



# Annual Report 2011

For the year ended March 31, 2011

# **JTEKT**

JTEKT CORPORATION

## Message from the Chairman and the President

I would like to express my prayers for the souls of those who lost their lives owing to the Great East Japan Earthquake, which took place on March 11, 2011, and I also earnestly extend my heartfelt condolences to the many other people who have been severely impacted by that disaster and to the families of those people.

Since the earthquake, the JTEKT Group has worked to assist people impacted by the disaster as well as to support the restoration of affected regions by donating funds directly, collecting financial donations from employees, shipping relief supplies, and offering recovery services involving the repair and refurbishment of machine tools. Going forward, the JTEKT Group will continue making concerted efforts regarding restoration and recovery measures while also endeavoring through its ordinary business operations to promote Japan's economic revitalization.

With respect to the fiscal year ended March 31, 2011, the rising economic growth rates of the United States and China during the latter half of the year and other factors appeared to indicate that the global economy was making steady progress toward recovery. Against the backdrop of such situations as the worldwide drop in production stemming from the Great East Japan Earthquake and the rising level of crude oil prices due to political instability in North Africa and the Middle East, however, it has become increasingly difficult to anticipate future global economic trends. Japan's economic outlook is further clouded by additional problems, including the manufacturing contraction and electric power supply issues associated with the earthquake disaster, the sustained appreciation of the yen, and the surging prices of natural resources.

Amid this management environment and based on its consideration of lessons learned during the global financial crisis that began in the autumn of 2008, the JTEKT Group has been advancing with measures to reform its profit structure in a way that will enable it to generate stable results even when its operating volume is only 70% of the levels during the Group's peak performance period. To create a profit base that is minimally impacted by economic and currency exchange rate trends, we have steadily implemented a diverse range of measures. We are consolidating product lines, reorganizing production lines in ways that improve manufacturing efficiency, and reassigning personnel to strategically emphasized business fields, and we are taking steps to streamline manufacturing processes and shorten supply chains, reduce the cost of sales through the use of standardized and generic components and other measures, and increase products' value added through the expanded internal utilization of our core technologies.

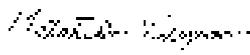
Looking at consolidated performance for the fiscal year under review, net sales amounted to 955,470 million yen—up 185,787 million yen, or 24.1%, from the level in the previous year—owing to the economic stimulus measures implemented in Japan through the first half of the period as well as to economic recovery trends centered on China, Southeast Asia, and North America. Regarding profitability, despite the impact of yen appreciation, we increased our operating income 39,499 million yen from the previous year, to 39,924 million yen, as a consequence of the rise in net sales as well as of our efforts to reduce the cost of sales through such measures as those to improve procurement item prices and enhance labor efficiency. Ordinary income was 40,263 million yen, compared with a 252 million yen ordinary loss in the previous year, and net income totaled 20,052 million yen, compared with a 19,413 million yen net loss in the previous year. Thus, we were able to bring all three principal profitability items into the black for the first time in three fiscal years.

The year-end cash dividend was set at 9 yen per share. Consequently, including the interim cash dividend of 7 yen per share, cash dividends applicable to the fiscal year under review amounted to 16 yen per share.

In addition to its commitment to helping reinvigorate Japan's *monozukuri* (fundamental manufacturing activities), the JTEKT Group is striving to create an increasingly solid management constitution over the medium term by giving thorough emphasis to safety, quality, and timely product deliveries in accordance with the "customer first" principle; reforming its profit structure so that it can respond to changes in the external environment while generating stable results; developing products that evoke enthusiasm and excitement on the parts of customers; and otherwise concertedly combining and leveraging the strengths the Group already has in diverse technical fields. We also will be progressively increasing the rigor of our systems for managing diverse kinds of risks.

We hope for the continued support and encouragement of shareholders as we implement these various strategies.



  
Chairman  
Motohiko Yokoyama



  
President  
Shoji Ikawa

June 2011

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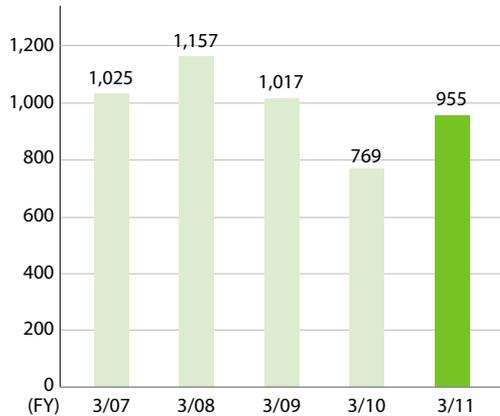
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# Consolidated Financial Highlights

