

Third-party opinion on JTEKT CSR Report 2009

Representative of
the Workers Club for Eco-harmonic
Renewable Society (NPO)

Tamio Yamaguchi

Profile

After 25 years at a newspaper company, worked in a venture company's public relations section, edited a publishing company's magazine, and then freelanced. Now a part-time instructor in Kanto Gakuin University's College of Economics. Interested in the global environment and related corporate activities since 1989.

Workers Club for Eco-harmonic Renewable Society

A citizen's organization that studies the role of a recycling-based in passing along ecosystems to future generations. It aims to research and support the establishment of a recycling-based society by citizens, companies and government agencies.
<http://www.nord-ise.com/junkan>



The opinions I express herein regarding the JTEKT CSR Report 2009 are based on two meetings held with JTEKT to exchange views. In these meetings, I had very frank talks with those responsible for preparing the report and also had the chance to speak with Managing Officer Noriya Murase. We had the same type of meetings last year, but at that time certain issues remained unresolved. This year, however, the JTEKT staff was very well prepared and presented lists of when items would be addressed, such as in the 2009 report, in the 2010 report, or at a later date. Listening to the views of third parties and taking appropriate actions in various areas is an essential component of CSR, and I hope that JTEKT will take such views into account not only in connection with report preparation.

In FY2008, the financial crisis stemming from the U.S. subprime loan problem had a significant impact on the economy, which caused the business environment surrounding JTEKT to be very severe. But hard times such as these reveal how serious a company is about CSR. It is commendable, then, that in this difficult situation JTEKT redefined its CSR concept, established a CSR Promotion Committee, and issued a CSR Policy.

President Yokoyama states in his message to begin this report, "I believe it is important for all employees, as members of a global business group, to be thinking deeply about how they can contribute to the creation of a sustainable, abundant society, having discussions on this topic, and putting ideas into practice." We can say the preparation of a framework for promoting CSR and the President's clear stance demonstrate that JTEKT takes CSR very seriously.

These advances within JTEKT are clearly explained in this report, the overall tone of which conveys JTEKT's passion to "raise CSR to a new level." A good example is the roundtable discussion by members of the various working groups under the CSR Promotion Committee. The participants' remarks are highly specific and demonstrate an understanding of CSR's importance, and certainly they will impact other employees. As a next step, I urge JTEKT to create and implement a CSR activities roadmap so that general employees will be able to participate in thinking about, discussing, and carrying out CSR. If that process is reflected in the CSR report, it will reflect the true face of the company and demonstrate the dynamism of activities.

Along with advances in information disclosure, the content has also been improved in this year's report. Regarding statistics, I was impressed with the specificity regarding the number of persons utilizing the business ethics consultation service, having lost-day absences due to mental disorders and receiving interviews regarding long work hours, the transition of CO₂ emissions and per-product unit amounts, etc. Also, employment became a social issue in 2008, and I consider it commendable that the report describes efforts to maintain the employment of fixed-term workers and to reallocate workers flexibly in order to avoid layoffs. However, the "transition of numbers of employees" disclosed in the 2008 report has been omitted this time. The consistent disclosure of information is very important from an evaluative standpoint, and I urge JTEKT to give close attention to this in the future.

Only about 48% of JTEKT employees are in Japan. Global statistics for CO₂ emissions were included in this report, but in the future I hope JTEKT, based on strong awareness of its being a global company, works to gather and present not only environmental information but also social information as a "global company."



Response to third-party opinion

General Administration Department, JTEKT Corporation

As noted above, JTEKT pursued CSR activities in FY2008 despite a very harsh business environment. Just as last year, we invited Mr. Yamaguchi to participate in meetings this year to exchange views with JTEKT and provide us with a third-party opinion.

Last year, Mr. Yamaguchi presented us with the two main challenges of clarifying "JTEKT CSR" and enhancing our social report. In regard to the first, in February 2009 we started a CSR Promotion Committee, issued a CSR Policy, and began working to identify problems and pursue improvements through the activities of specialized working groups in areas such as compliance, confidential information control, disaster preparedness, and social contribution. Regarding the second,

we worked to disclose statistical data for a number of new items and improve ease of understanding. We believe these improvements led to certain aspects of our report being commended and our proactive stance toward CSR being clearly conveyed.

At the same time, Mr. Yamaguchi presented us with new challenges for future reports such as pursuing activities and preparing a report that will reflect the true face of the company and the dynamism of activities and to disclose information as a truly global company. We will consider these comments seriously and have many discussions about how to proceed toward next year utilizing the PDCA cycle. We hope to gain the further trust of society by actively promoting CSR activities.