

Financial results for the First Quarter of fiscal year ending March 2024

August 1st, 2023

JTEKT CORPORATION

Results

- ✓ **Revenue increased** due to easing the impact of COVID-19, recovery from shortage of semiconductors, and favorable exchange rate.
- ✓ Despite continuing high prices for materials, logistics, energy, and other items, **business profit increased with cost reduction activities**, sales increase, and favorable foreign exchange rate.

Forecasts

- ✓ Although the market condition is gradually improving, market outlook for full year still remains uncertain, such as market risk in China. Therefore, we maintain our forecasts of **1.8 trillion yen in revenue and 75 billion yen in business profit**.
- ✓ While implementing strategic investments in the growth areas, **we will ensure the achievement of our targets by continuing and accelerating cost reduction and appropriate sales price improvement activities.**

Return to shareholders

- ✓ The dividend forecast for FY2023 remains unchanged at **32 yen per year**. (**2 yen increase from the previous year**, interim dividend is 16 yen, year-end dividend is 16 yen, payout ratio is 31.4%.)

- 1 . Results for the First Quarter of fiscal year ending
March 2024 P 4
- 2 . Forecasts for Fiscal Year ending March 2024 P 9
- 3 . Appendix P 15

1-1) FY2023-1Q Results – Consolidated performance

- Revenue increased due to recovery of the Covid-19 and shortage of semiconductor, and favorable exchange rate.
- Despite continuing high prices for materials, logistics, energy, and other items, business profit increased with cost reduction activities, sales increase, and favorable exchange rate.

Unit: Billion of yen

(Ratio to revenue)

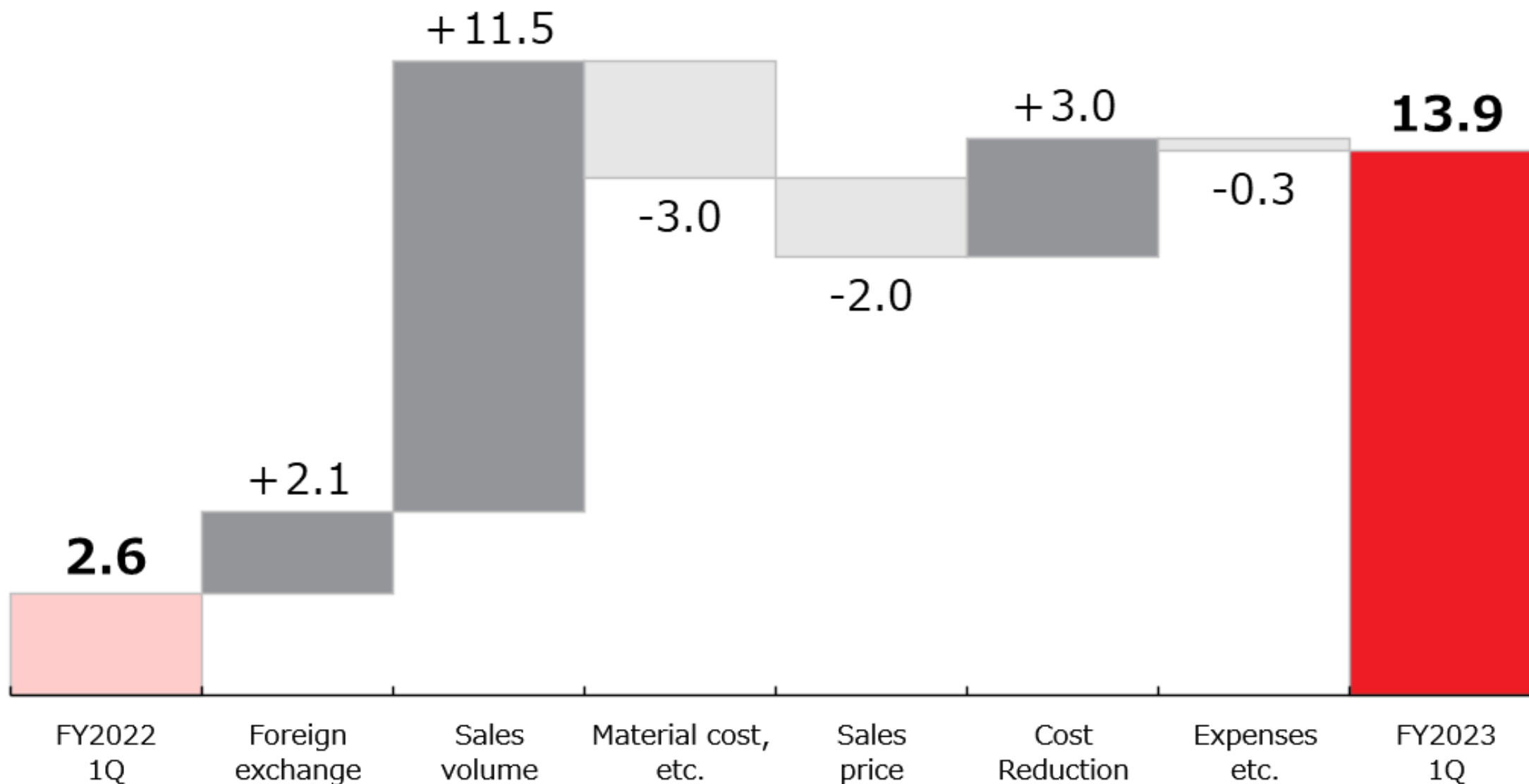
		FY2022 1Q	FY2023 1Q	Change	Change ratio
Revenue		371.6	445.6	+73.9	+19.9%
Business profit	※1	(0.7%) 2.6	(3.1%) 13.9	+11.3	+431.0%
Operating profit		(0.8%) 2.8	(4.2%) 18.8	+15.9	+555.7%
Profit before income taxes		(2.5%) 9.1	(5.6%) 24.9	+15.8	+173.6%
Profit	※2	(0.8%) 3.1	(3.4%) 14.9	+11.8	+378.4%
Foreign Exchange	JPY	129.57/USD	JPY 137.37/USD	+7.80 JPY	
	JPY	138.12/EUR	JPY 149.47/EUR	+11.35 JPY	
Earnings per share		9.13 JPY	43.69 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 company

