

IR Presentation for the First Quarter of Fiscal Year Ending March 2023

August 2, 2022

JTEKT Corporation

Results

Revenues increased due to foreign exchange, but **remained essentially flat YoY** due to production cuts caused by COVID-19 and semiconductor shortages. **Business profit decreased due to production cutbacks and raw material, logistics, and energy costs, despite cost reductions.**

Forecasts

Because the outlook for the external environment remains uncertain, **the FY2022 forecast remains unchanged** at 1.6 trillion yen in revenue and 60 billion yen in business profit. **We will strive to achieve our forecasted performance by promoting profit improvement through cost reductions and reflecting soaring material costs in selling prices.**

Return to Shareholders

The dividend forecast for FY2022 remains unchanged at 22 yen per year. (4 yen increase from the previous year, interim dividend is 11 yen, year-end dividend is 11 yen, payout ratio is 30.2%.)

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1-1) Consolidated Performance

Revenues increased due to foreign exchange effects, but were **essentially flat YoY** due to customers' production cutbacks.

Business profit decreased due to the impact of customers' production cutbacks, as well as **material, logistics, and energy cost hikes in each region and business**, despite cost reduction efforts, especially in bearings.

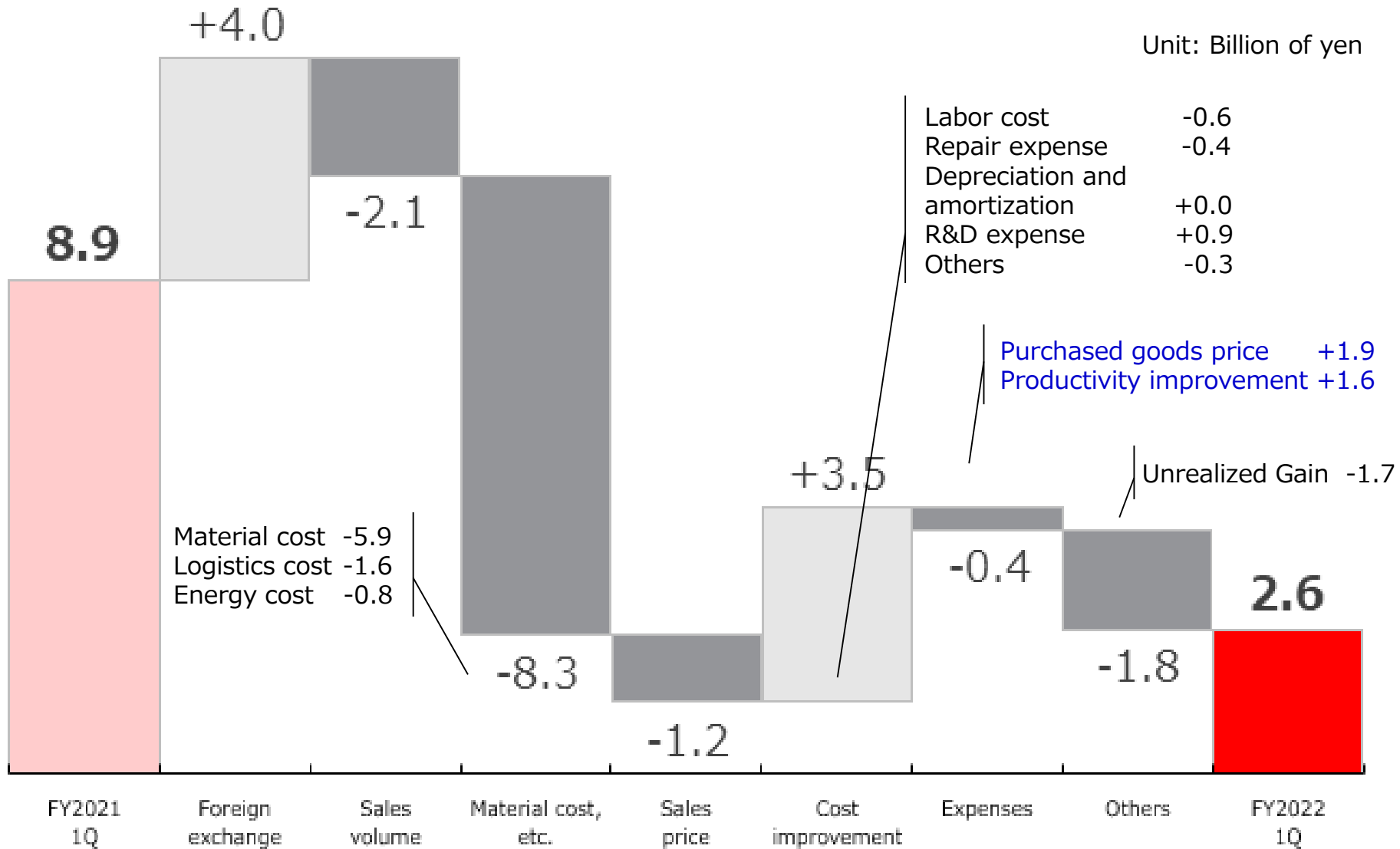
Unit: Billion of yen (Ratio to revenue)

| | FY2021 1Q | | FY2022 1Q | | Change | Change ratio |
|-----------------------------------|-----------|------------|-----------|--------------|------------|--------------|
| Revenue | | 344.1 | | 371.6 | +27.5 | + 8.0% |
| Business profit ※1 | (2.6%) | 8.9 | (0.7%) | 2.6 | -6.2 | -70.5% |
| Operating profit | (2.5%) | 8.7 | (0.8%) | 2.8 | -5.8 | -67.0% |
| Profit before income taxes | (3.1%) | 10.6 | (2.5%) | 9.1 | -1.5 | -14.8% |
| Proift ※2 | (1.7%) | 5.7 | (0.8%) | 3.1 | -2.5 | -45.3% |
| Foreign Exchange | JPY | 109.49/USD | JPY | 129.57/USD | +20.08 JPY | |
| | JPY | 131.96/EUR | JPY | 138.12/EUR | +6.16 JPY | |
| Earnings per share | | 16.70 JPY | | 9.13 JPY | | |

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

(※2) Profit attributable to owners of the parent

1-2) Business profit Analysis



1-3) Results by Region

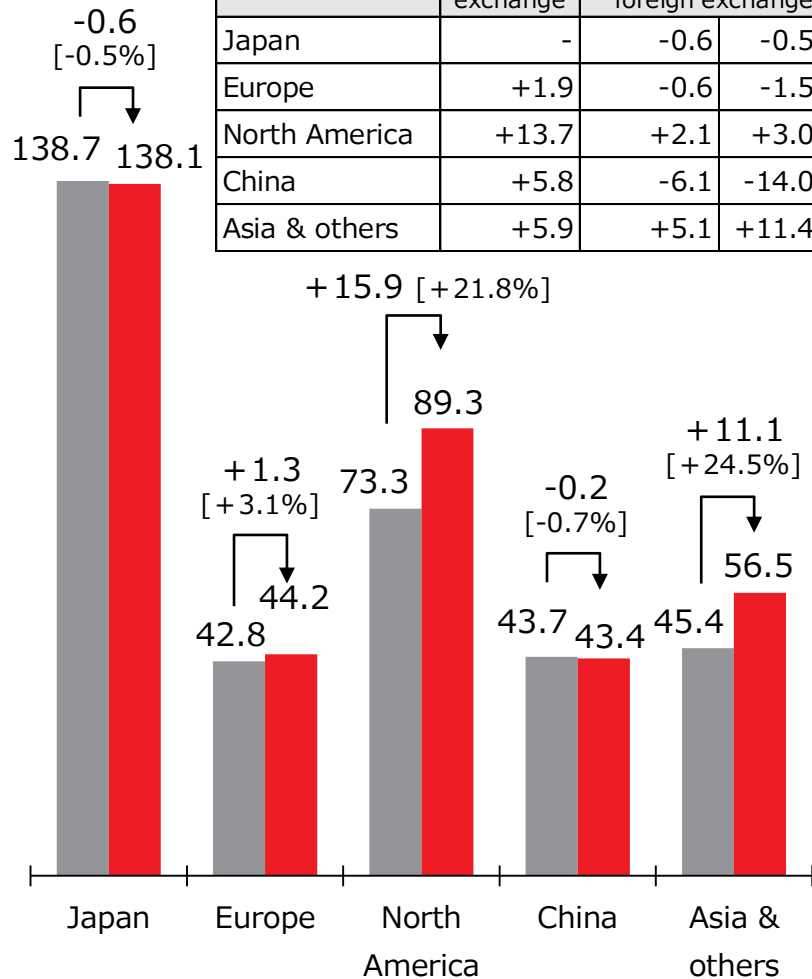
Revenue

Unit: Billion of yen

[Rate of change]

■ 21/6 ■ 22/6

| | Foreign exchange | Change excluding foreign exchange | |
|---------------|------------------|-----------------------------------|--------|
| Japan | - | -0.6 | -0.5% |
| Europe | +1.9 | -0.6 | -1.5% |
| North America | +13.7 | +2.1 | +3.0% |
| China | +5.8 | -6.1 | -14.0% |
| Asia & others | +5.9 | +5.1 | +11.4% |



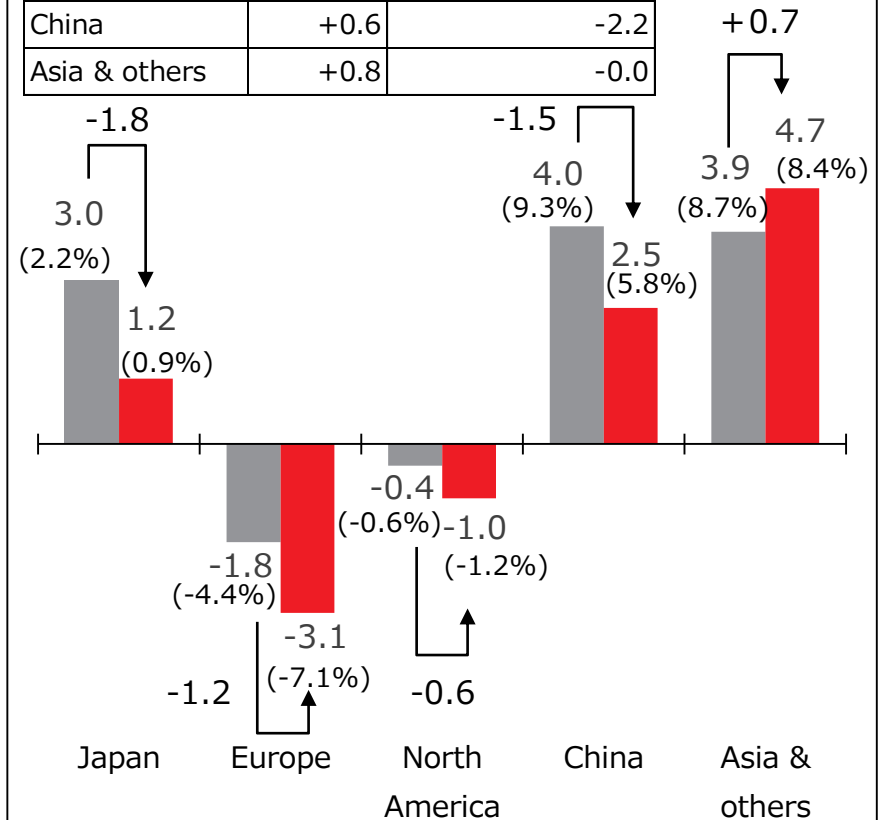
Business profit

Unit: Billion of yen

(Ratio to revenue)

■ 21/6 ■ 22/6

| | Foreign exchange | Change excluding foreign exchange |
|---------------|------------------|-----------------------------------|
| Japan | +2.9 | -4.8 |
| Europe | -0.3 | -0.9 |
| North America | -0.1 | -0.4 |
| China | +0.6 | -2.2 |
| Asia & others | +0.8 | -0.0 |



1-4) Results by Business

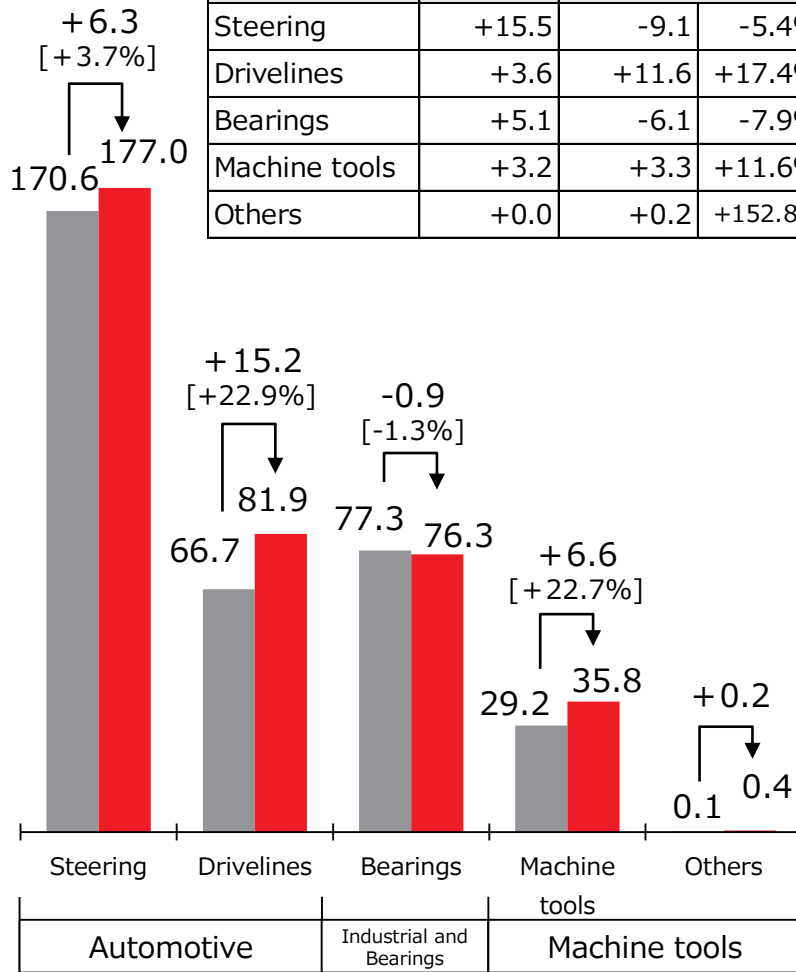
Revenue

Unit: Billion of yen

[Rate of change]

■ 21/6 ■ 22/6

| | Foreign exchange | Change excluding foreign exchange | |
|---------------|------------------|-----------------------------------|---------|
| Steering | +15.5 | -9.1 | -5.4% |
| Drivelines | +3.6 | +11.6 | +17.4% |
| Bearings | +5.1 | -6.1 | -7.9% |
| Machine tools | +3.2 | +3.3 | +11.6% |
| Others | +0.0 | +0.2 | +152.8% |



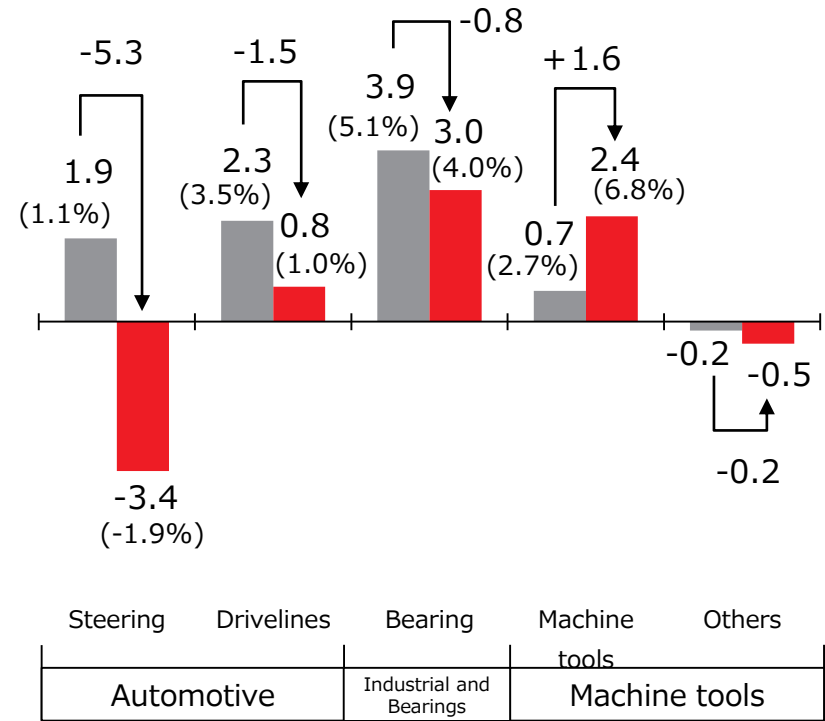
Business profit

Unit: Billion of yen

(Ratio to revenue)

