



**Financial results for the fiscal year
through March 2008 and business
plans for the current fiscal year**

May 20, 2008

JTEKT Corporation

**1) Results for fiscal year through
March 2008**

1-1 Financial data

JTEKT(billions of yen)
Comparison

	FY ended 3/07	FY ended 3/08	
Net sales	1,025.2	1,157.5	112.9%
Operating income	64.6	77.6	120.1%
Ordinary income	66.9	72.8	108.9%
Net income	44.9	43.4	96.8%

1-2 Financial data

JTEKT(billions of yen)
Comparison

	FY ended 3/07	FY ended 3/08	
Inventory assets	123.7	130.4	105.4%
Loans & bonds	193.8	188.5	97.3%
Capital investment	60.3	58.9	97.7%
Depreciation	44.0	51.0	115.9%

1-3 Sales by product type

JTEKT

 (billions of yen)
 Comparison

	FY ended 3/07	FY ended 3/08	
Functional parts	825.6	954.6	115.6%
Machine tools, etc	199.6	202.9	101.7%
Total	1,025.2	1,157.5	112.9%

1-4 Sales by region

JTEKT

 (billions of yen)
 Comparison

	FY ended 3/07	FY ended 3/08	
Japan	595.1	634.4	106.6%
Europe	188.7	231.9	122.9%
North America	154.2	170.6	110.7%
Asia/Oceania	72.5	104.5	144.1%
Other regions	14.7	15.9	108.6%
Total	1,025.2	1,157.5	112.9%

1-5 Operating income by product group

JTEKT

(billions of yen)

	FY ended 3/07	FY ended 3/08	Increase/decrease
Functional parts	43.6	59.5	15.9
Machine tools, etc.	21.1	18.1	3.0
Eliminations	0.2	0	0.1
Total	64.6	77.6	13.0

1-6 Operating income by region

JTEKT

(billions of yen)

	FY ended 3/07	FY ended 3/08	Increase/decrease
Japan	48.7	49.1	0.3
Europe	1.1	4.8	3.6
North America	3.9	5.4	1.5
Asia/Oceania	9.9	16.3	6.3
Other regions	1.6	2.1	0.4
Eliminations	0.9	0.3	0.5
Total	64.6	77.6	13.0

**2) Business plan for fiscal
year through March 2009**

2-1 Financial data

JTEKT(billions of yen)
Comparison

	FY ended 3/08	FY ended 3/09	
Net sales	1,157.5	1,160.0	100.2%
Operating income	77.6	68.0	87.6%
Ordinary income	72.8	66.0	90.5%
Net income	43.4	38.0	87.5%
Capital investment	58.9	61.0	103.5%
Depreciation	51.0	55.0	107.7%

1-3 Sales by product type

JTEKT

 (billions of yen)
 Comparison

	FY ended 3/08	FY ended 3/09	
Functional parts	954.6	949.5	99.5%
Machine tools, etc	202.9	210.5	103.7%
Total	1,157.5	1,160.0	100.2%

2-3 Sales by region



(billions of yen)
Comparison

	FY ended 3/08	FY ended 3/09	
Japan	634.4	641.0	101.0%
Europe	231.9	227.5	98.1%
North America	170.6	155.5	91.1%
Asia/Oceania	104.5	122.0	116.7%
Other regions	15.9	14.0	87.7%
Total	1,157.5	1,160.0	100.2%

3) JTEKT business stance

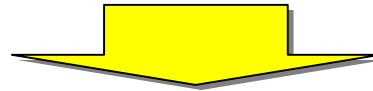
3) JTEKT business stance



< Business environment >

Weak dollar, US economic slowdown, rising costs of fuel, steel and other raw materials

Steady growth in developing countries



< Measures to strengthen operations >

– Minimize effect of stagnant economy and strengthen foundation for future growth –

1 . Create appealing products

2 . Strengthen cost competitiveness

4) Activities to strengthen steering, bearing, and driveline component operations

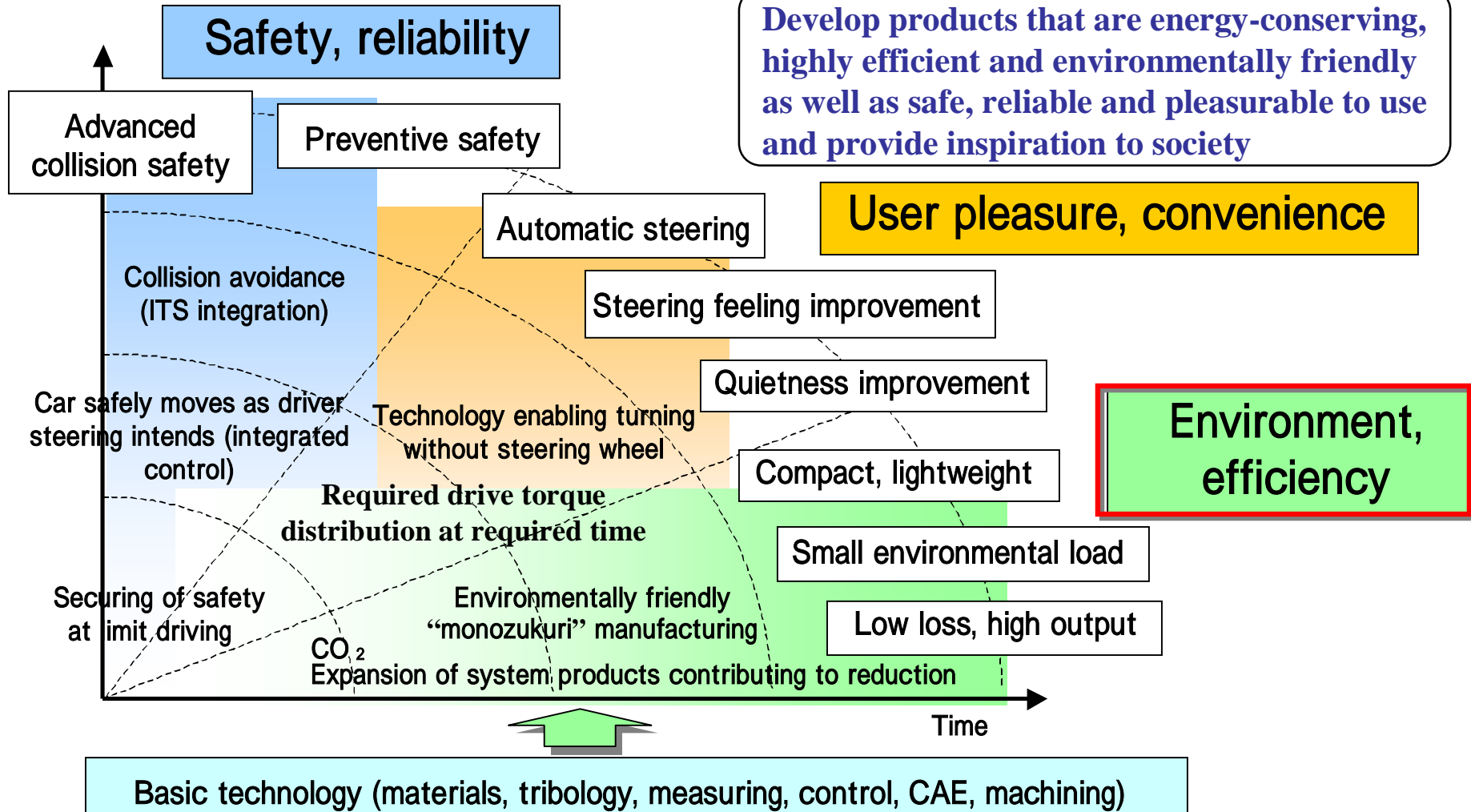
4) Activities to strengthen steering, bearing, and driveline component operations



