



## Financial Capital

Based on the newly formulated medium-term business plan, the JTEKT Group will strengthen its financial foundation and enhance its corporate value by aggressively pressing ahead with structural reforms and business restructuring.

The Group will also aim to achieve sustainable growth by strengthening the competitiveness and improving the profitability of existing businesses and efficiently reinvesting the funds generated through such initiatives in growth areas.

**Kazuhisa Makino**

Member of the Board, Senior Executive Officer

### CFO message

#### 1. Looking Back on Fiscal 2020, Looking Ahead to JTEKT Reborn

In fiscal 2020, we recorded profit for the year attributable to owners of the parent company of ¥800 million as a result of implementing various measures to boost earnings despite the significant decrease in revenue due to the COVID-19 pandemic and other factors. However, this was a year in which we had to recognize once again that our profit structure was weak compared to the other Toyota Group companies and our competitors. With this in mind, we were able to make a concerted effort to strengthen our business structure, with the awareness that we must become a

company that is capable of generating profits even in the face of unexpected changes in the external environment.

In April 2021, we announced our medium- to long-term business plan to realize our Vision 2030. We have positioned fiscal 2021 as the first year of JTEKT Reborn, and the three years of the first phase focus on strengthening our business structure to become a stronger JTEKT. In this phase, our top priority is to bolster our competitiveness and rebuild our structure to be able to generate profits even in the face of changes in the external environment.

#### 2. Strengthening Our Foundations and Implementing Radical Structural Reforms

As an indicator of the strengthening of our foundations, we consider the breakeven sales ratio to be a vital KPI. In the medium-term business plan, we have set a target of lowering this ratio to 80% by fiscal 2023, and aiming for business profit of ¥100 billion, which represents the profit of our core businesses. In fiscal 2020, as a result of a zero-based review of all expenses globally, the breakeven sales ratio is now at 85% against fiscal 2019 sales. However, this included one-time cost reduction from the extraordinary response to the COVID-19 pandemic. To make core improvements without allowing a rebound in costs, we will promote activities to significantly improve our cost structure, such as further reduction and optimization of fixed costs, bold design standardization, and the use of LCCs\*1 to offer quality products at reasonable prices. We have established a

structure to follow up on these activities to be promoted in the entire Group through meetings such as the Strategy Meeting, which is led by top management, and the Cost Reduction Committee.

In addition, as part of radical structural reforms, we are accelerating business reorganization, including the consolidation and closure of sites globally, to realize a lean structure. In all regions, including Europe, where profitability is currently an issue, we will determine whether it is possible to eliminate business overlaps between sites and improve efficiency by integrating sites located close to one another. We thus aim to optimize our business structure on a global basis. By doing so, we will reduce fixed costs, improve asset efficiency, and maximize synergies within the Group.

\*1 LCCs: Low Cost Countries

#### 3. Investment for Future Growth and Advancement

Not only do we need to strengthen our financial base through, variable and fixed cost reduction, and site optimization, but we also need to plant the seeds for future growth and advancement. Naturally, we will continue to make the necessary investments to improve the performance and competitiveness of our existing technologies and to reduce costs, but we will also need to invest in the development of carbon-neutral and other new technologies, in addition to our ongoing focus on automation and electrification. To achieve such goals, we will continue to optimize our global R&D structure and invest more efficiently in established technologies, thus creating a structure to shift more resources toward investments in future growth.

We intend to proactively invest in growth markets and businesses after carefully considering their importance to our business strategy and prioritizing and scrutinizing investment projects. In making investment decisions, we will also take into account the efficiency of the supply chain and the verification of returns from a cost of capital perspective. In addition, we will invest in DX to fundamentally revamp our existing business processes, improve operational efficiency, and transform our business model. Furthermore, we believe it is important to invest in talent to promote such corporate activities based on the TQM concept.

#### 4. Initiatives to Boost Capital Efficiency

We will continue to improve capital efficiency of the entire Group through cross-border financing and implementing a Group dividend policy. In addition, to get a better grip on Group management from a cash management perspective, we will review our monitoring process to detect problems at an earlier timing from the financial figures of Group companies and strengthen governance for Groupwide growth.

In fiscal 2020, we boosted our cash reserves on a strategic basis to prepare for risks surrounding the Group, such as our response to the COVID-19 pandemic. However, we will optimize these reserves in line with the resolution of the

pandemic, sales recovery, and improvement in profitability.

