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IR Presentation for the Third Quarter of Fiscal Year Ending March 2021

February 3, 2021

JTEKT Corporation

1. In the third quarter (Oct. – Dec.), posted a profit due to further sales recovery, cost improvement and fixed cost reduction effect.

In the cumulative third quarter (Apr. – Dec.), the results of efforts to improve the business structure have been shown, however, the impact of the decline in sales in the first quarter (Apr. – Jun.) was significant, resulting in loss.

2. Earnings forecast have revised up based on cumulative third quarter results, demand conditions in Jan.-Mar. and progress in improving the company's structure through cost improvement and fixed cost reduction.

Business profit is expected to turn profitable, however, net income is expected to be in the red.

3. Although earnings forecast have been revised up, the year-end dividend will be 8 yen per share as net income remains in the red. (Interim:8 yen , Annual:16 yen)

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1-1) Consolidated Performance

- Sales declined in all business segments and regions except for China due to heavy impact from sales decrease in 1Q
- Profit was turnaround due to earning structure improvement in 2Q in spite of sales decrease and significant loss.
Accumulated loss was minimized by profit increase in 3Q

():Ratio to Revenue

billions of yen

		FY2019 3Q	FY2020 3Q	Increase/ Decrease	Increase/ Decrease(%)
Sales revenue		1,071.0	883.5	▲ 187.4	▲ 17.5%
Business profit ※1	(3.0%)	32.4	(▲0.8%) ▲ 6.6	▲ 39.0	-
Operating Profit	(2.5%)	27.0	(▲0.9%) ▲ 7.8	▲ 34.9	-
Profit before tax	(2.6%)	28.0	(▲0.8%) ▲ 7.1	▲ 35.2	-
Profit attributable to owners of parent ※2	(1.1%)	11.3	(▲1.5%) ▲ 13.6	▲ 24.9	-
Foreign exchange	USD	¥ 108.67/USD	¥ 106.11/USD	2.56 strong yen	
	EUR	¥ 121.05/EUR	¥ 122.38/EUR	1.33 week yen	
Earnings per share		32.97yen	▲ 39.79yen		

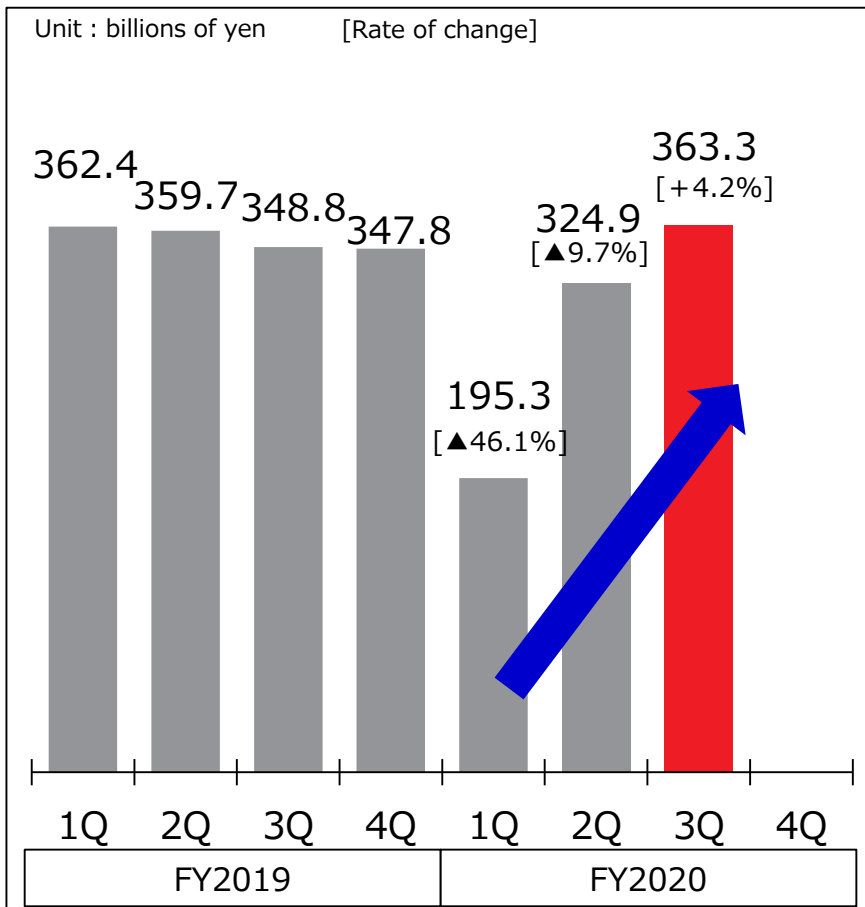
(※1) Our own management profit after deducting "cost of revenue" and "selling, general and administrative expenses" from "Sales revenue"

(※2) Profit attributable to owners of the parent

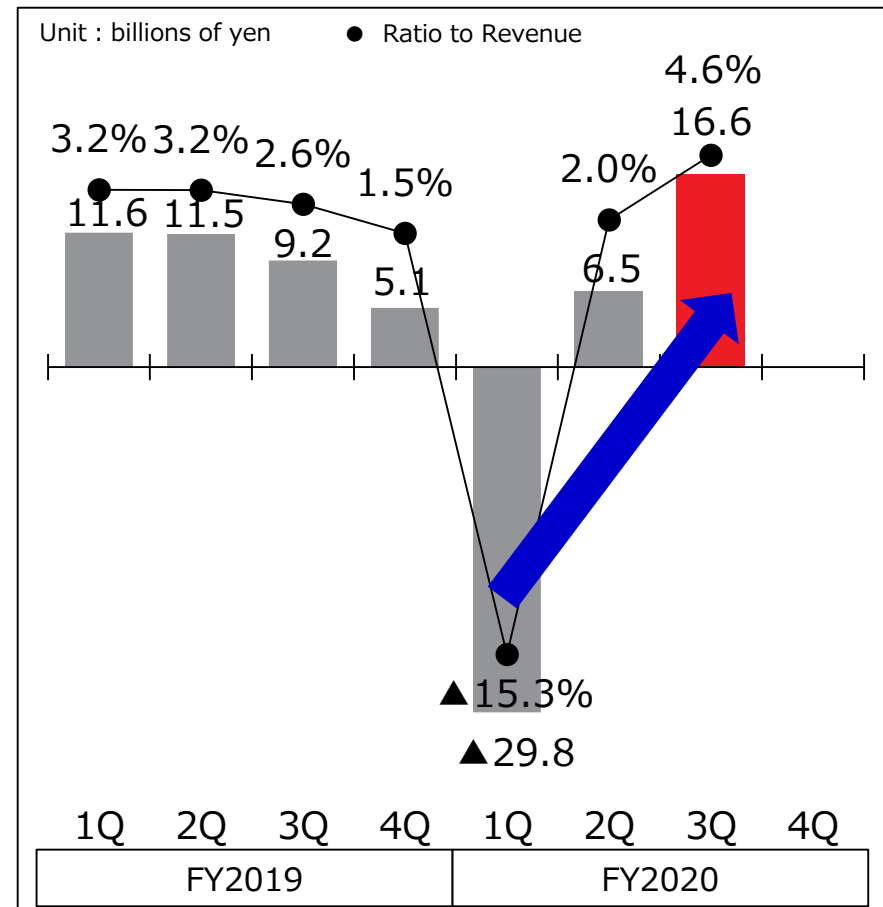
1-2) Quarterly Result Trend

- Sales recovered steadily after 1Q bottom and increased Y-on-Y in 3Q.
- Profit reached 16.6B JPY in 3Q due to earning structure improvement as well as sales recovery.

Sales revenue



Business profit

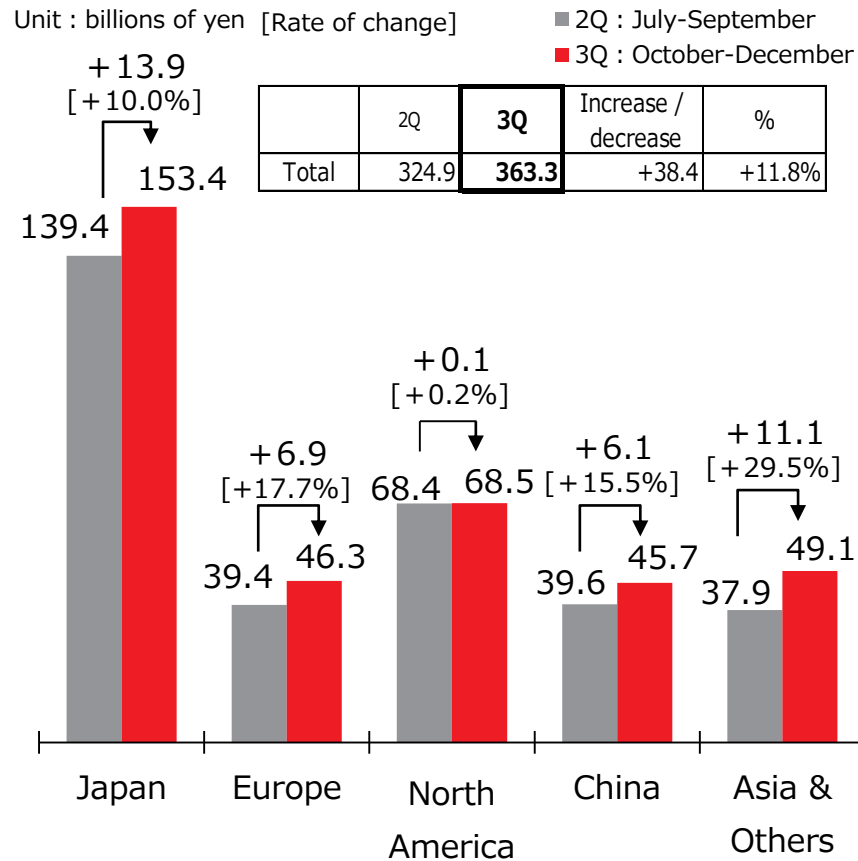


1-3) Results by Region

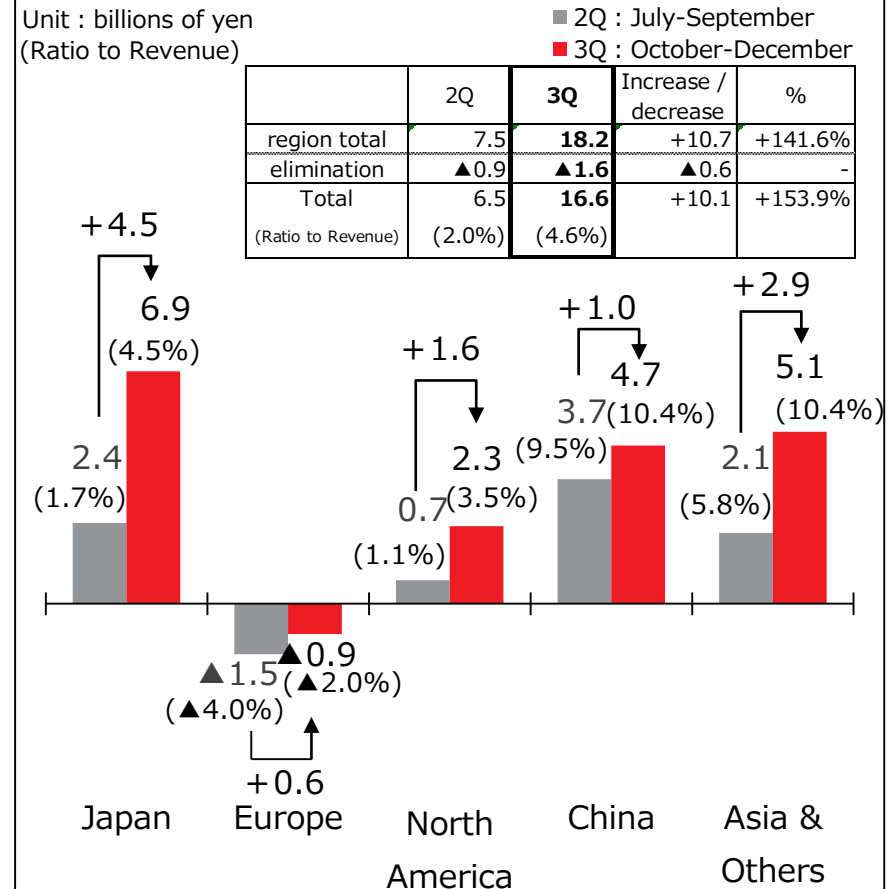
(Quarterly Result Trend 2Q: July-September → 3Q: October-December)

- Sales recovered to almost the previous year level in 3Q. Asia recovered steadily in 3Q in spite of the concern.
- Accumulate profit in all regions and minimize loss in Europe.

Sales revenue



Business profit

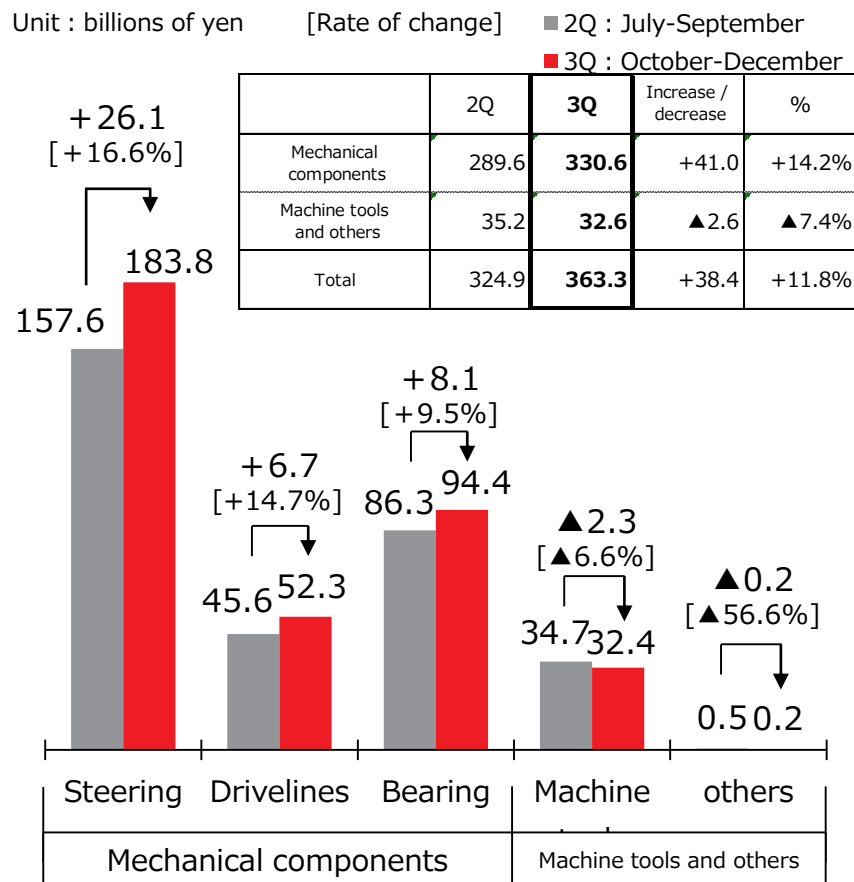


1-4) Result by Business

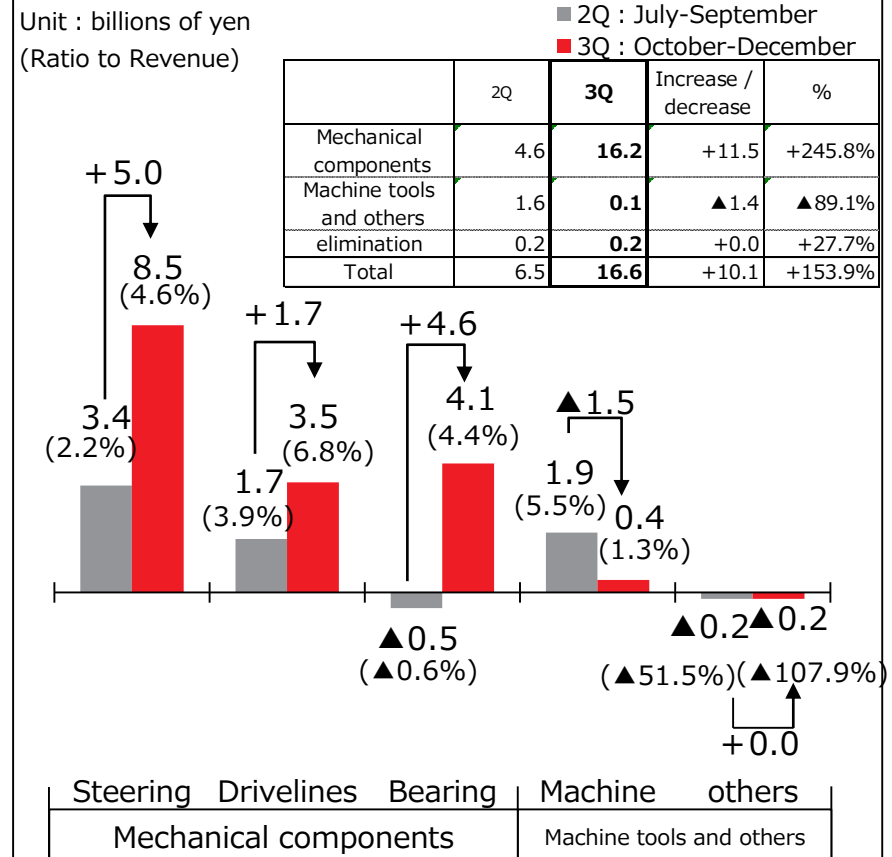
(Quarterly Result Trend 2Q: July-September → 3Q: October-December)

- Sales are on recovery trend due to OEMs production recovery
- Bearing business was turnaround in 3Q and profit was increased in other business segments

