



Social Report

Work hard for society while maintaining close communication with all stakeholders

Consider corporate activities for all stakeholders and manage their implementation. This concept is still new to JTEKT and is just beginning to be shared by its employees. The CSR Promotion Committee and groups operating under it will work hard to promote it.

This section introduces the activities JTEKT carried out in FY2008 to pursue the ideal of coexisting with society as a good corporate citizen. We hope they will convey JTEKT's desire to pursue CSR conscientiously for the sake of all stakeholders.

Together with customers

➔ P20

Five JTEKT QC Circles won awards at a national competition

➔ P20



Improvement through ISO 9001, ISO/TS 16949 and AS 9100 periodic audits

➔ P21



Together with employees

➔ P23

Encouraging the pursuit of skill certifications as part of HR development

➔ P24

Enhanced activities to achieve zero labor accidents

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Social Report
Summary of FY2008 activities



Social Report

Together with shareholders and investors

➔ P31

Annual shareholders meetings held to present audit reports and other reports

➔ P31

Together with suppliers

➔ P22

Purchasing policy meeting held to explain important policies

➔ P22



About 400 persons participated in JTEKT supplier group's quality control convention

➔ P22



Together with local communities

➔ P29

Community discussions held to exchange views with local residents

➔ P29



Total of 1,357 employees participated in local cleanup activities

➔ P30

Together with customers

Based on the goal of being a “Quality First Company” included in its medium-term management plan, JTEKT is pursuing various activities to reconsider quality improvement based on the principle of putting the customer first.

Considering the entire society as customers

Contributing to society by improving technology and quality

JTEKT products are widely and deeply involved in industry and society. For example, JTEKT supplies about 50% of the electric power steering systems installed in vehicles around the world, and many JTEKT bearings are used in windmill power generators. These products make use of technology that not only contributes to the environment but also plays a key role in quality, and any defect therein will have a negative impact on society as a whole. JTEKT therefore maintains a strong sense of responsibility, recognizing that its customers are not only direct customers but also the people using the products manufactured by these customers, and therefore strives to improve its technology and quality continually.

Quality control

Manufacturing from the standpoint of the customer

Figure -01

In order to satisfy the requirements of the customers to whom JTEKT delivers its products, it has a quality control system that clarifies what must be guaranteed in all business stages from planning, designing, and production through sales and service. Opinions and proposals offered by customers regarding any stage can be incorporated into the quality control system.

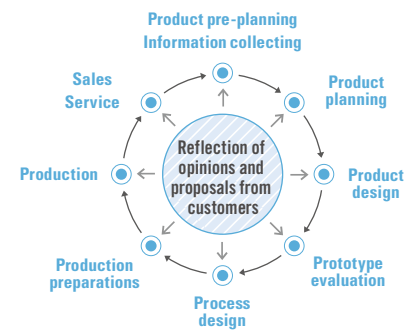
Conducting customer satisfaction surveys

JTEKT conducts customer satisfaction surveys for its main customers. Any problem found through a survey is shared with all concerned departments and processes so the problem can be solved quickly and appropriately.

01 | Steering systems, bearings, driveline components

Customers evaluate us on a 5-point scale in five areas: quality, delivery, technical capability, cost, and sales service. Evaluations are carried out continually, and results from 67 Japanese and 121 foreign customers were compiled as of the end of FY2008. Some customers also expressed desires for quality maintenance and more aggressive submission of technical proposals.

Figure -01
Quality control system reflecting customers' opinions and proposals



- **Product pre-planning / Information collecting**
Aggressively obtain customer views
- **Product planning**
Plan superior products with good quality and total balance
- **Product design**
Create high-quality drawings using accumulated technology and experience
- **Prototype evaluation**
Check product quality repeatedly under various operating conditions
- **Process design**
Build quality into the process
- **Production preparation**
Carefully prepare for stable production of high-quality products
- **Production**
Manufacture high-quality products based on work standards
- **Sales / Service**
Provide high-quality products and service winning customers' trust and satisfaction

TOPICS

JTEKT receives award at QC Circle national competition

In order to foster Champion Circles (*1) and their leaders, JTEKT selects outstanding circles from its plants and supports their participation in external

competitions held throughout Japan. In FY2008, a total of 17 QC circles participated in 14 conventions, and five of these received awards. Through such activities, JTEKT stimulates awareness at its workplaces of the importance of quality.

*1: QC Circles that can serve as QC Circle role models for other circles at the same plant and contribute to raising the overall activity level.



Hanazono Plant QC Circle members who received an award at the 5030th QC Circle National Competition

02 | Machine tools and mechatronics

Customers evaluate us on a 5-point scale in seven areas: function, reliability, maintenance, operability & safety, environment friendliness, operating manual, and response. We received evaluation results as of the end of FY2008 from 57 customers. These results showed good marks for machining accuracy and rigidity and also included requests for easier metal chip removal, coolant (grinding fluid) splatter suppression, etc.

Quality control system

JTEKT acquired certification in the ISO 9001 international standard, ISO/TS 16949 automotive industry standard, AS 9100 aerospace industry standard and other quality management standards at an early stage. JTEKT continues to receive audits twice yearly and uses the results to further revise and improve its quality control system.

Promotion of TQM activities

JTEKT promotes TQM (Total Quality Management) activities based on the principles of putting the customer first, continuous improvement, and participation by all employees. All members including top management continually strive to make improvements in order to carry out work more efficiently and effectively. At workplaces, we strive to foster mutual instruction and the handing-down of unique skills through small group activities (QC Circle activities), in which workplace members work together to find immediate solutions to problems. A notable activity in FY2008 was the *jikotei kanketsu* work-method improvement activities and creative suggestion activities carried out by administrative and technical departments.

