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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Under IFRS)

DATE: July 28, 2023

Company name: JTEKT Corporation
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 6473 URL: <https://www.jtekt.co.jp/e/>
 Representative: Kazuhiro Sato, President, Member of the Board
 Contact: Takanori Iwai, General Manager of Finance & Accounting Dept.
 Telephone: +81-566-25-7326
 Scheduled date to commence dividend payments: —
 Scheduled date to file quarterly securities report (Japanese only): August 9, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts and institutional investors)

(Amounts less than one million yen are omitted.)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Business profit		Profit before income taxes		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2023	445,681	19.9	13,980	431.0	24,940	173.6	15,624	329.6
June 30, 2022	371,686	8.0	2,632	(70.5)	9,115	(14.8)	3,636	(43.0)

	Profit attributable to owners of the parent company		Comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Three months ended						
June 30, 2023	14,983	378.4	51,894	82.8	43.69	43.67
June 30, 2022	3,132	(45.3)	28,393	33.0	9.13	9.13

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent company	Ratio of equity attributable to owners of the parent company to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of				
June 30, 2023	1,542,647	740,608	706,815	45.8
March 31, 2023	1,441,355	700,735	667,234	46.3

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	11.00	—	19.00	30.00
Fiscal year ended March 31, 2024	—				
Fiscal year ending March 31, 2024 (Forecast)		16.00	—	16.00	32.00

(Note) Changes in the forecasted cash dividends in this quarter: No

3. Forecast of consolidated financial results for the year ending March 31, 2024

(from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Revenue		Business profit		Profit before income taxes		Profit attributable to owners of the parent company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,800,000	7.3	75,000	19.7	65,500	17.2	35,000	2.1	102.05

(Note) Changes in the forecast of consolidated financial results in this quarter: No

***Notes**

(1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS: No
- (ii) Changes in accounting policies due to other reasons: No
- (iii) Changes in accounting estimates: No

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2023	343,286,307 shares
As of March 31, 2023	343,286,307 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2023	295,161 shares
As of March 31, 2023	311,980 shares

(iii) Average number of shares outstanding during the period

Three months ended June 30, 2023	342,975,683 shares
Three months ended June 30, 2022	342,964,571 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forecasts included in this document are based on the information that the Company has obtained at the time of disclosure.

Actual results may differ significantly from the forecast due to various factors in the future.

Consolidated financial statements

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and cash equivalents	123,850	144,768
Trade and other receivables	350,366	358,082
Inventories	247,587	262,698
Other financial assets	3,548	4,648
Income tax receivable	4,960	7,814
Other current assets	4,986	5,176
Total current assets	735,299	783,188
Non-current assets		
Property, plant and equipment	466,972	481,357
Goodwill and Intangible assets	32,323	51,658
Other financial assets	139,163	156,015
Investments accounted for using equity method	13,964	14,560
Deferred tax assets	17,630	18,746
Other non-current assets	36,000	37,120
Total non-current assets	706,055	759,459
Total assets	1,441,355	1,542,647

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	346,599	364,731
Bonds and borrowings	47,529	86,750
Other financial liabilities	3,584	7,005
Income taxes payable	3,993	5,201
Provisions	18,865	14,256
Other current liabilities	7,182	7,871
Total current liabilities	427,755	485,817
Non-current liabilities		
Bonds and borrowings	207,640	197,008
Other financial liabilities	8,308	11,250
Retirement benefit liabilities	70,556	71,571
Provisions	119	129
Deferred tax liabilities	18,410	28,257
Other non-current liabilities	7,827	8,004
Total non-current liabilities	312,864	316,222
Total liabilities	740,619	802,039
Equity		
Capital stock	45,591	45,591
Capital surplus	107,103	103,388
Treasury stock	(416)	(392)
Other components of equity	39,177	62,144
Retained earnings	475,777	496,084
Equity attributable to owners of the parent company	667,234	706,815
Non-controlling interests	33,501	33,792
Total equity	700,735	740,608
Total liabilities and equity	1,441,355	1,542,647