Sales revenue

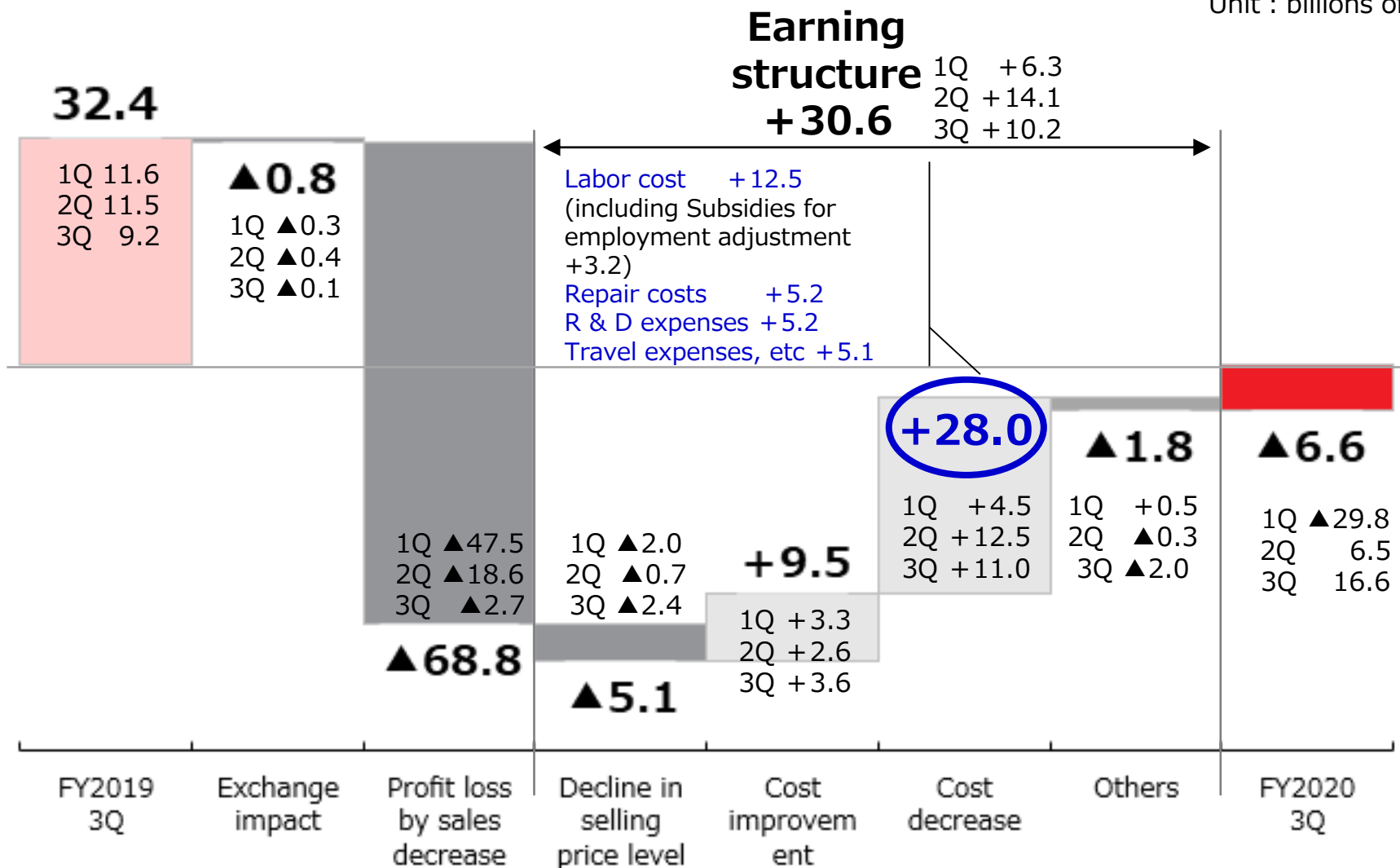


Business profit



1-5) Business Profit Analysis

Unit : billions of yen



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2-1) Forecasts for Fiscal Year Ending March 2021

Upwardly revised sales revenue and profit at each stage, reflecting the business results up to the third quarter, demand trends in the automotive industry, cost improvement effects, and curbing of labor costs and expenses.

():Ratio to Revenue

billions of yen

	20/3 result	21/3 revised forecast	Increase/ Decrease	Increase/ Decrease (%)
Sales revenue	1,418.8	1,210.0	▲ 208.8	▲ 14.7%
Business profit ※1	(2.6%) 37.5	(0.7%) 8.0	▲ 29.5	▲ 78.7%
Operating Profit	(1.1%) 16.1	(0.0%) 0.5	▲ 15.6	▲ 96.9%
Profit before tax	(1.1%) 15.0	(0.1%) 1.0	▲ 14.0	▲ 93.3%
Profit attributable to owners of parent ※2	(▲0.3%) ▲ 3.7	(▲0.7%) ▲ 9.0	▲ 5.3	-
Foreign exchange USD	¥ 108.74/USD	¥ 105.00/USD	3.74strong yen	
EUR	¥ 120.82/EUR	¥ 123.00/EUR	2.18week yen	
Earnings per share	▲ 11.06yen	▲ 26.24yen		

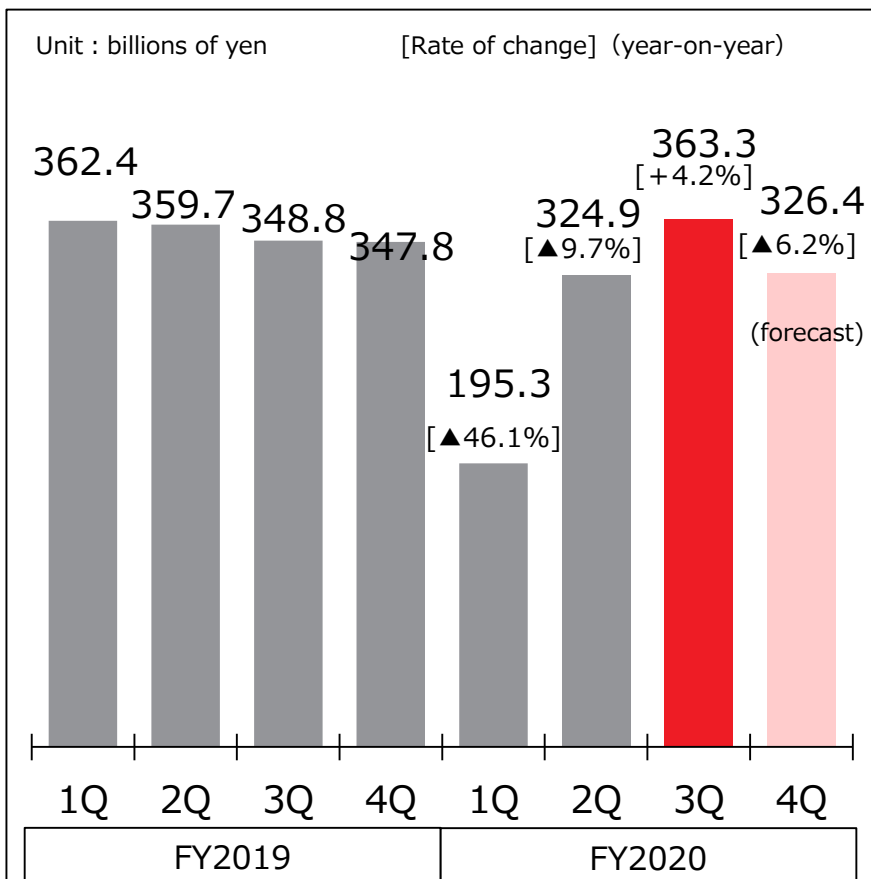
(※1) Our own management profit after deducting "cost of revenue" and "selling, general and administrative expenses" from "Sales revenue"

(※2) Profit attributable to owners of the parent

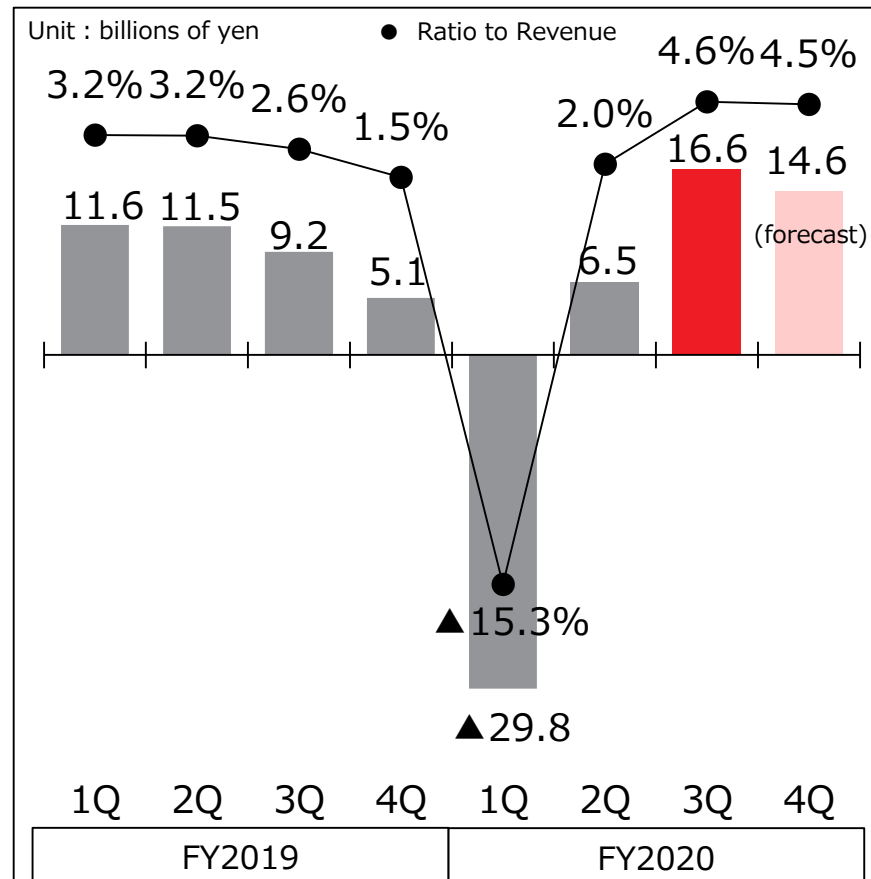
2-2) Forecasts – Quarterly Result Trend

- 4Q(Jan-Mar) sales : YoY decrease in Japan and Europe, flat in North America, Asia and others, increase in China
- 4Q(Jan-Mar) profit : Decreased, but expected to be 14.6 billion yen by continuing efforts to improve business structure through the third quarter

Sales revenue

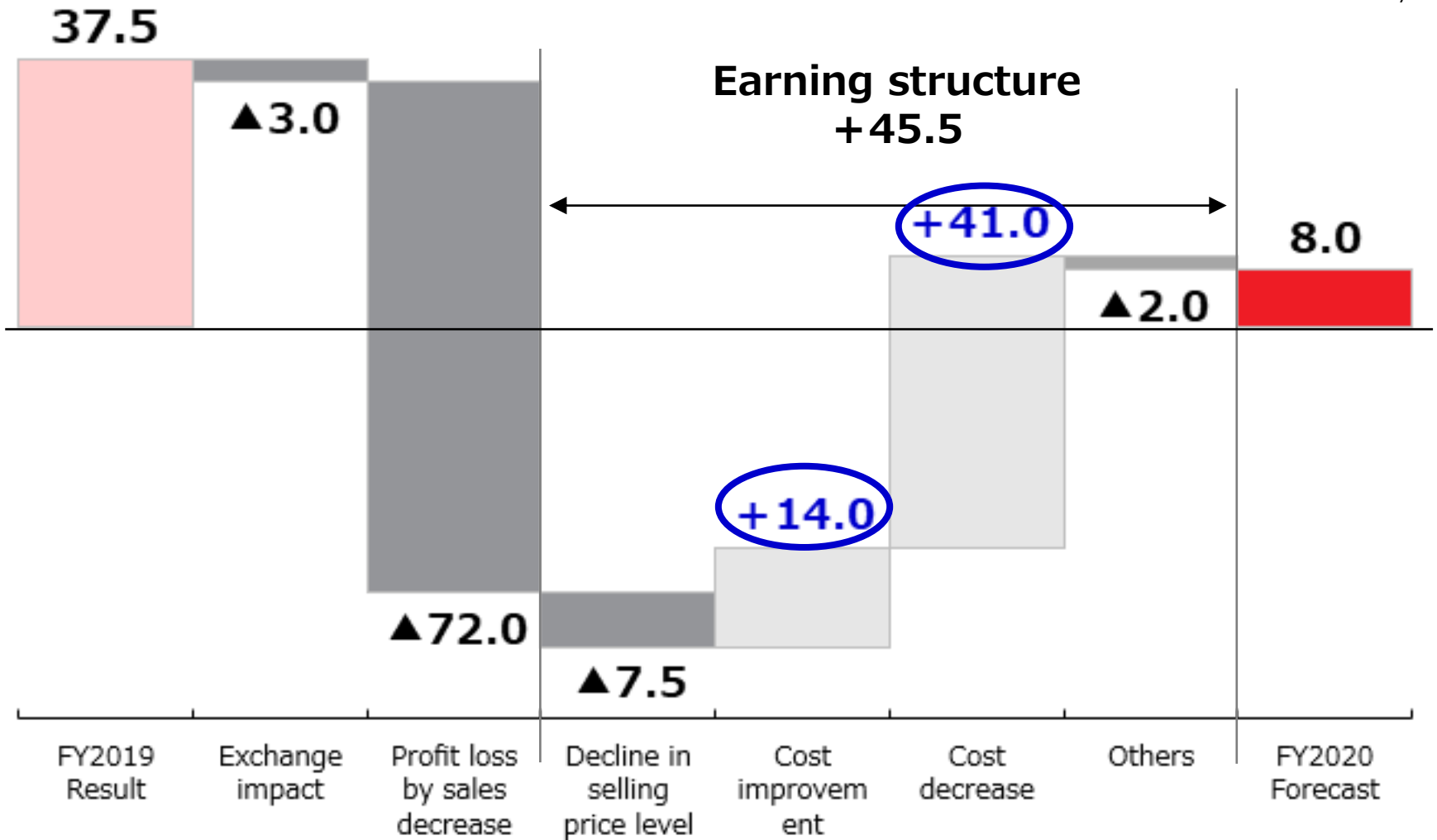


Business profit



2-3) Forecasts – Business profit Analysis

Unit : billions of yen

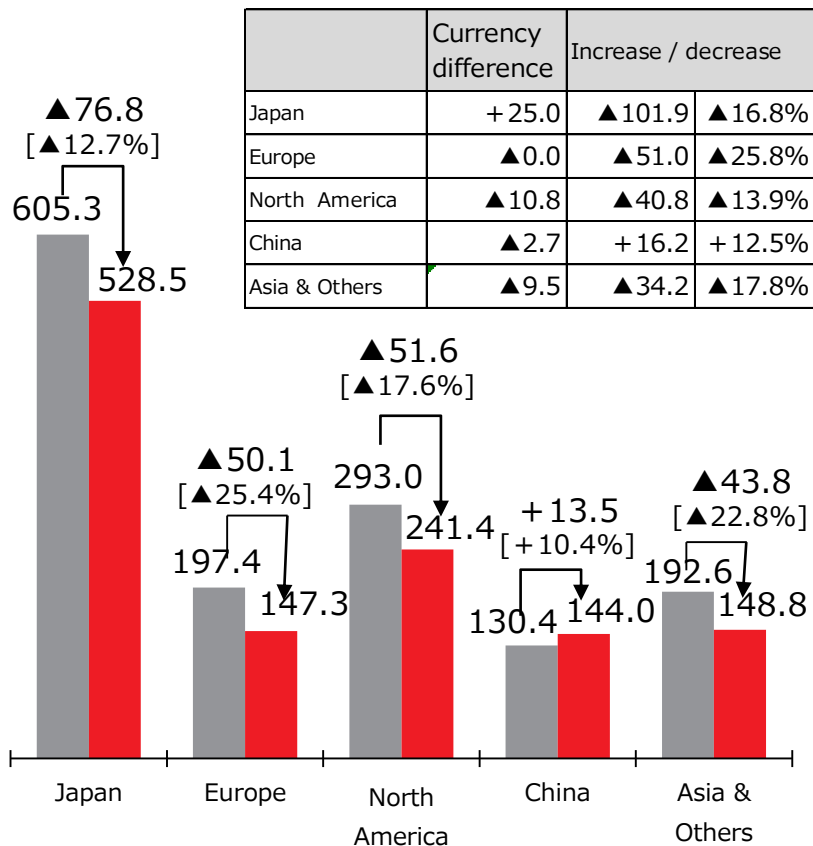


2-4) Forecasts – by Region

Sales revenue

Unit : billions of yen

[Rate of change] ■ 20/3 ■ 21/3



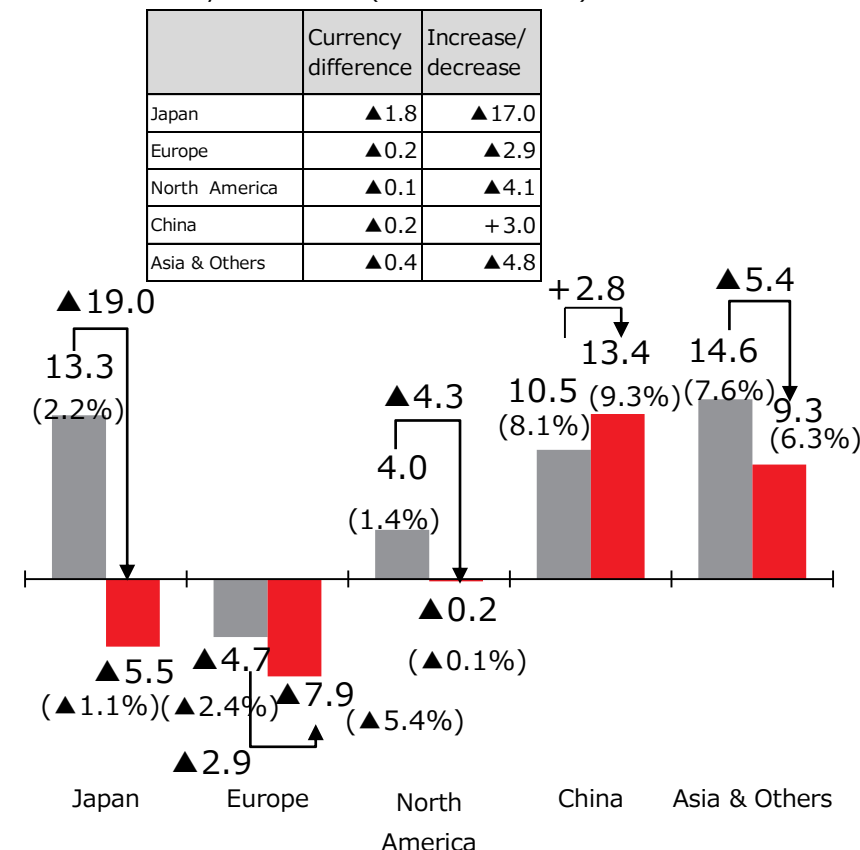
	Currency difference	Increase / decrease	Increase / decrease
Japan	+25.0	▲101.9	▲16.8%
Europe	▲0.0	▲51.0	▲25.8%
North America	▲10.8	▲40.8	▲13.9%
China	▲2.7	+16.2	+12.5%
Asia & Others	▲9.5	▲34.2	▲17.8%

