

Message from the President

JTEKT Corporation Company President

Tetsuo Agata

Constantly be conscious of corporate social responsibility, carry out CSR activities, and maintain them.

Unite as a group and promote action to strengthen CSR

Towards accomplishing the mission of “contributing to the happiness of people and the abundance of society through product manufacturing”, I believe corporate social responsibility (CSR) is performing business activities in which the economy, society and the environment are in harmony with each other, and doing one’s best for the ongoing improvement of corporate value.

However, on March 29, 2013, regarding bearing business transactions, the Fair Trades Commission announced administrative action, and whilst JTEKT was not subject to this action, we were recognized as having violated the Ant-Monopoly Act. I would like to extend my sincere apologies to our shareholders, customers and all other stakeholders for the concern and trouble we

have caused.

I will promote actions to reinforce compliance with all JTEKT employees and ensure this kind of thing does not happen again.

(➡ P3 Actions to reinforce compliance)

On that basis, in order to fulfill social responsibility, I would first like to ensure that a work environment is provided in which employees can work with vigor and demonstrate their talents to result in raising an appropriate profit, increasing employment and returning this to society through tax payments in each country and region and as dividends to shareholders. Furthermore, through monozukuri and technological innovation, JTEKT will proactively engage in action to solve social issues such as the planet environment, etc., managing our company in a way that will benefit people and the planet, and contribute to the sustainable development of society, with

the goal of becoming a company that resonates with society, as well as being trusted and counted on.

JTEKT, with the aim of creating a workplace culture that implements CSR activities, is continuously promoting CSR policy awareness activities in the workplace as well as activities to strengthen the management ability of workplace leaders. I lead JTEKT in a way that encourages each employee to take another look at their tasks from a corporate social responsibility perspective, think deeply about “What is it for?” and fulfill their social responsibility while carrying out their everyday duties to lead to the accomplishment of the workplace mission and vision. I also aim to share the CSR policy throughout the JTEKT group in order to create an environment where group company employees can also work with vigor and demonstrate their talents.

Message from the President

Contributing to better environmental conservation through products and technology

In order to respond to global environmental issues, beginning with bearings which contribute to energy-saving and resource-saving throughout their life-cycle, JTEKT also offer customers around the world products and technology gentle on the environment. Such products and technology include electric power steering, which contributes to the improvement of vehicle fuel efficiency, electric oil pumps for idle-stopping mechanisms, CVJ (constant-velocity joints), low torque hub units, and machine tool systems which contribute to plant energy-saving or reduction of machining hours and number of equipment. On top of this, we make endless improvements and contribute to the prevention of global warming on a world-wide scale. Moreover, regarding production activities, we daily exert efforts to improve yield through quality improvement, and eradicate waste thoroughly in material acquisition and machining processes. In addition, 4 JTEKT plants, including our Kokubu plant, are planning the introduction of cogeneration systems with the goal of securing stable power supply and reduc-

ing environmental burden. At Kokubu plant, which has the highest energy consumption of all the JTEKT operation bases, energy efficiency has greatly improved compared to in the past. We are promoting various actions, including considering the introduction of solar power generation in our overseas group companies.

Towards establishing a strong foundation, challenge ourselves to further achievement

With various concerns such as the European debt crisis, the future of the economy is still unclear, however, the JTEKT group will make CSR our foundation, and further strengthen action regarding safety, quality, lead-time, human resources and appropriate corporate culture creation, in order to improve our financial strength. Moreover, amidst intensifying competition, we will offer our customers even greater value, with the aim of achieving status as a brand which can be trusted and depended on by customers across the globe. To that end, we are promoting circulation of “Grasping the customers’ needs”, “Proposing attractive products” and “Making good products well”, and turning our business model around.