We are reorganizing our cross-shareholdings based on a policy only to hold shares if we judge that they will maintain and strengthen long-term business relationships and contribute to enhancing corporate value. We will continue to review the significance of our holdings on a regular and ongoing basis and strive to optimize them.

In addition to returning profits to shareholders and reducing interest-bearing debt, we will make effective use of the funds obtained from these initiatives as a source of investment in growth areas.

#### 5. Shareholder Returns Policy

Our basic policy on shareholder returns is to sustainably increase JTEKT's corporate value and to provide stable dividends over the long term. Although our earnings deteriorated significantly in fiscal 2020, we paid an annual dividend of ¥16 per share based on our policy of delivering long-term stable dividends. Also, we have moved up the

date of dividend payments to return profits to shareholders as early as possible. We will continue to improve our earnings by establishing a financial foundation that can flexibly respond to changes in the environment and strengthening our business structure but also achieve "tree-ring growth" and thus generate stable shareholder returns.

# Manufactured Capital

JTEKT is working to improve the productivity of its manufacturing facilities to ensure the stable delivery of high-quality yet inexpensive products to customers with the highest priority on safety and quality. JTEKT also has the advantage of being one of the few companies in the world that produces both bearings and machine tools, two businesses that are indispensable to the manufacturing industry. We are also working as one to further evolve *monozukuri* (building excellent products) by supporting each other with the knowledge we have accumulated in each business.

## Capital Expenditures Aimed at Strengthening Business and Management Foundations

In addition to production increases and investments to update old equipment, the JTEKT Group has been proactively investing in operational efficiency centered on IT to strengthen its management foundation for the future.

As we face a harsh business environment, in order to continue making efficient investments into the future, we will carefully consider the necessity and recoverability of each investment project and thoroughly utilize existing bases and assets.

## Development and Manufacturing Bases Capturing Global Needs

The JTEKT Group has development and manufacturing bases in approximately 30 countries and regions. With each base acting as an antenna tuned into customer and market needs in each country and region, we are able to quickly ascertain trends and changes throughout the

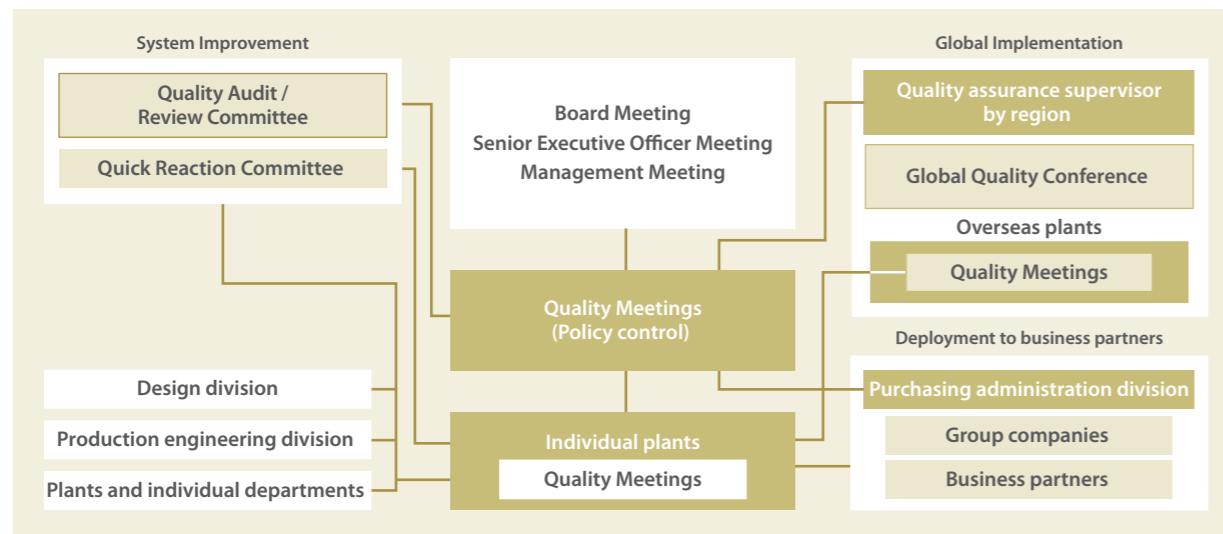
world. Amassing this information at development bases enables JTEKT to develop products with high added value.