1-2) FY2023-1Q Results – Business profit analysis

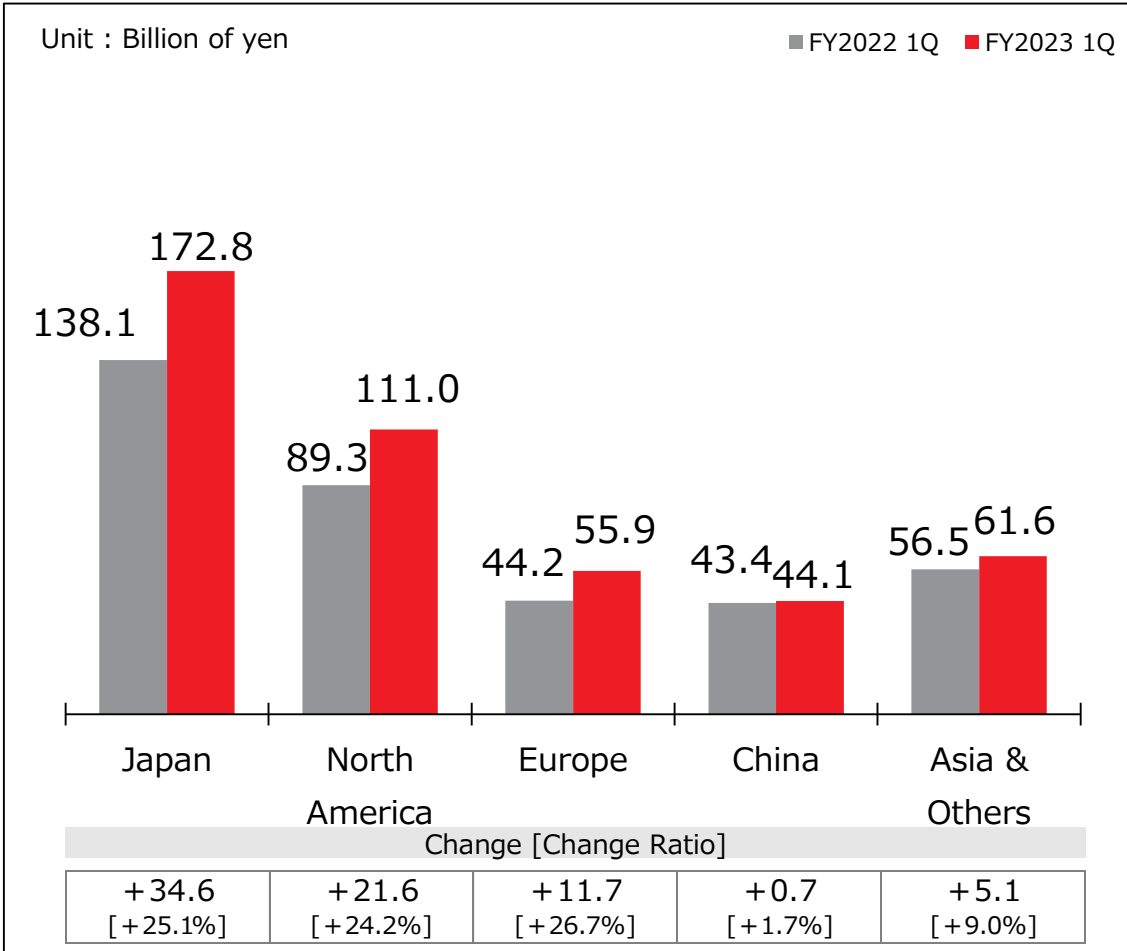
Unit : Billion of yen



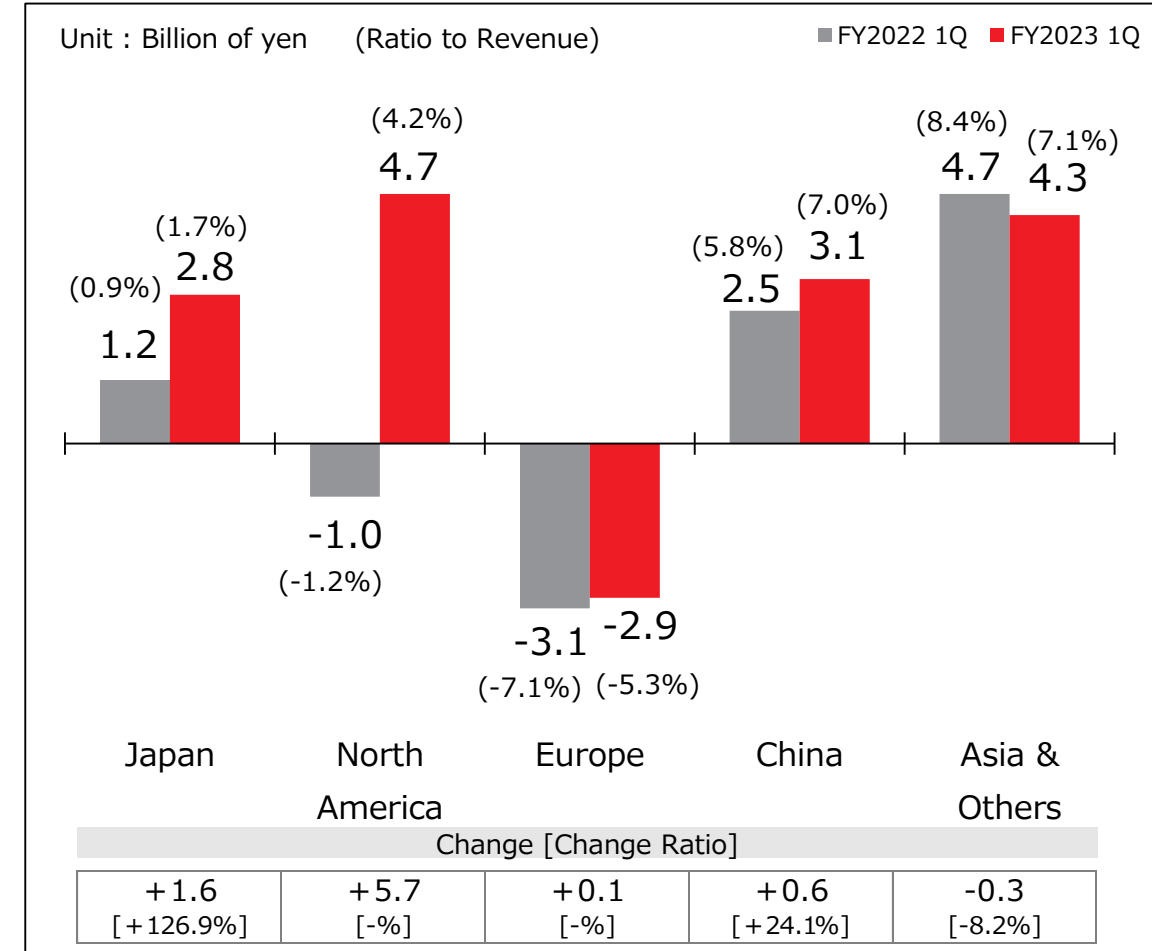
1-3) FY2023-1Q Results – by Region

■ Profit increased significantly in NA due to sales recovery, favorable currency rate, and cost reduction activities.

Revenue



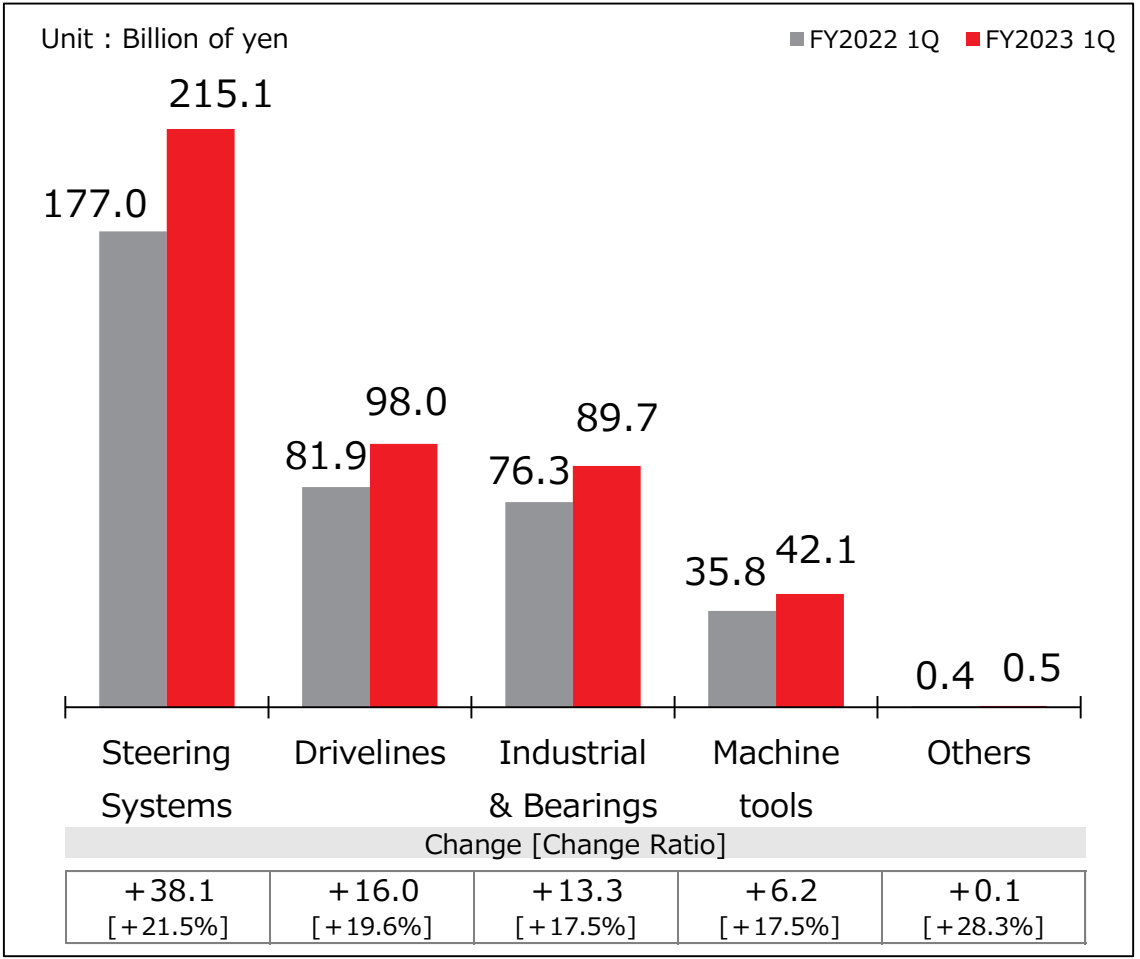
Business profit



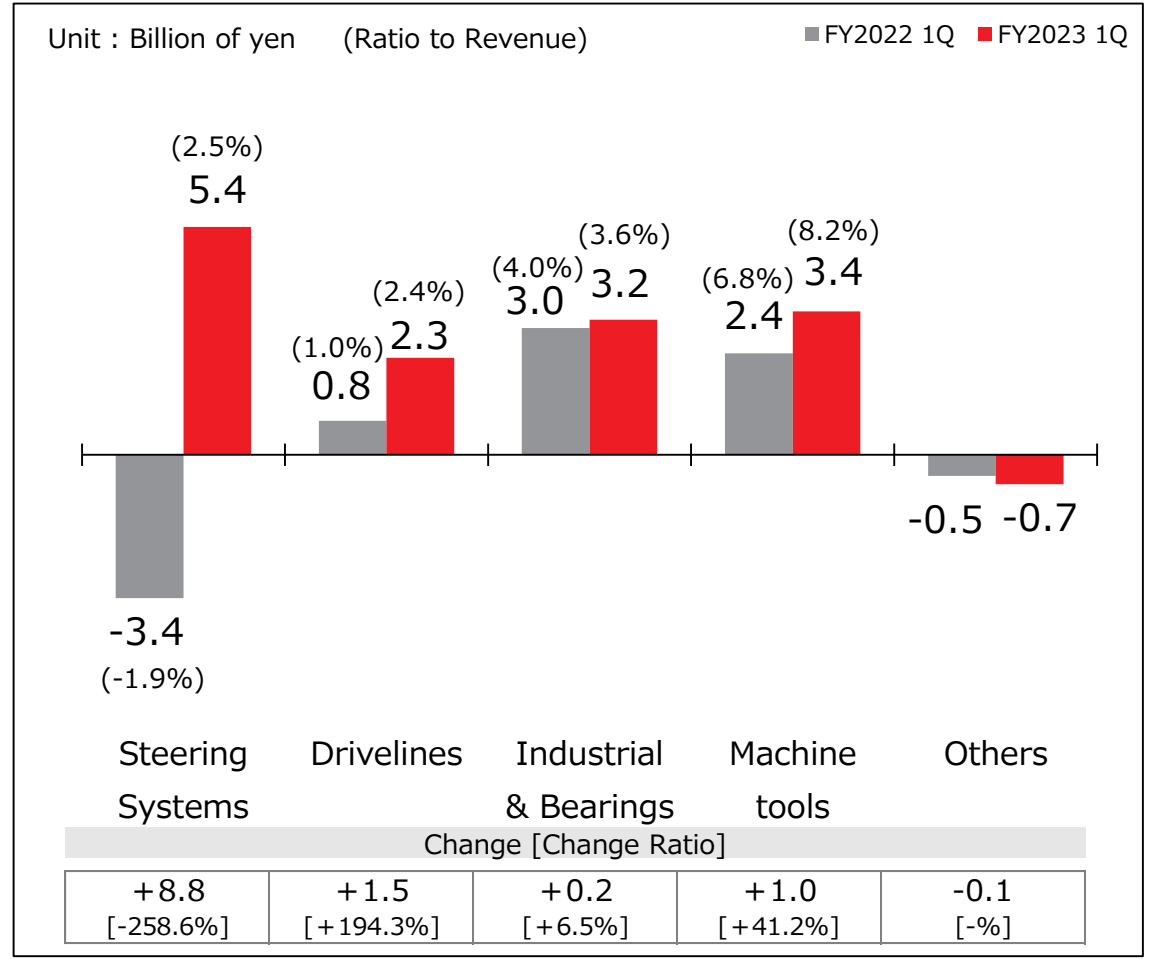
1-4) FY2023-1Q Results – by Business unit

■ Revenue and Profit increased in all business units due to sales recovery, favorable currency rate, and cost reduction activities.

Revenue



Business profit



- 1 . Results for the First Quarter of fiscal year ending
March 2024 P 4
- 2 . Forecasts for Fiscal Year ending March 2024 P 9
- 3 . Appendix P 15

2-1) FY2023 Forecast – Consolidated performance

- We maintain our forecasts disclosed in the beginning of this FY unchanged, because market prospects for FY still remains uncertain, such as market risk in China.
- Despite various risks, **we will ensure the achievement of our targets by continuing and accelerating cost reduction and appropriate sales price improvement activities** while implementing strategic investments in the growth areas.

Unit: Billion of yen

(Ratio to revenue)