1. Create appealing products

< Direction of product development >

Develop products that are energy-conserving, highly efficient and environmentally friendly as well as safe, reliable and pleasurable to use and provide inspiration to society



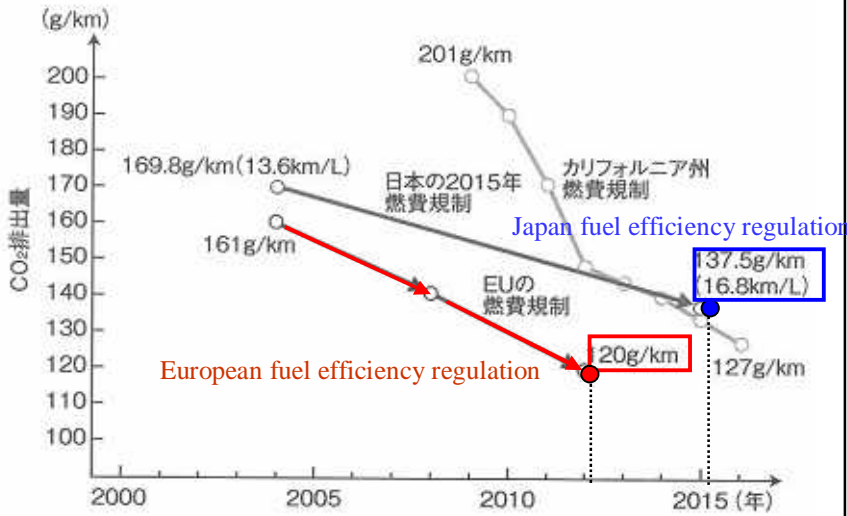
4) Activities to strengthen steering, bearing, and driveline component operations



1. Create appealing products: Strengthen development of environmentally friendly products

Automobile CO₂, fuel efficiency regulations

Must work to meet European CO₂ regulation of 120 g/km (2012)



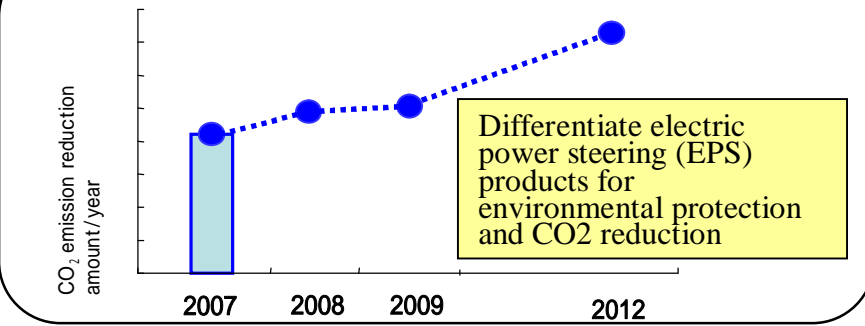
Source: Automotive Technology 2008.1

JTEKT efforts, direction

[Efforts regarding environmental friendliness, high efficiency]
Strengthen product development aiming mainly for size/weight reduction and high efficiency

- < Element technology development >
- 1) Technology to reduce size/weight
 - 2) Technology to raise (energy) efficiency
 - 3) Technology to reduce loss
 - 4) Technology to lengthen life

Development of environmentally friendly products



4) Activities to strengthen steering, bearing, and driveline component operations



1. Create appealing products: Strengthen development of environmentally friendly products

Electric power steering (EPS)