	20/3	21/3	Increase / decrease	%	Currency difference	Increase / decrease	%
Total	1,418.8	1,210.0	▲208.8	▲14.7%	+2.8	▲211.7	▲14.9%

Business profit

Unit : billions of yen

(Ratio to Revenue) ■ 20/3 ■ 21/3

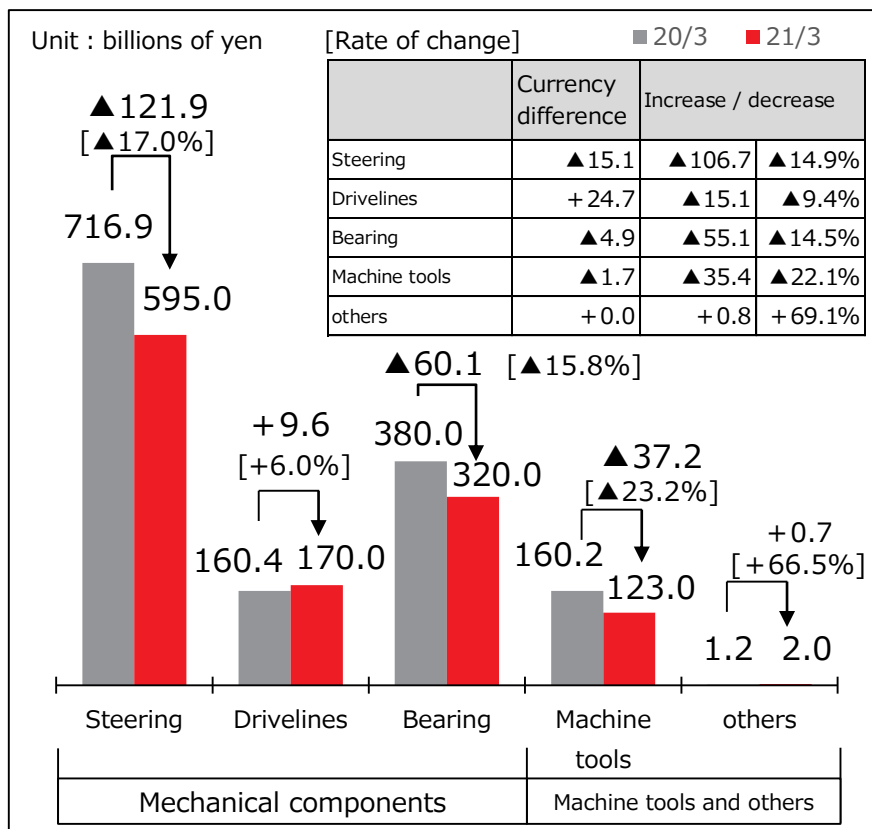


	Currency difference	Increase / decrease
Japan	▲1.8	▲17.0
Europe	▲0.2	▲2.9
North America	▲0.1	▲4.1
China	▲0.2	+3.0
Asia & Others	▲0.4	▲4.8

	20/3	21/3	Increase / decrease	%	Currency difference	Increase / decrease	%
region total	37.9	+9.0	▲28.8	▲76.2%	▲3.0	▲25.8	▲68.2%
elimination	▲0.3	▲1.0	▲0.6	-	-	▲0.6	-
Total	37.5	+8.0	▲29.5	▲78.6%	▲3.0	▲26.4	▲70.5%

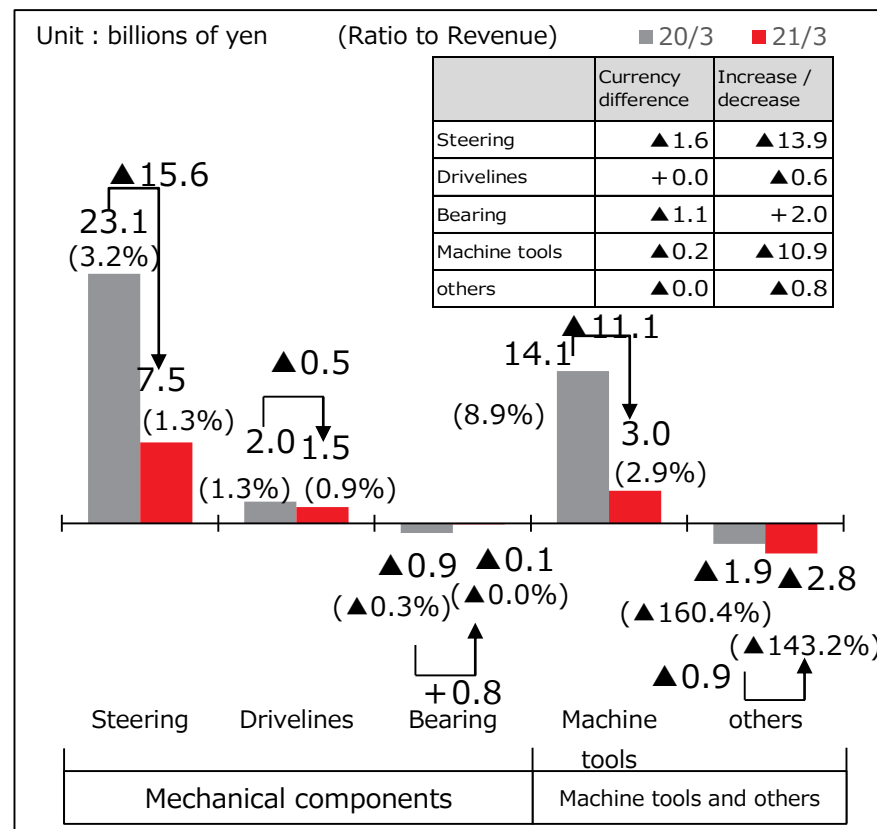
2-5) Forecasts – by Business

Sales revenue



	20/3	21/3	Increase / decrease	%	Currency difference	Increase / decrease	%
Mechanical components	1,257.4	1,085.0	▲ 172.4	▲ 13.7%	+ 4.6	▲ 177.0	▲ 14.1%
Machine tools and others	161.4	125.0	▲ 36.4	▲ 22.6%	▲ 1.8	▲ 34.6	▲ 21.4%
Total	1,418.8	1,210.0	▲ 208.8	▲ 14.7%	+ 2.8	▲ 211.7	▲ 14.9%

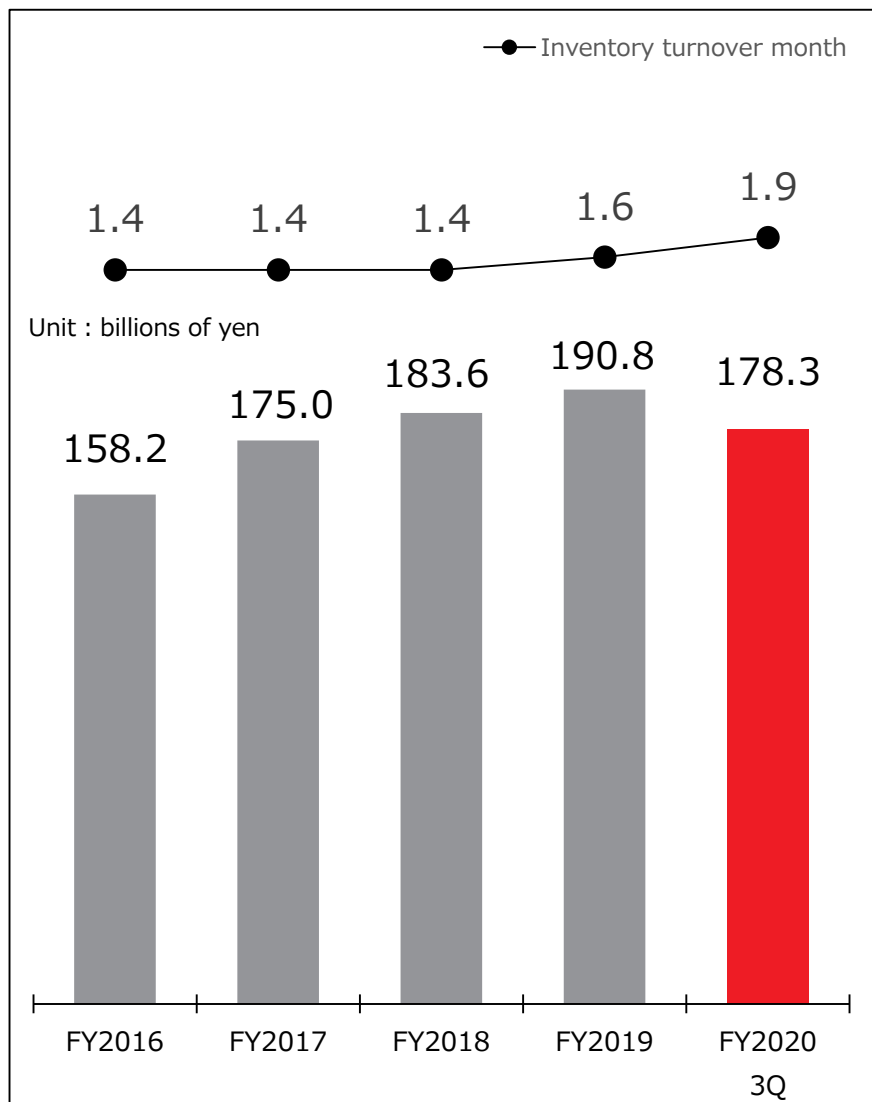
Business profit



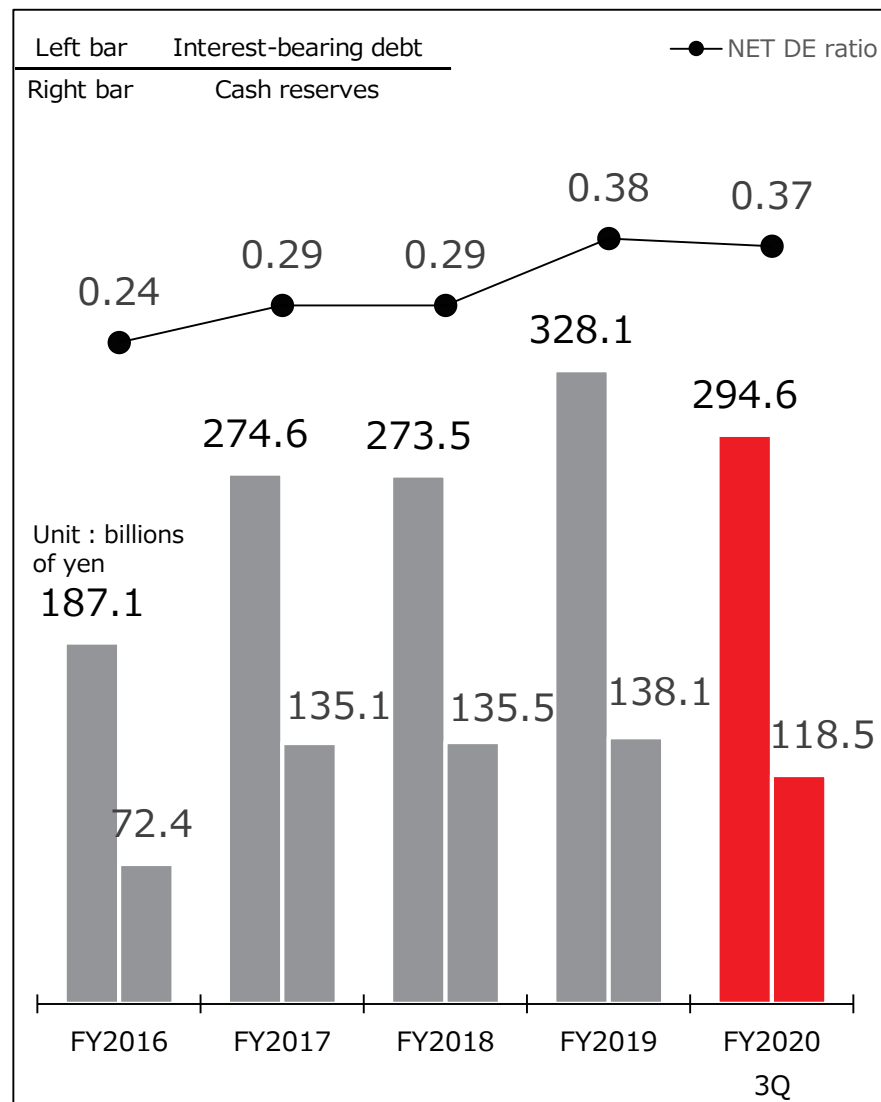
	20/3	21/3	Increase / decrease	%	Currency difference	Increase / decrease	%
Mechanical components	24.2	+ 8.9	▲ 15.3	▲ 63.3%	▲ 2.7	▲ 12.5	▲ 51.9%
Machine tools and others	12.2	+ 0.1	▲ 12.1	▲ 98.9%	▲ 0.2	▲ 11.8	▲ 96.6%
elimination	1.0	▲ 1.0	▲ 2.1	-	-	▲ 2.0	-
Total	37.5	+ 8.0	▲ 29.5	▲ 78.6%	▲ 3.0	▲ 26.4	▲ 70.5%