■ 21/6 ■ 22/6

| | Foreign exchange | Change excluding foreign exchange | |
|---------------|------------------|-----------------------------------|--|
| Steering | +1.3 | -6.6 | |
| Drivelines | +0.3 | -1.9 | |
| Bearing | +1.6 | -2.5 | |
| Machine tools | +0.6 | +1.0 | |
| Others | +0.0 | -0.2 | |



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2-1) Forecasts - Consolidated Performance

Because the outlook for the external environment remains uncertain, **the FY2022 forecast remains unchanged.**

We will continue our activities to achieve the forecasted figures, such as **supplying products firmly when customers' production recovers, cost reduction activities, and efforts to pass on material costs, etc. to customers.**

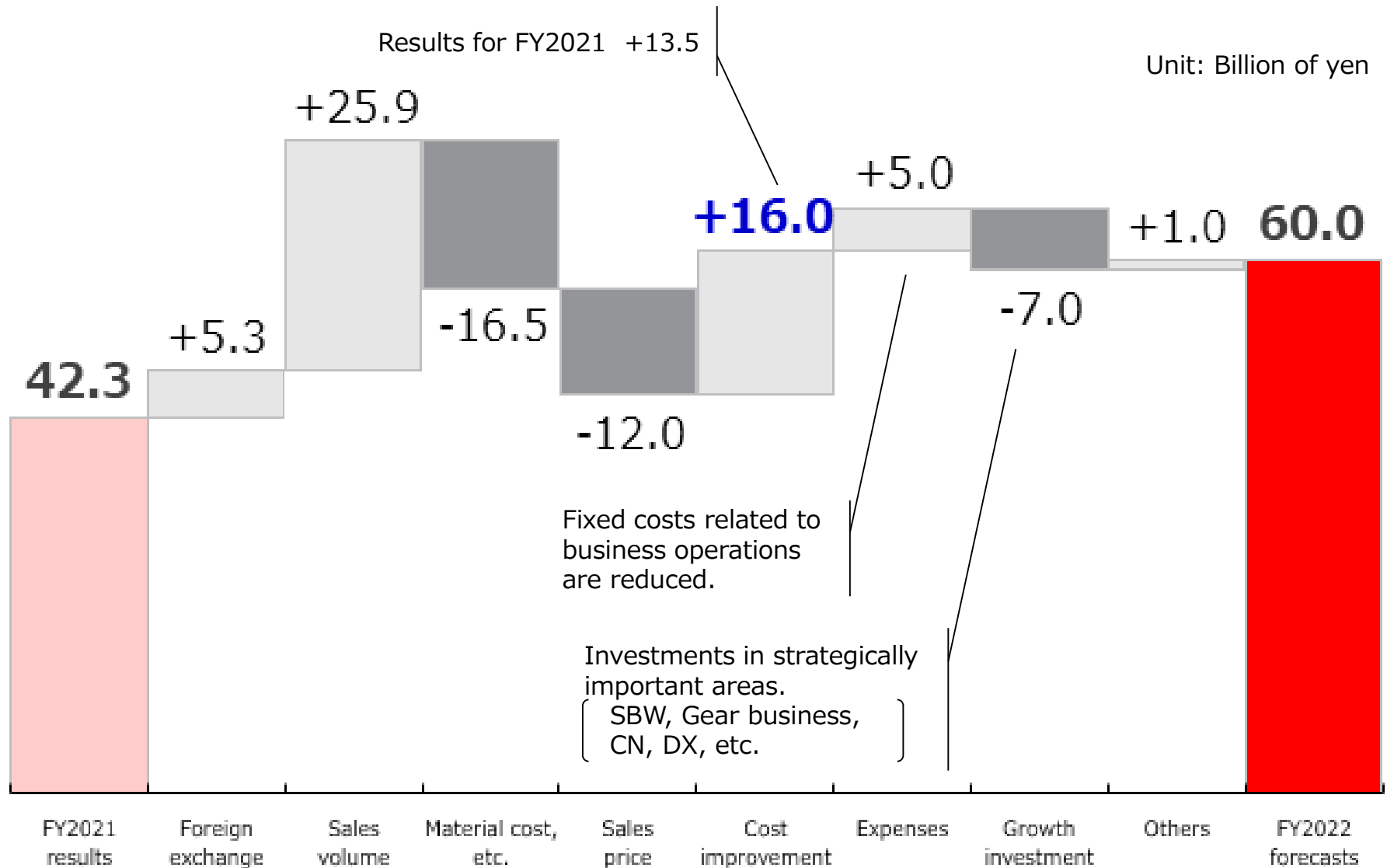
Unit: Billion of yen (Ratio to revenue)

| | FY2021 | | FY2022 | | Change | Change ratio |
|-----------------------------------|--------|------------|--------|------------------|-----------|--------------|
| Revenue | | 1,428.4 | | 1,600.0 | +171.5 | + 12.0% |
| Business profit ※1 | (3.0%) | 42.3 | (3.8%) | 60.0 | +17.6 | + 41.7% |
| Operating profit | (2.5%) | 36.4 | (3.4%) | 54.0 | +17.5 | + 48.3% |
| Profit before income taxes | (3.1%) | 43.9 | (3.0%) | 48.5 | +4.5 | + 10.4% |
| Proift ※2 | (1.7%) | 20.6 | (1.6%) | 25.0 | +4.3 | + 20.9% |
| Foreign Exchange | JPY | 112.38/USD | JPY | 115.00/USD | +2.62 JPY | |
| | JPY | 130.56/EUR | JPY | 130.00/EUR | -0.56 JPY | |
| Earnings per share | | 60.31 JPY | | 72.89 JPY | | |

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

(※2) Profit attributable to owners of the parent

2-2) Forecasts - Business profit Analysis

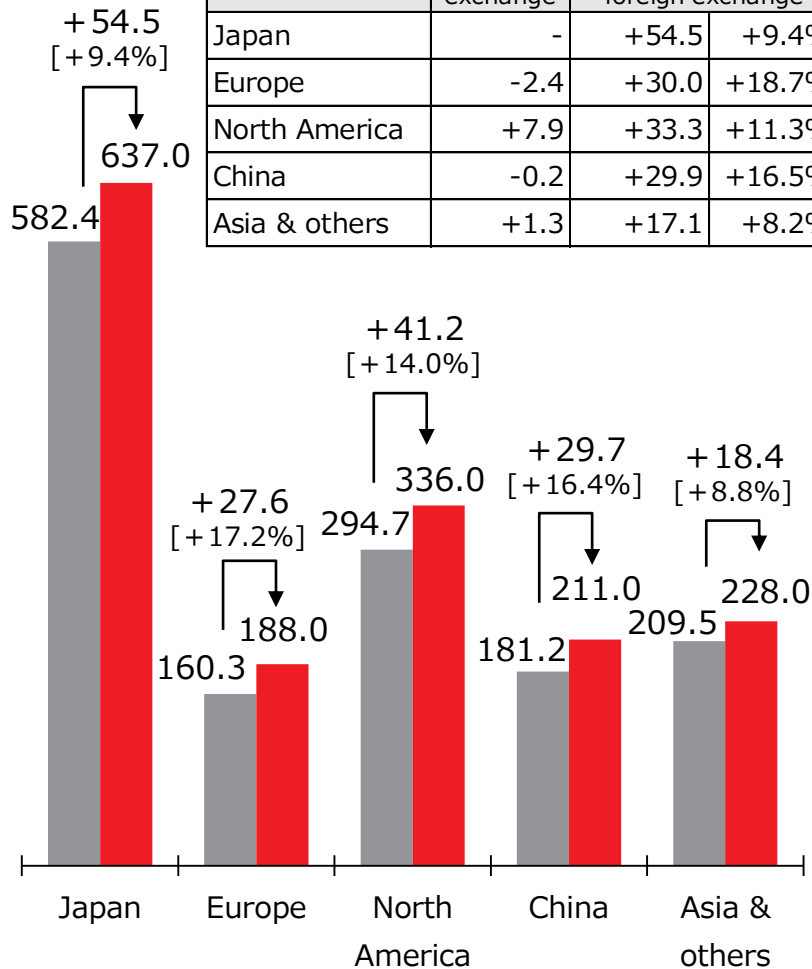


2-3) Forecasts by Region

Revenue

Unit: Billion of yen [Rate of change] ■ 22/3 ■ 23/3

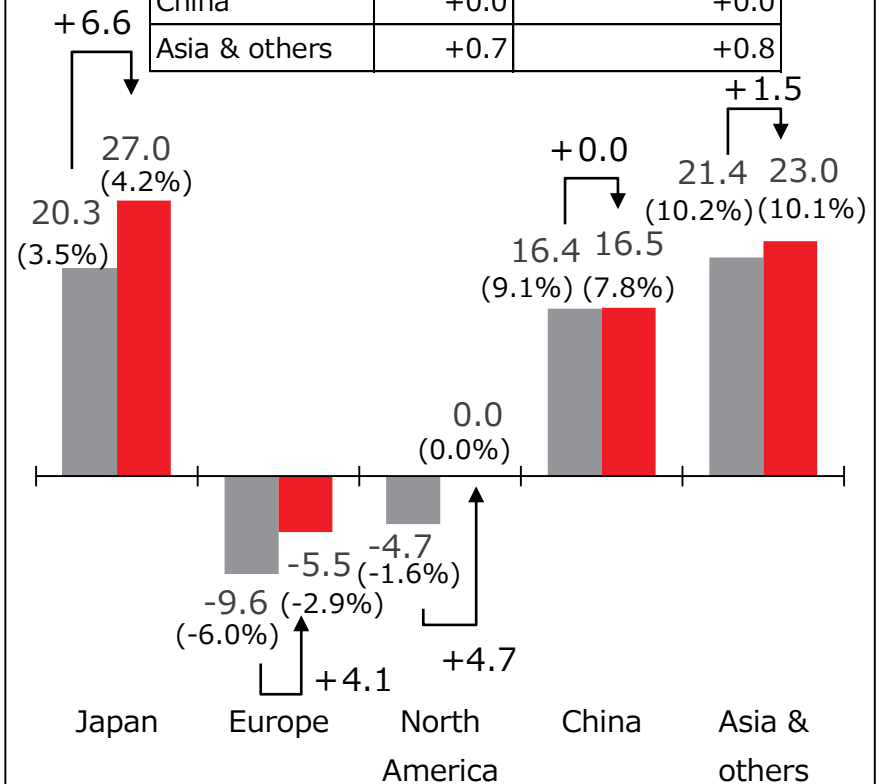
| | Foreign exchange | Change excluding foreign exchange | |
|---------------|------------------|-----------------------------------|--------|
| Japan | - | +54.5 | +9.4% |
| Europe | -2.4 | +30.0 | +18.7% |
| North America | +7.9 | +33.3 | +11.3% |
| China | -0.2 | +29.9 | +16.5% |
| Asia & others | +1.3 | +17.1 | +8.2% |



Business profit

Unit: Billion of yen (Ratio to revenue) ■ 22/3 ■ 23/3

| | Foreign exchange | Change excluding foreign exchange | |
|---------------|------------------|-----------------------------------|--|
| Japan | +4.3 | +2.3 | |
| Europe | +0.0 | +4.1 | |
| North America | +0.3 | +4.4 | |
| China | +0.0 | +0.0 | |
| Asia & others | +0.7 | +0.8 | |



2-4) Forecasts by Business

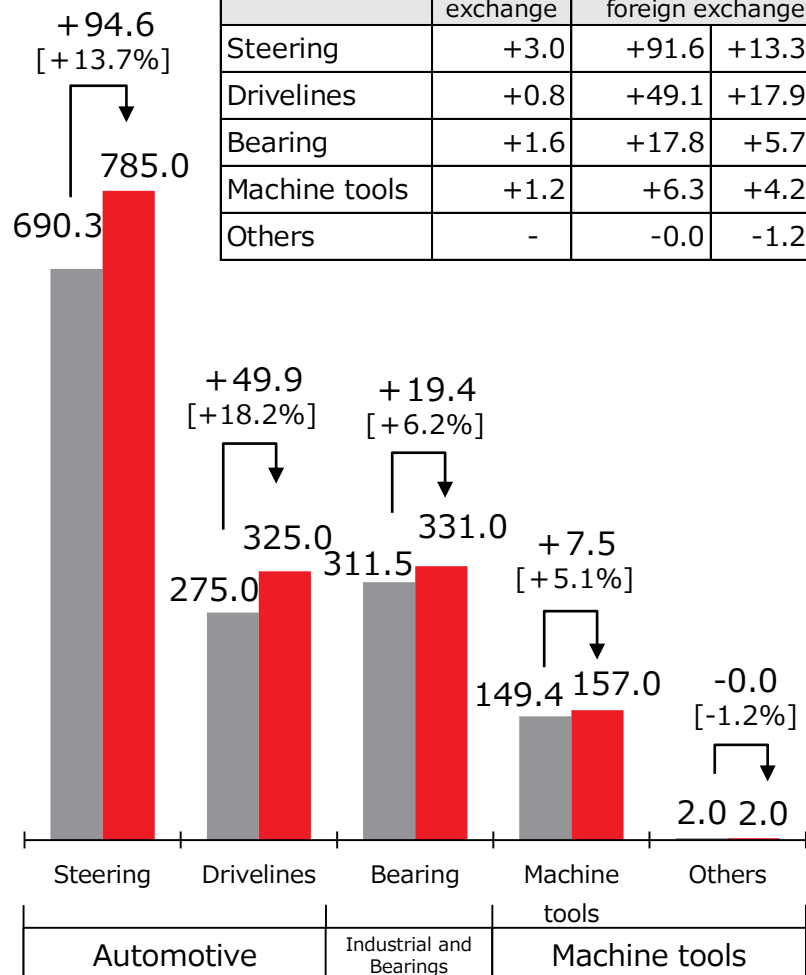
Revenue

Unit: Billion of yen

[Rate of change]

■ 22/3 ■ 23/3

| | Foreign exchange | Change excluding foreign exchange | |
|---------------|------------------|-----------------------------------|--------|
| Steering | +3.0 | +91.6 | +13.3% |
| Drivelines | +0.8 | +49.1 | +17.9% |
| Bearing | +1.6 | +17.8 | +5.7% |
| Machine tools | +1.2 | +6.3 | +4.2% |
| Others | - | -0.0 | -1.2% |



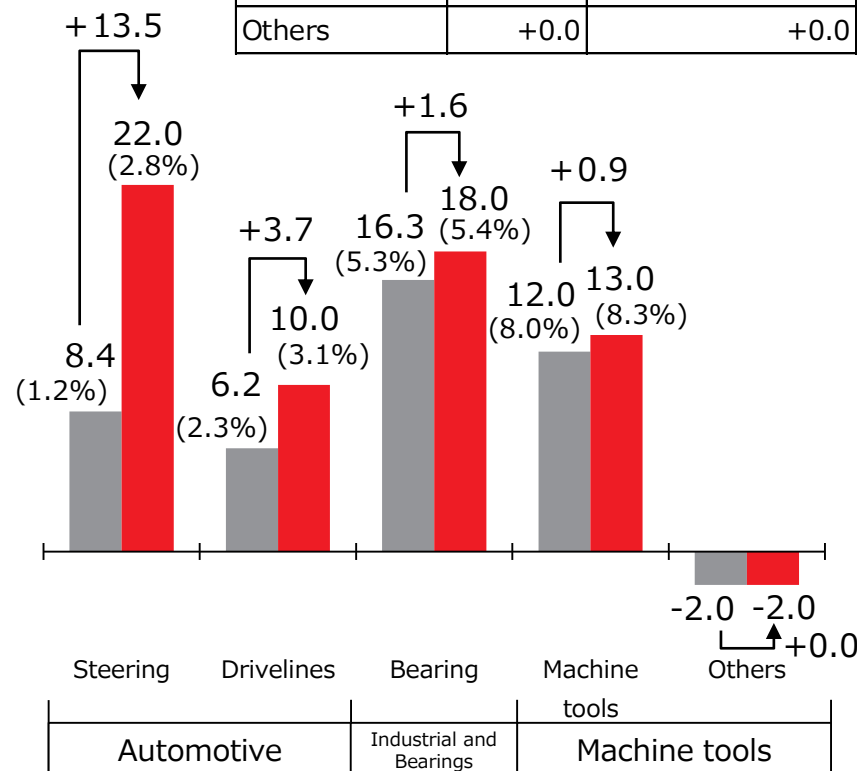
Business profit

Unit: Billion of yen

(Ratio to revenue)