Main awards from customers

JTEKT has received many awards from customers as a result of the various activities it carries out based on its Quality First policy.

Main awards in FY2008

Customer	Award	Company receiving award
Toyota Motor Corporation	Appreciation for Quality Control Activities	JTEKT Corporation
Quality Management Dept., Toyota Motor Corporation	Appreciation for Repair Cost Reduction Activities	JTEKT Corporation
Head Plant, Toyota Motor Corporation	Zero Quality Defect Award	JTEKT Corporation
Kinuura Plant, Toyota Motor Corporation	Excellent Quality Award	JTEKT Corporation
Mazda Motor Corporation	Excellent Business Results Award	JTEKT Corporation
Sawafuji Electric Co., Ltd.	Quality Award	JTEKT Corporation
Tianjin FAW Toyota Motor Co., Ltd. (TFTM)	Quality Achievement Award	KLF (Chinese bearing manufacturing affiliate) KWA (Chinese bearing manufacturing affiliate)
Guangzhou Toyota Motor Co., Ltd. (GTMC)	Quality Cooperation Award	KLF (Chinese bearing manufacturing affiliate) YKS (Chinese steering manufacturing affiliate)
Toyota Peugeot Citroen Automobiles Czech, s.r.o. (TPCA)	Best Supplier Award	JAPL (European steering manufacturing affiliate)
Toyota Peugeot Citroen Automobiles Czech, s.r.o. (TPCA)	Good Supplier Award	KBE (European bearing manufacturing affiliate)



ISO/TS 16949 certification
(Nara Plant)



AS 9100 certification



3rd Companywide J-QC Circle Convention
(January 17, 2009)

TOPICS

Kansai Logistics Center approved as authorized exporter

On December 5, 2008, Osaka Customs based on its Authorized Exporter Program approved JTEKT's Kansai Logistics Center as an authorized exporter.

The program is a system in which an exporter approved in advance as having an organized security control and compliance system is permitted to export articles without delivering the cargo to a bonded area, etc. By this approval, export procedures can be simplified and the number of days required for shipment reduced, enabling faster export.



Receiving authorized exporter certificate

Together with suppliers

JTEKT regards suppliers as partners and aims for mutual development and growth based on strong relationships of trust.

JTEKT also promotes open and fair business activities to ensure thorough legal compliance.

Basic policy

Promoting fair business

JTEKT has stipulated policies for open and fair business practices in its Corporate Activities Standards and its Purchasing Philosophy with the aim of carrying out the optimal purchasing of parts, raw materials, consumable materials, machining services, etc. We have outlined procedures in our website for new suppliers to start 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)

Activities with suppliers

Purchasing policy meetings

In order to communicate purchasing policies and activities, each year JTEKT holds a purchasing policy meeting for suppliers. In FY2008, 350 persons from 290 suppliers attended, at which time we explained and promoted cooperation with our CSR Policy established in February 2009 (page 8) and stressed the following two purchasing policies: “Quantity Management,” focusing on reducing total cost and lowering the breakeven point, and “Providing a Foundation for the Future,” aimed at strengthening the company structure. We also presented awards to suppliers that achieved superior results in 2008 in various categories such as quality, cost, and technology development.

Green Purchasing activities

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

Promoting quality improvement together with suppliers

The JTEKT Supplier Association (*1), comprising JTEKT’s cooperating suppliers, holds a Quality Management Convention every year. The third such convention was held in FY2008 and was attended by about 400 participants from 209 suppliers. There were presentations on improvements by six suppliers and a JTEKT Tadamisaki Plant QC Circle, a message on the promotion of QC activities, and a message by a professor of Kobe International University. We will continue sharing quality management information and issues with suppliers in order to pursue mutual quality improvement.

Purchasing Policy

● **Fair and transparent business transactions**
We provide open, fair and equal opportunities to all suppliers regardless of nationality or company size, including suppliers with no experience supplying to JTEKT

Purchasing Basic Policy

● **Mutual trust**
Build mutual trust through close communication with suppliers.

● **Coexistence and co-prosperity**
Achieve harmonious relationships with suppliers 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.



Senior Executive Director T. Inui speaking at the purchasing policy meeting

Green Purchasing guidelines

In these guidelines, we make the following particular requests of suppliers:

- Establish an environment management system
- Carefully follow environmental laws and regulations
- Abolish or limit the use of environmentally burdensome substances
- Improve environmental performance including CO₂ reduction



*1 JTEKT Supplier Association

The JTEKT Supplier Association comprises 209 suppliers. It is intended to foster mutual trust among members and raise their capabilities through activities such as quality management conventions, workshops, and lectures.



Managing Officer H. Fujii speaking at the JTEKT Supplier Association’s quality management convention

Together with employees

Part of the Management Stance under the Corporate Philosophy is JTEKT's resolve to "create a bright, energetic corporate atmosphere based on respect for people," which since FY2008 has also been positioned as part of JTEKT's CSR Policy. In accordance with this, JTEKT strives to promote workplaces excelling in respect for employee diversification, health & safety, and other such aspects.

Respect for employees

JTEKT fosters workplaces where human rights and diversity are respected and there is no discrimination, and where employees can strive to achieve high goals. We will continue striving to create workplace environments excelling in respect for people and enabling all employees to work comfortably.