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Inventories

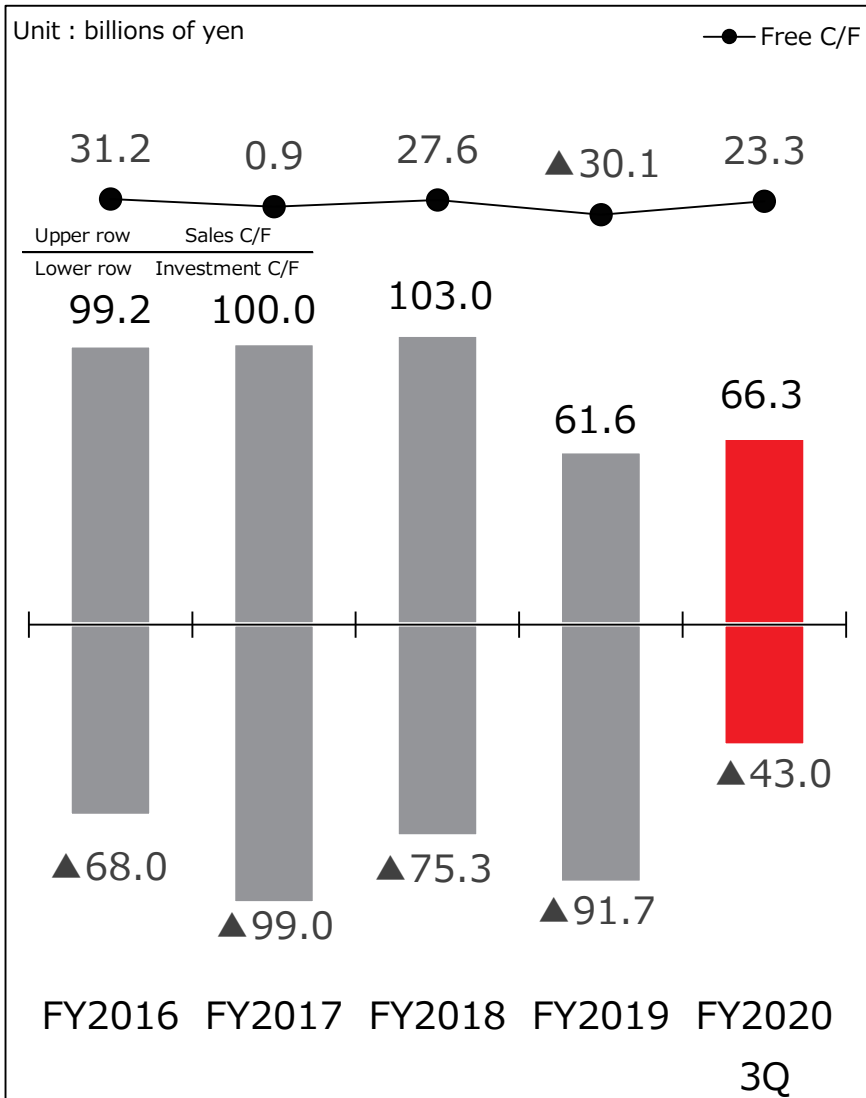


Interest-bearing debt · Cash reserves

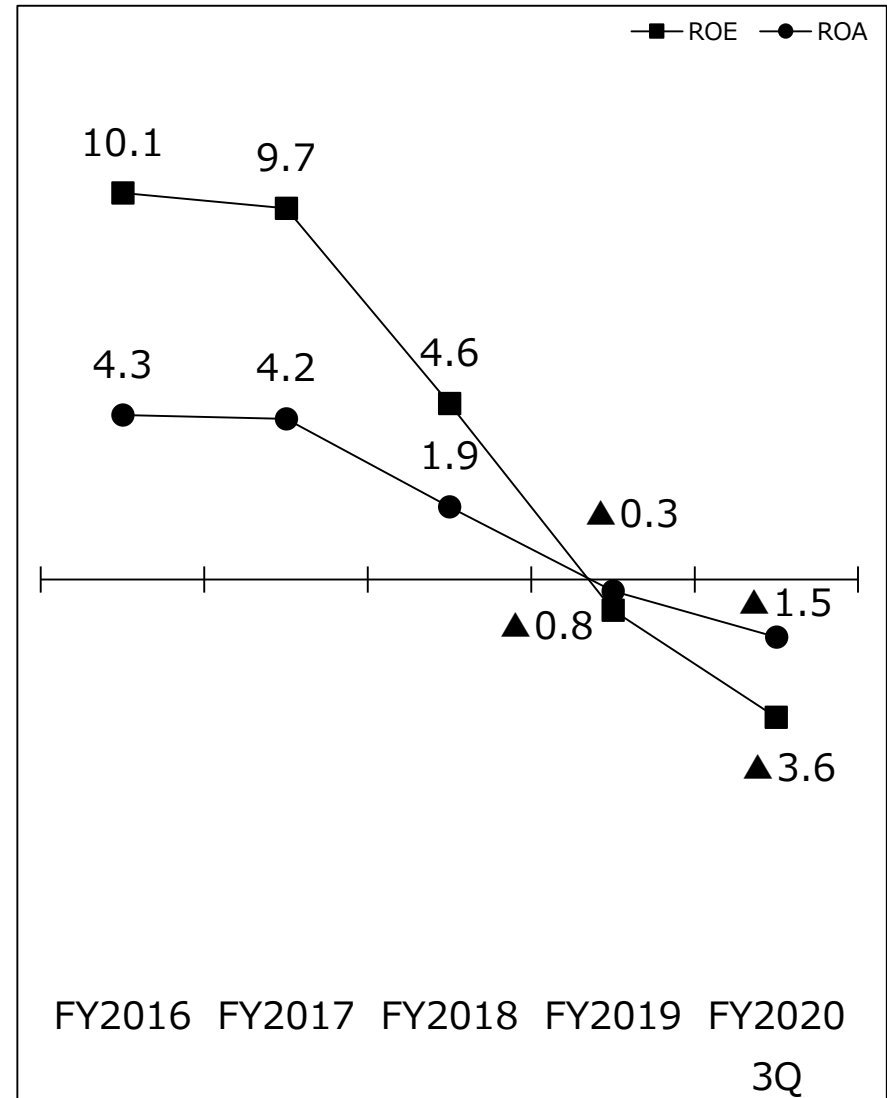


3-1) Cash flows / ROE · ROA

Cash flows



ROE · ROA

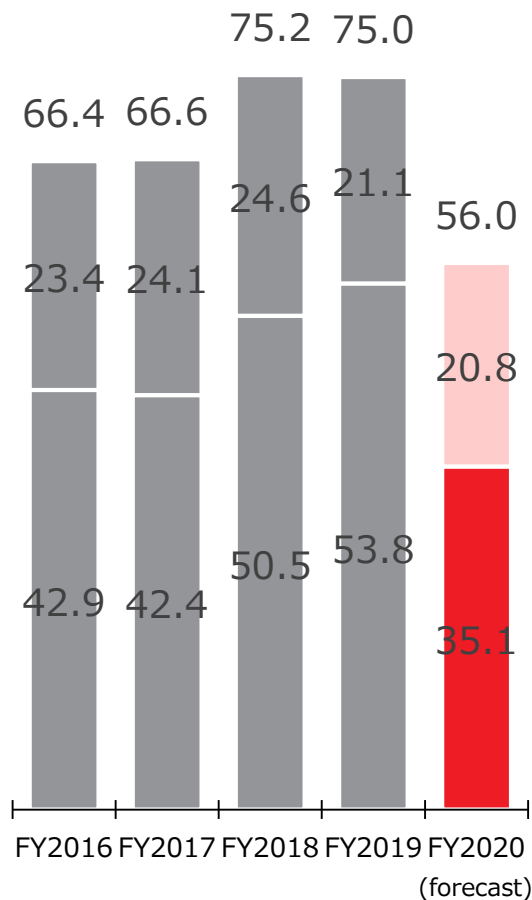


3-2) Changes in fixed costs

Capital expenditures

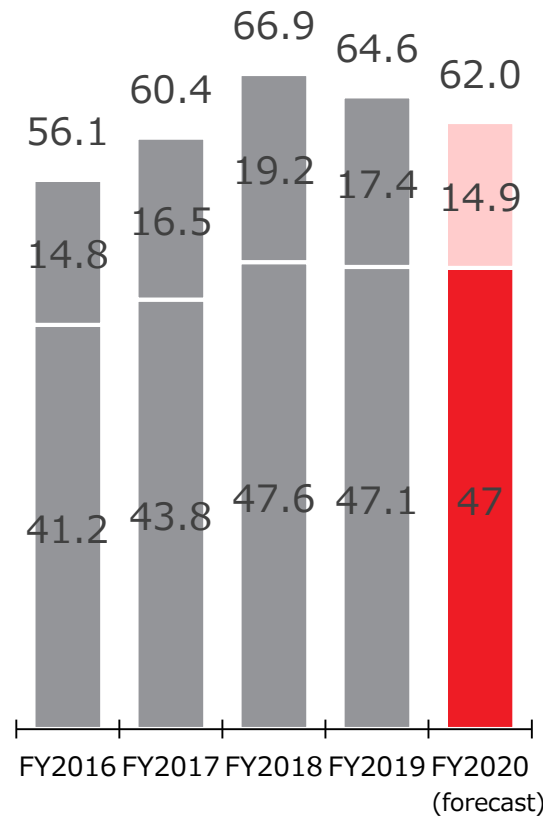
Upper row January-March
Lower row April-December

Unit : billions of yen



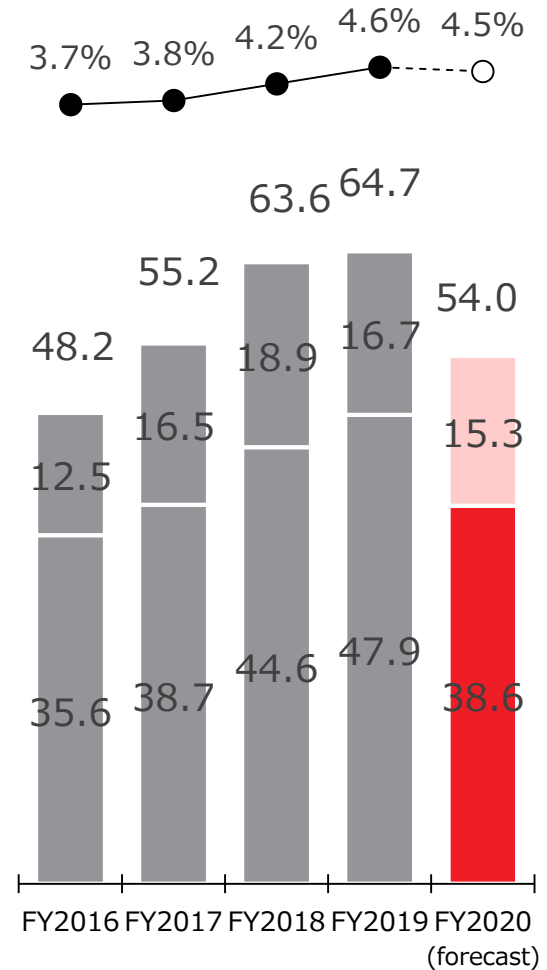
Depreciation and amortization

Unit : billions of yen



Research and development expenses

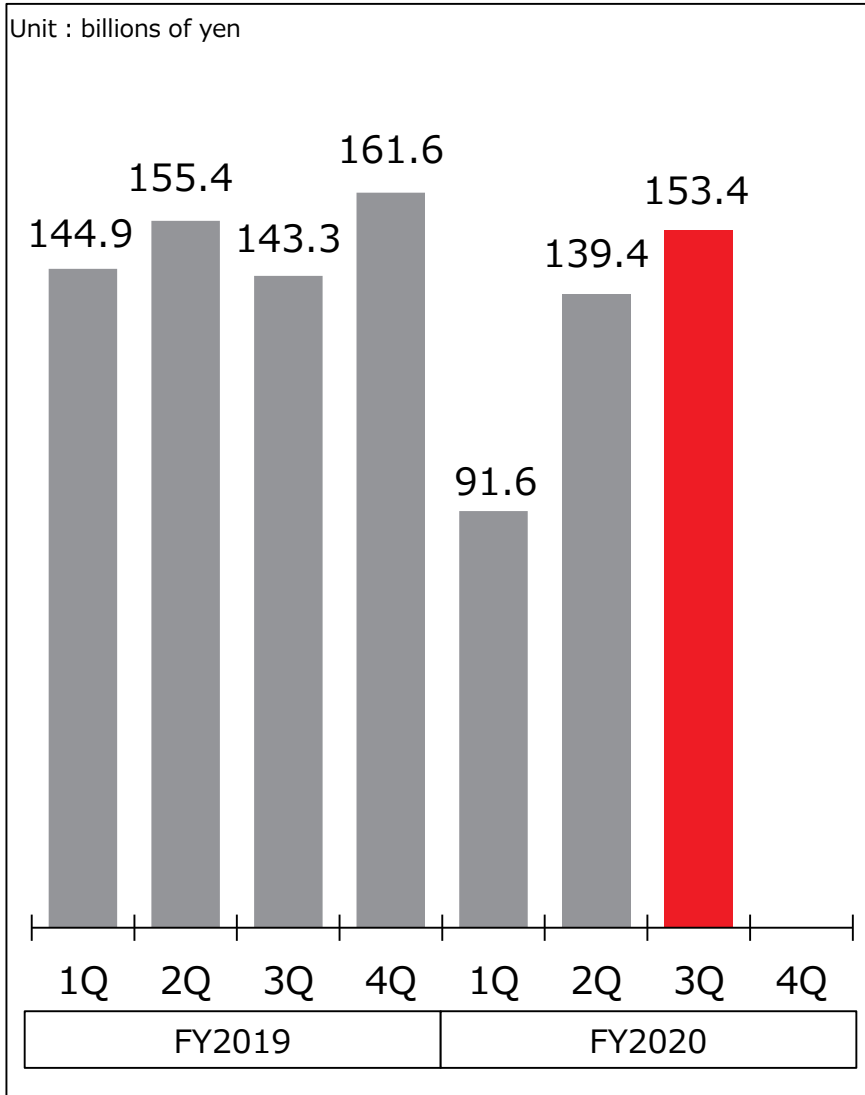
● — Ratio to Revenue Unit : billions of yen



