKT

Achievement of the Corporate Philosophy

As JTEKT began considering how to strengthen its CSR activities, it realized it needed a greater common awareness among employees regarding CSR. Before that, however, it first had to clarify what CSR meant to JTEKT. In FY2008, many internal discussions were held regarding the meaning of CSR, and the conclusion was that to JTEKT, the very activities required by the Corporate Philosophy should be what compose its CSR activities. JTEKT's

Corporate Purpose is to "seek to contribute to the happiness of people and the abundance of society through product manufacturing that wins the trust of society." In line with this purpose, JTEKT believes CSR to be viewing economic, environmental and social issues comprehensively, fulfilling its responsibilities to all stakeholders, and meeting stakeholder expectations.

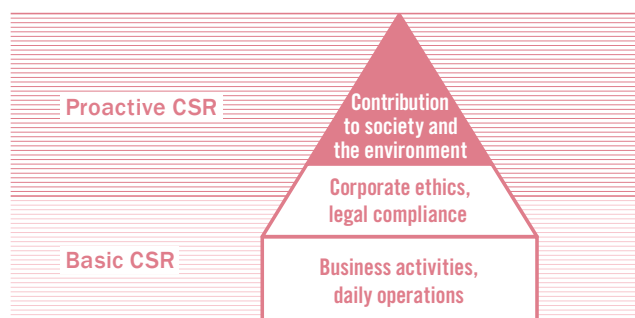
[CSR activities and Corporate Philosophy]



Basic CSR and proactive CSR

JTEKT's CSR activities are divided into basic CSR and proactive CSR. Basic CSR refers to meeting the expectations of stakeholders through carrying out conscientious, ethical business activities in compliance with the letter and spirit of the law, and proactive CSR refers to clarifying and continually carrying out activities suitable to JTEKT in view of its stature and characteristics centered on the areas of environmental conservation, human development, and contribution to local communities.

[Structure of CSR activities]



[Concept of CSR Policy]

JTEKT's CSR Policy comprises its Corporate Philosophy, Corporate Activities Standards, Employee Conduct Guidelines, and Ethics Code for Directors and Officers.



Defining the Corporate Philosophy as JTEKT's CSR Policy

In February 2009, JTEKT issued its CSR Policy. This comprises the Corporate Philosophy, Corporate Activities Standards, and Employee Conduct Guidelines issued at the merger in 2006 and the Ethics Code for Directors and Officers issued in 2008. This Policy clarifies the actions and attitudes expected of all JTEKT

employees in the performance of business activities and daily operations. JTEKT believes a common awareness of this Policy throughout the group will enable it to meet the expectations of stakeholders and fulfill its responsibilities as a corporate citizen.

CSR Policy

The JTEKT Group, in order to fulfill its mission of “contributing to the happiness of people and the abundance of society through product manufacturing,” seeks to carry out business activities in harmony with the economy, society, and the environment. As a good corporate citizen, we will continue activities to obtain the further trust of stakeholders and contribute to the sustainable development of society and the environment. We also are sharing this Policy with our suppliers with the expectation of their compliance.

Corporate Philosophy

Corporate Purpose

Seek to contribute to the happiness of people and the abundance of society through manufacturing that wins the trust of society.

Management Stance

1. Create new value and provide society with joy and inspiration on a broad scale.
2. Aim for growth in harmony with society through innovative operations on a global basis.
3. Create a bright, energetic corporate atmosphere based on respect for people.
4. Strive toward the realization of safer, more abundant living circumstances.

Corporate Activities Standards

1. Follow proper business practices and engage in fair, transparent and free competition based on a respect for the law.
2. Derive concepts from the market, provide the best in quality, technology and service, and obtain the satisfaction and trust of customers.
3. Carry out global environmental improvement activities proactively and aggressively with deep awareness of their being an important corporate mission.
4. 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.
5. Maintain close communication not only with shareholders but also with society at large and disclose corporate information properly.
6. As a good corporate citizen, aggressively pursue activities that contribute to society.
7. Follow international rules, observe the laws, cultures and customs of countries and regions where we have operations, and seek to contribute to their growth.

Employee Conduct Guidelines

In June 2008, we revised our Employee Conduct Guidelines originally issued in April 2006 based on changes in laws, etc. These Guidelines, now positioned as an element of JTEKT's CSR Policy, provide easy-to-understand guidance and instructions for employees in their daily activities to enable them to carry out the Corporate Philosophy and achieve corporate objectives. Measures to gain full awareness of these Guidelines among employees include posting them on the company's intranet system and providing each employee with an abbreviated pocket-version.

