

# Social Report

- The CSR Report 2016 PDF is published with the aim of conveying the concept and activities pertaining to JTEKT's CSR in an easily understood manner. This report emphasizes objectiveness, completeness and continuity.

- Please refer to the JTEKT REPORT 2016 for information about JTEKT's business performance, business activities, planning, and strategy.

- For related articles:

M = JTEKT's CSR Management F = Special Edition

S = Social Report E = Environmental Report

J = JTEKT REPORT 2016

- In this Social Report section, we have summarized the overall activities for FY 2015 by stakeholder. This report has been consistently configured in the same way since the 2008 CSR Report, in order to make it easy to read on a continuous basis.

## Target period and target organizations/scope

### Target period

FY 2015 (April 2015 - March 2016)

\* Some items include content from other periods.

### Target organizations and scope

All activities of the JTEKT group

For items for which there is no criteria uniform across the JTEKT group, the unconsolidated results of JTEKT are displayed. As a general rule, if there are changes in the tallying scope, we revise data dating back to the past.

## Reference guidelines

- ◎ GRI (Global Reporting Initiative)  
"Sustainability Reporting Guidelines 2013 (G4)"
- ◎ Japan's Ministry of the Environment  
"Environmental Reporting Guidelines (2012 edition)"
- ◎ ISO26000 (International Standard for corporate responsibility)



This mark is used to indicate new actions begun in FY 2015 and information disclosed for the first time in this year's report.

Together with customers S\_01

Together with business partners S\_05

Together with employees S\_07

Together with local communities S\_21

Together with shareholders and investors S\_27

# Together with customers

## Social background

Awareness of consumers' rights is rising on a global scale, exemplified by the ISO26000 positioning consumer issues as one of the central themes, and the GRI Sustainability Reporting Guidelines (G4 Guidelines) establishing a section on product responsibility. Moreover, there is a trend emerging which emphasizes dialogue with stakeholders amidst an expectation of corporations to incorporate sustainable interaction with society into their management strategies and business models.

## JTEKT's concept

### Considering the entire society as customers

In order to provide customers with the highest quality products, JTEKT naturally searches for value as a supplier but at the same time aims to be considered as having value as a partner that can be relied upon. Moreover, JTEKT's products are used in various industries, such as automotive, railway, steel, aviation and space and are deeply and widely involved with society and environmental issues. We 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 the society at large.

→ F\_01~08·J\_06~07 Related article

### Quality policy and quality assurance system

▶ Figure -01

Establishing a quality policy with the motto of "Customer First", we are involved in a variety of quality improvement activities. We also maintain and constantly improve a quality assurance system based on this policy.

In 2013, the wording of the quality policy was partially changed. The phrase "product quality" was changed to a more specific expression, "design quality and manufacturing quality". We believe that seeking quality at each stage of design and manufacturing allows us to improve overall product quality and gain our customers' trust.

**Quality policy** Adhering to the theme of "Quality First", we offer products which earn the trust and satisfaction of our customers.

- Making decisions and taking swift action from the standpoint of our customers
- Improving design and manufacturing quality through the ingenuity of all members

## Together with customers

### Major activities in FY 2015

#### [ Quality ]

##### Elimination of Major Quality Problems

In September of 2014, the Quality BR (Business Revolution) Office was established as an organization which reports directly to top management. This section aims to eliminate the root causes of major quality problems and revise systems. From FY 2015, this office has been engaging in activities to establish the optimal floor management vision and improve quality upon launch of new products.

##### Implemented QG (\*)-20 activities (milestone control)

JTEKT has begun a control meeting using 20 milestones for all stages, from planning, design, development and production preparation to full-scale production. The required quality is properly reflected in the product.   
 \* QG QG is the abbreviation for Quality Gates.

##### Improvement through periodic inspections

JTEKT actively pursues the obtainment of reviewed quality management system certification through third parties. JTEKT continues to receive periodic inspections once or twice a year and uses the results to further revise and improve its quality control system.

##### Major obtained certifications

- ISO9001 (International quality management system standard)
- TS16949 (Quality management system for the automotive industry)
- JIS Q 9100 (Quality management system for the aviation/aerospace industries)

##### Initiatives to reform company culture and raise customer satisfaction levels ★ **New!**

For the purpose of raising quality awareness, we have set May and November as “quality months”. During these months, we engage in various activities such as collecting and dis-



21st quality month poster in May 2016

playing posters and quality slogans, and discussing improvements for each department.

Moreover, from November to December, the first Quality Exhibition was held in 17 locations throughout Japan. This was an opportunity to introduce the status of JTEKT’s quality and improvement initiatives to many customers and trade partners, as well as for JTEKT executives and employees to speak with customers and renew their appreciation of the importance of quality.



1st Quality Exhibition

#### [Training]

##### A group of technicians who proactively consider JTEKT’s development

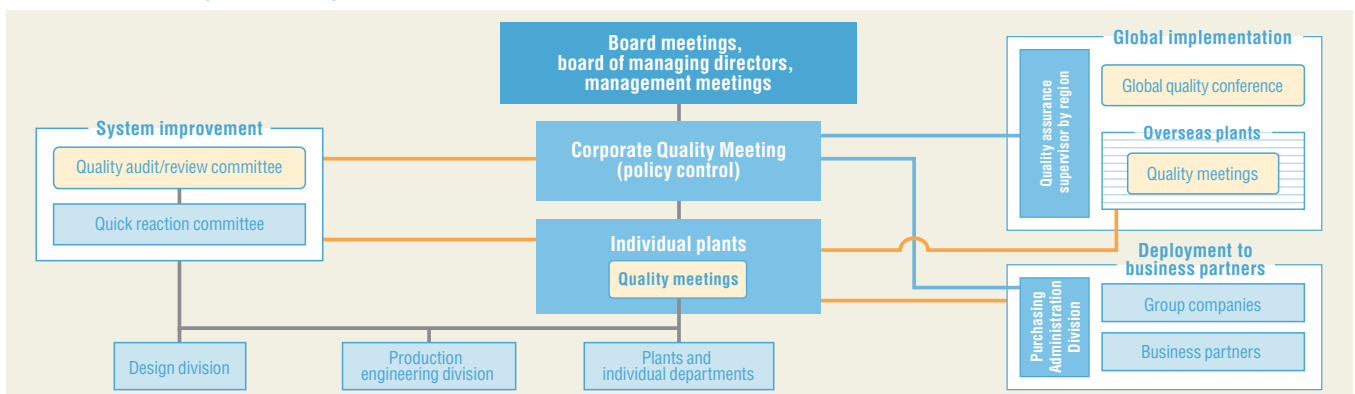
In FY 2012, the JTEKT Engineers Association was formed to provide an opportunity for engineers of JTEKT’s respective areas to work hard together to improve their technical ability and leadership abilities in the name of solving societal issues.

In FY 2015, the fourth year since its formation, each association focused on initiatives to enhance the tours and events held by the respective committees and branches in east, west and central Japan as well as further stimulate communication between engineers. JTEKT Technical Presentation is also held annually. It is alternated between Kariya Plant and Kokubu Plant in order to secure a high attendance of engineers. In FY 2015, it was held at Kariya Plant on November 23rd. The session was divided into the three specialty fields of electric/electronics, material/tribology/mechanical elements, and machining/production engineering, and live connection to each of our operating centers enabled a total of approximately 700 people companywide to engage in discussion on 18 themes.



JTEKT Technical Presentation (Kariya Plant)

▶ Figure-01 Quality assurance system



## Together with customers

### Launch of problem-solving training

In order to spread the concept of problem-solving as a basis to all work, JTEKT began conducting problem-solving training in FY 2014. The aim is for employees to acquire problem-solving skills which they can utilize to assist our customers. In FY 2015, a program to develop company trainers was launched.

→ [S\\_09 Related article](#)

### Activities to improve engineering and quality at each workplace

Each workplace is working to improve engineering and quality by promoting TQM activities and implementing the SQC method.

→ [S\\_10 Related article](#)

### [ Communication ] Conducting a customer satisfaction survey

As in previous years, in FY 2015 we conducted customer satisfaction surveys targeting our main customers. In order to improve satisfaction in the five areas of quality, delivery, technical response capability, cost response capability and technical/sales service, we shared the issues revealed by these surveys and are exerting efforts to solve them promptly and appropriately.

### Exhibitions in Japan and abroad and opening of a showroom

Each year, our company exhibits at many exhibitions both in Japan and abroad in order to enhance communication with customers other than those we do business with on a regular basis. We also opened a showroom in order to introduce JTEKT's technologies and products to even more customers.

#### The 44th Tokyo Motor Show 2015

At the Tokyo Motor Show held at Tokyo Big Sight from Oct. 29th to Nov. 8th, JTEKT stressed the benefits of many No.1 & Only One technologies and products and introduced the history of JTEKT products.



We also exhibited JGOGGLE, which allows the wearer to see panoramic views of Iga Proving Ground, JTEKT's test course, as well as the simulator, SODA, in which people can experience futuristic automated driving technology. Both of these technologies stirred the interest of many visitors.



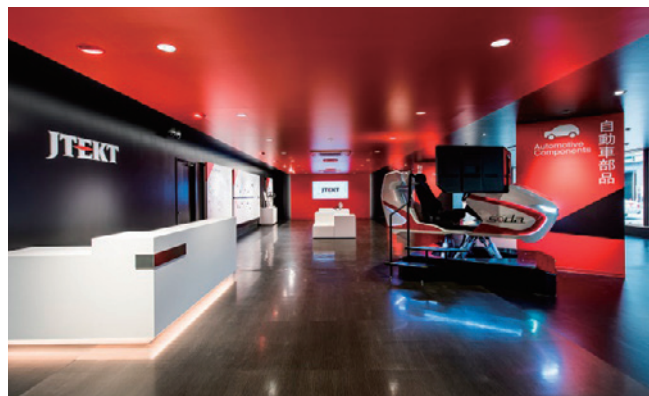
JTEKT DRIVING SIMULATOR SODA

### Opening of Tokyo showroom, JTEKT ROOM Ginza ★ New!

The ground floor of JTEKT's east Japan branch was renovated to create JTEKT ROOM Ginza, a showroom to introduce the No.1 & Only One technologies of JTEKT's various businesses which was opened on April 1st, 2016.

At an event held on the eve of the opening, kabuki performer Ebizo Ichikawa made a special guest appearance and received great attention with coverage by around fifty media companies.

Moving forward, JTEKT will enhance the content of this showroom, hold several events and use it as a space to increase the public's awareness of JTEKT and gain understanding of our products and businesses.



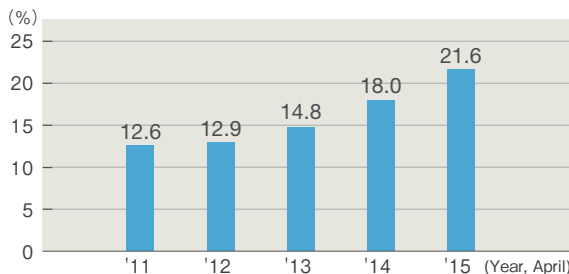
## Together with customers

### Increase awareness through company and business advertisements ★New!

JTEKT disseminates information through a company advertisement campaign in newspapers and other media. In 2016, we ran a 10-year anniversary campaign based on the concept of a “Young Company with Rich History”. JTEKT also began running a new advertisement campaign for its businesses to disseminate product information relating to our bearing and machine tool businesses. Both advertisement campaigns received positive feedback, with comments like “The ads had impact.” and “The ads convey JTEKT’s quality.”

Moreover, the general public’s awareness of JTEKT went from 18.0% in 2014 to 21.6% in 2015.