## Quality Policy and Quality Assurance System

With our "Customer First" philosophy being the foundation of our quality policy, we engage in various quality improvement activities. In pursuing quality at each stage of "design quality and manufacturing quality," we have established a quality assurance system based on

the belief that improvements in overall product quality are linked to earning the trust of our customers. In addition, in order to permeate and establish the policy, we post and chant the policy on the companywide basis.

### Quality Assurance System



## JTEKT Manufactured Capital

Capital expenditures

¥50.7 billion

Number of overseas base countries/regions

30

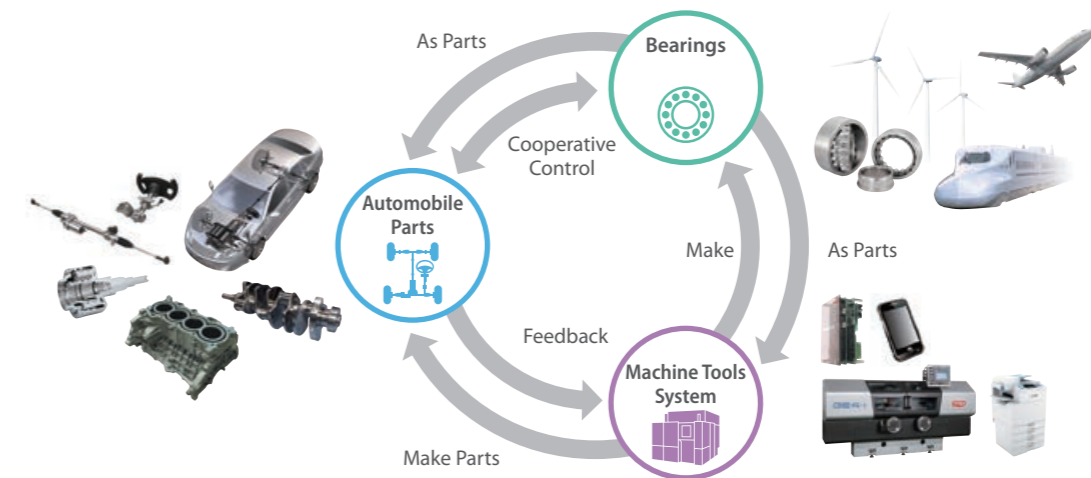
Fiscal 2020 performance

## Pursuing Productivity beyond the Boundaries of Each Business

JTEKT was formed through the merger of two companies and consists of four businesses and more than 150 Group companies. Yet if we recognize each other's good points and pursue synergies, our growth potential will be unlimited.

In the area of manufacturing technology, we are thoroughly committed to helping each other in times of

trouble, regardless of position in the company. Utilizing our know-how on processing conditions cultivated through the manufacture of machine tools, which are called "mother machines," members of the machine tools and systems business join in efforts to improve production lines for automotive parts and bearings, and thus work to improve production efficiency across business boundaries.



## Initiatives for Disaster Mitigation and Rapid Disaster Recovery

JTEKT has been working to build a system for disaster mitigation and rapid recovery based on the policy that disaster mitigation for people and their families is our top priority for continuing business activities. In 2007, we installed a system to quickly confirm the safety of our employees, and we conduct periodic safety confirmation drills based on the assumption of a large-scale disaster. We are also planning to introduce an in-house building emergency risk assessment system to train emergency risk assessors, who are indispensable for the recovery of workplaces, and have recently created a building emergency risk assessment manual to assess risk based on the buckling of buildings and columns and the peeling of paint. Furthermore, we conduct recovery drills in which

functions are coordinated in case of a disaster, as well as fall prevention measures in accordance with the seismic intensity expected in each region. We also reexamine any gaps identified in our measures. In the event of a large-scale power outage, we are strengthening our business continuity planning (BCP) system throughout the value chain by deploying emergency power sources at various locations to ensure smooth communication between the affected areas and the companywide disaster command center, maintaining our internal network, and confirming the disaster status and requests for assistance from our business partners.

The table below shows the list of facilities related to BCP.

### BCP-Related Facilities

Kariya / Nara	Installed emergency private power generator	Capable of continuous operation for about seven days
Hanazono Plant Technology Development Center	Photovoltaic generation system equipped with power conditioning system (PCS) with self-sustaining operation function	Capable of charging 10 laptops and 100 employee smartphones ▶ Contributes to employee safety as well as communication with related locations
Okazaki	Deployment of power supply vehicles	During business as usual, used to start up cogeneration facilities after a power failure. ▶ In the event of a disaster, can provide disaster relief not only to our own sites but also to Toyota Group companies and affected municipalities (due to the common specifications of the Toyota Group).