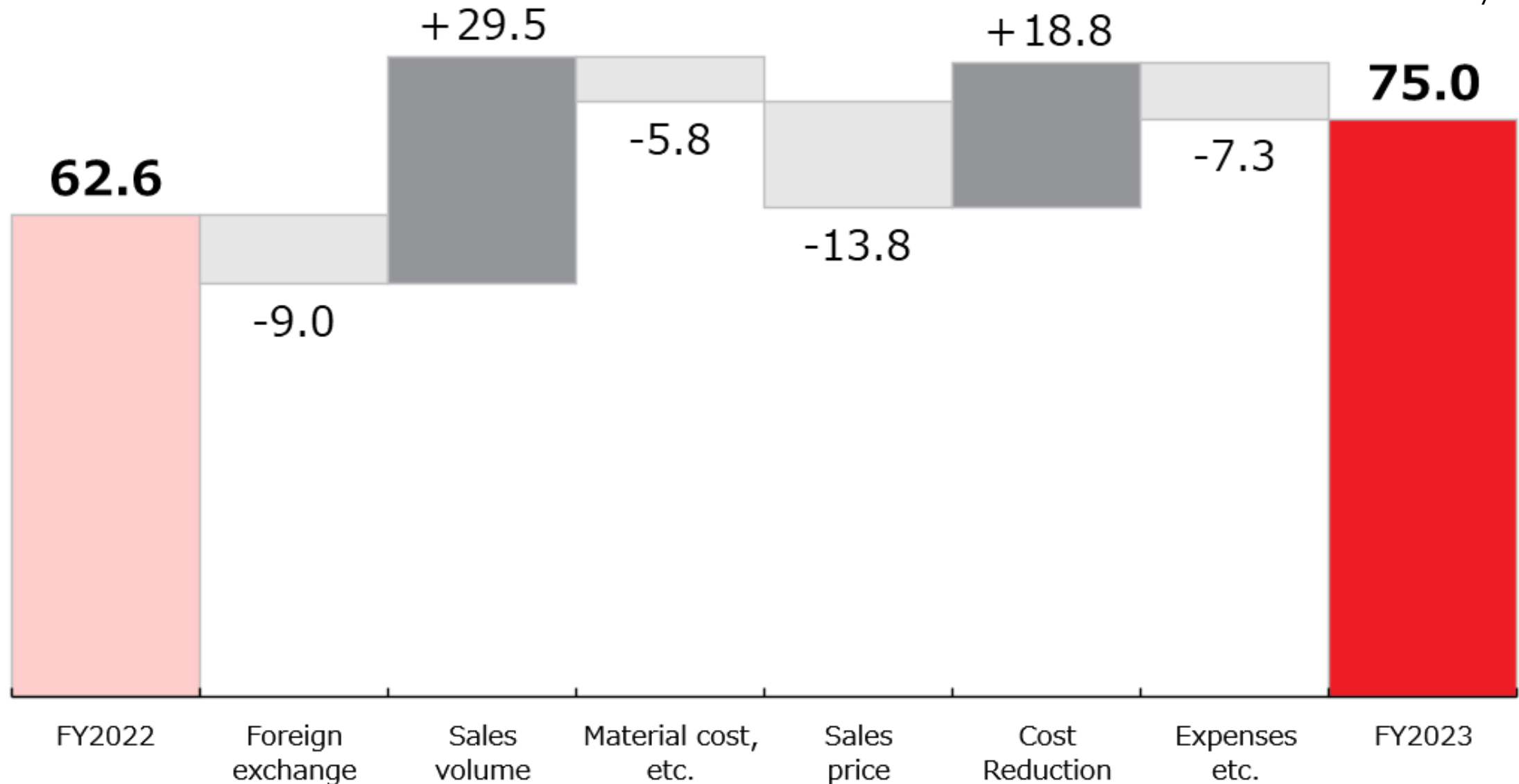
		FY2022	FY2023	Change	Change ratio
Revenue		1,678.1	1,800.0	+121.8	+7.3%
Business profit	※1	(3.7%) 62.6	(4.2%) 75.0	+12.3	+19.7%
Operating profit		(2.9%) 49.3	(3.8%) 68.0	+18.6	+37.9%
Profit before income taxes		(3.3%) 55.8	(3.6%) 65.5	+9.6	+17.2%
Profit	※2	(2.0%) 34.2	(1.9%) 35.0	+0.7	+2.1%
Foreign Exchange	JPY	135.47/USD	JPY 128.00/USD	+7.47 JPY	
	JPY	140.97/EUR	JPY 139.00/EUR	+1.97 JPY	
Earnings per share		99.94 JPY	102.05 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 company

2-2) FY2023 Forecast – Business profit analysis

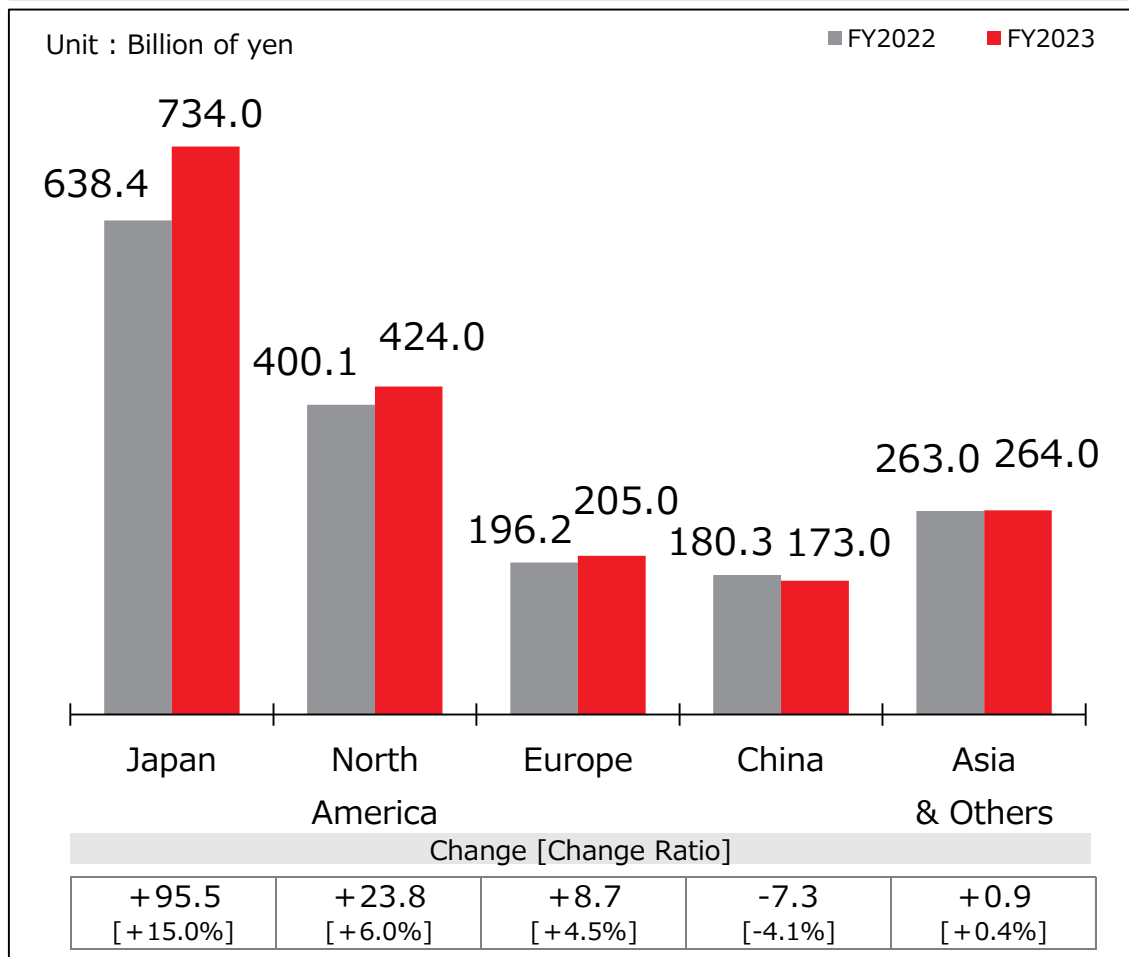
Unit : Billion of yen



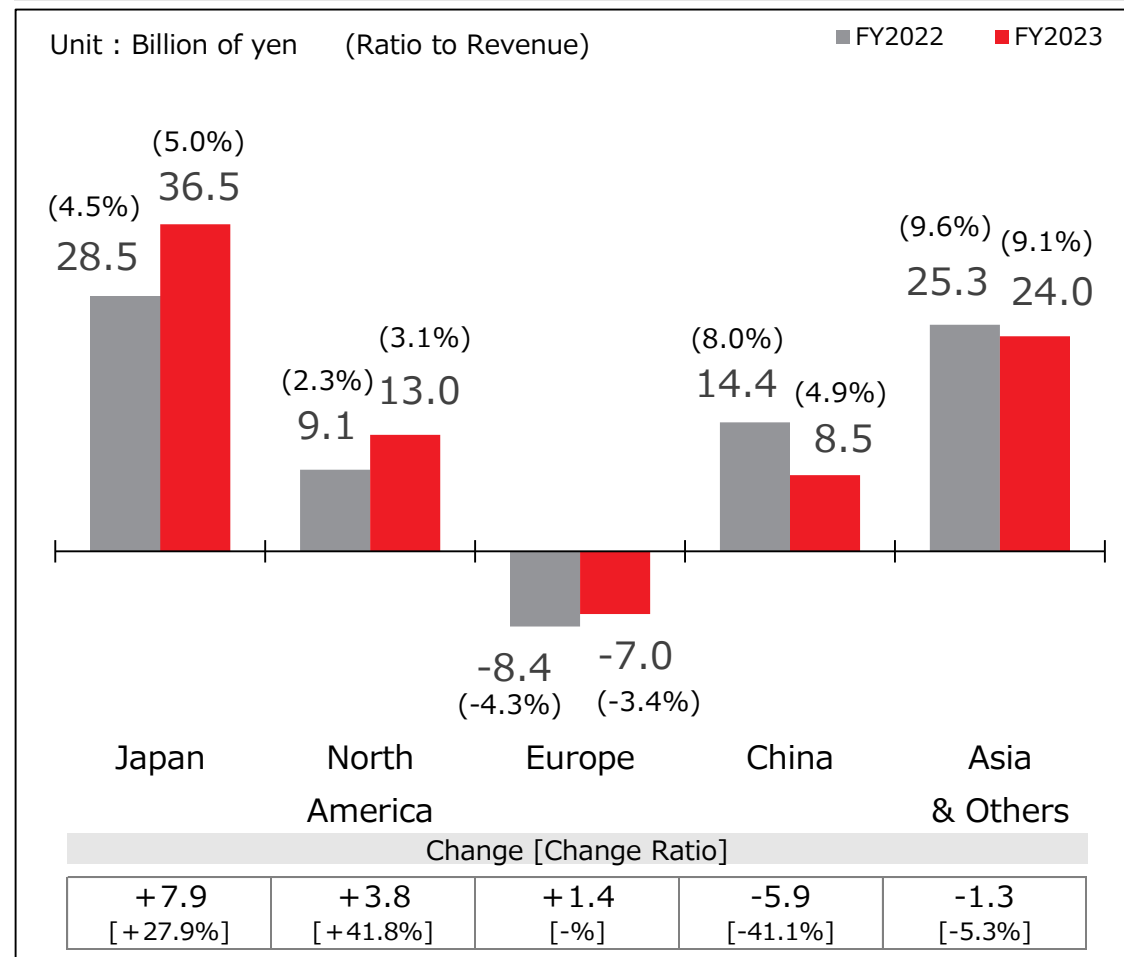
2-3) FY2023 Forecast – by Region

■ Profit increased in Japan and NA due to sales increase and acceleration of cost reduction activities. Europe is still making loss while we have promoted restructuring activities.