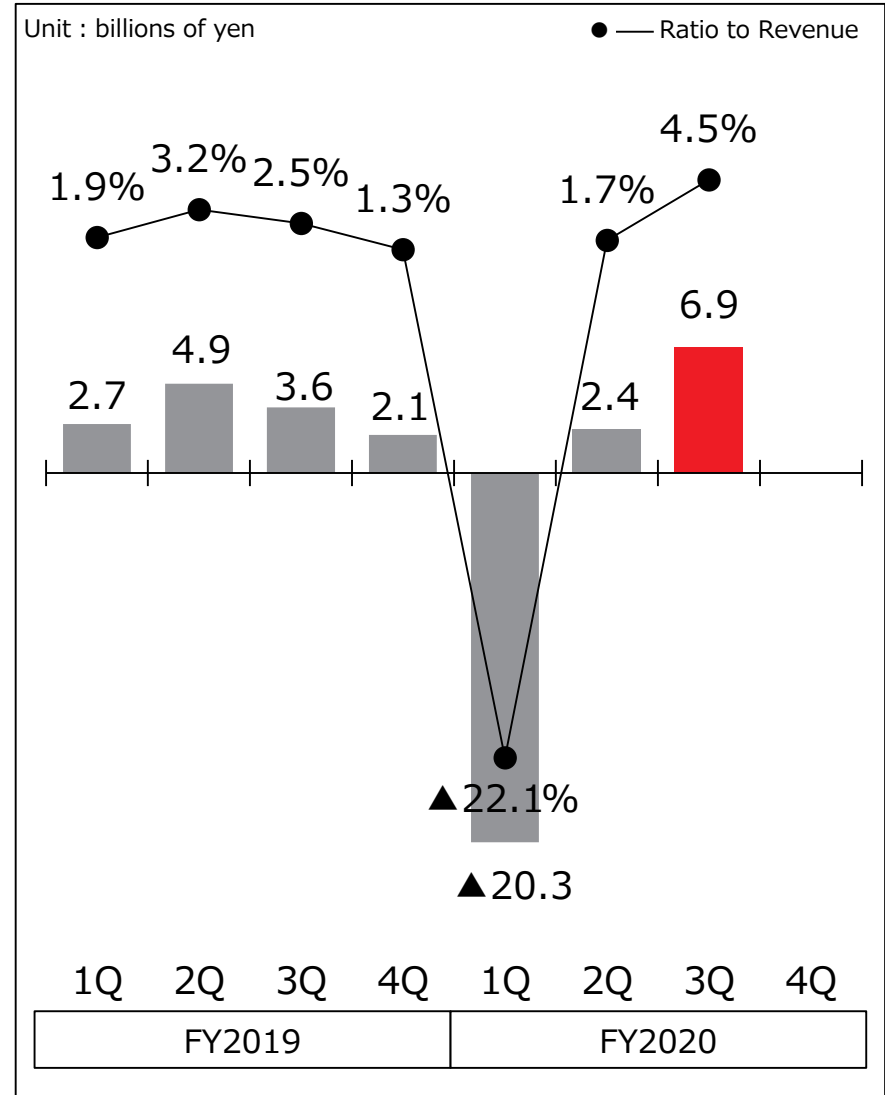
3-3) Quarterly Result Trend – Japan



Sales revenue



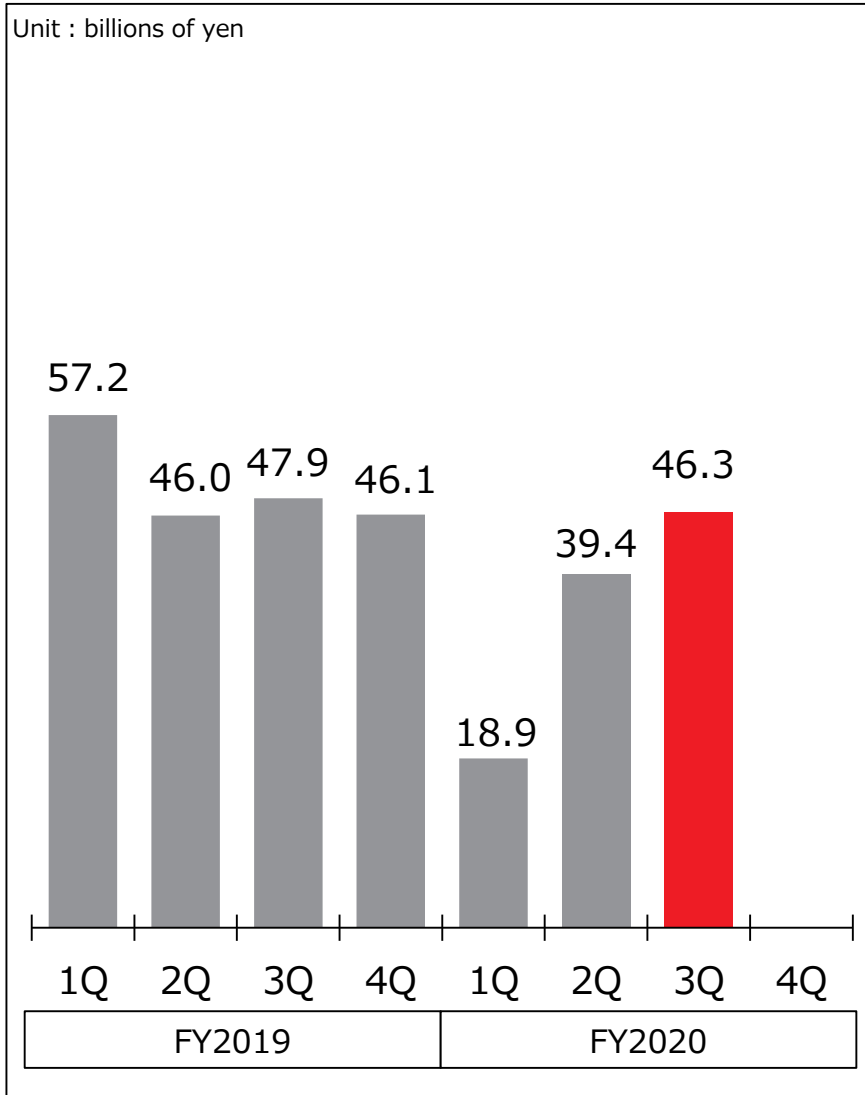
Business profit



3-3) Quarterly Result Trend – Europe

Sales revenue

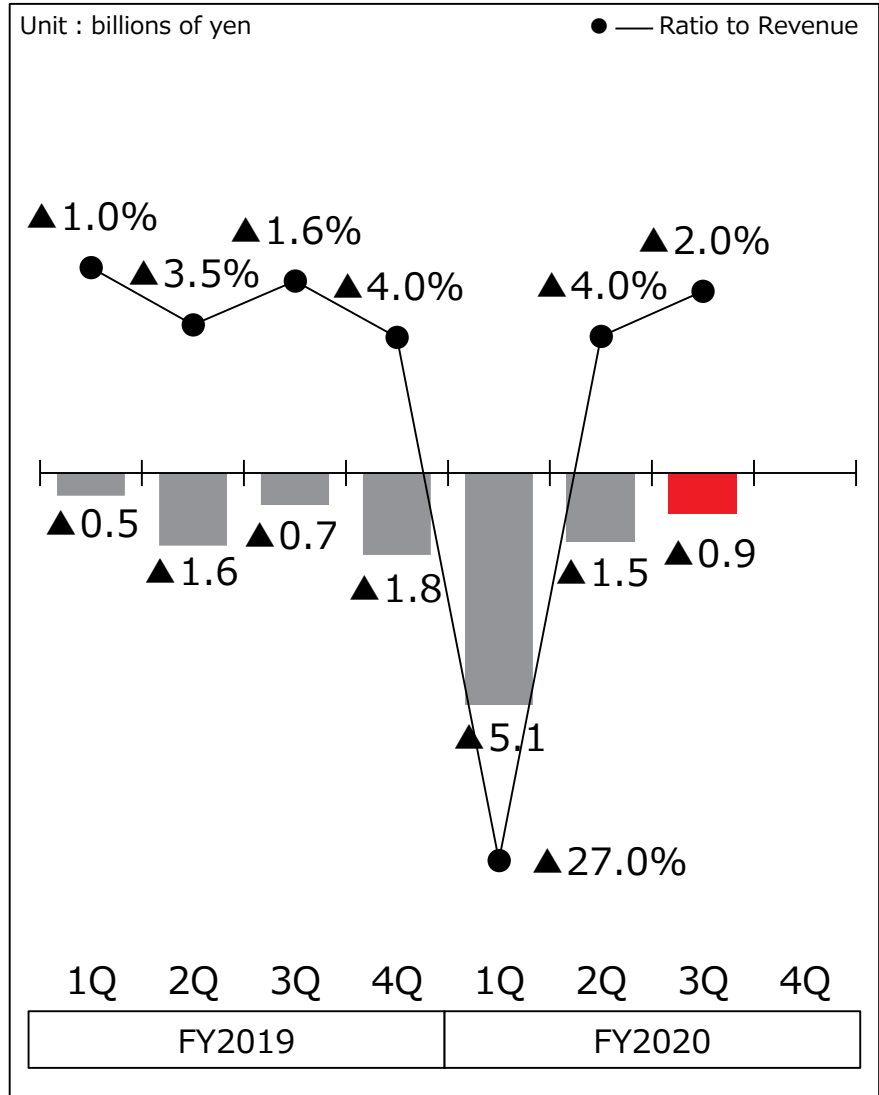
Unit : billions of yen



Business profit

Unit : billions of yen

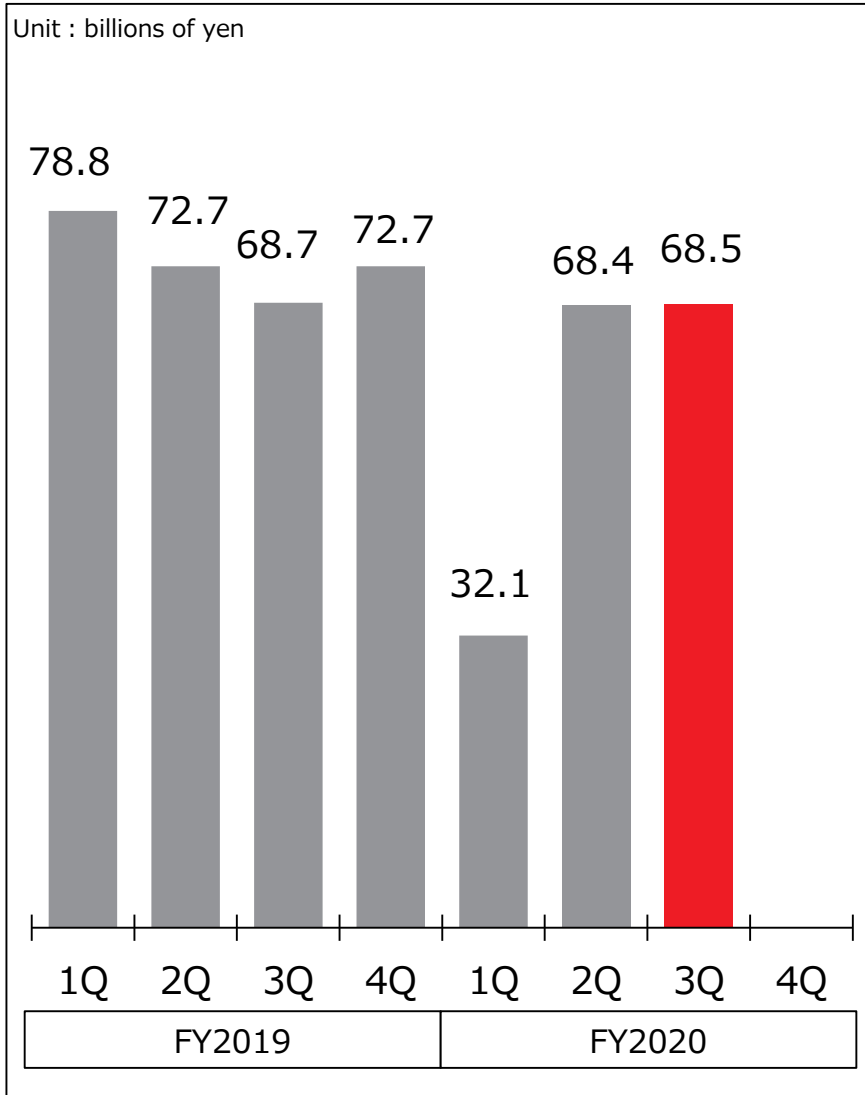
● — Ratio to Revenue



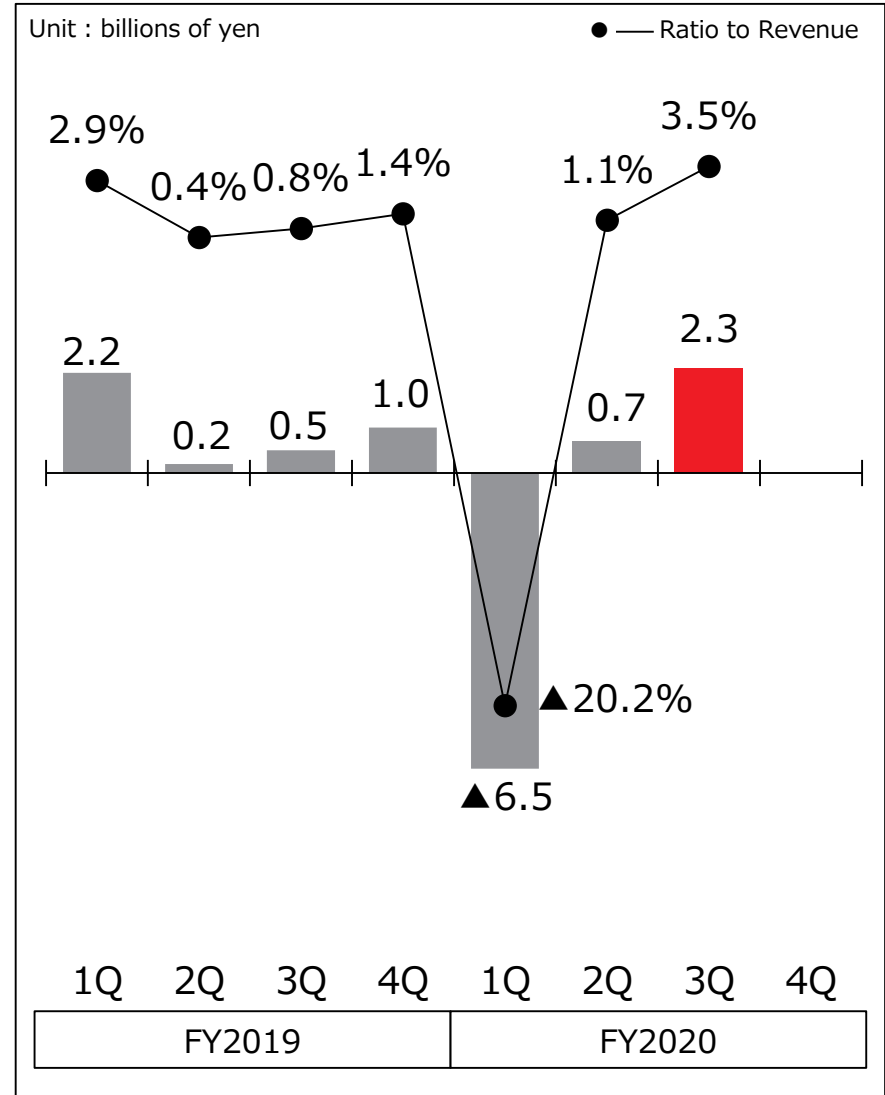
3-3) Quarterly Result Trend – North America



Sales revenue



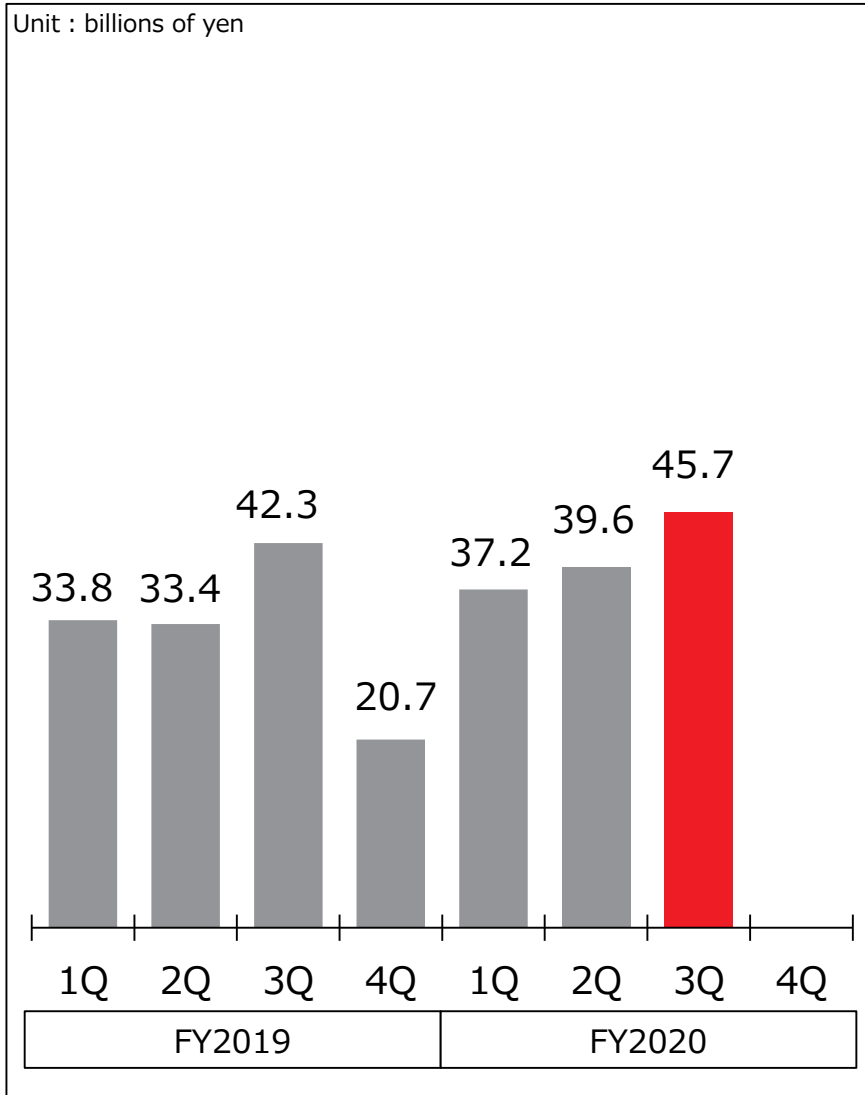
Business profit



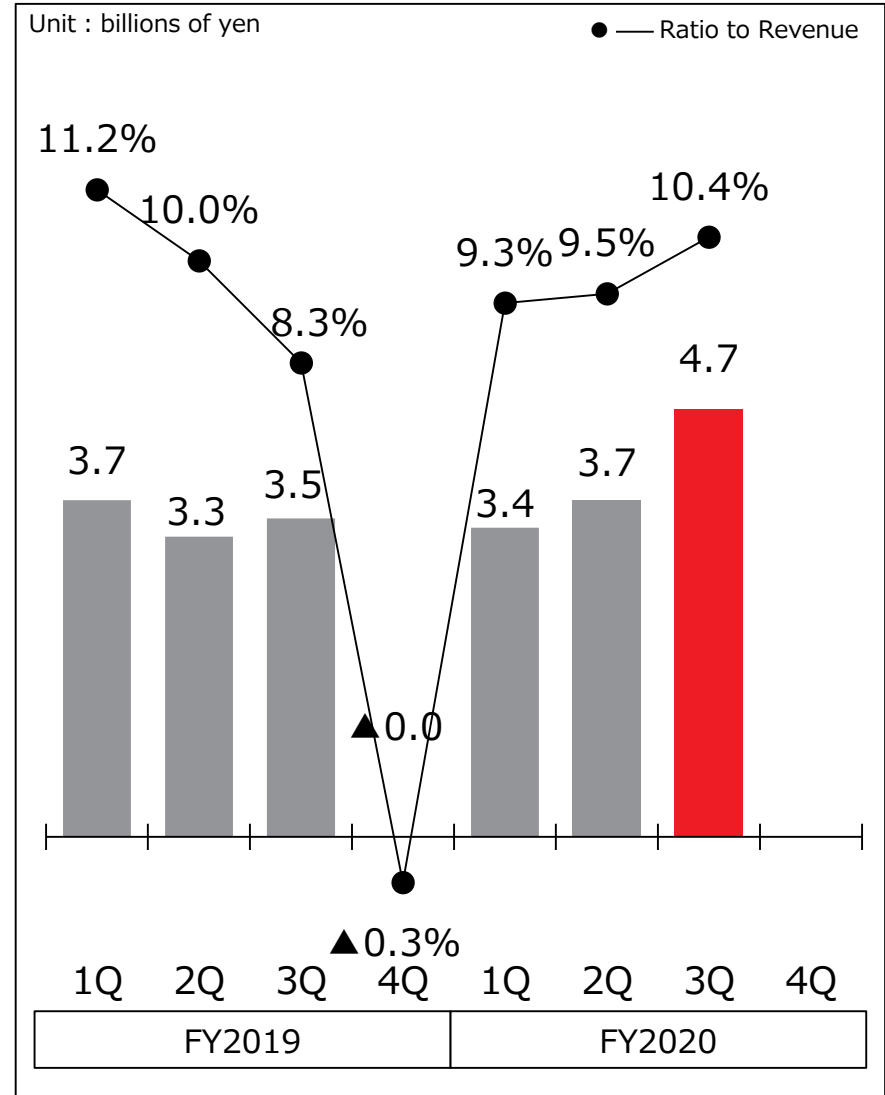
3-3) Quarterly Result Trend – China



Sales revenue



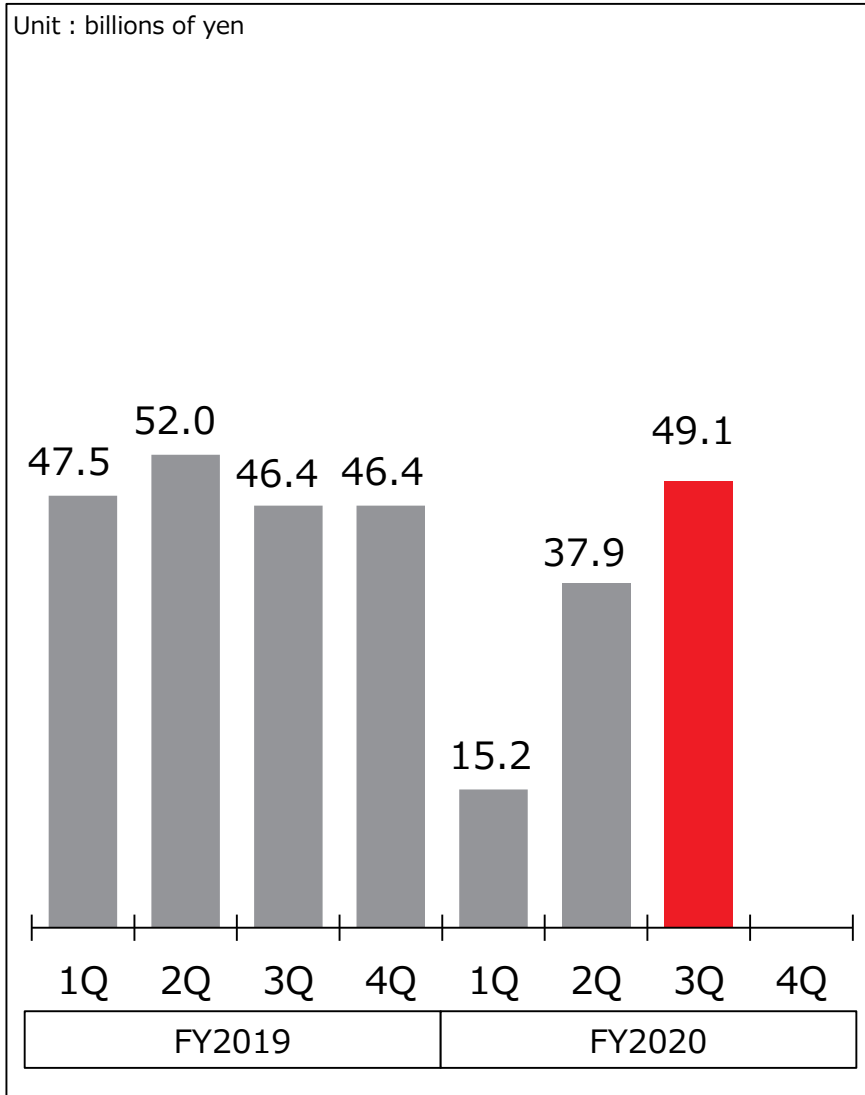
Business profit



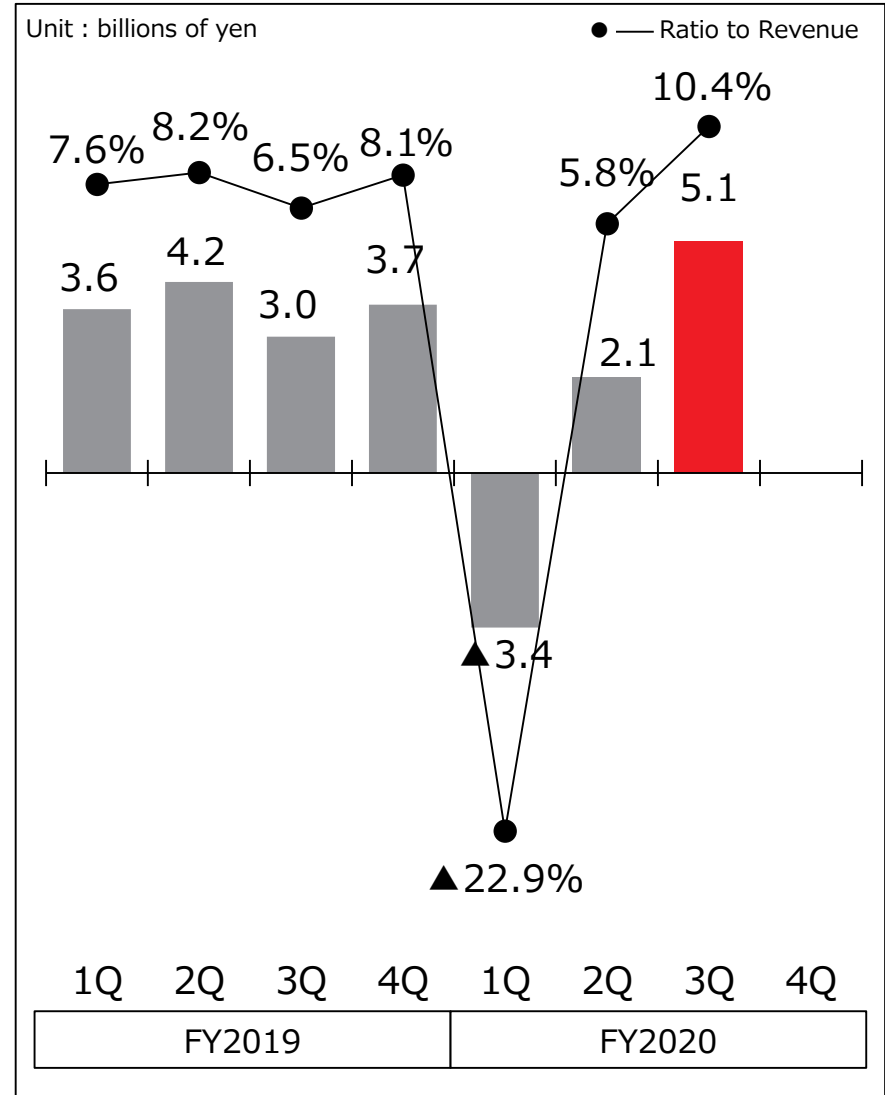
3-3) Quarterly Result Trend – Asia & Others