■ 22/3 ■ 23/3

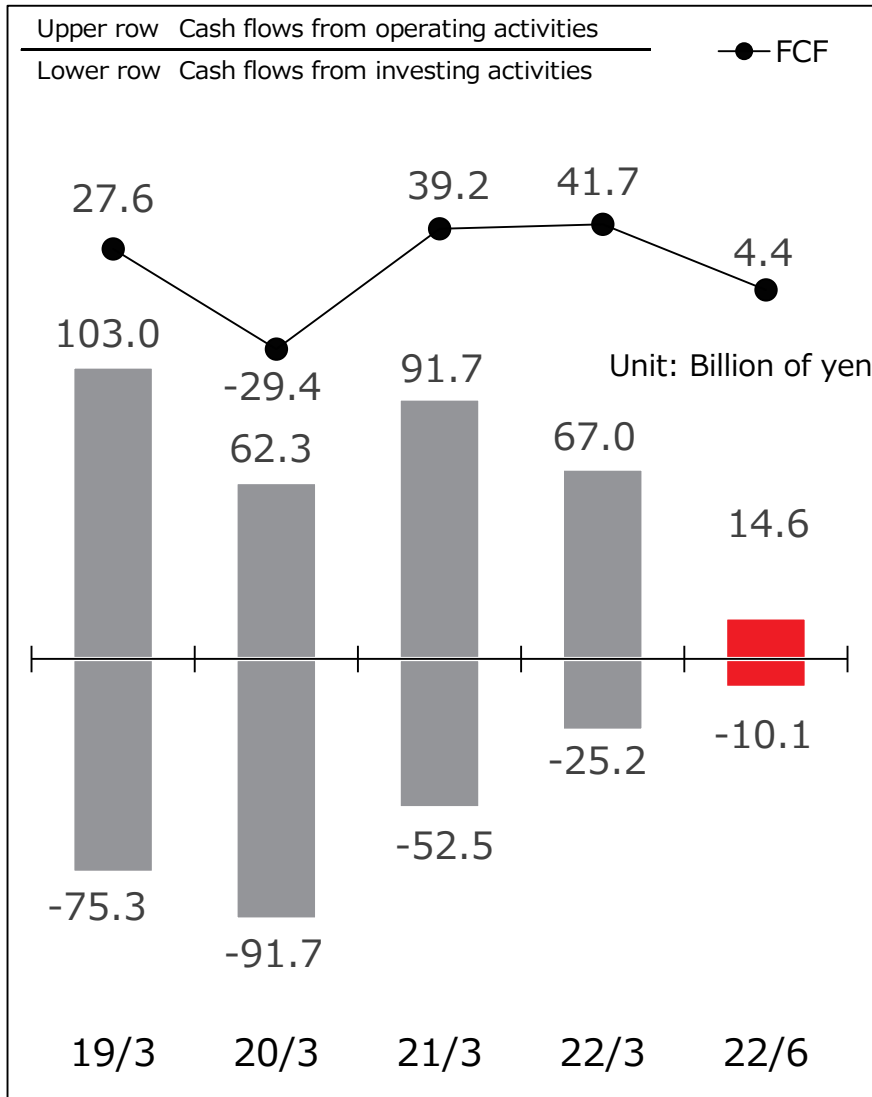
| | Foreign exchange | Change excluding foreign exchange |
|---------------|------------------|-----------------------------------|
| Steering | +3.2 | +10.3 |
| Drivelines | +0.4 | +3.3 |
| Bearing | +1.5 | +0.1 |
| Machine tools | +0.2 | +0.7 |
| Others | +0.0 | +0.0 |



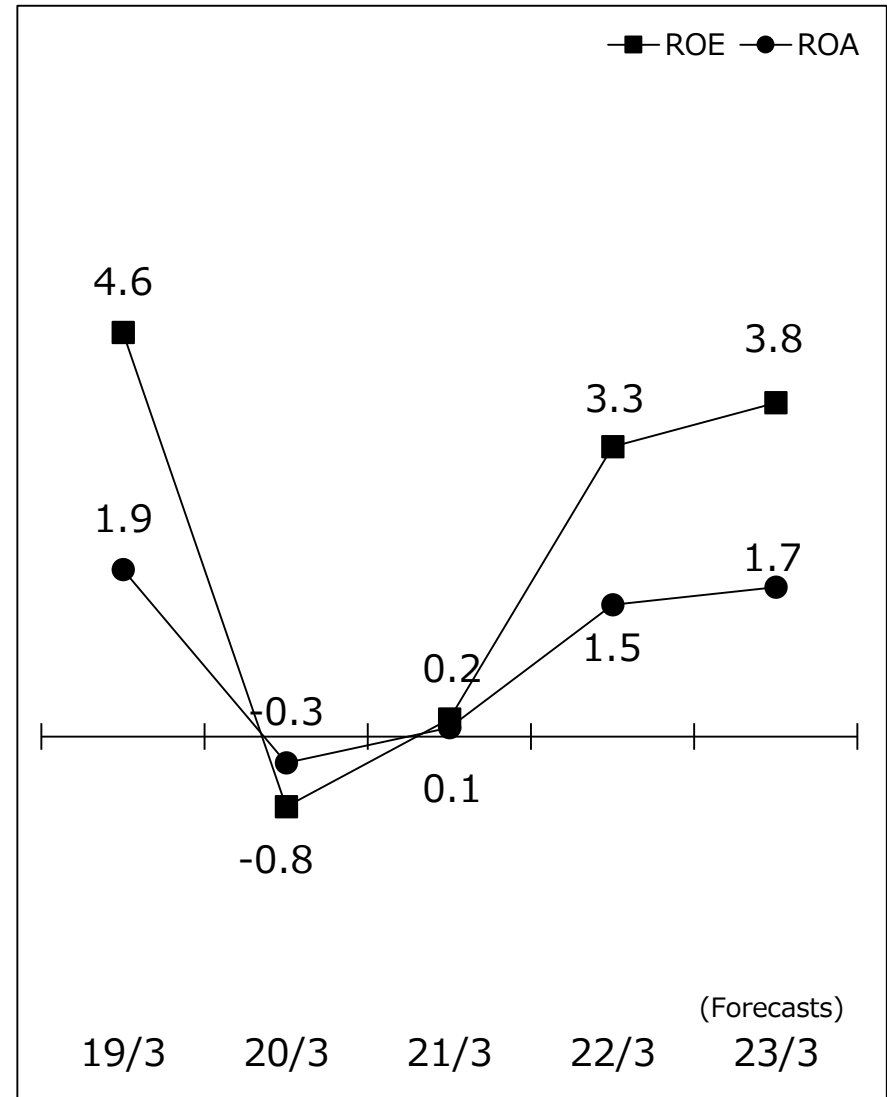
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3-1) Management indicator

Cash flows



ROE / ROA

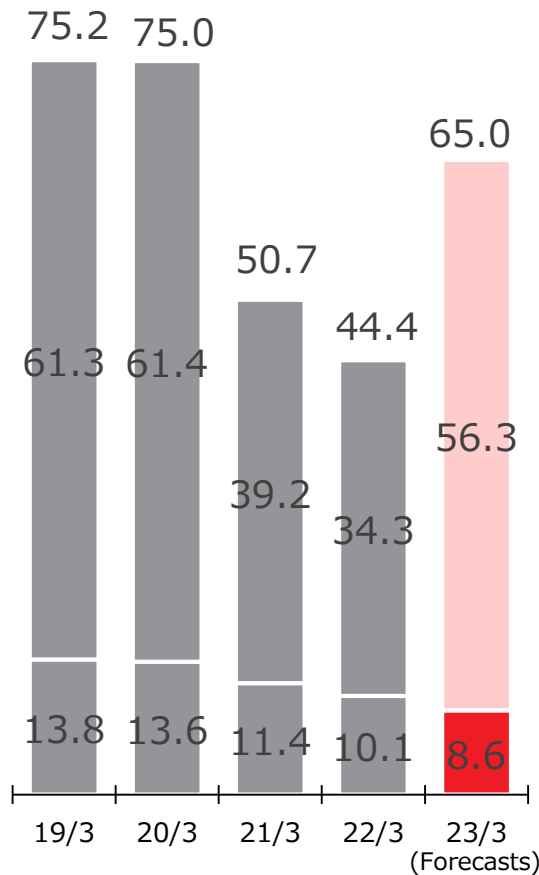


3-1) Management indicator

Capital expenditures

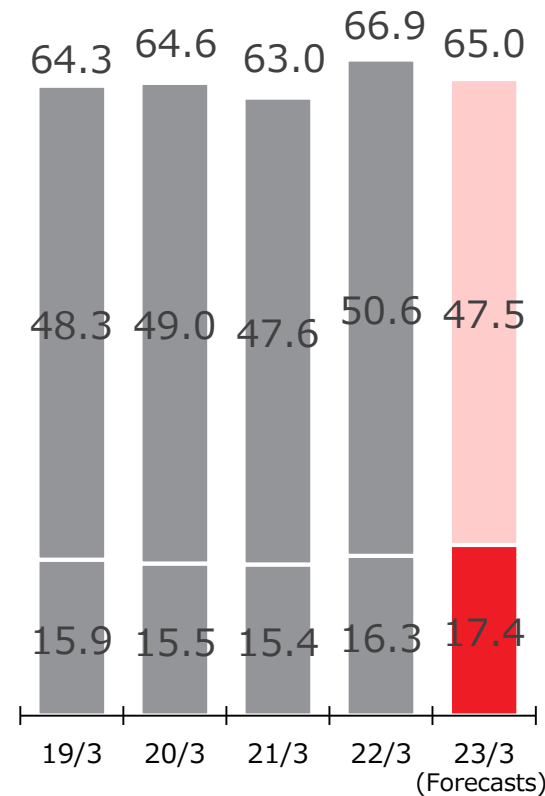
Upper row Jul-Mar
Lower row Apr-Jun

Unit: Billion of yen



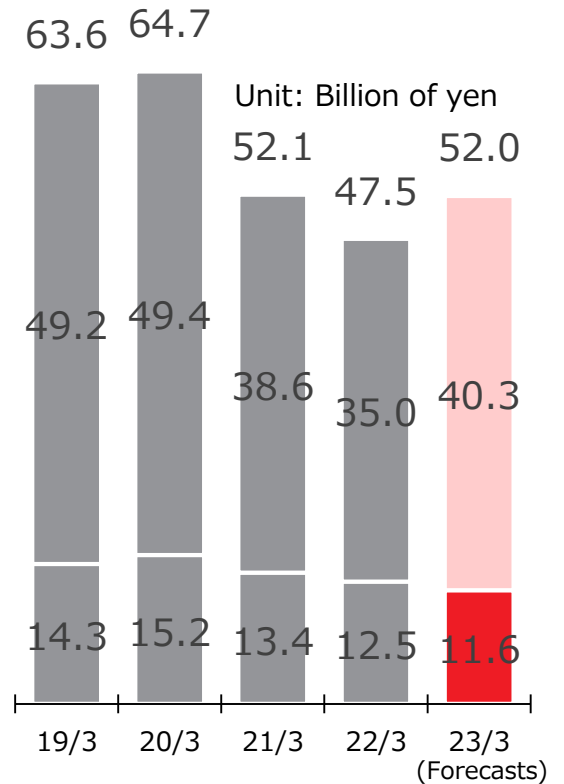
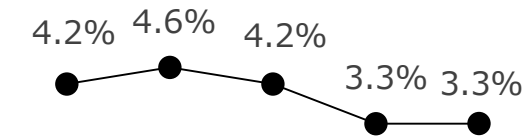
Depreciation and amortization