Comparison of Five Fiscal Years

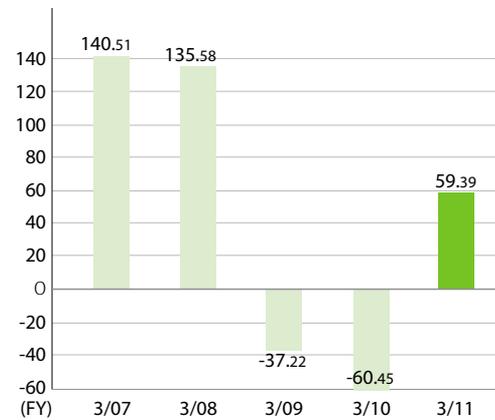
## Consolidated net sales

(billions of yen)



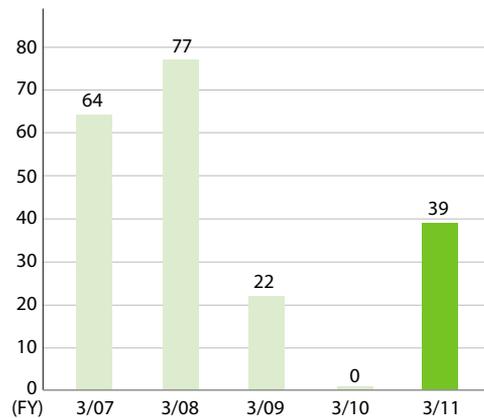
## Net income(loss) per share

(yen)



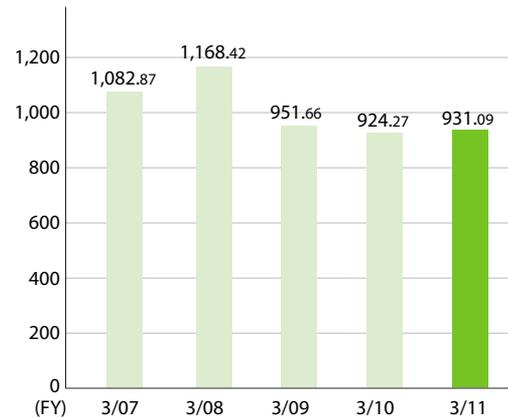
## Consolidated operating income

(billions of yen)



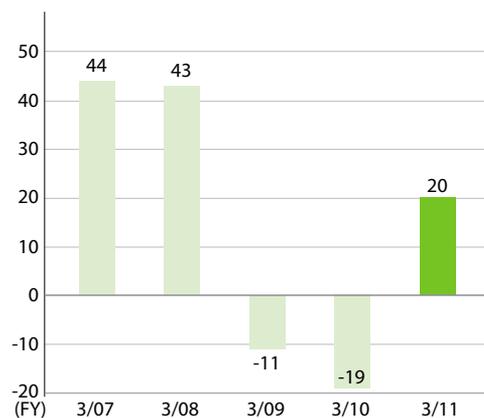
## Net assets per share

(yen)



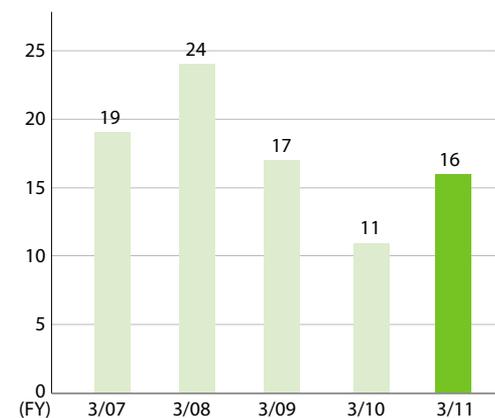
## Consolidated net income(loss)

(billions of yen)



## Cash dividends per share

(yen)



## About the Great East Japan Earthquake

### ● The Company's Damage Situation

1. We confirmed that all Group company employees were unharmed.
2. We confirmed the safety of family members of Group company employees.
3. We confirmed that Group companies' buildings and facilities were not damaged, and operations are proceeding as usual.

### ● Electric Power Conservation Measures

This summer, in eastern Japan, electric power shortages require that peak power consumption be reduced 25%.

The Company is realizing this target reduction by introducing rotating suspensions of operations, reevaluating manufacturing processes, and implementing power conservation activities at all work sites.

## JTEKT Group Support Situation

To contribute to relief activities and to the restoration and recovery of areas directly impacted by the earthquake disaster, the JTEKT Group provided assistance in the following ways.

### ● Support for Impacted Regions

- The JTEKT Group donated ¥70 million to relief organizations.
- JTEKT officers and employees undertook fund-raising activities.
- Helped send supplies (food, paper masks, disposable pocket heaters, etc.) to impacted regions through participation in the 1% Club of the Japan Business Federation (Nippon Keidanren)

### ● Support for Customers

To support renewed manufacturing operations by customers directly impacted by the disaster, the Company established a 24-hour reception system for machine-tool service requests and provided such service expeditiously to facilitate renewed manufacturing operations.