Sales revenue



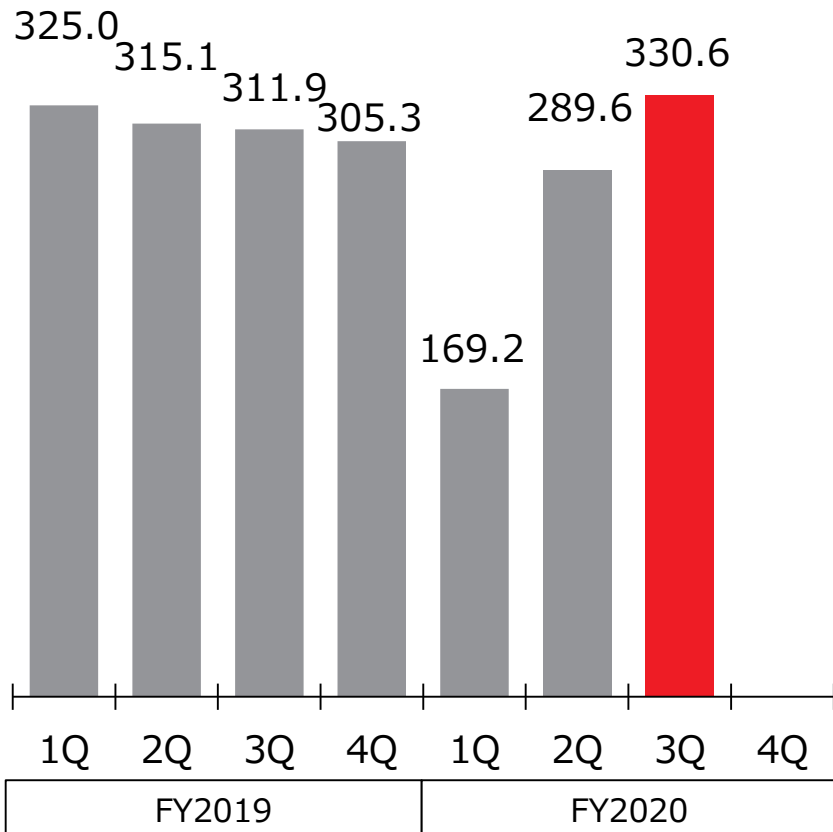
Business profit



3-3) Quarterly Result Trend – Mechanical components **JTEKT**

Sales revenue

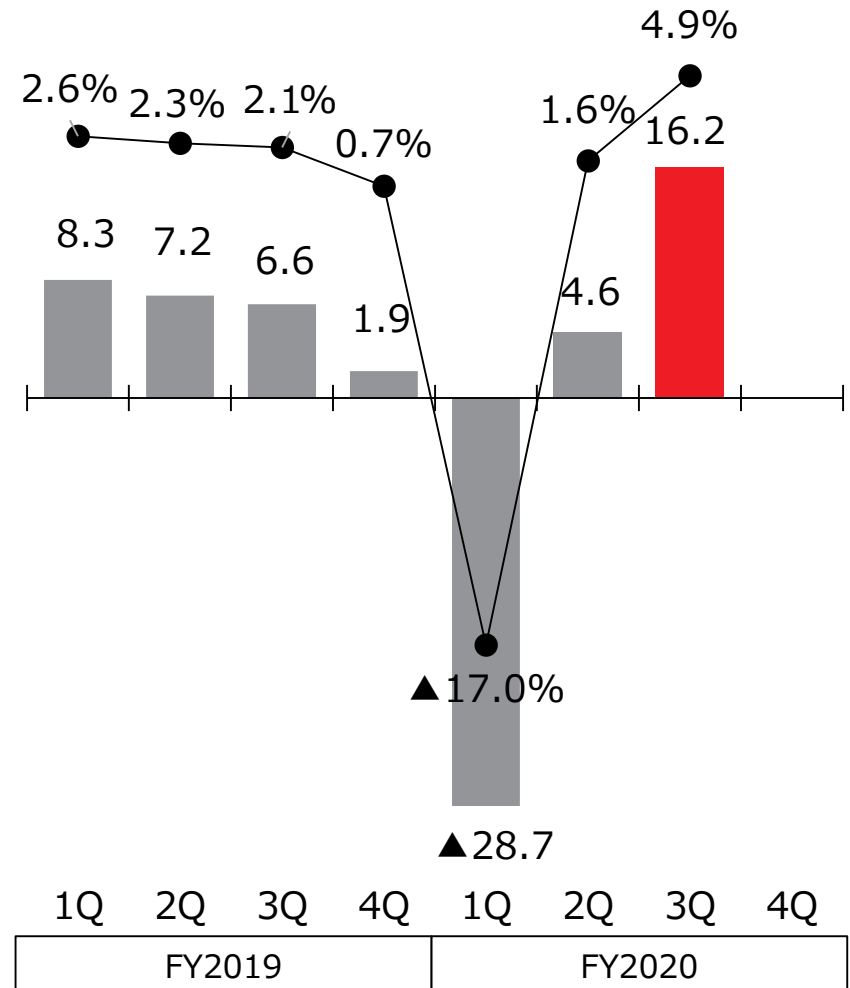
Unit : billions of yen



Business profit

Unit : billions of yen

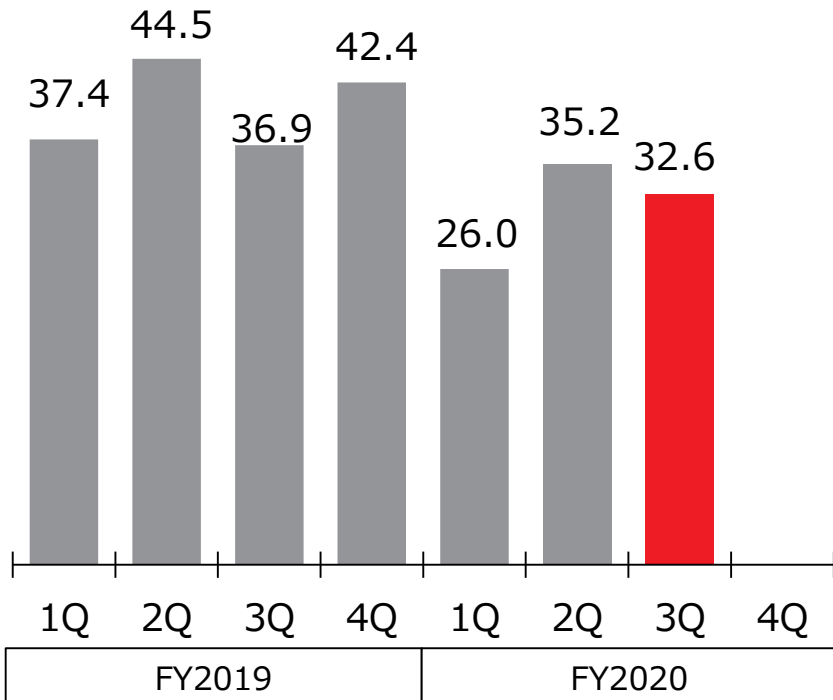
● — Ratio to Revenue



3-3) Quarterly Result Trend – Machine tools and others **JTEKT**

Sales revenue

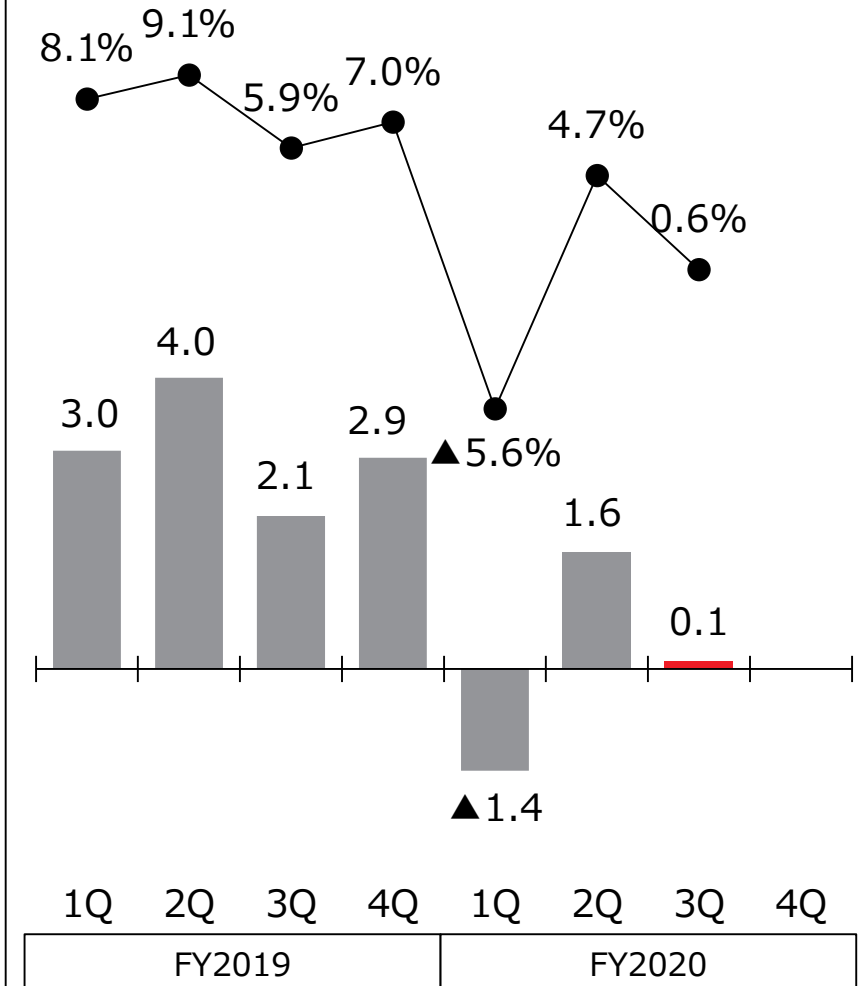
Unit : billions of yen



Business profit

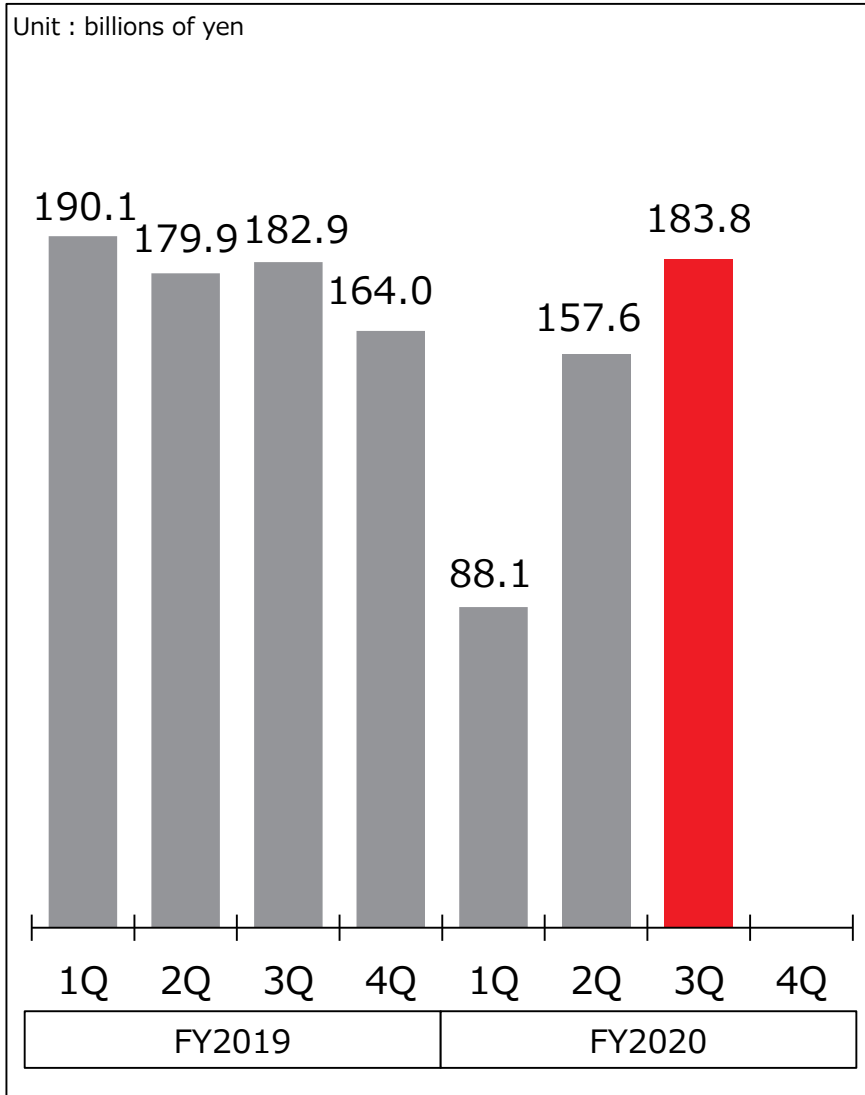
Unit : billions of yen

● — Ratio to Revenue

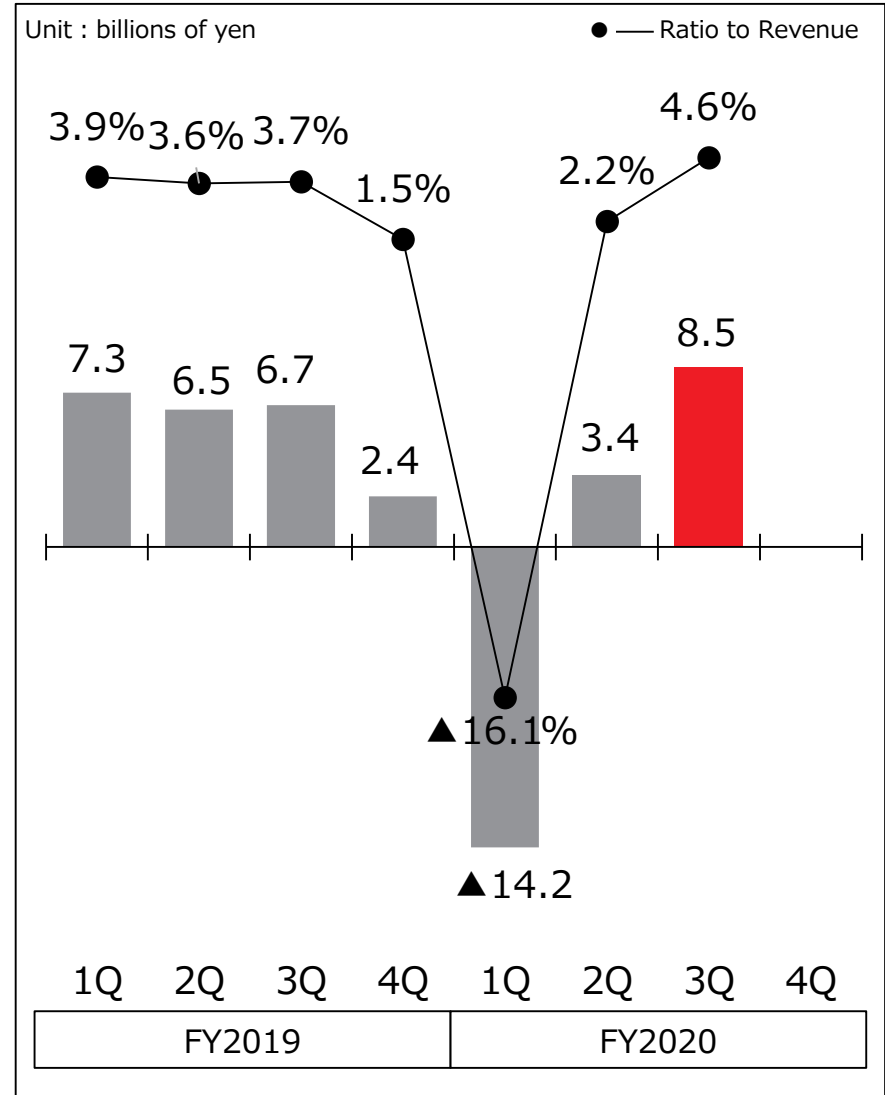


3-3) Quarterly Result Trend – Steering

Sales revenue



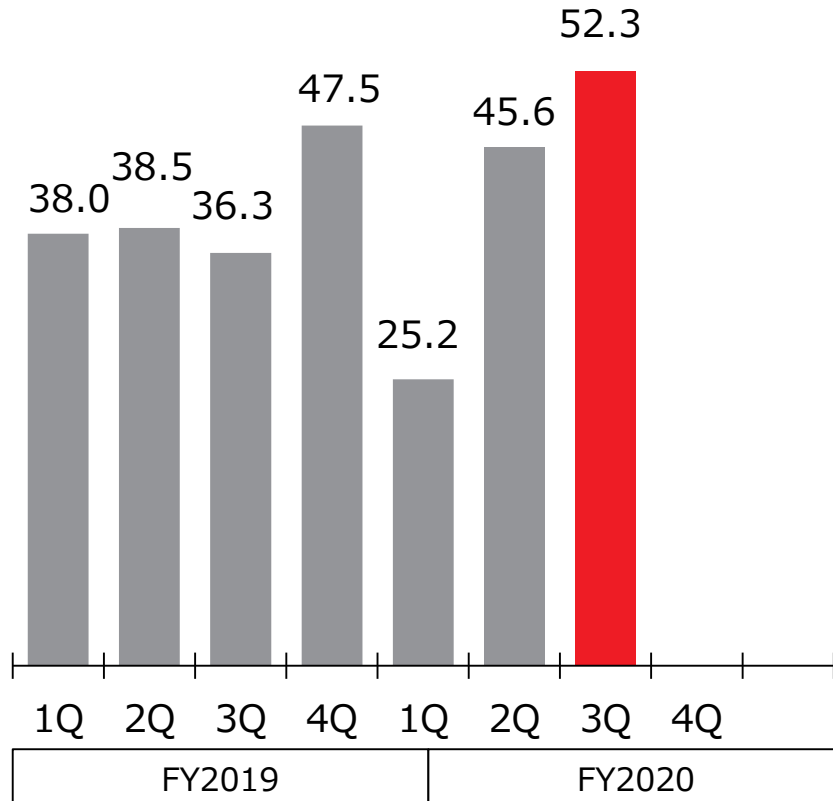
Business profit



3-3) Quarterly Result Trend – Drivelines

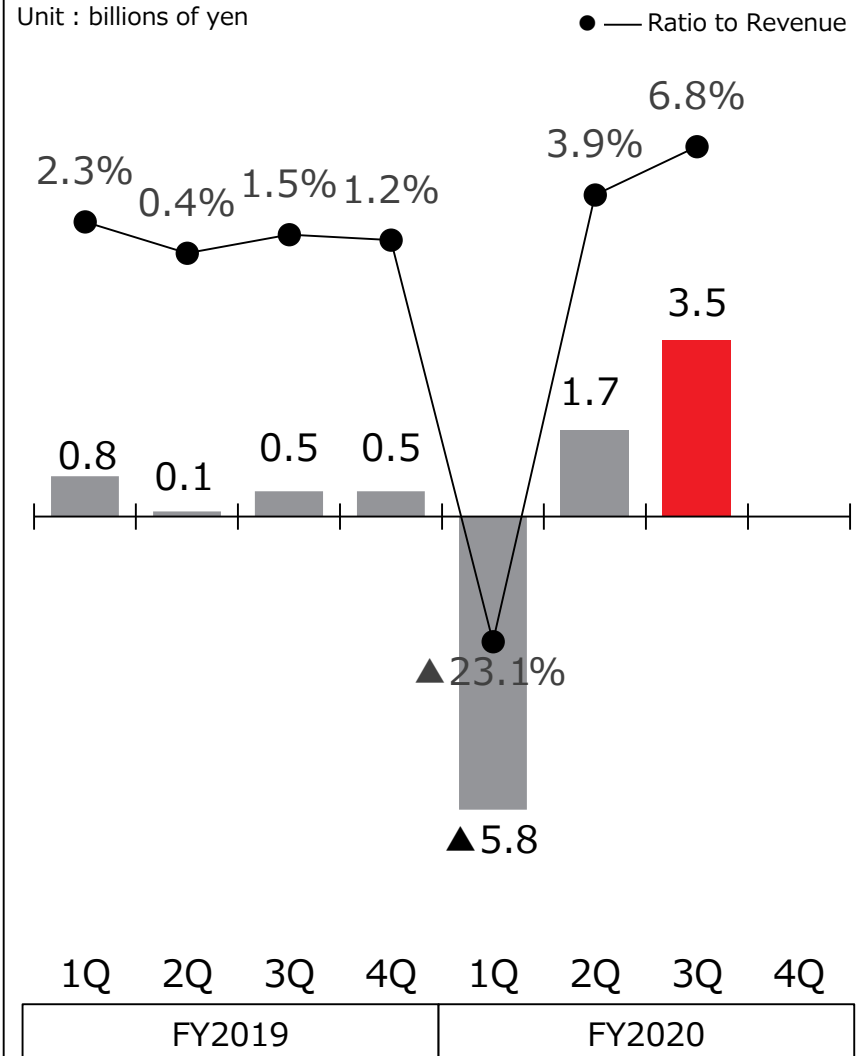
