

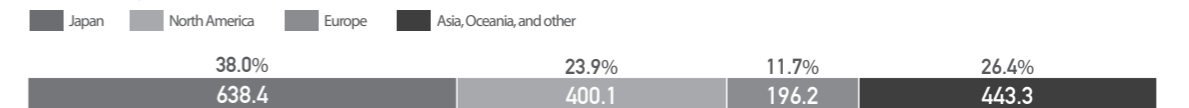
# Highlights by Business




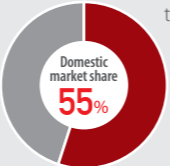




With a focus on the automotive, industrial and bearing, machine tools & manufacturing systems, and aftermarket businesses, we identify and respond to changes in the times and combine diverse business seeds to create JTEKT Group “No. 1 & Only One” technologies and products, thereby making profound contributions to society in a broad range of areas.

### Revenue by business



### Revenue by region



Business features	No. 1 & Only One	Business profit / Business profit margin	Market environment																								
 <p><b>Automotive Business Unit</b> p.37</p>	<p>No. 1 share of the global market* for EPS since the world's first development and production in 1988</p> 	<table border="1"> <thead> <tr> <th>Year</th> <th>Steering (Billions of yen)</th> <th>Driveline (Billions of yen)</th> <th>Business profit margin (%)</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>716.9</td> <td>160.4</td> <td>2.8</td> </tr> <tr> <td>2020</td> <td>607.9</td> <td>237.8</td> <td>1.5</td> </tr> <tr> <td>2021</td> <td>690.3</td> <td>275.0</td> <td>1.5</td> </tr> <tr> <td>2022</td> <td>806.2</td> <td>336.3</td> <td>2.7</td> </tr> <tr> <td>2023 (Forecast)</td> <td>838.0</td> <td>394.5</td> <td>3.2</td> </tr> </tbody> </table>	Year	Steering (Billions of yen)	Driveline (Billions of yen)	Business profit margin (%)	2019	716.9	160.4	2.8	2020	607.9	237.8	1.5	2021	690.3	275.0	1.5	2022	806.2	336.3	2.7	2023 (Forecast)	838.0	394.5	3.2	<p>The automobile industry is experiencing substantial changes in the market environment in conjunction with advances in electrification and automated driving. As emerging automakers enter markets and become increasingly prominent, for example, the need for shorter development times is increasing, and it is possible that we will lose market share if we are unable to respond.</p> <p>On the other hand, these changes are also business opportunities, and we believe that we can achieve even greater business growth by continuing to provide high-quality, reasonably priced products and services in response to the needs of diverse customers.</p>
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 <p><b>Industrial and Bearings Business Unit</b> p.38</p>	<p>No. 1 share of the domestic market* for bearings used in steel equipment that achieve high-speed rotation even under high loads and at ultra-high temperatures</p> 	<table border="1"> <thead> <tr> <th>Year</th> <th>Industrial and bearing (Billions of yen)</th> <th>Business profit margin (%)</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>380.0</td> <td>-0.2</td> </tr> <tr> <td>2020</td> <td>334.5</td> <td>0.3</td> </tr> <tr> <td>2021</td> <td>311.5</td> <td>5.3</td> </tr> <tr> <td>2022</td> <td>351.5</td> <td>4.8</td> </tr> <tr> <td>2023 (Forecast)</td> <td>381.0</td> <td>4.7</td> </tr> </tbody> </table>	Year	Industrial and bearing (Billions of yen)	Business profit margin (%)	2019	380.0	-0.2	2020	334.5	0.3	2021	311.5	5.3	2022	351.5	4.8	2023 (Forecast)	381.0	4.7	<p>With regard to automotive bearings, the need for smaller and lighter bearings as well as bearings compatible with lower torques is increasing in conjunction with electrification, and we will seize this business opportunity by developing “No. 1 &amp; Only One” bearings that contribute to improved electrical efficiency of BEVs.</p> <p>In the industrial machinery field, to respond to the extremely broad market base and highly diverse performance requirements for bearings, we will leverage various Group seeds with the aim of achieving further growth in the bearings business by providing timely and painstaking responses to each customer.</p>						
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 <p><b>Machine Tools &amp; Manufacturing Systems Business Unit</b> p.39</p>	<p>Developed the first grinders produced in Japan in 1956. No. 1 share of the global market* for cylindrical grinders. (Including specialized grinders)</p> 	<table border="1"> <thead> <tr> <th>Year</th> <th>Machine tools &amp; manufacturing systems (Billions of yen)</th> <th>Business profit margin (%)</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>160.2</td> <td>8.8</td> </tr> <tr> <td>2020</td> <td>128.3</td> <td>3</td> </tr> <tr> <td>2021</td> <td>149.4</td> <td>8</td> </tr> <tr> <td>2022</td> <td>181.8</td> <td>8.9</td> </tr> <tr> <td>2023 (Forecast)</td> <td>184.5</td> <td>10.6</td> </tr> </tbody> </table>	Year	Machine tools & manufacturing systems (Billions of yen)	Business profit margin (%)	2019	160.2	8.8	2020	128.3	3	2021	149.4	8	2022	181.8	8.9	2023 (Forecast)	184.5	10.6	<p>The automobile industry is undergoing rapid electrification, while the semiconductor industry is expected to achieve growth over the medium to long term, and furthermore, needs in the machine tool industry are changing and becoming more diverse including labor-saving needs and responses to carbon neutrality.</p> <p>Amidst this market environment, we will use our strengths in the grinding field and the Group's comprehensive capabilities to expand and enhance our product lineup and develop new processing technologies and techniques. By leveraging the technological capabilities that we have developed up to the present, we will take on challenges in new fields related to automotive storage batteries and take other action to respond promptly to changing customer needs and seek to increase business value.</p>						
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 <p><b>Aftermarket Business Unit</b> p.40</p>	<p>We seek to become an indispensable presence to customers in the aftermarket by leveraging our sales networks in regions around the world and our diverse product lineup.</p> 	<h3>Growth Strategies</h3> <table border="1"> <thead> <tr> <th>Year</th> <th>Expansion of Sales Networks (billion yen)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>65.0</td> </tr> <tr> <td>2021</td> <td>75.0</td> </tr> <tr> <td>2022</td> <td>78.1</td> </tr> <tr> <td>2030 (Target)</td> <td>140.0</td> </tr> </tbody> </table>	Year	Expansion of Sales Networks (billion yen)	2020	65.0	2021	75.0	2022	78.1	2030 (Target)	140.0	<p>The development of a circular society is being promoted to take the place of a society based on mass production, mass consumption, and mass disposal, and as greater attention is focused on repair markets, customer needs are increasing for products such as replacement bearings for automobiles and industrial machinery as well as steering and drive components. We will expand and enhance our product lineup in response to such customer needs and will work with Group companies and sales agents to listen directly to customer opinions and comments and provide the products and services that customers need.</p>														
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\* Market shares are based on JTEKT investigations