#### Transition in company awareness



### 10-year anniversary campaign ★New!

An ad campaign was launched focusing on JTEKT’s 10-year anniversary in January 2016. Because it was the 10-year anniversary of JTEKT, which was conceived in 2006 by the merging of two companies with a combined history of 150 years (Koyo Seiko with 85 years and Toyoda Machine Works with 65 years), the catch cry of a “Young Company with Rich History” was adopted. Kabuki actor, Ebizo Ichikawa, was chosen as the face of the advertising campaign, and ads were run in newspapers, on television, online, etc.



Newspaper advertising



Television commercials

### Business advertisement ★New!

JTEKT launched a new business advertising campaign in order to strengthen the Koyo bearing brand and the TOYODA machine tool brand and promote sales.

“Key of your operation Koyo” was established as the concept for the bearing business in order to strengthen sales in the industrial machinery and commercial sales areas and stressed the advantages of JTEKT bearings from both the performance and technological aspects. As a continuation of this, we will launch an advertising campaign for our machine tool business in FY 2016.



Business advertisement for the Koyo bearing business brand

### Awards from customer companies

JTEKT received awards from customer companies in recognition of various quality improvement activities.

#### Major awards in FY 2015

Customer name	Award	Awarded company
Yamaha Motor Philippines Inc.	Supplier Excellence Award	KMP (Philippines)
Toyota Motor Corporation	Supplier Quality Excellence Award Special Prize	JTEKT
AW North Carolina, Inc.	Quality & Supply Excellence Award	KBNA (U.S.A.)
U.S.A.: Hino Motors Manufacturing U.S.A., Inc.	Quality Excellence Award	KBNA (U.S.A.)
Hino Motors Manufacturing (Thailand) Ltd.	Quality Excellence Award Gold Prize Supply Excellence Award Silver Prize	JATH (Thailand)
TOYOTA ARGENTINA S.A.	Award of Excellence for Quality	JAAR (Argentina)

Senri Kawasaki  
Sales & Marketing Headquarters  
Corporate Sales Management Dept.  
Management Office 1  
Sales Promotion Group

My CSR



### Strengthening brand appeal

Our department is responsible for identifying customer needs and further enhancing sales promotion tools and exhibitions through exhibiting in fairs and exhibitions, issuing catalogs and pamphlets, etc. We are currently promoting steps to strengthen JTEKT’s brand appeal such as standardizing the exhibition booth design, etc. Moving forward, we will continue striving to gain the understanding of more and more customers regarding JTEKT’s environmental and technological initiatives.

# Together with business partners

## Social background

Interest in CSR is rising on a global scale. In addition to QCD (quality, cost and delivery), a company’s purchasing activities are expected to also take into account human rights, labor practices, fair business practices, the environment and other core issues slated by ISO26000.

## JTEKT’s 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. On the company website, JTEKT has outlined procedures for becoming a business partner, 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.

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- Coexistence and co-prosperity** Achieve harmonious relationships with business partners based on mutual trust.

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- Long-term, stable business relationships** Achieve stable procurement meeting JTEKT’s quality, cost, volume, and delivery requirements through continuous business.

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

## [CSR Activity Item Guidelines]

We issued the CSR Activity Item Guidelines for our business partners, in order to share with them the purpose of our CSR Policy and clarify items that we would like our business partners to observe. We request our business partners deploy these guidelines upstream as well.

Moreover, in order to maintain fair trade, we ensure that all departments which interact with business partners respect the various industrial fair trade guidelines and, in order to improve communication with business partners, utilize every opportunity to disseminate information and gather opinions.

### 1. Management-related initiatives

- Legal compliance
- Risk management

### 2. Initiatives for stakeholders

- Securing quality
- Fair trade
- Good labor-management relations
- Protection of human rights/respect for diversity
- Observance of corporate ethics
- Initiatives for local communities

### 3. Initiatives for the global environment

- Environmental management
- Environmentally friendly business activities

## Green Purchasing activities

Our company promotes companywide Green Purchasing activities in order to contribute to the creation of a sustainable recycling-based society. For this purpose, we have issued Green Purchasing guidelines and have requested the cooperation of business partners.

### Requests to our business partners

We make the following requests to our business partners under the Green Purchasing Guideline.

- Construction of an environmental management system based on obtainment of external certification such as ISO14001.
- Observation and reinforcement of environmental laws and regulations
- Prohibit or restrict use of environmentally burdensome substances
- Improve environmental performance by reducing CO<sub>2</sub> emissions, etc.
- Promote actions to conserve biodiversity

## Together with business partners

### Major activities in FY 2015

#### Purchasing Policy Briefing

On April 19th, 2015, the Purchasing Policy Briefing was held at the Hotel New Otani Osaka, attended by 253 companies and 277 people. As FY 2015's purchasing policy, we requested the strengthening of CSR and thorough safety, which are major premises of business. At the same time, we explained our major implemented items for the fiscal year. We also awarded our business partners who had demonstrated outstanding performance in regards to quality, technology and cost price improvement for the year overall.

#### Major Implementation Items for FY 2015

- Strengthen efforts to solve significant quality problems
- Achieve superior international cost competitiveness
- Respond to global optimal production

#### A procurement policy briefing in China ★ New!

On May 15th, 2015, the Chinese group company, JCC held the JTEKT China 2015 Procurement Policy Briefing. 88 business partners attended and the event aimed to promote understanding of JTEKT's procurement policy in China as well as build and reinforce relationships of trust.



#### Quality control tournament of the JTEKT Supplier Association

The Quality Management Convention was held on November 17th, 2015 at Osaka Matsushita IMP Hall, and was participated in by around 390 people from all 251 member companies of the JTEKT Supplier Association (\*). Five companies presented improvement case studies and in addition to a presentation by Kokubu Plant's QC circle, there was a lecture relating to QC circles and a talk from a visiting lecturer.

\* **The JTEKT Supplier Association** The JTEKT Supplier Association is comprised of 251 companies (as of FY 2015). It is intended to foster mutual trust among members and raise their capabilities through activities such as quality control tournaments, workshops, and lectures.

#### JTEKT Supplier Association Workshop

The JTEKT Supplier Association participated at the Midland Hall in Nagoya on January 27th, 2016. Training focused on the three themes of trade control, substances of concern management and the Antimonopoly Act.

#### Initiatives for the conflict minerals issue

The survey regarding conflict minerals conducted since FY 2013 was continued in FY 2015. With the cooperation of our business partners, we confirmed the status of conflict minerals all the way up the supply chain and appropriately responding to related customer enquiries.

Fukuo Fukudome  
Purchasing Headquarters  
Purchasing Dept. 1

My  
CSR



#### Negotiations amidst solid relationships of trust

The fundamentals of the purchasing operation are to purchase the best product at the lowest cost in a timely manner. As such, the Purchasing Department strives daily to increase JTEKT's competitive edge in the building of excellent products and contribute to the realization of our corporate philosophy. We will be sufficiently aware that purchasing activities directly impact upon a company's management and that, from the customer's perspective, the Purchasing Department is the face of JTEKT. We will ensure we are well-versed in relevant laws and engage in daily negotiations with business partners amidst solid relationships of trust.

# Together with employees

## Personnel-related actions

### Social background

Amidst heightened interest in the role of corporations within society and sustainable management, various standards and targets are being vigorously established such as the Ten Principles of the United Nations Global Compact, ISO26000, GRI “Sustainability Reporting Guidelines (G4), the International Integrated Reporting <IR> Framework and Sustainable Development Goals (SDGs). As clearly indicated by the repeated reference to human rights and labor in many standards and targets, corporations are now strongly expected to place more emphasis on observance of human rights in their business activities.

### JTEKT’s concept

#### Creating a friendly work environment for all

JTEKT promotes the creation of a workplace in which all of our employees find it easy to work, considering various aspects such as human development, respect for diversity and safety and hygiene. Our company believes that, as we expand globally, it will become even more important to deepen understanding towards human rights and share this with group companies both domestically and overseas.

#### Respect for human rights and utilization of diverse human resources

JTEKT’s Corporate Activities Standards states the following; “Respect the individuality of employees, create safe workplaces that motivate employees and enable them to fulfill their potential and strive to provide each with abundant living circumstances.” We give explicit instructions regarding the prohibition of discrimination based on race, gender, age, nationality, etc., and share and enforce this thinking with our group companies both in Japan and overseas. Additionally, we engage in various actions to utilize diverse human resources.

#### Main actions

- Hiring foreign employees
- Assisting female employees’ career development
- Employing persons with disabilities
- Changing fixed-term employees to permanent employees
- Providing assistance for those engaged in childcare or family care
- Reduction of work outside regular hours and encouragement of paid leave usage
- Providing post-retirement employment opportunities
- Various education concerning human rights, etc.

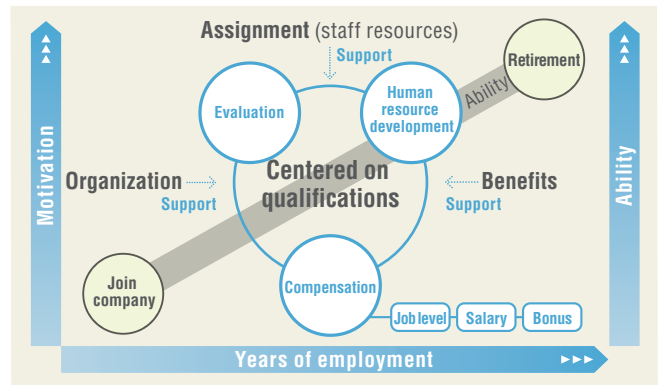
#### Direction of human resource development

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 have confidence, pride, and passion, think for themselves, and act as a member of the JTEKT group.
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.



### Major activities in FY 2015

#### [ Labor-management relations and employment ] Emphasizing labor-management communication

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

#### Labor-management discussion opportunities (held in FY 2015)

- Central Production Subcommittee Meetings (annual)
- Central Labor-Management Meetings (annual)
- Labor-Management Meetings (4 times)
- Labor-Management Committee Meetings (10 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)

## Together with employees

### Actions to improve the paid leave usage rate

JTEKT aims to create a workplace in which employees find it easy to use paid leave. Labor and management cooperate together to periodically check the usage status of paid leave in order to improve the usage rate.

#### Labor condition transition (Average per each workers union member)

	2011	2012	2013	2014	2015 (FY)
Total work hours (hours)	2,077.2	2,074.7	2,115.3	2,107.2	2,089.8
Work outside of regular hours (hours)	321.8	316.0	351.7	345.7	334.9
Percentage of paid leave consumption (%)	62.1	63.2	65.6	67.4	71.6

### Maintain employment

In FY 2015, JTEKT continued to exert efforts to maintain employment through various measures such as reassignment from the perspective of effectively utilizing resources. JTEKT observed the relevant laws and internal regulations for managing the employment of fixed-term workers. In FY 2015, 91 fixed-term workers were appointed as permanent employees.

#### Transition from fixed term workers to permanent employees

	2011	2012	2013	2014	2015 (FY)
Number of transitions made (people)	205	167	184	99	91

#### Composition of employees as of end of March, 2016

	Male	Female	Total
Permanent employees	10,382	878	11,260
Fixed-term employees (*1)	2,930	512	3,442
Total	13,312	1,390	14,702

	Male	Female	Average
Years of employment	15.7	11.2	15.4
Job turnover rate (*2)	0.7%		
Job turnover rate within the first 3 years (*3)	3.7%		

\*1 Total fixed-term, part-time, reemployed, and temporary employees \*2 Voluntary early retirement rate \*3 Permanent employees, seasonal recruits, voluntary early retirement

### [ Human resource development ]

#### Formation of a global human management/development framework

▶ Figure-01

Around 60% of the approximate 44,000 employees of the JTEKT group work overseas. JTEKT promotes the formation of a global human management/development framework so that we may create the optimal environment for employees and the company alike so that motivated and capable people, regardless of nationality or race, may perform to their fullest transcending national and regional borders.