JTEKT Capital Strategy

# Intellectual Capital

To continue to create value that exceeds its customer expectations, the JTEKT Group is engaged in foundational element research that will lead to future products.

By furthering advancing and combining technical areas of strength, JTEKT is engaged in R&D with an eye on fields of growth. This is done with the aim of providing new products that are eco-friendly, safe, and comfortable, in a quick and reliable manner.

## Scope of Focus

The JTEKT Group aims to achieve further growth by strengthening existing businesses including steering and driveline products and move into areas related to CASE<sup>\*1</sup>. This is achieved by eliminating barriers between groups and maximizing the use of new technologies. In addition to future product development such as electric power steering

(EPS) designed for autonomous driving, lithium-ion capacitors<sup>\*2</sup>, and electrification of brakes, JTEKT is actively working on areas that will help to resolve social issues. The Group is contributing to SDGs<sup>\*3</sup> and the achievement of carbon neutrality through its involvement in natural energy generation and hydrogen power.

\*1 CASE: Acronym that stands for Connected, Autonomous, Shared, and Electric.

This implies the importance of mobility services across industries under the transformative phase for automobiles.

\*2 A capacitor that increases energy density by adding lithium ions to the negative electrode material of a capacitor with double layers of positive and negative electrodes.

\*3 SDGs: Acronym that stands for Sustainable Development Goals, the international goals to achieve a sustainable and better world by 2030, consisting of 17 goals and 169 targets.

Strengthening Competitiveness of Existing Businesses	New Initiatives	Resolving Social Issues
<p><b>Automotive Products</b> Steering products, driveline products (CVJ<sup>*4</sup>, hub units, etc.)</p> <p><b>Bearing products</b></p> <p><b>Machine tools</b></p>	<p><b>Lithium-Ion Capacitor</b> Provision of back-up power supply system, maintenance free</p> <p><b>Autonomous Driving</b> Steer-by-wire<sup>*5</sup>, Haptic Shared Control</p> <p><b>Gear skiving center<sup>*6</sup></b></p>	<p><b>Hydrogen Society</b> Hydrogen-resistant environmental bearings<sup>*7</sup>, products for fuel cells</p> <p><b>Renewable Energy Generation</b> Generator bearings, preventive maintenance management</p> <p><b>Low Birthrate and Aging Population</b> J-PAS Power Assist Suit, walking aids</p>

\*4 Constant velocity joint: A joint that transmits the rotational force generated by the engine to the drive wheels.

\*5 A system in which the rotation of the steering wheel is transmitted to the tires by an electrical mechanism rather than a mechanical one.

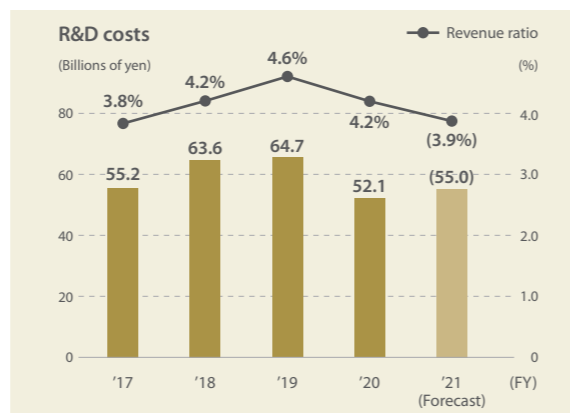
\*6 A machine that performs gear cutting using the relative velocity generated by tilting and rotating the tool and workpiece.

\*7 Bearings that are resistant to hydrogen embrittlement, and will not corrode in steam.

## R&D Initiatives

JTEKT is developing a steer-by-wire for automated driving vehicles. With this system, the steering wheel has no mechanical connection with the wheels. Instead driver input is transmitted to the wheels via electronic control, thereby contributing to greater degrees of freedom in terms of cabin arrangement. In addition, the company has developed a lithium-ion capacitor that can be used as a backup power source even high temperature conditions, fulfilling functional safety requirements. These technologies contribute to a safer and more comfortable driving experience.

Furthermore, as the level of automation increases, smooth transitions between autonomous and manual driving become necessary. To tackle this challenge, JTEKT is developing its version of a technology called Haptic Shared Control, which allows manual and automated steering to coexist in a form of collaborative driving.



