

Third-party opinion on JTEKT CSR Report 2010

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

Tamio Yamaguchi

Profile

After 25 years at a newspaper company, Mr. Yamaguchi worked in an environment venture company's public relations section, edited a publishing company's environmental magazine, and then freelanced. Now a part-time university lecturer he also works as a corporate trainer on CSR topics. Since 2005, Yamaguchi-san has analyzed and reported on over 300 companies CSR reports.

Workers Club for Eco-harmonic Renewable Society

A citizen's organization that considers from a global point of view how society and the natural ecosystem that should be passed on to future generations can live in harmony. The organization researches, supports and implements activities so that citizens, companies and government agencies will form a recycling-based society.

<http://www.nord-ise.com/junkan>



This is the third year I have given the third-party opinion for this report. In preparation for writing this column, I held two meetings with JTEKT, one at a kick-off meeting and one when the first draft was complete, in which we exchanged opinions. In the beginning, I recall thinking that their response towards my suggested future issues for investigation had weakened, but this time JTEKT investigated into matters more assertively than in the past and this can be seen in a number of places throughout this report. I believe that this is evidence that the section of President Ikawa's message reading "through dialogue with our stakeholders, listening to their opinions, and reflecting them in our business activities." has materialized.

One of the methods I use to evaluate this report is to look for the existence of organic links between top management's message and the body of the report itself. In an organic report, both the message and the body of the report are more convincing. This is the point of view from which I examined this report.

The President's message contains the following statements: "Reflect upon our achievements and aim to become a corporation with the trust and understanding of society", and in regards to CSR he begins by saying "Offering good quality, low-cost products" and goes on to say "Taking societal issues seriously...taking action to find solutions". Also, regarding employees, President Ikawa clearly states "We want to be a company that takes care of working men and women."

In this report, expressions such as "still in the stage of asking" and "even now in pursuit of the answer" appear, indicating that JTEKT have not just hurriedly thrown together set phrases but are advancing steadily forward, and their sincere stance of having a desire to share CSR knowledge with all employees is apparent. Regarding social issues as well, this report looks at "creating a safe and reassuring society" which is an issue of great importance

in Japan, detailing how JTEKT are contributing to the creation of a safe society through their activities. How JTEKT value their employees is reported in detail in over three and a half pages, discussing safety, hygiene and health. Here I can only take up a few lines, but in short, there were indeed a great deal of organic links between the President's message and the main body of the report, making it extremely convincing. The social report is becoming more enriched with information, for example the addition of the status of employment of people with disabilities.

The best parts of this report by far were the above-mentioned "safety, hygiene and health" and the "achieving mental and physical health" sections. Last year's report was highly regarded for giving cases of good practice regarding sustainability, communication and networks however this year's report is even more enriched, and it is safe to say it is at a level that other companies should aim for. By continuing this type of quantitative report, even more effective measures and policies will be born, and I think it will lead to a decrease in the serious social issue of mental health illnesses. I hope that JTEKT's stance on this matter will ripple out to other societal issues.

The environmental report went from being divided up into processes, to being divided up into activity items. I think that in today's world, with global warming a pressing issue, this makes the report easier to understand. The section on the prevention of global warming introduces the "reduction of product transport mileage". This is a topic of particular interest to me, so I am looking forward to seeing a quantitative report in the future. Environmental action is a high-level area. In particular, companies that not just reach their initial targets but establish "challenge" targets are highly regarded. JTEKT have already achieved some of their targets and I anticipate them setting even higher ones.

Response to the third-party opinion

General Administration Department, JTEKT Corporation

We are very grateful to Mr. Tamio Yamaguchi, Representative of the Workers Club for Eco-harmonic Renewable Society, for providing us with his valuable opinion in the kick-off meeting before work on this report began, and after the first draft was made.

This time, as a third-party, we received praise from Mr. Yamaguchi, but we at JTEKT consider ourselves to still be testing the water when it comes to CSR and this praise has in fact had a sobering effect on us, as far as thinking about what we can do to advance steadily forward.

As Mr. Yamaguchi wrote, in efforts to steadily advance forward and share knowledge with all employees, we believe

that the instilment of awareness towards CSR will continue to be a major issue in the upcoming year. The concept of JTEKT CSR is based in each individual's behavior, and, as President Ikawa stated, we would like to see employees gain a sense of self-fulfillment at the company, watch employees and the company grow together, and see it result in people's happiness and benefits to society.

In the editing phase, we tried to include information that our stakeholders would be interested in knowing in an easy-to-read format. We would be happy if this report was useful in understanding JTEKT. We will continue aiming to become a company which gains the respect of all.