



JTEKT CSR Report 2011

# Social Report

## Enhancing and broadening communication with society

An important factor in the promotion of CSR is enhancing communication with all stakeholders.

To date, JTEKT have maintained open, sincere dialogue with customers, business partners, employees, local communities, shareholders and investors, in order to better determine which corporate social responsibilities are appropriate for JTEKT.

While valuing our existing connections, we will strive to enhance and broaden communication with society and acquire even more input to incorporate in our CSR activities.

In FY2010, we made a special effort to build solid relationships with local communities, an aspect covered in detail in this year's report.



# Social Report

## Summary of FY2010 activities

### Together with customers

#### → P23

Establishment of milestones for development and production preparation.

#### → P23

Toyohashi plant circle received a special award at the All Komatsu QC Contest.



### Together with employees

#### → P27

Establishment of an "Iki-iki 60 Committee" to investigate various measures enabling employees 60 years and above to work with vigor.

#### → P30

Stress management training for all employees.



### Together with business partners

#### → P24

Helped our earthquake/tsunami-affected business partners restore production.

#### → P24

Approx. 350 people from the 210 companies in our cooperative participated in a Quality Management Convention.

### Together with local communities

#### → P33

Tadomisaki plant supported the local vocational training center for people with disabilities.



#### → P35

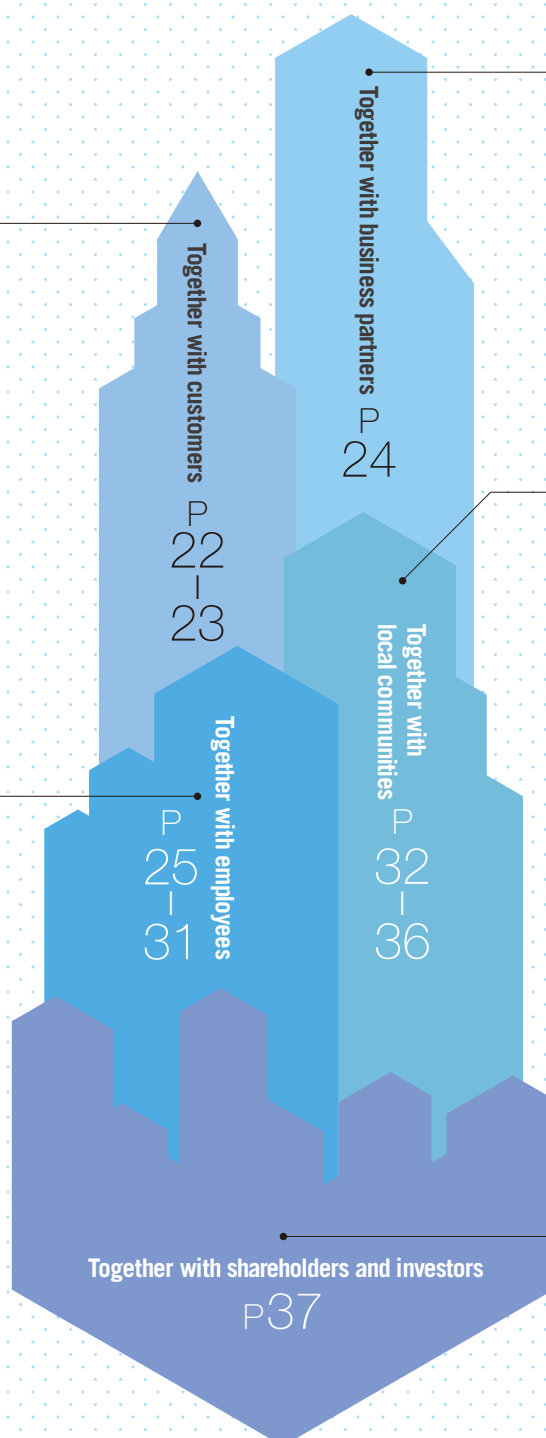
Kameyama plant involved in the Kameyama City Eco-Forest project.



### Together with shareholders and investors

#### → P37

Hosted visits from overseas corporate and individual investors and gave company information sessions.



# 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 40% of the world share. Moreover, JTEKT bearings are widely used in windmill power generators. These are but two examples of how JTEKT products are intrinsically linked to social and environmental issues.



#### Masazumi Yamamoto

Sales & Marketing Headquarters,  
Corporate Sales Management Dept.  
Administrative Management Office



**“Striving to meet the needs of customers, the community and the planet”**

Our department oversees environmental burdening material surveys, shares the results of these internally and conducts employee awareness activities. Our aim is to ensure that JTEKT's products contribute to the conservation of the planet's environment. We also perform customer satisfaction level surveys and engage in activities with the goal of pleasing our customers in all aspects, including quality, lead time, cost, product development and so on.

JTEKT 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

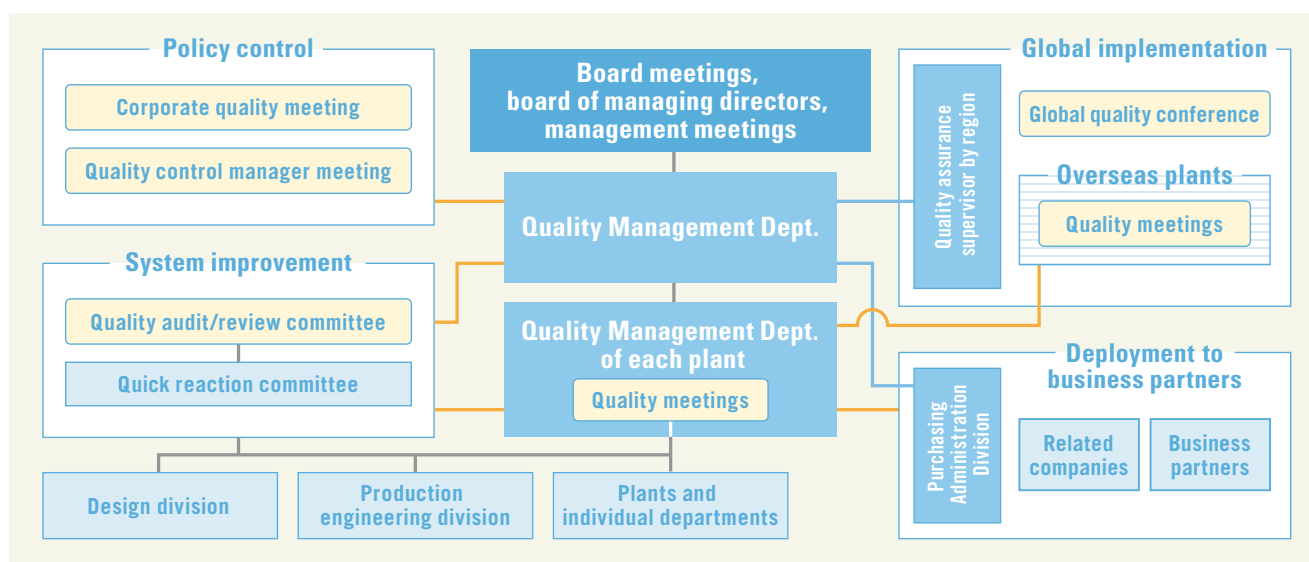
**Adhering to the theme of “Quality First”, to offer products which earn the trust and satisfaction of our customers**