Unit: Billion of yen



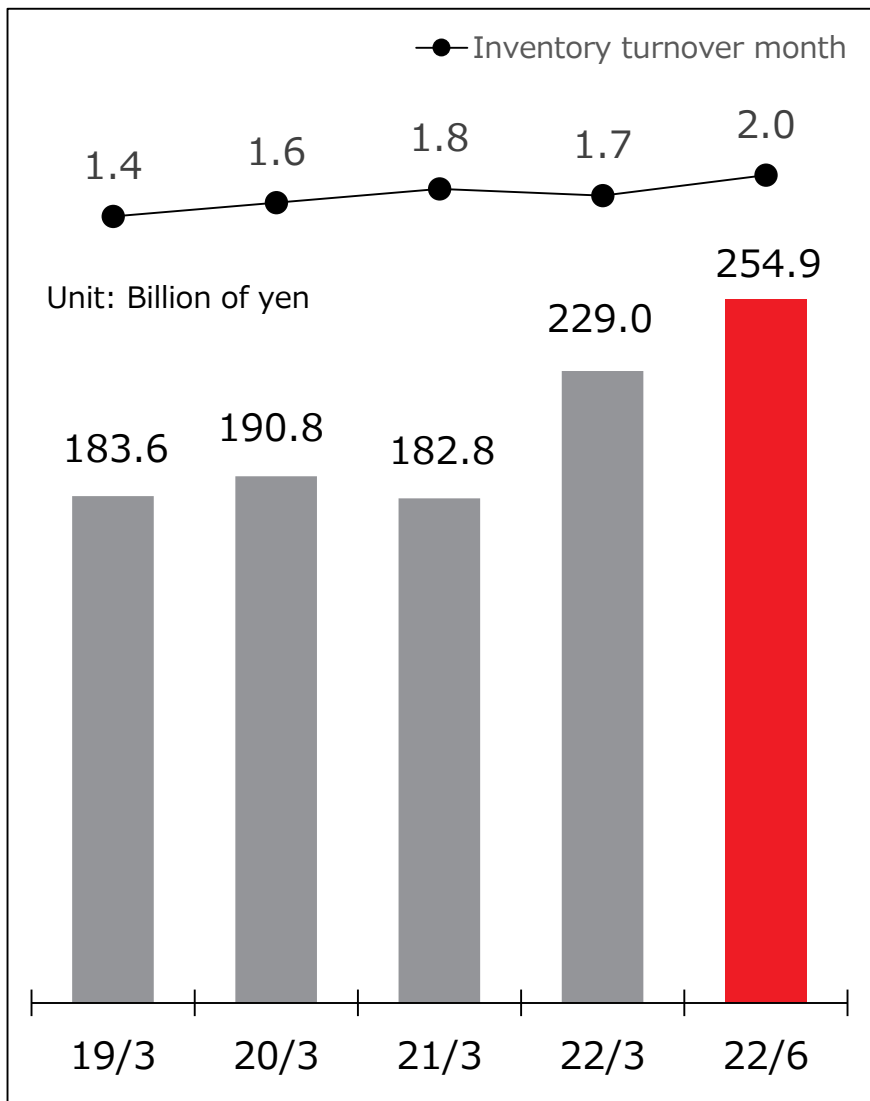
R&D expense

● Ratio to revenue

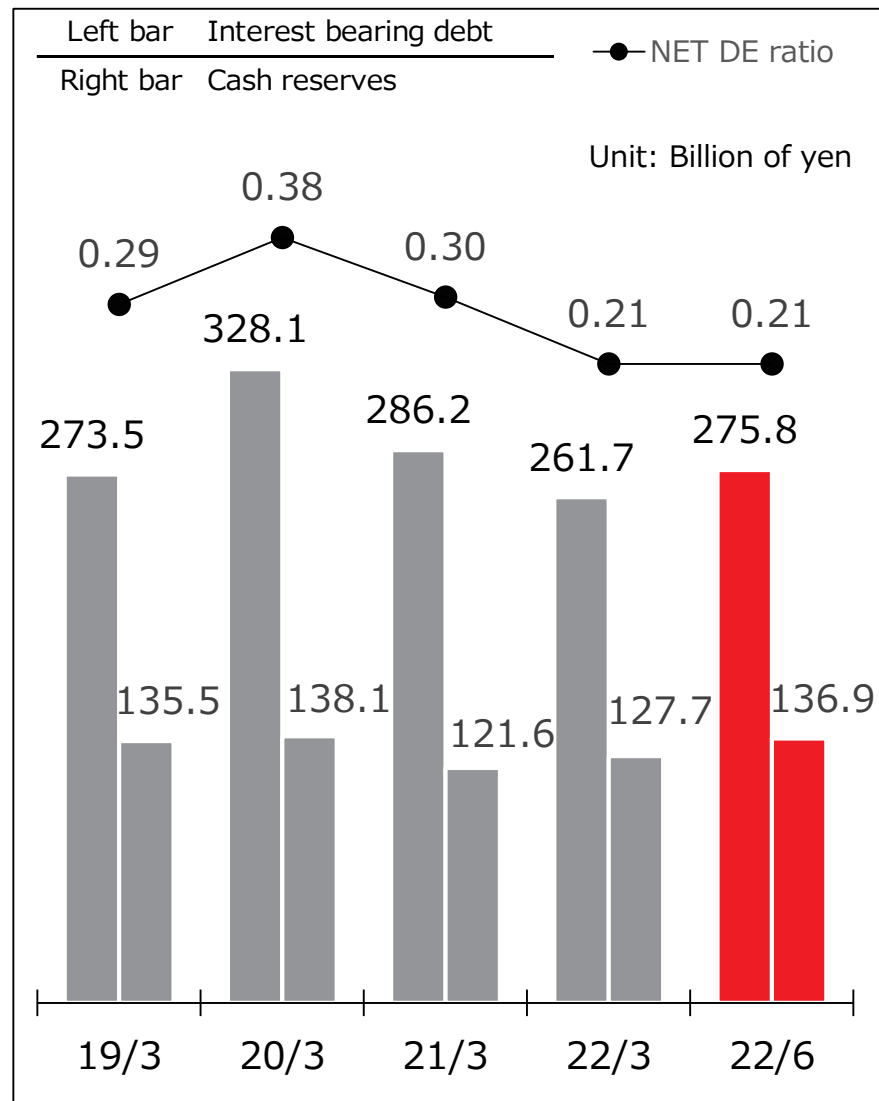


3-1) Management indicator

Inventories



Interest bearing debt / Cash reserves



3-2) Financial statements

Assets

Unit: Billion of yen

| Assets | 22/3 | 22/6 | Change |
|-------------------------------|----------------|----------------|--------------|
| Cash and cash equivalents | 124.2 | 133.4 | +9.1 |
| Trade and other receivables | 319.0 | 306.1 | -12.9 |
| Inventories | 229.0 | 254.9 | +25.8 |
| Other current assets | 13.0 | 12.8 | -0.1 |
| Property, plant and equipment | 460.0 | 469.6 | +9.6 |
| Other non-current assets | 240.9 | 247.0 | +6.1 |
| Total assets | 1,386.4 | 1,424.1 | +37.6 |

Liabilities and equity

Unit: Billion of yen

| Liabilities and equity | 22/3 | 22/6 | Change |
|---|----------------|----------------|--------------|
| Trade and other payables | 317.6 | 322.1 | +4.5 |
| Interest-Bearing Debt | 261.7 | 275.8 | +14.0 |
| Other current liabilities | 31.3 | 24.0 | -7.3 |
| Other non-current liabilities | 115.2 | 117.8 | +2.5 |
| Equity attributable to owners of the parent company | 624.0 | 646.9 | +22.9 |
| Non-controlling interests | 36.4 | 37.3 | +0.9 |
| Total liabilities and equity | 1,386.4 | 1,424.1 | +37.6 |

3-2) Financial statements

Consolidated Statement of Profit or Loss

Unit: Billion of yen

| | 21/6 | 22/6 | Change |
|--|-------|--------------|--------|
| Revenue | 344.1 | 371.6 | +27.5 |
| Business profit | 8.9 | 2.6 | -6.2 |
| Other income / Other costs | -0.2 | 0.2 | +0.4 |
| Finance income / Finance costs | 1.9 | 6.2 | +4.2 |
| Income tax expense | -4.3 | -5.4 | -1.1 |
| Non-controlling interests | -0.6 | -0.5 | +0.1 |
| Profit attributable to owners of parent | 5.7 | 3.1 | -2.5 |

Consolidated Statement of Cash Flows

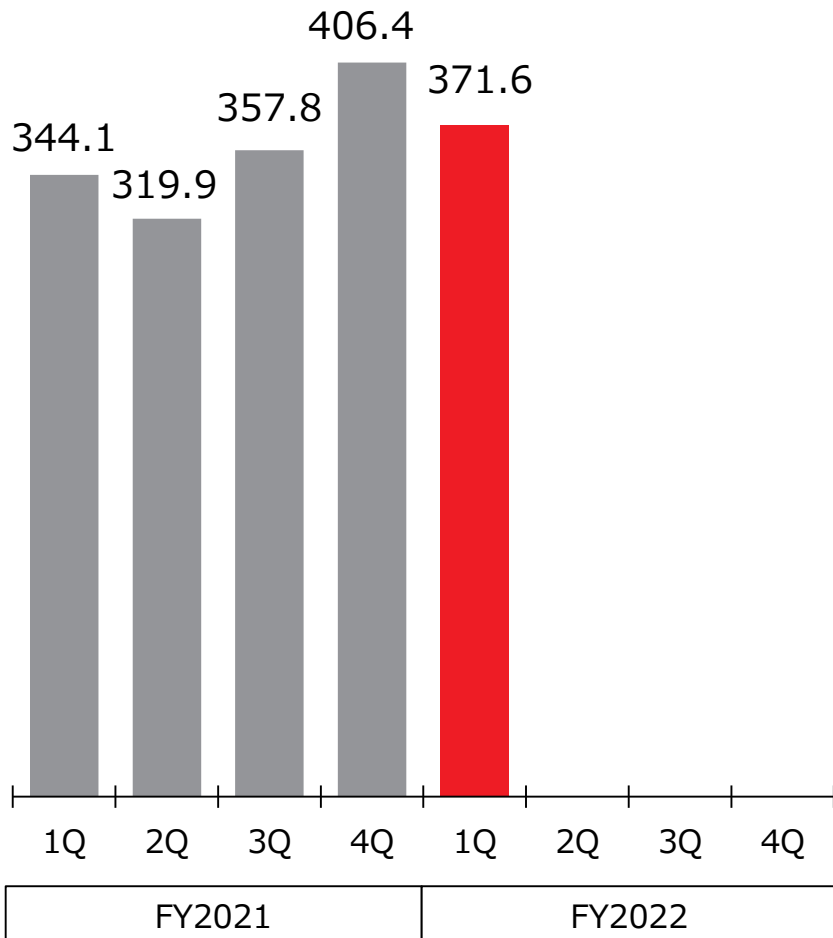
Unit: Billion of yen

| | 21/6 | 22/6 | Change |
|--|-------|--------------|--------|
| Cash flows from operating activities | 33.2 | 14.6 | -18.6 |
| Cash flows from investing activities | 10.1 | -10.1 | -20.3 |
| Free cash flow | 43.4 | 4.4 | -38.9 |
| Cash flows from financing activities | -5.6 | -0.1 | +5.5 |
| Foreign currency translation adjustments | 0.3 | 4.8 | +4.4 |
| Net increase (decrease) in cash and cash equivalents | 38.1 | 9.1 | -28.9 |
| Cash and cash equivalents | 156.7 | 133.4 | -23.2 |

