

JTEKT's 5th anniversary

5 years of facing and contemplating social issues, and constantly taking steps forward.

2011 marked the 5th year since JTEKT's establishment. Over the past 5 years, society, JTEKT, and JTEKT CSR have all changed in various ways. Now, having reached this milestone, we would like to recall our activities to date.

The lead-up to JTEKT's establishment

To respond to fiercer global competition in the automotive industry

On January 1st, 2006, Koyo Seiko and Toyoda Machine Works merged to form JTEKT.

Below, we explain the lead-up to the merging of the two companies.

Merger signing ceremony (February 2005)



2005.5 Signed merger agreement

Koyo Seiko and Toyoda Machine Works entered a merger agreement together and decided on the company name of JTEKT.

JTEKT's footsteps

JTEKT
CSR report trajectory

Social condition
at the time

Koyo Seiko

In 1921, Zenichiro Ikeda founded Koyo Seiko as a bearing manufacturer. In 1935 it became a listed company. Its main product was the bearing.

1988.3 Koyo Seiko

Developed the world's first EPS (electric power steering)

2000

To create superior home-grown machine tools essential in vehicle manufacturing, separated from Toyota Motor Corporation and began operations in 1941 as an independent company. Its main product was the machine tool.

Toyoda Machine Works

2001.12

Toyoda Machine Works
Started EPS mass production

2002



2002.11
FAVESS Co., Ltd was established.

Koyo Seiko, Toyoda Machine Works, Denso Corporation and Toyota Motor Corporation jointly invested in FAVESS, a company to develop and sell electric power steering. This greatly contributed to the integration between Koyo Seiko and Toyoda Machine Works and played an important part in JTEKT's conception.



Commemoration of FAVESS's launch (February, 2003)

2000.9

Koyo Seiko and Toyoda Machine Works entered a basic agreement for the joint production of electric power steering.

In the basic agreement it was stipulated that Koyo Seiko would develop column type and pinion type EPS for light vehicles, while Toyoda Machine Works would develop the rack type for large vehicles. The objective of this agreement was to combine the technological and development strengths of both companies, speed up and streamline the development process and ride out the competitive times.

2005.10

Introduced JTEKT at the Tokyo Motor Show.

Held a press briefing at the JTEKT booth. Explained the background behind JTEKT's establishment, future directives, the business opportunities and global strategies made possible through the merger and gave an overview of the exhibition theme members of the press in order to deepen understanding of the new company.



Tokyo Motor Show press briefing



“Expectations towards JTEKT’s vigor”

Toshiaki Wakabayashi
Lecturer for Advanced Materials Science,
Faculty of Engineering, Kagawa University

In October of 2010, I visited the Kokubu plant for the first time in a long time, and I remember I was impressed by the obvious improvements in equipment layout and product quality control. Just a couple of days ago, I had the opportunity to talk to young employees who had

been with the company for less than 5 years, and was reminded how JTEKT have a culture of treating their employees highly and encouraging free discussion. My sincere congratulations to JTEKT on their 5th anniversary. I had been interested in their engineering capabilities for some time now and in the future I have high expectations of their ability to demonstrate their vitality through monozukuri earning society’s trust.

● Topics relating to management ● Topics relating to technology ● Topics relating to CSR

**2006
slogan**

JTEKT’s first year “Integration” and “Reform” Getting the most out of synergy!

- [Jan] ● Inauguration
● Received the Technical Category Prize at the line-off ceremony of the new Toyota Camry
- [Feb] ● Small-type cylindrical grinder, EGProcessor, received the Energy-saving Device Excellency Award
● Held Machine Tool and Mechatronics Product Appreciation evenings in all domestic locations (until March)
- [April] ● Initiation ceremony – 351 new employees
● Establishment of the JTEKT Cooperation
- [July] ● Donated 7.36 million yen through the Japan Red Cross to the victims of the Java Earthquake
- [Dec] ● Relocated to our Nagoya Head Office