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated Statement of Profit or Loss

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Revenue	371,686	445,681
Cost of revenue	(322,492)	(380,957)
Gross profit	49,193	64,724
Selling, general and administrative expenses	(46,561)	(50,743)
Business profit	2,632	13,980
Other income	1,297	6,472
Other expenses	(1,055)	(1,597)
Operating profit	2,875	18,854
Finance income	7,276	10,019
Finance costs	(1,169)	(3,980)
Share of profit of investments accounted for using equity method	132	46
Profit before income taxes	9,115	24,940
Income tax expense	(5,478)	(9,316)
Profit for the period	3,636	15,624
Attributable to		
Owners of the parent company	3,132	14,983
Non-controlling interests	504	640
Earnings per share		
Basic (Yen)	9.13	43.69
Diluted (Yen)	9.13	43.67

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit for the period	3,636	15,624
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net fair value gain (loss) on equity instruments designated as FVTOCI	2,338	11,362
Remeasurements of defined benefit pension plans	(81)	474
Share of other comprehensive income of investments accounted for using equity method	11	211
Total	2,268	12,048
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	21,902	23,895
Share of other comprehensive income of investments accounted for using equity method	585	326
Total	22,488	24,221
Total other comprehensive income	24,756	36,270
Comprehensive income for the period	28,393	51,894
Attributable to		
Owners of the parent company	25,898	49,989
Non-controlling interests	2,494	1,904

(3) Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of the parent company					
	Capital stock	Capital surplus	Treasury stock	Other components of equity		
				Net fair value gain (loss) on equity instruments designated as FVTOCI	Remeasurements of defined benefit pension plans	Exchange differences on translation of foreign operations
As of April 1, 2022	45,591	107,638	(430)	—	—	27,253
Increase (Decrease) based on inflation accounting of Argentina consolidated subsidiary	—	—	—	—	—	—
As of April 1, 2022 (adjusted)	45,591	107,638	(430)	—	—	27,253
Profit for the period	—	—	—	—	—	—
Other comprehensive income	—	—	—	2,340	(46)	20,472
Comprehensive income for the period	—	—	—	2,340	(46)	20,472
Acquisition of treasury stock	—	—	(0)	—	—	—
Dividends	—	—	—	—	—	—
Share-based payment transactions	—	(4)	16	—	—	—
Transfer to retained Earnings	—	—	—	(2,340)	46	—
Change of scope of consolidation	—	—	—	—	—	—
Changes in the ownership interest in subsidiaries without a loss of control	—	5	—	—	—	—
Total transactions with the owners	—	0	15	(2,340)	46	—
As of June 30, 2022	45,591	107,639	(414)	—	—	47,725
As of April 1, 2023	45,591	107,103	(416)	—	—	39,177
Increase (Decrease) based on inflation accounting of Argentina consolidated subsidiary	—	—	—	—	—	—
As of April 1, 2023 (adjusted)	45,591	107,103	(416)	—	—	39,177
Profit of the period	—	—	—	—	—	—
Other comprehensive income	—	—	—	11,298	739	22,967
Comprehensive income for the period	—	—	—	11,298	739	22,967
Acquisition of treasury stock	—	—	(0)	—	—	—
Disposal of treasury stock	—	(0)	0	—	—	—
Dividends	—	—	—	—	—	—
Share-based payment transactions	—	(3)	24	—	—	—
Transfer to retained Earnings	—	—	—	(11,298)	(739)	—
Changes in the ownership interest in subsidiaries without a loss of control	—	(3,711)	—	—	—	—
Total transactions with the owners	—	(3,715)	23	(11,298)	(739)	—
As of June 30, 2023	45,591	103,388	(392)	—	—	62,144

(Millions of yen)

