

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

February 7th, 2024

JTEKT CORPORATION

Results	<ul style="list-style-type: none">■ Revenue increased due to easing the impact of COVID-19, recovery from shortage of semiconductors, and favorable exchange rates.■ Despite continuing inflation, business profit increased with cost reduction activities, revenue increase mainly in automotive, and favorable foreign exchange rates.
Forecasts	<ul style="list-style-type: none">■ Although the market environment is uncertain due to Jan. 1. the earthquake in Japan and declining automobile production, we maintain our disclosed forecasts of 1,850 billion yen in revenue and 80 billion yen in business profit.■ While identifying and minimizing assumed risks, we will ensure achievement of the target by appropriate sales price improvement activities and accelerating cost reduction activities.
Return to shareholders	<ul style="list-style-type: none">■ The dividend forecast for FY2023 remains unchanged at 36 yen per year. (6 yen increase from last year, interim dividend is 16 yen, year-end dividend is 20 yen, payout ratio is 30.9%.)

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1-1) FY2023-3Q Results – Consolidated performance

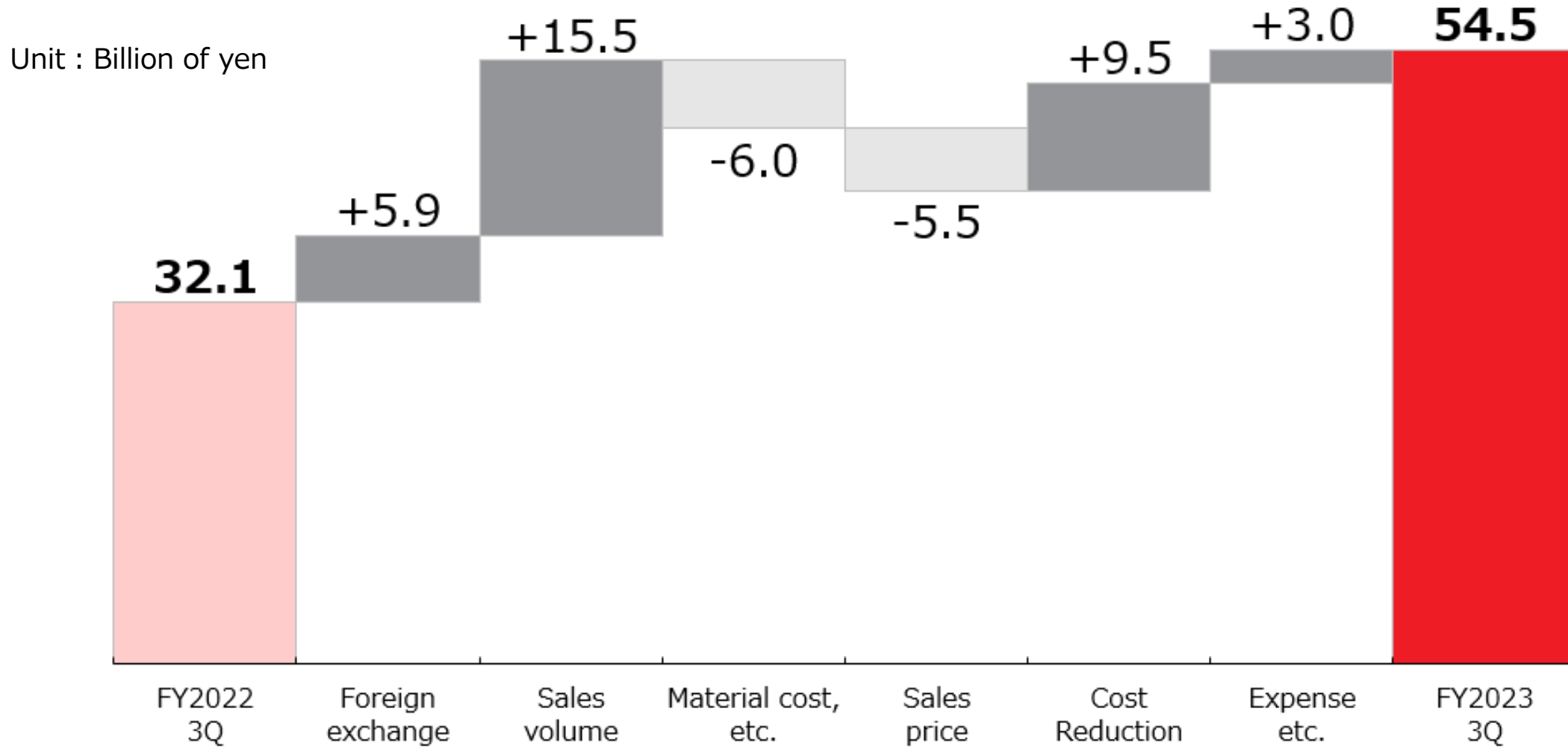
- Revenue increased due to easing the impact of COVID-19, recovery from shortage of semiconductors, and favorable exchange rates.
- **Despite continuing inflation(materials, energy and labor cost etc.), business profit increased with steady cost reduction activities, revenue increase mainly in automotive, and favorable foreign exchange rates.**

	(Ratio to revenue)		Unit : Billion of yen	
	FY2022 3Q		FY2023 3Q	
			Change	Change ratio
Revenue		1,224.9	+186.9	+15.3%
Business profit ※1	(2.6%)	32.1	+22.4	+70.0%
Operating profit	(2.7%)	33.1	+24.2	+73.2%
Profit before income taxes	(3.0%)	36.7	+24.4	+66.6%
Profit ※2	(1.5%)	18.3	+18.0	+98.6%
Foreign Exchange	JPY	136.51/USD	+6.78 JPY	
	JPY	140.59/EUR	+14.70 JPY	
Earnings per share		53.45 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