## Automotive Business Unit

JTEKT develops and provides steering systems for turning, driveline products that support driving; and various other critical function products that support the basic functions of a car. As a leading supplier of “turning” and “driving” systems for automobiles, we will not just provide automotive safety and security, but will also contribute to the development of society by unceasingly responding to increasingly diverse automotive needs in the future.

**Takumi Matsumoto**  
Senior Executive Officer,  
Member of the Board  
Chief of Automotive Business Unit /  
Chief of Research &  
Development Division



Recent initiatives	Measures looking ahead to the future
<b>Enhancing competitiveness</b> <ul style="list-style-type: none"> <li>● Improved profit structures through comprehensive cost cutting and control of fixed costs</li> <li>● Developed and introduced next-generation products with a focus on competitiveness</li> </ul> <b>Responding to diversifying needs</b> <ul style="list-style-type: none"> <li>● Provided products and services in response to demand for electric vehicles and driving support</li> </ul>	<b>Creating new value</b> <ul style="list-style-type: none"> <li>● Develop products that meet diverse social needs from compact cars to commercial vehicles</li> <li>● Develop systems that leverage synergies throughout the Group</li> <li>● With UX in mind, create and propose “No. 1 &amp; Only One” customer value to become a system supplier</li> </ul>

### FY2022 Results

In FY2022, despite effects from the semiconductor shortage, sales recovered due to decreasing effects from COVID-19, and sales revenue increased. In addition, structural improvements produced effects and there were positive effects from the lower value of the yen, and as a result, profits were higher.

### Future Outlook

In FY2023, materials and energy costs are expected to continue increasing, but we will enhance structures further from the perspectives of both variable and fixed costs, and we have formulated a plan for increasing both sales and profit over the FY2022 levels for the entire automotive business.

