

Social Report

Strengthening connections to further enhance the CSR.

JTEKT's activities are made possible through relationships with various stakeholders such as the customer, business partners, employees, local communities, shareholders, investors and so on.

A year has passed since the establishment of the CSR Promotion Committee, and at JTEKT, awareness on CSR is beginning to become entrenched. What is important to us now is, while strengthening our communication with each and every stakeholder, is also to ask ourselves the questions "What is CSR?", "What can we do for society?". We must then take action and aim to contribute to societal development. This report introduces how JTEKT are making efforts to promote CSR while conscientiously holding dialogue with stakeholders.



Social Report

Summary of FY2009 activities

→ P27

Promoted own-process completion and improvement of work quality.

→ P27

Received the "inspiration award" at a national QC circle competition.



→ P30-31

Promoted the creation of a better workplace environment for women and the elderly.

→ P34

Revised the reinstatement support system aimed at employees absent for mental reasons.

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Promoted detailed IR activities to increase management transparency.



→ P28

Held a purchasing policy meeting with Chinese local affiliate.



→ P28

Held training workshop with 210 business partners.

Together with customers

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Together with business partners

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Together with local communities

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Together with employees

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Together with shareholders and investors

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Kokubu plant participated in a government-run festival.



→ P36

Participated in the "Asuka River Firefly Regeneration Project" in Nara Prefecture.



Together with customers

Basic concept

Considering the entire society as customers

JTEKT products are not very familiar to most people but in reality they are used in a diverse range of industries from cars, steel, railway, aerospace and so on.

For example, our EPS (electric power steering) accounts for 50% of the world share. Moreover, JTEKT bearings are widely used in windmill power generators. These are but two examples of how JTEKT products are deeply involved in social and environmental issues.

At JTEKT we have a strong awareness of our social responsibility, and constantly strive to improve technology and quality, regarding our customers to be not only those who we directly do business with, but also society at large.

Quality control

Quality policy and quality assurance system

Establishing a quality policy with the motto of “Customer First”, JTEKT are involved in a variety of quality improvement activities. We also maintain a quality assurance system based on this policy.

Figure-01

Quality policy

Adhering to the theme of “Quality First”, to offer products which earn the trust and satisfaction of our customers

- Making decisions and taking action from the standpoint of our customers
- Manufacturing with quality, safety and environmental-friendliness based on the highest technology and skill
- The instilment of own-process quality through the ingenuity of all employees

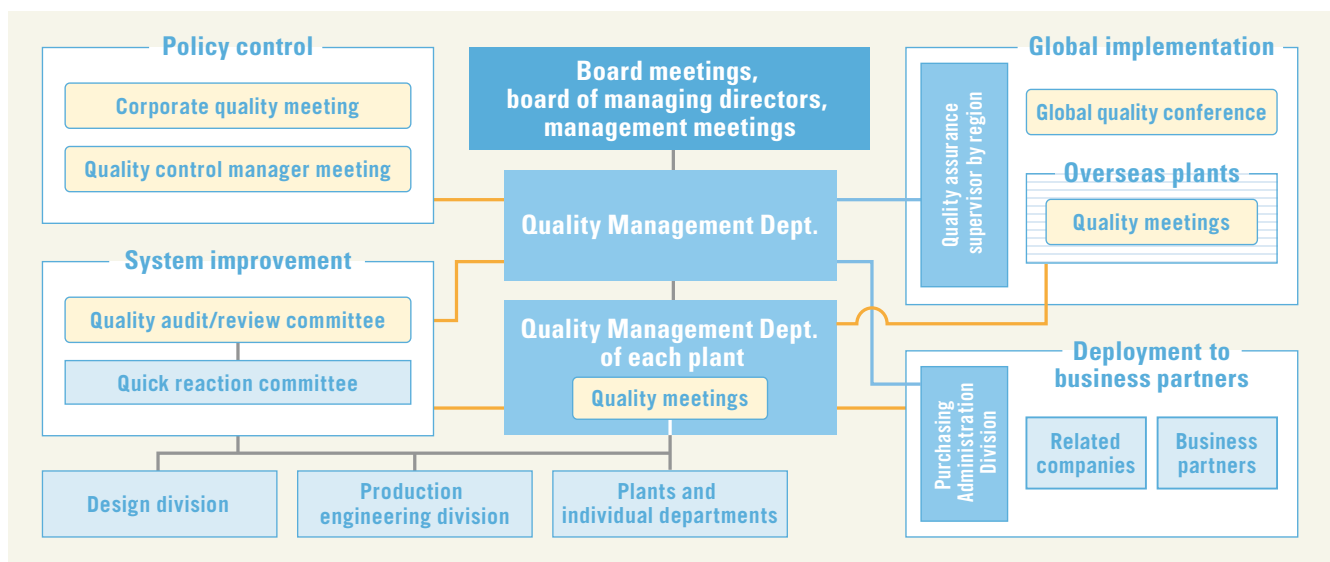
Quality milestones in development and production preparation

In response to customers’ requests, JTEKT have implemented a control system using milestones in all stages, from planning, design, development and production preparation to full-scale production. By advancing to the next stage only after conducting audits and ensuring milestone outputs meet standards, the required quality is properly reflected in the product.