Revenue



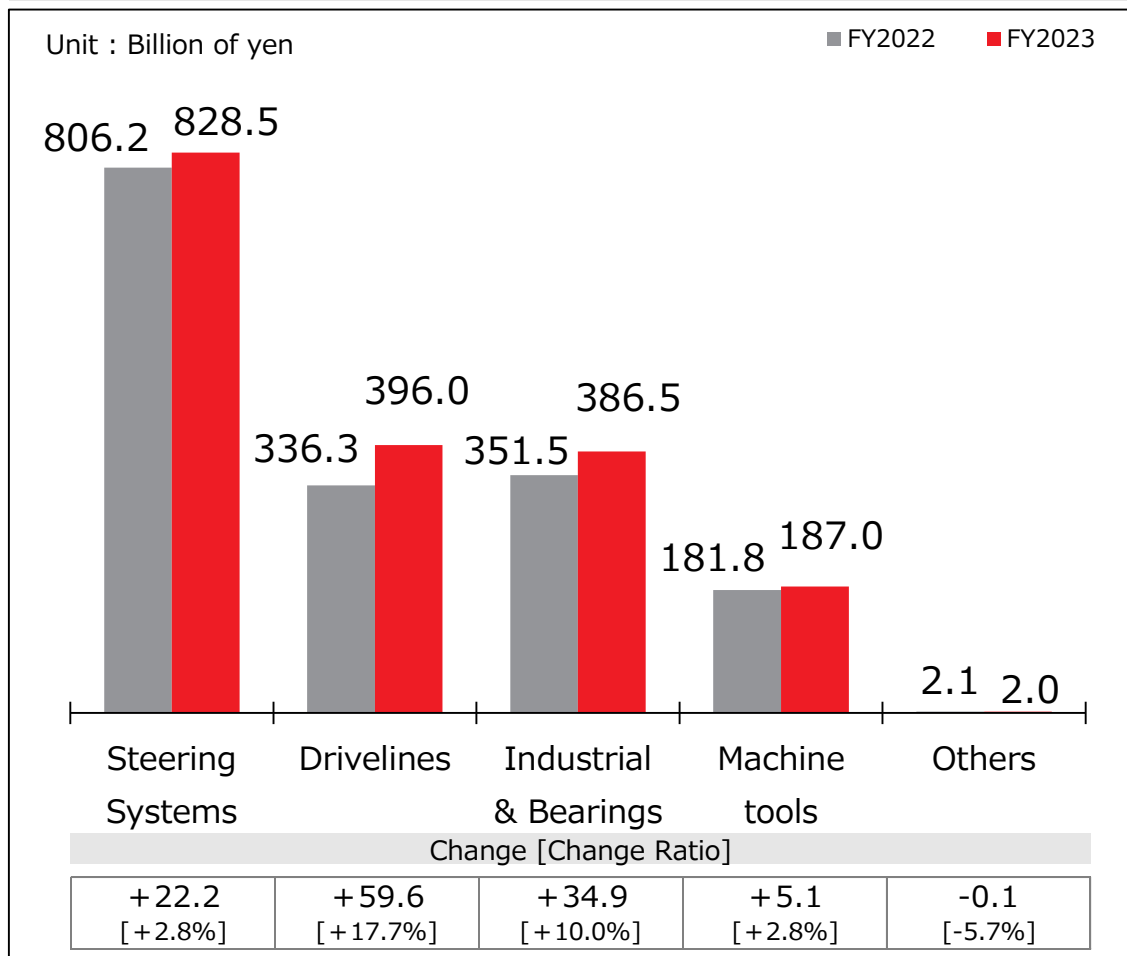
Business profit



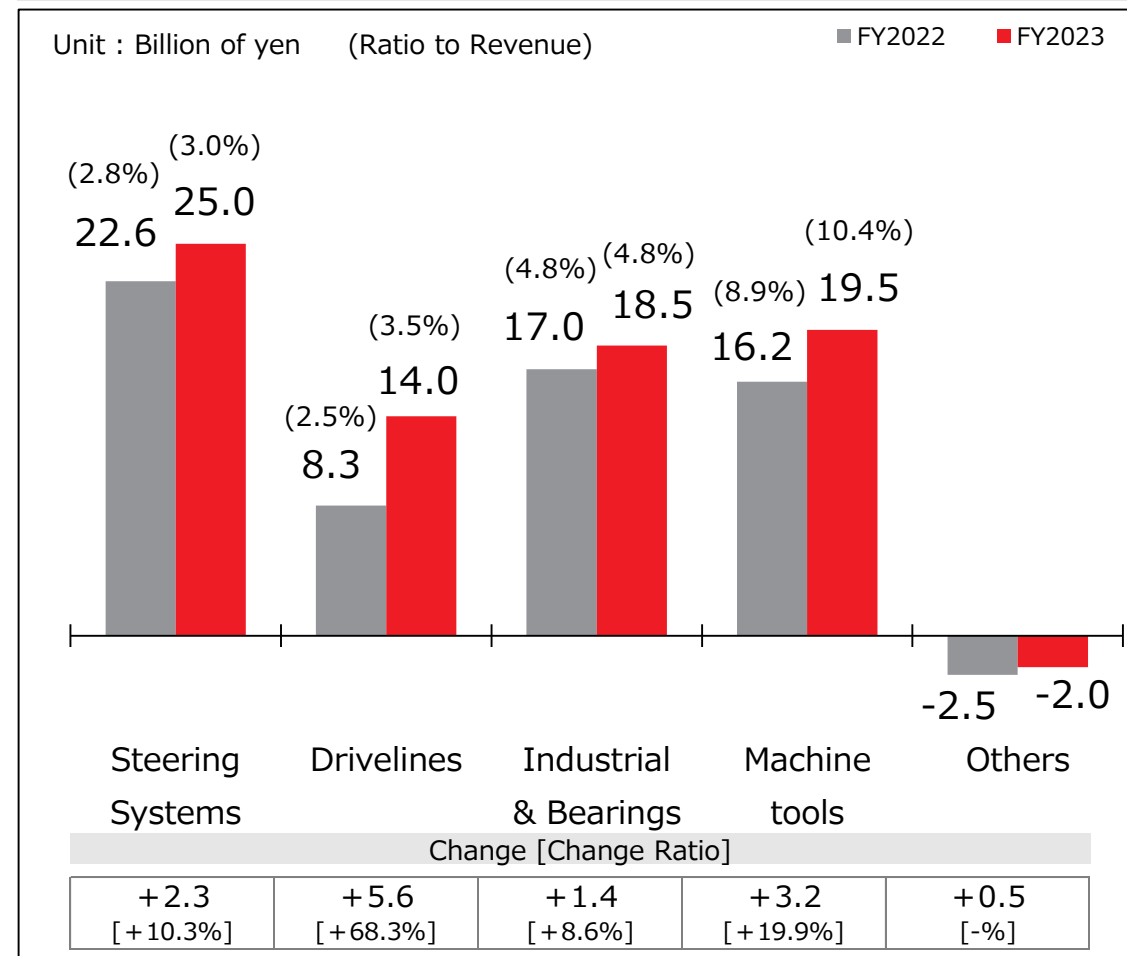
2-4) FY2023 Forecast – by Business unit

■ Revenue and Profit increased in all business units due to acceleration of cost reduction activities and appropriate sales price increase.

Revenue



Business profit

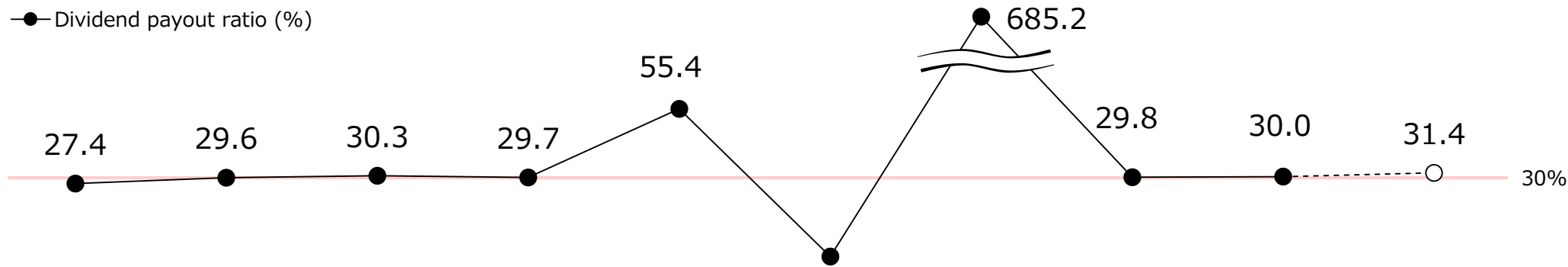


2-5) Return to shareholders

■ Under the policy to pay stable dividends in long-term, we will maintain **the dividend payout ratio of 30% or more.**

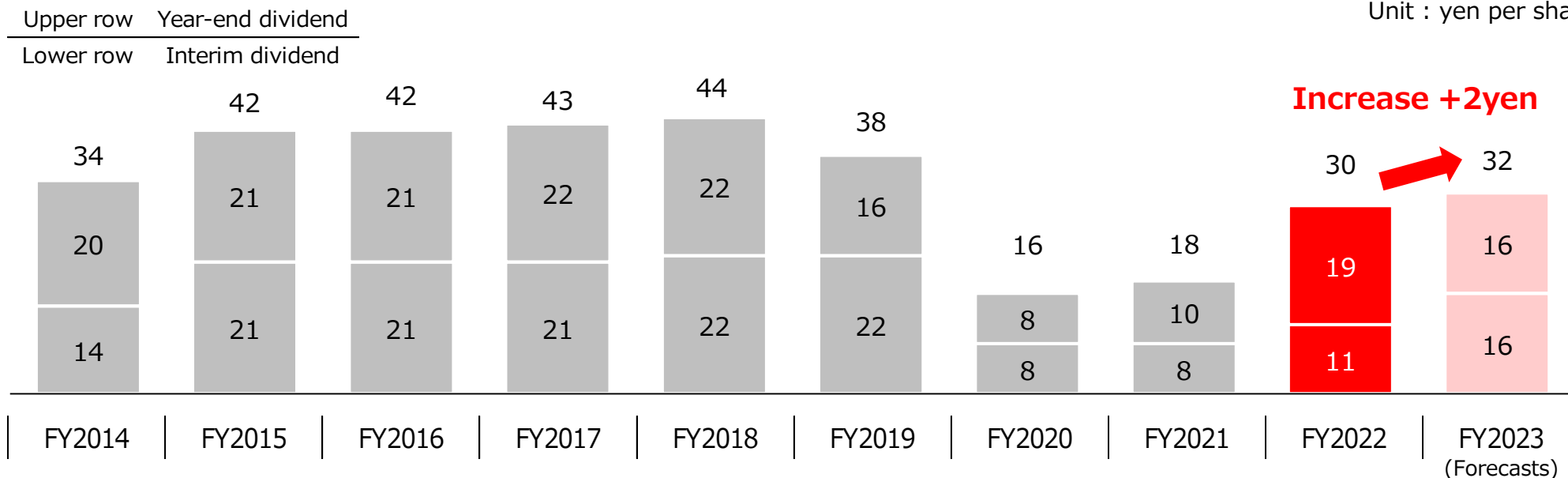
Also, we will maintain **DOE of 1% or more** even under bad business condition.