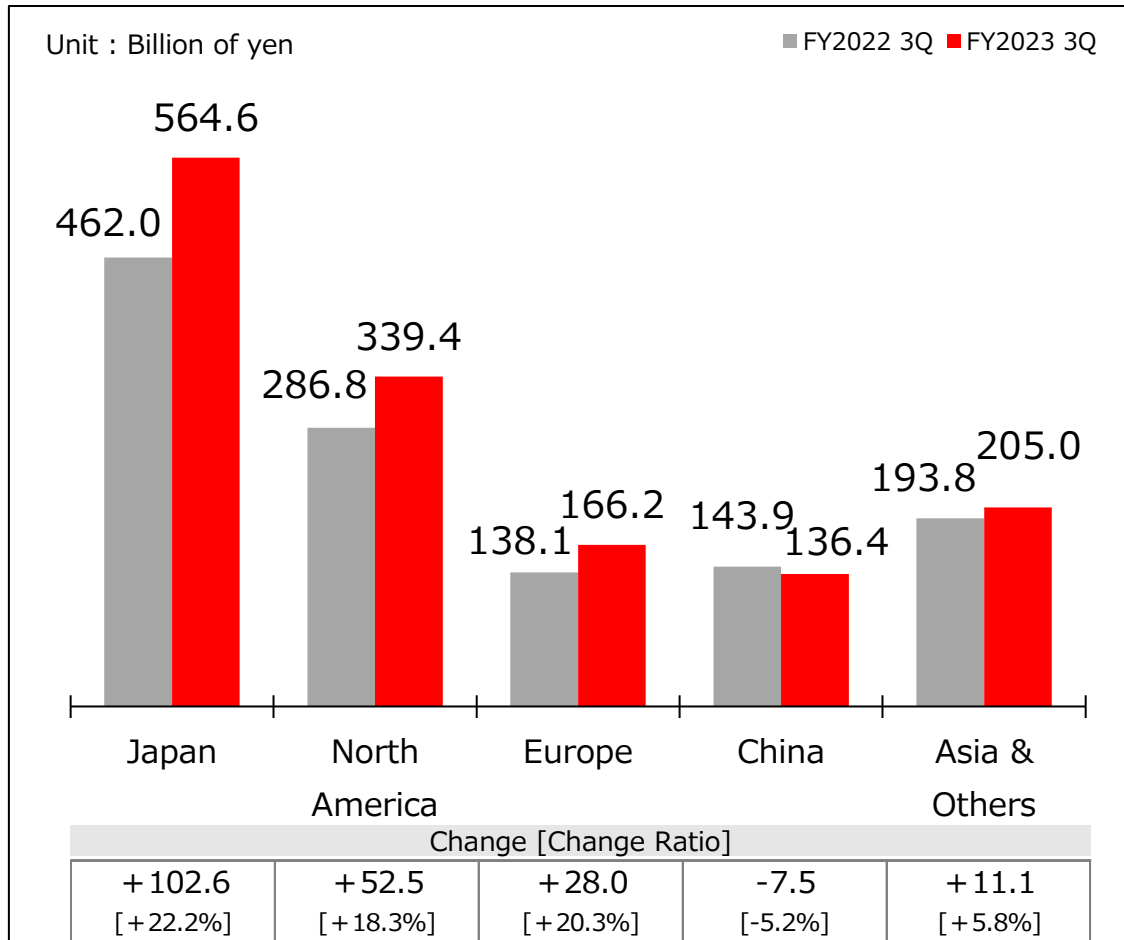
■ Despite continuing inflation and sales price down, profits increased due to **sales recovery, favorable foreign exchange rates, and cost reduction activities.**