Improvement through 3rd party audits

JTEKT actively pursued the obtainment of certification through third parties and as a result acquired certification in the ISO 9001 international standard, ISO/TS 16949 automotive industry standard, AS 9100 aerospace industry standard and other quality management standards. JTEKT continues to receive periodical inspections twice yearly and uses the results to further revise and improve its quality control system.

Figure-01 Quality assurance system



○ Promoting TQM activities

At workplaces, we strive to foster mutual instruction and the handing-down of unique techniques through small group activities (QC Circle activities), in which workplace members work together to improve visible workplace problems.

○ Own-process completion in staff departments

"Own-process completion" is the concept of "building quality into a process" and "not letting defects go on to the downstream process". At JTEKT, not only the Production Division, but all staff departments (management/indirect divisions) promote own-process completion activities. Quality is judged to be good or bad in each workplace, and procedures and environment are maintained so that each job can be done smoothly. Activities are also undertaken to improve work and enhance quality.

Activities in FY2009

Activities were promoted and enhanced by holding example exhibitions in each location and introducing outstanding actions.

○ Conducting customer satisfaction surveys

JTEKT conducts customer satisfaction surveys for its main customers. Any problem found through a survey is shared companywide so the problem can be solved quickly and appropriately. Moreover, as a result of various activities, we have received awards from our customers. [▶ Figure-02](#)

TOPICS

Lexus QC Circle received an "inspiration award" at a QC Circle National Competition

On July 3rd, 2009, the Lexus QC Circle received an "inspiration award" at the 5100th QC Circle National Competition (Kyoto) run by the Union of Japanese Scientists and Engineers.

This award is given to the team in which all participants work together for a common goal. A young employee who had only been with the company for 3 years was handpicked as theme leader to communicate with those around him and gain knowledge regarding quality, and this was judged as having led to a great achievement.



Lexus QC Circle who received the "inspiration award" at the 5100th QC Circle National Competition

▶ Figure-02 Main awards in FY2009

Customer	Award	Company receiving award
Toyota Motor Corporation	Appreciation for Quality Control Activities	JTEKT Corporation
	Quality Lost Cost Reduction Proposal Award	JTEKT Corporation
Toyota Motor Corporation, Takaoka plant	Appreciation for Repair Cost Reduction Activities	JTEKT Corporation
Toyota Motor Corporation, Hirose plant	Quality Award	JTEKT Corporation
Mazda Motor Corporation	Excellent Business Results Award	JTEKT Corporation
Guangzhou Toyota Motor Co., Ltd. (GTMC)	Quality Award	JSSX (Chinese steering manufacturing affiliate)
Guangzhou Toyota Engine Co., Ltd. (GTE)	Quality Cooperation Award	JAFS (Chinese steering manufacturing affiliate)
		KLF (Chinese bearing manufacturing affiliate)
Toyota Peugeot Citroen Automobiles Czech, s.r.o. (TPCA)	Good Supplier Award	JAPL (European bearing manufacturing affiliate)

Together with business partners

Basic concept

○ Promoting fair business

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

JTEKT has stipulated policies for open and fair business practices in its Corporate Activities Standards and its Purchasing Philosophy regardless of country or company size and including companies with no experience supplying to JTEKT. We have outlined procedures in our website for new business partners 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)

Purchasing Philosophy

Fair and transparent business transactions

We provide open, fair and equal opportunities to all regardless of nationality or company size, including companies with no experience doing business with JTEKT.

Purchasing Basic Policy

Mutual trust

Build mutual trust through close communication with business partners.

Coexistence and co-prosperity

Achieve harmonious relationships with business partners 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.

Activities with business partners

○ Communicating purchasing policies and activities to business partners within Japan

In order to communicate purchasing policies and activities, each year JTEKT holds a purchasing policy meeting for business partners. On the 23rd of March, 2010, 380 people from 310 companies attended, at which time we promoted the working of business partners hand-in-hand with JTEKT towards “Production Foundation Reinforcement Activities” and “Cost Reduction Activities”, and explained



Purchasing policy meetings (March, 2010)

about points for strengthening CSR and risk management. We also presented awards that achieved superior results in 2008 in various categories such as quality, cost, and technology development.

○ Chinese affiliates also hold purchasing policy meetings

From FY2010, our Chinese affiliates will also hold purchasing policy meetings aimed at business partners. Explanations will include important matters such as securing safety, improving quality, promoting cost reduction, responding to globalization and the enforcement of risk control, and understanding and cooperation will be sought.



Purchasing policy meeting in China (April, 2010)

○ 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 business partners.



Green Purchasing guidelines

○ Promoting quality improvement through collaboration

The JTEKT Supplier Association (*), holds a Quality Management Convention every year. We will continue sharing information and issues with our business partners and conduct activities in order to pursue mutual quality improvement.