In FY 2015, we graded the major posts of both our Japanese and overseas bases (a process of ranking the scale of the post and responsibility based on a global standard), then sorted and appraised the career, capabilities and so forth of the employees currently assigned to these posts and potential successors. In addition, we established Succession Committees in each region as a committee to discuss the discovery, development and appropriate assignment of human resources who could succeed each post.

From FY 2016, candidate successors at overseas bases nominated by the Succession Committees will complete selection training held at JTEKT Head Office. Furthermore, a common evaluation system will be introduced for employees currently assigned to major posts at overseas bases.

#### Hiring and utilization of foreign employees ★ New!

Even within Japan, JTEKT is proactively hiring and utilizing excellent human resources regardless of nationality.

#### Foreign employee hiring results (general office/engineering)

	2011	2012	2013	2014	2015 (FY)
Seasonal hiring no.	1	2	6	3	14
Mid-career hiring no.	7	11	3	0	0

▶ Figure-01



SC=Succession Committee



## Together with employees

### Strengthening of employees' English abilities, **New!** bidirectional employee interaction between Japan and overseas

JTEKT also strives to strengthen the English ability of its employees overall in order to develop professionals capable of working globally. In addition to providing motivation-raising strategies such as an internal TOEIC exam and self-study courses (company-subsidized), as part of our overseas trainee system, we also arrange for young employees who are willing to work at JTEKT's overseas group companies at an early stage in their careers, so that they may improve their language ability and cross-cultural communication skills.

Moreover, from FY 2016, JTEKT will fully promote training in Japan for employees of its overseas group companies by utilizing an inter-company transfer visa. Rather than the conventional one-way pattern of sending employees from Japan to overseas, we will begin bidirectional employee interaction between Japan and overseas.

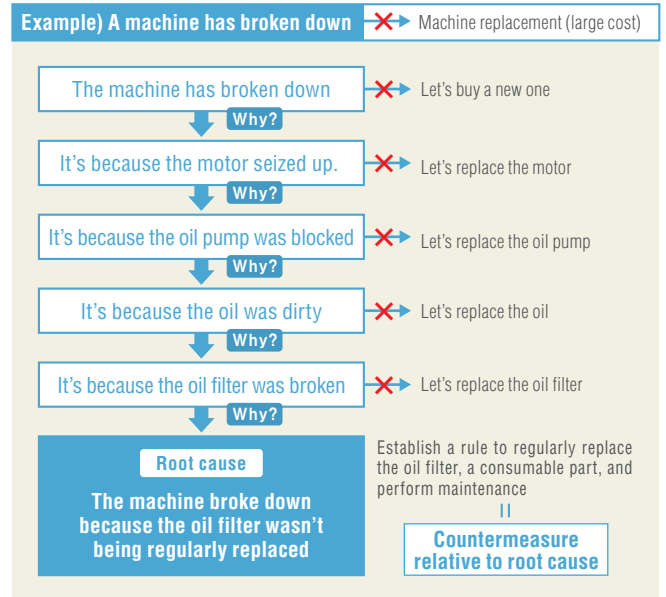
### Human resource development for office and engineering staff

The JTEKT training system is composed of four pillars: rank-based training, job title-based training, age-based training and selection/theme-based training. We also focused on supporting the acquisition of qualifications and self-study efforts. From FY 2014, we have implemented special rank-based training to enhance problem-solving skills. From FY 2015, we began training by company trainers. This is where senior employees act as trainers to instruct junior employees and we will continue efforts to promote a culture where seniors convey information to juniors. We plan to expand this training program to our bases in each region of the world.

### Problem-solving training **New!**

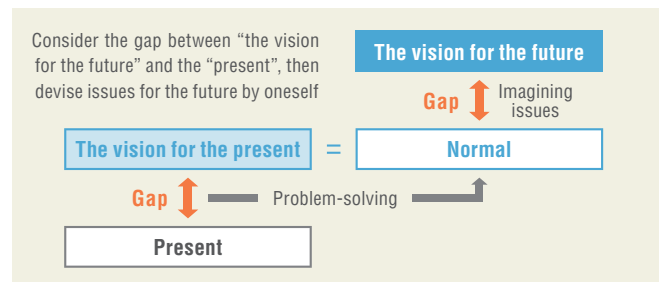
JTEKT holds problem-solving training so that employees can grasp the substance of matters and foster the ability to identify the root cause. The aim is for participating employees to obtain a skill which enables them to solve problems for customers.

### Repeatedly ask "Why?" regarding a problem and find the root cause



### Gain the ability to imagine issues

There may not be any problems now, but environments do change. JTEKT plans to commence training particularly for managers to imagine future issues and take preemptive measures in order to respond to customer needs five/ten years from now.



### Expand targeted employees

Moving forward, JTEKT will spread the problem-solving concept for all levels on an ongoing basis.



### Currently advancing in the 3-year plan

#### FY 2014 Problem-solving training began

Target expansion	<b>FY 2014</b>	Line manager
	<b>FY 2015</b>	Managers other than line managers Company trainer development (future shift to in-house) Office/engineering staff R4 (lecturers of company trainer development class) Employees temporarily transferred domestically/overseas
	<b>FY 2016</b>	Office/engineering staff R5 (lecturers of company trainer development class) Global trainer development Advanced refinement to rank-based training (office/engineering staff R4)
	<b>FY 2017 and beyond</b>	Refinement to individual rank-based training

#### Roll out to all employees

## Together with employees

### Human resource development for production staff

The JTEKT training system is composed of the three pillars of companywide training, workplace-based training and self-study. Regarding companywide training, apart from a career development program (rank-based) which is based on training at the JTEKT Technical Training Center (\*1), we carry out supervisor training, 10 specialized skill training courses, TWI supervisor trainer development courses (\*2) and TWI 10-hour courses. Regarding workplace-based training, we implement OJT training (\*3) covering the specialized skills necessary to pass down to future generations, as well as special training and skill courses for the obtainment of certifications necessary in the line of work. We support the self-study of employees so they may attempt the National Trade Skills Test, QC Test, Voluntary Conservation Officer recognition, etc. In FY 2015, we launched floor management education, which involves workshops for leaders and supervisors. This will be rolled out overseas from FY 2017.

- \*1 **JTEKT Technical Training Center** Provides vocational training approved by the prefectural governor of Aichi. Focuses on developing excellent production personnel.
- \*2 **TWI supervisor trainer development course** TWI is an abbreviation for "Training Within Industry". It is internal training for supervisors.
- \*3 **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 and manufacturing assistant managers	CSR, workplace management	43
	R3 training for new managers	CSR, policy management, daily task control	105
Office & engineering staff	R4 training for new office & engineering staff	CSR, leadership, planned fulfillment of tasks	195
	R5 training for office & engineering staff	Business communication skills	228
	R6 training for office & engineering staff	Problem solution methods and concepts	200
	Training for mid-career new employees	CSR, JTEKT employee basic knowledge and mindset	44
	Training for office & engineering new employees	CSR, JTEKT employee basic knowledge and mindset	138
Production staff	Training for newly appointed production managers	Acquisition of an internal human resource development framework and JPS (*4) production system	9
	Training for new Chief Leaders	CSR, Management basics and planned fulfillment of tasks	59
	Training for new KLs	Basics of workplace improvements and acquisition of production systems	69
	Training for new Group Leaders	Problem solutions based on QC concept	149
	Training for new production employees	CSR, JTEKT employee basic knowledge and mindset	109

\*4 JPS JTEKT Production System

### Promoting TQM activities

JTEKT promotes TQM (Total Quality Management) activities based on the three pillars of "Customer First", "Endless Improvements" and "Participation by All". At workplaces, which are the frontline, we strive to foster mutual instruction and the handing down of unique techniques through small group activities (QC

Circle activities).

On June 11th, the Delivery Circle of our Nara Plant participated in the Clerical, Sales and Service Section of the 8th All Japan QC Circle Conference. Furthermore, JET2 Circle and Kizuna 2012 Circle of Kokubu Plant and Kagawa Plant respectively participated in the 45th All Japan QC Circle Conference held at Tokyo Big Sight on November 10th.

### SQC (\*5) Improvement Case Study Companywide Presentation

In R&D, design, production activities and so on, JTEKT proactively incorporates the SQC method to be able to make scientific judgments based on data and consider the variation of materials, parts and properties. In order to share case studies which utilize SQC throughout the company and learn from one another to improve skills, JTEKT holds a SQC Improvement Case Study Companywide Presentation each year. In FY 2015, approximately 460 members attended the event.

\*5 SQC SQC is the abbreviation for Statistical Quality Control.



### TOPICS

#### 3rd QC Circle Kaizen Activity Global Convention

On September 10th, the 3rd QC Circle Kaizen Activity Global Convention was held at the JTEKT Corporate Pension Fund Hall [Wiz] in Kariya city, Aichi. Daily activity results were presented by seven selected circles from a total of 49 overseas group companies representing the six regions of Europe, North America, Central/South America, China, ASEAN and India. The convention served as a valuable opportunity for each of the participating circles to take back with them what they had learnt, deploy such knowledge to their respective regions and further vitalize QC circle activities.



First prize – China representative (JSSX) and Wisdom of Unity Circle



Presenter Zeng dang xiang (left) and interpreter Zou zhi hong (right)

## Together with employees

### Creative ideas proposal exhibitions

From June until September, we held creative ideas proposal exhibitions at a total of 22 locations including JTEKT's head office, nine branches and 12 plants. These were participated in by approximately 8,300, which exceeded the FY 2014 turnout of 6,700. The exhibitions introduced outstanding proposals which had been awarded Creative Ideas Merit Awards from the Minister of Education, Culture, Sports, Science and Technology. Detailed explanations of focus points and creative ideas were given so that other employees may leverage proposals to improve their own work. In FY 2015, 30 employees were awarded the Creative Ideas Merit Awards from the Minister of Education, Culture, Sports, Science and Technology and two employees were awarded the Osaka Governor's Prize

### [ Respect for diversity ] Promoting diversity

In the midst of an ever-changing management environment, represented by globalization, accepting and utilizing personnel with diverse values irrespective of gender, nationality, age, culture and so on is essential for a company to continue growing. JTEKT positions the promotion of diversity as an important management strategy for the achievement of the JTEKT GROUP VISION and engages in various initiatives accordingly.

### Reform awareness of all employees and encourage a diversity mindset ★ **New!**

In order to promote diversity, first, all employees must understand the necessity and the purpose, change their awareness and their conduct. To this end, JTEKT takes the approach of including the theme of diversity in the president's message, e-learning for all employees and incorporating a diversity component in our rank-based training.

### Assisting female employees in developing their careers ★ **New!**

In order to accelerate female participation in the workplace, JTEKT conducted an actual condition survey targeting all female employees and all management personnel in FY 2014. We investigated



Management diversity training (1 day)



Career training for female employees (2 days)

the environment surrounding female employees, awareness of female employees' work and the development/assessment by superiors of subordinates. Based on the issues brought to light through this survey we established the following four elements which have been focused on since FY 2015.

<b>1. Reform consciousness</b>	We implement training for all administrative positions on understanding diversity management from the aspects of eliminating stereotyped perception of gender roles, and the nurturing of female subordinates.
	We conduct career training for women in all positions on long-term career design and network formation.
<b>2. Dual support</b>	Creation of systems and environments enabling employees with limitations to continue working
	Introduction of systems aimed at supporting career development
<b>3. Strengthen hiring</b>	Proactive hiring of women who are strongly career-oriented
<b>4. Foster culture</b>	We foster a corporate culture that enables all employees to flourish, regardless of gender, based on diversity education for all employees as well as other methods.