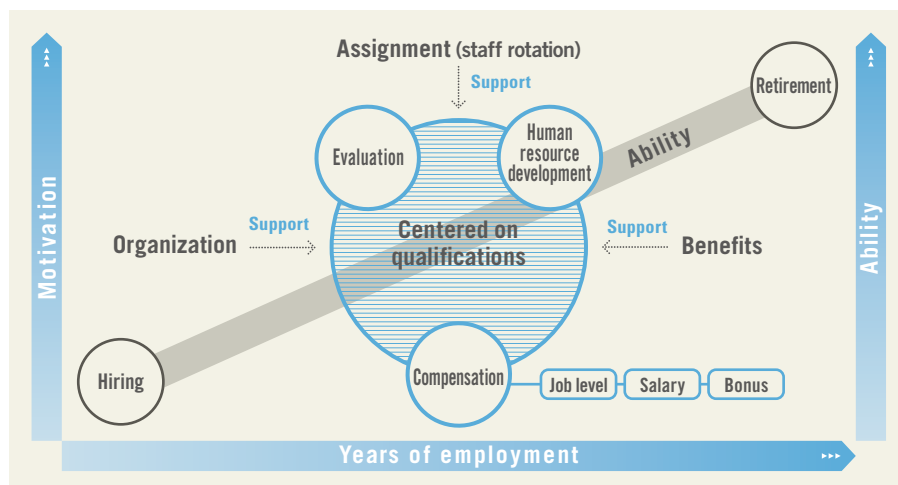
Labor-management relations

Based on the mutual trust and understanding between labor and management that has been steadily built over the years, JTEKT carries out various activities aimed at growing the company and improving the lives of employees. Direct dialogue between labor and management is held at such meetings as Central Production Subcommittee Meetings (*1), where the companywide situation is explained; Central Labor-Management Meetings (*2); Labor-Management Meetings (*3), where common labor-management issues are discussed; and Workplace Discussions at plants and other business sites (*4).

- *1 **Central Production Subcommittee Meetings (semiannual)**
Discussions on safety, quality, and production.
- *2 **Central Labor-Management Meetings (annual)**
Labor-management discussions and information-sharing on topics of mutual concern.
- *3 **Labor-Management Meetings (as required)**
Discussions on labor contracts, wages, work hours, etc.
- *4 **Workplace Discussions (monthly)**
Discussions on workplace safety, health, environment, production, quality, etc.

Human resource development

Our Corporate 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," and under that we aim to carry out human resource development to bring out the creative abilities of all employees in order to "create new value and provide society with joy and inspiration on a broad scale." 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.

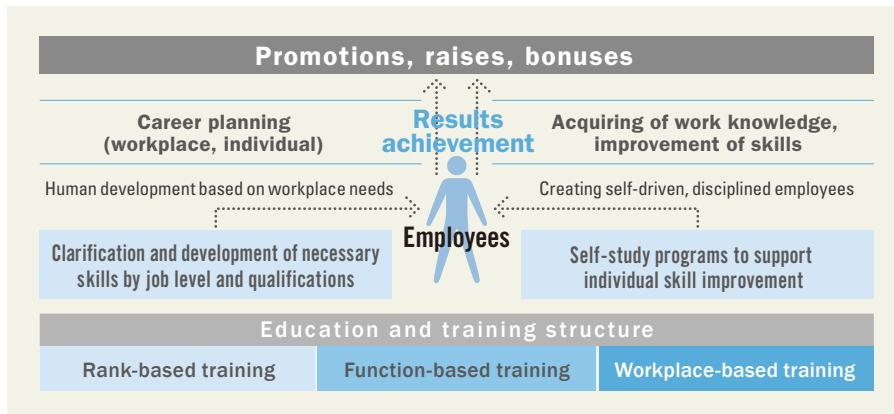


Concept of human resource development

Based on the following human resource development concept, 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 are continually motivated to improve themselves and able to realize their true potential through self-driven, disciplined effort.
3. Develop employees who respect human rights, live in harmony with the environment, observe social rules, are sensible, and have an international perspective.

Human resource development system



Rank-based training types and main content

	Training	Main content
Managers	R3 training for new managers	Policy, daily, and workplace management
Office & engineering staff	R4 training for new office & engineering staff	Leadership, and preparation of business practice schedule
	R5 training for office & engineering staff	Business communication skills
	R6 training for office & engineering staff	Problem solution methods and concepts
	Training for office & engineering new employees	JTEKT employee basic knowledge and mindset
Production staff	Training for new Chief Leaders	Management basics and work schedule preparation
	Training for new Group Leaders	Problem solutions based on QC concept
	Training for new production employees	JTEKT employee basic knowledge and mindset

Human resource development for office & engineering staff

The JTEKT training system is composed of three pillars. In rank-based training, the required knowledge and skills and the responsibilities to be fulfilled by employees at each rank are clarified and practical training given. In function-based training, employees are taught advanced knowledge and skills from internal and external instructors who are skilled in special fields. In workplace-based training, employees are systematically taught specific skills related to their job. In addition, we support self-study efforts by employees to obtain various qualifications.

TOPICS

Encouragement to take national technical skills tests

As a part of supporting the improvement of employees' skills, JTEKT encourages employees to take national technical skills tests in order to obtain specialized knowledge and skills as well as to foster a spirit of taking on new challenges. Those who have passed such tests become certified technicians, and in JTEKT, about 200 employees have passed such tests

and are recognized as certified technicians in such fields as machining, electricity, and maintenance. JTEKT also provides financial incentives to those passing such tests. In the 2008 first-half national technical skills tests, three female employees obtained machine-class level-1 skill certifications, the first female JTEKT employees to do so.