- 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

▶ Figure-01 Quality assurance system



## Together with customers

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.

### ● Promoting TQM activities

JTEKT promote TQM (Total Quality Management) activities based on the three pillars of “Customer First”, “Endless Improvements” and “Participation by All”. Everyone from our top executives to shop floor workers are engaged in improvements that will make our daily tasks more effective and efficient. 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.

### ● Solving problems and issues with SQC

SQC stands for Statistical Quality Control and is essential for promoting work from a QC point of view. By making data, information and ideas visible, stratification and major directives can be advanced at a faster pace. Furthermore, it is easier to make scientific judgment based on data. JTEKT promote SQC internally to familiarize employees with the concept and encourage its use in the workplace.

### Activities in FY2010

Registered problems and issues discovered in daily tasks as “themes” and used SQC effectively for consultations between the person who raised the theme, supervisor and consultant close to the problem (SQC leader) and obtained solutions.

### ● Implemented a customer satisfaction survey

Every year, JTEKT conduct customer satisfaction surveys targeting our main customers. We share the issues revealed through such surveys company-wide and strive to resolve them swiftly and effectively.



#### Toshiichi Takeshita

Machine Tools & Mechatronics Operations  
Headquarters  
After Sales Service Dept.  
Service Group for Middle Japan



Repairing and adjusting products  
in customers' plants

#### “Realizing the importance of ties with our customers through disaster response”

JTEKT formed a task force to respond to the earthquake/tsunami disaster on the day of the earthquake. Amidst fuel shortages and aftershocks, our service cars loaded with relief supplies visited all our customers in the prefectures of Iwate, Miyagi, Fukushima, Ibaragi and Tochigi to repair and adjust products. Our customers greeted us warmly, more impressed with our efforts to reach them than the actual repairs themselves. Our servicemen were thrilled to contribute to improving the situation for our still very distraught customers in some small way and the experience brought home the importance of strong ties.



#### TOPICS

#### Toyohashi plant circle received the special award at the All Komatsu QC Contest

On the 13th of November, 2010, the 42nd All Komatsu QC Contest was held at Komatsu's Ibaraki plant. At this contest, the circle from Toyohashi plant received the special award (2nd place) in the Cooperative Company Division. They were highly appraised with the comment that their “presentation was faithful to the fundamental principles, easy to follow, and it was clear that all members had exercised their strengths”.

[From the left] Takashi Kadatani (presenter) and Yukitoshi Okazaki (support)



# 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.

#### Long-term, stable business relationships

Achieve stable procurement meeting JTEKT's quality, cost, volume, and delivery requirements through continuous business.

#### Coexistence and co-prosperity

Achieve harmonious relationships with business partners based on mutual trust.

#### Global purchasing

Achieve optimal purchasing from a global viewpoint and improve international competitiveness by a strong supplier chain.

## Activities with business partners

### Sharing purchasing policies/measures with business partners

JTEKT hold a Purchasing Policies Briefing every year for our business partners, with the purpose of sharing purchasing policies and measures. We also hold Operations Briefings for individual operations and share production information with our business partners.

### Response to the Great East Japan Earthquake

Responded to various issues relating to purchasing which occurred as a direct result of the earthquake/tsunami disaster.

#### 01 | Helped business partners in the disaster-affected zones restore production

Immediately confirmed the status of our business partners in the disaster-affected zones and helped them restore production as soon as possible. Arranged for the production and supply of replacement parts for those parts unable to be produced and carried out quality assessments to ensure standards were maintained.

#### 02 | Held a Production Trend Briefing

Held a Production Trend Briefing led by the Production Control and Purchasing departments to provide business partners with production information in a timely fashion.

#### 03 | Set up a Consultation Helpline

Set up a helpline for business partners to share any issues they were facing and discuss possible solutions.

#### 04 | Introduced public support systems, etc.

Introduced various public support systems to support our business partners troubled by worsening business conditions caused by decreases in production.

### 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.

### 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 | FY2010 Quality Management Convention

Approximately 350 employees from the 210 member companies of our Supplier Association participated. Presentations were held by six companies giving examples of improvements, as well as a guest presentation by the QC circle from Hanazono plant. Lectures were given on themes such as “The Spirit of Company Management” and “QC Circle Activities for Vitalizing the Workplace”.

#### 02 | Holding workshops for the Supplier Association

In January 2011, a training workshop was held for the 210 companies of the Supplier Association. The three central themes were “Labor Compliance”, “Security Control” and “Stress Management”.

\* 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.



**Shigeyuki Tanaka**

Purchasing Administration Div.  
Purchasing Administration Dept.  
Planning & Administration Group



### “Committed to timely information-sharing”

The Purchasing Administration Department is the point of contact with business partners. Our role is to inform our business partners of our purchasing policies and requests through various interactive events, and in turn, acquire our business partners' requests and reflect them internally. It is our hope that these activities will heighten awareness of CSR throughout the entire JTEKT group.

# 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 to create workplace environments excelling in respect for people and enabling all employees to work comfortably.

## Labor-management relations

### ● Emphasis on communication and building mutual trust

JTEKT place emphasis on labor-management communication and facilitate numerous opportunities for direct dialogue between workers and management on a company-wide and individual plant basis. These include various social gatherings and discussion sessions. Workers and management exchange opinions on company development and improving employee quality of life, and strive to deepen mutual trust and understanding by building even firmer relationships.