### No. of females hired/appointed managers (\*1)

	2011	2012	2013	2014	2015 (FY)
<b>Total no. of women hired through seasonal recruitment</b>	20	20	27	26	36
(Total no. of employees hired through seasonal recruitment)	(289)	(326)	(316)	(309)	(344)
<b>No. of women managers</b>	11	12	13	16	16
(Total no. of managers)	(1,785)	(1,804)	(1,870)	(1,937)	(1,976)
<b>No. of women assistant managers</b>	20	22	32	37	49
(Total no. of assistant managers)	(1,290)	(1,303)	(1,328)	(1,410)	(1,486)

\*1 Based on company registration (includes employees temporarily transferred to domestic or overseas group companies and excludes employees from other companies temporarily stationed at JTEKT)  
\*1 Values differ from last year's report due to a revision to the calculation method.  
\*2 Subsection chief equivalent

### Formulation of an action plan based on the Act of Promotion of Women's Participation and Advancement in the Workplace ★ **New!**

Based on a law relating to promoting women in the workplace (the Act of Promotion of Women's Participation and Advancement in the Workplace), JTEKT formulated an action plan.

**Plan period** Apr. 1st 2016 – Mar. 31st 2020

<b>Issues</b>	<ul style="list-style-type: none"> <li>● Low percentage of women in managerial positions (0.8% or 16 women as of Jan. 31st 2015)</li> <li>● Low percentage of women in full-time positions (7.3% or 857 women as of Jan. 31st 2015)</li> </ul>
<b>Target</b>	<ul style="list-style-type: none"> <li>● By Mar. 31st 2020, increase the number of women in managerial positions by 2.5 times the number as of Jan. 2015</li> <li>● By Mar. 31st 2020, increase the number of women in managerial positions by 1.3 times the number as of Jan. 2015</li> </ul>

## Together with employees

### Enhancement of the dual support system ★ **New!**

JTEKT is exerting efforts to support all employees, regardless of gender, to balance child-raising or caregiving with work. To this end, we are enhancing the systems and creating workplace environments in which employees can easily utilize such systems.

#### Overview of dual support system

Pregnancy - childbirth	Childbirth/parenting					Care	Other
	1 year old	2 years' old	3 years' old	Pre-elementary age	Completion of elementary grade 2		
Maternity leave						Family care leave	Flexible working hours
Parenting leave	Extension possible					Shorter working hours for family care	Half-day annual leave (no limits on no. of times)
Mom & Dad Child Care Leave Plus						Limited overtime (24 hours/month, 150 hours/year)	
Overtime exemption						Comeback support system	
Limited overtime (24 hours/month, 150 hours/year)							
Child care leave (1 child: 5 days/year, 2 children or more: 10 days or more)							
Daycare support							
Shorter working hours for parenting							
Babysitter subsidization scheme							

#### Description of major schemes

<b>Parenting leave</b> <small>(revised in FY 2015)</small>	Available until child turns one. (if unable to secure spot in daycare center, can be extended until the child turns 2)
<b>Mom &amp; Dad Child Care Leave Plus</b>	Available until child is 14 months old if both parents take parenting leave.
<b>Shorter working hours for parenting</b> <small>(revised in FY 2015)</small>	Parents can shorten the hours they work in one day until the end of March in the year that the child completes grade 2 of elementary school.
<b>Daycare support</b> <small>(revised in FY 2015)</small>	<p><b>Aichi prefecture</b> Four Toyota Group companies jointly operate Cooperative nursery school "Tacchi House" primarily concentrated in the Mikawa region of Aichi prefecture. Tacchi House provides a childminding service during company operational hours.</p> <p><b>Other regions</b> If parents work on public holidays, a room in the workplace is used by a professional to provide child-minding services. * Available at Nara Plant and Kokubu Plant as of March 2016</p>
<b>Babysitter subsidization scheme</b> <small>(revised in FY 2015)</small>	Employees can arrange babysitters for their children subsidized by the company when they have work commitments. The company covers 50% of babysitting costs with an annual limit of 240,000 yen/person
<b>Family care leave</b>	A total of 365 days leave available for each family member in need of care.
<b>Shorter working hours for family care</b>	A total of 365 days leave available (includes the family care leave period) for each family member in need of care.
<b>Comeback support system</b>	A system where employees who have had no choice but to resign due to their spouse being transferred or the need to care for a family member can return to work (comeback) if they have registered to do so upon their resignation and their circumstances allow it. In principle, this system is available for up to 5 years after resignation.

#### Number of employees who took childcare leave and number of employees who took family care leave

	2011	2012	2013	2014	2015 (FY)
Number of employees who took childcare leave	19	25	24	38	30
Number of employees who took family care leave	4	4	3	5	1

## Together with employees

### Reemployment of retired employees

To allow highly motivated retired employees with abundant knowledge and experience to continue working, JTEKT established a post-retirement reemployment system in April 2006. As of the end of March 2016, 736 persons reemployed by JTEKT and related companies were working at various workplaces and training younger employees who will one day become the leaders of JTEKT.

#### Application of the post-retirement reemployment system in FY 2015

Number of those who are applicable		232
Number of applications [a]		205
Number of re-employed [b]	JTEKT	191
	Group companies	14
Rate of employment [b/a]		100%

### Provision of training and tools to consider asset building

A re-employment system clarifying expectations and roles was launched in FY 2014 aimed at employees who return to work after retirement. In FY 2015, an Asset Building Exploratory Labor-Management Committee was established to discuss pre-retirement asset building so that employees may retire with a sense of reassurance. In FY 2016, the committee organized an increase in the amount JTEKT contributes to the Defined Contribution Plan and confirmed it would be providing training and tools for asset building aimed at raising employee awareness.

### Enhancement of career/life training

JTEKT had already been holding career/life training for employees aged 50 and 55 as an opportunity to think about their career and post-retirement life design, including their health. From FY 2015, JTEKT began holding individual career consultation interviews with employees in managerial positions as an opportunity for them to consult with someone about their post-retirement workstyle.

#### Career/life training participants (FY 2015)

50 years old	Career 50 training participants	103
55 years old	Career/life 55 training participants	202
Total		305

### Employment of people with disabilities

JTEKT actively participates in joint-employment seminars aimed at people with disabilities and strives to provide as many people as possible with interviews and opportunities to apply. We assign such employees to workplaces where they can work comfortably and which suit the specific characteristics of their disability in order to better support their participation as fellow employees.

#### Number of disabled persons employed (Average for 2015)

No. of employees with disabilities	307
No. of employees according to legislation	274
No. over or short	+33
Employment rate	2.23%

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

### [ Employee satisfaction improvement ] Workplace management questionnaires

Every December, JTEKT conducts a workplace management questionnaire for all employees. In FY 2015 as well, we collected comments from employees in both managerial and non-managerial positions at each workplace through questions regarding the “understanding of the workplace mission”, “common perception of the upper management policies”, and “understanding of the connection between the upper management policies and personal themes”, etc. This allowed us to understand management status, such as whether the progress of daily operations is properly controlled and whether company policies are steadily communicated. We aim to create a better workplace by incorporating issues found through this questionnaire into the plan for the following fiscal year.

### Confirming the level of satisfaction through morale surveys

JTEKT conducts a morale survey in December each year, along with a workplace management questionnaire, in order to confirm the level of employee satisfaction/dissatisfaction towards the organization and policies, and their associated reasons. Incorporating the results into the plan for the following fiscal year will lead to improvement in employee satisfaction.

### Adoption of Cafeteria Plan for benefits

JTEKT has adopted a selection-based benefit program (Cafeteria Plan). Employees can freely select from the benefit menu, including food, travel, and family care, according to points received. In FY 2015, the point usage rate was 96.4 percent.

We support our employees in having a fulfilling life through various programs and facilities such as the employee savings scheme, employee shareholding association, dormitories, and gym.

## Together with employees

### Safety and health-related initiatives

#### Social background

The ISO26000 positions work habits as one of its central themes, and as such safety and health at work has been raised as an issue, and corporate safety and health management has been set in detail. Moreover, according to the Ministry of Health, Labor and Welfare, the number of people who take four days or more off work due to injury or illness has reached 110,000 per year and companies are now expected to find feasible solutions to this problem.

#### JTEKT's concept

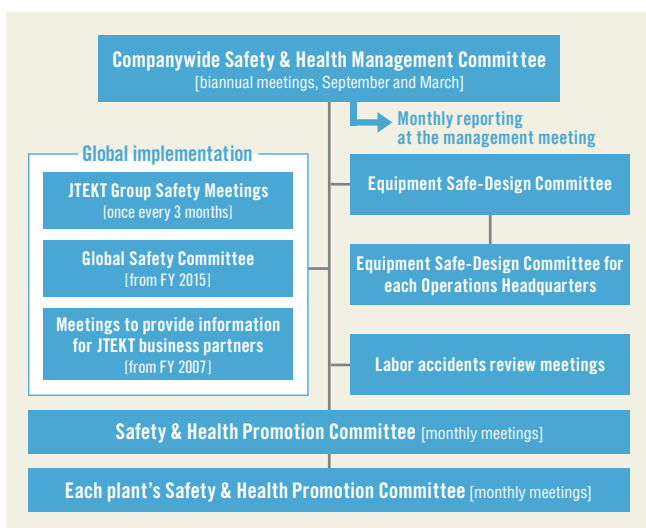
##### Aiming to create a safe and comfortable workplace environment

All JTEKT employees unite to engage in safety and health activities and create a comfortable workplace environment under our Companywide Safety & Health Policy.

##### Promoting activities under a centralized control system

In order to systematically and consistently promote the formation of a safe and comfortable workplace environment, we established a Companywide Safety & Health Management Committee and have formed a centralized control system which covers group companies both in Japan and overseas. JTEKT is rolling out its safety and health activities on a global scale.

##### Safety, health control system



#### Major activities in FY 2015

##### [JTEKT's safety activities]

Activities based on the safety & health management system

By FY 2007, 11 plants and the Higashi-kariya Operation Center had acquired "JISHA OSHMS Standards Certification", certification by the Japan Industrial Safety & Health Association concerning occupational safety and health management systems with an emphasis on risk management. Since then, activities have been ongoing in accordance with the management system. In FY 2014, the Sayama Plant also acquired certification.

##### JISHA OSHMS Standards Certification

**FY 2015** Renewals at Okazaki Plant, Tokyo Plant and Kariya Plant

**FY 2016** Renewals are planned for Nara Plant, Toyohashi Plant, Hanazono Plant, Tadamisaki Plant, Higashi-kariya Operation Center and Tokushima Plant.

##### Aiming for zero work-related accidents ▶ Figure-01

At JTEKT domestic plants and operation centers, we continuously promote various safety and health activities aimed at achieving zero work-related accidents. Such activities include establishing 6 Major Accidents (\*1) which can easily lead to death or impairment and the establishment of safety dojos (\*2) to prevent work-related accidents through improving work and equipment. Since FY 2011 we have placed particular emphasis on countermeasures for "Failure-to-Stop Accidents" (\*3) and continued in FY 2015 to focus on eradicating these as an issue of utmost importance. As a result, we were able to reduce the number of failure-to-stop accidents from 10 in FY 2014, to 9 in FY 2015; however unfortunately, we were unable to fully eradicate them. Also, pedestrian accidents seem to be increasing and the total number of accidents has plateaued (no. of lost-day accidents has fallen). We are working to thoroughly identify the reasons for such accidents and achieve our Safety Vision of "Safety First' No. 1 JTEKT - We can eliminate all accidents!" by accelerating our efforts in developing safety personnel and safe workplaces. In FY 2016, we will first aim to halve the total number of accidents.

\*1 **6 Major Accidents** Accidents arising through pinching/entanglement, heavy objects, vehicles, falling, electric shock and hot surfaces.