VOICE

Machining Dept., Kariya Plant
Hiroshi Teranishi

Mr. Teranishi achieved a runner-up finish in the lathe category at the 25th National Skills Grand Prix held in Hyogo Prefecture, an event in which skilled workers selected from around Japan gathered to test their skills against one another.



I won a runner-up prize thanks to the help of my superior and senior associates.

I achieved this result thanks to the long training in lathe skills I received from my superior and senior associates. Practical training for the national technical skills test also was helpful for me. As a lathe specialist, I will strive to further improve my skills and contribute to the manufacture of high-accuracy machined parts.



Human resource development for production staff

As a manufacturer with business operations in the fields of steering systems, bearings and driveline components, and machine tools and mechatronics, in order to continuously foster human resources with top-level skills, we provide production staff with systematic training at the JTEKT Technical Training Center (*1) and by OJT (*2). We utilize national technical skill tests, an in-house technical skill testing system and skill-related lectures in cooperation with workplaces to foster highly skilled production staff that can be active on a global basis.

*1 JTEKT Technical Training Center

JTEKT has a Technical Training Center whose purpose is to cultivate superior production-related employees.

*2 OJT

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

Respect for human rights, equal opportunity and diversity

Utilization of diverse human resources

Included in JTEKT's Corporate Activities Standards 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." Measures adopted in order to utilize diverse human resources include hiring foreign employees; assisting female employees' career development; changing fixed-term employees to permanent employees; employing handicapped persons; providing assistance for those engaged in child-care or nursing-care; and providing post-retirement employment opportunities. Regarding fixed-term employees, even with the harsh management environment in FY2008 we carried out measures such as job transfers and work sharing to strive to maintain employment. In the handling of fixed-term employees, we follow compliance and do not cancel contracts or dismiss any employees unilaterally.

Composition of employees as of March 31, 2009

	Male	Female	Total
Permanent employees	9,467	624	10,091
Fixed-term employees(*1)	527	128	655
Total	9,994	752	10,746

	Male	Female	Total
Years of employment	17.5	15.9	17.4

Job turnover rate (*2)	1.3%
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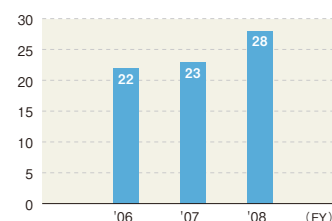
(*1) Total fixed-term, part-time, reemployed, and temporary employees

(*2) Voluntary early retirement rate

Assisting female employees in developing their careers (balancing career and child-raising, etc.) → Figure -01

We provide equal opportunities based on motivation and qualifications regardless of gender. Specifically, we hire women for management-track positions, assign them based on aptitude, and promote them to management positions. With the adoption of our childcare leave and short-time working systems, we actively assist those who wish to balance their careers with child-raising and to work free from anxiety. Previously these systems applied only to those with children up to 3 years old, but in January 2009, we expanded the range to apply to those with children up to the point of entering elementary school to meet the needs of employees.

→ Figure -01 Number of employees who took childcare leave



Reemployment of retired employees → Figure -02

In view of the increasing ratio of the elderly in Japan today, JTEKT established a Senior Partner System in April 2006 so that retired employees with high motivation and abundant knowledge and experience could continue working. Senior partners use their knowledge and experience to train younger employees who will become leaders of JTEKT. As of the end of March 2009, 450 such senior partners reemployed by JTEKT and related companies were working at various workplaces.

→ Figure -02 Number of senior partners in FY2008

Number of those who are applicable	337						
Number of applicants (a)	231						
Number of reemployed (b)	217						
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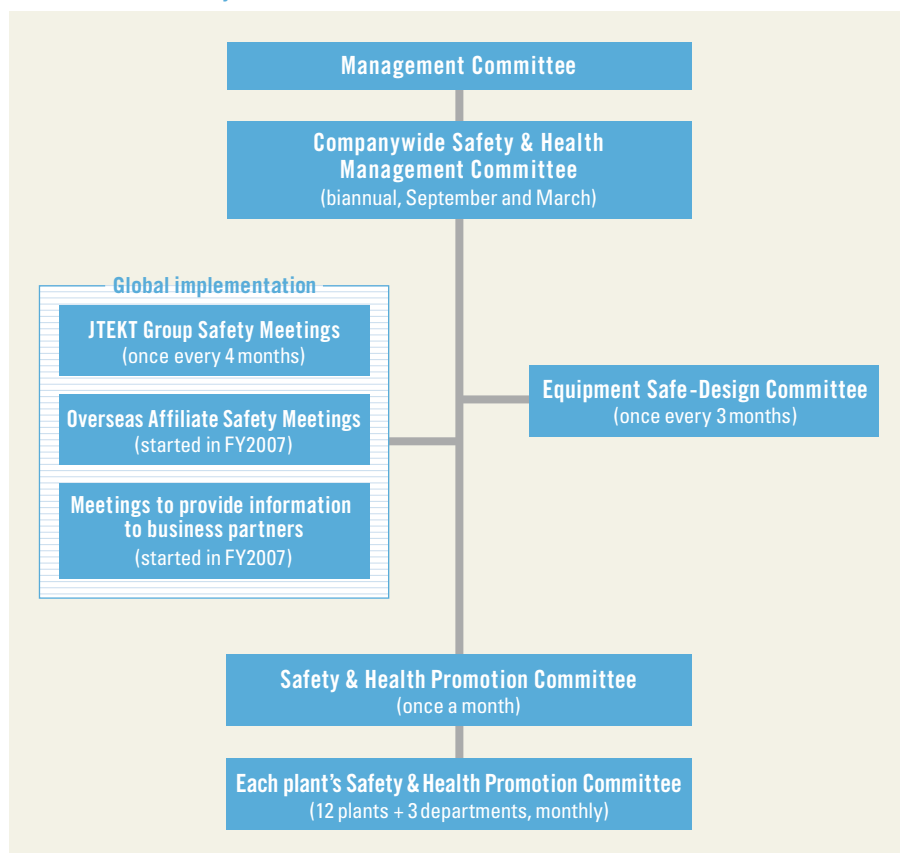
Related companies	34						
Rate of reemployment (b / a)	About 94%						