#### Labor-management discussion opportunities (held in FY2010)

- Central Production Subcommittee Meetings (semiannual)
- Central Labor-Management Meetings (annual)
- Labor-Management Meetings (4 times)
- Labor-Management Committee Meetings (8 times)
- Labor-Management training (annual)
- Plant Production Section Meetings (monthly at each plant)
- Business Facility Labor-Management Discussions (monthly at each business facility)
- Workplace Discussions (as required at each workplace)



**Yasuaki Doi**

Corporate Management Division  
Personnel Dept.  
Personnel Office  
Personnel Planning group

### “Creating a culture of happy workers”

My work involves transferring and promoting personnel, as well as making assessments and promoting the self-enumeration scheme. By really listening to what each employee has to say and being sincere in what I do, I believe I am contributing to the creation of a culture where anyone can work happily and fully utilize their strengths. It would make me even happier if my efforts led to the development of the JTEKT group and contributed to society at large.



## Human resource development

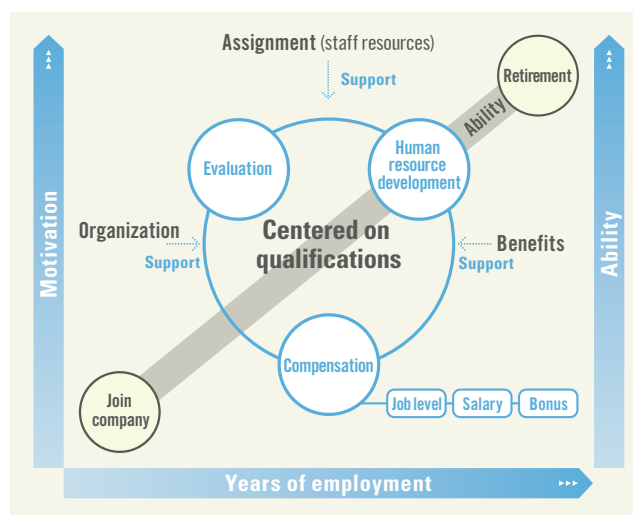
### ● Concept of human resource development

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.



### ● 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.

## Together with employees

## 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.

→ Related article on [page 46](#)

\*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.

## Rank-based training types and main content

	Training	Main content	Attendees
Managers	Training for new department managers	CSR, workplace management	25
	R3 training for new managers	CSR, policy management, daily task control	109
Office & engineering staff	R4 training for new office & engineering staff	Leadership, planned fulfillment of tasks	104
	R5 training for office & engineering staff	Business communication skills	133
	R6 training for office & engineering staff	Problem solution methods and concepts	154
	Training for office & engineering new employees	JTEKT employee basic knowledge and mindset (including CSR)	77
Production staff	Training for new Chief Leaders	Management basics and planned fulfillment of tasks	45
	Training for new Group Leaders	Problem solutions based on QC concept	51
	Training for new production employees	JTEKT employee basic knowledge and mindset (including CSR)	57

## 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.” We are engaged in various actions to utilize valuable human resources regardless of gender, age, nationality and so on.

## Main measures

- Hiring foreign employees
- Changing fixed-term employees to permanent employees
- Providing assistance for those engaged in child-care or nursing-care
- Providing post-retirement employment opportunities
- Assisting female employees' career development
- Employing handicapped persons
- Various education concerning human rights, etc.

## ● Maintain employment

Amongst the ongoing harsh management environment in FY2010 we implemented measures such as job transfers and work sharing in an effort to maintain employment. JTEKT observe the laws and regulations in adjusting the employment of fixed-term workers. In FY2010, 50 fixed-term workers were made permanent employees.

## Composition of employees as at end of March, 2011

	Male	Female	Total
Permanent employees	9,316	590	9,906
Fixed-term employees (*1)	1,817	167	1,984
Total	11,133	757	11,890

	Male	Female	Average
Years of employment	17.2	15.6	17.1

Job turnover rate (*2)	0.5%
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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

## VOICE



## “Pass on the dreams to the next generation and continuing the challenge as an instructor”

Takanori Takahashi (Technical Training Center)

As a result of believing in ourselves and enduring stringent training together with our instructor, we were able to receive the Fighting-spirit Award two years running. Now, I would like to pass the dream down to the next generation and work with them as an instructor to try and achieve even higher results in the Skill Olympics. Based on the skill and spiritual strength I've cultivated through training, I will strive to be a skilled technician able to contribute to company growth.

Won the Fighting-spirit Award two years consecutively in the lathe work division at the Skill Olympics National Contest, where young technicians compete for the highest skill award in Japan.



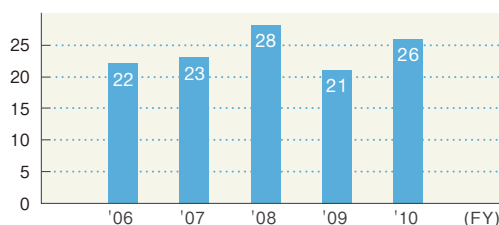
## Together with employees

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. In line with the regulation adjustment in July of 2010, JTEKT are proactively incorporating changes to answer employees' needs such as expanding the short-time working system for child-raising until April of first grade elementary school.

#### 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 2011, 566 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 FY2010

Number of those who are applicable		311
Number of applicants [a]		254
Number of reemployed [b]	JTEKT	215
	Related companies	34
Rate of employment [b/a]		Approx. 98%

### Established an "Iki-iki 60 Committee"

Formed an "Iki-iki 60 Committee" in February 2011 for employees and management to jointly investigate various measures enabling employees 60 years and above to work positively and with vigor. In order to broaden opportunities following retirement, we are refining training systems during employees' active service years and aiming to create systems to provide employees with equally high motivation after retirement.

### ● 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 as shop floor support and general administration staff. We will

continue to further expand occupational opportunities for disabled persons so they may work with zest and vigor.

#### Number of disabled persons employed (End of March, 2011)

No. of disabled employees	218
No. of employees according to legislation	202
No. of over and short	+ 16
Employment rate	1.94%

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

## Building workplaces

### ● Workplace management questionnaires

JTEKT conduct workplace management questionnaires to grasp the strengths and weaknesses of workplace management and lead to improvements. Each and every employee thinks about what is required to achieve organizational goals from a CSR perspective, sets high individual goals, and through striving to achieve these goals, creates a robust workplace which in turn improves performance company-wide.