Payout ratio



Unit : yen per share

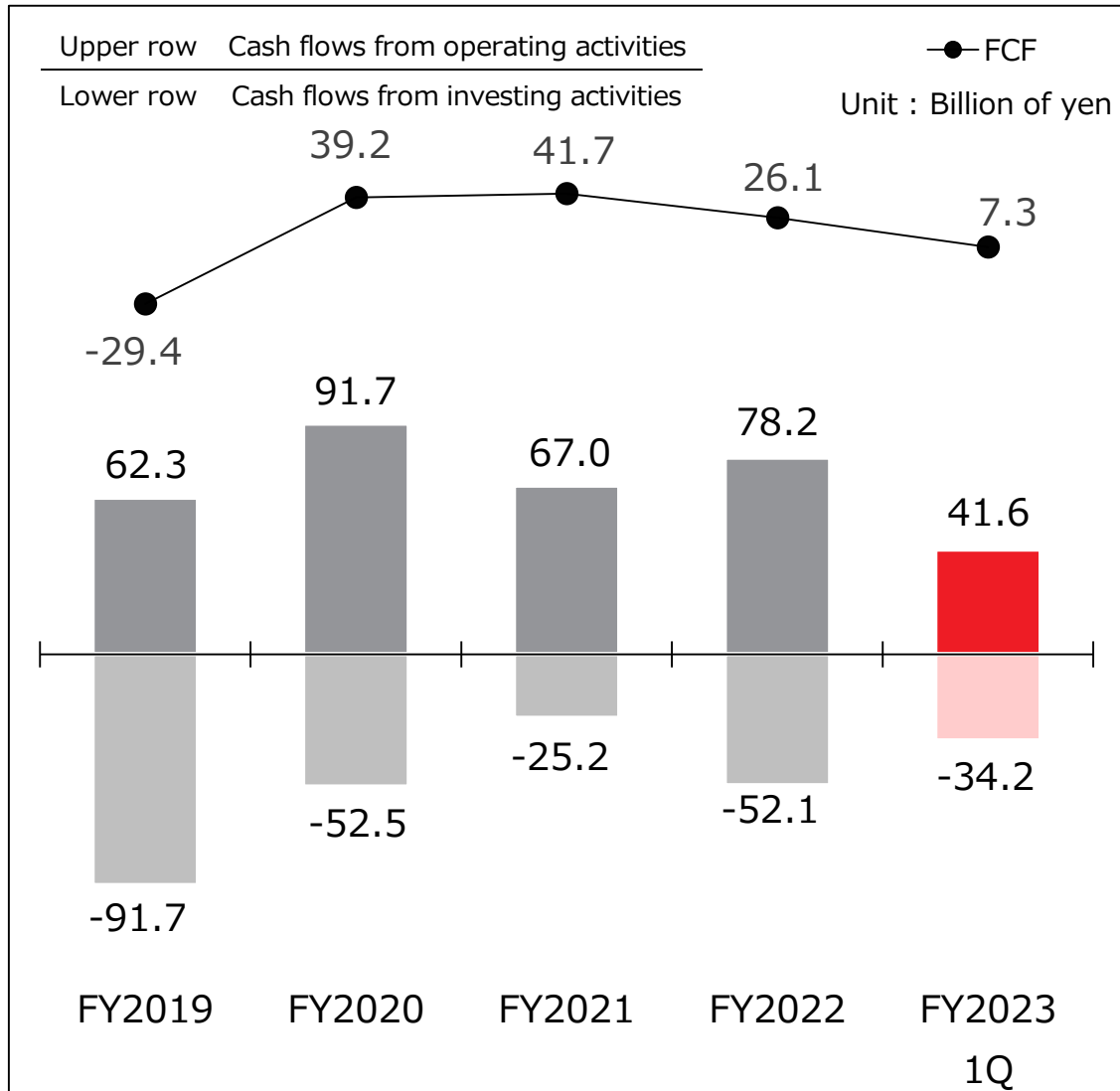
Dividend Trends



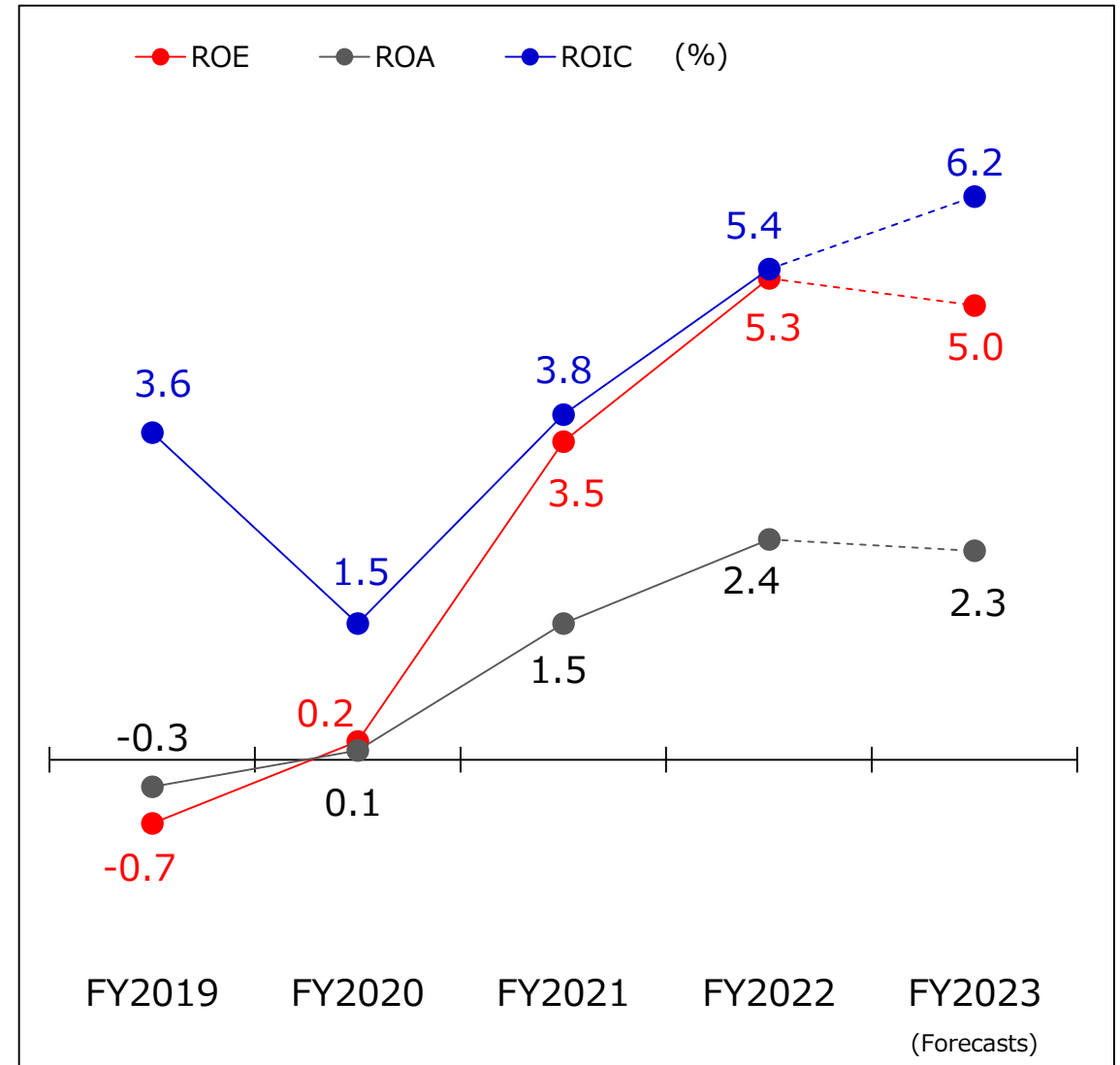
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- 3 . Appendix P 15