\*2 **Safety Dojo** A place where accidents on actual machinery are simulated and employees learn the importance of observing work rules through physical experience.

\*3 **Failure-to-Stop Accidents** Accidents which occur when troubleshooting work or repairs are conducted without first stopping the machine.

##### "Safety Vision" as the pillar of safety activities



## Together with employees

Figure-01

### [ Safety activities of domestic group companies ] Trimonthly Safety Meetings

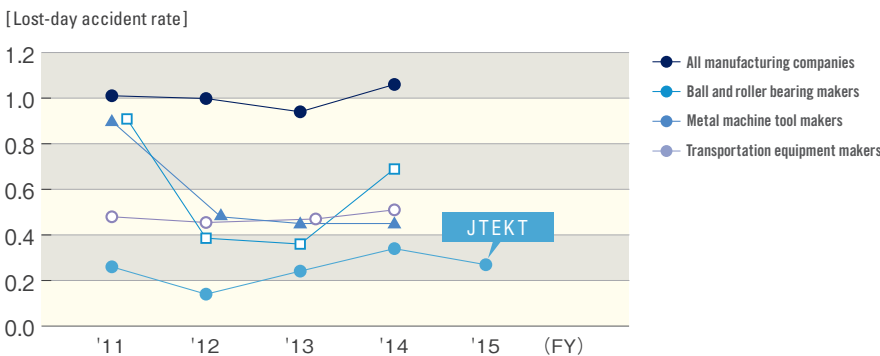
Trimonthly safety meetings are held on a rotation-basis at JTEKT group companies in Japan in order to share a variety of information. The company who hosts the meeting picks up safety hazards through a safety patrol and then follows through on their improvement. Moreover, accidents which occur frequently during set-up changeover work are identified from past accident analysis results and all of the companies worked together on promoting countermeasures for frequently-stopping equipment. As a result, a total of 919 cases were identified and countermeasures are being rolled out.

### Special support activities for companies with frequent accidents

Failure-to-Stop Accidents are the greatest concern for not only JTEKT, but also JTEKT group companies in Japan, and these have been increasing in number since FY 2012. However, JTEKT has continuously conducted special support activities through the *genchi genbutsu* approach for those companies with a high number of accidents, including Failure-to-Stop Accidents. As a result, the number of accidents at the targeted group companies is declining.

Figure-01

### Change of industrial accident frequency rate

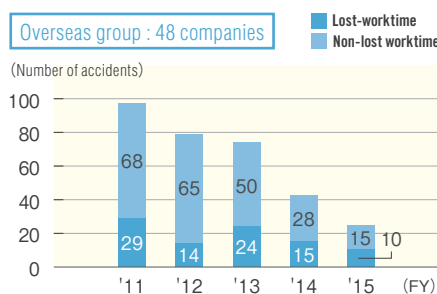
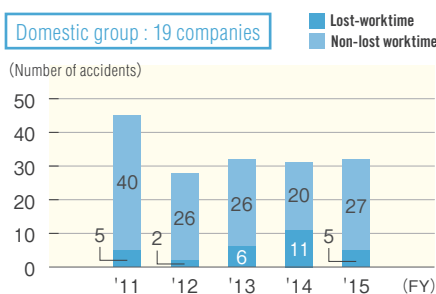


\* The FY 2015 section of the graph only shows the lost-day accident rate for JTEKT.

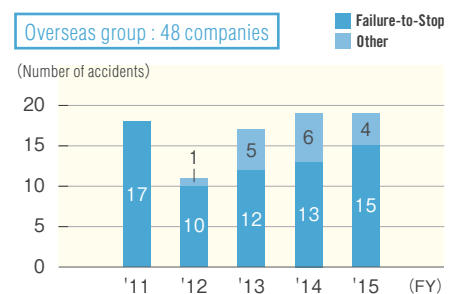
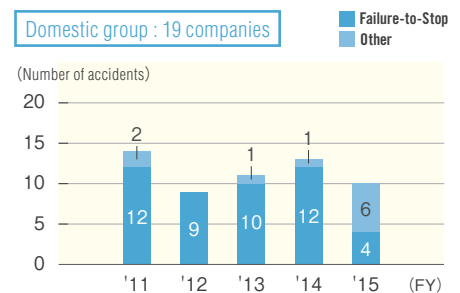
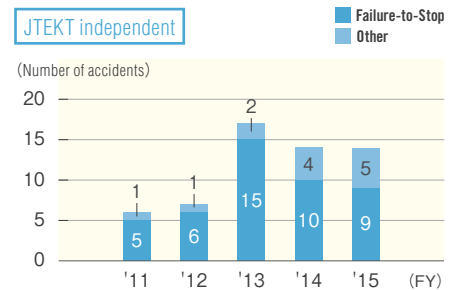
$$\text{Lost-day accident rate} = \frac{\text{Number of lost-day accidents}^{(*)}}{\text{Total work hours}} \times 1 \text{ million}$$

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

### Trend of total number of accidents



### Trend of the 6 Major Accidents



\* The consolidated management scope differs between the Safety & Health Activities Report and Environmental Report. As such, the number of group companies in individual graphs also changes.  
\* Some values differ from last year's report due to revising tallying to not include occupational diseases.

## Together with employees

### Summary of safety activities for FY 2015

#### Major items

- Eradication of frequently-stopping equipment
- Promotion of red equipment (\*1) countermeasures
- QC activity with safety themes ● Prevention of pedestrian accidents
- Refresher training for troubleshooting

#### Promotion of various equipment countermeasures

- Red equipment countermeasures: Completed for 3,901 machines
- Frequently-stopping equipment countermeasures: Completed for 2,316 machines
- Oil-leak countermeasures: 1,547 machines

#### Created workplaces where safety awareness is shared and workers warn each other about unsafe behavior

- Reinforced safety checks using the pointing and calling method, targeting 100 percent execution.
- Promoted proposals for near misses (\*2).  
→ Countermeasures were completed for all 103,254 proposals.
- Actions during safety reinforcement months.  
→ Conducted a safety awareness survey in the form of a questionnaire twice during the year for half of the employees at a time. Analyzed the questionnaire results and shared the contents with other plants.
- Promoted training in safety dojos and shop-based safety dojos (\*3).
- Conducted an actual-condition assessment through a safety diagnosis by DuPont.

#### Global deployment

- Rolled out domestically deployed items to our overseas group companies.  
→ Held investigations when accidents occurred and promoted countermeasures. Promoted monthly safety themed activities. Conducted autonomous safety audits, promoted establishment of safety dojos.

- \*1 **Red equipment** Equipment without covers which still have the risk of trapping hands.
- \*2 **Near misses** A safety and health activity involving gathering and sharing of information on near misses and the devising of reoccurrence prevention measures.
- \*3 **Shop-based Safety Dojo** A safety dojo targeting risk sources and equipment specific to a certain workplace or production line.

Nobuaki Hibino  
Safety & Health Control Dept.

My  
CSR



#### Reducing employee traffic accidents

One of my job responsibilities is concerned with road safety. If I receive information about an accident, I send communication to the department affiliated with the employee involved in the accident cautioning them and urge accident prevention measures are implemented. This makes me more aware of safe driving practices myself. I would like to promote activities which lead to reforming employee awareness towards driving and contribute to the elimination of traffic accidents.

### Improving awareness and knowledge through safety & health education

One of the key requirements of workplace 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), danger-sensing training, and skill training.

\*4 **Basic KYT 4R training** KYT stands for Kiken (danger), Yochi (recognition), and Training. The term "4R" means "4 rounds." This is danger-recognition training through 4 phases.

#### Main training types (number of attendees in FY 2015)

Rank-based training	Safety management training	84
	Group Leader training	149
	New employee training	137
	Training Center student training	76
Special training	Grinding wheel replacement	74
	Low-voltage handling	74
Others	All-Toyota training for those overseeing outside workers	385
	All-Toyota training for those overseeing construction	112
	Elevated-work training	762
	Electric shock prevention training	649
	Education for risk assessment trainers	269
		2,771

### [ Creating a comfortable workplace environment ]

#### Workplace noise countermeasures

JTEKT has been engaging in improvements to eliminate all Noise Level 3 Classification areas (90 dB or higher) however has still not succeeded in achieving this goal. We are promoting improvement activities as per plan, without delay.

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

In order to promote the creation of a workplace environment considerate of senior and female workers, JTEKT introduced our own original ergonomics assessment in FY 2015 and has rolled this out to all domestic plants.

#### Improving high temperature workplaces

From the perspective of worker protection, JTEKT revised work environment measurement standards and began WBGT-based (\*5) assessments in FY 2010. JTEKT's index is WBGT 30°C. We will continue implementing countermeasures in FY 2016.

\*5 **WBGT (Wet-Bulb Globe Temperature)** An indicator incorporating humidity, radiant heat and temperature, which significantly impact a person's heat balance. Calculated using dry-bulb temperature, wet-bulb temperature and globe temperature.

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

Outdoors:  $WBGT = 0.7 \times \text{wet-bulb temp.} + 0.2 \times \text{globe temp.} + 0.1 \times \text{dry-bulb temp.}$   
Indoors :  $WBGT = 0.7 \times \text{wet-bulb temp.} + 0.3 \times \text{globe temp.}$



## Together with employees

### Health-related initiatives

#### Social background

In line with rising health insurance costs and a declining working-age population, companies are expected to proactively engage in health management to maintain and promote the health of their employees. Also, with the revision to the Industrial Safety and Health Act amidst rising emphasis on mental health measures, stress checks became obligatory from December 2015.

#### JTEKT's concept

##### Promoting healthy minds and bodies for every employee

JTEKT values the health of each and every one of its employees and as such, conducts health management activities so that employees may enjoy and go about their daily work with vitality. As an initiative to promote healthy minds and bodies, we proactively

promote mental health activities and activities for the prevention of lifestyle-related diseases.

#### Major activities in FY 2015

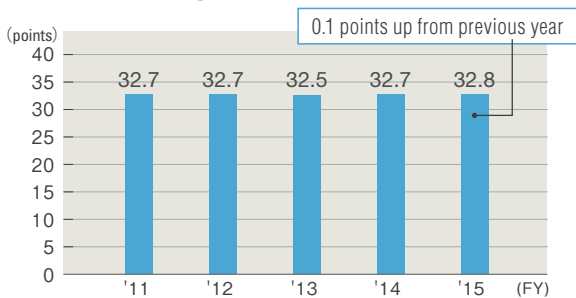
##### [ Achieving mental health ] Ongoing promotion of mental health countermeasures

Figure-01

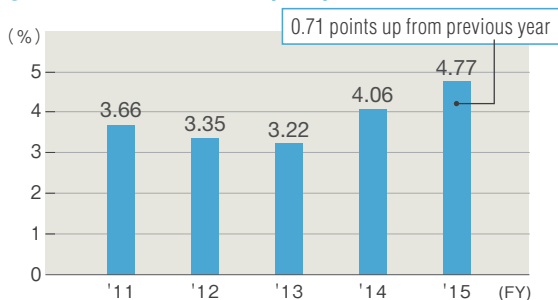
JTEKT continued to promote mental health countermeasures which focused on preventing depression in FY 2015. As a result, while the number of employees in their twenties and thirties who took time off for mental reasons merely levelled off, the number dropped significantly for those in their forties. From FY 2015, JTEKT introduced communication enhancement training as rank-based training due to the relatively high number of managers and supervisors in their forties taking time off of work for mental health reasons in FY 2014. It is believed the number of employees in their forties taking time off work dropped significantly due to a heightened awareness of the importance of workplace harmony and alleviation of interpersonal anxiety.