01 | FY2009 Quality Management Convention

Around 320 people from 210 companies part of the JTEKT Supplier Association participated in this convention in 2009. There were presentations on improvements by six companies and a message on the promotion of QC activities from a JTEKT Kariya Plant QC Circle, as well as a lecture from sport journalist, Yasuhiro Nozaki.

02 | Holding workshops for the Supplier Association

In January of 2010, a workshop was held for 210 companies part of the Supplier Association. The 3 themes of “Corporate CO₂ reduction activities”, “Risk control (H1N1 influenza countermeasures)” and “Labor compliance” were addressed.

* The JTEKT Supplier Association comprises of 210 companies. It is intended to foster mutual trust among members and raise their capabilities through activities such as quality management conventions, workshops, and lectures.

Together with employees

Basic concept

○ Creating a friendly work environment for all

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

○ Focusing on discussion and building mutual trust

JTEKT place importance on labor-management discussion and create several opportunities for direct dialogue between labor and management, holding lectures and discussions on a companywide and individual plant and business division basis. Labor and management exchange opinions with the objective of company development, enhancing employees' lives and making employees more secure, and in doing so steadily build mutual trust and understanding.

Labor-management discussion opportunities (held in FY2009)

- Central Production Subcommittee Meetings (semiannual)
- Central Labor-Management Meetings (annual)
- Labor-Management Meetings (6 times)
- Labor-Management Committee Meetings (5 times)
- Plant Production Section Meetings
- Business Facility Labor-Management Discussions
- Workplace Discussions

Human resource development

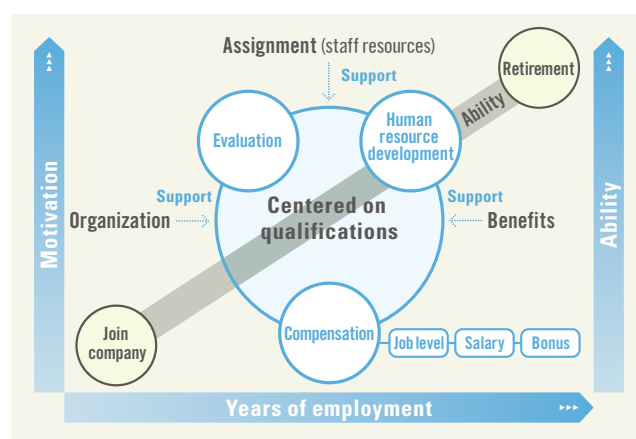
○ Concept of human resource development

Based on the following 3 points, 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.

○ Maintaining high motivation and enhancing abilities

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.



VOICE



[Left] **Keisuke Hasegawa**
(Technical Training Center)

[Right] **Kiyoshi Nakagawa**
(Technical Training Center)

Received the fighting-spirit award in the mechatronics job category at the [Skill Olympics – Ibaraki Contest] where young people who have won at prefectural competitions compete to be No.1 in Japan.

Further polish skills and contribute to the development of the company

We received the fighting-spirit award as a result of a year's worth of strict training from our instructor. We will continue to challenge ourselves to acquire more skills. Our objective is not just to receive awards, but to use the strengths we have cultivated in the workplace to improve productivity, and contribute to the development of the company as technical specialists.



Together with employees

○ Training system supporting growth

01 | Human resource development for office & engineering staff

The JTEKT training system is composed of three pillars. Rank-based training, teaching the knowledge and skills necessary for each rank, function-based training, teaching advanced knowledge and skills and workplace-based training, teaching employees specific skills related to their job. In addition, we support the acquirement of qualifications and self-study efforts.

02 | Human resource development for production staff

Based on the training at the JTEKT Technical Training Center (*1), we incorporate systematic guidance through OJT (*2) and strive to foster highly skilled production staff. Apart from this, we maintain a support system for certification acquisition, various examination systems and so forth.

Rank-based training types and main content

	Training	Main content
Managers	R3 training for new managers	Policy, daily, workplace management and CSR
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

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*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."

Various action is taken in order to utilize diverse human resources.

Main measures

- 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
- Providing post-retirement employment opportunities
- Various education concerning human rights, etc.

○ Maintain employment

Amongst the ongoing harsh management environment in FY2009 we carried out measures such as job transfers and work sharing to strive to maintain employment. We follow compliance in the handling of fixed-term employees.

Composition of employees as at end of March, 2010

	Male	Female	Total
Permanent employees	9,510	595	10,105
Fixed-term employees (*1)	587	121	708
Total	10,097	716	10,813

	Male	Female	Average
Years of employment	17.1	16.0	17.0

Job turnover rate (*2)	0.8%
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*1 Total fixed-term, part-time, reemployed, and temporary employees

*2 Voluntary early retirement rate

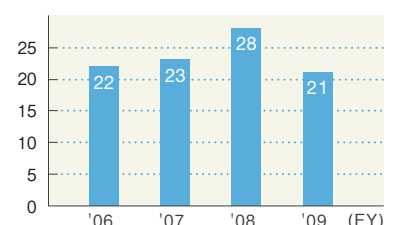
○ Assisting female employees in developing their careers

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.

Supporting the work/child-raising balance

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 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.

