

| Special Feature |

JTEKT CSR FRONT LINE

**Supported in our steps and guided
in our path by awareness
of communication's importance**

In FY2008, JTEKT strove to take its CSR activities to a new level by working to identify issues on a companywide basis, having each department come up with improvement ideas, and other means. In this section, we will introduce various "CSR frontline efforts" related to companywide CSR management, environmental conservation, and respect for employees. We hope reading this section will cause you, like us, to be passionate about CSR.



Raising the CSR awareness of all employees

JTEKT inaugurated its CSR Promotion Committee on February 20, 2009, for the purpose of directing and strengthening CSR activities. In late July, several key members of the various working groups operating under this committee participated in a roundtable discussion.



The Corporate Activities Standards are at the root of all activities

— First, please explain the roles and activities of your working groups (WG).

Hashimoto: The CSR Administrative WG's role is to plan and monitor the progress of JTEKT's CSR activities. Our basic understanding is that the Corporate Activities Standards (page 9) are at the root of all CSR activities, and that by carrying these Standards out, we are promoting CSR. That in turn will lead to achieving the Corporate Philosophy (page 9). We also have the role of expanding CSR activities to group companies.

Yamanaka: The Compliance WG is responsible for designing and operating JTEKT's compliance program based on the CSR Policy (page 8). We prepare the annual action plan and carry out various activities such as conducting workshops to raise awareness of the need for compliance not only with laws, regulations and internal rules but also with corporate ethics.

Ohnishi: The Disaster Preparedness WG's role is to carry out risk management related to large-scale disasters such as earthquakes. My main responsibility is to prepare buildings and equipment to withstand earthquakes. Specifically, we're working to reinforce buildings to prevent their collapse, secure machines to prevent their falling over, and improve piping and furnaces so that worker safety is maintained in the case of an earthquake. Disaster preparedness is closely linked with the company's responsibility to ensure the safety of its employees

and also is indispensable in responding appropriately in the case of a disaster in order to resume operations quickly. It also is important from the viewpoint of obtaining the trust of local communities.

— Mr. Maegawa, you also are in the Disaster Preparedness WG. What is your responsibility?

Maegawa: I'm responsible for preparing a procedural manual for quick recovery from disasters and a disaster-related risk management structure. I'm also involved in preparing a system of ensuring we are ready to respond to disasters on a companywide basis, including the conducting of periodic disaster-response drills.

Uemura: The Confidential Information (CI) Control WG's role is to prepare a structure to prevent the leakage of important company information. We have worked to identify what types of CI exist, created a CI control structure led by the director overseeing General Administration, and appointed a CI leader and sub-leader in each department. We're also working to prepare systems to monitor workplace entering and exiting and computer network accessing.

Nishihata: The Social Contribution WG is responsible for promoting social contribution and volunteer activities. JTEKT has long carried out various social contribution activities at plants and other business sites related to environmental conservation, social welfare, culture, sports, etc. Our role is to continue promoting such activities and also to create a corporate

atmosphere that encourages employees to proactively engage in volunteer activities on an individual basis.

CSR activities can now be promoted speedily

— About half a year has passed since the CSR Promotion Committee and your WGs were formed. What changes do you think WG formation has brought about?

Uemura: We had been carrying out CI control before our WG was formed, but with the CSR Promotion Committee's establishment, reporting to top management and promoting activities internally and at group companies can be done much more smoothly.

Yamanaka: I feel the same. One result we've already achieved through the WG is issuance of the Compliance Standard (page 11), which all employees can access by the company's online database.

Maegawa: Disaster preparedness activities used to focus on earthquake countermeasures, but since starting the WG, we have focused on preparedness for other disasters as well. WG inauguration also has clarified our function and roles and allowed us to carry out work more speedily.

Ohnishi: I can agree with that. Now that our roles and responsibilities have been clarified, it is easier to carry out the PDCA (*1) cycle.



Hashimoto: I think all of us were involved in our respective activities even before our WGs were formed, but WG formation has enabled us to identify issues and promote improvement activities with much greater speed. I think that is the biggest change.

Ohnishi: Regarding earthquake preparedness, JTEKT began activities in this area long before our WG was formed, which I believe demonstrates that a culture of social responsibility and care for local communities has long existed at JTEKT.

Hashimoto: At the same time, an important task for us is to further strengthen this culture.