First, in order to grasp our customers’ needs and turn that into attractive products, our sales/technical service bases and technical centers around the world will mobilize our group technology, aiming for a shift to higher functionality products and product integration through the creation of product series, commoditization of parts, and reduction of the number of parts used. Moreover, in October of last year, JTEKT built Iga Proving Ground, where we evaluate vehicle steering systems, drive units and bearing units on actual cars, with the aim of contributing to the significant reduction of our customers’ development period and cost through increasing our degree of completion even more. Through these actions to improve our sales ability and product strength, we will develop and propose original products which properly reflect the needs of regions around the world. With regards to production, in order to make good products well, we promote internalization of core technologies, development of innovative techniques and equipment, and creation of a global standard line which instills quality into each product line. Our objective is to be capable of responding flexibly to changes in the market, and create a monozukuri framework with high versatility to allow production of even small volumes at an appropriate cost and, in addition, roll out the quality we instill in Japan to our overseas bases and secure equivalent quality worldwide. Furthermore, by tirelessly engaging in ground-roots activities such as solving problems in our manufacturing sites and strengthening maintenance, etc., we are further improving safety, quality and productivity and strengthening our monozukuri ability. In this way, through taking various actions, we will establish a strong foundation not susceptible to change and continue to grow as a truly global monozukuri company to contribute to the creation of an abundant society. JTEKT sincerely appreciate your ongoing support of our corporate mission.



The JTEKT group implements many different types of measures in the belief that all employees should change their consciousness of compliance. We will continue in our efforts to ensure compliance is thoroughly understood by each and every employee.

Main concrete measures

Change consciousness through statements by management, etc.

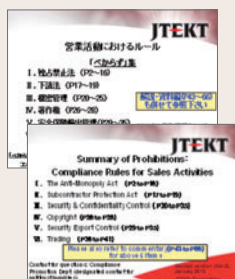
- Announcement of a “Work Order concerning Observance of the Anti-Monopoly Act” by the president. (June 2011)
- Transmission of an “Anti-Monopoly Act Observance Message” to domestic and overseas sales headquarters from the director of sales. (On a regular basis from November, 2011)
- Regular transmission of a compliance observation message from the president.
- Regular training workshops for executive officers led by external lawyers.
- Acquisition of a testimony from JTEKT and sales related personnel from domestic/overseas group companies relating to observance of laws such as the Anti-Monopoly Act. (Once a year or more from December of 2011) etc.

Strengthening of systems and frameworks

- Establishment of a Compliance Promotion Department directly overseen by top management. (November 2011)
- Appointment of Compliance Officers in each headquarters, function and overseas location to conduct inspection and awareness-raising activities regarding compliance. (November 2011)
- Establishment of an Anti-Monopoly consultation desk. (November 2011)
- Implementation of a compliance inspection targeting all divisions and domestic/overseas group companies. (Once a year or more from January 2012)
- Gathering of information on compliance matters, including hearings, reporting at board of directors meeting and sharing with all departments. (Monthly from August 2012)
- Review of basic policy relating to the organization of an internal control system. etc.

Organization of rules, training, etc., to ensure observance of various laws and regulations, including the Anti-Monopoly Act

- Revision of compliance rules. (December 2011, November 2012)
- Clarification of reporting rules when making contact with other companies in the industry. (November 2011)
- Distribution of a “Compliance Rules for Sales Activities” to sales divisions. (November 2011) ①
- Compliance training (group discussion style) in all sales locations. (On a regular basis from October, 2011)
- Autonomous study sessions on the Anti-Monopoly Act by each sales division, inviting an external lawyer to give guidance (March 2013)
- Training by job category targeting all employees, training before overseas assignment and e-learning.
- Establishment of a Compliance Awareness Month (July) to prevent the forming of bad habits. (From July 2012) ② etc.



① Compliance Rules for Sales Activities “Summary of Prohibitions” Japanese/English versions

Roll out to all employees belonging to sales divisions. Describes which scenarios likely to occur in sales activities are OK and which are NG. Updated yearly reflecting the opinions of sales divisions. Also rolled out to both domestic and overseas group companies.



② Example of Compliance Awareness Month from July 2012

Left: Poster of the Compliance Awareness Month from July 2012. Posted in all operation bases and plants. Right: Compliance special report featured in the company newsletter for July 2012. Includes messages from the vice-president and managing officers to employees. Implementation of action to encourage every employee to deeply rethink the meaning of compliance, and fundamentally change their consciousness towards it.

Monitoring and strengthening of internal audits

- Strengthening framework of internal auditing department's
- Establishment of regional audit offices (April 2012) etc.