Energy efficiency

Light weight



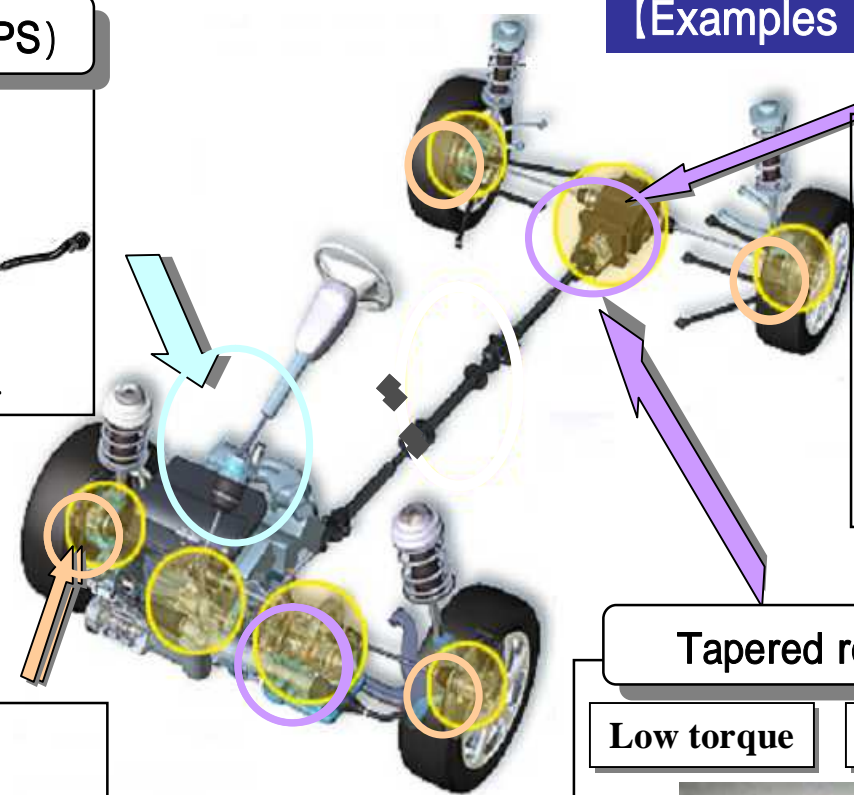
[Examples of efforts]

4WD couplings (ITC C)

Light weight



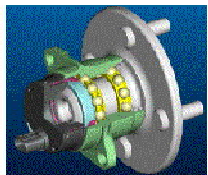
High efficiency



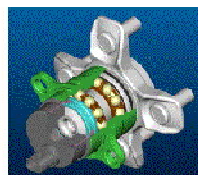
Hub units

Light weight

Original design



Optimized design



Tapered roller bearings

Low torque

Compactness



4) Activities to strengthen steering, bearing, and driveline component operations

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1. Create appealing products

< Making strong products even stronger >

EPS, HPS

EPS: Keep global top share as demand expands

HPS: Respond to growth in Asian and South America

Automotive tapered roller bearings

Respond to automotive market growth, increase share further

Superlarge bearings for industrial machinery

Respond to growing demand for steel mill and windmill
power generator bearings

ITCC, Torsens

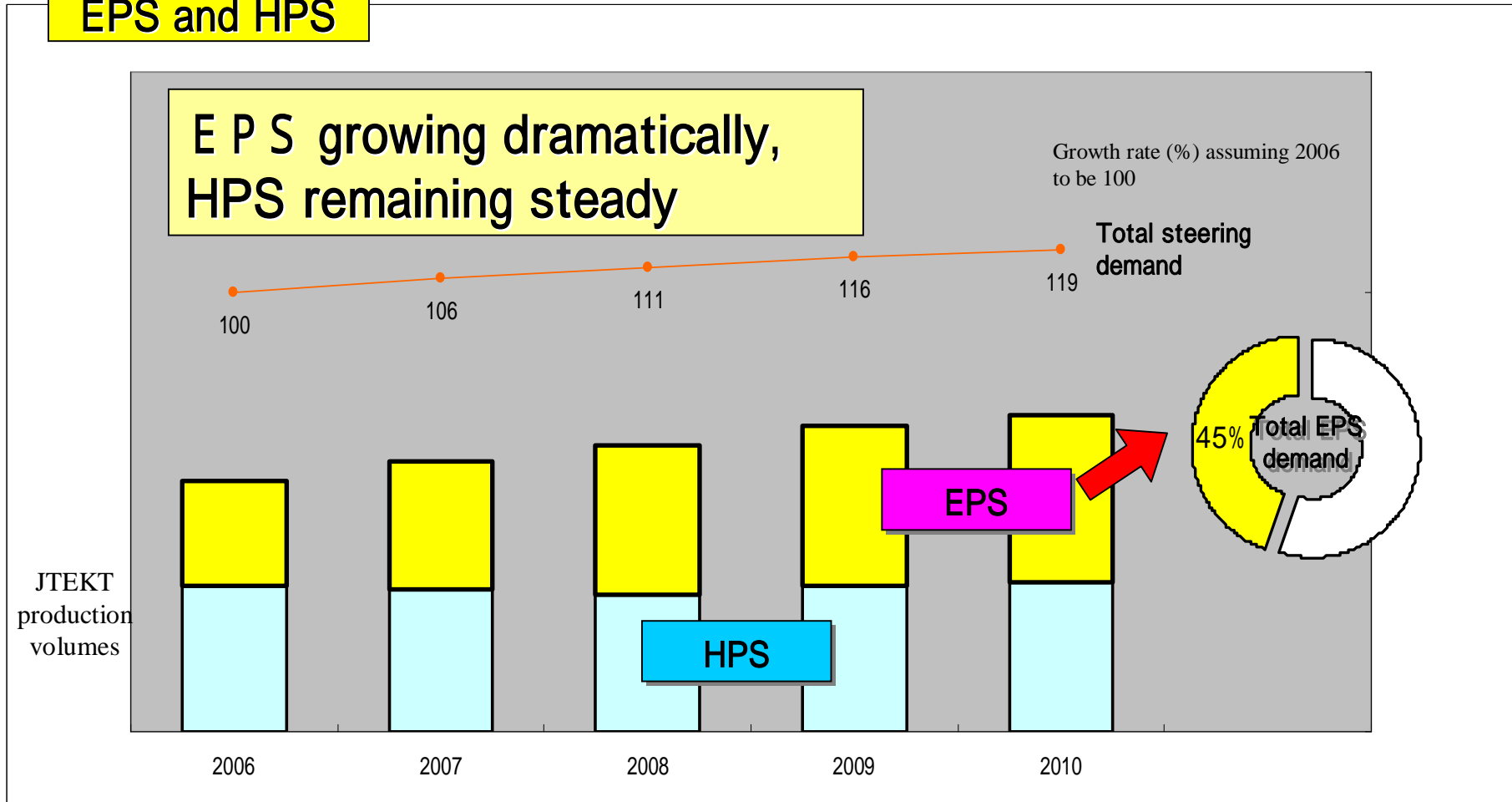
Promote increased rate of application

4) Activities to strengthen steering, bearing, and driveline component operations



