



Improve corporate value by developing human resources who put JTEKT Basic Principle into practice

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Basic Approach to Human Capital

For our company to continue growing in the rapidly changing and unpredictable business conditions, we believe it is essential that each individual employee thinks about what they can do to help advance our business, and then execute their ideas.

We are developing human resources and organizational structures that embody the JTEKT Basic Principle. We are seeking to build “a company where people can say what they think and do what they want” with employees who feel highly motivated, a sense of purpose in their work, and that they have ample opportunities for personal growth.

The Company has been directing the development and assignment of human resources, but in the future we will need to fulfill not just the Company’s human resource strategy but also individual’s career expectations. We are therefore creating a human resources structure that matches the HR strategy for our human capital portfolio and each employee’s career ambitions.

Human Resources Strategy

We started compiling a portfolio of our domestic human capital in 2022 as a first step toward formulating a human

resource strategy based on the human resource portfolio. When complete, we will then formulate an ideal human capital portfolio for our business strategy. To help us determine the optimal placement for each employee, we provide career development support by holding individual consultation meetings where we encourage them to describe their vision for their career in the future. In 2022, we also introduced an internal recruitment system for employees to select their own career paths. To date, 19 employees have used the system in place of the standard transfer system. The internal recruitment system has a 63% post fulfillment rate and a 19% rate of matching employees to their desired positions.

Our Human Capital Development Policy states that our employees are indispensable assets for our corporate activities. Solving problems is the foundation of our business, and we actively develop the problem-solving skills of our human capital with a series of programs that employees participate in during their first four years in the Company. The program focuses specifically on developing skills related to the changing business conditions and the anticipated future needs of our clients. In helping employees to define their own careers, we also encourage and support employees with reskilling to keep their expertise up to date with the changing demand, such as for digital technology proficiency.

In our personnel systems, we have formulated systems designed to reward roles and responsibilities while stimulating

motivation for skill development by organically linking the three elements of human resource development, performance evaluation, and employment conditions.

In April 2023, we revised the personnel system to incorporate a ranking system for the role played and other activities for all keypositions, including professional positions. The revised system eliminates mismatches between a post and employment conditions and enables us to provide appropriate conditions for human resources with high-level expertise by treating them as professional positions (which was not recognized under the existing salary structure). As labor mobility increases, the system will also improve our ability to strategically hire the experienced talent we will need for our business activities.

	Previous system Professional qualification system	Revised system Ranking systems based on role and other factors
Overview	Rank determined by job performance Ability equivalent of a general manager	Rank determined by the role Role equivalent of a general manager
Attributes	<ul style="list-style-type: none"> Conditions: Compensation not matched to job responsibilities and roles. Compensation unchanged, even with change in role. Promotion: Regular fixed-percentage salary increase. 	<ul style="list-style-type: none"> Conditions: Compensation able to be matched to responsibilities and roles. Compensation changes when the role changes. Promotion: Appointment, instead of promotion.

Improving Workplace Culture

We are implementing measures to strengthen employee engagement by creating worksites where employees can be open and speak freely. Measures include conducting surveys to gauge employee satisfaction, which we are using to ensure diverse human resources can take the initiative and work with enthusiasm. Each worksite receives the survey results so they can take specific steps to improve their workplace culture.

Employee Satisfaction Surveys

Survey title	Purpose	Frequency
Employee Survey	Determine the level of policy understanding, identify workplace issues	Annual
Employee Net Promoter Score (eNPS)	Receive workplace recommendations (introduced in FY2023) * First survey: -69 points (target is -60 points)	Annual
Ta-i-wa (Dialogue) Survey	Assess the status of dialogue and the open workplace	Monthly
New Employee Pulse Survey	Identify motivation changes and eliminate uncertainty during the first three years of employment of new graduate and mid-career hires	Monthly

We have also instituted a Work from Home Program* to support work efficiency and work-life balance. The program allows employees to choose the workstyle that is best for them.

* FY2022 Percentage of employees working from home: 36%

Work from Home Program

Eligible departments	Indirect departments
Eligible personnel	Department manager provides authorization based on the department conditions and the individual’s level of proficiency
Eligible job content	Department manager determines job content that can be performed outside the office

Diversity & Inclusion

As business conditions become increasingly volatile, we believe that a workforce of people of diverse genders, nationalities, age, and cultures is essential to ensuring a company’s ability to continue to grow.

We are developing and improving our various employee systems, such as our programs for employees balancing work and childcare, and making it easy for all employees to take advantage of the systems with the aim of creating a workplace environment in which all employees can make the most of their abilities, experience, and individuality.

	FY2022 Results	FY2025 Targets
Number of female managers	34	Minimum 40
Percentage of eligible male employees taking childcare leave	32.1%	Minimum 50%

Health

We believe that one of the essential elements to maintaining sustainable growth for our business is employees that are in good physical and mental health. We are advancing various programs to help our employees thrive in their work, beginning with programs to support people with mental health issues, prevent and reverse lifestyle-related diseases, and raise health awareness.

We also conduct health assessment surveys of employee lifestyle habits (cause) and the reasons leaves are taken (result), and publish the results on our website.

[Click here to see the health assessment results](#)

<https://www.jtekt.co.jp/e/sustainability/society/employee/health.html>

We are conducting these programs and initiatives as support for all of our employees and to create a workforce and workplaces where everyone feels a sense of purpose in their lives and work.

Developing our Human Resources and Organizational Structures