Number of employees who took childcare leave



○ Reemployment of retired employees

So that retired employees with high motivation and abundant knowledge and experience could continue working, JTEKT established a Senior Partner System in April 2006. As of the end of March 2009, 496 such senior partners reemployed by JTEKT and related companies were working at various workplaces and training younger employees who will become leaders of JTEKT.

Number of senior partners in FY2009

Number of those who are applicable	337
Number of applicants [a]	245
Number of reemployed [b]	241
Rate of employment [b/a]	Approx. 98%

○ Employment of people with disabilities

JTEKT actively participate in joint-employment seminars aimed at disabled persons and strive to provide as many people as possible with interviews and opportunities to apply. Currently we have disabled employees working mainly

Number of disabled persons employed (End of March, 2010)

No. of disabled employees	209
No. of employees according to legislation	199
No. of over and short	+10
Employment rate	1.89%

* In accordance with legislation, employees with severe disabilities are counted twice (as 2 people) in the above table.

as workplace support and general administrative staff. We are making efforts to further expand the occupational fields in which disabled employees can work vigorously and enthusiastically.

Safety, hygiene and health

○ Making the workplace safe and protecting employee health

Maintaining the health of all employees is indispensable to an enthused and vital work environment and to protect the mind and body. Under our "Safety & Health Policy", we at JTEKT clarify that "safety and health activities are promoted by the company as a whole".

○ Promoting activities under a centralized control system

Under the "Safety & Health Policy," in order to strategically and systematically promote the creation of safer and healthier workplaces, JTEKT have constructed a centralized control system.

▶ Figure-01

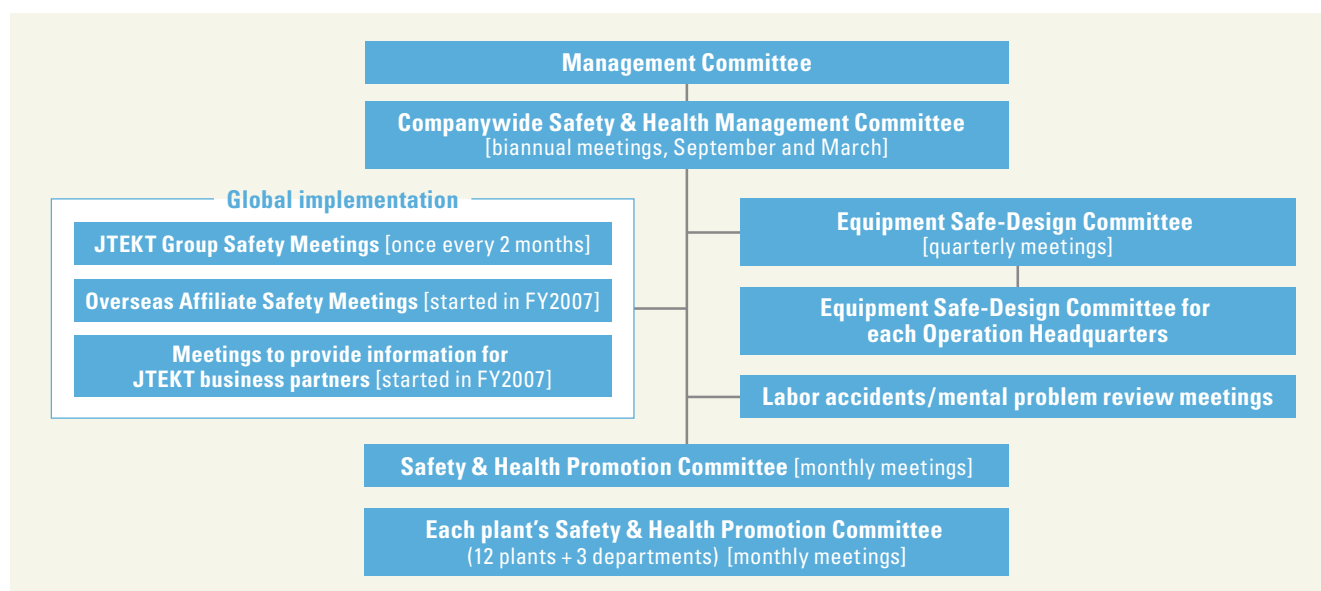
○ Activities to achieve zero accidents

We have long promoted safety & health activities based on OSHMS (*3) centered on risk assessment (*4).

*3 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.

*4 Risk assessment Method to investigate potential workplace risks and implement proper risk-reduction measures.

▶ Figure-01 Safety, hygiene and health control system

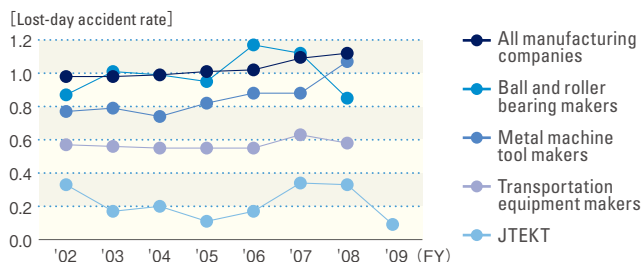


Together with employees

Activities in FY2009

Past incidents were analyzed to pinpoint equipment or tasks where the accident occurrence rate was comparatively higher, then countermeasures were promoted and work standardized focusing on these. As a result, the number of lost-day accidents (*1) decreased significantly from the 9 cases in 2008 to 2. We will continue safety activities aiming for zero accidents.

