

Response to Energy Reforms



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As a result of the Fukushima nuclear power plant accident caused by the tsunami which devastated Japan in March 2011, nuclear power plants across the country have shut down for inspections, unable to recommence operations. As such, we are faced with the unstable power supply situation.

To answer power demands, thermal power stations that had been dormant recommenced operations, creating an unfavorable situation insofar as the reduction of greenhouse gas emissions is concerned.

Despite this situation, the Japanese government has announced their intention to maintain the political objective of reducing greenhouse gas emissions by 25% (compared to 1990) by the year 2020 in an effort to prevent global warming. The government has emphasized that "renewable energy and energy-saving schemes will be incorporated in new energy policies and will positively contribute to global warming prevention". In addition, the government has declared that they will "engage in bold technological innovation to have renewable energy account for 20% of Japan's total power (currently it accounts for around 9%) by as early in the 2020s as possible."

The cost of producing renewable energy is dropping dramatically due to technological developments and market growth. America, Europe and newly – emerging countries are furthering investment and technological development towards renewable energy and energy conservation.

With the price of fossil fuels expected to rise, technological development in the name of a low carbon society will become more active. Japan is rising to the challenge of an energy revolution and it will require the effort and wisdom of society at large.

The main focus of new energies will likely be the reduction of new nuclear power plant construction, introduction and expansion of new energies to compensate for that reduction, and the promotion of energy conservation measures. Moreover, as greenhouse gas

emission is closely intertwined with energy consumption, the promotion of alternative means to fossil fuels is becoming a worldwide movement. Such alternative means are already being diverted to international energy systems, and just as oil replaced coal in the 20th century, it is predicted that new energies will play a central role by the middle of the 21st century.

Unlike conventional energies (oil, coal, natural gas, nuclear power or other sources), new energies (solar, wind, clean car, heat produced by waste disposal) make greenhouse emissions extremely minimal by utilizing renewable energies, recyclable energies and new ways of using conventional energies. In all future energy developments, the global environment must be considered. We at JTEKT also believe that a significant transition is about to take place in the world and this presents an outstanding business opportunity for JTEKT. Through product development and technological innovation that focuses on both the utilization of renewable energies and response to energy conservation, new needs and markets are emerging. JTEKT must respond to the new demands of the market as quickly as possible. We must offer our customers fundamental and innovative technologies in a timely manner to always be one step ahead.

JTEKT's products, from the bearing that provides the foundation of the world's industries, to machine tools that create products, to steering systems and drive components essential to vehicles, are progressing each and every day to contribute to the global environment in every facet of our operations. Through the development of these principal products we have accumulated knowledge that has subsequently helped to further refine our core competences of torque and friction loss reduction, high efficiency, lightweight solutions, downsizing, resource-saving and so forth. JTEKT's mission is to offer our customers new products as a Monozukuri company that continues to create new value. In order to do our part for society, JTEKT will continue to consider energy reform a high-priority issue.

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