Figure-01

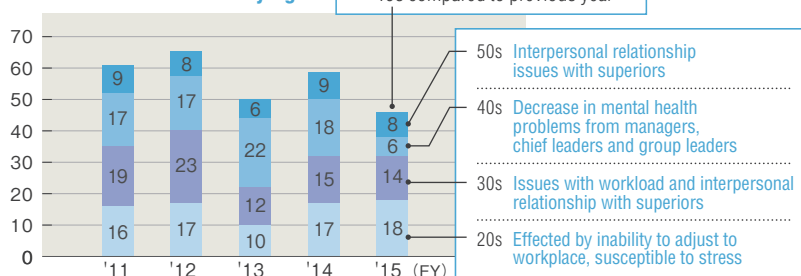
##### Transition of average stress levels (\*1)



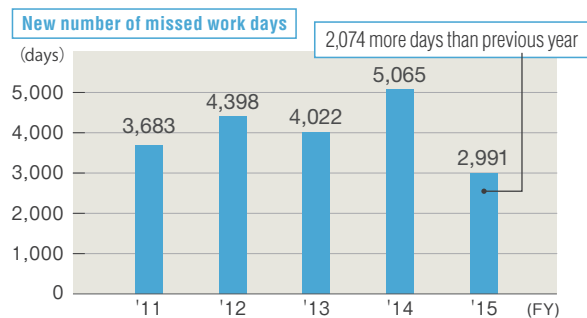
##### High-stress individual ratio yearly transition (\*2)



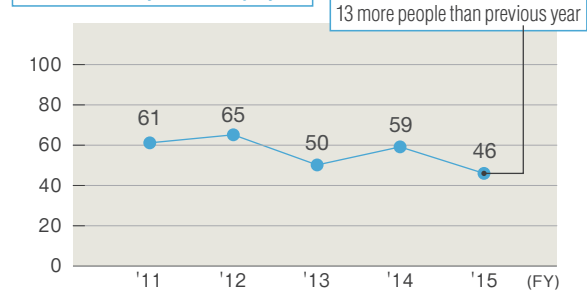
##### No. of new people taking time off work and reason by age



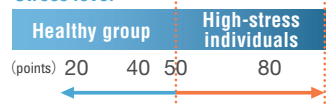
##### Number of work absences due to mental disorders



##### Number of newly absent employees



##### Stress level



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

## Together with employees

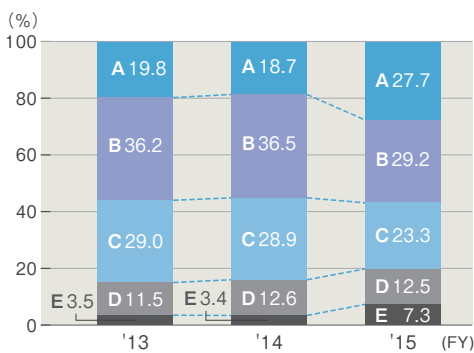
### Implementation of stress checks **New!**

JTEKT conducts stress checks as part of health checkups so that employees may be aware of their own stress levels and know their level of psychological burden. People found to have high stress levels have the option of receiving face-to-face counseling if they require it. The percentage of employees with high stress levels who requested counseling are 17.6 and 13.1% for office/engineering workers and production workers respectively. Assuming that the number of production workers who requested counseling was low as they find it difficult to leave their stations, in FY 2016, we will improve the counseling method to attract as many people to the service as possible.

### Workplace improvement activities based on stress check results

In order to ascertain stress levels in one's own workplace and leverage this to make improvements, employees analyze stress check data in line with workplace units (departments, offices, sections, groups) and report the results to the division head. Compared with FY 2015, Rank A (workplaces full of positive energy) workplaces had increased however Rank D and E workplaces (where stress is being felt) had also increased. As such, JTEKT would like to focus on improving Rank D and E workplaces in FY 2016.

### Stress check results



\* Values differ from last year's report due to a revision to the calculation method.

#### Ranks

- A Extremely good (workplaces full of positive energy)
- B Good (lively workplaces)
- C Normal
- D Poor (workplaces where stress is felt)
- E Extremely bad (high stress levels. Workplace improvement is necessary)

### Mental health training for managers **New!**

JTEKT held mental health training for managers.

#### Mental health training for managers

Theme: Anger management to prevent power harassment

- Held in a lecture style (via video conference)
- Attended by approximately 1,300 people

#### Content

1. About power harassment
2. What is anger?
3. The difference between "to scold" and "to get mad"
4. 3 methods of controlling anger
5. Assertive (good) communication

### Support for employees taking off work due to mental disorders in returning to work

JTEKT supports the return of employees taking off work due to mental disorders, based on the Guidelines for Maintaining and Improving Workers' Mental Health established by the Ministry of Health, Labor and Welfare. Our return to work support program focuses on reoccurrence prevention and cooperates with external organizations such as vocational centers for persons with disabilities. The reoccurrence rate dropped from 0.34 percent in FY 2009 to 0.25 percent in FY 2015.

### Implementation of a "one word from each person" activity

We have been promoting an activity where everyone gives a few remarks according to a monthly theme during morning or afternoon assembly in the workplace. The aim of this activity is to create an opportunity for sharing each other's feelings and thoughts within the workplace and supporting one another. We have received positive feedback from the various workplaces such as "The workplace is cheerier.", "I am in a department which provides overseas support so I gave a speech in English and it helped improve my language ability.", "Workplace communication got better." and "It was an opportunity to get to know one another."

### Trend of excessive work measures

It is a company's obligation to have employees working long hours interviewed by a doctor to ensure health maintenance. During the interview, an industrial physician checks the employee's degree of fatigue and work situation. Employees diagnosed to have accumulated fatigue are given guidance on overtime work restrictions for the next month and on lifestyle.

## Together with employees

### Awareness activities

There is a high possibility that excessive work may lead to cerebral vascular disturbance and ischemic heart disease. As such, JTEKT took into account the health risks related to working long hours and engaged in awareness activities which emphasize points to observe concerning “correction of frequent overtime, working weekends, and non-stop working stretches” and “assessing and controlling work time”.

As a result, we were able to reduce the number of general employees who received long-hour worker health checkups in FY 2015. However, unfortunately the number of employees in managerial positions who received the long-hour worker health checkup rose. In FY 2016 we will continue engaging in activities to make duties more efficient and improve management methods of equalization countermeasures and long hour workplaces.

### Transition of number of employees receiving checkup for working long hours

Managers		Staff	
FY 2011	Approx. 2,511 (Average: 209/month)	FY 2011	Approx. 2,231 (Average: 186/month)
FY 2012	Approx. 2,523 (Average: 210/month)	FY 2012	Approx. 1,563 (Average: 130/month)
FY 2013	Approx. 2,767 (Average: 231/month)	FY 2013	Approx. 1,753 (Average: 146/month)
FY 2014	Approx. 3,004 (Average: 250/month)	FY 2014	Approx. 2,312 (Average: 193/month)
FY 2015	Approx. 4,451 (Average: 371/month)	FY 2015	Approx. 1,854 (Average: 155/month)

\* Health checks for employees who work long hours apply to employees who have worked over 45 hours of overtime a week for 3 months consecutively, including management and general employees as well as employees who have worked over 70 hours of overtime in a single month.

### [ Achieving physical health ]

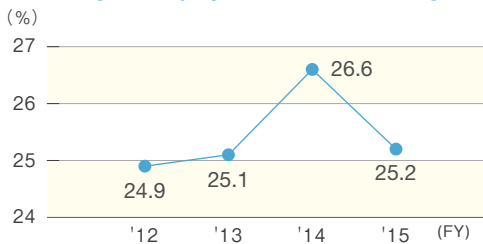
#### Reducing the risk of lifestyle disease ★ **New!**

Beginning with lifestyle-related diseases, we focus on the prevention, early detection and early treatment of illnesses, and actively support the health management of our employees.

With BMI(\*) as one index to measure the risk of contracting a lifestyle disease, JTEKT established the goal of reducing the percentage of employees with a BMI of 25 or higher (excluding fixed-term employees) to 20% or less and are engaging in various activities towards achieving this.

\*BMI BMI is calculated by dividing body weight (kg) by height (m) squared. The Japan Society for the Study of Obesity (JASSO) stipulates that people with BMI of 25 or higher are obese.

#### Percentage of employees with BMI 25 or higher



### Special health guidance

The program that JTEKT began in 2008 for special health checkups and healthcare guidance is gradually taking hold. JTEKT is taking assertive action towards the objective of eradicating metabolic syndrome.

In FY 2015, with the aim of improving the level of satisfaction of employees who completed the program, we improved the teaching material used for giving guidance to make it more straight-forward. As a result, the level of satisfaction rose from 70% the previous year to 88%. We will continue enhancing the content of the program to increase satisfaction levels even further and realize highly effective health guidance which leads to the improvement of lifestyle habits.

#### FY 2015 healthcare guidance implementation

No. of those applicable [ a ]	1,327
people participating [ b ]	889
% of total [ b/a ]	67.0%



Special health guidance teaching material

### New, overnight stay-based health guidance ★ **New!** (Smart Life Stay)

In FY 2015, JTEKT participated in the overnight stay-based health guidance (Smart Life Stay) trial program introduced by Japan's Ministry of Health, Labour and Welfare as a new initiative to prevent lifestyle diseases. This program utilizes local tourism resources and accommodation facilities and is offered through the collaboration of many occupational types, including welfare workers, nutritionists and fitness instructors. JTEKT participated in the program held for two nights and three days from August 24th at Kaminoyama city, Yamagata. The nine JTEKT employees that participated in this experience said their health awareness improved significantly and their lifestyle habits are improving on an ongoing basis. All nine achieved their goals after six months. JTEKT will continue utilizing this program while increasing the number of employees targeted in order to improve the lifestyle habits of as many employees as possible.

#### Content of the 2 night/3 days stay



Stretching class

600 kcal diet

Healthy walking

Making wine labels with goals written on them

Change in average weight of nine participants after six months  
**-4.3kg**  
 Change in average abdominal girth  
**-5.1cm**

#### Results of Participant F after three months

Weight -4.4kg  
 Abdominal girth -6.0cm



#### Feedback from participating employees

- I was able to concentrate on learning about exercise and diet in an environment that differed to my every day one.
- Thanks to having support over the six-month period I was able to keep going to the end without giving in and achieve my goal.

## Together with employees

### Walking campaign

JTEKT held walking campaigns aimed at encouraging employees to adopt better daily exercise habits. A map for participants to record the number of steps they took while walking was distributed as an insert in the company newsletter.

Participants filled in the squares on the map depending on the number of steps they'd taken and gradually near their goal. The first round was held in March 2015 and the second in November. Due to the small number of participants in the first round (232 employees) we made various creative improvements for the second round including 1. Improving awareness-raising of the upcoming campaign, 2. Setting different courses to suit various participant levels, and 3. The addition of a team participation option. As a result of these efforts, 700 employees participated in the second round, a significant increase, allowing even more employees to experience the joy and benefits of walking first-hand. In FY 2016, we are investigating new ways to increase participation so that even more JTEKT employees will take up good exercise habits.



Team awarded for the team category

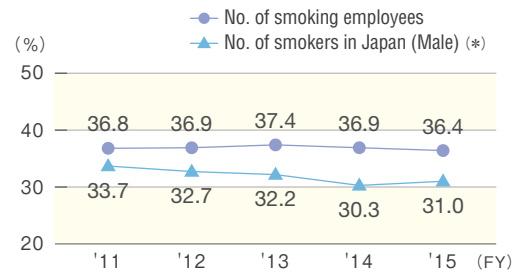


### Quit Smoking campaign

With a goal of reducing the percentage of JTEKT employees who smoke to 32% or less by the year 2020 (excluding fixed-term employees) the Quit Smoking Challenge is an ongoing activity whereby industrial medical practitioners positively support employees who wish to quit smoking.