1. Create appealing products: Making strong products even stronger

EPS and HPS



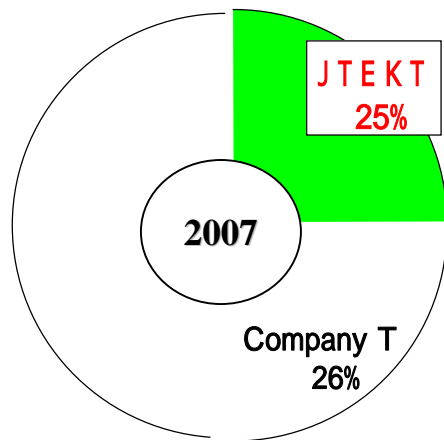
4) Activities to strengthen steering, bearing, and driveline component operations



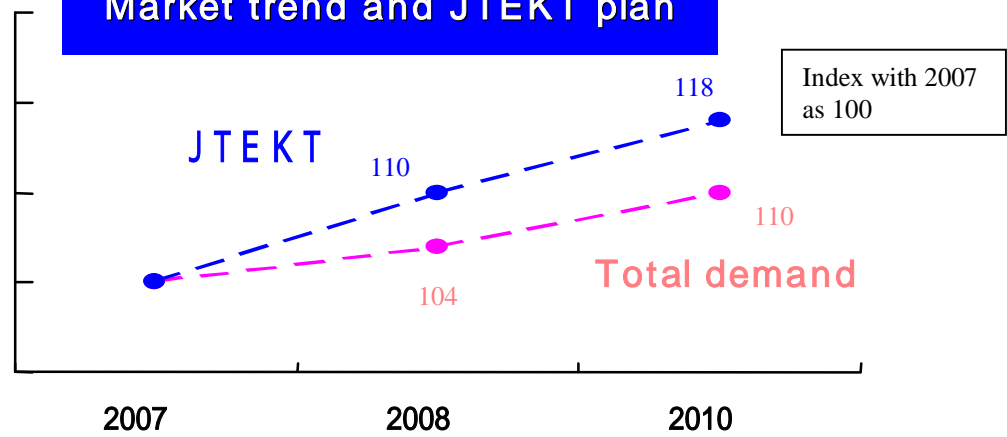
1. Create appealing products: Making strong products even stronger

Automotive tapered roller bearings (TRB)

JTEKT automotive TRB share



Market trend and JTEKT plan



Capacity increase

Main measures to increase capacity
Kagawa plant: Operations from 2007 in no.3 building, increasing production capacity to 6.6 million units/month
North America: Operations from June 2008 at Washington (Tenn.) plant, raising capacity to 1.6 million units/month (with existing plants)

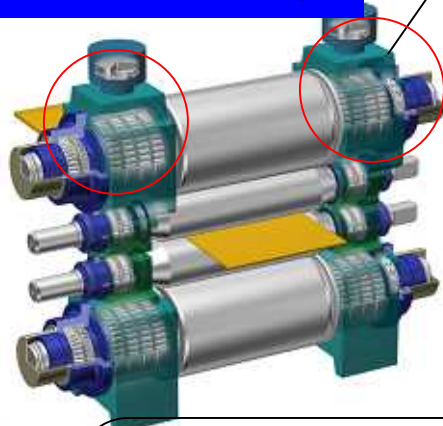
4) Activities to strengthen steering, bearing, and driveline component operations



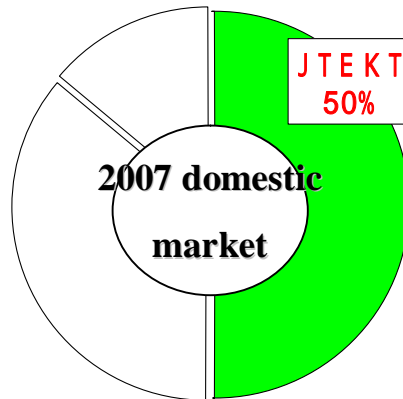
1. Create appealing products: Making strong products even stronger

Superlarge bearings for industrial machinery

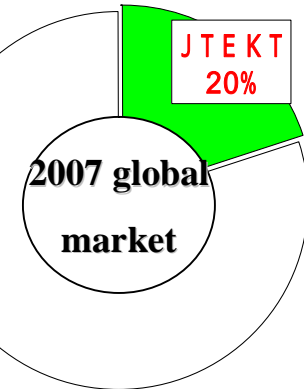
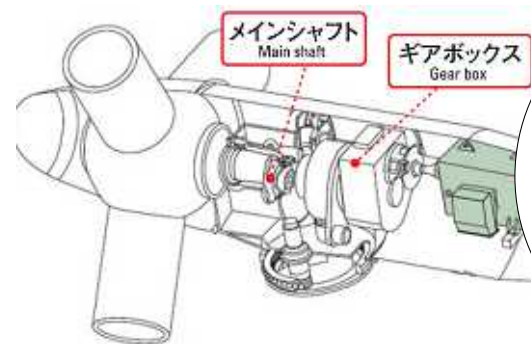
Steel mill bearings