Health & safety

Management of safety & health

Under its "Safety & Health Policy," JTEKT conducts various companywide activities in order to create safer, healthier, more pleasant workplaces. In order to carry out this policy in a planned and efficient manner, we have a companywide control system. JTEKT's Companywide Safety & Health Management Committee discusses and determines policies, targets and activities related to safety & health, traffic safety and fire prevention and monitors progress. Regarding overseas safety & health activities, the parent plants in Japan, the overseas subsidiaries, and a secretariat in Japan carry out various activities and duties. Safety & health activity items and important information decided by the Safety & Health Promotion Committee is provided to employees at each plant by that plant's Safety & Health Committee in order to prevent accident reoccurrence and improve safety.

Centralized control system



Activities to achieve zero accidents

Figure -01

We have long promoted safety & health activities based on OSHMS (*1) centered on risk assessment (*2), but in order to further strengthen these activities, we have worked to carefully identify risk information and improve our system audit. Specifically, any risk information found through safety patrols and daily safety activities is included in risk assessment, and we received diagnoses by external organizations in order to evaluate the strengths and weaknesses of plants. This resulted in the reduction of total accidents in FY2008 from FY2007. However, the number of lost-day accidents (*3) did not fall very much. Since most lost-day accidents occurred during abnormality-handling work, changeovers and maintenance, we will strive to reduce the risks in this work in FY2009.

Safety & Health Policy

1. Maintain deep awareness that employees' safety & health is indispensable to JTEKT's business operations and proactively promote safety & health management activities to achieve this.
2. Comply with safety & health laws and the instructions and guidelines issued by administrative authorities by properly reflecting them in company regulations, and strive to identify and eliminate risk factors and hazardous substances in equipment and to promote accident prevention activities based on our safety & health management system with improved risk assessment.
3. Raise the safety awareness of all employees, cultivate employees capable of creating safe workplaces, and strongly promote the following safety & health aims:
 - (1) Eliminate work accidents
 - (2) Create pleasant workplaces
 - (3) Prevent traffic accidents
 - (4) Strengthen fire-prevention management
 - (5) Promote mental and physical health
 - (6) Enhance safety & health education
4. Promote change and innovation at every phase while listening to employees' views.

*1 OSHMS

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

*2 Risk assessment

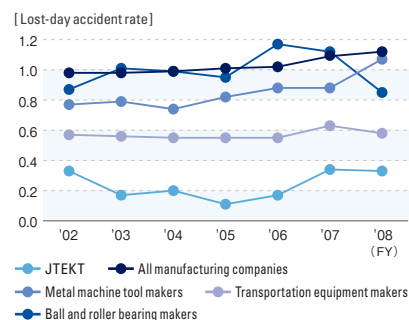
Method to investigate potential workplace risks and implement proper risk-reduction measures.

*3 Lost-day accidents

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

Figure -01

Change of industrial accident frequency rate



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

Promote activities systematically

Described below are the main activities we carried out in FY2008.

01 | Activities based on the safety & health management system

We pursued improvement of working methods and facilities by promoting risk assessment. A total of 17 risk assessment workshops were carried out at 12 plants with a total of 408 participants. All 12 plants had already obtained safety-related certifications from outside organizations, but in FY2008, the Kokubu, Kagawa, and Kameyama plants renewed their certifications. The Kariya, Okazaki, and Tokyo plants plan to renew theirs in FY2009.

02 | Enhancement of work environments and employee safety awareness

We improved work environments by including daily safety & health activities in our risk assessment. We also strengthened our internal auditing related to safety by a voluntary OSHMS audit, plant patrols at each plant by the companywide coordinator with the plant's coordinator, plant audits by third-party organizations, etc.

03 | Promoting efforts to improve equipment safety

We reviewed equipment rules (standards). Specifically, we completed standards for drop-prevention devices and emergency-stop circuits and implemented these at production sites. For other items, we only investigated the situation in FY2008 and plan to create standards in FY2009. We also implemented these countermeasures on 534 similar machines in order to prevent accidents. Further, we have expanded items determined by the Equipment Safe-Design Committee to overseas affiliates.

04 | Improving work environments

→ Figure -01

Based on the guidelines for noise prevention issued by Japan's Ministry of Health, Labor and Welfare, we reduced noise at 5 class III areas (workplaces requiring improvement by law) in FY2008 (15 machines). Regarding the remaining 18 workplaces (190 machines) still classified as class III, we will strive to achieve zero noise by FY2013. In order to create work environments where older workers and women can work comfortably, we completed work evaluations based on a posture and weight evaluation method (*1) in order to prevent backache at three plants in FY2007 and nine plants in FY2008 (all 12 domestic plants). Evaluation results did not indicate any workplaces required improvement. There were 19 places regarding which improvements should be studied or work should be limited to men, and all these have been switched to men-only workplaces.