## 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. In our "Safety & Health Policy", we at JTEKT clarify that "safety and health activities are promoted by the company as a whole".



**Akira Yoshida**

Production Engineering / Production / Logistics Division  
Safety & Health Control Dept.



#### "Promoting improvements as one with those on the shop floor"

I would like to see each and every employee constantly be aware of safety. I want to create an environment which is both safe and easy to work in. I go about by daily tasks with this goal always in mind. Overcoming difficulties with shop floor members, improving safety and the work environment, and getting a strong sense of how employee safety awareness has heightened, really makes my work worthwhile.



## Together with employees

## 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

JTEKT promote safety & health activities based on risk assessment (\*1) and OSHMS (\*2).

**\*1 Risk assessment** Method to investigate potential workplace risks and implement appropriate risk-reduction measures.

**\*2 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.

### Activities in FY2010

Reanalyzed equipment and tasks where comparatively more accidents had occurred in the past, then clarified the important points before implementing countermeasures and work standardization.

**Total accidents : 17 in FY2009 down to 15 in FY2010**

We were able to reduce slightly.

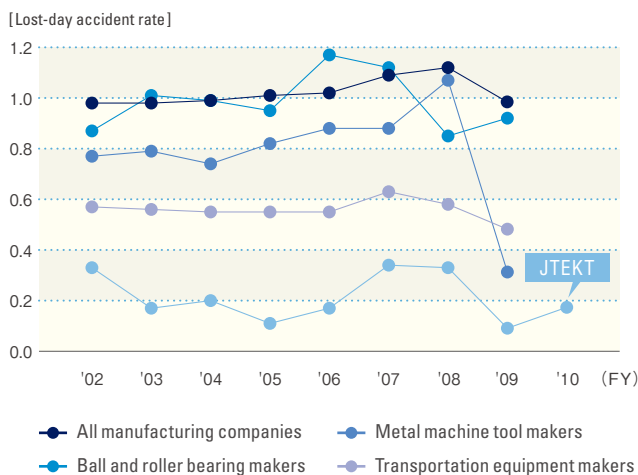
**Lost-day accidents (\*3) : 2 in FY2009 up to 4 in FY2010**

#### Results

Unfortunately, the number of lost-day accidents increased. We believe this to be due to reduced safety awareness among some workers. We are conducting process control aiming for the 100% implementation of “pointing-and-calling”, a safety measure for raising safety awareness that can be done by anyone and is expected to be effective.

**\*3 Lost-day accidents** JTEKT defines lost-day accidents as work-related accidents resulting in work absence of 1 day or more.

## Change of industrial accident frequency rate



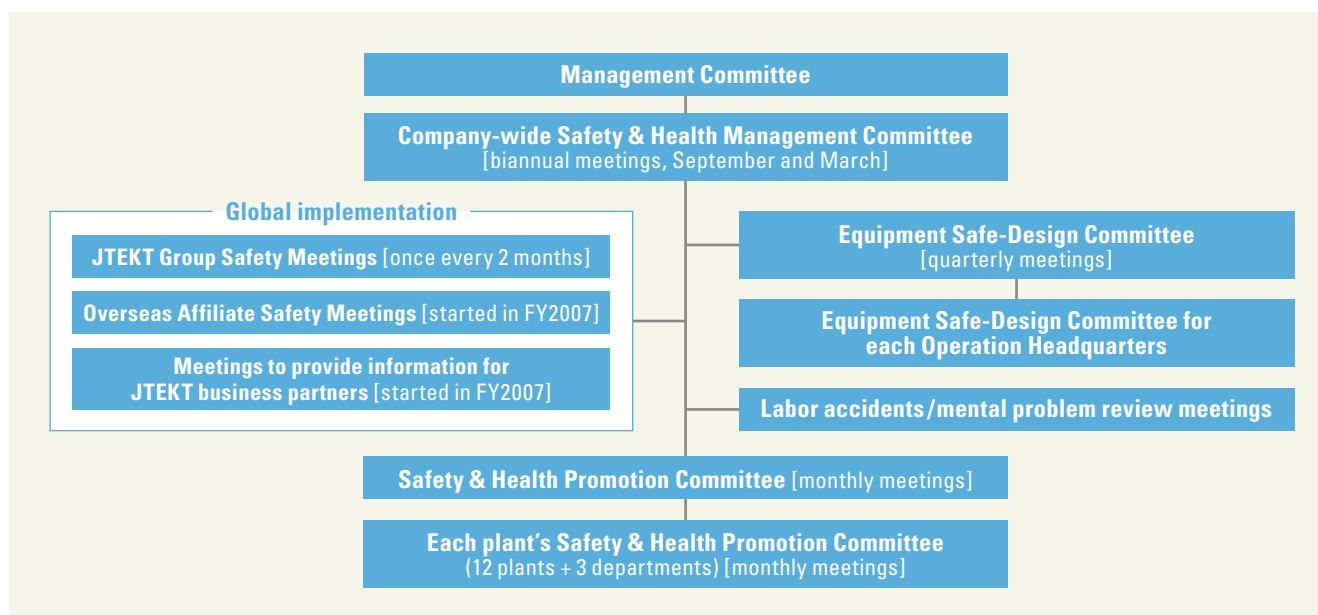
$$\text{Lost-day accident rate} = \frac{\text{Number of lost-day accidents}}{\text{Total work hours}} \times 1 \text{ million}$$

\*The FY2010 section of the graph only shows the lost-day accident rate for JTEKT.

## 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 and special training based on job type, while our main forms of training are basic KYT 4R training (\*4), sensing-danger training, and skill training.

▶ Figure-01 Safety, hygiene and health control system



## Together with employees

## Main training types (number of attendees in FY2010)

Rank-based training	Safety management training	95
	Group Leader training	50
	New employee training	78
	Training Center student training	53
Special training	Grinding wheel replacement	52
	Arc welding	53
	Robots	0
	Low-voltage handling	52
	Vibrating tool handling	0
	Organic solvents	0
Others	All-Toyota training for those overseeing outside workers	257
	All-Toyota training for those overseeing construction	136
	Elevated-work training	347
	Electric shock prevention training	331
	Risk assessment training	63
Total		1,567

\*4 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.

