May 27, 2011
JTEKT CORPORATION

Notice of Absorption-Type Merger (Simple and Short-Form) with a Consolidated Subsidiary

Nagoya, Japan, May 27, 2011 – JTEKT CORPORATION (JTEKT; Headquarters; Nagoya, Japan; President: Shoji Ikawa) announced that its Board of Directors resolved to enter into an absorption-type merger with GKN JTEKT CO., LTD. (hereafter, "GKN JTEKT"), its wholly owned subsidiary. Since this is a simple and a short-form absorption-type merger of JTEKT's wholly owned subsidiary, part of the information on the merger has been omitted from this notice.

1. Purpose of merger
   GKN JTEKT sells our products of the constant velocity joints to Japanese automobile manufacturers. JTEKT decided to enter into an absorption-type merger with GKN JTEKT with the purpose of focusing the JTEKT group's corporate resources and enhancing the constant velocity joints business.

2. Overview of merger
   1) Schedule

Resolution by the Board of Directors	May 27, 2011
Signing of the merger agreement	May 27, 2011
Effective date of the merger	July 1, 2011 (planned)

   Note: JTEKT and GKN JTEKT will conduct this merger without obtaining the approval of its general meeting of shareholders since the merger concerned meets the simple merger requirements in Article 796, Item 3 of Japan's Companies Act, and also meets the short-form merger requirements in Article 784, Item 1 of Japan's Companies Act.

   2) Merger method
   This merger will be implemented by way of merger by absorption, in which JTEKT will continue its operations and GKN JTEKT will be dissolved.

   3) Details of stock allotment in merger
   Since this is a merger with a wholly owned subsidiary, there will be no issuance of new shares or other provision of compensation.

   4) Handling of dissolved company's new share subscription warrants and bonds with subscription warrants
   This item is not applicable.

3. Overview of the Merging companies (as of March 31, 2011)

	Company to continue	Company to be dissolved
1) Company name	JTEKT CORPORATION	GKN JTEKT CO., LTD.
2) Head office	3-5-8 Minamisemba, Chuo-ku, Osaka	1-1 Asahi-machi, Kariya, Aichi
3) Representative	Shoji Ikawa President	Nobuyoshi Hisada President
4) Business	Manufacture and sale of steering systems, driveline components, bearings, machine tools, electronic control devices, home accessory equipment, etc	Sale of the constant velocity joints
5) Capital	45,591 million yen	1,400 million yen
6) Established	January 18, 1935	February 10, 1999
7) Number of shares issued	342,186,307	28,000
8) Fiscal year end	March 31	December 31
9) Major Shareholders and ownership	TOYOTA MOTOR CORPORATION 22.57% The Master Trust Bank of Japan Ltd 7.33% Japan Trustee Services Bank, Ltd. 5.64% DENSO CORPORATION 5.37% Nippon Life Insurance Company 3.61%	JTEKT CORPORATION 100.00%
10) Financial position and performance results in the previous fiscal year		
Fiscal year	March 31, 2011 (consolidated)	December 31, 2010 (non-consolidated)
Net assets	336,086 million yen	1,635 million yen
Total assets	842,220 million yen	3,955 million yen
Net asset per share	931.09 yen	58,416.20 yen
Net sales	955,470 million yen	9,370 million yen
Operating income	39,924 million yen	122 million yen
Ordinary income	40,263 million yen	141 million yen
Net income	20,052 million yen	265 million yen
Net income per share	59.39 yen	9,466.46 yen

4. Status after merger

After the merger, there will be no change to JTEKT's company name, head office location, representative, business, capital and fiscal year end.

5. Future prospects

The impact of the merger on JTEKT's operating results of consolidated and non-consolidated will be minor.