## Capital Increases by Public Offering and Private Placement

In June and July of 2011, the Company implemented capital increases by means of the public offering and private placement of shares.

Approximately 20,799,000 shares were issued and approximately ¥17.4 billion of funds was procured.

These funds have been allocated for future investments to repay funds used for the acquisition of the needle roller bearing business of the Timken Company.

As a result of the capital increases, the number of outstanding shares rose to 342,186,000.

## Global Business Activities

### EPS Manufacturing Company in China Constructs New Facility

A Group company manufacturing electric power steering (EPS) products in China's Fujian Province, JTEKT STEERING SYSTEMS (XIAMEN) CO., LTD. (JSSX), is constructing a new plant. As it is projected that the use of EPS systems with outstanding fuel efficiency will become increasingly widespread in China's rapidly growing automobile market, JSSX is greatly expanding its production capacity. In addition, JSSX has received China Safety Standardization Enterprise Class 1 certification from the Chinese State Administration of Work Safety. Operating as model factories with outstanding safety features, JSSX plants will be contributing to the improvement of labor conditions in China going forward.



The groundbreaking ceremony for JSSX's new plant



### Expanding the EPS Supply System in the South and North of India

A Group company manufacturing EPS products in India, JTEKT SONA AUTOMOTIVE INDIA LTD. (JSAI) has expanded its supply system with the construction of three new plants—one in Gurgaon, in the north of the country, and one each in Chennai and Bangalore, in the south of the country. Operating as a company with deep local roots, JSAI is aiming to capture more than 50% of India's steering systems product market.



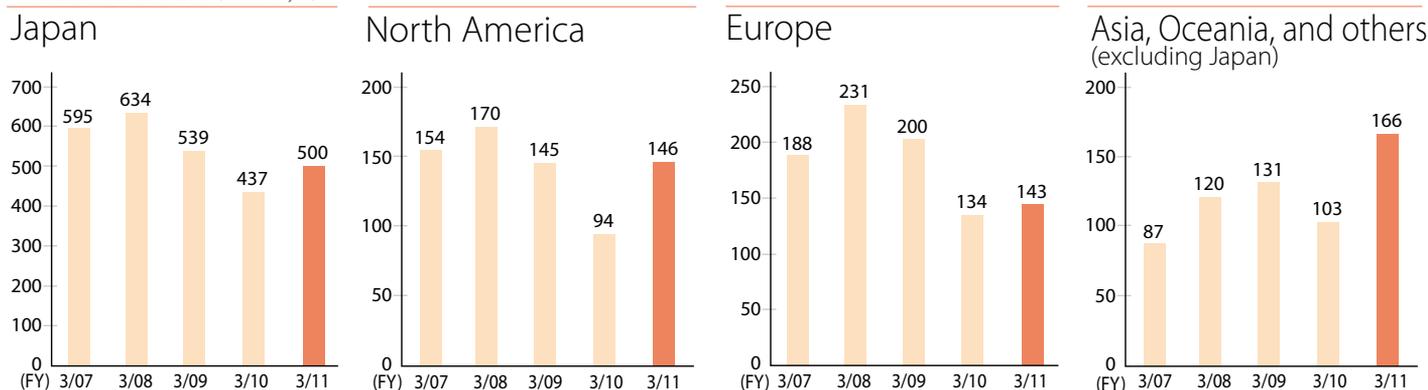
JSAI facility opening ceremony (sake cask opening)



JSAI facility opening ceremony (coconut splitting)



Transition of Sales (billions of yen)



**New Plant in Indonesia**

—Strengthening the Business Foundation in the ASEAN Region—

Indonesia-based PT. JTEKT INDONESIA (JID) has constructed a new plant that began production of EPS systems from June 2011. Going forward, the plant will work to strengthen its cost-competitiveness through local procurement activities and to strengthen its business foundation in Indonesia as well as the rest of the ASEAN region.

Overview of JID

- (1) Corporate name: PT. JTEKT INDONESIA
- (2) Location: Suryacipta City of Industry, Karawang
- (3) Business activity: Manufacture and sale of electric power steering systems, starter clutches, etc.
- (4) Capital: US\$1 million (approximately ¥90 million)
- (5) Shareholding: JTEKT Group, 100%
- (6) Plant size: 100,000m<sup>2</sup> of total site area
- (7) Number of employees: Approximately 200 (as of 2013)
- (8) Investment amount: Approximately ¥3 billion
- (9) Sales plan: Annual sales of approximately ¥6 billion (as of 2013)



Conceptual drawing of JID's completed plant



**Signing of Letter of Intent Regarding Establishment of a Bearing Business Joint Venture with Wafangdian Bearing Group Corporation**

On September 28, 2010, JTEKT and China-based Wafangdian Bearing Group Corporation (ZWZ) signed a letter of intent regarding the establishment of a joint venture for the manufacture and sales of automobile bearings in China.

