

I believe that important elements to developing CSR activities are “Dialogue – Engagement”, “Spreading – Social Responsibility Sharing”, and “Understanding Social Trends – Creating Social Value”. In this report, JTEKT clearly state that “Dialogue is the basis”, raise “Spreading of CSR internally” as a keyword in the PICK UP section and feature “Social Background” at the beginning of each social and environmental report. In this way, JTEKT is opening the door to the important elements of CSR activities, and sending out a strong message that they are heading towards a new stage. This is what makes readers sense that the JTEKT VISION 2015 will be realized.

In preparing the CSR report, JTEKT proactively responded to the issues I laid out for them in our exchange of opinion, and they are constantly improving the quality of the report year after year, making it easier to comprehend, being more specific, using quantitative expressions and expanding the range of disclosed items. This report is divided into two halves. The first half covers the materiality expressed in GRI guidelines as 5 keywords, giving them stronger appeal. Moreover, as I mentioned at the outset, JTEKT emphasize “Social Background” and divide the section up into “Concept” and “Major Activities” making it extremely easy to understand. If they were to also add a section on “Issues – Future Response” at the end of the section, I believe the report would better fulfill JTEKT’s responsibility of explaining their activities and lead to concrete improvements. New items of disclosure in this year’s report include total work hours, work outside of regular hours, percentage of paid leave consumption, number of women in management-track positions, number of managers and percentage of employees who took childcare leave. I would like to see JTEKT continue to disclose more information through guidelines and benchmarks.

JTEKT’s coverage of mental health issues in previous CSR reports has set an example for other companies to follow, however I hold this year’s inclusion of mental health for fixed-term employees in particularly high regard as it exceeds the boundaries of occupational type. I firmly believe that the disclosure of various types of quantitative information will give way to new measures and activities, and improve problematic situations. I have expectations for JTEKT’s ongoing disclosure.

An important part of this report was the mention of price cartels. Since the Anti-Monopoly Act was revised in 2006, there has been a series of cartel and bid-rigging problems, resulting in a major social issue. I believe the head of companies who have violated laws must make a statement and give details surrounding the matter, clearly stating cause and reoccurrence

prevention methods. In most cases, however, this is not done.

In JTEKT’s CSR report, the president gives a statement and provides JTEKT’s new framework for compliance reinforcement, which I believe is worthy of mention. However, according to newspaper reports, the amount of money involved in this case was the greatest ever. The Japan Fair Trade Commission filed a criminal complaint and the prosecutor’s office pressed charges (JTEKT was exempted from prosecution through the leniency policy). Considering the circumstances, it is likely that there will be ongoing investigation and restrictions on JTEKT due to court cases, etc., so I would have liked to have seen more details disclosed. In light of the fact that laws are becoming increasingly stringent towards price cartels in Japan and overseas, I believe it is necessary to set up countermeasures independent of regular compliance. Either way, I would like to see this issue disclosed from various perspectives in the future.

I hope to see the below two items incorporated in CSR activities and the CSR report next fiscal year. First, JTEKT’s own CSR verification and reporting in accordance with ISO26000. JTEKT has already referred to this standard when they revised their CSR self-improvement tool however, there is no verification reporting on CSR as a whole. I ask that JTEKT verify, expose any areas yet to be addressed, prioritize and take action. Secondly, I would like to see JTEKT report about CSR in practice from the perspective of establishing management suitable to the local community in line with the 4th company image of providing “Management that Translates to the World”. I call this perspective “Glocal CSR” and many corporations are putting this into practice in a range of domains. I believe these two items are essential perspectives and actions to becoming a truly global corporation.

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 350 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. Learning about true CSR and getting advice in CSR workshops. (<http://www.nord-ise.com/junkan/>)

Response to the third-party opinion

Corporate Planning Dept.

We would like to extend our sincere thanks to Mr. Yamaguchi for providing us with his valuable opinion at the kick-off meeting when creation of this report began, the intermediate conferral and upon completion of the report. For JTEKT, FY2012 was a year where we challenged ourselves to further achievement and accelerated global business development. The promotion of ISO26000 priority issues and acceleration of glocalization response are issues which we must address to become a truly global corporation. As a manufacturing company, while continuing activities firmly rooted in the community, we will contribute to creating jobs and other activities to vitalize the community, while developing into a truly global corporation. We will do our best to report these achievements to all of our stakeholders.

Mr. Yamaguchi said that he would have liked to have seen more details disclosed regarding the investigation our group is under from the concerned authorities however, at this point, the investigations are ongoing so we were only able to provide limited information in the report this time. We have full intentions of disclosing timely and appropriate information as the investigation progresses.

Regarding editing of the report, in the name of accountability, we have enhanced the amount of information we disclose and made the report easier for the general public to read by rearranging the layout, etc. Our goal is for our company’s activities to be understood by our stakeholders and to remain a company trusted and appreciated by all.