## ● Main safety measures in FY2010

### 01 | Activities based on the safety & health management system

By FY2007, 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

**FY2010** Renewed at the Nara, Hanazono, Toyohashi, Tokushima, Tadamisaki and Higashi-kariya plants.

**FY2011** Plan to renew at the Kokubu, Kagawa and Kameyama plants.

### 02 | Creating safety-conscious people, strengthening workplace foundation

Below are the main activities carried out in FY2010.

#### All employees participating in safety activities as one

- Enforcement of "pointing-and-calling" by ALL employees.
  - Improvement of work that can't be done unless equipment is stopped or is difficult to do.
- 1,204 tasks registered. Completed standardization of work procedures for all.

#### Two-way communication activities

Band-aid (minor injuries) and near misses (\*5) identification and countermeasures, FHS activity (\*6)

\*5 Near misses A safety and health activity involving gathering and sharing of information on near misses and the devising of reoccurrence prevention measures.

\*6 FHS activity FHS stands for "Face to Face, Heart to Heart, Smile to Smile" and is an activity based on the philosophy that open, honest communication between people will lead to the identification and solving of problems.

### Reoccurrence prevention, proactive measures

- Assessing and implementing countermeasures for troubleshooting work on frequently-stopping equipment
  - Assessing and implementing countermeasures for long hours, high frequency repair/maintenance work
- Completed standardization and implemented countermeasures regarding all specified equipment and tasks.

### 03 | 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.

## ● Main measures in FY2010 relating to workplace environment improvement

### 01 | Improvement of noise level no.3 control category workplaces

Improved noise level in 6 No. 3 control classified zones (workplaces requiring improvement by regulation) in FY2010 (53 pieces of equipment) and aim to have zero No. 3 control classified zones by FY2012.

#### Improvement of workplaces with class III noise (Target: Zero in FY2012)

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)

### 02 | Creating a workplace environment considerate of senior and female workers

To promote the creation of a workplace environment considerate of senior and female workers, we conducted a posture-weight assessment on newly installed lines. Posture-weight assessments allocate a score for posture determined by the work posture, and a score for weight, determined by the weight of the object/s handled. It is a method to quantitatively assess the risk of lower back pain. The assessment gave satisfactory results and no workplaces required improvement.

### 03 | Improving high temperature workplaces

From the perspective of worker protection, JTEKT revised our work environment measurement standards and began WBGT-based (\*7) assessments. JTEKT's WBGT standard is 30°C.

\*7 WBGT (Wet-Bulb Globe Temperature) An indicator incorporating humidity, radiation heat and temperature, which significantly impact upon a person's heat balance. Calculated using dry-bulb temperature, wet-bulb temperature and globe temperature.

#### WBGT (Wet-Bulb Globe Temperature) calculation method

Outdoors : WBGT = 0.7 × wet-bulb temp. + 0.2 × globe temp. + 0.1 × dry-bulb temp.  
Indoors : WBGT = 0.7 × wet-bulb temp. + 0.3 × globe temp.

## Together with employees

## ● Achieving mental and physical health

To support healthy minds and bodies of each of our employees, JTEKT promote various activities such as lifestyle-related disease detection and mental health activities. In FY2010, we held stress management training courses with an emphasis on self-care.

▶ Figure-01

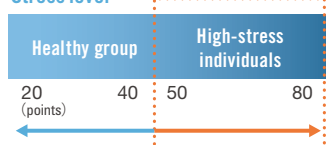
### 01 | Achieving mental health

JTEKT aggressively promoted mental health measures with an emphasis on preventing depression. As a result, the number of employees who took leave of absence and the total number of days missed due to mentally-related illnesses were less than the previous year. We believe that this was achieved due to other people detecting warning signals early on and taking care of the source of problems early on.

Unfortunately however, employee stress level (\*1) and high-stress individual ratio (\*2) grew in line with production increases.

**\*1 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



**\*2 High-stress individual ratio** Number of high-stress individuals against the total number of employees who submitted stress surveys.

### [ Activities in FY2010 ]

#### Stress management training

Held stress management training for all employees with the purpose of teaching stress coping strategies and depression prevention methods. A total of 138 training sessions were held. All workplaces were connected through video conferencing, with a total of 10,037 attendees.

#### Training content

- ① About stress    ② Stress coping strategies, how to be strong against stress
- ③ Self-analysis, egogram (practical)    ④ Breathing exercises (practical)



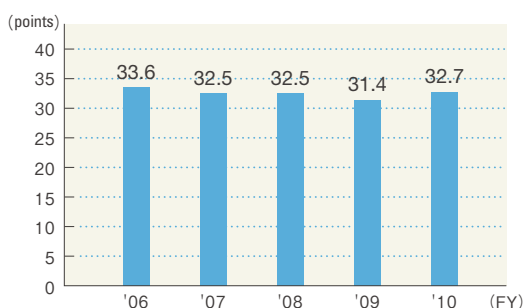
Stress management training

#### Early detection of mentally-compromised individuals and response

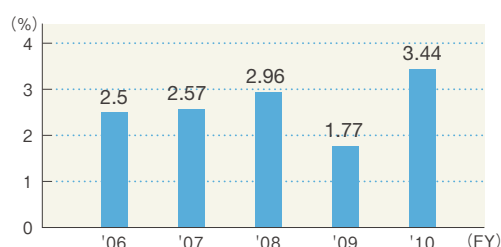
Thanks to the establishment of early detection/response systems, the number of employee consultations doubled compared to the previous year. Recent years have seen increases in new-type depression (\*3) and bipolar disorder (\*4) cases, making it difficult to handle within the individual workplace alone. JTEKT employ health nurses to tend to such cases so as not to overburden workplaces.

▶ Figure-01

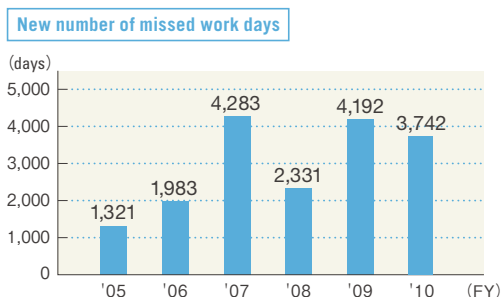
#### Transition of average stress levels



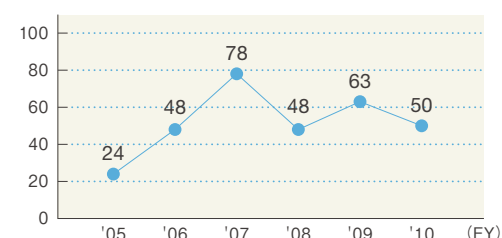
#### High-stress individual ratio yearly transition



#### Number of work absences due to mental disorders



#### New number of absent employees



## Together with employees

## Counseling

Consultation from the individual	102
Consultation from colleagues of the individual (cases where unusual behavior on behalf of the individual is detected)	102

## Reinstatement support

Interview before reinstatement and follow-up afterwards	66
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**\*3 New-type depression** New type of depression where symptoms only persist while the individual is at work.