Sales revenue

Unit : billions of yen



Business profit

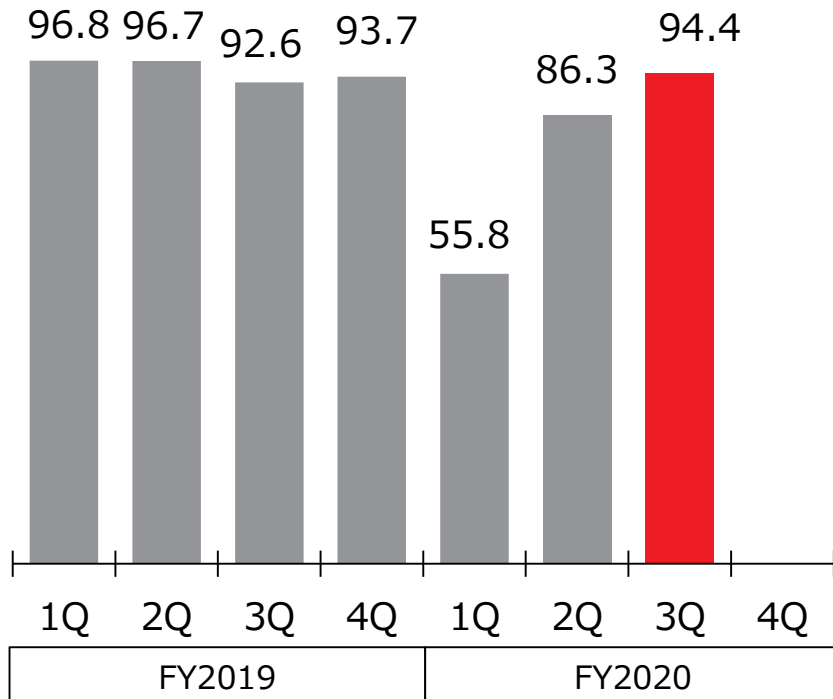
Unit : billions of yen



3-3) Quarterly Result Trend – Bearing

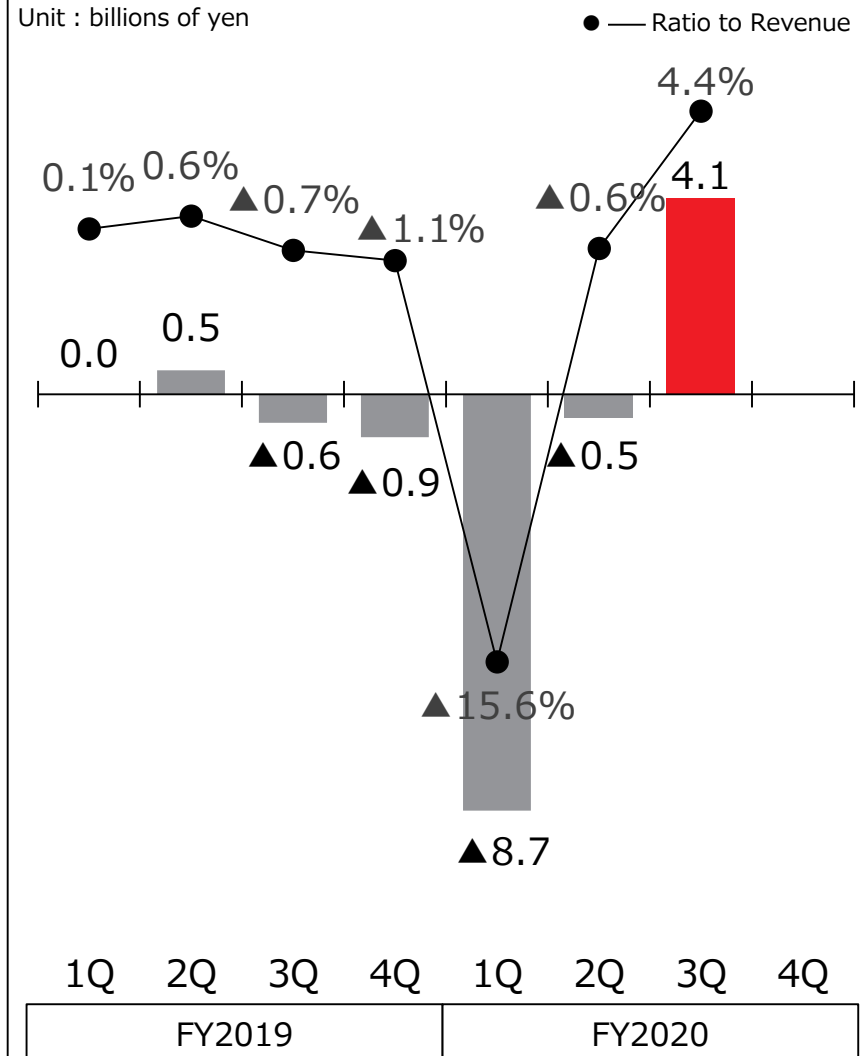
Sales revenue

Unit : billions of yen



Business profit

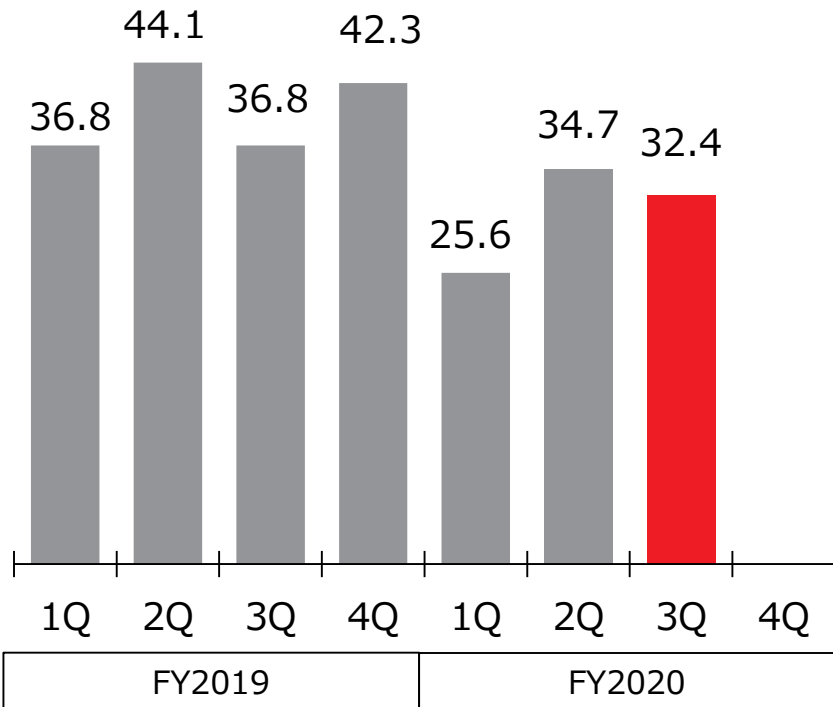
Unit : billions of yen



3-3) Quarterly Result Trend – Machine tools

Sales revenue

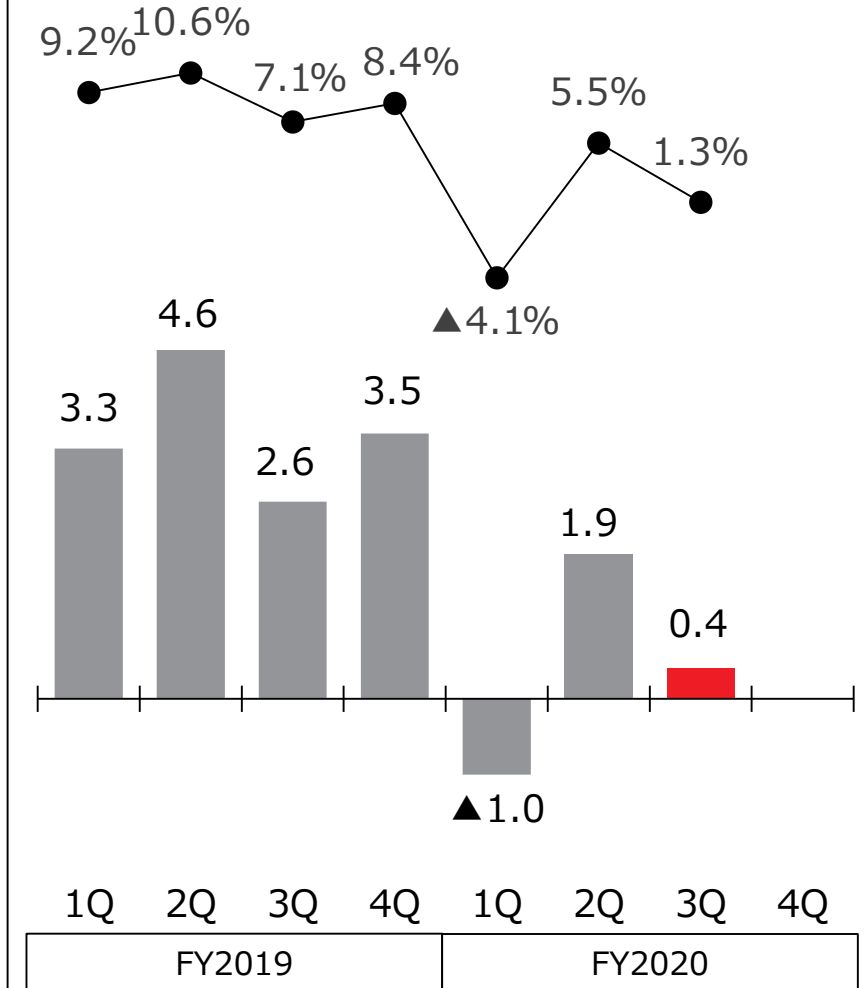
Unit : billions of yen



Business profit

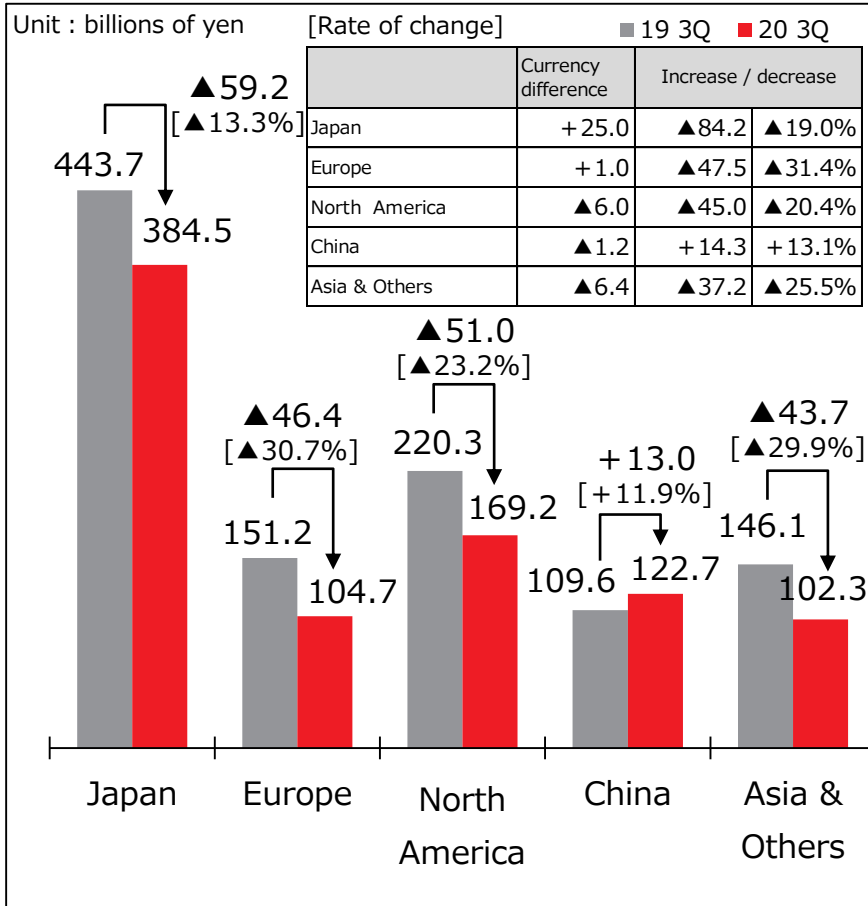
Unit : billions of yen

● — Ratio to Revenue



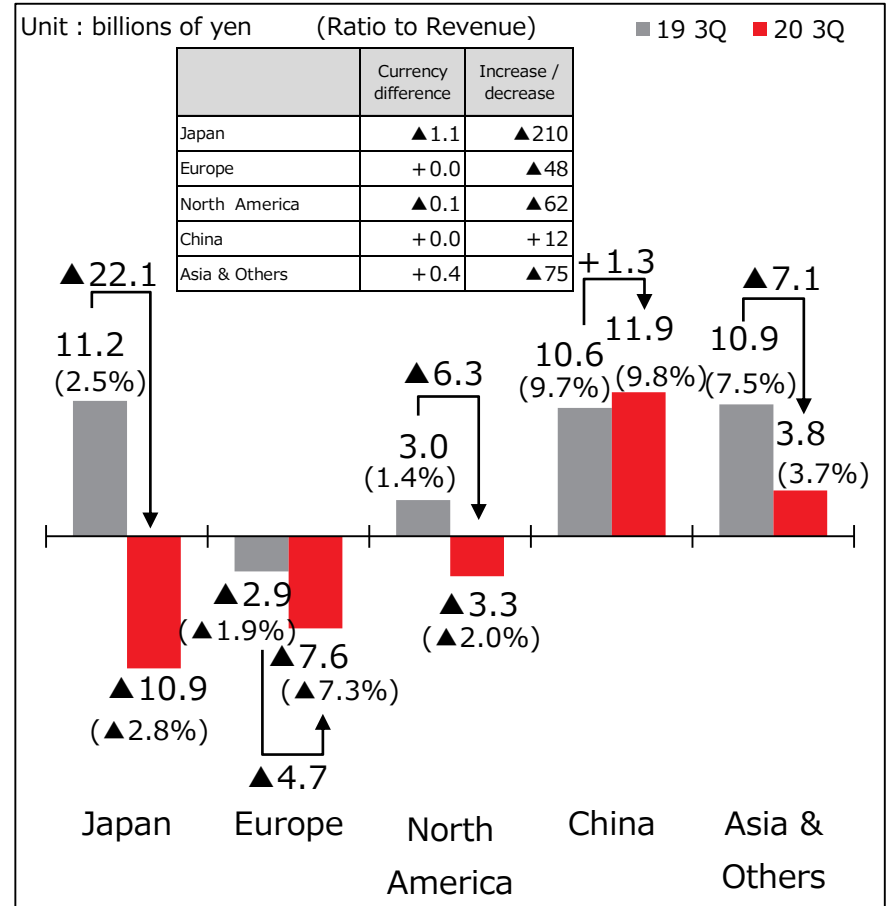
3-4) Third quarter result – by Region

Sales revenue



	FY193Q	FY203Q	Increase / decrease	%	Currency difference	Increase / decrease	%
Total	1,071.0	883.5	▲187.4	▲17.5%	+ 12.2	▲199.7	▲18.6%

