

New value created in FY2017

Steering business

In order to maintain a solid market share amidst intensifying global competition, JTEKT has pushed ahead with comprehensive measures aimed at reducing cost and improving our competitiveness. These measures include strengthening our global customer support capabilities by addressing every phase of customer support from the design stage to more efficient manufacturing processes.

<Outcomes>

- Launch of global RP-EPS production
- Consolidation with SKSS and making Fuji Kiko a wholly-owned subsidiary
- Establishment of a software development base in light of the autonomous driving era
- Expansion of EPS application areas



RP-EPS



Opening ceremony of JTEKT IT Center Akita Corporation

Driveline business

By strengthening front-loading and cost reduction activities and forming a more efficient global production footprint JTEKT enhanced our drive system development capabilities becoming a supplier realizing optimal vehicle dynamics performance for auto manufacturers globally.

<Outcomes>

- Driveline: Revised business strategy and achieved thorough cost planning
- AWD systems: Developed Torsen for small trucks and Type B Torsen
- Hydraulic systems: Began mass production of internal gear oil pump (parallel type) for the latest AT exhibiting world-class transmission efficiency



Next generation ITCC



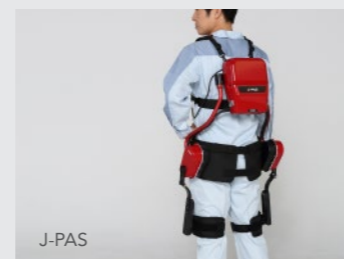
Torsen for small trucks

New businesses

<Power assist suit>

In November 2017, JTEKT developed a power assist suit with plans to launch in the Japanese market in FY2018 in response to social issues such as a declining birthrate and aging society, workforce shortage and increase in workplace accidents. The development of the power assist suit leveraged JTEKT's strengths of assist technology and tribology engineering as well as our insight as a manufacturer with in-house manufacturing shops.

* J-PAS is a registered trademark of JTEKT Corporation.



J-PAS

Bearing business

JTEKT strengthened its competitive advantage in an increasingly competitive business environment by increasing efficiency and launching innovative new products.

<Outcomes>

- Injected new products and technologies such as high-speed rotation deep groove ball bearing and revolving seat bearing for tunnel boring machines
- Promoted full automation of production lines
- Strengthened global production/development structure for NRBs (Construction of the new Kiyohara plant)



Super-low friction torque tapered roller bearing (LFT-IV)



New Kiyohara plant for Utsunomiya Kiki (inside Kiyohara Industrial Park, Utsunomiya city, Tochigi pref.)

Machine Tools & Mechatronics business

In our Machine Tools & Mechatronics business, JTEKT combined the Group companies strengths to enhance the business structure as a comprehensive production line builder that provides customer support throughout the various lifecycle stages of equipment. We have also launched new products such as grinders and loE tools to respond to our customers' needs in a timely fashion.

<Outcomes>

- Rolled out GF50M in response to more advanced needs relating to automobiles
- Rolled out gear skiving center, GS200H, in response to EV needs
- Launched an loE tool to easily achieve visualization of equipment operating status in response to loE needs
- Promoted reform towards a business substance more resilient to changes in the business climate



GS200H



Control system

<High heat resistant Lithium ion Capacitor>

Ready for mass production in FY2019, JTEKT developed its forward-looking, high heat resistant lithium ion capacitor, which alleviates electric power steering power output shortages in large vehicles. This innovative new product has applications as a standby and auxiliary power supply in other industries such as machine tools, construction machinery, rail, power generation and transportation infrastructure.



High heat resistant Lithium ion Capacitor