**\*4 Bipolar disorder** Mental disorder where individual suffers from repeated manic and depressive states

## 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

In line with production increases in FY2010, employees began working longer hours. There is concern that if individuals work more than 70 hours overtime per month, their lifestyle and sleep patterns will deteriorate and could give rise to lifestyle-related diseases.

Managers	FY2008	Approx. 2,640 (Average : 220/month)
	FY2009	2,092 (Average : 174/month)
	FY2010	2,558 (Average : 213/month)
Staff	FY2008	Approx. 1,290 (Average : 107/month)
	FY2009	316 (Average : 26 /month)
	FY2010	1,898 (Average : 158/month)



Hideko Sugimoto

Production Engineering /  
Production / Logistics Division  
Safety & Health Control Dept.



**"I want people to experience the joy of working with a healthy body"**

I really want employees to go about their daily work with vigor and energy. I am so happy when people tell me after health consultations or mental care sessions "I'm so glad I talked about it", "I'm so relieved my illness was detected early", "I feel reassured now", and so on. I am determined to continue health management activities which will allow people to experience the joy of working with a healthy body.

## 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.

## FY2010 healthcare guidance implementation

	Special health checkups	Special healthcare guidance	Improved people (*1)	Metabolic syndrome alleviation(*2)
No. of those applicable [a]	5,532	1,728	1,022	1,022
People screened, people participated [b]	5,532	1,022	455	312
% of total	Result [b/a]	100%	59%	45%
	Target	80%	45%	10%

\*1 Reduction of 1kg or more in weight or 1cm or more in abdominal girth

\*2 Abdominal girth of 85cm or less

## Quit Smoking campaign

From July 1st to August 31st, we ran a Quit Smoking campaign to support those people who wanted to quit smoking.

We established two courses. A course providing anti-smoking aid and B course for quitting smoking by own strength alone. With detailed assistance from an industrial doctor and nurse, 69% of people successfully quit.

## Total no. of participants and no. of successful participants

	Total	Successful	Success rate
A course	143	93	65%
B course	48	39	81%
Total	191	132	69%



# Together with local communities

## Basic concept

### ● Promoting socially contributing activities as a good corporate citizen

In JTEKT's Corporate Activities Standards we state that as a good corporate citizen, we will aggressively pursue activities that contribute to society. Based on this policy, we promote various activities with the objective of growing as a company while being trusted and appreciated by local communities. The Social Contribution Working Group beneath the CSR Promotion Committee leads these activities and works to further enrich activities.

### What we want to achieve

Based on the below interpretation of a "good corporate citizen", JTEKT promote socially contributing activities and aim to grow together with the community.

### JTEKT's interpretation of "a good corporate citizen"

- ① Each and every employee understands JTEKT CSR and the purpose of socially contributing activities, possess an awareness of themselves as being members of the local community and carry out sincere business activities.
- ② As a community member, communicate with the relevant local community, be aware of local issues, and cooperate with the community to find solutions.
- ③ All of JTEKT group plan and execute activities to realize our philosophy of "contributing to the happiness of people and the abundance of society through product manufacturing".

## Current activities and vision

Currently, each workplace is developing a culture where all employees can proactively contribute to society in the form of volunteer activity support through communication with local communities, revolving around the three areas of community contribution, environmental conservation and people-nurturing.



**Takao Uemura (left)**

Corporate Management Division  
Public Relations Dept.  
Government and  
Industrial Affairs Office



**Rinako Nishihata (right)**

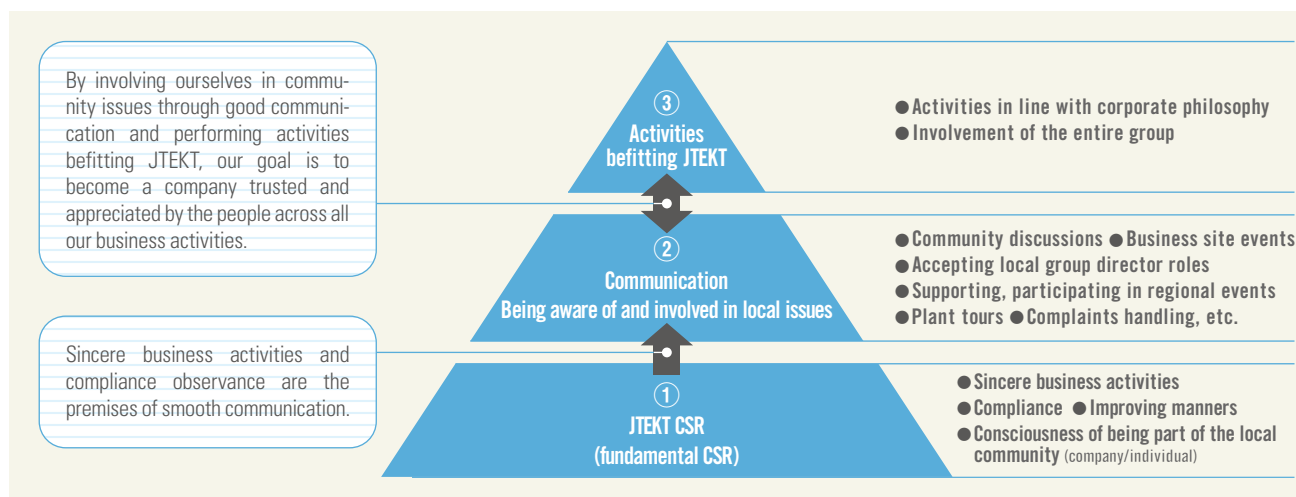
Corporate Management Division  
Public Relations Dept.  
Government and Industrial Affairs Office

### "To win even one more heart"

Contributing to society through sincere business activities goes without saying, but JTEKT perform various activities with each employee aware they too are members of the community, and we always do our best to win even one more heart.