Change of industrial accident frequency rate



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

* The 2009 section of the graph only shows the lost-day accident rate for JTEKT.

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

Safety & health education and training

One of the key requirements of safety & health activities is the planned implementation of education and training. Our main forms of education are rank-based training based on job level, special training based on job type, while our main forms of training are basic KYT 4R training (*2), sensing-danger training, and skill training.

Main training types (number of attendees in 2009)

Rank-based training	Safety management training	108
	Group Leader training	58
	New employee training	78
	Training Center student training	53
Special training	Grinding wheel replacement	71
	Arc welding	78
	Robots	0
	Low-voltage handling	58
	Vibrating tool handling	0
Others	Organic solvents	0
	All-Toyota training for those overseeing outside workers	267
	All-Toyota training for those overseeing construction	156
	Elevated-work training	308
	Electric shock prevention training	285
	Risk assessment training	102
Total		1,622

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

Safety & health activities in FY2009

Addressed the below items as the main activities in FY2009.

01 | Activities based on the safety & health management system

By 2007, all 12 plants had acquired certification concerning work safety from external organizations. Since then, activities have been ongoing in accordance with the management system.

Certification by outside organizations

FY2009 Renewed certification in Tokyo, Okazaki and Kariya plants.

FY2010 Plan on renewing certification at Nara, Hanazono, Toyohashi, Tokushima, Tadamisaki and Higashikariya plants.

02 | Enhancement of work environments and employee safety awareness

We have thoroughly reflected daily safety activities [commitment-to-safety time (*3), near-misses (*4), etc] in risk assessments, and systematically promoted improvement. Furthermore, by accurately appraising problems that have arisen in the past, countermeasures and work standardization has progressed.

*3 **Commitment-to-safety time** Time where activities specific to safety such as checking the status of point & call routine, observance of pedestrian rules, observance of delivery vehicle driving rules and work rules are checked, etc.

*4 **Near-misses** A safety and health activity where examples of incidents on the brink of happening are collected, shared and their reoccurrence is prevented.

Promoting efforts to improve equipment safety

In order to prevent labor accidents and increase job safety, we have equipment rules (standards) and expanded this to all of our domestic plants and overseas affiliates. Furthermore, we completed countermeasures on similar machines in order to prevent accidents and evaluated equipment safety level.

Creation of equipment safety rules (standards)

Item	Activity
Mounting position of residual pressure release valve (make it easier to release residual pressure)	Make standards, roll out
Heat treatment gas pipe color (prevent erroneous operation in gas piping work)	Make standards, roll out
Added an entry regarding fall prevention measures for the vertical loader in the fall prevention device standard	Make standards, roll out
Emergency stop circuit (standardization of emergency stop basic circuits and devices)	Model line complete

Together with employees

Equipment safety level evaluation

Item	Activity
Eradication of incidents caused by moving parts, residual pressure and electrical circuit defects <ul style="list-style-type: none"> Adequate judgment of equipment safety standard through a safety level quick-check sheet 	Promote workplace action <ul style="list-style-type: none"> Equipment safety level evaluation Visualization (Labels, stickers, safety warning stickers)

Completed FY2009

Countermeasures will be promoted in FY2010 according to order of priority

Improving workplace environments

We reduced noise in 2 class III areas (workplaces requiring improvement by law) in FY2009 (11 machines). We will strive to achieve zero noise by FY2012.

In order to create work environments where older workers and women can work comfortably we completed work evaluations based on an upper limb evaluation method (*5) at the Nara, Hanazono, Toyohashi, Tokyo, Tadamisaki, Okazaki and Higashikariya plants. Evaluation results did not indicate any workplaces required improvement.

Improvement of workplaces with class III noise

(Target : Zero in FY2010)

FY	2006	2007	2008	2009	2010	2011	2012
Number of improved workplaces (number of improved machines)	2 (2)	8 (58)	5 (15)	2 (11)	6 (53)	5 (59)	7 (59)
Number of workplaces (number of remaining machines)	26 (263)	19 (205)	18 (190)	16 (170)	12 (108)	8 (59)	0 (0)

* When the 2009 CSR Report was issued, we made 2013 our target for accomplishing zero however, the Companywide Safety & Health Promotion Committee decided to change this to 2012, having decided to try to improve things earlier.

*5 **Upper limb evaluation** Evaluation of the burden on the body for work requiring the use of arms and hands.