3-3) Quarterly Result Trend

Revenue

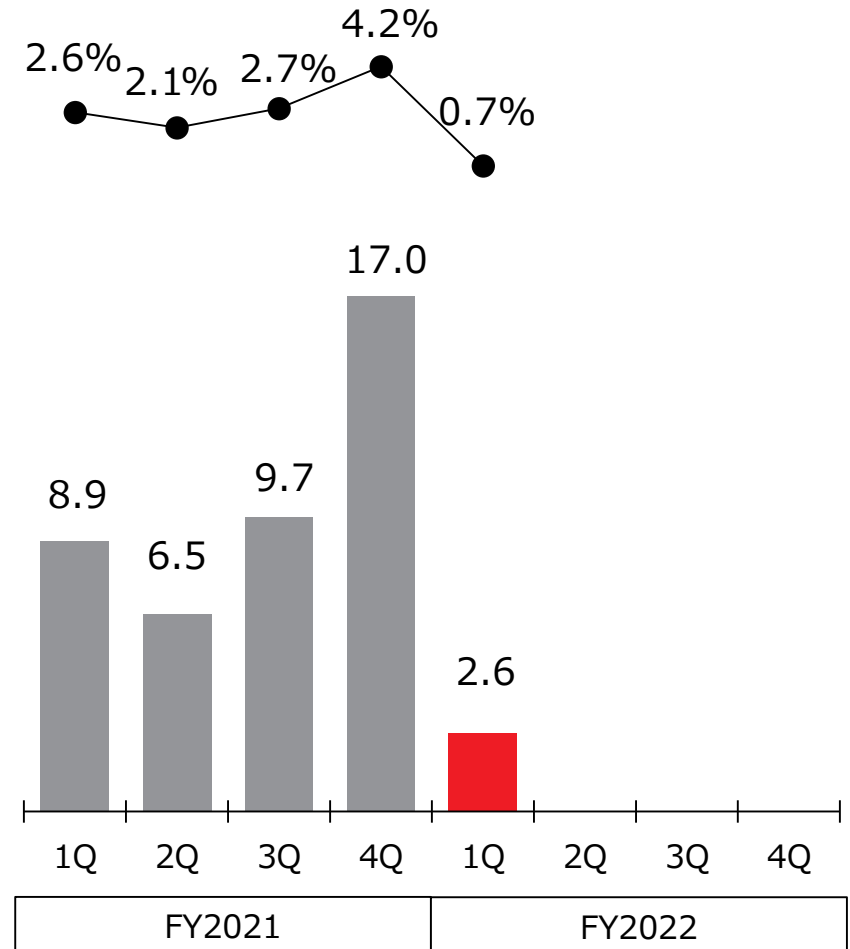
Unit: Billion of yen



Business profit

Unit: Billion of yen

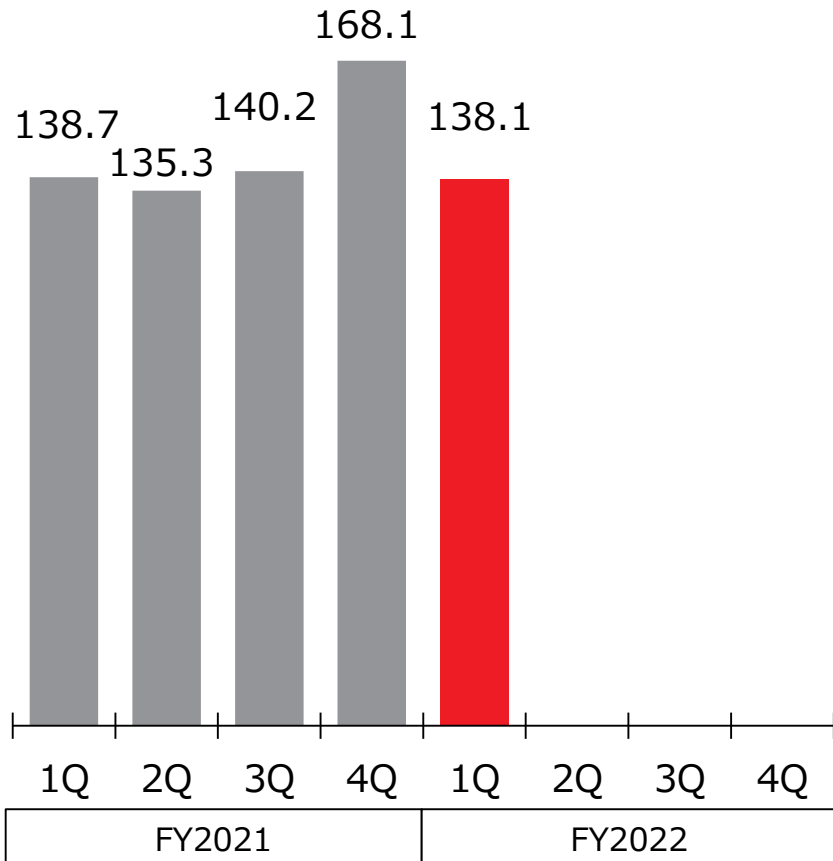
● Ratio to revenue



3-3) Quarterly Result Trend – Japan

Revenue

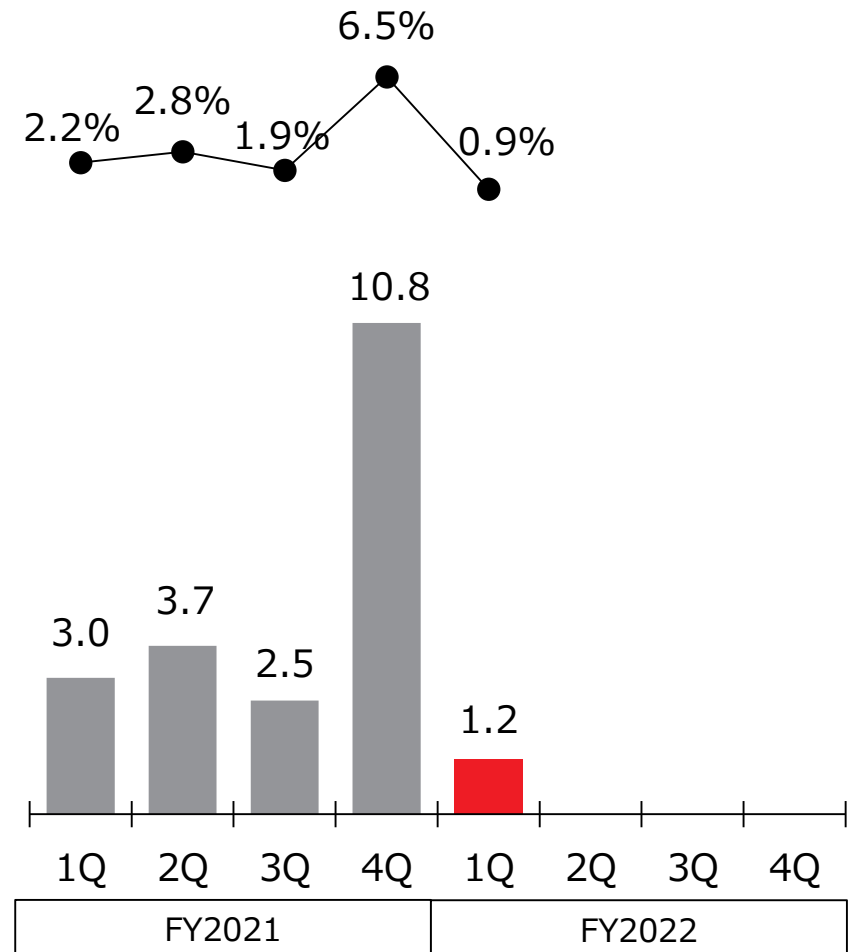
Unit: Billion of yen



Business profit

Unit: Billion of yen

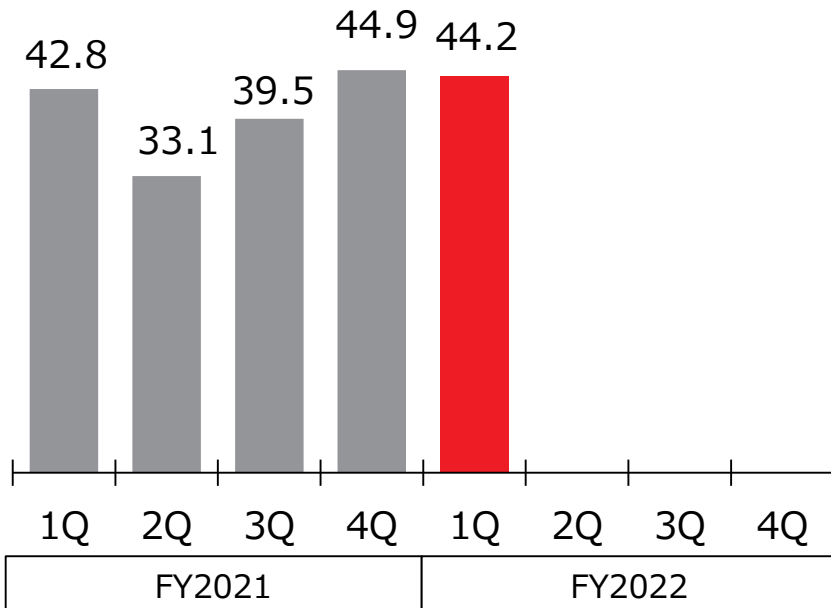
● Ratio to revenue



3-3) Quarterly Result Trend – Europe

Revenue

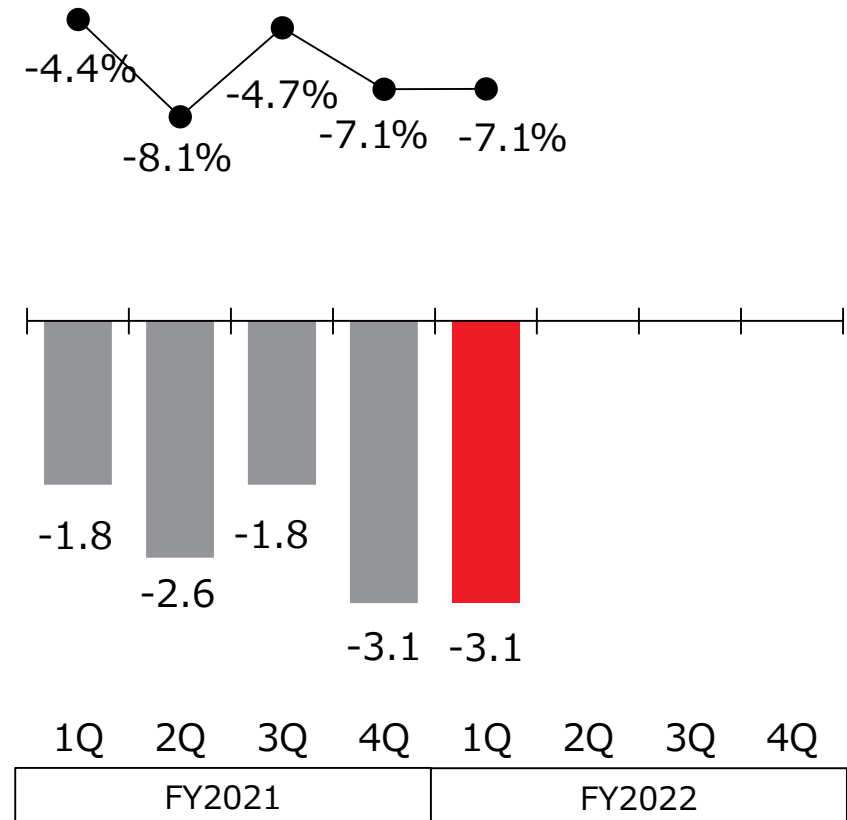
Unit: Billion of yen



Business profit

Unit: Billion of yen

● Ratio to revenue

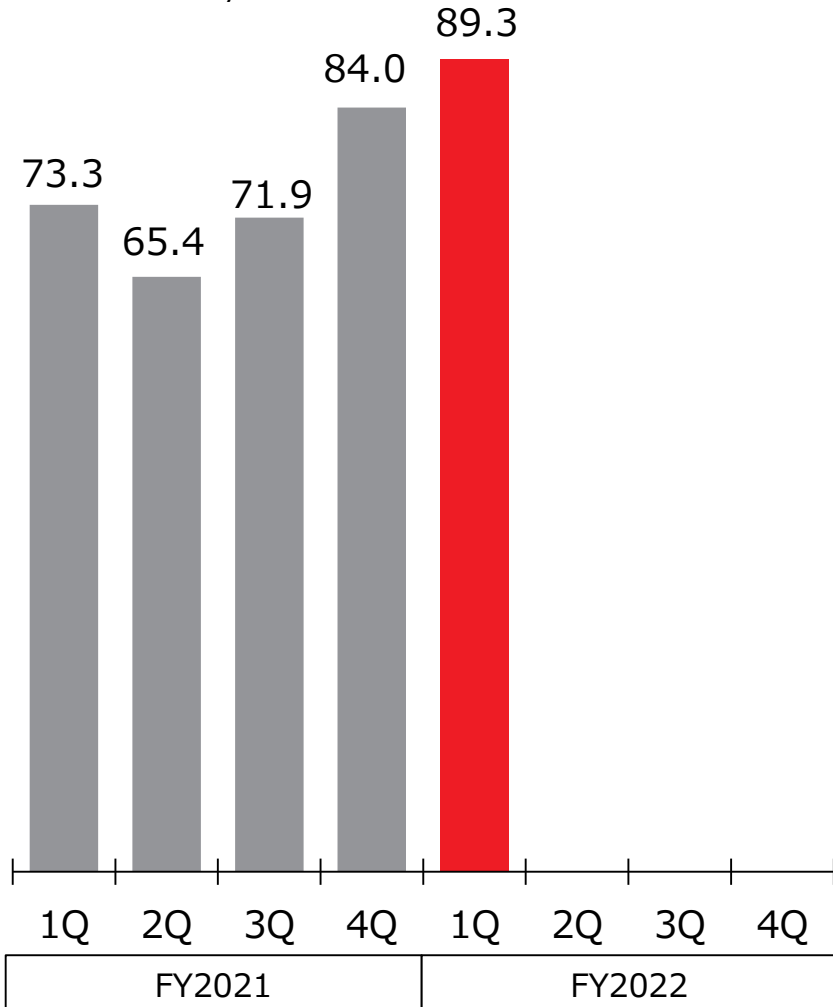


3-3) Quarterly Result Trend – North America



Revenue

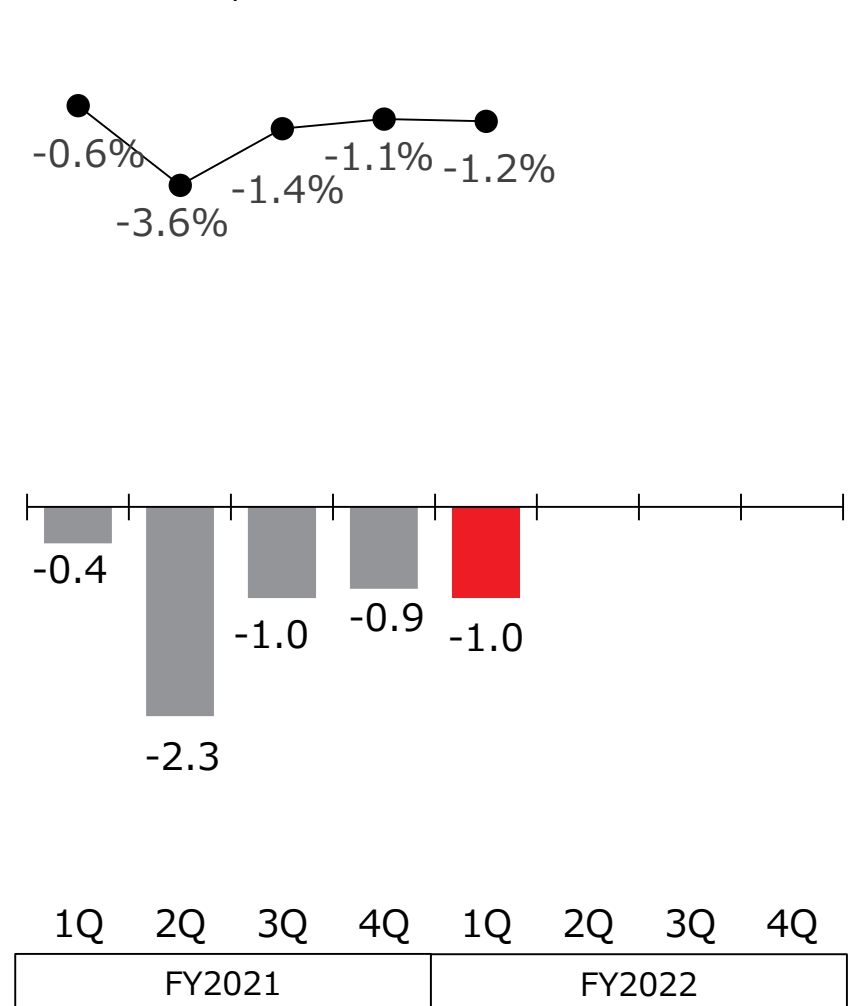
Unit: Billion of yen



Business profit

Unit: Billion of yen

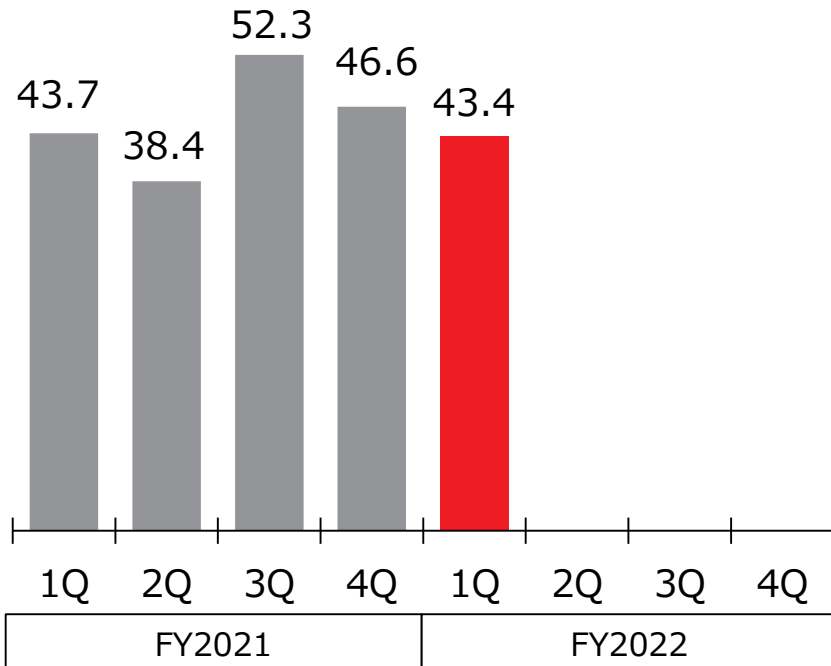
● Ratio to revenue



3-3) Quarterly Result Trend – China

Revenue

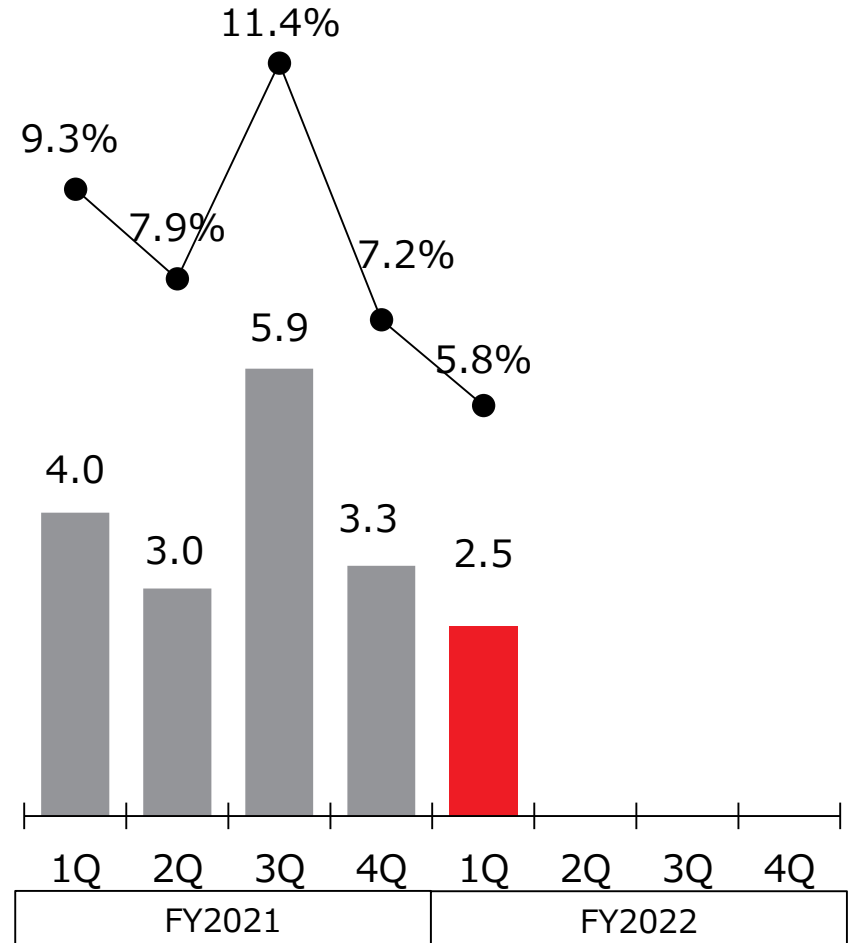