JTEKT and ZWZ established an automobile wheel bearing manufacturing joint venture in 1995 and have cooperated since that time.

The letter of intent calls for a new joint venture that would engage in automobile wheel bearing business but also to potentially expand its operations to include cooperative business related to the manufacture and sale of bearings for railway equipment, wind power generation equipment, and other kinds of industrial machinery.

Going forward, the joint venture will seek to expand its sales to locally owned automobile manufacturers in China and earn a top share of China's automobile bearing market.

Overview of ZWZ

- (1) Corporate name: Wafangdian Bearing Group Corporation
- (2) Location: Wafangdian City, Liaoning Province
- (3) Business activity: Manufacture and sale of all types of bearings
- (4) Date of establishment: 1938
- (5) Capital: RMB360 million (approximately ¥4.3 billion)
- (6) Annual sales: RMB5,800 million (approximately ¥72.5 billion)
- (7) Number of employees: Approximately 12,000

# Introduction of New Products and New Technologies

Enriching society through *monozukuri* manufacturing that contributes to the global environment

## Development of High-Speed Bearings for Machine Tool Spindles

JTEKT has developed ultrahigh-speed angular contact ball bearings and cylindrical roller bearings for machine tool spindles.

The new products' oil-air lubrication method enables the world's top level of spindle bearing performance. Compared with conventional products, they are capable of handling ultrahigh speeds 20% to 30% higher while reducing bearing temperature rise by 30% to 40%.

Offering both high-speed performance and high rigidity, the new bearings are able to improve the cutting efficiency and processed surface quality attainable by machine tools. By promoting sales of the new products as the top grade offerings within its High Ability®\* series of bearing products for machine tool spindles, JTEKT intends to become a top supplier of machine tool bearings going forward.

\* High Ability® is a registered trademark of JTEKT.



Angular contact ball bearings

Cylindrical roller bearings

## Expanding the Application Scope of Electronically Controlled 4WD Couplings

By installing two of the electronically controlled 4WD couplings (ITCC®) mass manufactured by JTEKT on the rear differential of 4WD vehicles, it has become possible to supplement ordinary 4WD control functions that control the distribution of power to front and rear wheels with additional capabilities for controlling the distribution of power between the left and right rear wheels.

This makes it possible to improve vehicles' cornering performance, and it has expanded the scope of application for ITCC products. Going forward, these products will contribute to preventative automotive safety.

\*An acronym representing "intelligent torque controlled coupling," ITCC® for electronically controlled 4WD couplings is a registered trademark of JTEKT.



An ITCC and a control unit

## Development of Machine Tools that Pioneer a New Frontier—The Launch of the "e" Series

Aiming to help customers reduce their costs, JTEKT has developed three "e" series models.

Designed to pursue "cutting of obsessively high quality," "e" series products offer compact machine structures while also providing features—such as those related to operation, maintenance, tooling changes, and line organization—that help customers realize lower costs over their product life cycles.

The "e" series reduces the time for tooling changes and realizes the reduction of processes for cylindrical grinders by improving in the method for attaching grinding heads and workpieces to cylindrical grinders.

Also, the machining center realized the compact structure but increased the rigidity. These efforts have borne fruit in the realization of numerous processing variations.

Going forward, JTEKT will continue to pursue ways of reducing its customers' costs while also opening up new frontiers of manufacturing.



e300G cylindrical grinder

e640V vertical machining center

e500H horizontal machining center

## Awards

We received an award for our advanced integrated technology. We continue to develop our technologies.

### Project Award Received at Lexus LFA Line-Off Ceremony

At a reception following the line-off ceremony held at the Motomachi plant of Toyota Motor Corporation for the Lexus LFA super sports car, JTEKT was presented with a project award for its "torque tube ASSY."

The Lexus LFA incorporates numerous JTEKT products—such as the C-EPS column-type EPS system and the TORSEN® torque sensing differential for full-time 4WD—and the project award was given to JTEKT in recognition of the Company's overall contribution to the Lexus LFA's development.



The line-off ceremony

## CSR (Corporate Social Responsibility)

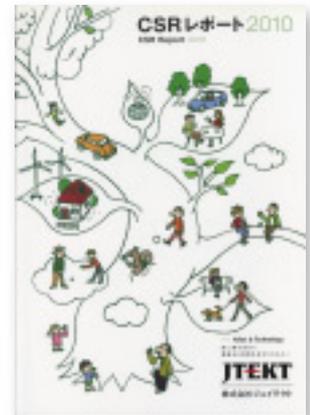
JTEKT tries to create opportunities to interact with locals as a member of the community and as a good corporate citizen.