During this fiscal year, we will continue our recent initiatives to enhance competitiveness and respond to diversifying needs. To address the former, we will comprehensively focus on competitiveness, expand sales of next-generation products that have undergone zero-base reviews of design and manufacturing, and transition to a phase in which we can reap the benefits. For the latter, we will respond to increasingly advanced market needs amidst the shift toward electrification of vehicles. A specific example is the development of various products, such as the ultra-compact and highly durable JTEKT Ultra Compact Diff.<sup>TM</sup> (JUCD), in response to the need for compact and high-output eAxles.

We will continue to anticipate future needs based on continuously changing social trends from a medium- to long-term perspective, and by consolidating the technologies of the Company and Group companies, we will create and supply products and services with new value.

### Initiatives to Be the “No. 1 & Only One”

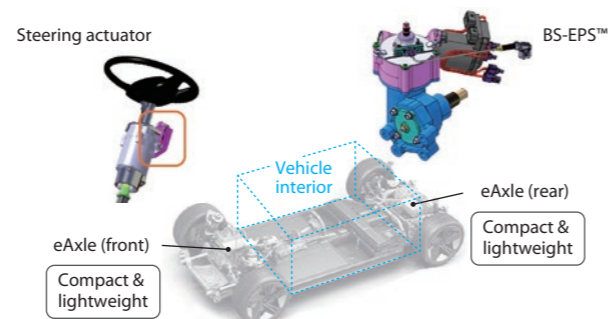
#### Responding to social issues concerning commercial vehicles

The introduction of technologies that can contribute to autonomous driving in the future has become an urgent matter for eliminating the chronic shortage of truck drivers in the logistics industry.

In response to this need, we began supplying a steering actuator with the aim of supporting driving. By installing this part, driving support is possible without any major specification changes to existing systems. In addition, we are also developing an electric power steering BS-EPST<sup>TM</sup> that supports the high output of commercial vehicles. This will also contribute to the electrification of commercial vehicles and the realization of autonomous driving in the future.

In this way, JTEKT will create and propose customer value from the user’s perspective with peace of mind, safety, comfort (the vehicle interior and other aspects), and carbon neutral UX in mind through integration with technologies that were previously announced such as the J-EPICS<sup>TM</sup> and JUCD<sup>TM</sup>.

\* Ball screw-electric power steering



## Industrial and Bearings Business Unit

Bearings are used in the rotating parts of products manufactured in various industries, from automobiles to industrial machinery, and support rotation in society in ways that people cannot see. In the automotive field, we provide products that address the needs for miniaturization, weight reduction, and higher speeds necessary for electrification. In the industrial machinery field, we strive to provide value and services by developing proposal-based businesses that respond to diverse usage environments such as robots and semiconductors.

**Tsuyoshi Okumura**  
Senior Executive Officer  
Chief of Industrial and Bearings  
Business Unit



Recent initiatives	Measures looking ahead to the future
Measures for establishing solid manufacturing in preparation for rapid environmental change: <ul style="list-style-type: none"> <li>● Reducing development and prototype lead times</li> <li>● Reinforcing VA/VE activities Productivity improvements and production technology innovations based on TPS*</li> <li>● Global optimized procurement (reinforcement of supply chains)</li> </ul> * Toyota Production System	Measures to enhance bearings for EVs and shift to industrial machinery growth areas: <ul style="list-style-type: none"> <li>● Automobiles: Development of leading products that contribute to improved power consumption through higher speeds and weight reduction</li> <li>● Industrial machinery: Development of “No. 1 &amp; Only One” technologies for the robot and semiconductor markets</li> <li>● Providing value-added products by collecting Group seeds</li> </ul>

### FY2022 Results

We maintained the measures that have been a focus of our efforts since FY2020 and improved the earning structure in FY2022 by continuing steady measures including structural reforms and improvement of productivity. In addition, there was a recovery from the effects of COVID-19 and the semiconductor shortage as well as positive effects from exchange rates, and as a result, sales and profits increased. Despite this, there is a risk of lower production globally and the market environment remains challenging including inflation and exchange rate fluctuations, making the future outlook on certain and consequently, we will continue our efforts to strengthen profit structures.

### Future Outlook

In FY2023, the final year of the First Medium-Term Business Plan, we will build a stable business base that can respond to changes in the external environment.