Business profit



	FY193Q	FY203Q	Increase / decrease	%	Currency differenc	Increase /	%
region total	+ 32.9	▲6.1	▲39.0	-	▲0.7	▲38.2	-
elimination	▲0.5	▲0.5	+ 0.0	-	-	+ 0.0	-
Total	+ 32.4	▲6.6	▲39.0	-	▲0.7	▲38.2	-

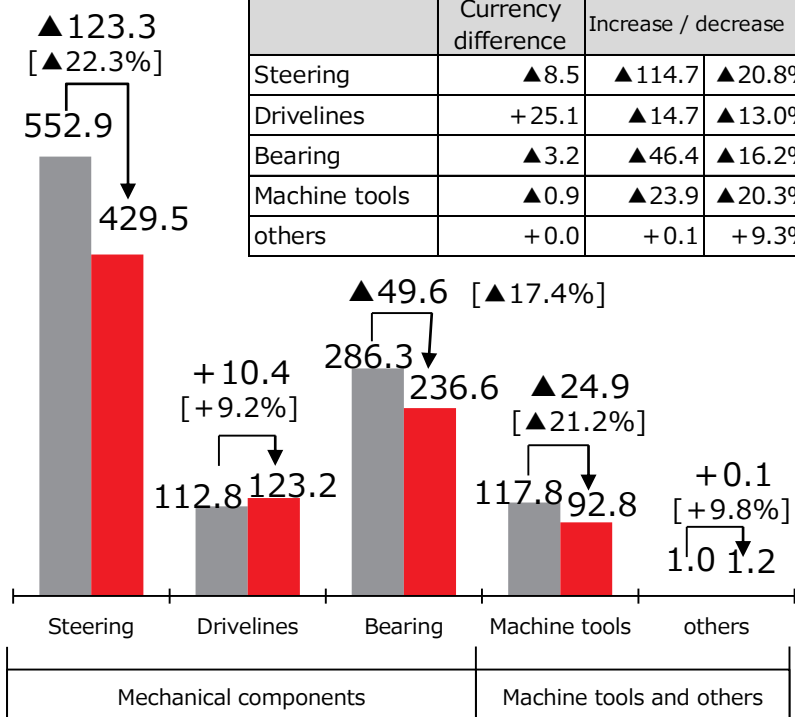
3-4) Third quarter result – by Business

Sales revenue

Unit : billions of yen

[Rate of change]

■ 19 3Q ■ 20 3Q

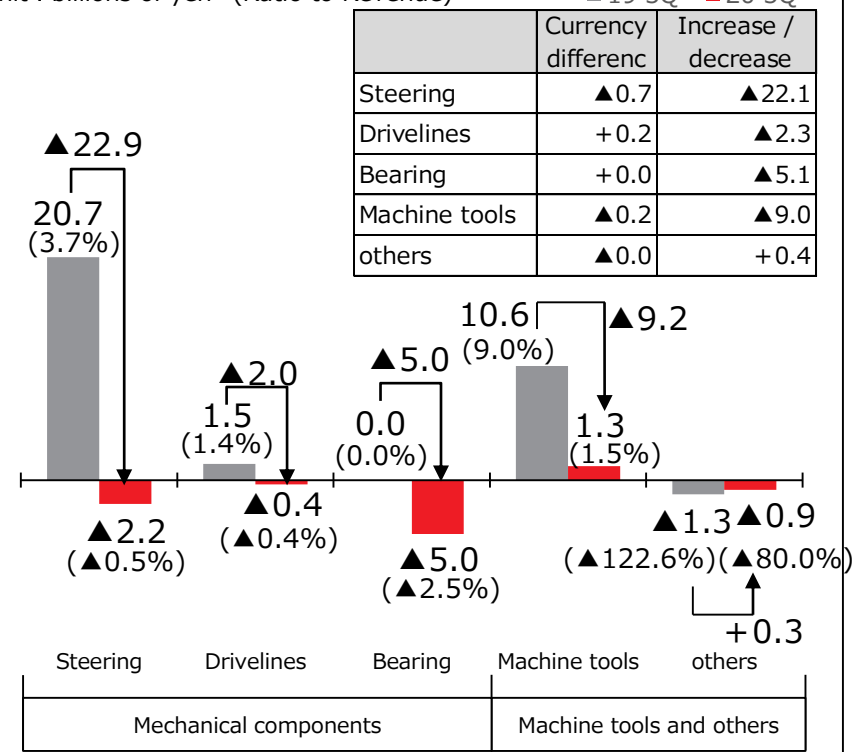


	FY19 3Q	FY20 3Q	Increase / decrease	%	Currency difference	Increase / decrease	%
Mechanical components	952.1	789.4	▲162.6	▲17.1%	+13.2	▲175.8	▲18.5%
Machine tools and others	118.9	94.0	▲24.8	▲20.9%	▲0.9	▲23.8	▲20.1%
Total	1,071.0	883.5	▲187.4	▲17.5%	+12.2	▲199.7	▲18.6%

Business profit

Unit : billions of yen (Ratio to Revenue)

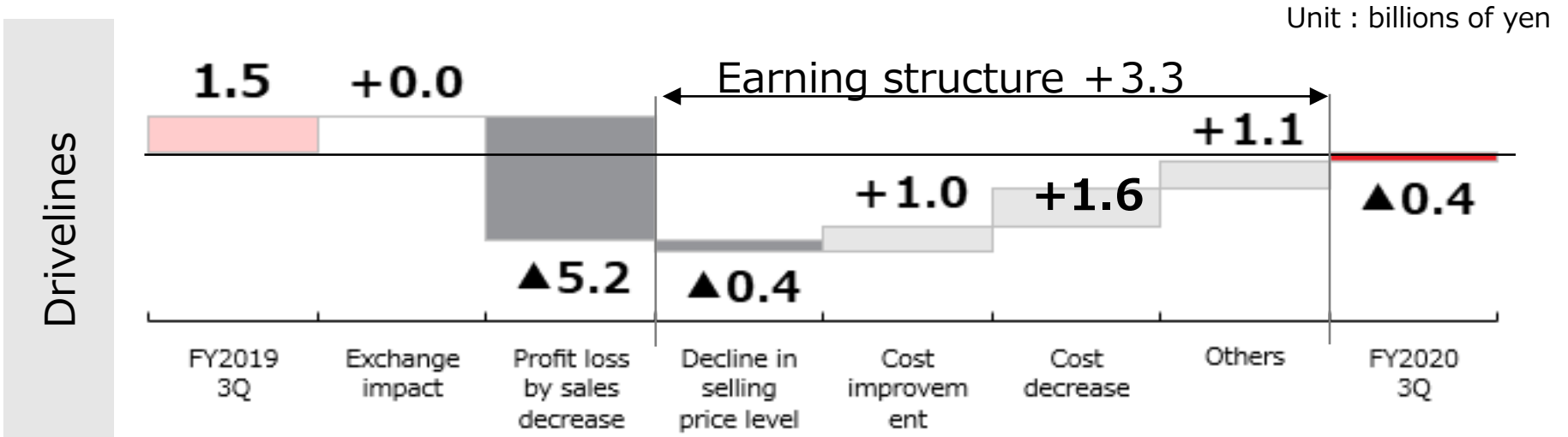
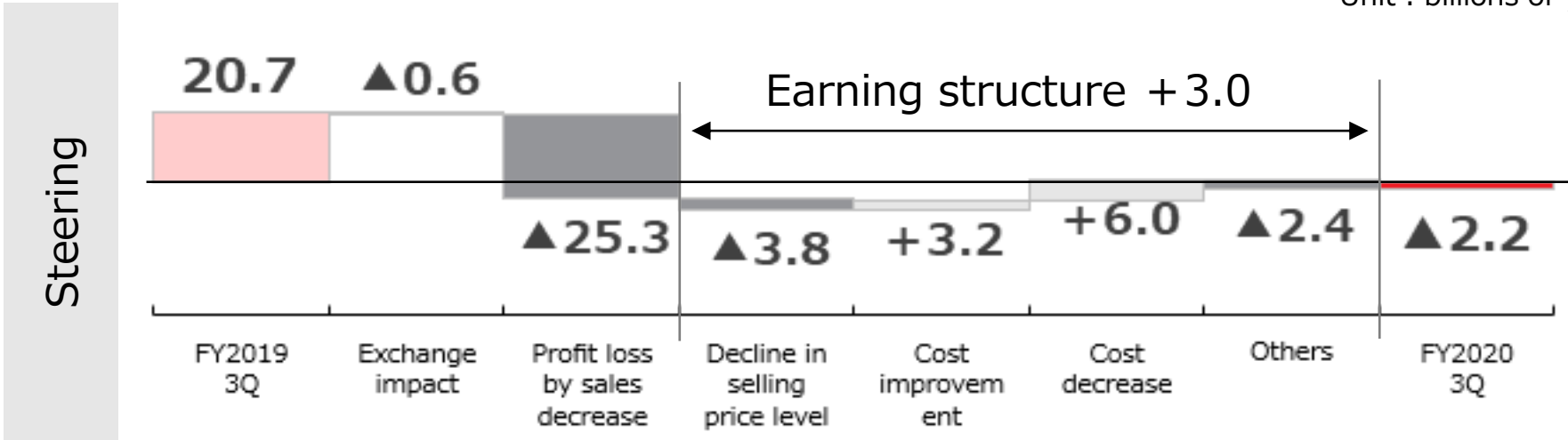
■ 19 3Q ■ 20 3Q



	FY19 3Q	FY20 3Q	Increase / decrease	%	Currency difference	Increase / decrease	%
Mechanical components	22.2	7.8	▲30.0	-	▲0.4	▲29.6	-
Machine tools and others	9.2	0.4	▲8.8	▲95.7%	▲0.3	▲8.5	▲92.3%
elimination	0.8	0.7	▲0.1	▲12.1%	-	▲0.1	▲12.1%
Total	32.4	6.6	▲39.1	-	▲0.7	▲38.2	-

3-5) Business profit Analysis – Steering/Drivelines

Unit : billions of yen

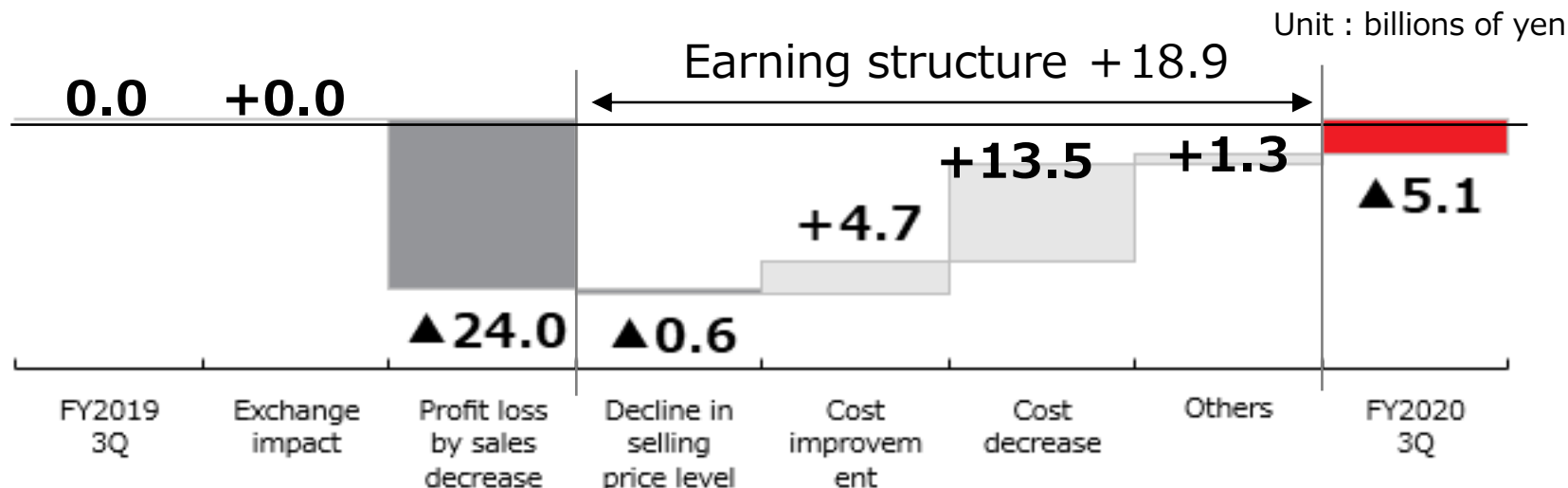


3-5) Business profit Analysis –

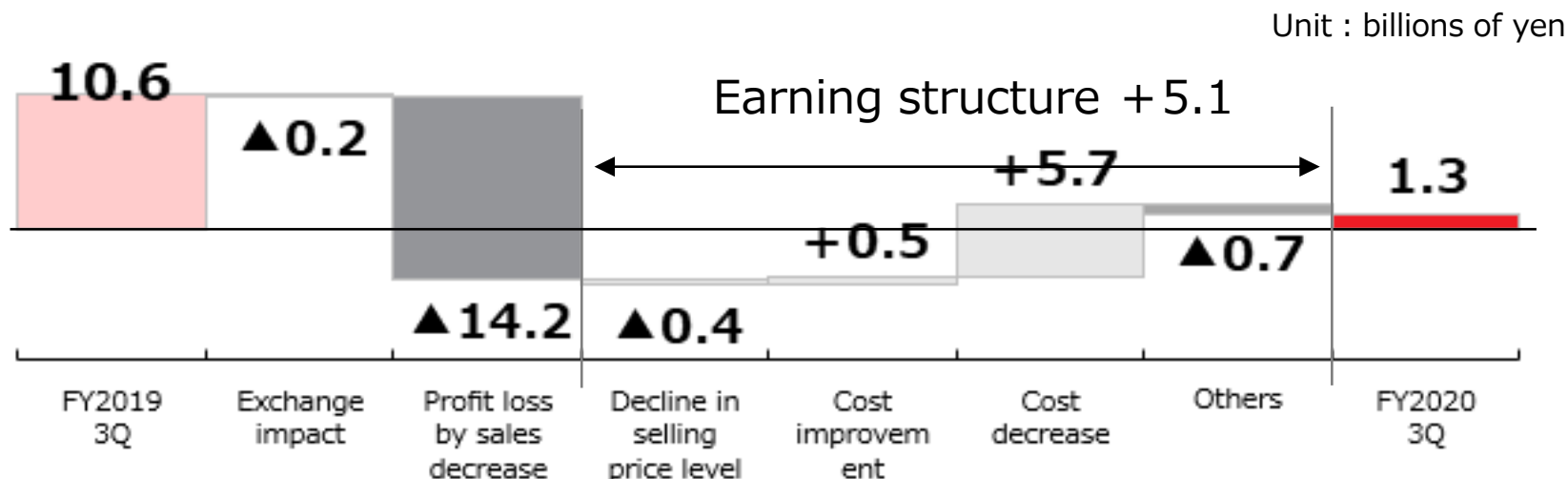
Bearing/Machine tools Mechatronics Business Units



Bearing

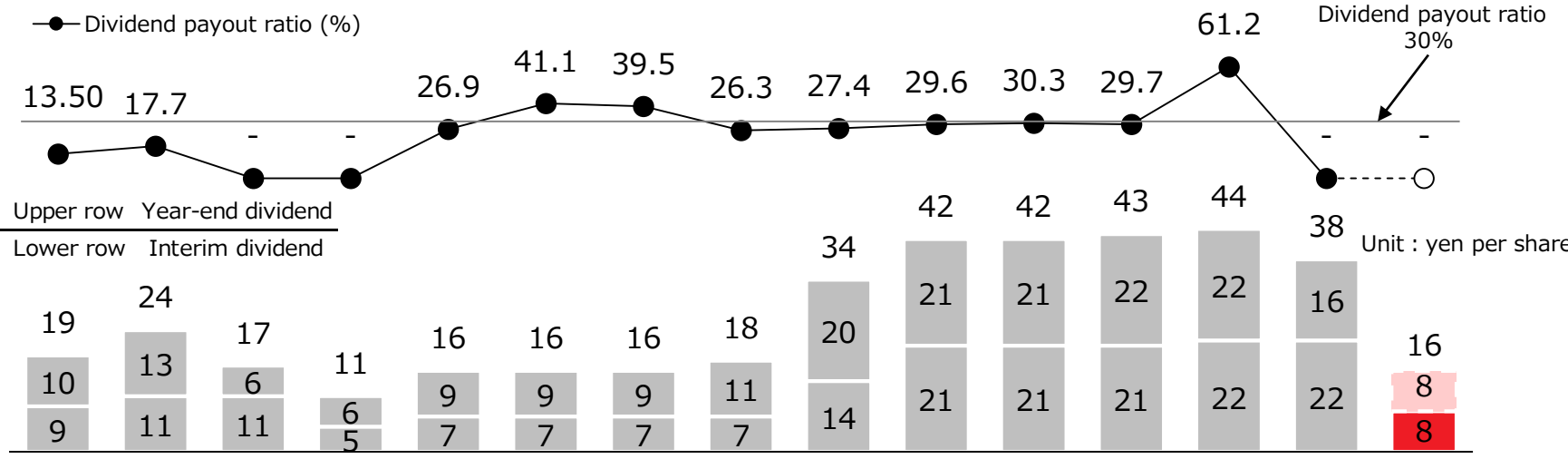


Machine tools Mechatronics Business Units



3-6) Return to Shareholders

Dividends



FY06 merger | FY07 the financial crisis | FY08 Great East Japan Earthquake | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 COVID-19 | FY20

Profit