### Promoting and Explaining CSR Activities

#### Issuance of JTEKT's CSR Report 2010

JTEKT has issued its *CSR Report 2010*, which presents information on the Company's CSR activities during fiscal 2009 as well as on the results of those activities. Aiming to help all kinds of stakeholders easily gain an understanding of JTEKT's CSR philosophy and programs, the report offers information organized from economic, societal, and environmental perspectives.

(The *CSR Report 2010* can be obtained in portable document format (pdf) from the Company's website at the following address: [http://www.jtekt.co.jp/e/csr/en\\_rep.html](http://www.jtekt.co.jp/e/csr/en_rep.html))



JTEKT's CSR Report 2010

#### Issuance of the CSR Handbook

Aiming to help each individual employee understand and share information on JTEKT's CSR policies and to thereby strengthen JTEKT's commitment to earnestly work to help resolve societal problems, the Company has prepared the *CSR Handbook*. It is hoped that employees will always keep a copy of the handbook with them so that they can strive to apply the Company's CSR policies in their day-to-day work activities.



The CSR Handbook

#### Creation of an Internal Reporting System in China

JTEKT Group companies in China have created an internal reporting system that began operating from October 2010. The system, which enables employees who are concerned or dissatisfied with specific situations to make reports to an outside legal office, is designed to facilitate the Company's efforts to proactively solve problems. JTEKT has long believed that, rather than simply stemming from wage and work environment issues, labor problems are associated with human dignity situations that should be addressed through efforts to improve employees' motivation as well as the quality of employees' lives. In this and other ways, JTEKT intends to make sustained efforts to further strengthen its compliance activities going forward.

## Contributing to Society

#### Extracurricular Solar Car Course

To give the next generation of societal leaders firsthand knowledge about how solar energy can be used to power automobiles, JTEKT organized an extracurricular solar car course that was attended by approximately 40 pupils from the Kokubuhigashi Elementary School in Kashiwara City, Osaka.



A scene from the extracurricular course

#### Tree-Planting Activities in Thailand

A Thailand-based JTEKT Group company—JTEKT AUTOMOTIVE (THAILAND) CO., LTD. (JATH)—has planted approximately 200 tree saplings in Thailand's Khao Chamao/Khao Wong National Park, which has diverse flora and fauna and is a popular recreation area for residents of nearby communities. JATH has a strong sense of its responsibilities to society and plans to promote CSR activities going forward as a means of contributing to Thailand's societal development.



## Consolidated Balance Sheet

March 31, 2011

ASSETS	Thousands of U.S. dollars		LIABILITIES AND NET ASSETS	Thousands of U.S. dollars	
	Millions of yen	2011		Millions of yen	2011
<b>Current assets:</b>			<b>Current liabilities:</b>		
Cash	¥ 64,513	\$ 775,868	Short-term loans	¥ 63,693	\$ 765,997
Time deposits	4,166	50,100	Current portion of long-term debt	18,479	222,236
Short-term investments	49,032	589,683	Notes and accounts payable		
Notes and accounts receivable:			Trade	137,574	1,654,532
Trade	151,357	1,820,290	Unconsolidated subsidiaries and affiliates	13,888	167,025
Unconsolidated subsidiaries and affiliates	18,241	219,368	Construction	9,231	111,015
Other	17,625	211,967	Other	11,476	138,013
	187,223	2,251,625		172,169	2,070,585
Allowance for doubtful accounts	(983)	(11,817)	Income tax payable	5,522	66,417
	186,240	2,239,808	Accrued expenses	32,806	394,539
Inventories	130,998	1,575,447	Other current liabilities	20,515	246,719
Deferred tax assets	15,152	182,224	Total current liabilities	313,184	3,766,493
Other current assets	11,779	141,655	Long-term debt	123,923	1,490,358
Total current assets	461,880	5,554,785	Accrued indemnities from retirement benefit plan	57,333	689,513
			Accrued severance indemnities for members of		
<b>Investments and advances:</b>			the board of directors and corporate auditors	3,283	39,487
Investments in securities	34,826	418,836	Deferred tax liabilities	1,468	17,657
Investments in and advances to unconsolidated			Other liabilities	6,942	83,485
subsidiaries and affiliates	19,296	232,060	Total liabilities	506,133	6,086,993
	54,122	650,896			
<b>Property, plant and equipment:</b>			<b>Net assets:</b>		
Buildings and structures	205,745	2,474,382	Shareholders' equity:		
Machinery and equipment	667,196	8,024,006	Common stock:		
Lease assets	2,702	32,497	Authorized - 1,200,000 thousand shares		
	875,643	10,530,885	Issued - 342,186 thousand shares	45,591	548,303
Accumulated depreciation	(655,862)	(7,887,697)	Capital surplus	108,238	1,301,716
	219,781	2,643,188	Retained earnings	195,036	2,345,589
Land	56,060	674,204	Less: Treasury shares	(381)	(4,587)
Construction in progress	14,486	174,208	Evaluation and conversion difference:		
	290,327	3,491,600	Unrealized gain on other securities	9,357	112,529
Deferred tax assets	1,969	23,677	Translation adjustments on foreign currency		
Other assets	33,922	407,966	financial statements	(39,489)	(474,912)
Total assets	¥842,220	\$10,128,924	Minority interests in consolidated subsidiaries	17,735	213,293
			Total net assets	336,087	4,041,931
			Total liabilities and net assets	¥842,220	\$10,128,924