Nishihata: In regard to achieving all employees' awareness of the importance of environmental contribution and volunteer activities, I think we have much work to do. Nonetheless, in discussions with employees at our plants, I've felt people are beginning to realize the importance of volunteer activities.

Raising the CSR awareness of all employees is an important task

— How do the rest of you feel employees are reacting to your efforts?

Ohnishi: I think the importance of disaster preparedness is gradually being understood. When I visit plants, I sometimes see that measures have been implemented to prevent parts from falling off shelves or light fixtures from falling during earthquakes, and that encourages me that awareness is growing.

Yamanaka: I feel that compliance awareness is growing as well. For example, we established the JTEKT business ethics consultation service (page 11) and are receiving reports and inquiries from employees on legally questionable conduct by means of this system.

Uemura: I also can say that responses from employees are better than before when I've visited various workplaces to explain CI control. In many cases, they have offered valuable improvement suggestions. I feel that CI control activities are being implemented enthusiastically.

Maegawa: My personal focus at this time is raising everyday preparedness for disasters. One measure we have taken is to pass out a whistle (*2) to each employee to call for help if trapped or buried in an earthquake. Moreover, just carrying it around elevates employees' disaster awareness and preparedness.

— Please tell us about the challenges you face and your ambitions.

Ohnishi: Although we have begun to see results from our disaster preparedness activities, we still haven't reached the overall level of employee awareness we desire. We want to keep working toward that.

*1 PDCA cycle:

A management tool for continuously improving work by repeating a Plan-Do-Check-Action cycle

*2 Whistle:

A whistle distributed to each employee by the Disaster Preparedness WG with a space for writing one's name, contact information and blood type

CSR Administrative Working Group

Consider what CSR means to you from your vantage point



Corporate Planning Dept., Manager
Ryuichi Hashimoto

CSR Promotion Committee secretariat, CSR Administrative WG, Risk Management Subcommittee

Compliance Working Group

I feel that compliance awareness is growing

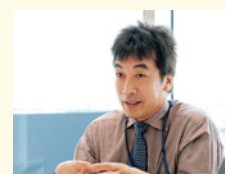


Legal Dept., Domestic Legal Affairs Group Manager
Kotaro Yamanaka

Design and operation of compliance program

Disaster Preparedness Working Group

Speedy resumption of operations is a company's social responsibility



Environment Control Dept., Manager
Noburo Ohnishi

Building reinforcement to withstand earthquakes, etc.

Maegawa: My aim is to make JTEKT a company that is trusted by all stakeholders as one well prepared for disasters. To do that, we must continue efforts to deepen awareness regarding disaster preparedness.

Nishihata: I want to make JTEKT a company that community residents are happy to live nearby. Also, if participation in volunteer activities grows, it will promote communication between employees and put more smiles on people's faces. My hope is to contribute to creating such a corporate atmosphere.

Yamanaka: I think the major task for us is to increase employee awareness regarding compliance. I must say that now there's a big difference in awareness between departments. Our role is to work steadily and resolutely to raise overall awareness.

Uemura: Awareness is also important regarding CI control. The content of CI control differs by department, and I feel we must increase awareness by activities suited to each department. — It seems raising employee awareness is an important common task for all WGs.

Uemura: I don't think there's any magic formula for raising awareness. We simply need to continue explaining and stressing it over and over.

Yamanaka: I feel the same. We want to continue steady efforts to raise awareness.

Hashimoto: Regarding CI control and compliance, even a single legal violation or leakage of CI in the JTEKT Group or its supply chain can cause an immediate loss of trust in JTEKT. That makes preventive measures in these areas crucial.

Uemura: Our hope is to establish a system of CI control that can be trusted with confidence by all stakeholders. The ideal situation is that CI control measures are seen as natural and that CI control is achieved without employees paying any special attention to it.

Planning CSR activities caused us to consider the meaning of the Corporate Philosophy

Hashimoto: Listening to everyone's comments has reminded me of how important raising employee awareness is to successfully promoting CSR activities. But I think CSR must be seen in light of the differing cultures and customs of countries, and in that sense CSR can mean different things to different people. So I think the beginning point is for people to consider what CSR means to them from their own vantage point.

— How do the rest of you view CSR?

Yamanaka: I believe the essence of CSR is respect for people, meaning people related to JTEKT and in turn people in general.