3-1-1) Management indicators

Cash Flow statement

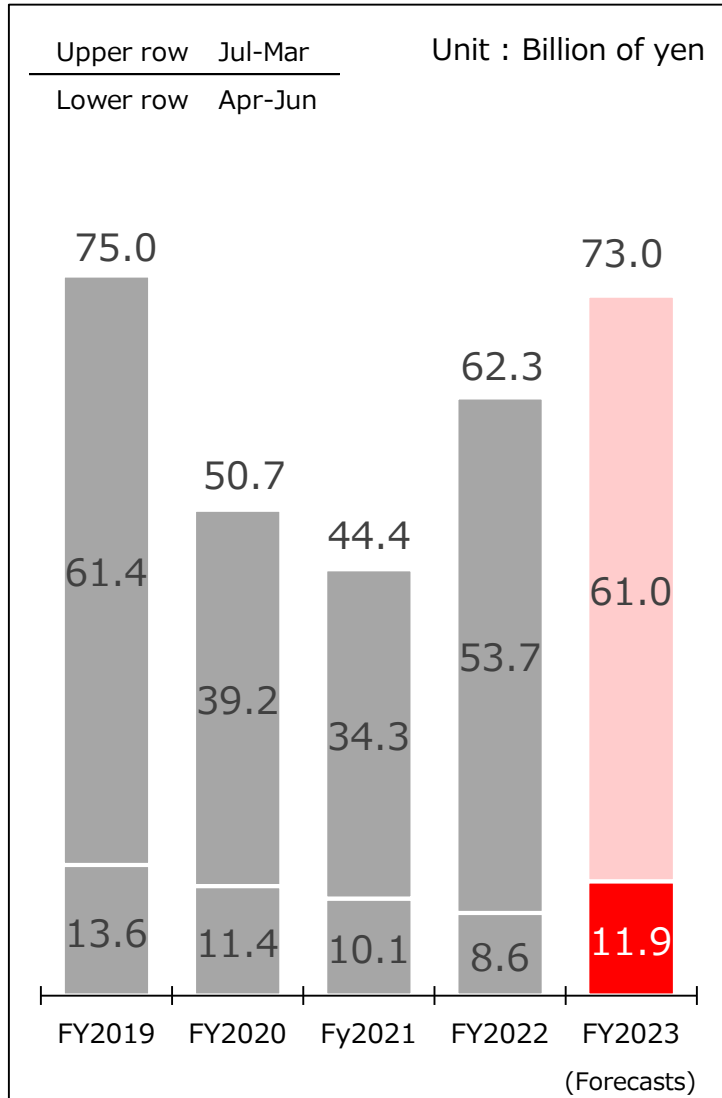


Capital Efficiency Indicators

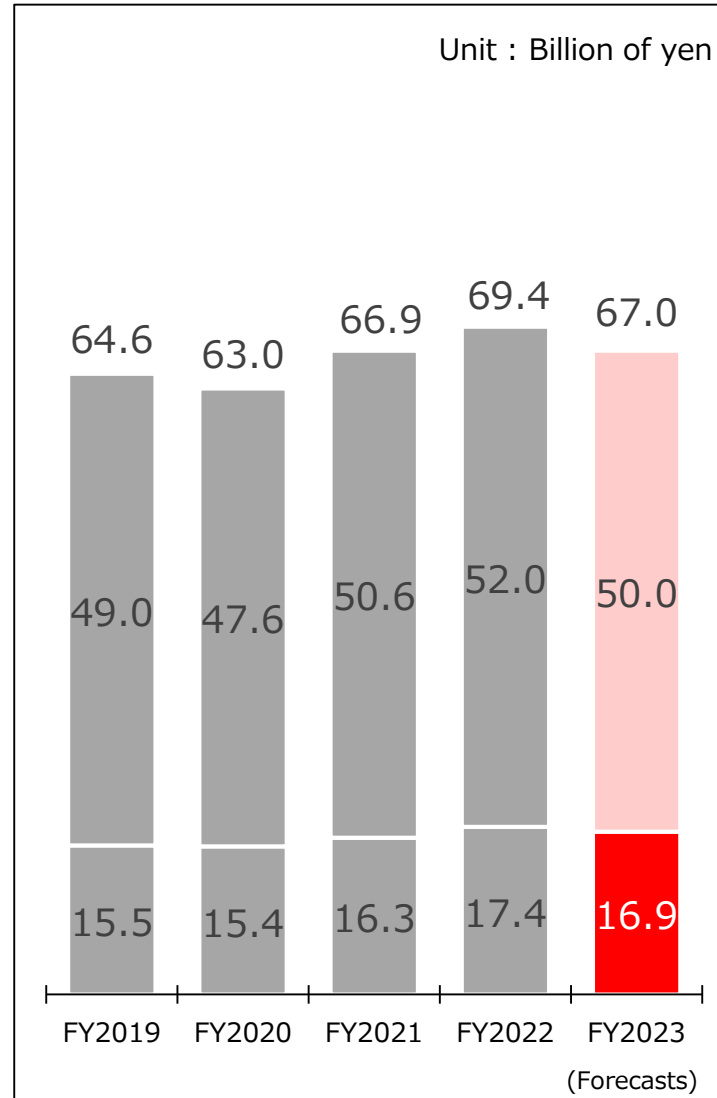


3-1-2) Management indicators

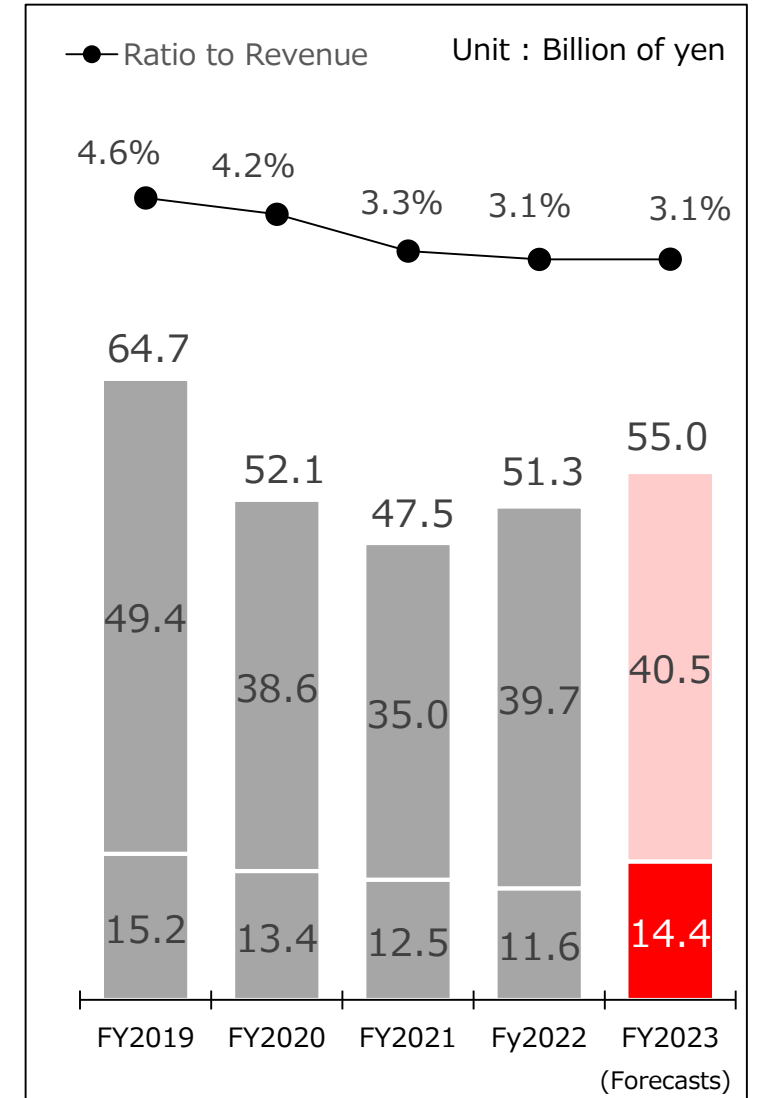
Capital expenditures



Depreciation & amortization

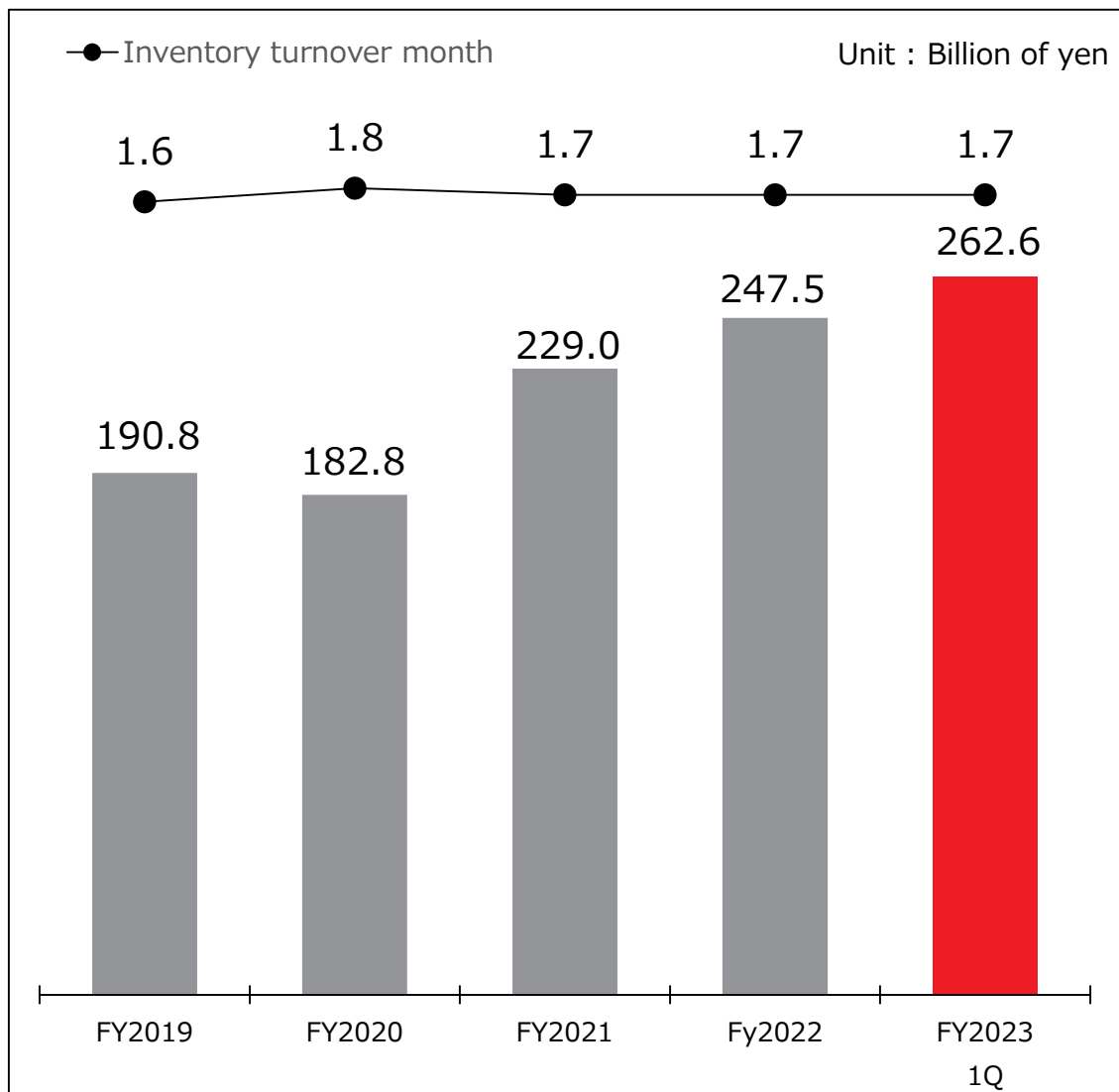


R&D expenses

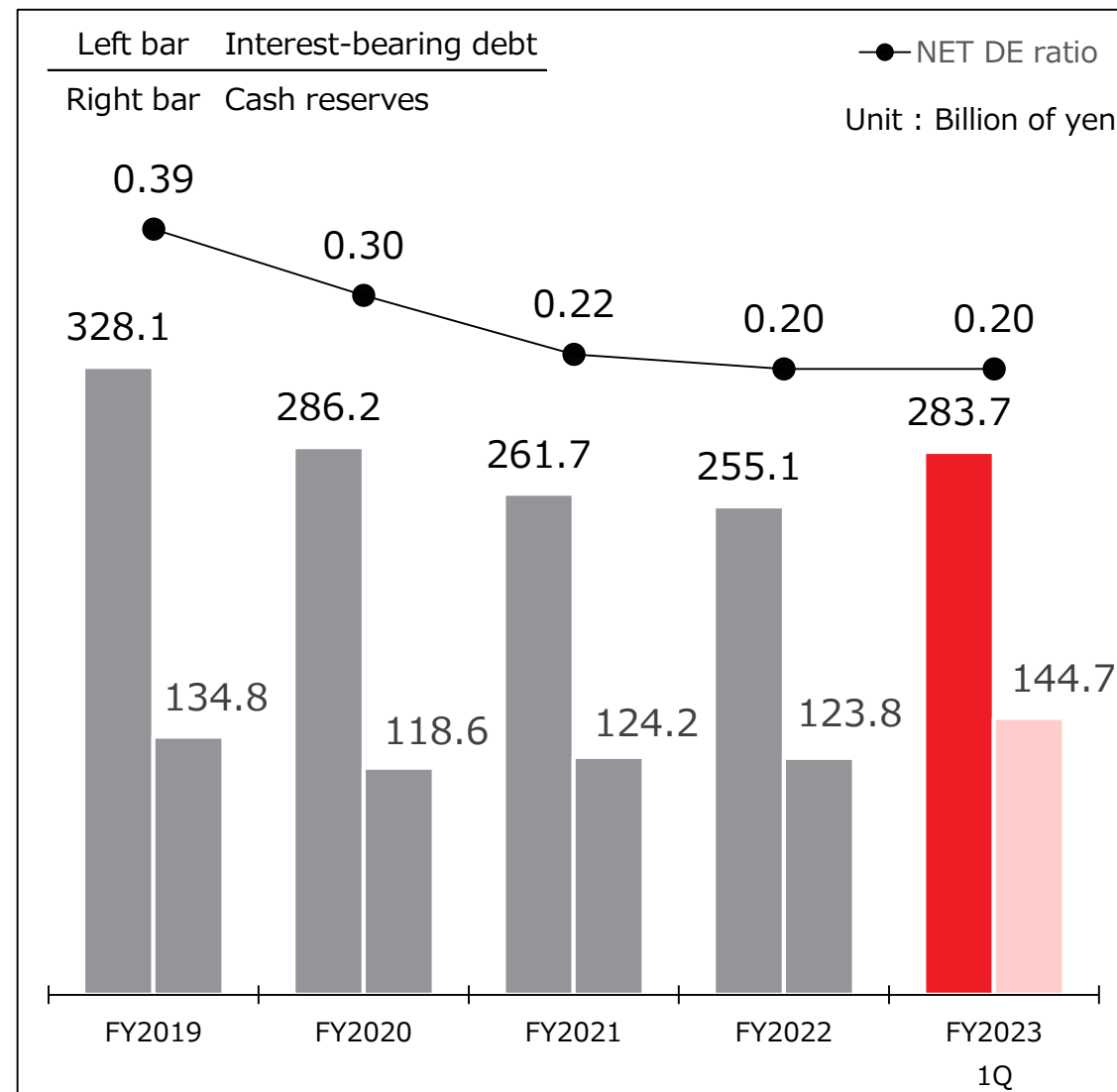


3-1-3) Management indicators

Inventories



Interest-bearing debt / Cash reserves



3-2-1) Financial statements

Assets

Unit : Billion of yen

Assets	FY2022	FY2023 1Q	Change
Cash and cash equivalents	123.8	144.7	+20.9
Trade and other receivables	350.3	358.0	+7.7
Inventories	247.5	262.6	+15.1
Other current assets	13.4	17.6	+4.1
Property, plant and equipment	466.9	481.3	+14.3
Other non-current assets	239.0	278.0	+39.0
Total assets	1,441.3	1,542.6	+101.2

Liabilities and equity

Unit : Billion of yen

Liabilities and equity	FY2022	FY2023 1Q	Change
Trade and other payables	346.5	364.7	+18.1
Interest-bearing debt	255.1	283.7	+28.5
Other current liabilities	33.6	34.3	+0.7
Other non-current liabilities	105.2	119.2	+13.9
Equity attributable to owners of the parent company	667.2	706.8	+39.5
Non-controlling interests	33.5	33.7	+0.2
Total liabilities and equity	1,441.3	1,542.6	+101.2