Improving awareness and knowledge through education

→ Figure -02

One of the most important items within workplace safety & health activities is the planned conducting of safety & health training. We carry out rank-based training based on job level, special training based on job type, basic KYT 4R training (*2), danger training, and skill training.

→ Figure -01

Improvement of workplaces with class III noise (Target: zero in FY2013)

FY	Number of improved workplaces (number of improved machines)	Number of workplaces (number of remaining machines)
2006	2 (2)	26 (263)
2007	8 (58)	19 (205)
2008	5 (15)	18 (190)
2009	3 (48)	15 (142)
2010	5 (20)	11 (122)
2011	5 (57)	7 (65)
2012	6 (30)	4 (35)
2013	7 (35)	0 (0)

*1 Posture and weight evaluation method

Factors relating to backache are posture and the weight of objects handled. This method evaluates posture and weight by points to numerically evaluate backache risk.

Posture and weight evaluation criteria

Workplaces with 30 points or more	Improvement required
Workplaces with 20 points or more	Improvement should be studied or work limited to male workers

Evaluation results (FY2008)

Workplaces with 30 points or more	0
Workplaces with 20 points or more	19 workplaces (switched to men-only workplaces)

→ Figure -02

Main training types (number of attendees in FY2008)

Rank-based training	Safety management training	115
	Group Leader training	51
	New employee training	132
	Training Center student training	57
Special training	Grinding stone replacement	61
	Arc welding	59
	Robots	61
	Low-voltage handling	59
	Vibrating tool handling	31
	Organic solvents	246
Others	All-Toyota training for those overseeing outside workers	397
	All-Toyota training for those overseeing construction	544
	Elevated-work training	675
	Electric shock prevention training	665
	Risk assessment training	408
Total		3,561

*2 Basic KYT 4R training

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

TOPICS

Kariya Plant reaches 15,700,000 hours of zero accidents

In January 2009, the Kariya Labor Standards Inspection Office presented the Kariya Plant with

a class 5 zero-accident certificate, an award issued by Japan's Ministry of Health, Labor and Welfare to metal-machining companies achieving zero accidents. This certificate recognizes the Kariya Plant's achievement of zero lost-day accidents from April 6, 2004, to November 20, 2008 (15,700,000 hours).



Receiving zero-accident certificate

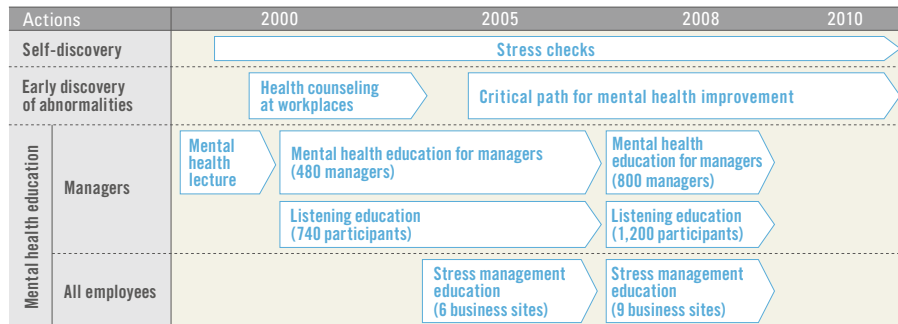
Achieving mental and physical health

Maintaining the health of all employees is indispensable to business activities. JTEKT actively implements various programs to maintain employees' mental and physical health.

01 | Achieving mental health

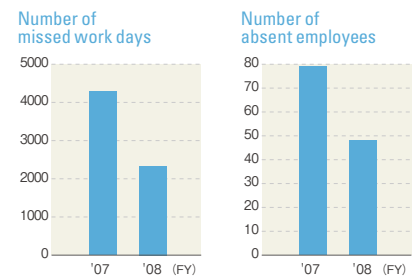
➔ Figure -01

JTEKT proactively promotes mental health measures focused on preventing depression. In addition to educating managers about mental health and all employees about stress management, we conduct stress checks so that employees can understand their stress levels and we can grasp workplace situations. Based on these stress checks, we counsel high-stress individuals and at an early stage deal with any cases requiring mental care. As a result of these mental health activities, the number of employees who missed work due to mental disorders in FY2008 was reduced to 60% of the level of the previous fiscal year (number calculated based on lost work days).



➔ Figure -01

Number of work absences due to mental disorders



02 | Measures against overworking

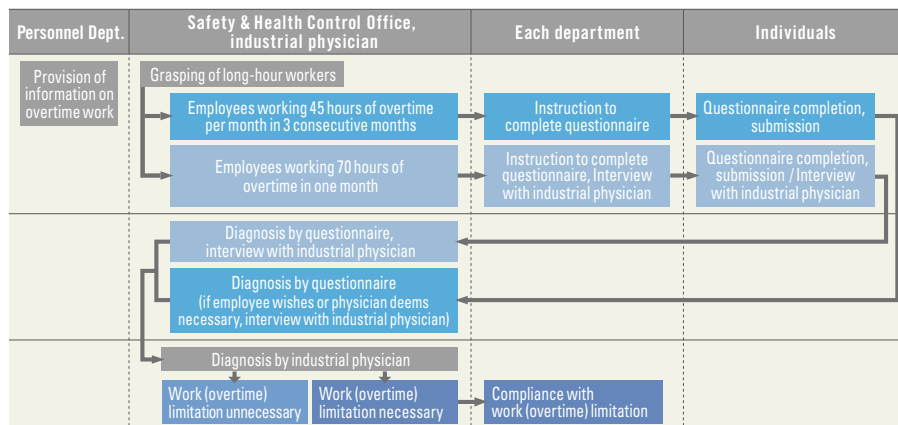
➔ Figure -02

It is a company's obligation to have employees working long hours be interviewed by a doctor to ensure health maintenance. Since 2006, regular employees working long hours have received special checkups, and since May 2008, we are having all such managers receive interviews as well. During interviews, an industrial physician checks their degree of fatigue and work situations. Employees determined to have accumulated fatigue are given lifestyle guidance mainly with regard to limiting overtime work and getting sufficient rest and sleep.