Ohnishi: I think CSR is envisioning where we need to be 100 years from now and pursuing policies of coexistence/co-prosperity and sustainability in order to get there.



Maegawa: The word "coexistence" is easy to understand. People may not respond to calls for "CSR activities," but when we position these as activities in order for organizations and people to coexist in harmony with society and local communities, people can understand that. That's how I believe they should be positioned.

Uemura: It will be good if JTEKT can construct a relationship of strong trust with society and grow together with it.

Nishihata: I view CSR as activities to enable people to live abundant lives. I came to that view through considering our Corporate Philosophy. I never thought about it deeply before, but being a WG member has caused me to realize it truly is a good philosophy.

Hashimoto: Most employees don't have the opportunity to consider and discuss the meaning of the Corporate Philosophy deeply, but I think that our efforts as part of CSR WGs will inspire them to do so, and in turn to think about social responsibility. This will come to shape the natural thinking of JTEKT employees. Our CSR activities will be the basis of this growth.

— Thank you for your comments.

(The moderator for this roundtable discussion was Masayuki Funatsu, Public Relations Group Leader in the General Administration Dept., who also is responsible for preparing this CSR Report.)

Disaster Preparedness Working Group

I hope everyone will maintain everyday preparedness for disasters



General Administration Dept., Planning Group, Staff
Tetsuya Maegawa

Preparation of manual for disaster response and risk management structure

Confidential Information Control Working Group

The ideal is CI control achievement without special attention being paid to it



General Administration, Planning Group, Assistant Manager
Takao Uemura

Preparation of structure to prevent information leakage

Social Contribution Working Group

I hope to put smiles on people's faces through promoting volunteer activities



General Administration Dept., Public Relations Group, Staff
Rinako Nishihata

Social contribution and volunteer activities

FH1250SX wins main prize at the Top 10 New Product Awards

Product manufacturing contributing to next-generation energy



JTEKT's large-scale horizontal machining center FH1250SX won the main prize at the 51st (2008) Top 10 New Product Awards sponsored by Nikkan Kogyo Shimbun, receiving particular praise for its capability in the area of machining large energy-related parts contributing to environmental conservation.

Project to create large-scale machining center contributing to environmental conservation

Environmental conservation is a global issue, and with that as a theme, new technologies are being developed and manufacturing processes reviewed in all industrial fields. A part of this is the development of various large parts for energy-related machines, and a few years ago JTEKT began receiving inquiries particularly from American and European customers for a machine tool capable of inexpensively machining such parts. JTEKT's machine tools & mechatronics division began conducting market research in response in 2006, and based on the results, commenced development of the FH1250SX, a large-scale horizontal machining center with a machining range of 2,400mm. This was well beyond the range of any previous JTEKT machine tool.

Overcoming obstacles to creating a large machine related to production and transport

The first problem we faced was whether our plant was capable of producing such a machine tool. JTEKT had mainly produced small and medium-sized machine tools, and our production people had doubts as to whether it was possible. The development team began working with the production engineers and resolved each of the problems. The next problem was the transportation method. We went many times to the port to investigate container size, loading method, trailer types, etc. and had to decide the

maximum sizes of disassembled machine parts that could be transported under traffic laws. This design project forced to examine issues we had never considered before.

High speed and efficiency achieved by combining the JTEKT Group's latest technologies

Our aim was to design a lightweight, highly rigid machine capable of both high-speed machining and handling large parts up to about 11 tons in weight. By using 3D modeling and repeated CAE (*1) analysis to simulate durability, etc., we succeeded in arriving at the optimal design. Also, working with JTEKT's bearing & driveline division and group companies, we developed an FVPS (*2) optimal pre-load control system for the main spindle bearings, which improves machining performance by providing the optimal pre-load to the bearings based on main spindle rotational speed and enables high efficiency. This patent-pending world-class technology was achieved through synergy between our product divisions. Since beginning FH1250SX production in 2008, JTEKT has received numerous orders particularly from makers in America and Europe of parts for windmill power generators and other energy-related parts. This machine won the main prize at the Top 10 New Product Awards because of its world-class performance in machining parts for environmental products and contribution to raising Japan's industrial technology level. JTEKT will continue efforts to develop new machine tools capable of machining parts contributing to environmental conservation.