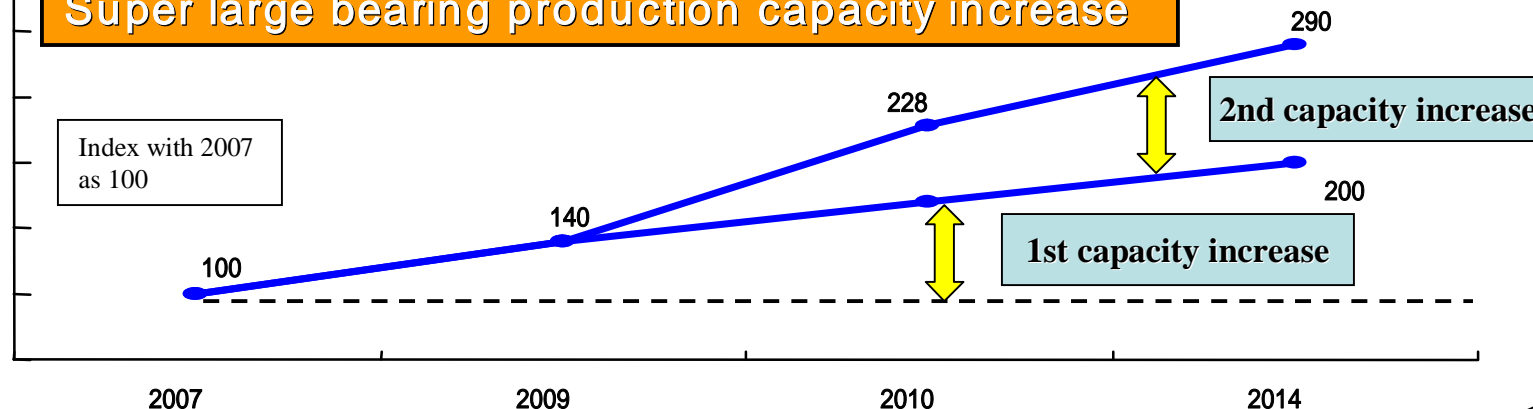
Bearing for rolling mill



Windmill power generator bearings



Super large bearing production capacity increase



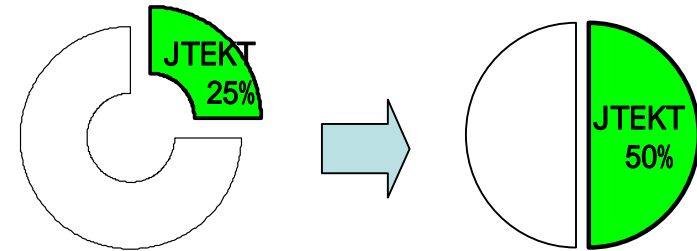
4) Activities to strengthen steering, bearing, and driveline component operations



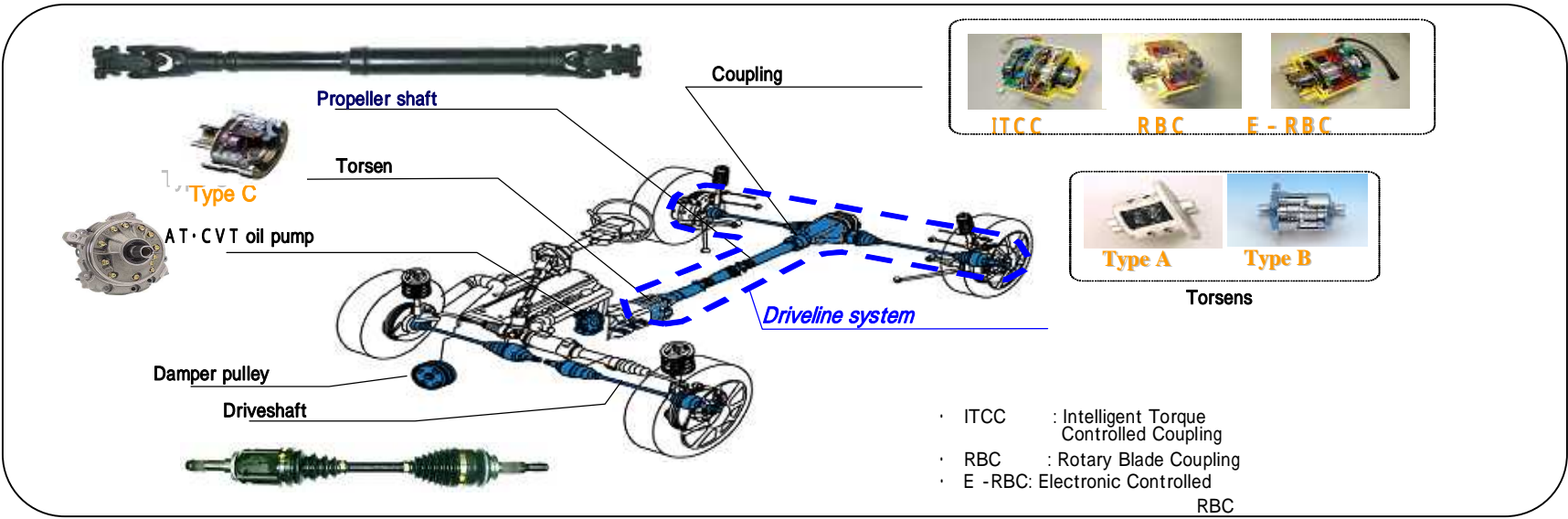
1. Create appealing products: Making strong products even stronger

ITCC, Torsens

By expanding sales of current products and developing new products with further appeal, have one of every two 4WDs in the world using JTEKT products!