➔ Figure -02

Number of employees receiving checkups for working long hours (FY2008)

Managers	About 2,640	Average: 220/month
Staff	About 1,290	Average: 107/month



03 | Special health checkups and healthcare guidance

JTEKT began a program of special health checkups and healthcare guidance in April 2008 for employees 40 years old and over. Specific guidance is given based on the results of the special checkups and periodic checkups.

➔ Related article in [page 17](#)

TOPICS

Health promotion by eco-commuting

Since October 2008, JTEKT has provided an "eco-commuting" allowance to employees living 2 to 9 km from the company and commuting by

bicycle or on foot. The objective of this allowance is to contribute to the global environment and promote the health of employees.

Together with local communities

Recognizing its responsibility as a member of local communities, JTEKT actively seeks to communicate with local residents to gain their understanding and trust. We also encourage employees to participate in community cleanup and traffic safety activities as a means of contributing to society.

Promotion framework

One of the six specialized subcommittees under JTEKT's companywide Global Environment Conservation Committee is the Community Environment Subcommittee. Through FY2008, this Subcommittee promoted activities to make JTEKT a company loved by local residents and trusted by government agencies, but in April 2009, the responsibility for communication with local communities was transferred to the Social Contribution Working Group under the CSR Promotion Committee, and this WG currently promotes these activities.

Communication

Holding community discussions

We periodically invite local residents to participate in community discussions at each plant. At these meetings, we report the results of environmental conservation activities, exchange opinions with local residents, and provide plant tours. We build good relationships with local communities through such activities. A total of 153 residents attended such discussions at plants in FY2008.

→ Related article in [page 37](#)

Communication through “View a manufacturing site” events

JTEKT holds “View a manufacturing site” events to allow local residents to understand plant workplaces better and exchange information. Seven Toyota Group companies have been holding such events since 2000. In FY2008, JTEKT held such an event on November 3 at its Kariya Plant and explained the manufacture of machine tools to 38 visitors. Comments from visitors included, “I was surprised to learn how precise machine tools are,” and “I learned how the plant thinks about the environment.” There have been requests for such an event at an electric power steering plant, and JTEKT is currently making plans to hold one.

Deepening friendships through plant festivals

In order to deepen friendships between employees, their families and local residents, many JTEKT plants hold festivals every year. In FY2008, nine plants held festivals that were attended by a total of 8,557 persons. At the festivals there were stage shows, games, booths to sell goods, and various other activities. The Nara Plant gave a plant tour with product explanations to employees' children. Employees of the Higashikariya Plant put on a fireworks display. Visitors at each plant's festival were able to enjoy a wide variety of activities.



Community discussion (Tadomisaki Plant)



“View a manufacturing site” event (Kariya Plant)



Plant festival (Higashikariya Plant)

Activities to contribute to local communities

Participation in local cleanup activities

JTEKT aims to exist in cooperation with local communities and actively participates in community beautification activities and cleanup activities around plants. This also serves to raise the environmental awareness of employees. In FY2008, a total of 1,357 employees participated in local cleanup activities.

May 9, 2008 : Participation in Kariya Zero Garbage Activity

Fifty-two students from JTEKT's Technical Training Center collected about 15 bags of garbage (70 liters) in 6 hours (Kariya Plant).

May 29 and November 6, 2008 : Participation in the Akemi Industrial Park 530 (Zero Garbage) Campaign

Forty employees collected empty cans and plastic bottles and cigarette butts (Toyohashi Plant).

Participation in activities to contribute to local communities

JTEKT employees participate in various activities to contribute to local communities. We will continue efforts to create a corporate culture wherein all employees are encouraged to voluntarily participate in activities to support the local community.

October 4, 2008 : Participation in Moonlight in Fujiwara-kyo

Employees helped set up, light, and then clean up 10,000 painted glass candles made by kindergarten students in the city of Kashihara.

February 7 and 14, 2009 : 12th JTEKT Challenge Cup in Kariya

Thirty-two teams and about 500 children from elementary schools in the city of Kariya participated in this event, at which JTEKT employees served as referees and also served meals to the children and their parents.

Fire prevention and traffic safety activities

Promoting fire prevention activities

Because fire prevention activities are important to a company aiming to win the continual trust of communities, JTEKT carries out various fire prevention activities under the supervision of local firefighting authorities. For example, the Tokyo Plant participated in a joint fire prevention training activity carried out based on a Large-Scale Hazardous Material & Facility Mutual Support Agreement (*). We conduct fire prevention activities at each business site under a motto of "protecting one's own workplace," and plants are carrying out measures to improve buildings and equipment so that fires won't occur.

Creating workplaces where fires do not occur

- Maintain latest versions of fire maps and fire prevention charts & procedures
- Inspect dangerous buildings and equipment based on laws & internal rules
- Inspect high-pressure gas equipment based on laws & internal rules
- Inspect one's own workplace (by workplace manager)
- Carry out initial-stage firefighting training

Traffic safety activities together with the local community

As a company involved in the auto industry, JTEKT considers promoting traffic safety to be one of its important social responsibilities and works with local residents, community groups, the police, etc. to actively carry out traffic safety patrols and various other traffic safety activities. The Aichi Prefecture Safe Driving Council designated JTEKT's Toyohashi Plant as a safe-driving-stop model facility. In FY2008, this plant set up a traffic safety booth at its festival and educated visitors on traffic safety by quizzes and flyer distribution.