○ Achieving mental and physical health

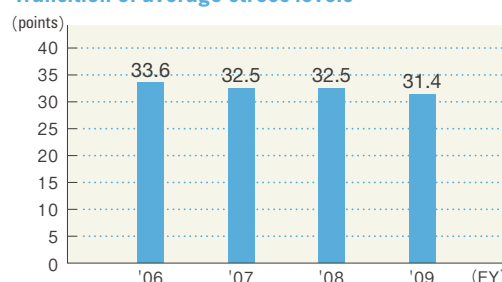
At JTEKT, in order to support the health of all employees from both a mental and physical perspective, we promote various programs such as lifestyle-related disease prevention activities, mental health activities, etc. In 2009 the reinstatement support system for employees on leave due to mental disorders was revised and reinforced.

01 | Achieving mental health

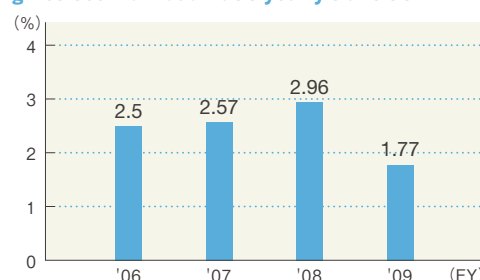
JTEKT proactively promotes mental health measures focused on preventing depression.

Consequently there has been a reduction in the average stress level of employees (*6) and the high-stress individual ratio (*7). However, the number of employees absent from work due to mental disorders has increased upon the previous year. It is thought that the reasons for this are stress and daily anxiety due to an increased work load. We will continue to actively countermeasure this.

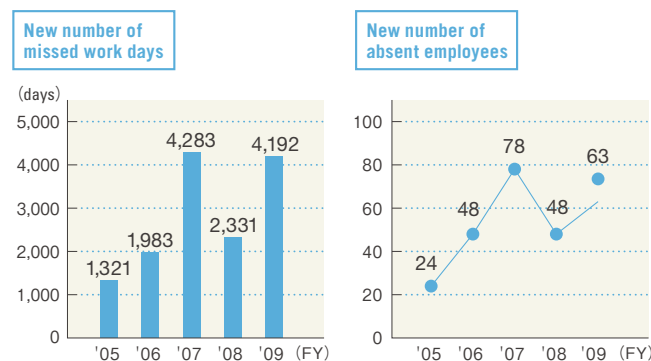
Transition of average stress levels



High-stress individual ratio yearly transition

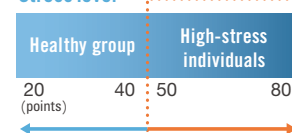


Number of work absences due to mental disorders



*6 **Stress level** Stress level = depression scale. Indicates the mental state and stress at the time the survey was conducted. Individuals with a stress level of 50 points or over are classed as "high-stress". Individuals with 60 points or over are suspected of suffering from depression.

Stress level



*7 **High-stress individual ratio** Number of high-stress individuals against the total number of employees who submitted stress surveys.

Together with employees

[Activities in FY2009]

Implementation of mental health education II for managers

JTEKT implemented mental health education via video conference with all business sites. The objective of this was to prevent and respond to new types of depression that have increased rapidly in recent years as well as learn about the reinstatement support method. 950 managers participated.

Early detection of mentally-compromised individuals and response

We offer mental care at an early stage by implementing counseling upon consultation from the individual themselves or their workplace, and doing the rounds of the workplaces and offering consultations when necessary.

Revision of the reinstatement support system

Based on the indicators established by Japan's Ministry of Health, Labor and Welfare for the healthy mental state of workers in the workplace, JTEKT implement reinstatement support for employees absent from work due to mental health problems. The post-reinstatement reoccurrence rate of individuals absent from work due to depression was 49% and in consideration of the internal investigation result that 76% of these cases reoccur within 3 months, we revised the reinstatement support system. There have been no reoccurrences seen in individuals who have been reinstated since the revision was made.

Revised points of the reinstatement support system

Determined reinstatement criteria, report-for-work judgment

By eliminating the pre-conditioning period, prevented the deterioration of the individual's condition caused by reporting to work in an unstable condition.

Close interaction between concerned parties

Handle interaction with the primary physician, submittal of behavior and physical condition records by the individual, communication with the workplace and so on in a conscientious and elaborate manner.

Added response method in case of reoccurrence

Company to instruct absence from work based on industrial physician's judgment.

Reinstatement criteria

* Reinstatement possible if all of the below requirements are met

- The individual has the desire to be reinstated
- Reinstatement permission document (Certificate of Capacity) has been issued by the primary physician
- The workplace is prepared for the individual to be reinstated
- Sleep pattern and daily rhythm is in order
- Anxiety and depressed state has improved (illness has been cured and there is no risk of deterioration due to steady labor)
- Individual is alert and has the ability to concentrate to the level required to complete their tasks
- Individual can commute alone
- Individual can work 5 days a week, 8 hours a day (can arrive and leave work at set starting/finishing times)
- Individual is going to medical institution and taking medicine correctly

02 | Measures against overworking

It is a company's obligation to have employees working long hours interviewed by a doctor to ensure health maintenance. During interviews, an industrial physician checks their degree of fatigue and work situations. Employees determined to have accumulated fatigue are given guidance on overtime work restrictions for the next month and from a lifestyle perspective.

