

First Publication of *JTEKT Engineering Journal*



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On January 1, 2006, Koyo Seiko and Toyoda Machine Works merged to form the new company JTEKT Corporation. We owe our success in carrying out this merger and also in publishing this first edition of the *JTEKT Engineering Journal* to the support and cooperation of our customers and many others, and I wish to take this opportunity to express my sincere thanks. Our hope in periodically publishing this journal is to present a sampling of our company's technical advances, receive feedback from readers, and together contribute to the advance of concerned industries. In particular, we wish to present this first edition as a commemoration of the start of JTEKT Corporation. Both Koyo Seiko and Toyoda Machine Works were companies possessing a wealth of technical expertise in the development and manufacture of steering systems and other products, and through combining this expertise, JTEKT will be able to provide a wide range of products, from steering systems and driveline components for automobiles to bearings and machine tools supporting a great variety of industries.

Naturally, the new company will possess a greater range of technology than either of its predecessors, and by achieving synergy through the combination thereof, JTEKT will be able to deepen fundamental technology in such areas as materials, analysis, control, and machine elements. Based on that, we have raised our R&D expectations and have set high targets for the development of world-leading technology.

Regarding the current R&D environment, we face a great diversity of technological needs, including the creation of innovative environmental technology and energy-efficient products in order to contribute to environmental conservation, the improvement of manufacturing technology in order to secure the high quality and cost competitiveness required to expand global operations and increase production volumes, and the development of advanced technology to keep us ahead of fast-rising competitors in China and Korea.

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Given such a situation, we will focus on such tasks as carrying out R&D with the aim of creating original fundamental technology that will lead to the development of innovative technology and products, developing products with high added value and superior cost performance, and creating innovative machine tools and production technology that will revolutionize manufacturing processes. To do this, we will pursue synergy by combining the broad technical expertise and deep knowledge of fundamental technology possessed by our four product divisions, as outlined below.

First, in order to achieve this synergy as quickly as possible, we will aggressively pursue development of advanced technologies that, while important for the future, until now we have not been able to pursue because of insufficient manpower or technical capability. We also will pursue the creation of new products based on these technologies.

Next, we will strive to deepen, expand, and enrich our element technology and fundamental technology for the purpose of creating unique products. In particular, we will strengthen technology related to materials, simulation, and such manufacturing techniques as machining, heat treatment, and forging.

At the same time, we will strive to link the wide-ranging technical resources of our group companies and create a management structure whereby joint technology development can be carried out speedily and efficiently.

In line with the saying, "strike while the iron is hot," my desire is to combine the two companies' technologies and move forward quickly while everyone has new energy and dreams from formation of the new company.

In regard to our future direction, I would like to express my personal desires in the form of requests to our engineers.

Concerning the achievement of synergy, one of the main purposes of the merger, please understand that synergy means change and that no synergy can be achieved without change. In other words, conventional methods and ways of thinking must be improved as we

move to a new level. The fusion of the two companies' technologies gives us more potential than many realize, so I would like you to set high goals and work to achieve these.

Next, I would like our engineers to utilize technical theory more actively, which I believe will lead to the creation of sound technology with robust characteristics that is backed by logic and theoretical calculation. My hope is that the JTEKT brand name will be enhanced through the creation of unique products based on the application of such sound technology. In addition, my wish is that by pursuing such objectives, our engineers will become an elite team that can function actively on the world stage.

Lastly, we appreciate the support until now of all readers of Koyo Seiko's *Koyo Engineering Journal* and the Japanese-language technical journal published by Toyoda Machine Works, which these companies utilized to introduce their latest technologies and products. In the same way, we hope by means of this new journal to provide readers with information on the technical innovations and new value being created by JTEKT Corporation, and we will welcome your continued feedback.

Your support and assistance will be sincerely appreciated.