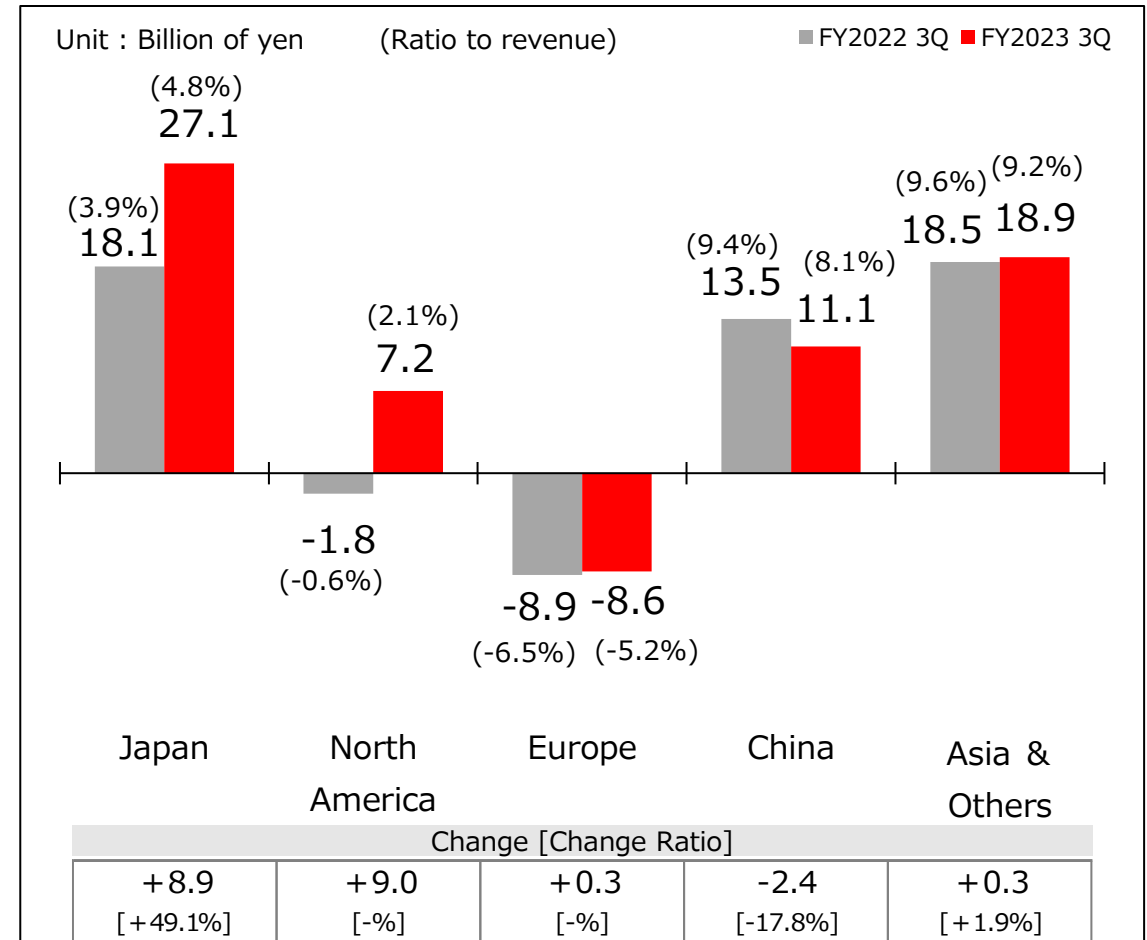
1-3) FY2023-3Q Results – by Region

■ Sales increased in all regions except China. Profit **increased significantly in Japan and North America** due to favorable foreign exchange rates, and cost reduction activities.

Revenue



Business profit



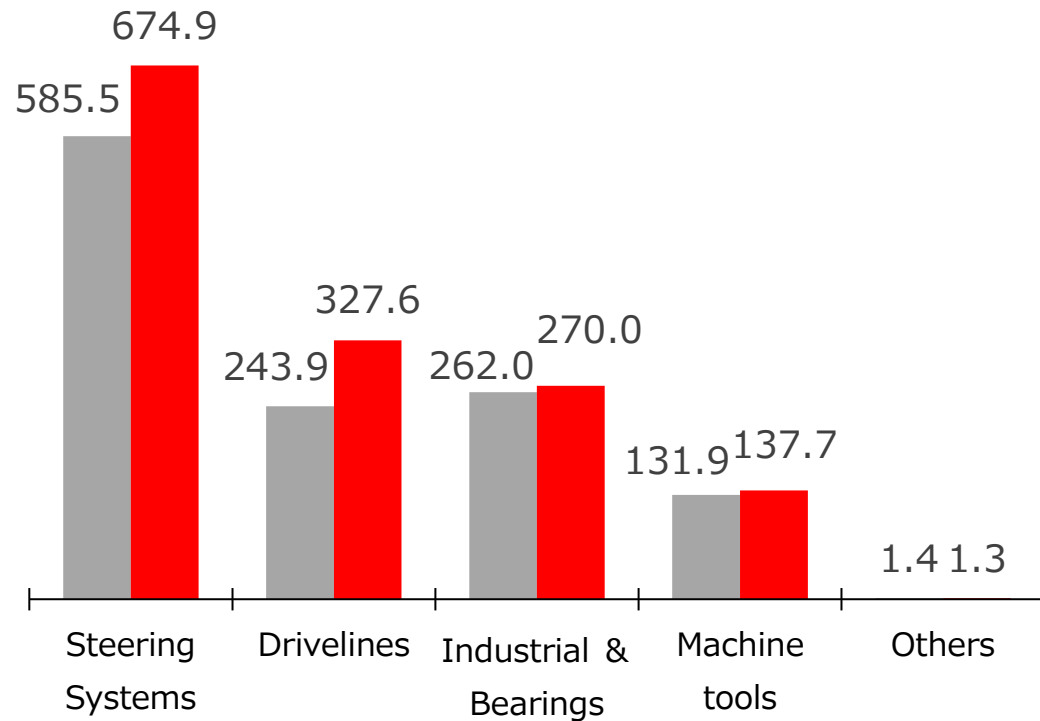
1-4) FY2023-3Q Results – by Business unit

■ Profit **increased significantly in automotive** due to sales increase, favorable foreign exchange rates, and cost reduction activities. Decreased in the industrial & bearings due to change in product mix, etc.