## JTEKT Intellectual Capital

R&D costs

¥52.1 billion

Number of patents pending

498

Number of patents acquired

323

Fiscal 2020 performance

This constitutes an operating system using which driver and automation share the steering authority, reducing discomfort and misuse that occur when switching between automated and manual operation. Such technology provides EPS systems with a high level of safety and thus contribute to building trust in the vehicles of the future.

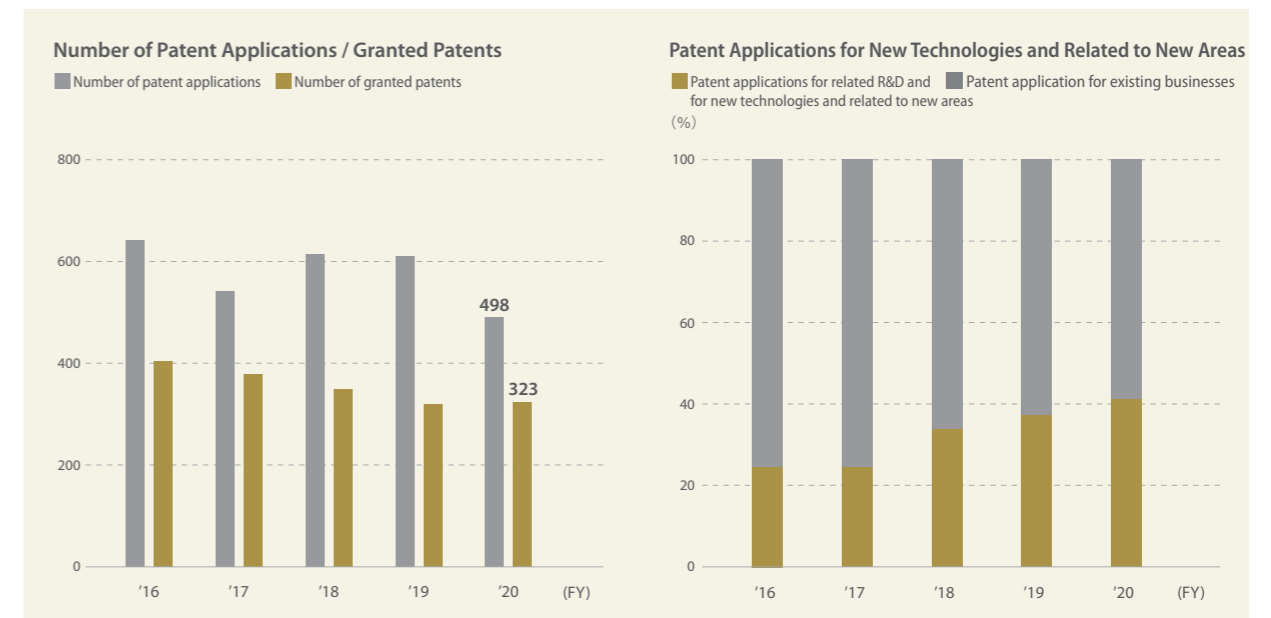
Among other initiatives, JTEKT contributes to the electrification of automobiles and is involved in hydrogen power. The Group is working on further advancing the fundamental technologies that support low-loss, low-NV, high-speed, and environmental durability of mechanical elements such as bearings and gears. Additionally, the Group is actively contributing to smarter manufacturing through its investments in gear skiving centers and Internet of Everything (IoE) solutions. JTEKT is also working on the development of the J-PAS (JTEKT Power Assist Suit), which provides flexible support to its user. Such technology is developed with the intention of tackling social issues such as the declining birthrate and the aging population.



## Intellectual Property Initiatives

JTEKT has been filing patent applications to protect the results of its R&D in existing businesses. The Group is shifting its focus from quantity to quality while maintaining a certain minimum number of patent applications. Also, the Group intends to concentrate on new technologies, domains and initiatives to tackle social issues. Those areas are to be strengthened in the medium- to long-term business plan.

Furthermore, JTEKT is undertaking thorough patent warranty clearance searches during the product development stage so as to respect the intellectual property rights of third parties and thus reduce the risk of future disputes.



## JTEKT Capital Strategy

## Human Capital

The JTEKT Group has more than 150 bases around the world and approximately 50,000 employees. About 60% of all employees work overseas. As a truly global company, we conduct corporate activities rooted in local communities and cultures, proactively recruit and develop talented human resources responsible for manufacturing of the future in each country, and promote local procurement and locally based manufacturing, all of which contributes to industrial development in countries throughout the world.