### "Want to heighten awareness companywide"

We promote activities daily with the objective of growing as one with a community that trusts and appreciates us. To this end, we drive home this purpose to each and every one of our employees and spare no effort in heightening companywide awareness.



## Together with local communities

## Communication

## ● Emphasizing dialogue with the community

As a member of the local community, JTEKT consider dialogue with surrounding communities to be important and provide many opportunities for interaction such as community discussions, plant festivals and so on.

## ● Holding community discussions at all plants

We periodically invite local residents to participate in community discussions at each plant. At these discussion sessions, we report achievement and exchange opinions concerning environmental conservation activities and do plant tours, etc., to build a good relationship with the local community. In FY2010, a total of 262 people participated at all 12 plants.

Activity  
close-up

## Community discussions with two districts

Higashi-kariya plant (Kariya, Aichi)

Every year at our Higashi-kariya plant, JTEKT hold community discussions for the two districts of Noda, Kariya and Nishinaka, Chiryu. The wife of the district mayor attended the community discussion for Nishinaka in July of 2010 and we were able to share a better understanding of JTEKT.



## VOICE

## Takashi Fukatsu

District Mayor, Noda district, Kariya, Aichi

JTEKT have been a vital member of our community for several years now. Through the plant discussions (and plant tours) held each year, JTEKT's reputation has become established as a company open to the community. I hope JTEKT will continue to have a presence in our community for years to come.

## ● Deepening friendships through plant festivals

Each of JTEKT's plants plan and hold festivals every year, with stage shows, games, stalls and more. The aim is to promote friendship between employees, families and the local community. Festivals were held at 10 plants in FY2010, with a total of 16,000 visitors.

Activity  
close-up

## Supporting the local vocational training center for people with disabilities.

Tadomisaki plant (Takahama, Aichi)

At the Tadomisaki plant festival, visitors received bags of rusks as presents. JTEKT asked these bags to be prepared and distributed by the residents of the local vocational training center for people with disabilities. We want to create contact between people with disabilities and JTEKT employees, their families, and the community at large, to encourage mutual understanding and respect.



## VOICE

## Tomoe Kunitatsu

Director of NPO "Nori-nori Footwork"

We are sincerely grateful to everyone at the JTEKT Tadomisaki plant for their understanding and cooperation in helping the challenged gain independence through bread-making and sales activities, etc.

## Together with local communities

## Socially contributing activities

## ● Promotion based on three activity items

JTEKT promote socially contributing activities based on the three items of regional contribution, people nurturing and volunteer activity support.

## [ Regional contribution ]

JTEKT strive to engage in activities meeting the expectations and requests of the surrounding regions.

## Road safety and fire prevention

JTEKT actively promote a number of road safety activities including “risho” (\*1). We also believe that fire prevention is very important to maintaining a trusting relationship with the community and as such implement fire prevention measures.

**\*1 Risho** A practice unique to Japan where, on the morning of a set day every month, employees of automotive-related companies promote road safety awareness amongst drivers. This activity aims to reduce the number of road accidents.

## Activity close-up

## Road safety awareness activity (risho) spreads to local roads

**Okazaki plant** (Okazaki, Aichi)

Okazaki plant conducts a road safety awareness activity (risho) to keep drivers safety-conscious. Conventionally, risho is carried out at national road intersections however, from 2011 JTEKT began conducting this activity at the intersections of local roads too. Employees stand watch to check that drivers are observing rules and driving safely and that children are able to get to school safely.



## Activity close-up

## Rear-end collision experience at plant festival

**Tokushima plant** (Itano, Tokushima)

At their festival, the JTEKT Tokushima plant arranged a JAF (\*2) “Rear-end Collision” booth to heighten visitors awareness of road safety. They also held plant tours and explanatory



tours to introduce environmental facilities within the plant and received comments from visitors that “it was clear to see the plant was environment-friendly”.

**\*2 JAF** Japan Automobile Federation



## VOICE

## Satoshi Tada

Tokushima plant  
Administration Dept. General Affairs Sect.

The rear-end collision booth allowed a number of visitors to experience just how scary traffic accidents are. We will continue to raise awareness towards road safety.

## Community clean-up, beautification

Every year JTEKT hold community beautification activities to raise company environmental awareness. Employees proactively participate in cleaning up around plants and co-exist with the community. This activity was held at all of our plants in FY2010.

## Activity close-up

## Community clean-up

**Kagawa plant** (Higashi-kagawa, Kagawa)

Every year in either May or June, Kagawa plant perform a clean-up activity in a designated zone. After work has finished for the day, around 120 employees start cleaning the roads and continue for roughly an hour. Local residents passing by often thank us for our efforts.





## Together with local communities

Activity  
close-up

## Participation in the “530 Movement”

Toyohashi plant (Toyohashi, Aichi)

Every year, the JTEKT Toyohashi plant participate in the “530 Movement” (\*3) with other neighboring companies. On November 4, 2010, 1,068 employees of 84 companies participated, picking up the garbage scattered around the Akemi Industrial Park roads and traffic island.

**\*3 530 (Zero Garbage) Movement** An activity originally held on May 30th where participants picked up garbage. This movement began in 1975 in Toyohashi city, Aichi prefecture, but is now practiced nationwide.



## Environmental conservation

JTEKT consider environmentally-orientated social contributions to be of particular importance. Each workplace engage in a diversity of environmental conservation activities with community members.

Activity  
close-upParticipation in Hamura City's  
“Full of Flowers” movement

Tokyo plant (Hamura, Tokyo)

Every spring and autumn, the JTEKT Tokyo plant get involved in Hamura City's “Full of Flowers” movement. They plant tulips, salvia, pansies and more along road sides and plant boundaries for the visual pleasure of residents. They also preserve the variety of trees that have taken root from fallen seeds within the plant grounds.

Activity  
close-upParticipation in the Kameyama City  
Eco-Forest project.

Kameyama plant (Kameyama, Mie)

The JTEKT Kameyama plant participate in the Kameyama City Eco-Forest project, an environment improvement activity held in conjunction with residents of Kameyama city and neighboring companies. This involves weeding and cleaning up of pavements as well as family-orientated woodwork classes and nature observation sessions.