Revenue

Unit : Billion of yen

■ FY2022 3Q ■ FY2023 3Q



Change [Change Ratio]

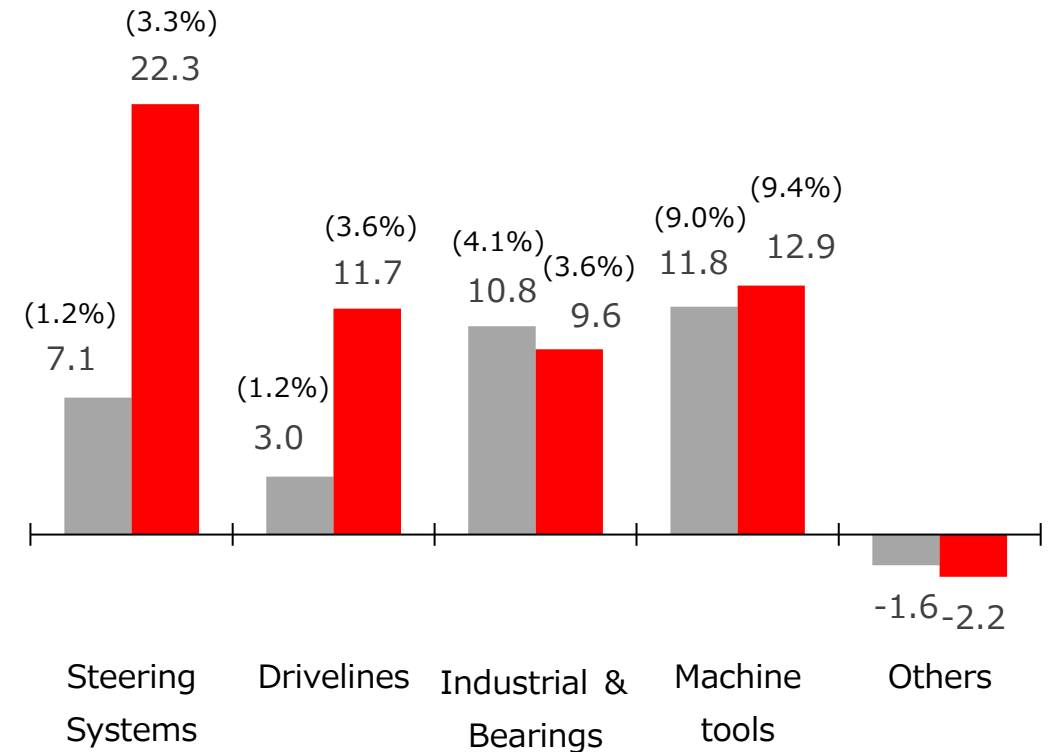
+89.4	+83.6	+8.0	+5.8	-0.0
[+15.3%]	[+34.3%]	[+3.1%]	[+4.4%]	[-6.5%]

Business profit

Unit : Billion of yen

(Ratio to revenue)

■ FY2022 3Q ■ FY2023 3Q



Change [Change Ratio]

+15.1	+8.6	-1.2	+1.0	-0.6
[+212.4%]	[+287.0%]	[-11.3%]	[+8.7%]	[-%]

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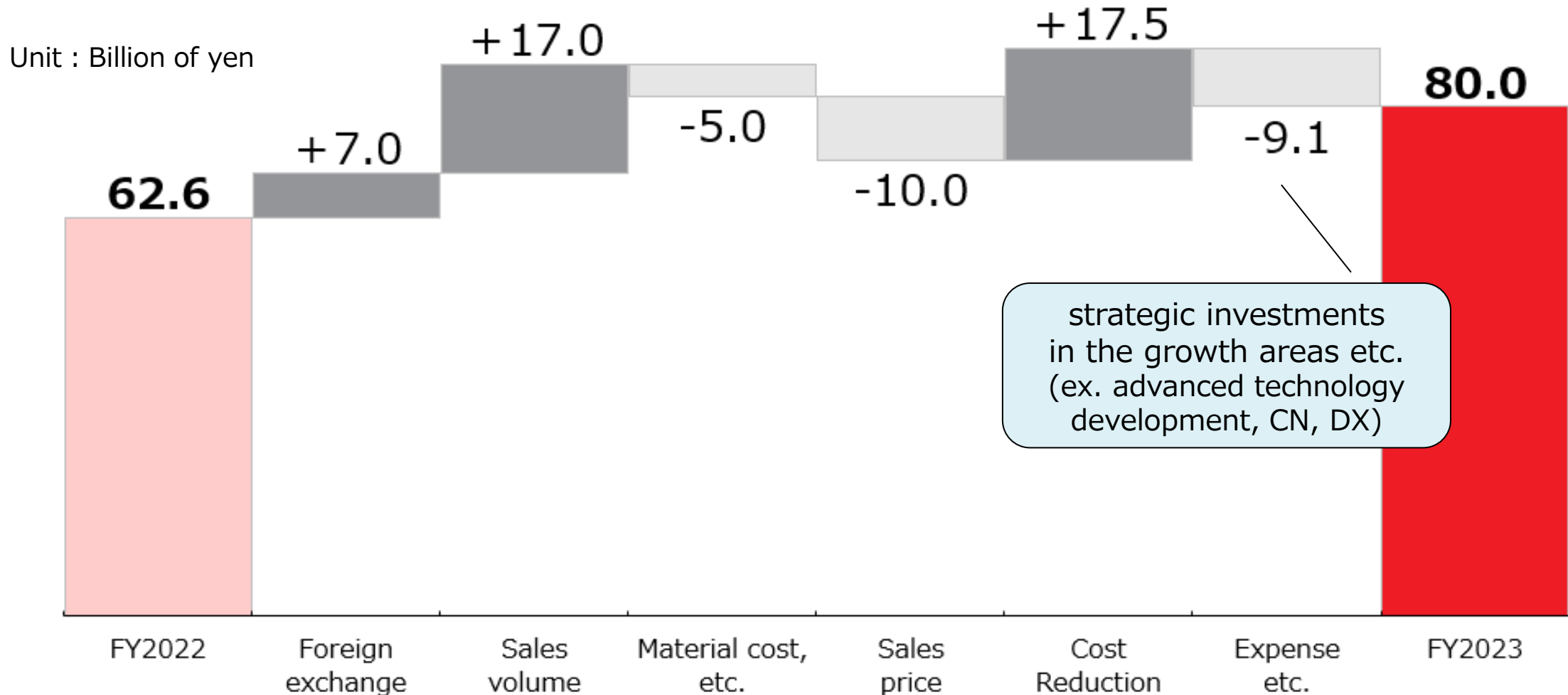
- Although the market environment is uncertain due to Jan. 1. the earthquake in Japan and declining automobile production, [we maintain our disclosed forecasts.](#)
- While minimizing the impact of the production decline, we will ensure achievement of the target by [appropriate sales price improvement activities and accelerating cost reduction activities.](#)