Strengthen driveline system capability centered on ITCC and Torsens



4) Activities to strengthen steering, bearing, and driveline component operations



2 . Strengthen cost competitiveness

1) Reduce cost from initial stage (design/development)

- Platform utilization (common designs, parts)

2) Reduce cost by production engineering development

- Process innovation (process elimination: low-distortion heat treatment, fitting without size-matching)
- Equipment efficiency maximization (3SCF, high-speed operation, etc.), complex operation

3SCF = Simple, Slim, Smart, Compact, Flexible

3) Improve productivity by JPS (JTEKT Production System)

- 3 pillars (bekido improvement, chokko improvement, yarijimai)
- Straight flow (horizontal conveyance, linearity), changeover time reduction, etc.
- Strong “monozukuri” mfg through change (line combination, vertical launch of new products)

4) Activities to strengthen steering, bearing, and driveline component operations

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2 . Strengthen cost competitiveness

4) Promote local production and procurement

- Local production
- Integrated production of upstream processes (forging, turning, heat treatment) and parts (aluminum die cast parts)

5) Strengthen competitiveness of EPS core parts

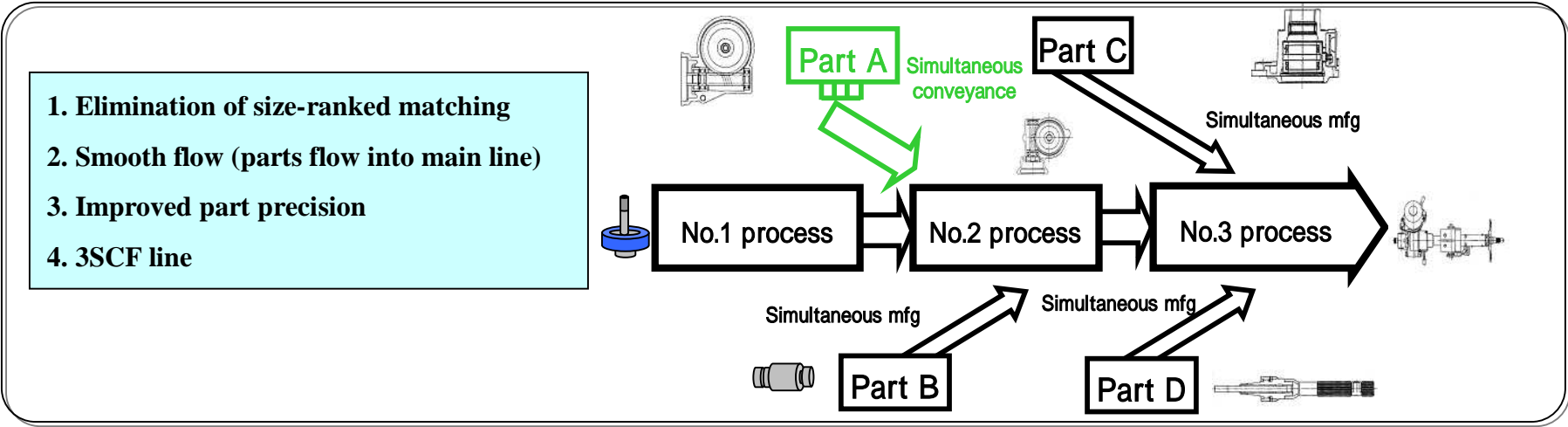
- Strengthened cooperation with partners regarding core parts (electronic parts, column, intermediate shaft)
- Promotion of internal development of electronic parts

4) Activities to strengthen steering, bearing, and driveline component operations



2 . Strengthen cost competitiveness: Mfg engineering development, JPS

Developed line (EPS FB Project)
Simple “fishbone” shaped line allowing smooth parts flow



Lead time: 6.7 days 1.5 hours
Space: 51% less than conventional line

4) Activities to strengthen steering, bearing, and driveline component operations