## [ People-nurturing ]

Through activities such as monozukuri classes and plant tours, JTEKT contribute to the nurturing of young community members.

Activity  
close-upA Japanese drum performance  
by local high school students

Hanazono plant (Okazaki, Aichi)

At the Hanazono plant festival in 2010, JTEKT invited a Japanese drum group from the local high school to perform. This group gave a performance at the Shanghai Expo and captivated onlookers with their flawless choreography and powerful beat.





## Together with local communities

Activity  
close-upParticipation in  
the Monozukuri Fair in Kashiwara

Kokubu plant (Kashiwara, Osaka)

JTEKT participated in the Monozukuri Fair in Kashiwara which is held in Kashiwara city, Osaka, and showcases products and technologies from local manufacturers. The Kokubu plant exhibited their ultra-low torque bearing contributing to fuel efficiency and environmentally-friendly bearing for wind generation. Elementary school children at the fair on a field trip handled an actual roller used in large bearings and marveled at its impressive weight.

Activity  
close-upParticipation in  
the 2010 Clean-up Nara Campaign

Nara plant (Kashihara, Nara)

On September 5th, 2010, JTEKT Nara plant's volleyball team participated in the group beautification activity "2010 Clean-up Nara Campaign", cleaning up the area around Kashihara shrine.

Activity  
close-upParticipation in  
Kariya city's Health & Well-being Festival

Kariya plant (Kariya, Aichi)

Every year, with the aim of raising awareness concerning health and well-being and expanding the circle of volunteers, a Health & Well-being Festival is held in Kariya. Employees from our Kariya plant participate in volunteer activities each year and are involved from preparations to running things on the actual day.



## [ Volunteer activity support ]

JTEKT employees proactively engage in a number of locally contributing activities. We will continue to provide information and introduce examples, etc., to encourage employees to autonomously pursue volunteer activities.

## TOPICS

Sponsor and management of  
a Nagoya Philharmonic  
charity concert

The eight Toyota group companies including JTEKT based in Kariya sponsored and managed a charity concert held by the Nagoya Philharmonic Orchestra. So this concert could be enjoyed by people in wheelchairs, JTEKT helped with the removal of chairs from the auditorium to allow for better wheelchair access. Also, the concert program was designed using a picture drawn by a resident of a local caring facility



## VOICE

## Yuichi Yoshida

Kariya Plant  
Administration Dept.  
General Affairs Sect.

I was pleased to do my part for the community on behalf of the JTEKT Kariya 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. From FY2010, JTEKT began hosting visits from overseas corporate and individual investors and giving company information sessions, doing our best to provide easy-to-understand information to all of our shareholders and investors.



An information session for individual investors

### Main IR activities

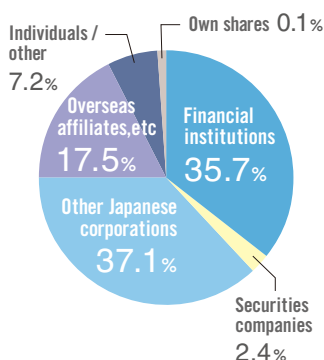
- Hold IR briefings and small meetings
- Individual interviews
- Visits from overseas corporate investors
- Company information sessions for individual shareholders and investors
- Conduct plant tours
- Issue annual reports
- Disclose information on HP

## Shareholder situation and return of profits

### ● Shareholder status

Current at end of March, 2011, the number of shares issued were 342,186,000 and the breakdown of shareholders is as follows.

### Shareholder distribution status



Financial institutions	122,230	thousand shares
Securities companies	8,100	thousand shares
Other Japanese corporations	126,850	thousand shares
Overseas affiliates, etc.	60,016	thousand shares
Individuals / other	24,739	thousand shares
Own shares	249	thousand shares
<b>Total</b>	<b>342,186</b>	<b>thousand shares</b>

As at end of March, 2011  
(anything less than 1000 rounded down)

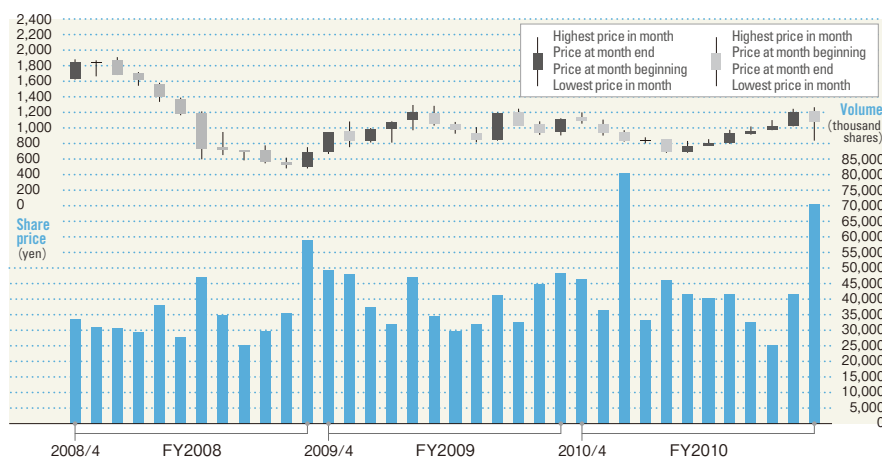
### ● Business performance and return of profits

Our consolidated sales for FY2010 was 955.4 billion yen, 24.1% higher than the previous year. Our consolidated operating profit was 39.9 billion yen (400 million yen for the previous year), while our combined ordinary income of 40.2 billion yen and combined current net earnings of 20 billion yen. Consequently, we adjusted our annual dividend to 16 yen per share, a 5 yen increase over last period.

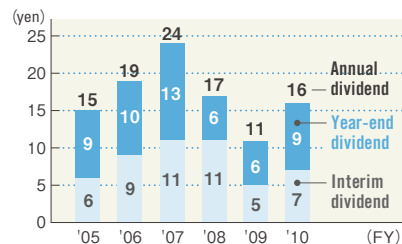
It is still not clear how FY2011 will unfold, but JTEKT will spare no effort in establishing ourselves as a corporation capable of producing stable results.

▶ Figure-01

▶ Figure-01 Transition of JTEKT share price



Transition of dividend per share



### JTEKT bond ratings

Rating institution	Long-term rating	Short-term rating
Japan Rating Agency	A+	J-1
Rating & Investment Information, Inc	A	