Conversion rate: ¥83.15 per U.S. dollar

As of March 31, 2011, JTEKT had 135 consolidated subsidiaries and 20 affiliates accounted for by the equity method. The main ones of each type are shown below.

(Consolidated subsidiaries)

KOYO MACHINE INDUSTRIES CO., LTD.  
TOYOOKI KOGYO CO., LTD.  
KOYO SEALING TECHNO CO., LTD.  
CNK CO., LTD.  
KOYO THERMO SYSTEMS CO., LTD.  
KOYO ELECTRONICS INDUSTRIES CO., LTD.  
KOYO SALES, LTD.  
DAIBEA CO., LTD.  
UTSUNOMIYA KIKI CO., LTD.  
HOUKO CO., LTD.  
TOYODA VAN MOPPELS LTD.

JTEKT (THAILAND) CO., LTD.  
JTEKT AUTOMOTIVE TENNESSEE-MORRISTOWN, INC.  
JTEKT AUTOMOTIVE TENNESSEE-VONORE CO.  
JTEKT AUTOMOTIVE LYON S.A.S.  
JTEKT AUTOMOTIVE DIJON SAINT-ETIENNE S.A.S.  
JTEKT AUTOMOTIVE VIRGINIA, INC.  
JTEKT AUTOMOTIVE (THAILAND) CO., LTD.  
KOYO CORPORATION OF U.S.A.  
KOYO ROMANIA S.A.  
KOYO BEARINGS (EUROPE) LTD.  
TOYODA MACHINERY USA CORP.

(Affiliates accounted for by the equity method)

FUJIKIKO CO., LTD.  
MITSUI SEIKI KOGYO CO., LTD.

## Consolidated Statement of Income and Retained Earnings

For the year ended March 31, 2011

	Millions of yen 2011	Thousands of U.S. dollars 2011
<b>Net sales</b>	¥955,470	\$11,490,925
<b>Cost of sales</b>	811,470	9,759,118
Gross profit	144,000	1,731,807
<b>Selling, general and administrative expenses</b>	104,075	1,251,652
Operating income	39,925	480,155
<b>Other income (expenses):</b>		
Interest and dividend income	1,153	13,865
Interest expense	(2,945)	(35,422)
Foreign currency exchange loss, net	(1,459)	(17,550)
Loss on sales or disposal of property, plant and equipment, net	(1,157)	(13,918)
Equity in loss of unconsolidated subsidiaries and affiliates	1,985	23,880
Other, net	(4,292)	(51,618)
	(6,715)	(80,763)
Income before income taxes and items listed below	33,210	399,392
<b>Income taxes:</b>		
Current	8,790	105,717
Deferred	1,501	18,046
<b>Minority interests in net income of consolidated subsidiaries</b>	2,866	34,470
Net income	¥ 20,053	\$ 241,159
<b>Consolidated retained earnings:</b>		
Balance at beginning of the year	¥176,037	\$ 2,117,105
Net increase due to the change in scope of consolidation	3,267	39,286
Cash dividends	(4,320)	(51,961)
Balance at end of the year	¥195,036	\$ 2,345,589
<b>Per share:</b>	Yen	U.S. dollars
Net income	¥59.39	\$0.71
Cash dividends	16.00	0.19
Weighted average number of common shares outstanding (thousands)	337,623	337,623