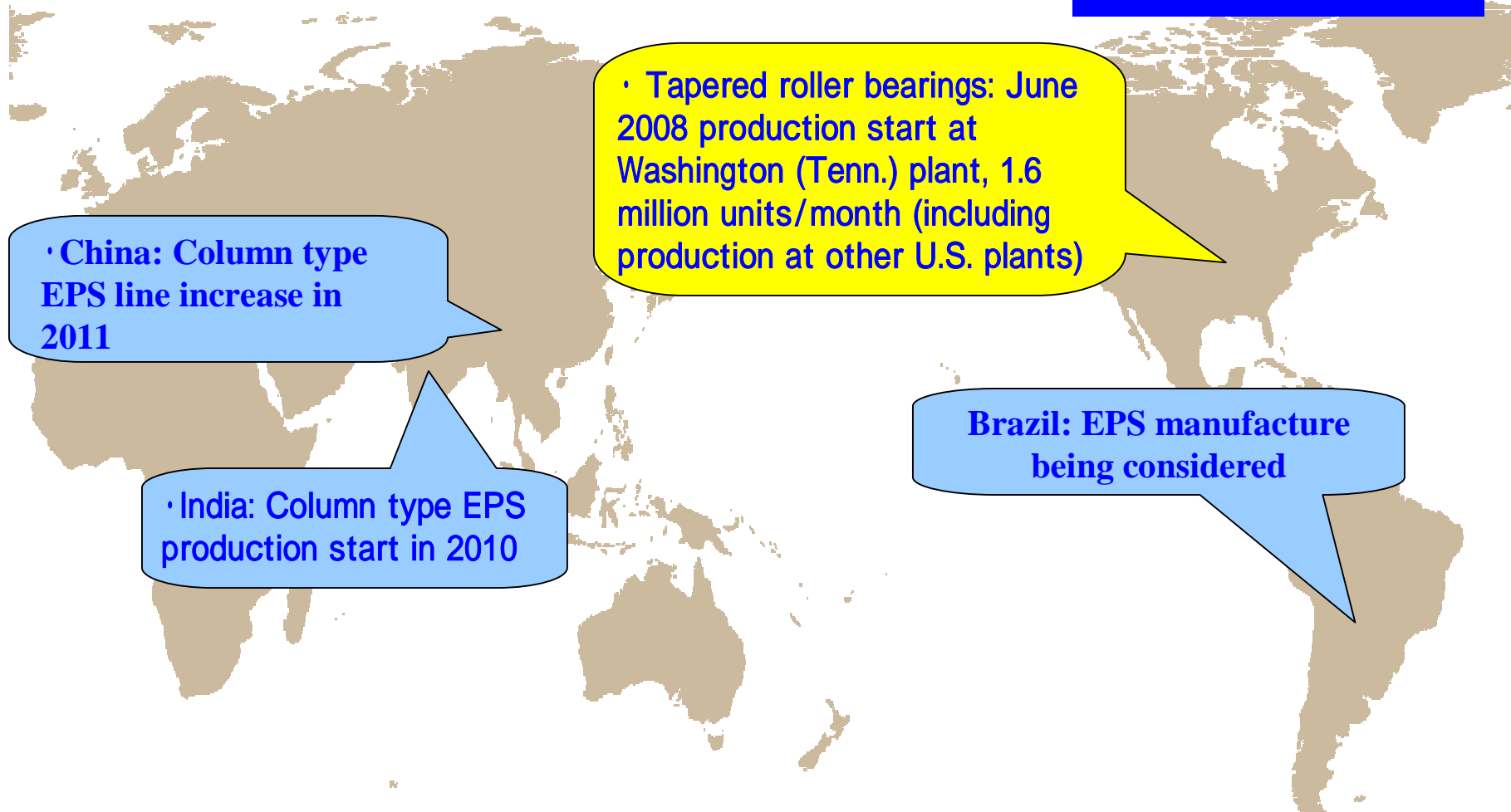
JTEKT

2 . Strengthen cost competitiveness: Promotion of local production and procurement

Steering

Bearing

Localized production



4) Activities to strengthen steering, bearing, and driveline component operations



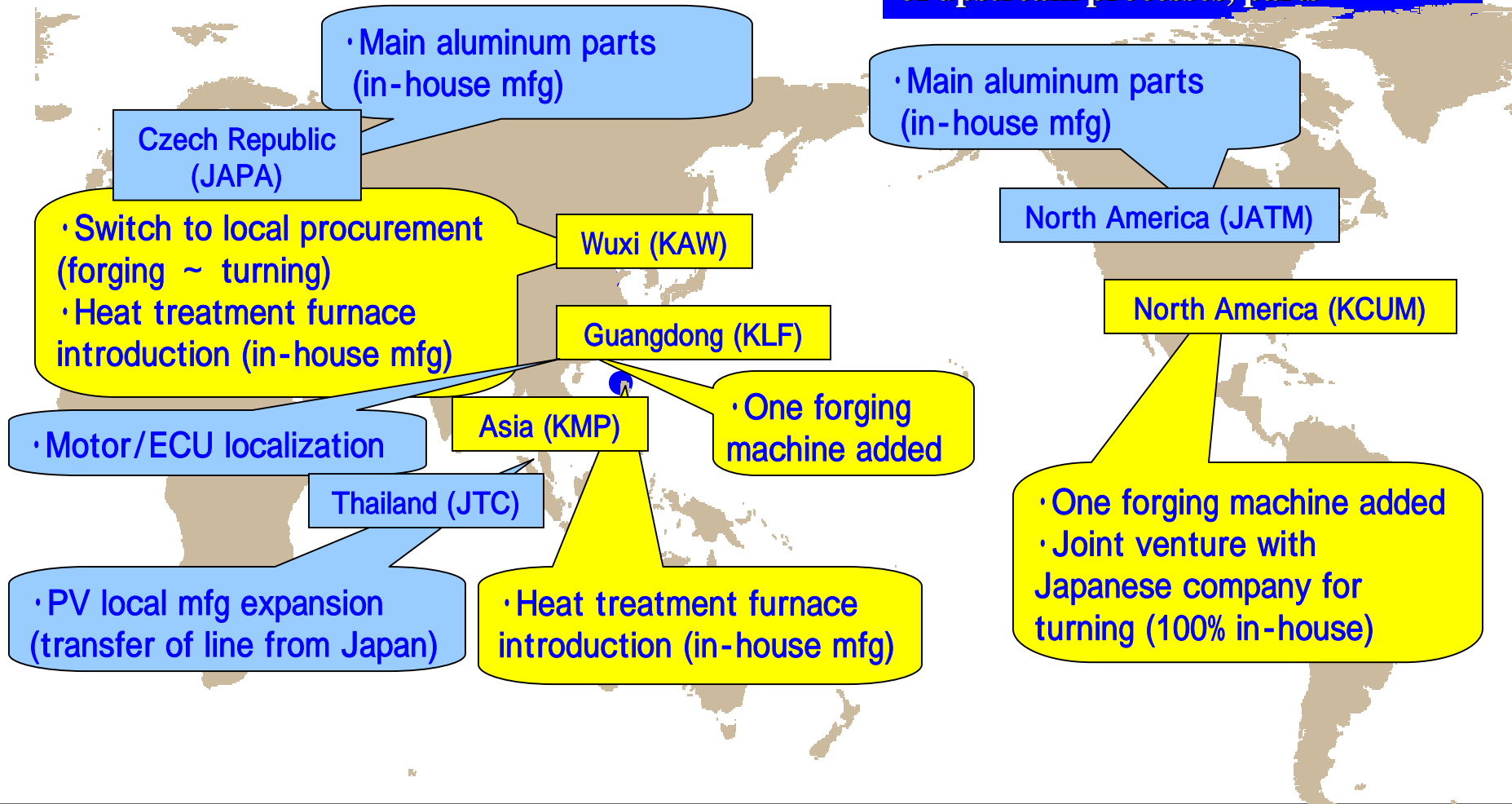
2 . Strengthen cost competitiveness:

Promotion of local production and procurement

Steering

Bearing

Integrated production by localization of upstream processes, parts



4) Activities to strengthen steering, bearing, and driveline component operations

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2 . Strengthen cost competitiveness