In FY 2015, a questionnaire on smoking was completed by 2,531 employees with a focus on managerial positions. The result showed that of all the smokers, only 11% wanted to quit smoking. In the future, we will not only continue the Quit Smoking Challenge, but also strengthen anti-smoking education stressing the risks involved with smoking. Moreover, we will strive to reduce the percentage of smokers and prevent passive smoking by focusing not only on individuals but also smoking environments and workplaces.

### Transition of percentage of smokers



\* From an investigation by JT

**Hideko Sugimoto**  
 Personnel and General Administration Division  
 Personnel Dept.  
 Personnel Office  
 Health Promotion Group

My  
 CSR



**To be energetic and vital every day**

It is my hope that all JTEKT employees can be energetic and vital every day. At the Health Promotion Group, we provide special health guidance, mental health countermeasures and health-enhancement activities from the perspective of disease prevention. I get such joy out of my work when I receive feedback such as "I'm so glad I spoke with you", "I feel like a weight has been lifted" and "I became positive", and see the employee's smile return. I'd like to continue health management activities so employees can experience the joy of working in good health.

# Together with local communities

## Social background

The importance of participating in and contributing to the local community is one of the seven core themes of ISO26000. The 4th version (G4) of the GRI Guidelines touches on local community development programs based on the needs of local community. As “corporate citizens”, companies are expected to contribute to the local society in a variety of ways.

## JTEKT’s concept

### “Social contribution activities” as one of the Corporate Activities Standards

One of JTEKT’s Corporate Activities Standards is “As a good corporate citizen, aggressively pursue activities that contribute to society.” The Social Contribution Working Group under the CSR Promotion Committee leads in expanding a variety of social contribution activities, supported by activities rooted in the local community, proactive individual activity towards building nature and culture, and activities to support the affected areas of the Great East Japan Earthquake.

### What we want to achieve

▶ Figure-01

JTEKT promotes activities for social contribution as a good corporate citizen, with the aim of developing alongside the local community. For activities befitting JTEKT, each base actively interacts with their local communities, aims to solve regional issues and engages in actions rooted in the local community.

## Major activities in FY 2015

### [ Communication ]

In FY 2015, there were a total of 657 cases of social contribution activities (of which 123 were new) reported by domestic bases. At JTEKT, we believe that identifying the needs of the community through interacting with its members is the first step in achieving activities rooted in the local community therefore community discussions, plant festivals, etc. were held at each base to deepen communication with the region.

### Holding community discussions at all plants

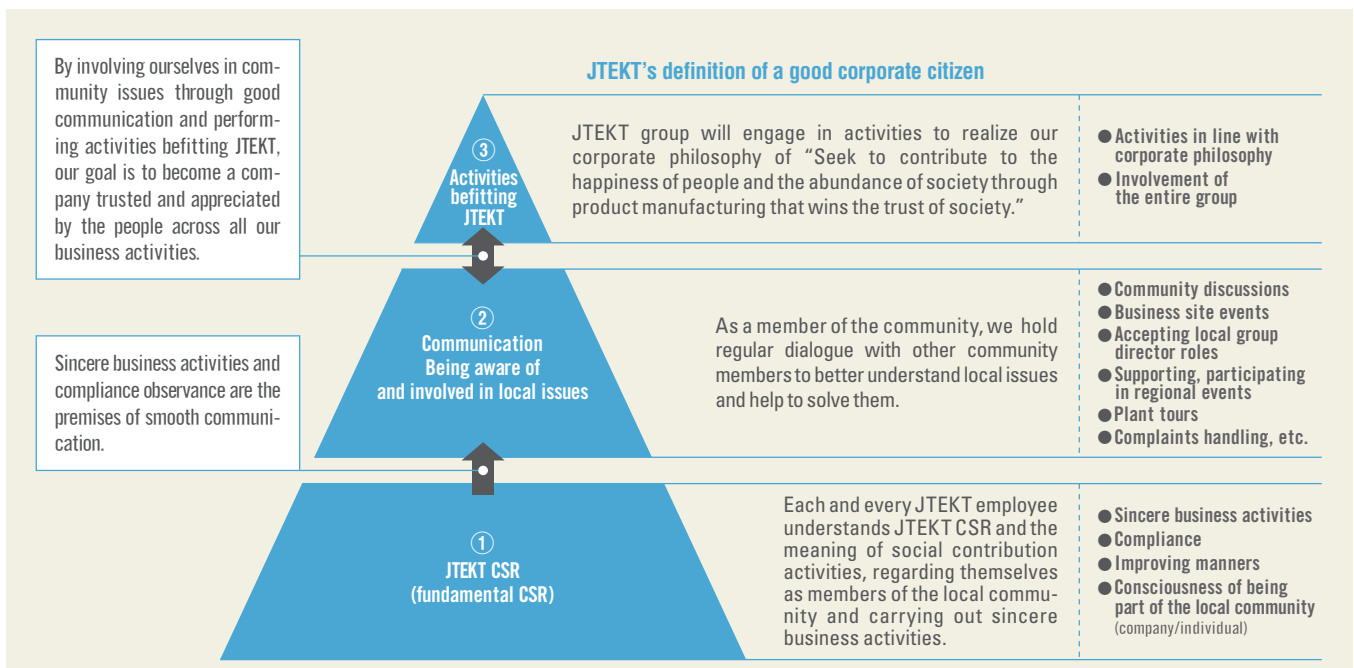
We periodically invite local government officials and community members to participate in community discussions at each plant and operation center. At these discussion sessions, we report achievements and exchange opinions concerning environmental conservation activities, and conduct plant tours, etc., to build a good relationship with the local community. During FY 2015, sessions were held at all 12 plants and at the Higashi-kariya Operation Center.

→ E\_12-24 Related article

### Deepening friendships through plant festivals

Each of JTEKT’s plants and operation centers hold festivals every year, with stage shows, games, employee-run stalls and more. The aim is to promote friendship between employees, families and the local community. Festivals were held at 12 plants and at the Higashikariya Operation Center in FY 2015, counting a total of 8,720 visitors.

▶ Figure-01



## Together with local communities

Introduction of activities

### Holding a community discussion

Kokubu Plant (Kashiwara city, Osaka)

On February 13th, 2016, Kokubu Plant invited eight members of the local community to participate in a community discussion. This occasion involved a plant tour, exchange of views and a Q&A session, with the aim of deepening the guests' understanding of JTEKT. There were no complaints or requests made relating to the environment.



Feedback from a participating local resident

Mr. Kadotani  
Kokubuhiganjocho

We listened to JTEKT's requests and then they listened to the thoughts of the town assembly. On behalf of the town assembly, it is my hope that we continue to cooperate and get along well.

Introduction of activities

### Around 1,300 visitors to a plant festival

Nara Plant (Kashihara city, Nara prefecture)

Nara Plant held a plant festival which attracted around 1,300 visitors, including employees and their family, concerned parties and community residents. Local government also participated and much fun was had to mark our 10-year anniversary, including a performance by the Unebi junior high's brass band and an inter-workplace quiz contest.



Introduction of activities

### "No texting while walking" campaign at train station

Higashi-kariya Operation Center (Kariya city, Aichi)

Together with the neighboring Brother plant, Higashi-kariya Operation Center held a "No texting while walking" campaign at JR Noda-shinmachi station on June 1st and 15th. Four people from each company participated, handing out pocket tissues and raising awareness.



## [ Nurturing of young community members ]

Through activities such as *monozukuri* classes and sporting events, JTEKT contributes to the nurturing of young community members.

Introduction of activities

### Workplace experience for junior high school students

Hanazono Plant (Okazaki city, Aichi)

On August 3rd and 20th, workplace experience was held for ten Year 2 students from Sinkayama junior high and two Year 2 students from Iwatsu junior high, respectively. The content covered pouring melted aluminum into molds and making a transistor radio.



Introduction of activities

### Volleyball lesson by players

Kagawa Plant (Higashikagawa city, Kagawa),  
Tokushima Plant (Itano ward, Tokushima)

Four players from JTEKT's volleyball team, STINGS, gave volleyball lessons in Kagawa prefecture and Tokushima prefecture on August 4th and 5th, respectively. The Kagawa lesson was participated in by around 100 volleyball club members ranging from local elementary students to senior high students. After practice, the players offered an autograph session and commemoration photo and smiles aplenty lit up the children's faces. A total of 62 people attended the Tokushima lesson, including local elementary and junior high school students as well as children of JTEKT employees. The participants seemed to have great fun at the same time as practicing with sincerity under thorough guidance tailored to suit individual age and experience.



Introduction of activities

### Awarded by Thai government for education support

JTC (Thailand)

JTEKT received an award in recognition of proactively accepting interns as part of an initiative by the Thai government to educate and raise the status of college students (3-year college). We will exert even more effort to develop professionals so that we may continue contributing to the advancement of the Kingdom of Thailand.



## Together with local communities

### [ Welfare support ]

JTEKT supports the socially vulnerable, such as sick persons and those with disabilities, in many ways.

Introduction of activities

#### Promoting volunteer activities with welfare support goods **New!**

All domestic bases

JTEKT strives to create a corporate culture in which its employees proactively engage in volunteer activities. In FY 2015, JTEKT held a “Once a year, volunteer” activity in which novelty items were distributed to employees who volunteered. Novelty items were selected for each base in consideration of supporting persons with disabilities, disaster-affected areas and contributing to the surrounding community.

(Examples)



Kagawa Plant novelty item



Nagoya Head Office novelty item



Tokai Branch Office novelty item



Local water products were Tokyo Plant novelty items

Distributing job-seeker support facility cookies to each base as a novelty item

Introduction of activities

#### Contemplating welfare through experience **New!**

Toyota Branch Office (Toyota city, Aichi)

Toyota Branch Office held an event simulating what it felt like to be elderly, pregnant and bound to a wheelchair. 69 people participated. Responses to a questionnaire completed after the event included “I realized how hard it was to be pregnant.” And “Next time I see someone having trouble around town, I’ll call out to them.”, showing that this event was significant in urging people to think about how they can be involved in the welfare of others.



### [ Road safety and fire prevention ]

Our company actively promotes a number of road safety activities, including “risho” (\*). We also believe that fire prevention is very important to maintaining a relationship of trust with the community and as such implement thorough fire prevention measures.

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

Introduction of activities

#### Proclaiming road safety as a citizen representative **New!**

Kariya Plant (Kariya city, Aichi)

On September 25th, as part of the nationwide road safety awareness campaign held every autumn, the Traffic Safety Council of Kariya City hosted a traffic safety rally at the JR Kariya station’s south exit square. The mayor, precinct chief and chairman of Kariya city, along with around 200 people from related organizations and Toyota group companies participated in the rally, and a JTEKT employee served as a representative of Kariya citizens, powerfully reading aloud a proclamation hoping for the elimination of road accidents. After the proclamation was read out, all rally participants carried out road safety rischo.



Introduction of activities

#### Players become police officers for a day **New!**

STINGS

On April 12th, 2016, four JTEKT employees had the experience of being police officers for a day at Kariya Police Station, in Kariya city, Aichi. As part of the nationwide road safety awareness campaign held every spring, the four raised awareness for the prevention of road accidents at Kariya Highway Oasis and distributed a keyholder depicting this theme. Afterwards, the four participants conducted awareness-raising activities for JTEKT employees at Kariya Plant.



## Together with local communities

### [ Community clean-up and beautification ]

Employees proactively participate in cleaning up around plants to enhance coexistence with the community.

Introduction of activities

#### Cleanup activities at all domestic bases

All domestic bases

Every year JTEKT holds community beautification activities to raise company environmental awareness. In FY 2015, these activities were held at all twelve plants, the Higashi-kariya Operation Center and all head offices and branches.