## Consolidated Statement of Cash Flows

For the year ended March 31, 2011

	Millions of yen 2011	Thousands of U.S. dollars 2011
<b>Cash flows from operating activities:</b>		
Income before income taxes	¥ 33,210	\$ 399,392
Depreciation and amortization	48,646	585,044
Equity in loss of unconsolidated subsidiaries and affiliates	(1,987)	(23,880)
Notes and accounts receivable	(8,889)	(106,906)
Inventories	(13,207)	(158,839)
Notes and accounts payable	4,317	51,915
Bonuses to directors and corporate auditors	(158)	(1,895)
Payment of income taxes	(7,528)	(90,532)
Other, net	5,916	71,143
<b>Net cash used by financing activities</b>	60,320	725,442
<b>Cash flows from investing activities:</b>		
Increase in time deposits	(1,242)	(14,930)
Decrease in marketable securities	99	1,187
Purchases of property, plant and equipment	(27,082)	(325,700)
Proceeds from sales of property, plant and equipment	1,849	22,242
Increase in investments in securities	(3,636)	(43,733)
Increase in loans receivable	(201)	(2,412)
Other, net	(935)	(11,249)
<b>Net cash provided by investing activities</b>	(31,148)	(374,595)
<b>Cash flows from financing activities:</b>		
Decrease in short-term loans	(35,815)	(430,730)
Increase in short-term loans	9,766	117,451
Proceeds from issuance of common stock	17,424	209,553
Cash dividends	(5,273)	(63,415)
Other, net	(915)	(11,004)
<b>Net cash provided by financing activities</b>	(14,813)	(178,145)
Exchange difference of cash and cash equivalents	(2,553)	(30,708)
Net increase in cash and cash equivalents	11,806	141,994
Cash and cash equivalents at beginning of the year	99,339	1,194,696
Net increase due to the change in scope of consolidation	2,368	28,474
Cash and cash equivalents at end of the year	¥113,513	\$1,365,164

## Nonconsolidated Balance Sheet

March 31, 2011

ASSETS	Millions of yen	Thousands of U.S. dollars	LIABILITIES AND NET ASSETS	Millions of yen	Thousands of U.S. dollars
	2011	2011		2011	2011
<b>Current assets:</b>			<b>Current liabilities:</b>		
Cash	¥ 4,642	\$ 55,827	Short-term loans	¥ 28,750	\$ 345,761
Short-term investments	49,000	589,296	Current portion of long-term debt	15,000	180,397
Notes and accounts receivable:			Notes and accounts payable:		
Trade	60,441	726,898	Trade	87,096	1,047,461
Subsidiaries and affiliates	79,781	959,480	Subsidiaries and affiliates	39,154	470,877
Other	10,210	122,785	Construction	6,630	79,736
	150,432	1,809,163	Other	4,176	50,224
Allowance for doubtful accounts	(34)	(409)		137,056	1,648,298
	150,398	1,808,754	Income tax payable	400	4,809
Inventories	40,119	482,494	Accrued expenses	14,019	168,593
Deferred tax assets	11,715	140,884	Other current liabilities	14,435	173,608
Other current assets	4,938	59,386	Total current liabilities	209,660	2,521,466
Total current assets	260,812	3,136,641			
<b>Investments and advances:</b>			Long-term debt	94,000	1,130,487
Investments in securities	26,759	321,815	Accrued indemnities from retirement benefit plan	39,050	469,626
Investments in and advances to subsidiaries and affiliates	192,552	2,315,719	Accrued severance indemnities for members of the board of directors and corporate auditors	1,719	20,672
	219,311	2,637,534	Other liabilities	1,154	13,883
<b>Property, plant and equipment:</b>			Total liabilities	345,583	4,156,134
Buildings and structures	116,998	1,407,070			
Machinery and equipment	367,364	4,418,090	<b>Net assets:</b>		
Lease assets	1,287	15,473	Shareholders' equity:		
	485,649	5,840,633	Common stock:		
Accumulated depreciation	(393,197)	(4,728,765)	Authorized - 1,200,000 thousand shares		
	92,452	1,111,868	Issued - 342,186 thousand shares	45,591	548,303
Land	38,916	468,021	Capital surplus	108,230	1,301,629
Construction in progress	5,453	65,585	Retained earnings	127,138	1,529,014
	136,821	1,645,474	Less: Treasury shares	(343)	(4,128)
<b>Deferred tax assets</b>	11,806	141,988	Evaluation and conversion difference:		
<b>Other assets</b>	6,162	74,103	Unrealized gain on other securities	8,713	104,788
Total assets	¥634,912	\$7,635,740	Total net assets	289,329	3,479,606
			Total liabilities and net assets	¥634,912	\$7,635,740

Conversion rate: ¥83.15 per U.S. dollar

## Nonconsolidated Statement of Income

For the year ended March 31, 2011

	Millions of yen	Thousands of U.S. dollars
	2011	2011
<b>Net sales</b>	¥547,103	\$6,579,715
<b>Cost of sales</b>	493,936	5,940,307
Gross profit	53,167	639,408
<b>Selling, general and administrative expenses</b>	44,307	532,858
Operating income	8,860	106,550
<b>Other income (expenses):</b>		
Interest and dividend income	9,526	114,566
Interest expense	(1,556)	(18,708)
Foreign currency exchange loss, net	(309)	(3,715)
Loss on sales or disposal of property, plant and equipment, net	(1,431)	(17,210)
Other, net	(2,637)	(31,719)
	3,593	43,214
Income before income taxes and items listed below	12,453	149,764
<b>Income taxes:</b>		
Current	400	4,810
Deferred	1,451	17,444
Net income	¥ 10,602	\$ 127,510
<b>Per share:</b>	Yen	U.S. dollars
Net income	¥31.40	\$0.38
Cash dividends	16.00	0.19
Weighted average number of common shares outstanding (thousands)	337,646	337,646