Transition of number of employees receiving checkup for working long hours

By setting absolute withdrawal days and entrenching awareness that improves task efficiency, the amount of overtime hours decreased. Compared to FY2008, we were able to significantly reduce the number of employees diagnosed to be working long hours.

Managers		Staff	
FY2008	Approx. 2,640 (Average:220/month)	FY2008	Approx. 1,290 (Average:107/month)
FY2009	2,092 (Average:174/month)	FY2009	316 (Average:26/month)

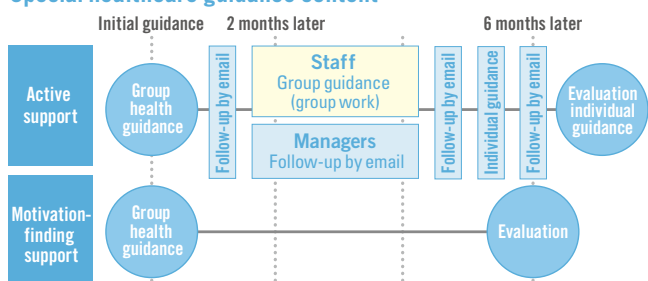
03 | Achieving physical health

Beginning with lifestyle-related diseases, we place importance on the prevention, early detection and early treatment of illnesses, and actively support the health management of our employees.

Special health guidance

The program that JTEKT began in April 2008 of special health checkups and healthcare guidance is gradually taking hold. We are taking assertive action towards our objective of "Eradicating metabolic syndrome".

Special healthcare guidance content



FY2009 healthcare guidance implementation

All targets were achieved.

	Special health checkups	Special healthcare guidance	Improved people
No. of those applicable [a]	5,902	1,945	1,701
People screened, people participated [b]	5,902	1,701	510
% of total	Result [b/a]	87%	30%
	Target	80%	10%

Together with local communities

Basic concept

○ Aiming to win the trust of communities

Recognizing its responsibility as a member of local communities, JTEKT promote various activities aiming for further development after winning the trust and respect of the community and government bodies. The Social Contribution Working Group under the CSR Promotion Committee enrich activities based on the policy of “actively promoting social contribution activities as a good corporate citizen, indicated in “Corporate Activities Standards”.

Communication

○ Holding community discussions at all plants

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 and provide plant tours to build good relationships with local communities. A total of 230 residents attended such discussions at plants in FY2009.

→ Related article on [page 55](#)



Community discussions
(Higashikariya Plant)



Environment tour
(Tokushima Plant)

○ Interaction through “View a manufacturing site” events

“View a manufacturing site” events to allow local residents to understand plant workplaces better and exchange information were started by seven Toyota Group companies in 2000. This event has been ongoing since then and in FY2009 38 people visited Hanazono Plant. Comments from visitors included, “It was great to see parts of the car that I wouldn’t normally see even though I ride in one all the time”.



“View a manufacturing site” event
(Hanazono Plant)

○ Deepening friendships through plant festivals

In order to deepen friendships between employees, their families and local residents, individual JTEKT plants plan and hold festivals every year, featuring stage shows, games, booths to sell goods and so on. In FY2009, ten plants held festivals that were attended by a total of 20,000 people. Kariya Plant donated all profit to community welfare activities.

Kokubu Plant participates in government-run festival

Kokubu Plant participated in the government-run Kashiwabara Citizens Festival. Members interacted with approximately 12,000 visitors through taking part in a sports carnival and exhibiting solar cars, giving volleyball lessons, loaning out a complimentary shuttle bus, etc.



Kashiwabara Citizens Festival
(Kokubu Plant)



Volleyball lesson
(Kokubu Plant)

Activities to contribute to local communities

○ Implementing community beautification activities at all plants

JTEKT conducts community beautification activities annually with the aim of raising the environmental awareness of employees. Employees proactively engage in cleanup activities around plants, achieving coexistence with the local community. In FY2009, 12 plants implemented local cleanup activities.

○ Voluntary participation in activities to contribute to local communities

JTEKT employees participate in various activities to contribute to local communities. Through the provision of information and introduction of case examples, etc., we will continue efforts to create a corporate culture wherein all employees are encouraged to voluntarily participate in activities.

Together with local communities

01 | Participated in the “Asuka River Firefly Regeneration Project”

In Asukamura, Nara prefecture, an NPO was at the center of efforts to regenerate fireflies, taking part in various activities aimed at creating a town with a balance of historical areas and native ecosystem.

An event was held as part of these activities on the 8th of November, 2009 in which Nara Plant employees participated and cooperated in conducting a firefly ecosystem survey.



Volunteers (Nara Plant)



Taking part in activities (Nara Plant)

02 | 13th JTEKT Challenge Cup

Every year the JTEKT Challenge Cup, a soccer tournament for youths, is held. This time the tournament was held on the 13th and 20th of February, and 27 teams comprising approximately 300 players participated from elementary schools in Kariya city. JTEKT soccer team members acted as referees and deepened interaction with the school children.