Measures to counter rising raw material costs

Weight reduction

Reduce steel usage amount

Chokko (first-pass-good) rate improvement

Determine root causes by NG part analysis

Material yield Improvement

Reduce material removal amount and scrap

Reduce part types

Utilize platforms

Application of alternative materials

Change to inexpensive materials

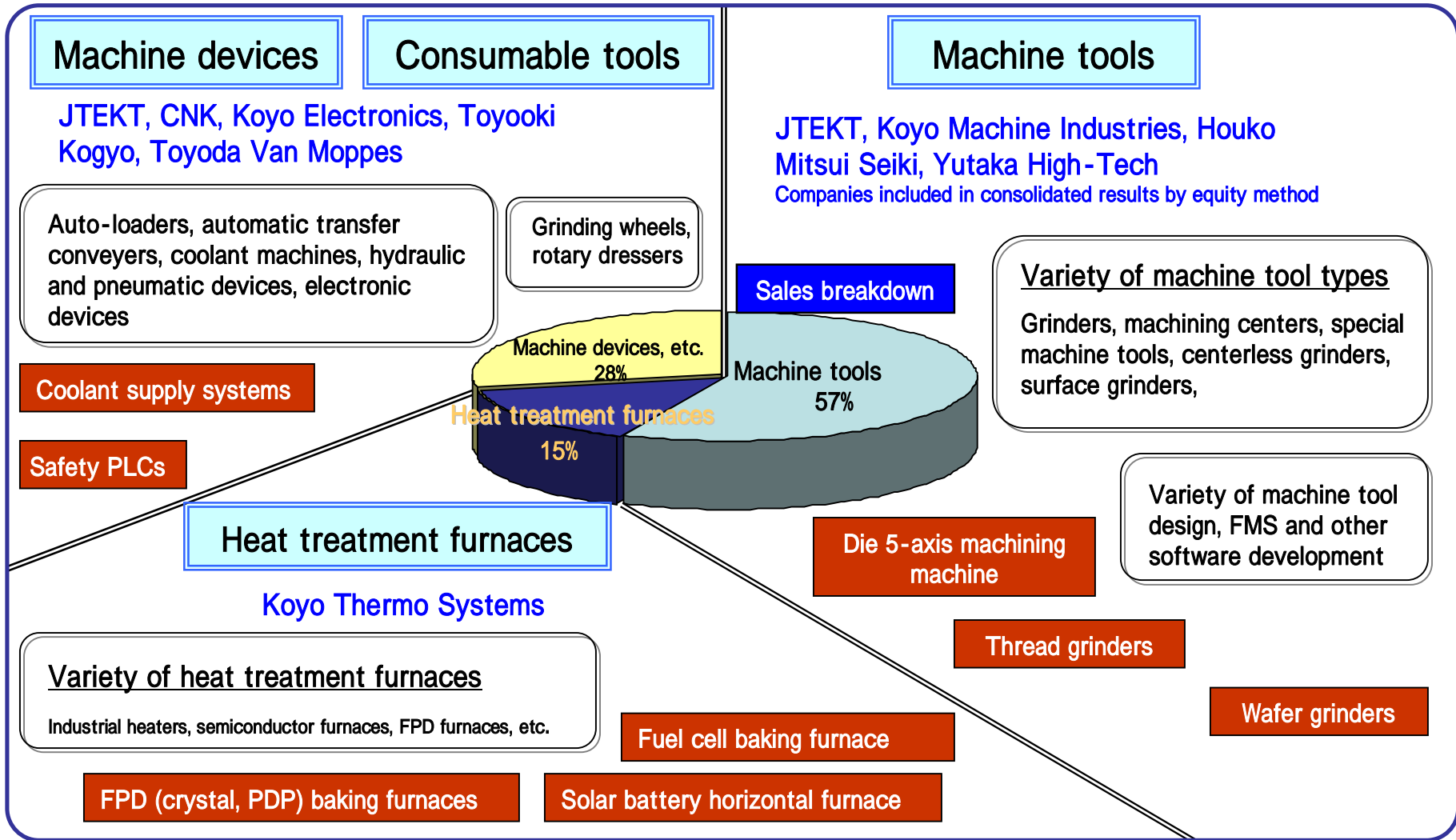
**5) Activities to strengthen
machine and machine device
operations**

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JTEKT Group machine and machine device products

Consolidated overseas subsidiaries not included



5) Activities to strengthen machine and machine device operations

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< Machine / machine device challenges >

Respond efficiently to demand fluctuations

< Main actions >

1) Expand business in non-automotive fields

Aircraft, energy equipment, dies

2) Expand business in overseas markets

Strengthen mfg/sales/service network

3) Construct machine / machine device value chain

5) Activities to strengthen machine and machine device operations



Main actions

1. Expand business in non-automotive fields

1) Machine tools

Expand business in aircraft, energy equipment, die fields

Strengthen presence in large/horizontal machine centers, vertical machining

Strengthen optimal simple/slim machines for palm-sized workpieces



Large machining center



Palm-sized workpieces

2. Expand business in overseas markets

Expand business in U.S., European, Asian non-automotive fields

Respond to demand in developing countries

(China, Eastern Europe, India, SE Asia)



PDP clean oven

3. Construct machine / machine device value chain

Achieve group synergy regarding machines and machine devices

Strengthen safety / environmentally friendly products

(safety PLC, solar battery / fuel cell furnaces, high-heat efficiency furnaces, etc.)

5) Activities to strengthen machine and machine device operations



Global network

Business expansion in overseas markets

Europe: Machine tools

Study of technical center establishment (Eastern Europe), new sales base establishment (Germany)

Europe:

Machine tools (Germany, France)

Asia:

Machine tools (Thailand, China, Taiwan), heat treatment furnaces (Korea, Taiwan), electronic products (China), hydraulic devices (Taiwan)

North America:

Machine tools (U.S.), electronic products (U.S.)

India: Machine tools

Establishment of sales/service company (July 2008)

Mexico: Machine tools

Establishment of sales office

South America:

Machine tools (Brazil)

6) Further improvement of quality



Carry out operations with an emphasis on quality in order to deliver high satisfaction to customers

- Establishment of growth foundation through pursuit of product quality and work quality —**



**Financial results for the fiscal year
through March 2008 and business
plans for the current fiscal year**

End