3-2-2) Financial statements

Consolidated Statement of Profit or Loss

Unit : Billion of yen

	FY2022 1Q	FY2023 1Q	Change
Revenue	371.6	445.6	+73.9
Business Profit	2.6	13.9	+11.3
Other income / Other expenses	0.2	4.8	+4.6
Financial income / financial costs	6.2	6.0	-0.1
Income tax expenses	-5.4	-9.3	-3.8
Non-controlling interests	-0.5	-0.6	-0.1
Profit attributable to owners of parent	3.1	14.9	+11.8

Consolidated Statement of Cash Flows

Unit : Billion of yen

	FY2022 1Q	FY2023 1Q	Change
Cash flows from operating activities	14.6	41.6	+27.0
Cash flows from investing activities	-10.1	-34.2	-24.1
Free Cash flows	4.4	7.3	+2.9
Cash flows from financing activities	-0.1	8.7	+8.9
Foreign currency translation adjustments	4.8	4.7	-0.1
Net increase (decrease) in cash and cash equivalents	9.1	20.9	+11.7
Cash and cash equivalents	133.4	144.7	+11.3

3-3-1) Performance comparison – FY2023-1Q Results (by Region)

Unit : Billion of yen

	Regeion	FY2022 1Q	FY2023 1Q	Change		Foreign exchange	FY2023 1Q	Change excluding foreign exchange	
Revenue	Japan	138.1	172.8	+34.6	+25.1%	-	172.8	+34.6	+25.1%
	North America	89.3	111.0	+21.6	+24.2%	+7.0	104.0	+14.6	+16.4%
	Europe	44.2	55.9	+11.7	+26.7%	+4.1	51.8	+7.6	+17.3%
	China	43.4	44.1	+0.7	+1.7%	-	44.2	+0.7	+1.8%
	Asia & Others	56.5	61.6	+5.1	+9.0%	+1.3	60.3	+3.7	+6.6%
	Total	371.6	445.6	+73.9	+19.9%	+12.4	433.2	+61.5	+16.6%
Business profit	Japan	1.2	2.8	+1.6	+126.9%	+1.5	1.3	+0.0	+3.1%
	North America	-1.0	4.7	+5.7	-%	+1.1	3.5	+4.5	-%
	Europe	-3.1	-2.9	+0.1	-%	-0.2	-2.6	+0.4	-%
	China	2.5	3.1	+0.6	+24.1%	+0.0	3.0	+0.5	+22.2%
	Asia & Others	4.7	4.3	-0.3	-8.2%	-0.4	4.8	+0.0	+1.0%
	Elimination	-1.7	1.8	+3.6	-%	+0.0	1.8	+3.6	-%
	Total	2.6	13.9	+11.3	+431.1%	+2.0	11.8	+9.2	+351.7%

3-3-2) Performance comparison – FY2023-1Q Results (by Business unit)

Unit : Billion of yen

Business unit		FY2022 1Q	FY2023 1Q	Change		Foreign exchange	FY2023 1Q	Change excluding foreign exchange	
Revenue	Steering Systems	177.0	215.1	+38.1	+21.5%	+6.7	208.3	+31.3	+17.7%
	Drivelines	81.9	98.0	+16.0	+19.6%	+1.6	96.3	+14.3	+17.5%
	Automotive	258.9	313.1	+54.1	+20.9%	+8.4	304.6	+45.6	+17.6%
	Industrial & Bearings	76.3	89.7	+13.3	+17.5%	+2.5	87.2	+10.8	+14.2%
	Machine tools	35.8	42.1	+6.2	+17.5%	+1.4	40.6	+4.8	+13.6%
	Others	0.4	0.5	+0.1	+28.3%	+0.0	0.5	+0.1	+28.3%
	Machine tools	36.2	42.7	+6.4	+17.7%	+1.4	41.2	+4.9	+13.7%
	Total	371.6	445.6	+73.9	+19.9%	+12.4	433.2	+61.5	+16.6%
Business profit	Steering Systems	-3.4	5.4	+8.8	-%	+0.8	4.5	+7.9	-%
	Drivelines	0.8	2.3	+1.5	+194.3%	+0.1	2.1	+1.3	+170.8%
	Automotive	-2.6	7.8	+10.4	-%	+1.0	6.7	+9.3	-%
	Industrial & Bearings	3.0	3.2	+0.2	+6.5%	+0.7	2.5	-0.5	-17.2%
	Machine tools	2.4	3.4	+1.0	+41.2%	+0.3	3.1	+0.7	+28.8%
	Others	-0.5	-0.7	-0.1	-%	+0.0	-0.7	-0.1	-%
	Machine tools	1.9	2.7	+0.8	+42.4%	+0.3	2.4	+0.5	+26.6%
	Elimination	0.2	0.1	+0.0	-36.6%	+0.0	0.1	+0.0	-36.6%
Total	2.6	13.9	+11.3	+431.1%	+2.0	11.8	+9.2	+351.7%	

3-4-1) Quarterly result trend – by Region

Unit : Billion of yen

FY2022	1Q (Apr-Jun)			2Q (Jul-Sep)			3Q (Oct-Dec)			4Q (Jan-Mar)		
	Revenue	Business profit		Revenue	Business profit		Revenue	Business profit		Revenue	Business profit	
Japan	138.1	1.2	0.9%	164.0	9.8	3.7%	159.8	7.0	3.9%	176.3	10.3	4.5%
North America	89.3	-1.0	-1.2%	101.3	-0.8	-1.0%	96.1	0.0	-0.6%	113.2	10.9	2.3%
Europe	44.2	-3.1	-7.1%	44.3	-3.6	-7.6%	49.6	-2.2	-6.5%	58.0	0.5	-4.3%
China	43.4	2.5	5.8%	54.0	5.6	8.3%	46.4	5.3	9.4%	36.4	0.9	8.0%
Asia & Others	56.5	4.7	8.4%	69.0	7.1	9.5%	68.2	6.6	9.6%	69.1	6.7	9.6%
Elimination		-1.7			-2.7			-2.8			0.9	
Total	371.6	2.6	0.7%	432.8	15.4	2.2%	420.3	14.0	2.6%	453.2	30.5	3.7%

FY2023	1Q (Apr-Jun)			2Q (Jul-Sep)		3Q (Oct-Dec)		4Q (Jan-Mar)	
	Revenue	Business profit		Revenue	Business profit	Revenue	Business profit	Revenue	Business profit
Japan	172.8	2.8	1.7%						
North America	111.0	4.7	4.2%						
Europe	55.9	-2.9	-5.3%						
China	44.1	3.1	7.0%						
Asia & Others	61.6	4.3	7.1%						
Elimination		1.8							
Total	445.6	13.9	3.1%						

3-4-2) Quarterly result trend – by Business unit

Unit : Billion of yen

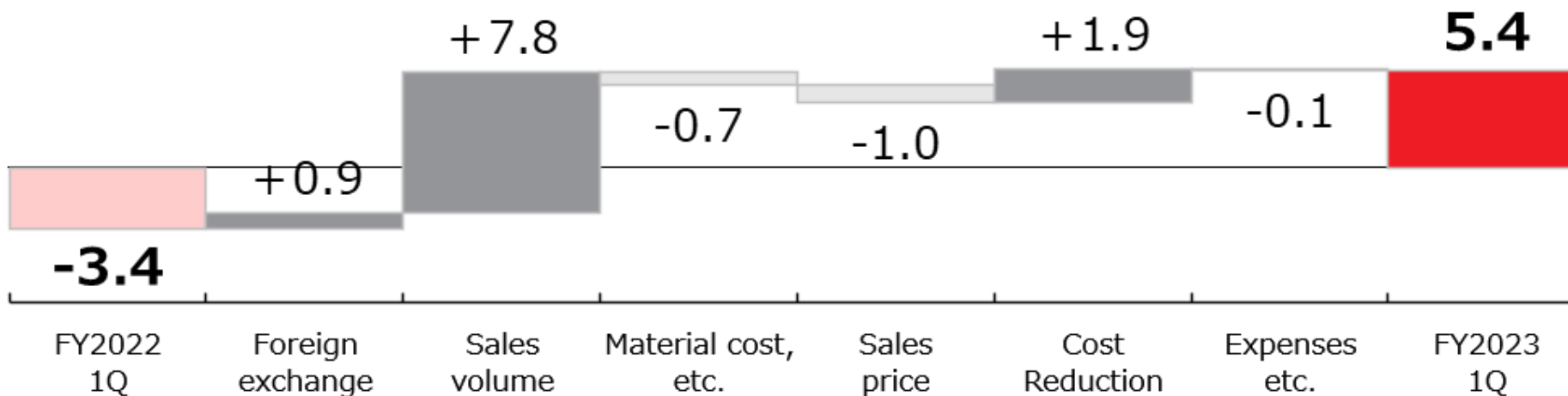
FY2022	1Q (Apr-Jun)			2Q (Jul-Sep)			3Q (Oct-Dec)			4Q (Jan-Mar)		
	Revenue	Business profit		Revenue	Business profit		Revenue	Business profit		Revenue	Business profit	
Steering Systems	177.0	-3.4	-1.9%	205.9	4.8	0.4%	202.5	5.6	1.2%	220.7	15.5	2.8%
Drivelines	81.9	0.8	1.0%	161.0	1.6	1.6%	243.9	0.5	1.2%	336.3	5.2	2.5%
Automotive	258.9	-2.6	-1.0%	544.0	6.5	0.7%	829.4	6.2	1.2%	1,142.6	20.8	2.7%
Industrial & Bearings	76.3	3.0	4.0%	97.3	4.0	4.1%	88.2	3.7	4.1%	89.5	6.1	4.8%
Machine tools	35.8	2.4	6.8%	50.0	5.0	8.8%	46.0	4.3	9.0%	49.8	4.3	8.9%
Others	0.4	-0.5		0.4	-0.5		0.5	-0.5		0.6	-0.8	
Machine tools	36.2	1.9	5.3%	86.7	4.5	7.4%	133.4	3.8	7.7%	183.9	3.5	7.5%
Elimination		0.2		86.7	0.3		133.4	0.2		183.9	0.0	
Total	371.6	2.6	0.7%	432.8	15.4	2.2%	420.3	14.0	2.6%	453.2	30.5	3.7%

FY2023	1Q (Apr-Jun)			2Q (Jul-Sep)		3Q (Oct-Dec)		4Q (Jan-Mar)	
	Revenue	Business profit		Revenue	Business profit	Revenue	Business profit	Revenue	Business profit
Steering Systems	215.1	5.4	2.5%						
Drivelines	98.0	2.3	2.4%						
Automotive	313.1	7.8	2.5%						
Industrial & Bearings	89.7	3.2	3.6%						
Machine tools	42.1	3.4	8.2%						
Others	0.5	-0.7							
Machine tools	42.7	2.7	6.5%						
Elimination		0.1							
Total	445.6	13.9	3.1%						