	(Ratio to revenue)		Unit : Billion of yen	
	FY2022	FY2023	Change	Change ratio
Revenue	1,678.1	1,850.0	+171.8	+10.2%
Business profit ※1	(3.7%) 62.6	(4.3%) 80.0	+17.3	+27.8%
Operating profit	(2.9%) 49.3	(3.9%) 73.0	+23.6	+48.0%
Profit before income taxes	(3.3%) 55.8	(4.1%) 76.0	+20.1	+36.2%
Profit ※2	(2.0%) 34.2	(2.2%) 40.0	+5.7	+16.9%
Foreign Exchange	JPY 135.47/USD	JPY 142.00/USD	+6.53 JPY	
	JPY 140.97/EUR	JPY 154.00/EUR	+13.03 JPY	
Earnings per share	99.94 JPY	116.62 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

- Despite the impact of inflation and sales price down, profits increased due to **sales recovery, favorable foreign exchange rates, and cost reduction activities.**
- While securing increased profits, **we will keep strategic investments steadily in the growth areas.**

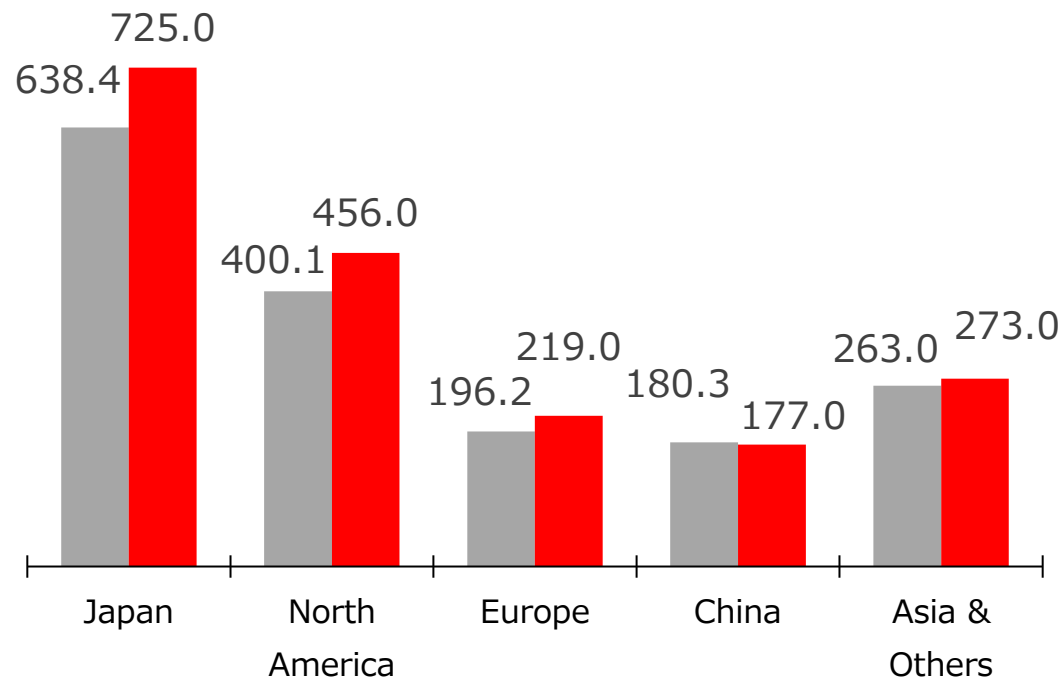


■ Profit **increased in Japan** due to sales recovery and accelerating cost reduction. Although profits in China and Europe declined due to severe market environment.

Revenue

Unit : Billion of yen

■ FY2022 ■ FY2023



Change [Change Ratio]