## Stock Information

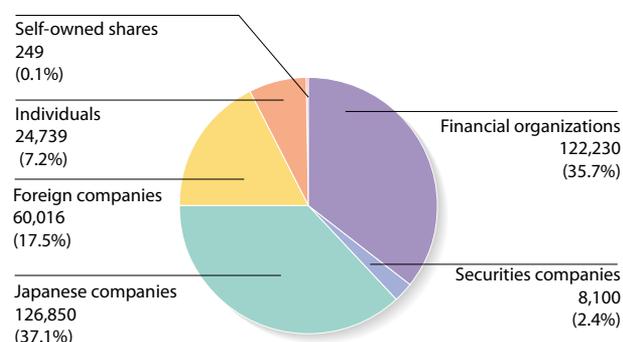
### Shareholder Information as of March 2011

(share quantities in units of 1,000)

- Number of authorized shares: 1,200,000  
Number of issued shares: 342,186
- Number of shareholders: 21,180
- Major (top 10) shareholders

Shareholder	No. of shares
Toyota Motor Corporation	77,235
The Master Trust Bank of Japan, Ltd.	25,079
Japan Trustee Services Bank, Ltd.	19,312
Denso Corporation	18,371
Nippon Life Insurance Company	12,361
Toyota Industries Corporation	7,813
Resona Bank, Ltd.	6,749
The Sumitomo Trust and Banking Co., Ltd.	6,729
Sumitomo Mitsui Banking Corporation	6,366
National Mutual Insurance Federation of Agricultural Cooperatives	6,327

- Breakdown of shareholders (100% = total issued shares)



# Company Profile

## Profile

Company name	<b>JTEKT CORPORATION</b>
Head office locations	Nagoya head office No. 7-1, Meieki 4-chome, Nakamura-ku, Nagoya, Aichi Pref. 450-8515, Japan Osaka head office No. 5-8, Minamisemba 3-chome, Chuo-ku, Osaka, 542-8502, Japan
Main businesses	Manufacture and sale of steering systems, bearings, driveline components, machine tools, etc.
Capital	45 billion yen
Sales	Consolidated: 955 billion yen Nonconsolidated: 547 billion yen
Number of employees	Consolidated: 36,775 Nonconsolidated: 9,906

## Members of the Board and Officers

### Directors

Chairman	<b>Motohiko Yokoyama</b>
President	<b>Shoji Ikawa</b>
Executive Vice President	<b>Takaaki Suzuki</b>
Senior Executive Director	<b>Seiho Kawakami</b>
Senior Executive Director	<b>Hitoshi Shimatani</b>
Senior Executive Director	<b>Masakazu Isaka</b>
Executive Director	<b>Ryuichi Kakui</b>
Executive Director	<b>Masayuki Kitamura</b>
Director	<b>Takeshi Uchiyamada</b>

### Corporate auditors

Standing Corporate Auditor	<b>Masatake Enomoto</b>
Standing Corporate Auditor	<b>Hiroshi Fujii</b>
Corporate Auditor	<b>Koichi Fukaya</b>
Corporate Auditor	<b>Atsushi Niimi</b>
Corporate Auditor	<b>Masaaki Kobayashi</b>

### Managing officers

Executive Managing Officer	<b>Hisashi Matsumoto</b>
Executive Managing Officer	<b>Noriya Murase</b>
Executive Managing Officer	<b>Motoyasu Nakamura</b>
Executive Managing Officer	<b>Tetsuji Okuda</b>
Executive Managing Officer	<b>Shiro Nakano</b>
Managing Officer	<b>Hiroyuki Kaijima</b>
Managing Officer	<b>Atsushi Kume</b>
Managing Officer	<b>Yusuke Horiuchi</b>
Managing Officer	<b>Azuma Arai</b>
Managing Officer	<b>Tomokazu Takahashi</b>
Managing Officer	<b>Hirokazu Takii</b>
Managing Officer	<b>Masaki Kamikawa</b>
Managing Officer	<b>Shinji Uetake</b>
Managing Officer	<b>Hiroyuki Miyazaki</b>
Managing Officer	<b>Yoshio Tsuji</b>
Managing Officer	<b>Keiji Araki</b>
Managing Officer	<b>Yutaka Mori</b>
Managing Officer	<b>Hidekazu Omura</b>
Managing Officer	<b>Katsumi Yamamoto</b>
Managing Officer	<b>Kazunori Shimada</b>
Managing Officer	<b>Toshiyuki Atsumi</b>
Managing Officer	<b>Kazuhisa Makino</b>
Managing Officer	<b>Yoshikazu Konishi</b>
Managing Officer	<b>Hiroshi Ii</b>
Managing Officer	<b>Nobutaka Takeoka</b>