JTEKT was conceived on January 1st, 2006

2006

JTEKT

**2007
slogan**

Transition from quantity to quality Pursuing synergy and generating real results

- [Jan] ● Ultra-low torque, high performance tapered bearing, LFT-III, awarded the Energy-saving Device Excellency Award by the Minister of Economy, Trade and Industry
- [Mar] ● E-VGR awarded the Nikkan Kogyo Shimbun’s Monozukuri Category Prize
- [April] ● Initiation ceremony – 302 new employees
- [June] ● Opening ceremony of JSSX, the first EPS manufacturing base in China
- [July] ● Established joint venture, JSAI, for the production of EPS in India
● Donated 3 million yen through the Japan Red Cross to the victims of the Chūetsu Offshore Earthquake
- [Sep] ● Developed a large-type insulation ceramic bearing for wind power generation
- [Dec] ● Electronic control 4WD coupling “ITCC” awarded the Chunichi Sangyo Technical Prize by the Minister of Economy, Trade and Industry



2007

[2006 Environment & Social Report] (Introducing activities in 2005)

Seeking harmony between people, society and the global environment

Began as an [Environment & Social Report]. In line with the merger, expectations of JTEKT regarding social responsibility grew and CSR activities became more important. As a united group we sought harmony between people, society and the global environment.



[2007 Social & Environmental Report] (Introducing activities in 2006)

Considered how to enrich the social report

Changed the name to [Social & Environment Report]. Discussed how the report should be with related departments and moved the focus from environmental issues to actions, etc., towards stakeholders and began considering how to enrich the social report.



Faith in Japan’s quality shaken

Japan’s economy continued to grow from 2002 onwards, and surpassed the “Izanagi Boom” after WW2. However, incidents of personal computers and home electrical appliances catching on fire, breakage of nuclear power generation turbines and mass vehicle recalls defined 2007 as a year where the image of “Japanese made = high-quality” faltered.

Heightened concern for environmental conservation

Several incidents believed to have been caused by decreased corporate moral such as shams in the food industry, etc., received significant attention from the media. Escalating crude oil prices, America’s sub-prime loan problem, etc., led to a decline in Japan’s economic growth. Also, concern for environmental conservation began increasing, with the prevention of global warming being the prime focus.

5 years of facing and contemplating social issues, and constantly taking steps forward.

2008 slogan

Forming a foundation for assured growth through further quality improvements

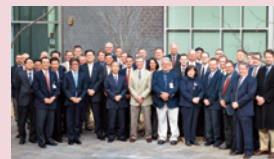
- [Jan] ● Proper participation in the vertical machining market
- Announced development of the world-first rack-cross type EPS for large SUVs
- [April] ● Initiation ceremony – 302 new employees
- Distributed JTEKT original eco-friendly bags to all employees
- [May] ● Donated 15 million yen through the Chinese Red Cross, etc., to victims of the Sichuan earthquake
- [Aug] ● TORSER domestic production exceeded 4 million
- [Oct] ● Strengthening development of emergency earnings improvement activities



2009 slogan

Protect our surplus with all our strength

- [Jan] ● Large horizontal machining center, FH1250SX, received Nikkan Kogyo Shimbun's Top Ten New Products Award
- [Feb] ● Establishment of the CSR Promotion Committee
- [April] ● Initiation ceremony – 354 new employees
- Hydraulic cylindrical grinder, LG series, received the Long-life & Bestseller Award from the Committee for Awarding Monumental Machine Tools
- [July] ● Established local bearing dealer, KBIN, in India
- [Nov] ● Donated 1 million yen to the victims of the Sumatra earthquake through specified nonprofit organization, Japan Platform*
- * An international humanitarian aid organization supported by 1% of Japanese Business Federation members
- [Dec] ● Acquired major U.S. needle bearing manufacturer, TIMKEN



2008

2009

[CSR Report 2008] (Introducing activities in 2007)

From this year the name became the [CSR Report]

By changing the name to [CSR Report] we placed greater emphasis on the connection with society. We thought about what JTEKT's corporate social responsibilities were and featured a special report entitled "Unique technology for a better future".



[CSR Report 2009] (Introducing activities in 2008)

Featured round-table discussions by staff involved in CSR promotion

Established our CSR Policy and clearly stated our intention to share JTEKT CSR with our group companies and business partners. Held round-table discussions attended by staff involved in CSR promotion to increase awareness.