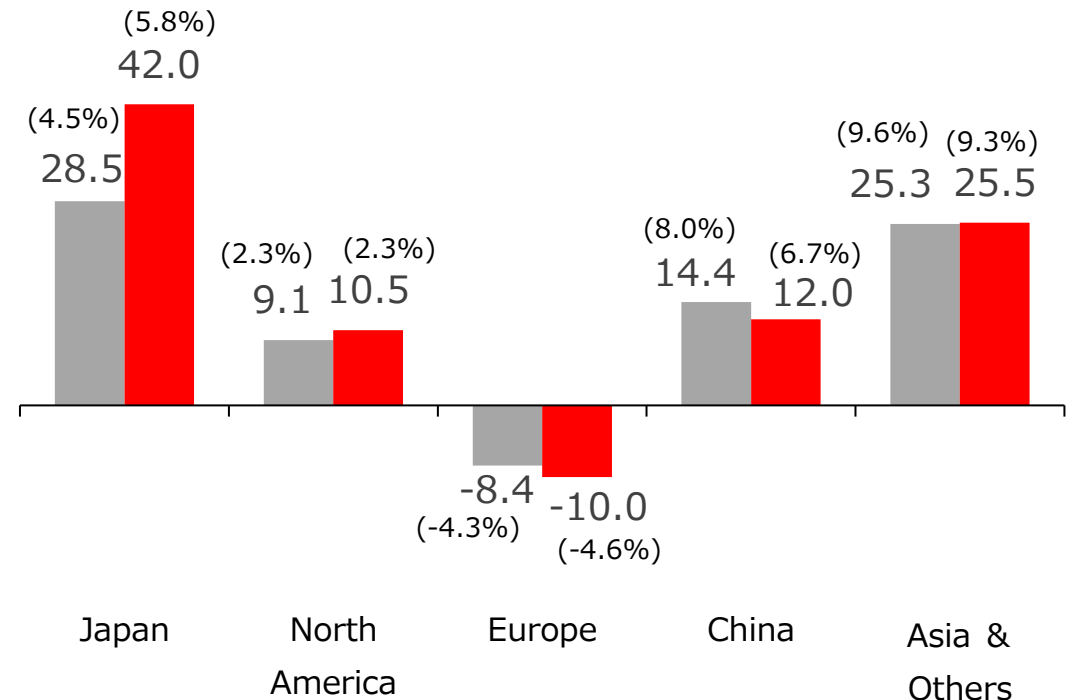
+86.5	+55.8	+22.7	-3.3	+9.9
[+13.6%]	[+14.0%]	[+11.6%]	[-1.9%]	[+3.8%]

Business profit

Unit : Billion of yen

(Ratio to revenue)

■ FY2022 ■ FY2023

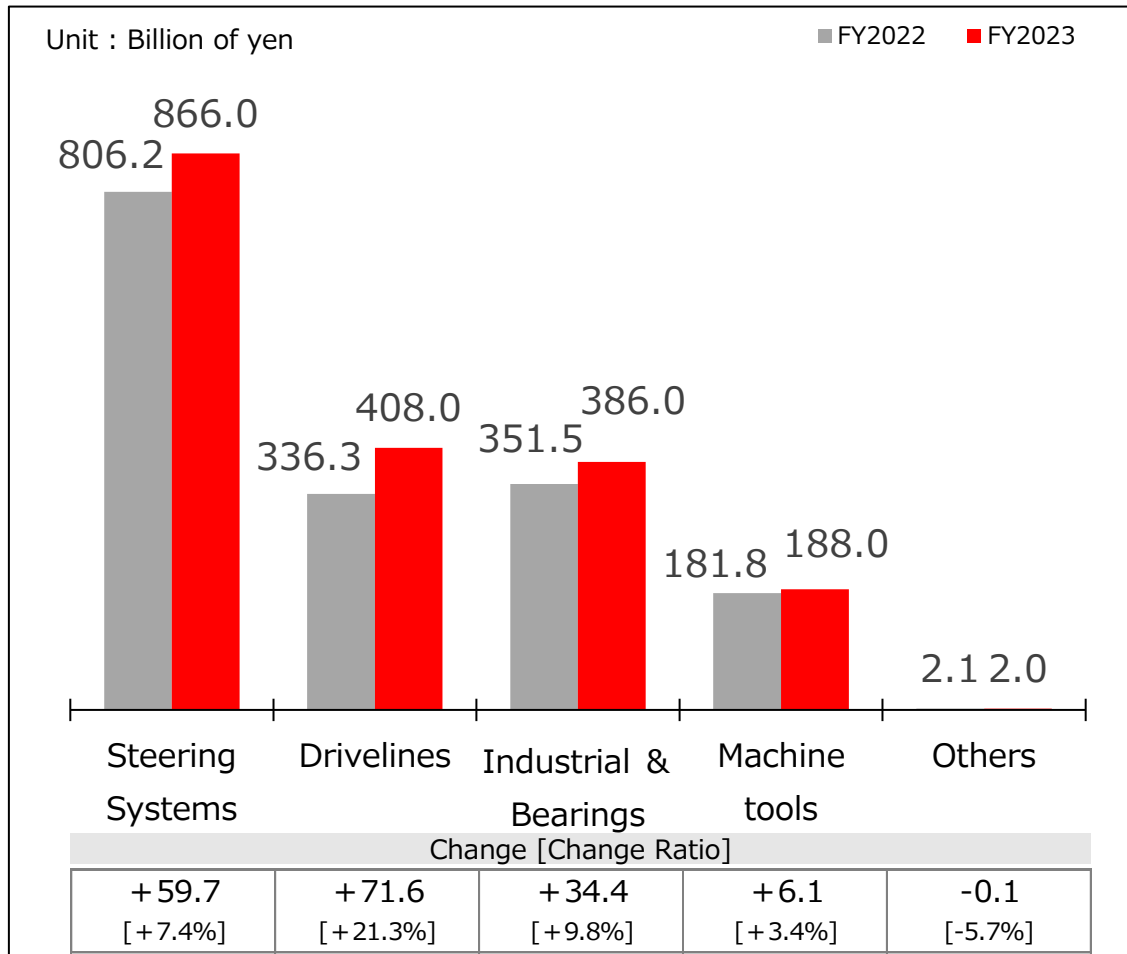


Change [Change Ratio]