***1 CAE:**

Computer Aided Engineering
Computer-aided support for product development

***2 FVPS:**

Flexible Variable Pre-load System



Inspecting the machining finish of a windmill power generator gearbox on a 1,250mm square pallet. This machine can machine large parts with the widest machining range, fastest feed speed, and strongest cutting performance in its class.



At the Nikkan Kogyo Shimbun's 51st Top Ten New Product Awards ceremony. This award recognized the high-speed, highly efficient machining performance JTEKT achieved by combining its latest machine tool and bearing technologies.

Developer's comments

Development Dept.
Kohzo Imanishi



We hope to show our development capability in environmental and other new fields

Through this development project, we improved our technology and know-how related to large machines. We also came to understand JTEKT's technology and production capability more deeply, and utilized these fully. Our customers in energy-related fields such as windmill power generators and petroleum plants are increasing, and this project enabled us to receive valuable information from them. We want to build on this experience and continue meeting the needs of environmentally related fields.



In front of a workpiece model showing the machine's maximum machining range and load

Enjoyable method of fighting being overweight

Health promotion by use of a pedometer



Since April 2008, JTEKT has been promoting a “special checkup and health instruction” program to help employees fight being overweight with particular emphasis on encouraging walking. Individual lifestyle-improvement instruction is being provided centered on the use of a pedometer.

Instruction based on internal investigations and centered on promoting walking started

Protecting employees' health of is one of the company's important social responsibilities. Both previous companies had carried out health education, but with the merger in 2006, the new company began planning a program to meet new “special checkup and health instruction” requirements effective from April 2008 issued by Japan's Ministry of Health, Labour and Welfare. To investigate what types of group education and individual instruction were necessary, discussions were held with JTEKT employees around Japan on dietary and other lifestyle habits, and also vascular health measurements were taken, etc. One conclusion was that those who walked more tended to have healthier vascular systems, and based on that, JTEKT began emphasizing not only a healthy diet but also exercise when giving health instruction. Starting in April 2008, it began a program of providing special health instruction focused on encouraging walking.

A pedometer is given to persons requiring special health guidance, and data is monitored online

This program is aimed at giving special health-related lifestyle improvement instruction to persons requiring it. Participants are encouraged to maintain awareness of their weight along with how many steps they take and calories they consume each day. They also receive an encouraging e-mail message each

month and evaluation every six months. They are given a pedometer that enables their daily steps and weight to be monitored online and speedy instruction to be provided by the health supervisor. This supervisor personally visits each concerned person's workplace and presents this pedometer in front of coworkers so they also can encourage the person to fight hard. A sense of comradeship develops between participants, who can compare their steps, etc. to encourage one another.

Continued individual guidance to help employees fight being overweight

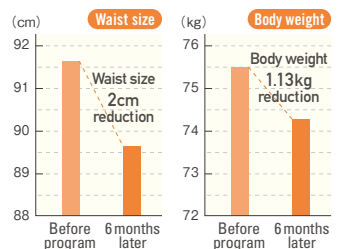
Based on individual instruction, program participants have made various lifestyle improvements, and more than half have achieved targets. Participants not showing improvement after six months are encouraged to keep on trying, and they receive further instruction in order to achieve better results at the next annual checkup. The companywide target is by 2012 to reduce the number of employees whose checkup results indicate two or more items requiring special health instruction by half. We plan to expand our activities aimed at encouraging participants, including giving “overcoming being overweight” certificates to those who have reached targets.



When the pedometer is connected to the Internet, the number of steps taken is monitored online. The content of the site has unique features, such as participant rankings of the number of steps, and guides to various walking courses in Japan, making it enjoyable for participants to view on a daily basis.

Transition of participant waist sizes and body weights

(Average values of 995 participants in 2008)



By giving individual instruction suited to the person's body type (athletic, chubby, etc.), average waist sizes and body weights both fell after six months. Setting realistic goals and working steadily to achieve them are important.

Health supervisor's comments

Safety & Health Control Dept.

Hideko Sugimoto



What we're all working to create is “JTEKT's healthy lifestyle”

JTEKT has included the management of employee health as an important element of its health & safety policy, and top management itself sets a good example in this area, making for a positive overall corporate atmosphere regarding health maintenance. Employees have cooperated in providing valuable data that has formed the basis of our activities, and I hope to continue working together with all of them to create “JTEKT's healthy lifestyle” suited to everyone's needs.



A class on mental health, required for all newly appointed managers