

Third-party opinion on JTEKT CSR Report 2011

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

Tamio Yamaguchi

For a report to receive high social appraisal, it must address the concerns and interests of readers (in particular those of readers with strong interest in the relevant company's trends) and continuously improve information disclosure and accountability.

I was interested in seeing how JTEKT's 2011 CSR report addressed three issues in particular, the earthquake/tsunami disaster that devastated northern Japan in March, CSR advancements and global response. President Ikawa makes several mentions of the earthquake disaster in his message. He also touches upon purchasing and risk countermeasures. In particular, the commitment to concentrating strengths on the numerous issues exposed by the disaster conveys JTEKT's determination. A disaster of such scale has heightened expectations towards the "conception and construction of a sustainable future giving rise to a paradigm shift", and corporations must aim to meet this expectation when addressing the various issues.

Regarding CSR advancements, examples of JTEKT CSR "taking a new step forward", can be seen in activities such as creating and distributing the "CSR HANDBOOK (pocket-size version)" for the 2010 edition. These kinds of activities, I believe, have come to fruition in the form of the 2011 policy of "Taking another look at tasks that have become second nature from a CSR perspective" and the "My CSR" section of this year's report. CSR can be maximized through the aggregation of individual employees' social responsibility (ESR: Employee Social Responsibility), therefore we can expect programs will be conceived through the daily investigation of topics raised in this section. Regarding the environmental aspect, I look forward to seeing concrete policies and action take shape now that a directive on biodiversity conservation has been instituted and an environmental vision has been created.

Furthermore, JTEKT are now investigating CSR activities with reference to ISO26000. I have high expectations of seeing the detailed results of this investigation in next year's report, but for now I believe it is safe to say that the clearly stated message in the "CSR concept" diagram of "Reveal social issues through communication and then strive to solve them" is proof that this approach has been beneficial. However, at corporations all over the world the "integration of CSR and management" is continuously advancing, so I would like to see JTEKT pick up the pace of

integration-orientated activities.

Regarding global response, President Ikawa mentions in his speech the "reconstruction of crisis-management framework on a global scale" however I have to say that this report is lacking in reference to such global response. I believe this may be due to the way in JTEKT has set a boundary of only looking at "all JTEKT Corporation independent activities" and thus could be resolved by broadening the scope to include subsidiaries and affiliated companies, taking sales turnover share by location and number of employees by location into consideration and including all this various information in the report.

Regarding information disclosure, the fact that the door opens each year is evidence of JTEKT's willingness to be transparent. In line with their principle of "Promoting the improvement of conditions through information disclosure", I hope they will increase efforts to this end even further in the future. Currently, the information disclosed in the "Making of healthy minds and bodies" section is of excellent quality, but I hope to see more proactive and quantitative disclosure in all areas of CSR.

Finally, I would like to see JTEKT concentrate on incorporating the following items into next year's report. These are specific mention of efforts for foreign worker employment and promoting the awareness of human rights. Both of these are of great importance in today's society and while this report lists them as "Main activities" items, they are not elaborated on. Regarding foreign worker employment, I would like to see information across a broad perspective on strategies to secure global human resources, localization and so forth, based on a principle of "true globalization". For the human rights aspect, currently great importance is being placed on the "violation of human rights relating to corporate activities" in the ISO26000, the revised OECD Guidelines for Multinational Enterprises and the GRI (Global Reporting Initiative) G3.1 Guidelines, therefore in the future I hope to see JTEKT act and report on matters exceeding mere "performance awareness".



Tamio Yamaguchi's profile

After 25 years at a newspaper company, Mr. Yamaguchi held a position as the manager of public relations at an environment venture company, chief editor of 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. (<http://csr-project.jp/>)

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/>)

Response to the third-party opinion

We would like to extend our sincere thanks to Mr. Yamaguchi for providing us with his valuable opinion at the kick-off meeting when production of this report began, the intermediate conferral and upon completion of the report. In his appraisal, Mr. Yamaguchi has pointed out areas we should focus on in the future, such as formulating programs through the daily investigation of ESR (Employee Social Responsibility) and the established environmental vision and directives, as well as global response.

We are also grateful to Mr. Yamaguchi for reminding us of the importance of reporting in concrete terms activities relating to foreign worker employment and respect for human rights.

Public Relations Dept., JTEKT Corporation

As Mr. Yamaguchi pointed out, the important key words/themes of 2011 for JTEKT are "global response" and "a speedy approach to global response". While we spread and share the JTEKT way globally as a monozukuri corporation, we will respect the culture and tradition of each country and region to make a great leap forward and mature into a global corporation with roots in each region. We will strive to report these accomplishments to you all.

In the editing of this report we enhanced the level of information disclosure in order to be true to our open communication policy, and will continue aiming to become a company deserving of the respect of our stakeholders.