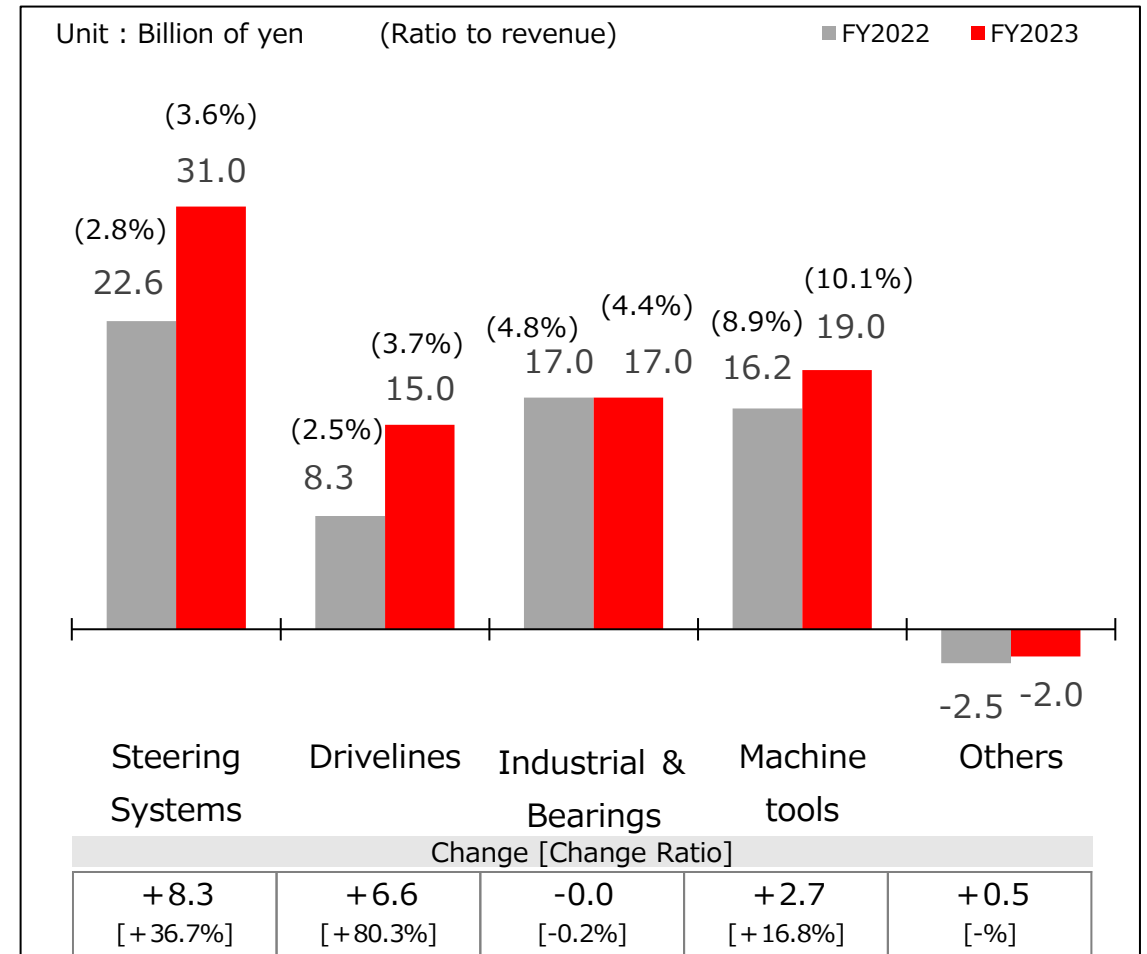
+13.4	+1.3	-1.5	-2.4	+0.1
[+47.1%]	[+14.5%]	[-%]	[-16.8%]	[+0.6%]

■ Revenue and profit increased in the automotive business, mainly in Japan.