Employee Conduct Guidelines

- Section 1 Employee's relationship with the company
- Section 2 Employee's work in the company
- Section 3 Employee's relationship with society
- Section 4 Employee's personal activities

Ethics Code for Directors and Officers

In April 2008, the Ethics Code for Directors and Officers was issued to provide conduct guidelines for directors and managing officers. It covers 11 areas such as "ethical conduct in good faith" and "compliance with laws and regulations." This Code not only ensures legally compliant conduct by JTEKT's directors and officers but also, by having top management set a strong example, raises awareness throughout the company of the importance of compliance.

Ethics Code for Directors and Officers (excerpt)

- Article 5 Ethical conduct in good faith
- Article 6 Compliance with laws and regulations
- Article 8 Reporting of illegal and unethical actions
- Article 9 Responsibility to comply with the Code

CSR Promotion Structure

Constructing a companywide organization to strengthen CSR activities

Systematic promotion of CSR activities

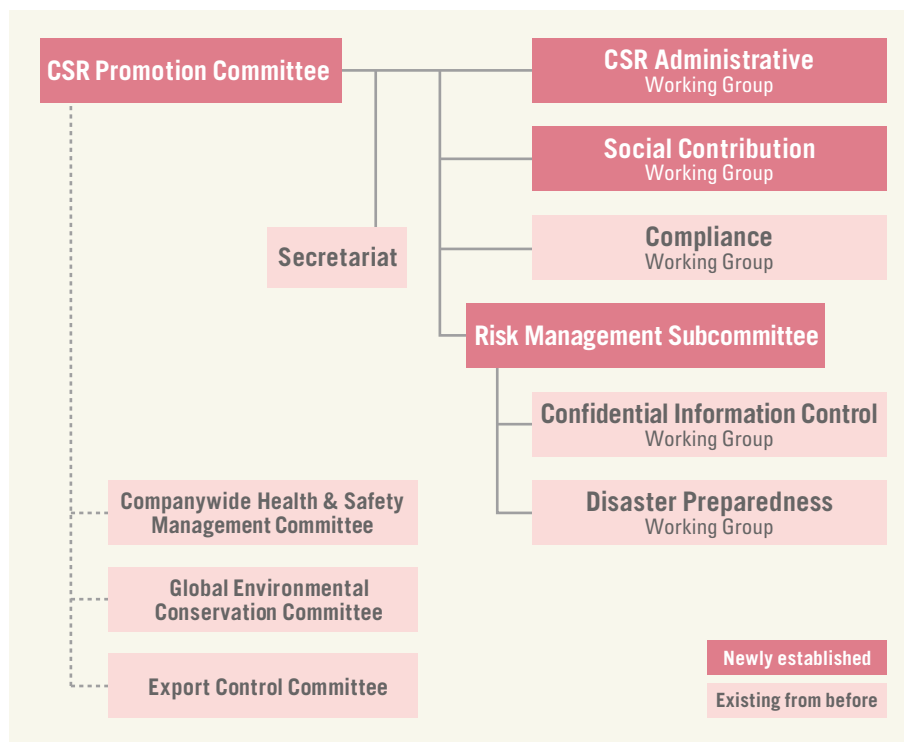
In February 2009, JTEKT established a CSR Promotion Committee chaired by the president in order to systematically promote CSR activities on a companywide and groupwide basis. Within the organization led by this committee, the most suitable activities to accomplish the missions of carrying out the Corporate Philosophy

and controlling risk through CSR activities are considered and discussed from many angles. Specialized working groups have been established to form and carry out action plans regarding important topics such as compliance, confidential information control, and disaster preparation and response.

Missions of CSR Promotion Committee

1. Carry out Corporate Philosophy
2. Control risk through CSR activities

Organization



Roles of each WG/committee

- CSR Promotion Committee**
Promote CSR activities in JTEKT and JTEKT Group
- CSR Administrative Working Group**
Plan and monitor the progress of CSR activities and expand them to group companies
- Social Contribution Working Group**
Promote social contribution and volunteer activities
- Compliance Working Group**
Raise awareness of the need for compliance with laws, internal rules, and business ethics
- Risk Management Subcommittee**
Identify risks, prepare countermeasure plans, and monitor plan progress
- Confidential Information Control Working Group**
Devise and implement a structure and systems for ensuring information security
- Disaster Preparedness Working Group**
Strengthen buildings and equipment to withstand disasters, prepare a manual for early recovery, etc.

CSR activities in each department

At JTEKT, CSR activities are promoted by the specialized committees and working groups operating under the CSR Promotion Committee. Individual departments such as General Administration and Personnel each include CSR targets in their annual policies and pursue these targets in a planned manner by the PDCA (*) cycle. Each working group's lead department compiles achievement results and reports to the CSR Promotion Committee. By this structure, JTEKT aims to promote the energetic, consistent carrying out of CSR activities throughout JTEKT and the JTEKT Group.