Over the medium to long-term, we will increase our market share for automobile bearings while seeking to increase sales by shifting to bearings for industrial machinery. In growth markets, we will introduce high-value-added products by leveraging synergies among business units and groups. Specifically, we will contribute to improving power consumption by using Group seeds to respond to the electrification of automobiles and reinforce product development in response to customer needs by using these technologies for industrial machinery bearings.

Also, in the industrial machinery area, we integrate the core technologies of Group companies in the robot, semiconductor, and renewable energy fields, which in particular are expected to be areas of future growth, as well as mature base markets including machine tools, steel, and agricultural and construction machinery to provide “No. 1 & Only One” products and services through production technology innovation in monozukuri.

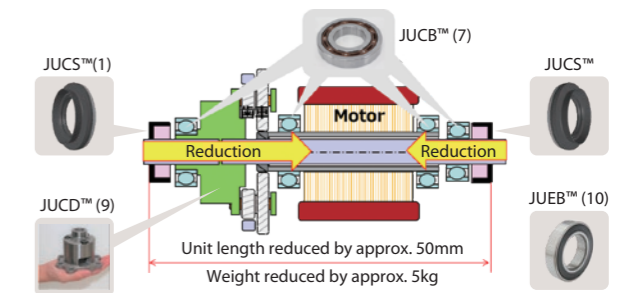
### Initiatives to Be the “No. 1 & Only One”

#### Contributions through improved power efficiency for electrification

In anticipation of future market expansion, we will contribute to improved power efficiency and longer driving ranges of battery electric vehicles (BEVs) through further miniaturization, weight reduction, and electrolytic corrosion resistance.

- JTEKT Ultra Compact Bearing<sup>TM</sup> (JUCB)  
Achieved the ultimate narrow width by using MBD,\* contributing to improved power consumption by reducing unit weight
- JTEKT Ultra Earth Bearing<sup>TM</sup> (JUEB)  
Contributed to electrification by achieving both electrolytic corrosion resistance and miniaturization by using the seeds of the Group.
- JTEKT Ultra Compact Seal<sup>TM</sup> (JUCS)  
Width shortened differential side seal.

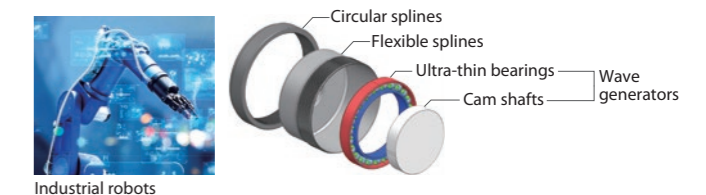
\* Model-based development



Notes:  
1. In-house calculation using coaxial type eAxle with output of 150kW  
2. Number of patents maintained in parentheses (total number of patents and applications)

#### Responses to growth areas in industrial machinery applications

- Ultra-thin bearings for robot reduction gears (8)  
Technology for extending lifespan was applied to ultra-thin bearings, contributing to improved performance (noise and vibration reduction), enhanced reliability, and miniaturization



## Machine Tools & Manufacturing Systems Business Unit

The business unit proposes new value by integrating robots, AI technology, and IoE solutions with machine tools, primarily grinders. It supports customer monozukuri throughout the entire lifecycle and contributes to the development of customer business and society.

**Yoshihiro Arai**  
Senior Executive Officer  
Chief of Machine Tools & Manufacturing Systems Business Unit



Recent initiatives	Measures looking ahead to the future
<b>Enhancing competitiveness</b> <ul style="list-style-type: none"> <li>Measures to become No. 1 in grinders</li> <li>Used the combined strength of the entire Group to expand the product lineup and meet wide-ranging needs in response to social changes</li> <li>Continued reinforcement of the company's organization through structural reforms</li> <li>Used DX and incorporated the latest technology and knowledge from inside and outside the company to reform design creation methods and achieve high quality and low prices</li> </ul>	<b>Creating new value</b> <ul style="list-style-type: none"> <li>Proposals of solutions for solving social issues</li> <li>Increased products that respond to automation and labor-saving and to carbon neutrality</li> <li>Development of needed processing technologies and techniques according to social changes</li> <li>Solve problems of processing materials that are difficult to cut or brittle</li> </ul>

### FY2022 Results

The market was firm overall, but there were substantial effects from inflation including soaring prices for materials, transportation, and energy, and the business environment was challenging.

Under these circumstances, the business unit was able to achieve higher revenues and profits as a result of productivity improvements and cost-cutting as well as effects from the low value of the yen.