Each Group company leverages its unique characteristics to provide customers around the world with high-value-added products, taking pride in their outstanding capabilities and forging strong bonds with each other.

## Creating an Environment in Which Diverse Human Resources Can Play an Active Role

As globalization and other changes in the business environment become more intense year by year, it is essential for companies to accept and utilize the diversity of human resources with various attributes and values such as gender, nationality, age, and culture in order to grow.

JTEKT regards the promotion of diversity as one of the important management strategies for realizing the JTEKT GROUP VISION. It aims to create an organization where diverse human resources can maximize their abilities by

fostering a workplace environment where they can work enthusiastically and a system of work styles.

We are also working to create a workplace environment where employees who are balancing work with childcare, nursing care, illness, fertility treatment, etc., can continue to work with peace of mind and fully demonstrate their abilities. In 2019, we obtained "Kurumin" certification as a company that supports childcare.

## Overview of Work-Life Balance Programs

Pregnancy to birth	Childbirth and childcare					Caregiving	Others
	1 year old	2 years old	3 years old	Before starting primary school	End of second grade		
Maternity leave						Family care leave	Flexible work schedule (no core time)
Parenting leave	May be extended					Shorter working hours for family care	Half-day annual leave (no limit on number of days)
	Additional childcare leave for moms and dads					Overtime limit (24 hours/month, 150 hours/year)	Childcare support
	Exemption from overtime work					Return-to-work support program	
	Overtime limit (24 hours/month, 150 hours/year)						Cancer treatment leave
	Childcare leave (5 days/year for one child, 10 days/year for two or more children)						
	Daycare support						
	Shorter working hours for parenting						
	Babysitter subsidization scheme						

With regard to the advancement of women, we have formulated an action plan based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace, and have set a target of increasing the number of women in administrative positions to 40 or more by March 2023 (2.5 times the number as of 2015). We are also promoting the appointment of employees regardless of nationality, and the percentage of local employees in key positions at overseas Group companies was 75.8% in 2020.

## No. of women hired and appointed to administrative positions

Fiscal year	2016	2017	2018	2019	2020
No. of women employed in permanent positions	38	41	48	52	18
(Total no. of permanent employees)	(344)	(306)	(310)	(257)	(258)
No. of women in administrative positions	16	18	21	22	24
(Total no. of administrative positions)	(1,967)	(2,015)	(2,041)	(2,057)	(2,061)
No. of female assistant managers	65	67	69	84	89
(Total no. of assistant managers)	(1,486)	(1,528)	(1,538)	(1,603)	(1,641)

Furthermore, in terms of hiring, we are actively recruiting mid-career as well as regular hires, and in 2020 18 mid-career hires were working in administrative roles. We will continue to provide opportunities to recruit, train, and appoint diverse human resources regardless of gender, nationality, or other attributes, and promote the creation of a workplace where each employee can maximize their abilities and express their individuality.

## JTEKT Human Capital

No. of employees

48,332

No. of overseas employees

28,277

Fiscal 2020 performance

## Number of mid-career hires, mid-career hires in administrative positions and assistant managers

Fiscal year	2016	2017	2018	2019	2020
No. of mid-career hires	155	216	216	232	80
No. of mid-career hires appointed to administrative positions*	3	21	21	21	18
No. of mid-career hires appointed as assistant managers*	47	35	46	55	60

\* Including mid-career hires prior to the current fiscal year

## Ratio of local employees occupying key positions in overseas Group companies

Fiscal year	2016	2017	2018	2019	2020
Number of foreigners in department head class positions	124	128	140	195	252
Ratio of foreigners in department head class positions	62.9	65.3	65.7	74.1	75.8

## Initiatives in Talent Development

The social environment surrounding companies and individuals is changing drastically along with society's values and needs. Against this backdrop, JTEKT believes the growth of diverse individuals through proactive and motivated learning, and their contribution to the improvement of productivity and the creation of innovation, are important elements in the realization of sustainable growth in corporate value. In view of this, JTEKT has revamped its existing uniform Group training programs that were conducted by rank, position, and age. We have introduced a "three-story training system" that allows each employee to learn autonomously according to their own career vision and characteristics. Furthermore, we are promoting the shift to online training to support learning that is not restricted by time or location.