3-5-1) Business profit analysis – Steering Systems / Drivelines

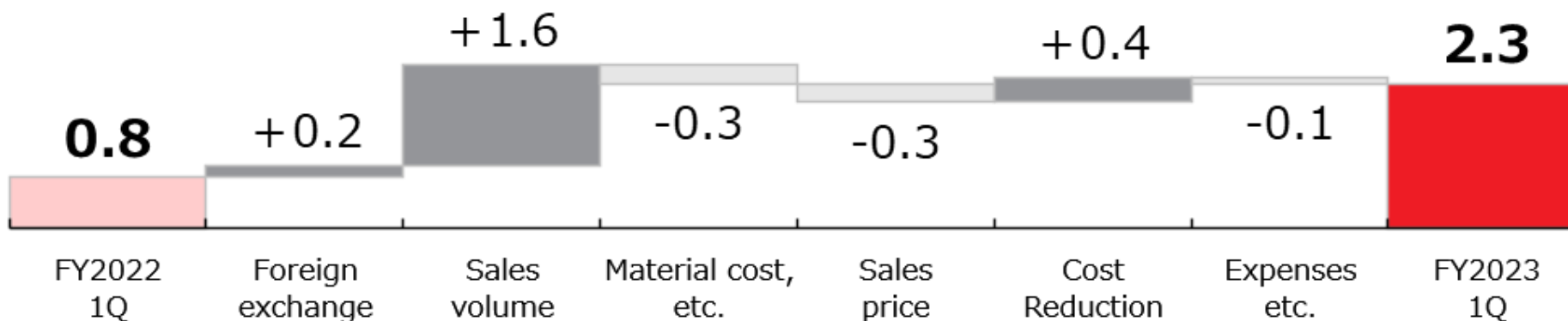
Unit : Billion of yen

Steering Systems



Unit : Billion of yen

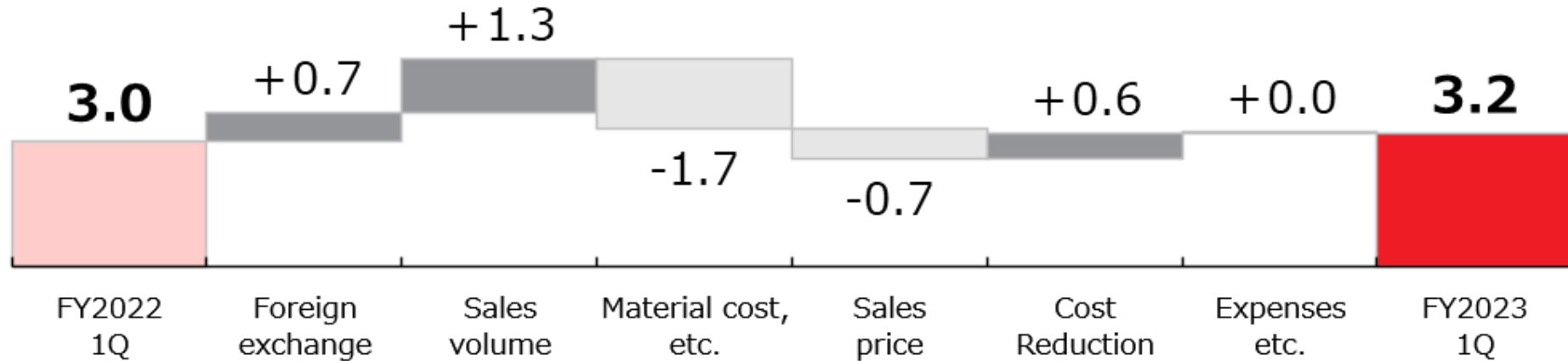
Drivelines



3-5-2) Business profit analysis – Industrial & Bearings / Machine tools

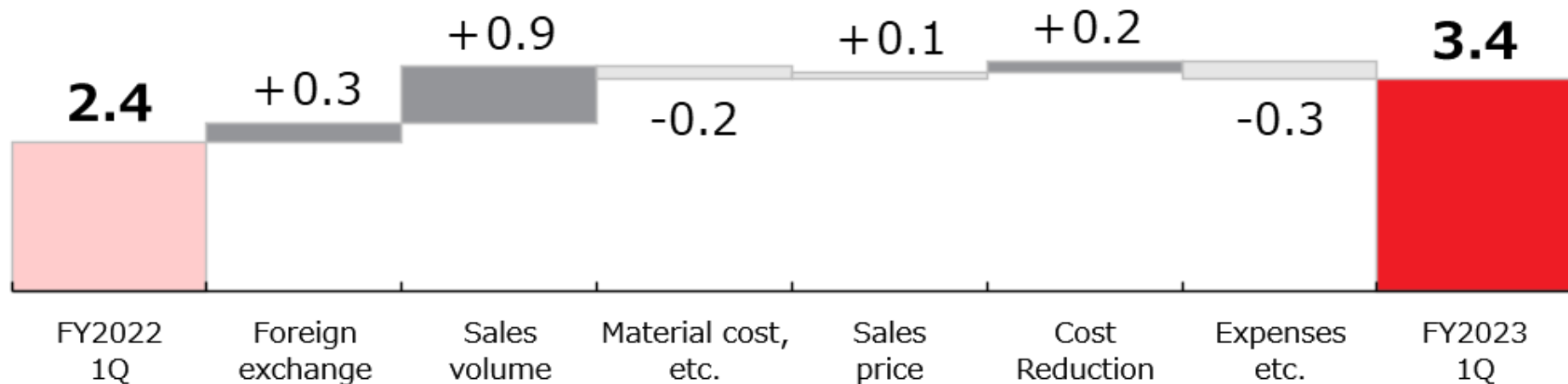
Unit : Billion of yen

Industrial & Bearings



Unit : Billion of yen

Machine tools



*Others excluded

3-6-1) Performance comparison – FY2023 Forecasts (by Region)

Unit : Billion of yen

	Region	FY2022	FY2023	Change		Foreign exchange	FY2023	Change excluding foreign exchange	
Revenue	Japan	638.4	734.0	+95.5	+15.0%	-	734.0	+95.5	+15.0%
	North America	400.1	424.0	+23.8	+6.0%	-22.8	446.8	+46.6	+11.7%
	Europe	196.2	205.0	+8.7	+4.5%	-2.8	207.8	+11.5	+5.9%
	China	180.3	173.0	-7.3	-4.1%	-13.6	186.6	+6.2	+3.4%
	Asia & Others	263.0	264.0	+0.9	+0.4%	-14.6	278.6	+15.5	+5.9%
	Total	1,678.1	1,800.0	+121.8	+7.3%	-53.8	1,853.8	+175.6	+10.5%
Business profit	Japan	28.5	36.5	+7.9	+27.9%	-5.5	42.0	+13.4	+47.1%
	North America	9.1	13.0	+3.8	+41.8%	-0.7	13.7	+4.5	+49.4%
	Europe	-8.4	-7.0	+1.4	-%	+0.1	-7.1	+1.3	-%
	China	14.4	8.5	-5.9	-41.1%	-1.1	9.6	-4.8	-33.5%
	Asia & Others	25.3	24.0	-1.3	-5.3%	-1.8	25.8	+0.4	+1.8%
	Elimination	-6.3	0.0	+6.3	-%	+0.0	0.0	+6.3	-%
	Total	62.6	75.0	+12.3	+19.7%	-9.0	84.0	+21.3	+34.1%

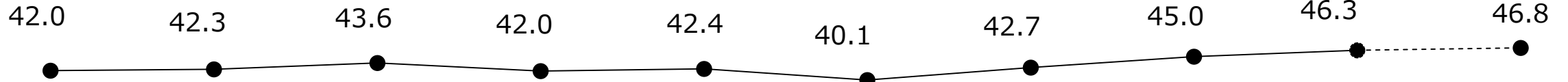
3-6-2) Performance comparison – FY2023 Forecasts (by Business unit)

Unit : Billion of yen

Business unit		FY2022	FY2023	Change		Foreign exchange	FY2023	Change excluding foreign exchange	
Revenue	Steering Systems	806.2	828.5	+22.2	+2.8%	-31.4	859.9	+53.6	+6.6%
	Drivelines	336.3	396.0	+59.6	+17.7%	-3.1	399.1	+62.7	+18.6%
	Automotive	1,142.6	1,224.5	+81.8	+7.2%	-34.5	1,259.0	+116.3	+10.2%
	Industrial & Bearings	351.5	386.5	+34.9	+10.0%	-13.0	399.5	+47.9	+13.7%
	Machine tools	181.8	187.0	+5.1	+2.8%	-6.3	193.3	+11.4	+6.3%
	Others	2.1	2.0	-0.1	-5.7%	+0.0	2.0	-0.1	-5.7%
	Machine tools	183.9	189.0	+5.0	+2.7%	-6.3	195.3	+11.3	+6.2%
	Total	1,678.1	1,800.0	+121.8	+7.3%	-53.8	1,853.8	+175.6	+10.5%
Business profit	Steering Systems	22.6	25.0	+2.3	+10.3%	-4.2	29.2	+6.5	+28.8%
	Drivelines	8.3	14.0	+5.6	+68.3%	-1.1	15.1	+6.7	+81.5%
	Automotive	30.9	39.0	+8.0	+25.8%	-5.3	44.3	+13.3	+42.9%
	Industrial & Bearings	17.0	18.5	+1.4	+8.6%	-3.1	21.6	+4.5	+26.8%
	Machine tools	16.2	19.5	+3.2	+19.9%	-0.6	20.1	+3.8	+23.6%
	Others	-2.5	-2.0	+0.5	-%	+0.0	-2.0	+0.5	-%
	Machine tools	13.7	17.5	+3.7	+27.2%	-0.6	18.1	+4.3	+31.6%
	Elimination	0.8	0.0	-0.8	-%	+0.0	0.0	-0.8	-%
Total	62.6	75.0	+12.3	+19.7%	-9.0	84.0	+21.3	+34.1%	

3-7) Profit trends

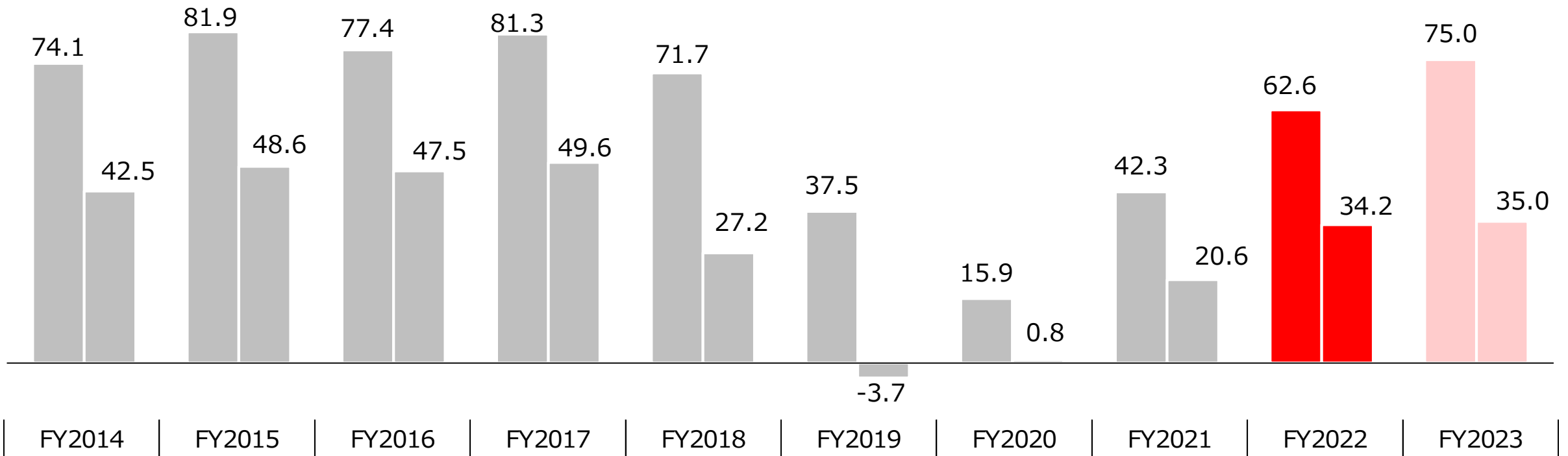
● Equity ratio (%)



Left bar Business profit

Right bar Profit attributable to owners of parent company

Unit : Billion of yen



* Before FY2018 : J-GAAP After FY2019 : IFRS



【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.