Kariya Zero Garbage Activity



Moonlight in Fujiwara-kyo



JTEKT Challenge Cup



*Large-Scale Hazardous Material & Facility Mutual Support Agreement

This agreement was made under the Fussa Police Station of the Metropolitan Police Department by six companies having large-scale hazardous material & facilities as specified by Japan's Fire Prevention Law regarding the mutual provision of firefighting equipment, etc. in the case of a fire.



Traffic safety activities at plant festival (Hanazono Plant)

- "Yellow-stop" activities
 - Traffic safety patrol
- April : 430 participants July : 340 participants
September : 520 participants December : 750 participants

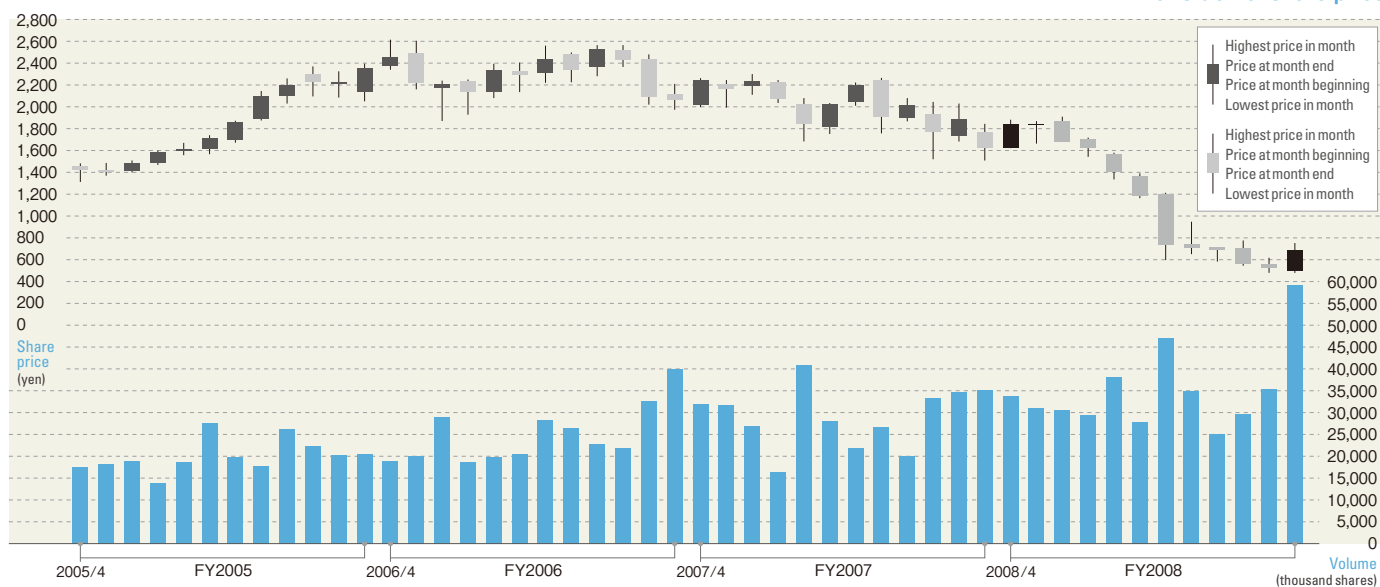
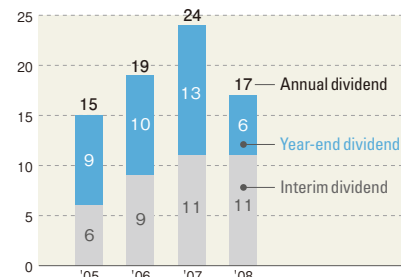
Together with shareholders and investors

JTEKT believes that by continually responding to society's expectations through its business activities and striving to carry out management with a high degree of transparency, it can construct long-term relationships of firm trust with its shareholders and investors.

Business performance and return of profits Figure -01

FY2008 consolidated sales were 1,017 billion yen, a decrease of 140.5 billion yen, or 12.1%, from the previous year. As a result of decreased sales caused by a rapid decline in demand, yen appreciation and an increase in raw material costs, consolidated ordinary income was 11.1 billion yen, a decrease of 61.7 billion yen, or 84.8%, from the previous term. Consolidated net income was minus 11.9 billion yen, a decrease of 55.4 billion yen from the previous term. Based on these results, we issued an annual dividend to shareholders of 17 yen per share, a decrease of 7 yen per share from the previous term. We will continue working hard to reform our corporate structure; review and reduce costs; and develop new products that are environmentally friendly, compact and lightweight in order to achieve profit.

Figure -01
Transition of dividend per share



General shareholders meeting

JTEKT holds its general shareholders meeting every June. After an opening message by the President and presentations of an audit report, business report, reports on balance sheets and other financial statements, resolutions are passed.



109th General Shareholders Meeting

Information disclosure

Management transparency is essential to the construction of long-term relationships of trust with shareholders and investors, and therefore JTEKT strives to continually disclose timely, fair and accurate information.

Main IR activities

- Hold briefings every six months to explain results
- Issue reports (interim and year-end)
- Issue annual reports (interim and year-end)
- Display financial and IR information on website
- Carry out individual visits ● Conduct plant tours