The first and second floors of the training system are designed to provide the knowledge and thinking necessary to become members of society and JTEKT. Depending on the individual's motivation and needs, they may be able to study courses above their level. We have also established a learning environment where mid-career employees who have not had the opportunity to study at the company can catch up

with the company's training system by learning from basic courses.

The third floor of the training system includes JTEKT's own role expectation courses, as well as business and technical courses in collaboration with excellent external courses. In one of the courses, an "MBA-stream course," 120 employees voluntarily applied for the course within a month of its registration opening, despite the fact that it is a paid course that requires some personal out-of-pocket expenditure.

Furthermore, the knowledge and skills acquired through independent and motivated learning will be centrally managed by the system and visualized on a companywide standard. By promoting the use of this system for planning future development and learning, as well as for finding and matching human resources, we are building a system that links individual learning with corporate growth.

Also, to strategically utilize existing human resources, we will promote recurrent education, such as specialized training in AI. In addition, we are deploying human resources into growth fields such as AI, DX, and carbon neutrality through internal recruitment systems.

## JTEKT's Training System

3F	<b>Basic Organizational Roles</b>
	1. Role expectation stream: Knowledge required to perform tasks related to role expectations (logical thinking, project management, presentation, etc.)
	2. Business stream: Courses taken according to individual needs → MBA-stream courses (data/information analysis, marketing, sales skills, finance/accounting, etc.)
2F	3. Specialist stream: Content in specialized fields such as science and engineering/technical courses (dynamics of machinery, metallurgy, Python, statistics, etc.)
	<b>JTEKT (Toyota Group) Basics</b> JTEKT's original content and knowledge required for the Toyota Group (TPS <sup>1</sup> , problem solving, policy management, etc.)
1F	<b>Basics for members of society</b> Content related to compliance with laws and regulations (safety, quality, compliance, diversity, etc.)

<sup>1</sup> Toyota Production System



## JTEKT Capital Strategy

### Basic Philosophy of JTEKT's Version of TQM

The basic philosophy of JTEKT's version of Total Quality Management (TQM) has been formulated and incorporated into the medium-term business plan for fiscal 2021 as the basis for creating frameworks and developing human resources. The core of this philosophy is the same as the [basic philosophy of TQM, but with a clearer connection to the company's mission.

The meaning of each of these items is explained below.



**For the earth** Our basic stance as a company is that we must not pollute the earth, i.e., air, water, greenery, soil, and so forth, in the course of our business activities. The realization of a sustainable society, which is the aim of the SDGs<sup>\*1</sup>, is an important issue for us. Therefore, we have placed "for the earth" at the top of our triangle.

**For society** A company is a "public institution of society," and its mission is to contribute to society through its corporate activities. We believe that there are three main ways to contribute to society. The first is delivering high-quality yet inexpensive products, thereby pleasing our customers by providing them with products offering good performance and quality at affordable prices.

The second is paying taxes, thereby contributing to local countries and communities by paying taxes with the profits generated from the satisfaction of our customers.

The third is employment. We believe continuous employment itself is also a social contribution, as well as the consumption and economic activities of our employees in each community.

**For customers** We will make every effort to pursue high-quality yet inexpensive products and thoroughly reduce our input costs while always being aware of the competition in order to please our customers.

**Continuous "kaizen"** While our competitors are growing day by day at an ever-evolving pace, "continuous kaizen" is essential for us to carry out our business activities in a lasting manner.

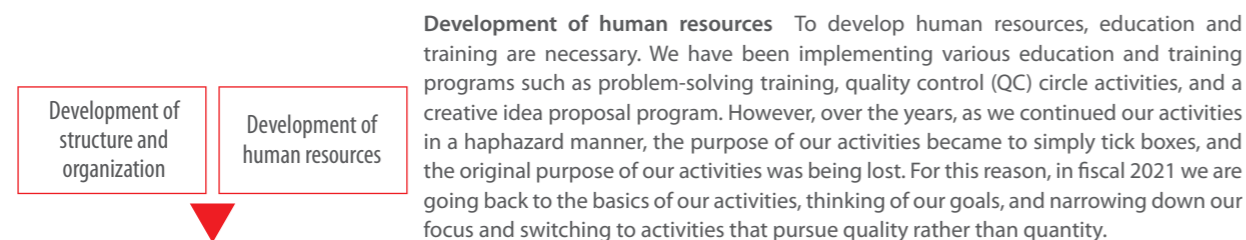
**Total participation** To practice "continuous kaizen," we will all pool our knowledge and proactively engage in daily improvement activities.