Unit: Billion of yen



Business profit

Unit: Billion of yen

● Ratio to revenue

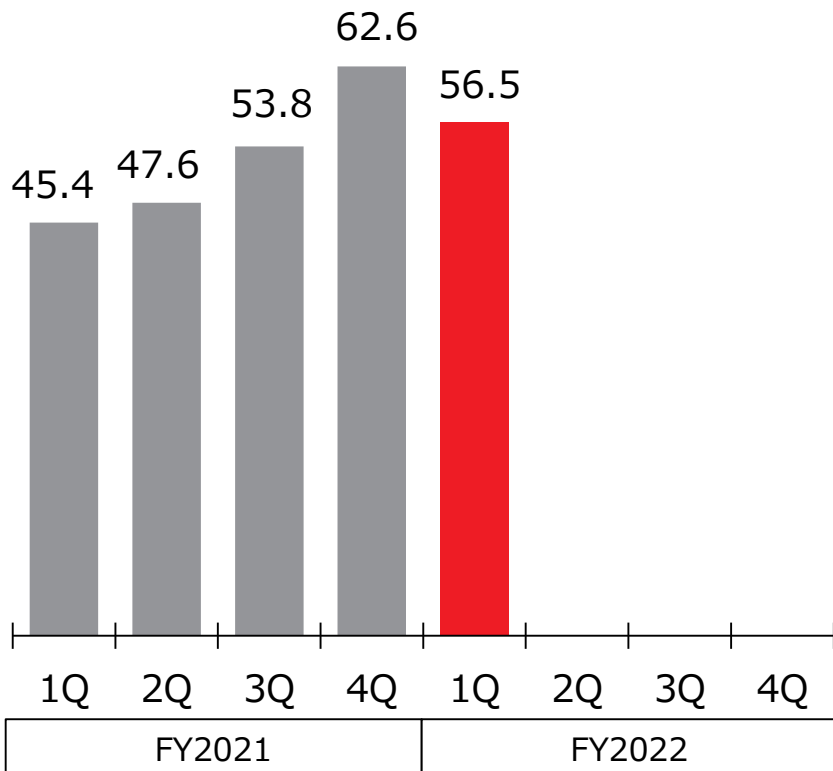


3-3) Quarterly Result Trend – Asia & Others



Revenue

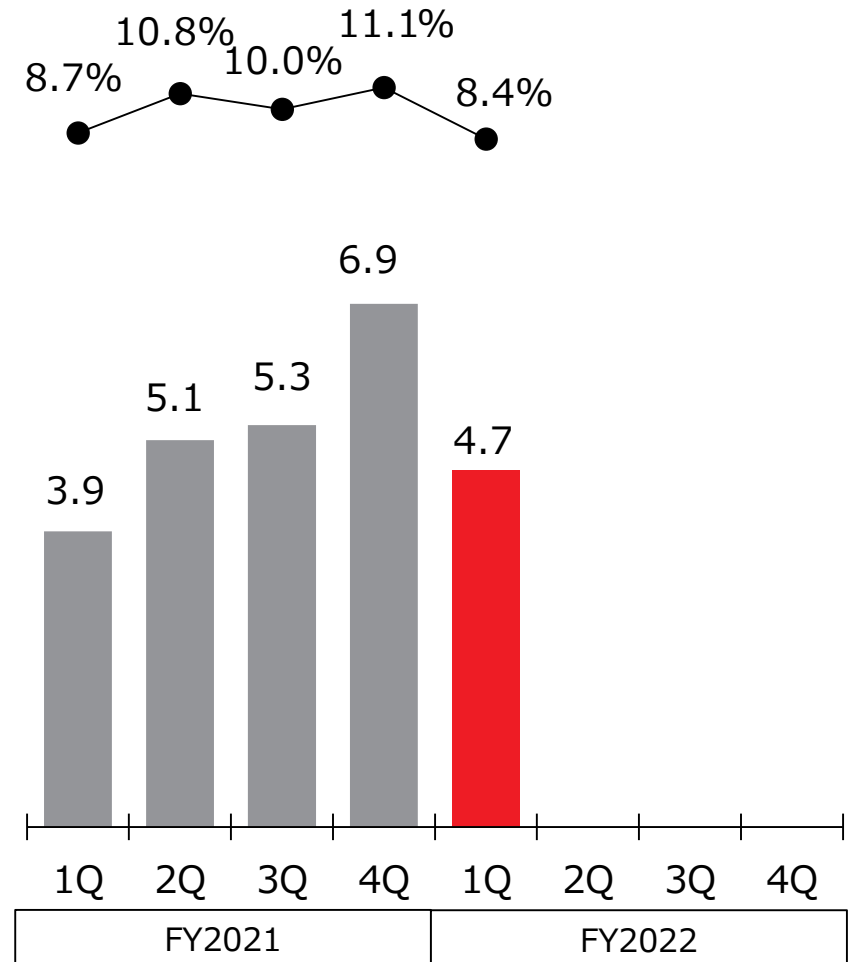
Unit: Billion of yen



Business profit

Unit: Billion of yen

● Ratio to revenue



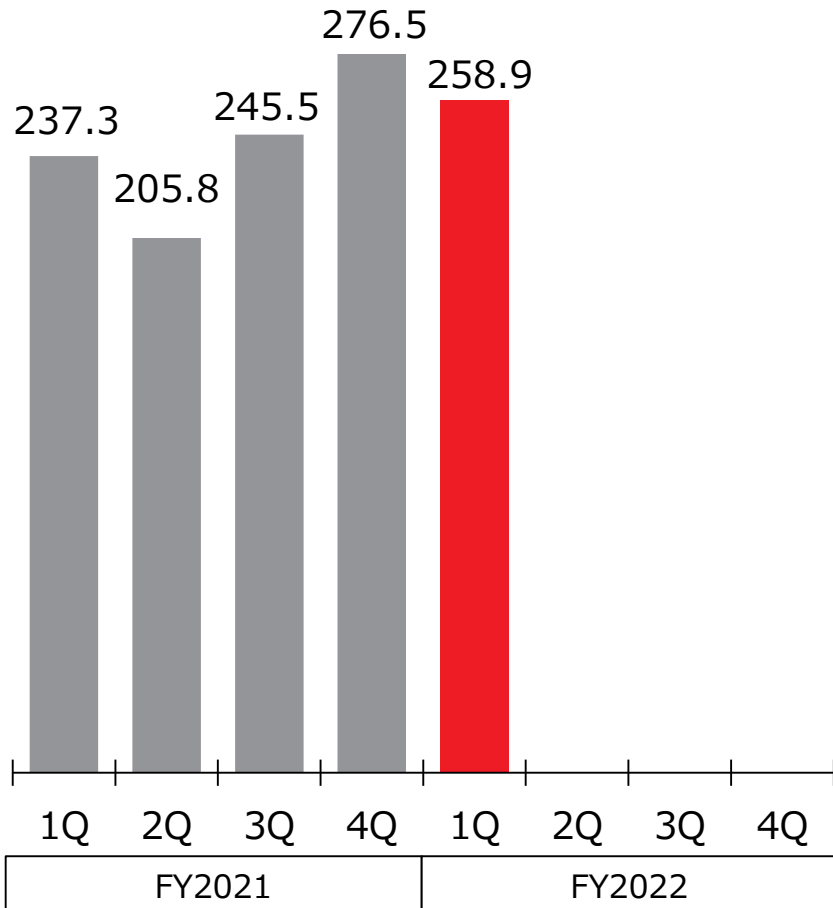
3-3) Quarterly Result Trend – Automotive



(Steering + Drivelines)

Revenue

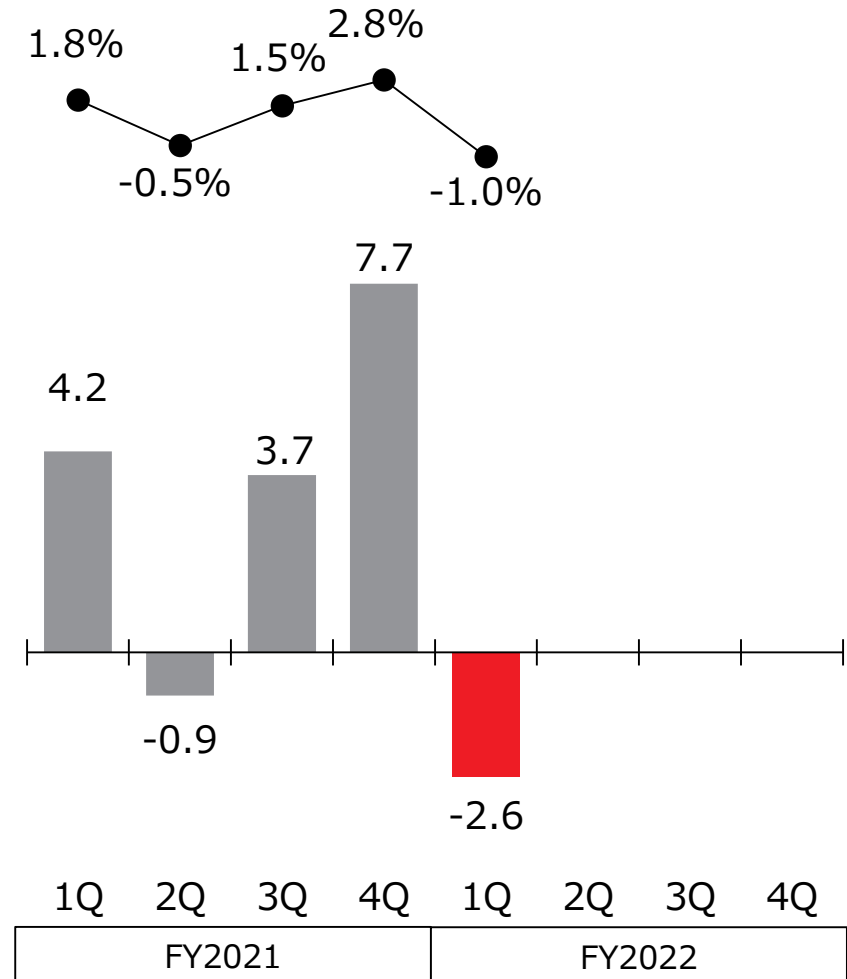
Unit: Billion of yen



Business profit

Unit: Billion of yen

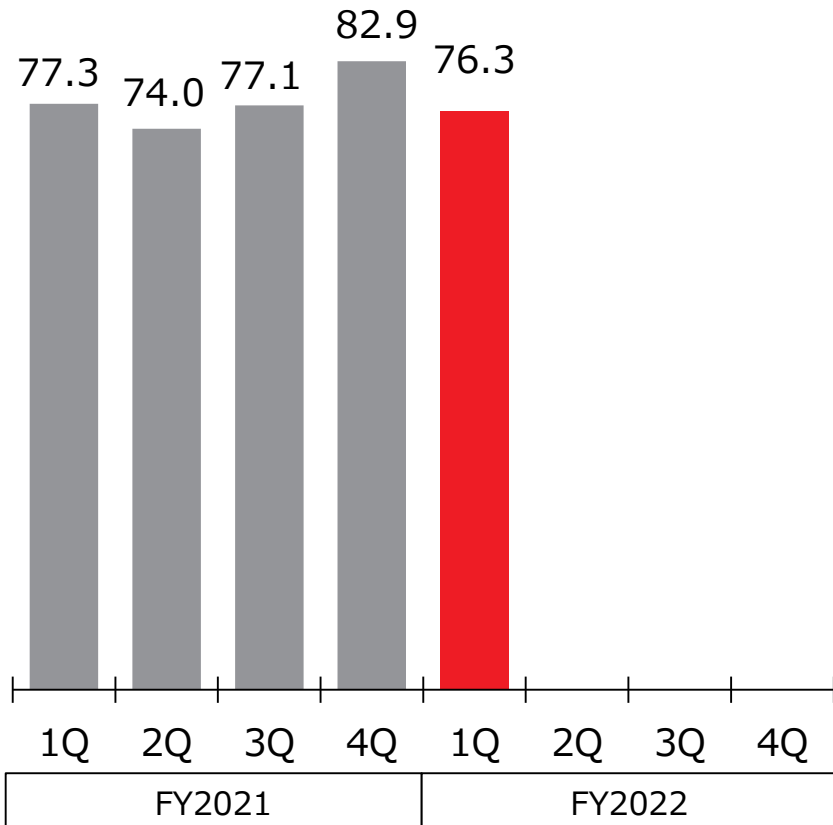
● Ratio to revenue



3-3) Quarterly Result Trend – Industrial & Bearings **JTEKT**

Revenue

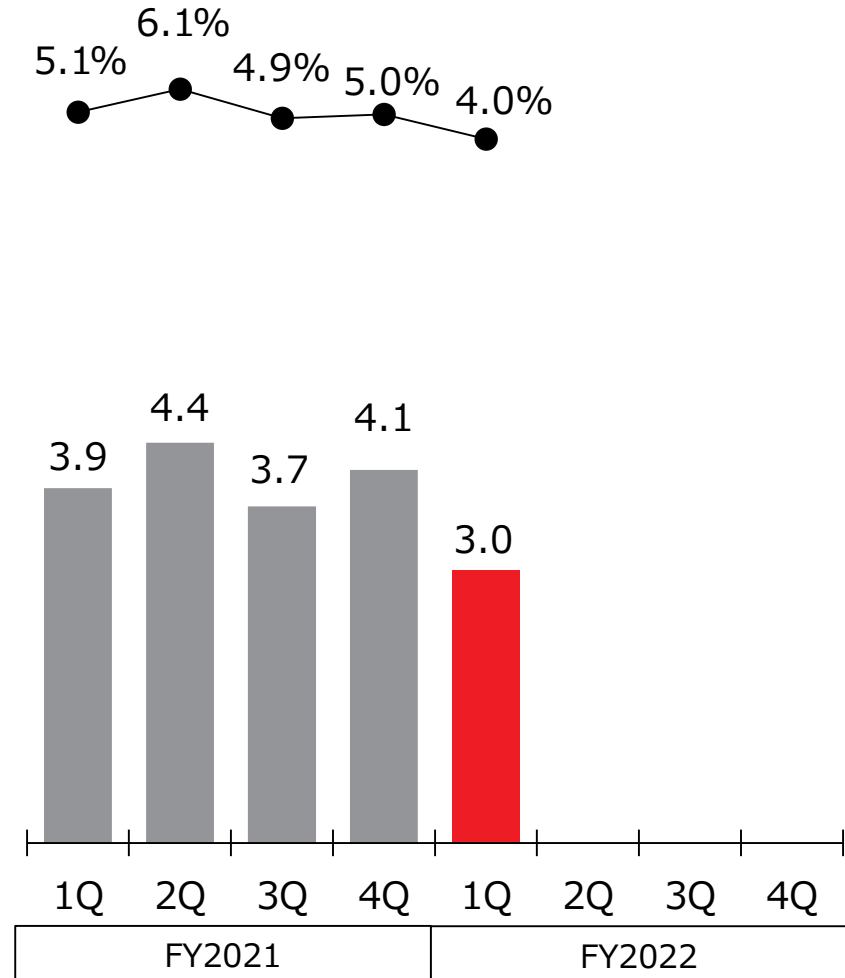
Unit: Billion of yen



Business profit

Unit: Billion of yen

● Ratio to revenue



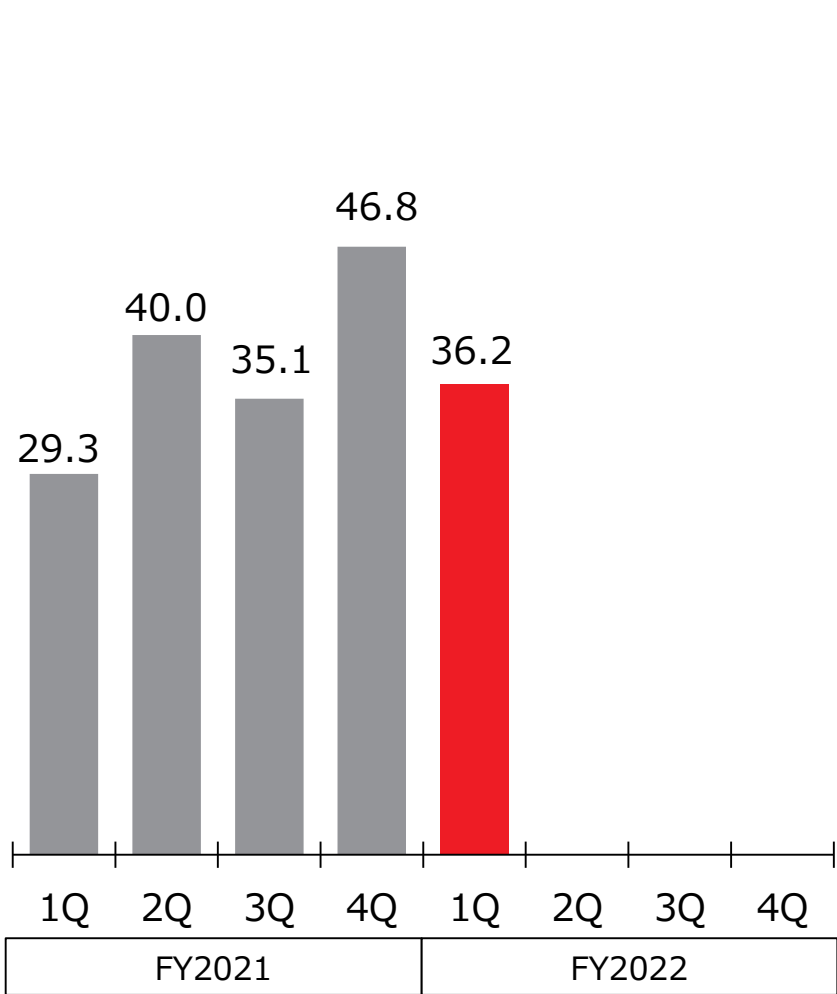
3-3) Quarterly Result Trend – Machine tools



(Machine tools & others)