Opening ceremony



Match scene

Fire prevention and traffic safety activities

○ Promoting fire prevention activities

Fire prevention activities are important to a company aiming to win the continual trust of communities. We conduct fire



Fire prevention training (Kameyama Plant)



Fire prevention training (Tadamisaki Plant)

prevention activities at each workplace under a motto of “protecting one’s own workplace.” Furthermore, on top of autonomous activities, JTEKT promote fire prevention management under the supervision of local firefighting authorities.

Tokyo Plant participate in joint fire prevention training

On the 5th of June, 2009, Tokyo Plant took part in joint fire prevention training based on the Large-Scale Hazardous Material & Facility Mutual Support Agreement (*).



Joint fire prevention training (Tokyo Plant)



Joint fire prevention training (Tokyo Plant)

*** 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 running 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.

○ Creating workplaces where fires do not occur

As a company involved in the auto industry, JTEKT considers promoting traffic safety to be one of its important social responsibilities. We cooperate with local residents, community groups, the police, etc., to actively carry out traffic safety patrols and various other traffic safety activities.

Traffic safety booth at plant festival

Hanazono plant set up a traffic safety booth at their plant festival. In order to simulate a drink driving experience, they gave visitors special goggles to wear and demonstrated the dangers involved.



Drink driving experience (Hanazono Plant)

Together with shareholders and investors

Basic concept

○ Aiming for highly transparent management

At JTEKT we make "communication with not only shareholders but also the community at large and the fair disclosure of corporate information" part of our Corporate Activities Standards. Based on this concept, we make management transparent, and strive to construct a long-term relationship of trust with shareholders and investors.

Information disclosure and IR activities

○ Detailed IR activities

JTEKT not only observe rules on legislated disclosures and timely disclosures but also actively disclose information that is both well-timed and appropriate voluntarily and in a fair manner. Furthermore, we deploy detailed IR activities. At the General Shareholders Meeting in June, easy to understand information was provided using a visual medium, etc.



109th General Shareholders Meeting

Main IR activities

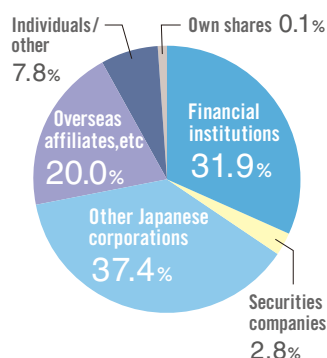
- Hold IR briefings and small meetings
- Carry out individual visits
- Issue annual reports
- Conduct plant tours
- Disclose information on HP

Shareholder situation and return of profits

○ Shareholder status

Current at end of March, 2010, the number of shares issued were 321,406,000 and the breakdown of shareholders is as follows.

Shareholder distribution status



Financial institutions	102,421	thousand shares
Securities companies	9,149	thousand shares
Other Japanese corporations	120,181	thousand shares
Overseas affiliates, etc.	64,322	thousand shares
Individuals/other	25,087	thousand shares
Own shares	244	thousand shares
Total	321,406	thousand shares

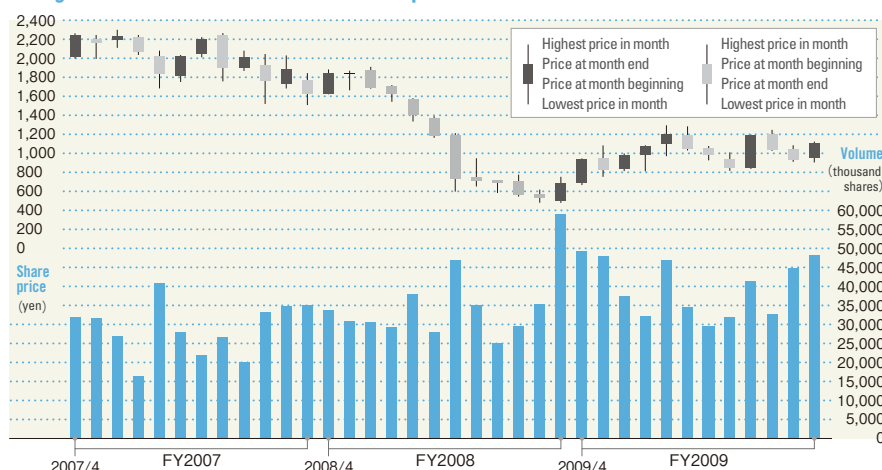
As at end of March, 2010
(anything less than 1000 rounded down)

○ Business performance and return of profits

Impacted by the financial crisis of Autumn, 2008, FY2009 consolidated sales were 769.6 billion yen, down 24.3% from the previous year. Consolidated ordinary income was 400 million yen (22.3 billion yen the previous year), combined consolidated loss was 200 million yen, and consolidated net loss was 19.4 billion yen due to business division structural improvement expenses and so forth. Based on these results, we issued an annual dividend to shareholders of 11 yen per share, a decrease of 6 yen per share from the previous term. In FY2010 we will combine the strengths of the group and exert every effort to rapidly and flexibly respond to changes in the management climate.

▶ Figure-01

▶ Figure-01 Transition of JTEKT share price



Transition of dividend per share