Tokyo Plant: Cleanup Tama River Campaign



Okazaki Plant: Cleanup Route 1 hosted by Okazaki City



Kawai Distribution Center: Cleanup Otsukayama Tombs



Higashinohon Branch Office: Gathering of fallen ginkgo tree leaves in Ginza

My CSR



Katsushi Fujiwara  
Yasuhiro Hosoda  
Toshiaki Yamamoto  
Takahiko Akamatsu  
Yuuji Hitomi  
Kazunori Kondou  
Tetsuya Oonishi  
Koyo Sealing Techno Co., Ltd.

#### Building an abundant society together with communities

Koyo Sealing Techno works hand in hand with the community to keep the town tidy. We have been participating in the Tokushima Adopt Road Program which aims to keep Tokushima prefectural roads clean and around thirty employees participate in a concentrated cleanup activity held by the community seven times a year. We also collaborate with local police to hold road safety awareness activities and received an award from the Ministry of Health in November 2015 for its blood donation activity. Koyo Sealing Techno would like to continue engaging in activities closely affiliated with the local community and help to vitalize it even further.

### [ Environmental preservation ]

JTEKT considers environmentally-orientated social contribution to be of great importance. Each plant and operation center engages in a variety of environmental preservation activities with community members.

Introduction of activities

#### 140 participants in a dragnet haul and coastline cleanup activity

Toyohashi Plant (Toyohashi city, Aichi)

Since its beginning in FY 2013, the third Sandy Beach Fureai Walk was held on November 7th. Toyohashi Plant employees and their families participated with local elementary school students and their families, making up a total of 140 people who took part in the event, which involved a dragnet haul and cleaning up of the coastline. Approximately 60kg of rubbish was collected from the coastline, contributing to the beautification of the area. JTEKT volunteers carried out an environment-related quiz.

→ E\_25 Related article



#### Feedback from participating employees

Toshie Takeshita  
Steering Systems Business Headquarters  
Toyohashi Plant Process Engineering Dept.

I was so glad I could participate with my children because apart from the actual cleanup itself, there was a dragnet haul and plenty of other fun things to do!

My CSR



Akira Michifusa  
Takashi Yamaji  
Takako Miyake  
Koyo Machine Industries Co., Ltd.

#### What each individual can do today for a better future

The head office of Koyo Machine Industries is located in Osaka, while the plant is located in Nara. The Yamato River runs through both Osaka and Nara and on the first Sunday of every March, a concentrated cleanup day is held to keep the river beautiful and improve water quality. Koyo Machine employees and their families participate in this event. It is uplifting that the amount of rubbish seems to be decreasing year after year. We would like to continue engaging in activities which place importance on harmony with the community.



## Together with local communities

Introduction of activities

### Participation in a natural lake cleanup activity **New!**

Tadomisaki Plant (Takahama city, Aichi)

Aburagafuchi is Aichi prefecture's only natural lake located approximately 3km east from Tadomisaki Plant. The fourth Sunday of every July has been proclaimed Aburagafuchi Purification Day and on this day the four surrounding cities of Hekinan, Anjo, Takahama and Nishio make a concentrated cleanup effort. As part of a new biodiversity activity, five employees of Tadomisaki Plant participated in an activity to cleanup Hieta River, which is a tributary river to Aburagafuchi. We wish to continue participating in the monthly monitoring of Aburagafuchi's water quality. [→ E\\_25 Related article](#)



#### Feedback from participating employees

Shogo Asai  
Environment Control Dept.

Tadomisaki Plant believes that interacting with local residents and contributing to coexistence with nature are also extremely important for JTEKT itself. We will continue proactively engaging in such initiatives, including joint activities with other plants.



Yoshinobu Ohta  
Toyooki kogyo Co., Ltd.

My CSR



### Environmental promotion together with Hacchi River

Toyooki Kogyo is nestled amongst the natural beauty of Okazaki city's east. Okazaki city aims to become a city which coexists with the environment and is abound with water and greenery. As part of this, we contribute to the creation of a regional society where people can live comfortably in a way that is gentle on the environment. Every year, the river that runs immediately beside our company building lights up with the Luciola cruciate, a type of "flashing" firefly. Toyooki Kogyo would like to protect this environment together with local residents.

### [ Disaster area support ]

It has been five years since the Great East Japan Earthquake, yet devastated areas are still in the midst of recovery and reconstruction. JTEKT has designated the support for disaster areas as a pillar of our societal contribution activities, and our employees continue to participate in support activities. JTEKT also supports the areas devastated by the Kumamoto Earthquake.

Introduction of activities

### Donation to the Kesennuma Asobiba Community Organization **New!**

Toyohashi Plant (Toyohashi city, Aichi)

JTEKT's Toyohashi Plant donated 1.1 million yen to Kesennuma Asobiba, a community organization in Kesennuma, Miyagi prefecture that provides children with somewhere to play. At a ceremony held in Kesennuma on September 25th, Kesennuma Asobiba's representative, Miwako Suzuki expressed her appreciation, saying "The children still have rubble in their hearts from the earthquake/tsunami disaster. We will use the money carefully so that Asobiba can continue providing children with a place to play."



Introduction of activities

### Volleyball lesson in Kesennuma STINGS

On September 26th, JTEKT's volleyball team, STINGS, held a volleyball lesson as a part of disaster area support at Motoyoshi-hibiki High in Kesennuma city. This time they received a banner from the students with a heartfelt message which deeply touched the players.



## Together with local communities

Introduction of activities

### Charity caravan supporting disaster areas

All domestic bases

Continuing on from last year, JTEKT ran charity caravans supporting disaster areas at all of its domestic bases as a companywide support activity utilizing the cafeteria menu and vending machines. The “matching gift” scheme was also carried on from previous years. This scheme involves JTEKT contributing to the overall donation amount by an amount equivalent to the donations from employees themselves. Together with the independent charity projects of each base, we collected a total of 3,302,973 yen in donations.

Donations

FY 2013 → 2,314,976 yen

FY 2014 → 2,620,525 yen

FY 2015 → **3,302,973 yen**

\\ Ongoing in FY 2016! //

Achieved the goal of 3 million yen set at the outset in the third year!

### Game invitation and donation ceremony **New!**

JTEKT invited a total of 170 people to watch its volleyball team, STINGS, play in Iwate prefecture on January 9th. Invitations were extended to senior high school students from Minamisanriku town, Kesenuma city (Motoyoshi district), elementary/junior high school students from Otani and Omose districts, Kesenuma Asobiba, a community organization providing children with a place to play, and so on. After the game, a social gathering and donation ceremony from JTEKT’s charity caravan took place. A total of 3 million yen was provided in the form of volleyball goods and cash to the senior high school volley ball team from Motoyoshi district and 300,000 yen was donated to Kesenuma Asobiba.



Introduction of activities

### Donation of 3 million yen to areas affected by the Kumamoto Earthquake

**New!**

JTEKT and all JTEKT groups

JTEKT and all JTEKT groups donated 3 million yen to areas affected by the Kumamoto Earthquake that occurred in April 2016. Moreover, between April 18th and June 23rd, we also accepted machine tool service requests on a 24-hour basis in order to help customers affected by the earthquake resume production.

# Together with shareholders and investors

## Social background

The transparency of company management is scrutinized, making it increasingly important to disclose information in an accurate and timely manner and establish accountability. Moreover, in the financial sector as well, it is becoming more commonplace to emphasize ESG(\*1) information when assessing a company's value. Therefore, it is important for a company to be able to balance earning power with business sustainability.

\*1 ESG Abbreviation for Environment, Social and Governance; the matters a company is expected to consider as their responsibility when conducting business activities.

## JTEKT's concept

### Aiming for highly transparent management

One of JTEKT's Corporate Activities Standards is "Maintain close communication not only with shareholders but also with society at large, disclose corporate information properly, and strive continuously to improve company value." Based on this concept, we guarantee transparent management, and strive to construct a long-term relationship of trust with shareholders and investors.

## Major activities in FY 2015

### Information disclosure and IR activities

JTEKT not only observes rules on legislated disclosure and timely disclosure, but also strives to increase the transparency of its management. In addition, in order to deepen understanding of JTEKT and the JTEKT group by shareholders and investors, the company also actively discloses information that is both well-timed and appropriate voluntarily and in a fair manner, through various IR activities.

### End-of-period IR results briefing

At the end-of-period IR results briefing for analysts and institutional investors held in May 2016, direct dialogue was had regarding the status of each JTEKT business with the general manager

of each business headquarters in attendance. We incorporate feedback received through such dialogue in the annual review and revision (\*2) of our mid-term management plan and strive to reflect it in our business activities.

\*2 Review and revision Regularly revising a plan to suit changes in the management environment.

### Main IR activities

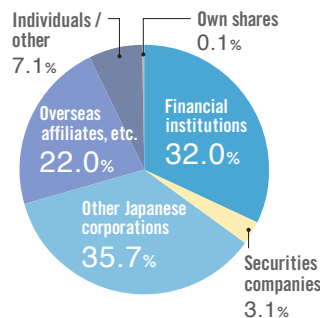
Target	IR activity
Domestic institutional investors/stock analysts	<ul style="list-style-type: none"> <li>Hold IR results briefing and small meetings</li> <li>Individual interviews</li> <li>Issue annual reports</li> <li>Conduct plant tours</li> </ul>
International institutional investors	<ul style="list-style-type: none"> <li>Individual interviews</li> <li>Participate in stock company-hosted conferences</li> <li>Issue annual reports</li> </ul>
Individual shareholders/individual investors	<ul style="list-style-type: none"> <li>Notify business reports and summons of General Meeting of Shareholders</li> </ul>

### Shareholder status

Current as of end of March, 2016, the number of shares issued was 343,286,000 and the breakdown of shareholders is as follows.

#### Shareholder distribution status

→ J\_47 Related article



Financial institutions	109,845	thousand shares
Securities companies	10,741	thousand shares
Other Japanese corporations	122,458	thousand shares
Overseas affiliates, etc.	75,574	thousand shares
Individuals/other	24,397	thousand shares
Own shares	269	thousand shares
<b>Total</b>	<b>343,286</b>	<b>thousand shares</b>

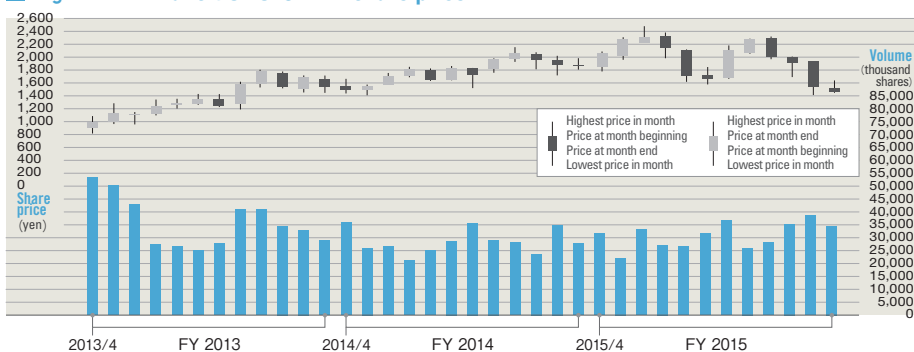
As of end of March, 2016  
(anything less than 1,000 rounded down)

### Business performance and return of profits

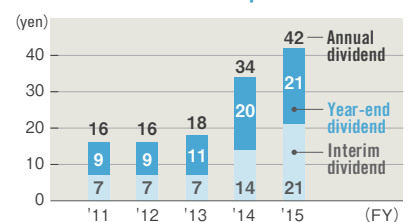
▶ Figure-01

JTEKT considers ongoing stable dividends a basic premise and comprehensively considers performance and payout ratio in order to satisfy the expectations of our shareholders. Based on this policy, the dividend per share for FY 2015 was 42 yen, an increase of 8 yen from last year's amount. → J\_17-47 Related article

▶ 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	