Revenue

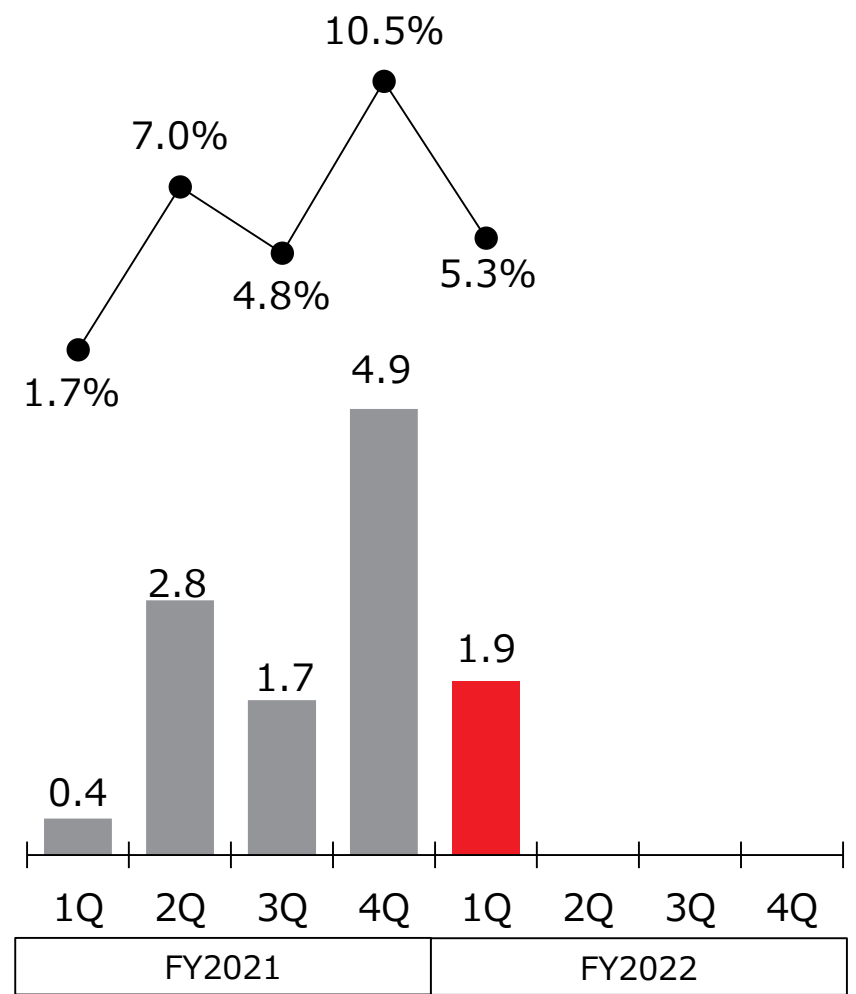
Unit: Billion of yen



Business profit

Unit: Billion of yen

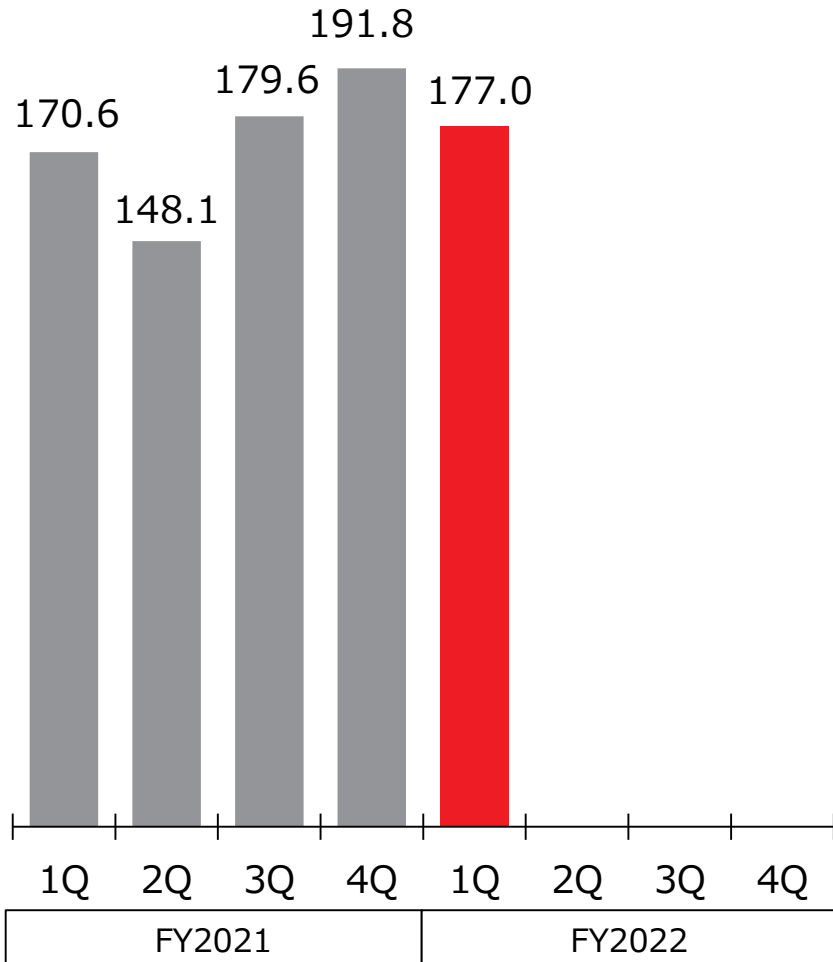
● Ratio to revenue



3-3) Quarterly Result Trend – Steering

Revenue

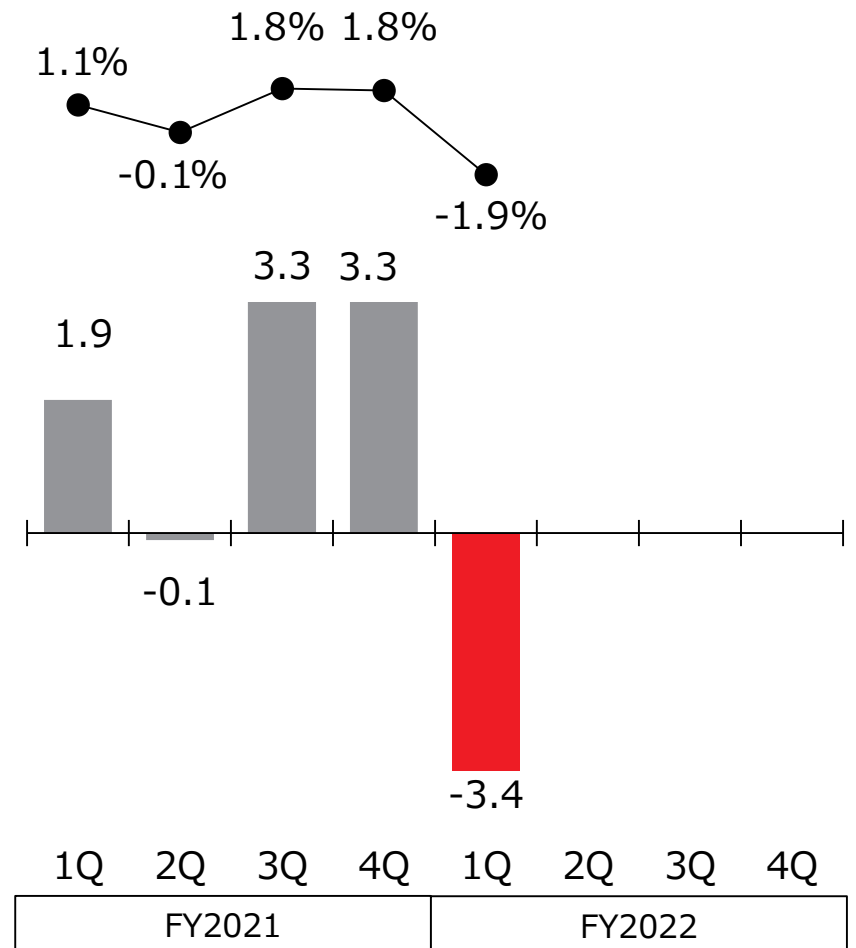
Unit: Billion of yen



Business profit

Unit: Billion of yen

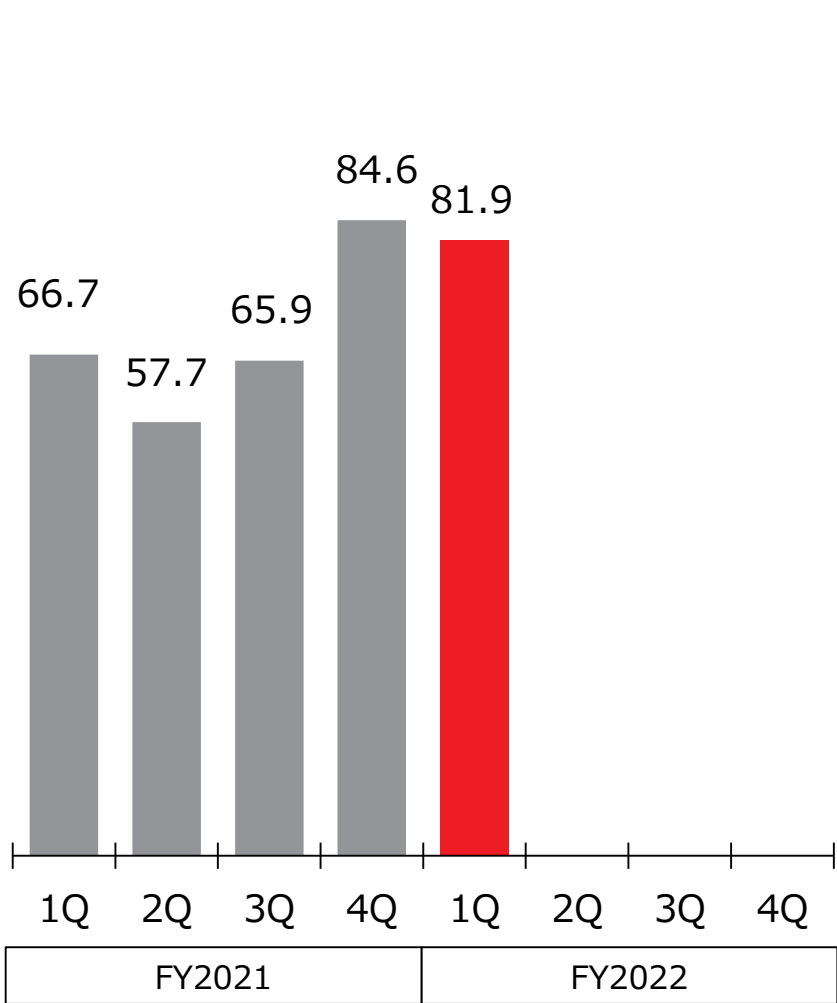
● Ratio to revenue



3-3) Quarterly Result Trend – Drivelines

Revenue

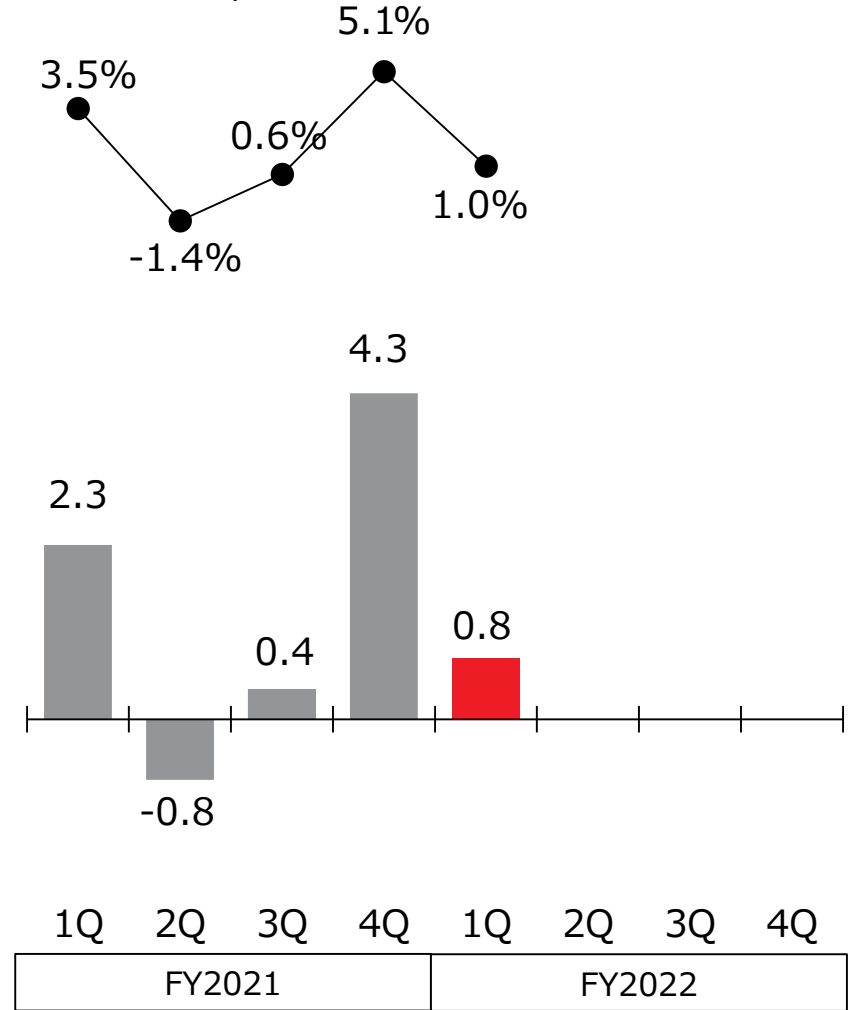
Unit: Billion of yen



Business profit

Unit: Billion of yen

● Ratio to revenue

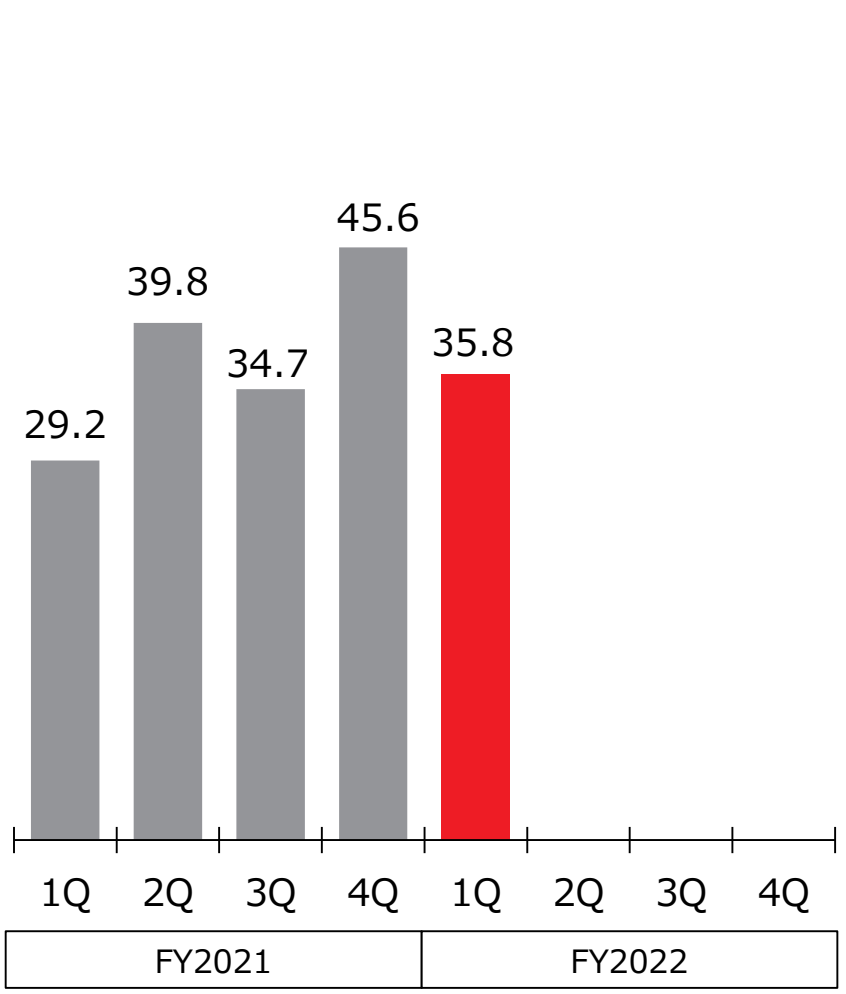


3-3) Quarterly Result Trend – Machine tools (Others excluded)