	Equity attributable to owners of the parent company			Non-controlling interests	Total equity
	Other components of equity	Retained Earnings	Total		
	Total				
As of April 1, 2022	27,253	443,960	624,012	36,402	660,415
Increase (Decrease) based on inflation accounting of Argentina consolidated subsidiary	—	491	491	—	491
As of April 1, 2022 (adjusted)	27,253	444,452	624,504	36,402	660,906
Profit for the period	—	3,132	3,132	504	3,636
Other comprehensive income	22,766	—	22,766	1,990	24,756
Comprehensive income for the period	22,766	3,132	25,898	2,494	28,393
Acquisition of treasury stock	—	—	(0)	—	(0)
Dividends	—	(3,430)	(3,430)	(1,462)	(4,892)
Share-based payment transactions	—	—	11	—	11
Transfer to retained Earnings	(2,293)	2,293	—	—	—
Change of scope of consolidation	—	—	—	(126)	(126)
Changes in the ownership interest in subsidiaries without a loss of control	—	—	5	(5)	—
Total transactions with the owners	(2,293)	(1,136)	(3,413)	(1,594)	(5,008)
As of June 30, 2022	47,725	446,447	646,989	37,302	684,292
As of April 1, 2023	39,177	475,777	667,234	33,501	700,735
Increase (Decrease) based on inflation accounting of Argentina consolidated subsidiary	—	△199	△199	—	△199
As of April 1, 2023 (adjusted)	39,177	475,578	667,035	33,501	700,536
Profit of the period	—	14,983	14,983	640	15,624
Other comprehensive income	35,005	—	35,005	1,264	36,270
Comprehensive income for the period	35,005	14,983	49,989	1,904	51,894
Acquisition of treasury stock	—	—	(0)	—	(0)
Disposal of treasury stock	—	—	0	—	0
Dividends	—	(6,517)	(6,517)	(1,163)	(7,680)
Share-based payment transactions	—	—	20	—	20
Transfer to retained Earnings	(12,038)	12,038	—	—	—
Changes in the ownership interest in subsidiaries without a loss of control	—	—	(3,711)	(450)	(4,161)
Total transactions with the owners	(12,038)	5,521	(10,209)	(1,613)	(11,822)
As of June 30, 2023	62,144	496,084	706,815	33,792	740,608

Segment information

For the three months ended June 30, 2022

(Millions of yen)

	Reportable segment				Adjustments	Consolidated
	Automotive	Industrial and Bearings	Machine tools	Total		
Revenue						
Customers	258,994	76,398	36,293	371,686	—	371,686
Intersegment	738	4,606	5,345	10,690	(10,690)	—
Total	259,733	81,004	41,639	382,376	(10,690)	371,686
Segment profit (loss)	(2,612)	3,064	1,936	2,388	243	2,632
Other income						1,297
Other expenses						(1,055)
Operating profit						2,875
Finance income						7,276
Finance costs						(1,169)
Share of profit of investments accounted for using equity method						132
Profit before income taxes						9,115

(Note) “Adjustments” of segment profit (loss) is the elimination of inter-segment transactions.

For the three months ended June 30, 2023

(Millions of yen)

	Reportable segment				Adjustments	Consolidated
	Automotive	Industrial and Bearings	Machine tools	Total		
Revenue						
Customers	313,183	89,789	42,708	445,681	—	445,681
Intersegment	976	5,655	6,427	13,059	(13,059)	—
Total	314,159	95,445	49,136	458,740	(13,059)	445,681
Segment profit (loss)	7,803	3,264	2,757	13,825	154	13,980
Other income						6,472
Other expenses						(1,597)
Operating profit						18,854
Finance income						10,019
Finance costs						(3,980)
Share of profit of investments accounted for using equity method						46
Profit before income taxes						24,940

(Note) “Adjustments” of segment profit (loss) is the elimination of inter-segment transactions.