**Passion** We believe that good work can only be achieved by always thinking from the customer's point of view and seriously thinking, "I want to do this, and I want to help them do that." We believe that passion is the driving force behind everything, and that without passion there can be no success. The basic philosophy of JTEKT's version of TQM is based on this idea, so "passion" was added to the center of the triangle.

\*1 Sustainable Development Goals: International goals consisting of 17 goals and 169 targets to achieve a sustainable world, adopted at the United Nations Summit in September 2015.

### What are TQM activities?

To realize the basic philosophy of JTEKT's version of TQM, it is essential to develop human resources and also structure and organization, and this is precisely the key to TQM activities.



### To achieve "tree-ring management" (steady growth year by year)

Specific activities	
QC circle activities	We have abandoned the past practice of excessive preparation of presentation materials and abolished quotas that were set from the perspective of the secretariat and are switching to plant-led QC circle activities that are more in line with the situation of the front lines.
Problem-solving task forces	We are trialing problem-solving small-group activities at some divisions to apply problem-solving techniques in practice, rather than just in training sessions. By registering themes in line with the policy and having supervisors and subordinates work together on the themes, the program aims to improve problem-solving skills in the workplace.

**Development of structure and organization** Development of structure and organization is essential to continuing to develop people with an improvement mindset. We will build a structure and organization that can continue to make improvements to provide value that exceeds customer expectations.

## JTEKT Academy

### Cultivating Technicians Responsible for the Future

JTEKT Academy contributes to society through manufacturing, teaching basic skills enabling students to play an active role in the workplace.

Based on the ethos "skilled workers are required to make good products," we started in-company vocational training in 1941 to develop human resources, including human development based on technical and skills training. JTEKT fosters the motivation and sense of responsibility (mind) apposite for society, knowledge (wisdom) essential for future manufacturing and the basic skills (techniques) required to play an active role in the assigned workplace.

Currently, the Academy accepts Group company employees in addition to Group employees and aims to develop human resources who can contribute to the manufacturing conducted by the entire JTEKT Group. From a total of 3,744 graduates, we have producing excellent technicians who have earned the "Medal with Yellow Ribbon" and the "Outstanding Technician Award (Contemporary Master Craftsman)."



### Aiming for Japan's Top Skill Level—Competing in the Technical Skills Olympics



As part of our effort to further enhance our skills, participants are selected from Academy students to compete in the Technical Skills Olympics in a quest to attain Japan's top skill level. Through training and competition that "enables the "perfect manufacturing," the competition involves "taking action to carry through to the end," "athletes who can play an active role in the workplace" and "the cultivation of instructors" aimed at achieving individual goals.

#### Aims of Participating in the Technical Skills Olympics

- To provide motivation and goals to the younger generation and improve the motivation of all technicians
- To develop human resources comprising the core of the workplace with the latest knowledge and skills
- To secure talented human resources by attracting highly skilled workers
- To improve the JTEKT corporate brand

Since the establishment of JTEKT, we have won one gold medal, 10 silver medals, four bronze medals and 20 Fighting Spirit Prizes at the Technical Skills Olympics, and at the WorldSkills Competition Abu Dhabi 2017, we won the Fighting Spirit Prize.

In addition, from fiscal 2021 we are moving forward with a new challenge by entering in the plastic dye skills division.

### Cultivating Technicians Who Will Support the Future of Manufacturing

For those who have completed the Academy or who are involved in manufacturing, JTEKT provides the training necessary to confirm and enhance the basic knowledge and skills required on manufacturing sites and to improve their skills, including the maintenance and improvement of machining, electrical circuit, equipment maintenance, sheet metal and welding skills.

At the same time, we also support employees sitting for the National Technical Skills Certification, which is a public certification system for technical skills acquired by individual employees. Approximately 120 skilled workers are certified each year. In addition, based on the idea that "maintenance

is important for improving on-site capabilities," Academy students push themselves to acquire a level two qualification for Maintenance Skills and Knowledge Certification, with many successful candidates appearing each year.

National Technical Skills Certification		Maintenance Skills and Knowledge Certification	
Rank	No. of personnel	Rank	No. of personnel
Special rank	84	Level 1	345
Level 1	1,124	Level 2	1,475
Level 2	1,608	Total	1,820
Total	2,816		

(Source: Employee data as of April 2021)