### Future Outlook

The future outlook remains uncertain due to geopolitical risks, continued inflation, and other factors, and under these circumstances, demand for capital investment is stagnating. Despite this, demand for capital investment to respond to automation, labor-saving, and carbon neutrality as well as the electrification of automobiles remains solid. We plan to secure sales in FY2023 at the same level as the previous fiscal year by capturing this demand.

In addition, businesses are taking action to thoroughly eliminate waste, raise business efficiency, and reduce costs even further in order to increase profitability.

In response to the need for automation and labor-saving, we will integrate robots with transportation equipment and use measurement and AI technologies to propose new processing technologies.

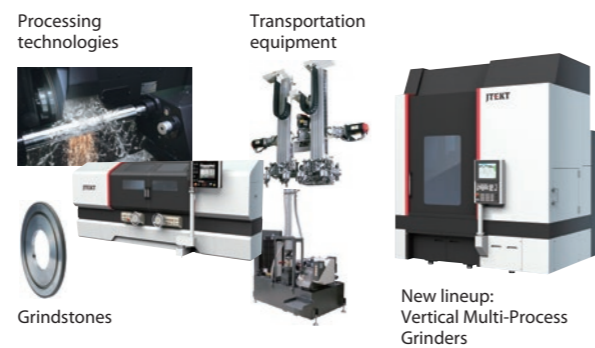
We will respond to the electrification of automobiles by expanding our product lineup and meeting a wide range of needs.

The entire Group will work together to develop processing technologies and methods for difficult-to-cut and brittle materials so that we can continue responding to new processing needs according to social changes and thereby contribute to social development.

### Initiatives to Be the "No. 1 & Only One"

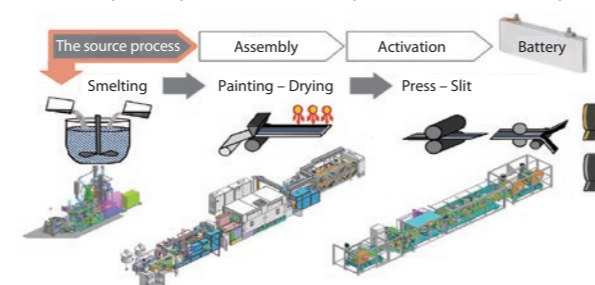
#### No. 1 in the grinding field

- Achieve overwhelming competitiveness through the combined capabilities of the Group
- Expand the product lineup



#### Contribute to responses to electrification by Toyota Motor Corporation

- Support the source process, the key to battery performance
- Achieve space-saving and high productivity with equipment that adopts simple, slim, and compact as its core concepts



- Support the source process, the key to battery performance

## Aftermarket Business Unit

**Currently** Supply needed products to customer in the aftermarket as quickly as possible

- Goals**
- Enable customers to continuously engage in value-creating activities
  - Provide diverse and varied products, services, and happiness
  - Contribute to solutions to customer problems or prevention of problems

**Kenichi Ishioka**  
Senior Executive Officer  
Chief of Aftermarket Business Unit



### Become a solution partner that provides support throughout the lifecycle

#### Our declaration: We will be an indispensable presence for customers in the aftermarket

Recent initiatives	Measures looking ahead to the future
<b>We will</b> (1) Work closely with customers around the world, (2) Support product life cycles, and (3) Provide safety and security.	<b>By going beyond the boundaries of existing products and (4) creating and providing new value, we seek to become a solution partner that supports customers.</b>

### (1) Work closely with customers around the world

In 2022, JTEKT adopted "JTEKT" as a unified brand name. In the aftermarket, we will use the various products of the JTEKT Group to meet the changing expectations of customers around the world.



### (2) Become a presence that supports product life cycles

We will further expand our aftermarket product lineup, including aftermarket steering and drive line parts, to ensure that customers can use products for long periods.



In addition, we started operation of Parts Navi 3, an automobile repair parts search system, enabling us to respond promptly to customer repair needs.



### (3) Become a presence that provides safety and security

We support safe and secure equipment operation by customers including the release of Bearing Defender, a product that assesses the status of bearings.



### (4) Become a presence that creates and provides new value

We began full-scale sales of ONI Bearing™, a ceramic bearing for bicycles. We conduct test rides at cycling events in various regions and distribute information on social media.

Our "No. 1 & Only One" technologies enable us to provide comfortable and excellent riding experiences to customers.