Revenue

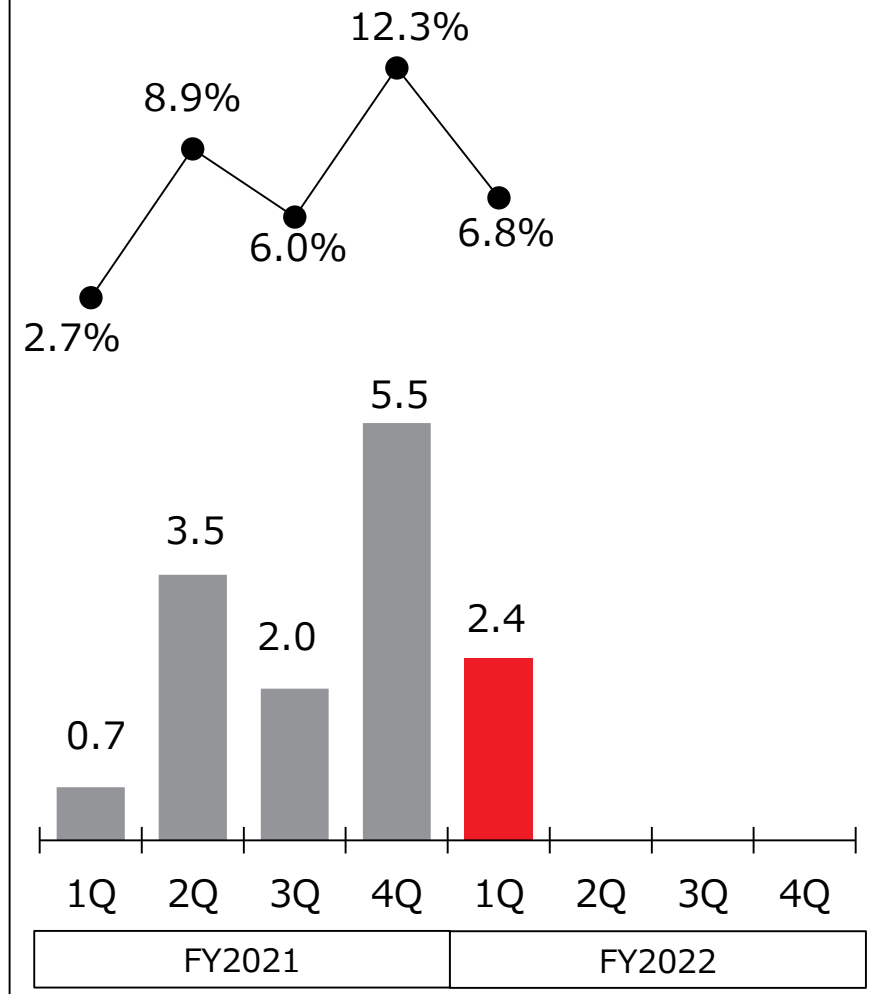
Unit: Billion of yen



Business profit

Unit: Billion of yen

● Ratio to revenue

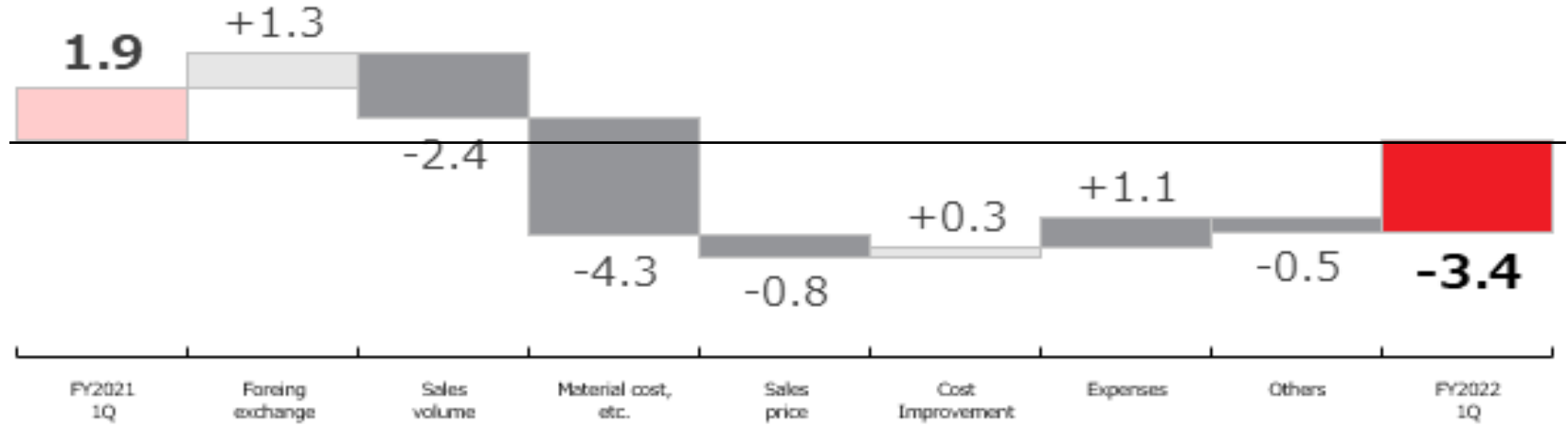


3-4) Business profit Analysis – Steering / Drivelines



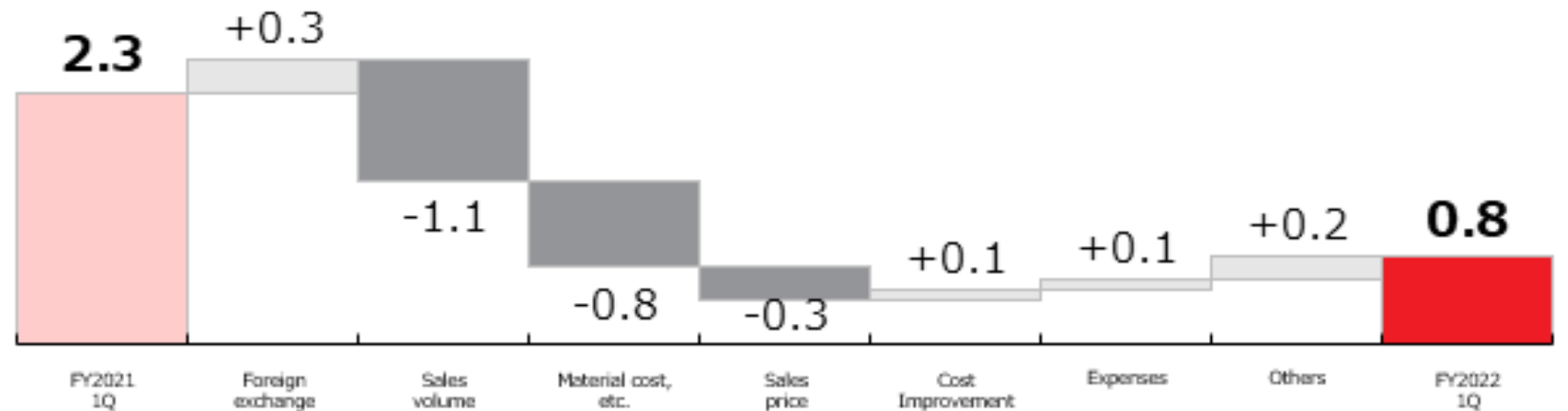
Unit: Billion of yen

Steering



Unit: Billion of yen

Drivelines

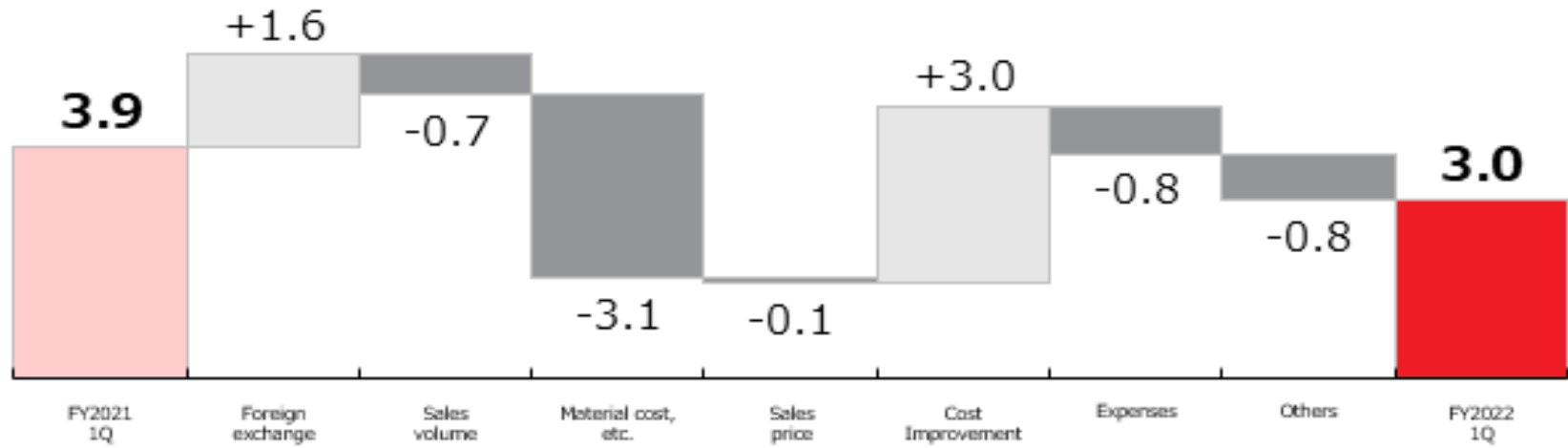


3-4) Business profit Analysis – Bearing / Machine tools



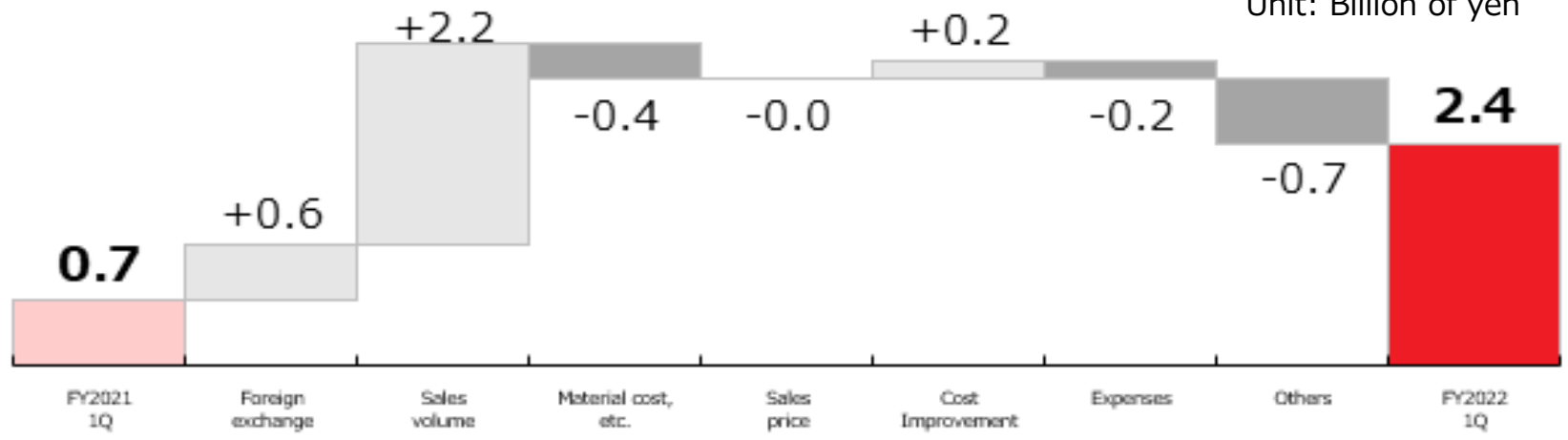
Bearing

Unit: Billion of yen



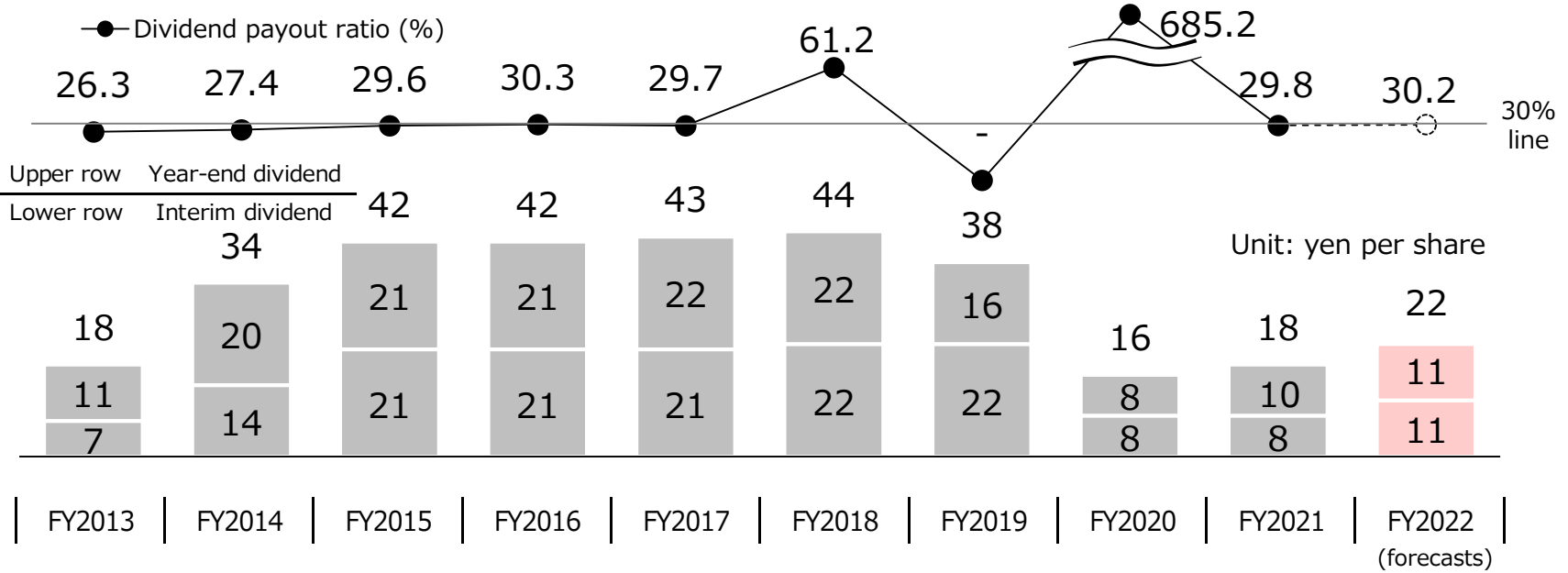
Machine tools

Unit: Billion of yen

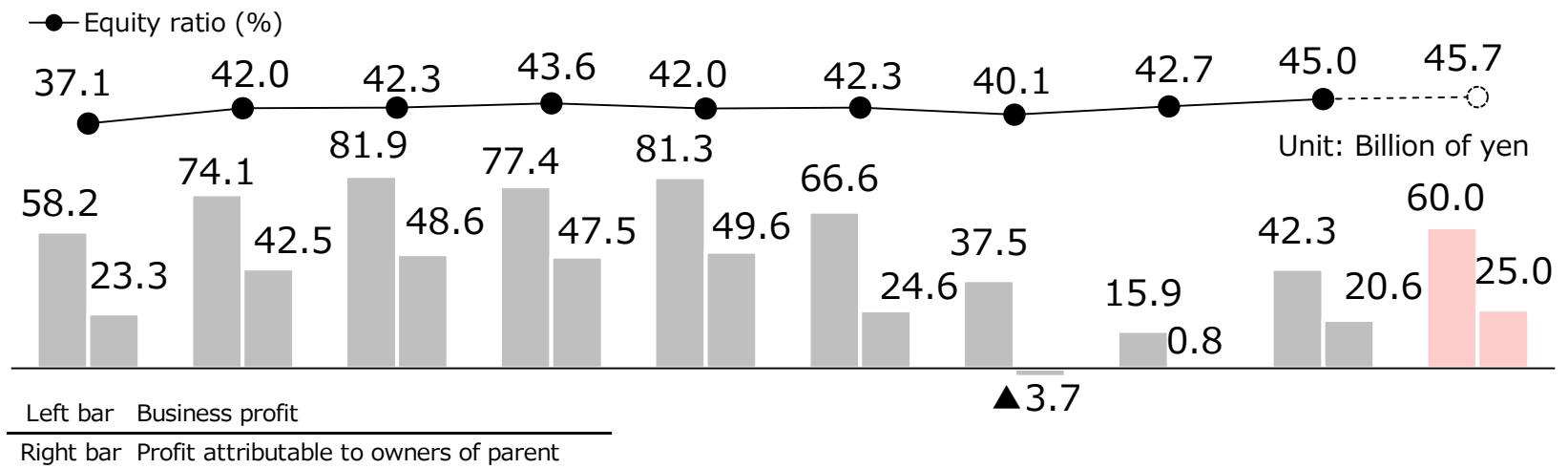


3-5) Return to Shareholders

Return to Shareholders



Profit





[Note on forward-looking statements]

This report contains forward-looking statements pertaining to future plans and strategies. These forward-looking statements include risks, uncertainties and other factors, and actual results and business results may differ from those stated.