*PDCA is a management tool for continuously improving work by repeating a Plan-Do-Check-Action cycle.

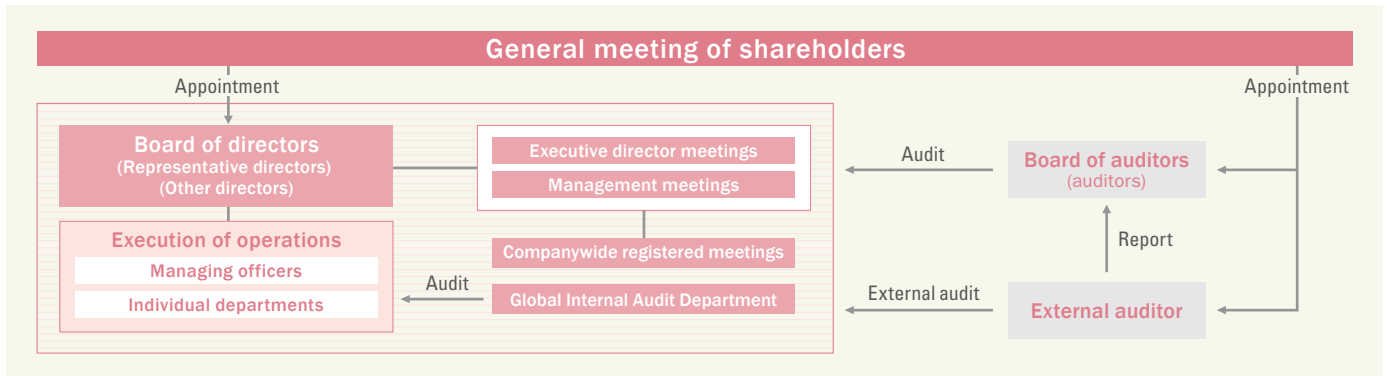


Corporate Governance

Improving management transparency

In order to continually raise its corporate value and fulfill social responsibilities as a corporate citizen trusted by the international community, JTEKT strives to make its management transparent not only to shareholders but to all stakeholders. As a means of supervising management, we have adopted an auditor structure consisting of five auditors, including three external auditors, who audit the execution of duties by directors. We also have established a Global Internal Audit Department that

is independent of other internal departments and that audits overall operations including the reasonableness and lawfulness of operational management and procedures. Moreover, JTEKT is striving to construct an appropriate internal control system based on the “J-SOX” internal control reporting system by strengthening its internal control structure, expanding this throughout the JTEKT Group, and reviewing work process controls and IT controls.



Compliance

The first responsibility in corporate activities

Basic concept

The thinking of JTEKT is that compliance is its first responsibility in corporate activities. In March 2009, JTEKT formalized its compliance program and structure by issuing a Compliance Standard in order to deepen understanding regarding compliance and raise awareness. This Compliance Standard outlines the elements of JTEKT’s Compliance Program and the structure for promoting compliance throughout the JTEKT Group.

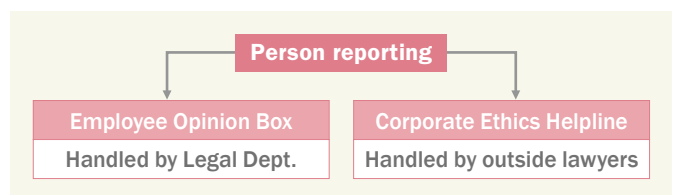
Promotion structure

The Compliance Working Group has been established as a group under the CSR Promotion Committee. It plans and carries out activities aimed at raising understanding and awareness of compliance, evaluates activity progress and results, and reports to the CSR Promotion Committee. It also monitors legal disputes and whistle-blowing reports in JTEKT and the JTEKT Group.

JTEKT business ethics consultation system established

JTEKT has established a business ethics consultation system by which employees may report problems or concerns related to compliance. By establishing both an Employee Opinion Box (Legal Dept.) and an external Corporate Ethics Helpline, JTEKT has striven to create an environment in which employees can report

problems and concerns easily and the company can obtain important information at an early stage. The number of reports received in FY2008 was 31. By posting these two reporting venues on the company’s intranet system and in monthly company newsletters, employees are kept fully aware of them.



Start of periodic compliance workshops at each business site

JTEKT in January 2009 began conducting compliance workshops for employees. Through March, it had held workshops at three business sites (the Nagoya and Osaka head offices and Nara Plant) for a total of 252 employees. Participants learned about the basic concept of compliance and JTEKT’s whistle-blowing system. Afterward, their level of understanding was confirmed by a questionnaire and short test, and results were used to improve subsequent workshops. JTEKT is continuing to hold these workshops at various business sites in the fiscal year started in April 2009.