An age where corporate essence is directly scrutinized

The financial and economic crisis that spread rapidly across the globe triggered by the US financial crisis impacted heavily on Japanese domestic company performance and employment. Never before had financial problems affected the world economy at such a rapid pace. This point is proof that we are indeed in an age where corporate essence is directly scrutinized.

Newly emerging countries driving the world economy

The financial and economic crisis of 2008, said to be a "once a century" occurrence, impacted advanced countries, particularly Japan, the US and Europe, much more than imagined. Amidst this situation, emerging countries, primarily China and India, made strong economic progress and grew to such a scale that they were able to drive the world economy.



Takahiro Suzuki
Nikkan Kogyo Shinbun Company
– Mie branch manager

As a newspaper journalist, for 5 years since April, 2006, I have been writing articles on JTEKT. In the beginning, I got the impression that the bearing business and machine tool business were separate, however recently I sense that solidarity has emerged as a powerful Toyota

Group company.

However, one unfortunate thing is that, in the case of both the bearing and machine tool businesses, PR approaches leave a lot to be desired. Despite having top-class technology, in many cases it seems JTEKT don't realize this. In the future I would like to see JTEKT have more confidence in their technology and proactively disseminate this to other companies.

● Topics relating to management ● Topics relating to technology ● Topics relating to CSR

2010 slogan

Progression towards a path to assured growth through further quality improvements

- [Jan] ● CNC combination grinder, TG4, received Nikkan Kogyo Shinbun's Top Ten New Products Monozukuri Award
- [Feb] ● Began mass producing STG in India (JSAI)
- [Mar] ● Donated 1 million yen and 500,000 yen respectively to the victims of the Haiti and Chilean earthquakes through specified nonprofit organization, Japan Platform
- [April] ● Initiation ceremony – 178 new employees
- [May] ● Donated 1 million yen through the Japan Red Cross to the victims of the Yushu earthquake
- [Oct] ● Constructed an internal notification system for all Chinese JTEKT Group companies
- [Dec] ● Torque tube assembly received the Project Award at the Toyota's Lexus LFA line-off ceremony



2011 slogan

Generating real results in order to establish and define the basis of management

- [Jan] ● Established the Electric System Development Center
- [Feb] ● Issued the “CSR HANDBOOK”
- [Mar] ● Donated 70 million yen through the social welfare organization, Central Community Chest of Japan to the victims of the Great East Japan Earthquake
- [April] ● Initiation ceremony – 290 new employees



[CSR Report 2011] (Introducing activities in 2010)

Awareness activities for all employees

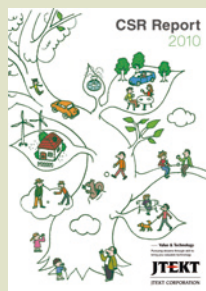
To promote CSR activities with certainty and strength, we implement awareness activities for all of our company employees, not just specific groups or people. The aim is for each and every employee to contribute to the spread of JTEKT CSR throughout society.

2010

[CSR Report 2010]
(Introducing activities in 2009)

Pursuing CSR befitting JTEKT

JTEKT are facing social issues head on and we considered what type of CSR befitting us best. We promise to uphold CSR as a manufacturer by showing the link between our technology and a society where people can feel safe.



Japanese companies feeling the pressure of business structure reform

China becoming number one in the world in the number of vehicle sales and machine tool production value is proof that emerging countries are gaining greater presence and influence. Within Japan, prolonged strong yen is demanding drastic business structure reform. In the mid-to-long term, the spread of electric vehicles and technical innovation in the reusable energy domain will serve to promote economic growth.

2011

We have established a working group and are making several studies towards the formulation of JTEKT VISION 2015.

Fulfill our social responsibilities as a manufacturer and promote CSR activities across all business domains

Until now, JTEKT have helped solve important social issues such as protecting the global environment, improving vehicle safety, enriching work environments and so on. From here on forward, at the same time as fulfilling our social responsibilities as a manufacturer, we will aim to promote CSR activities across all business domains by creating an environment where all employees think about, and act upon, CSR.

2015