Revenue

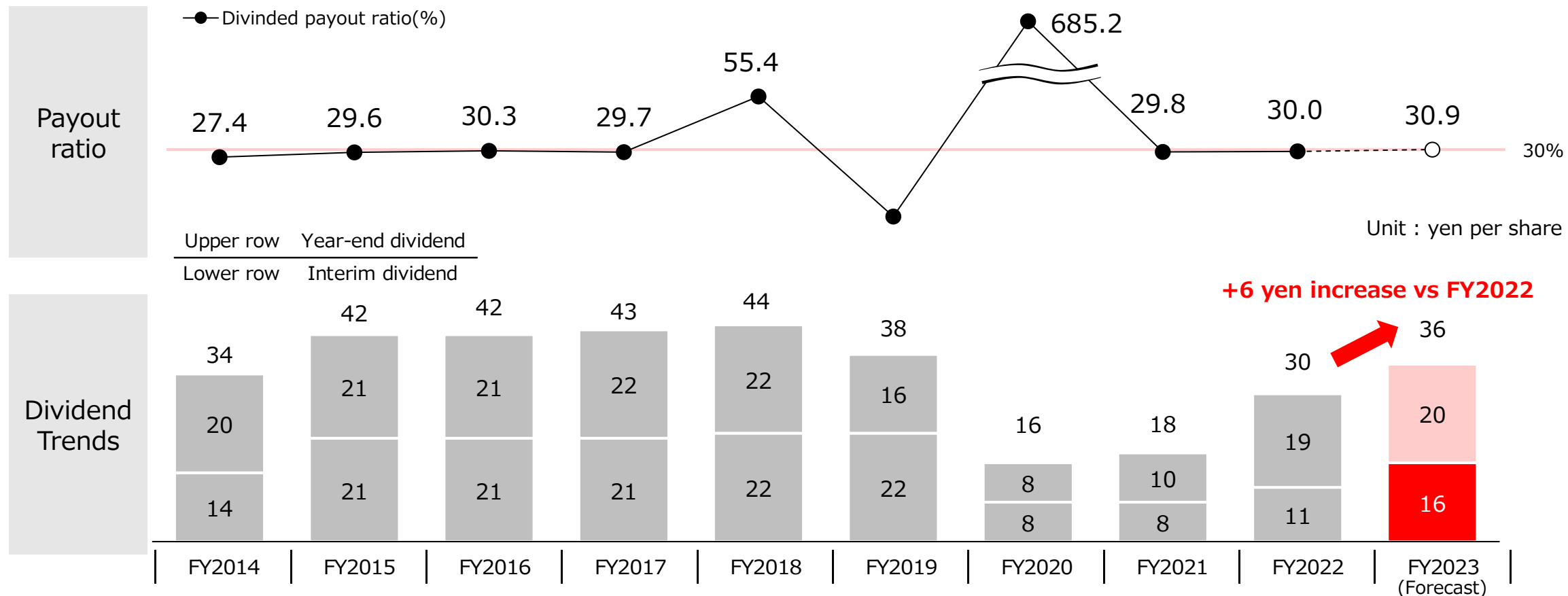


Business profit



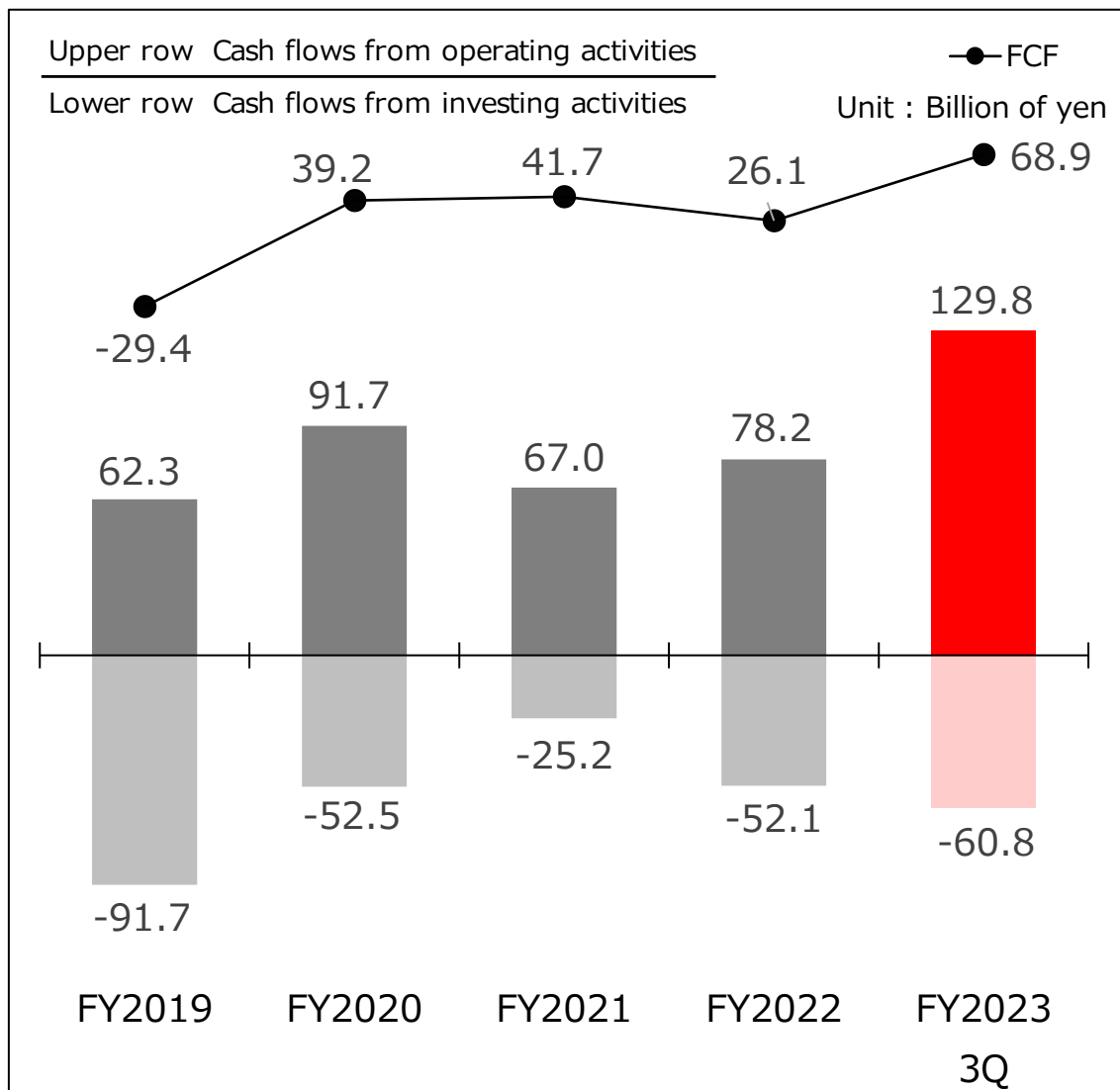
2-5) Return to shareholders

- The dividend forecast for FY2023 remains unchanged at **36 yen per year.** (year-end 20 yen)
- 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.

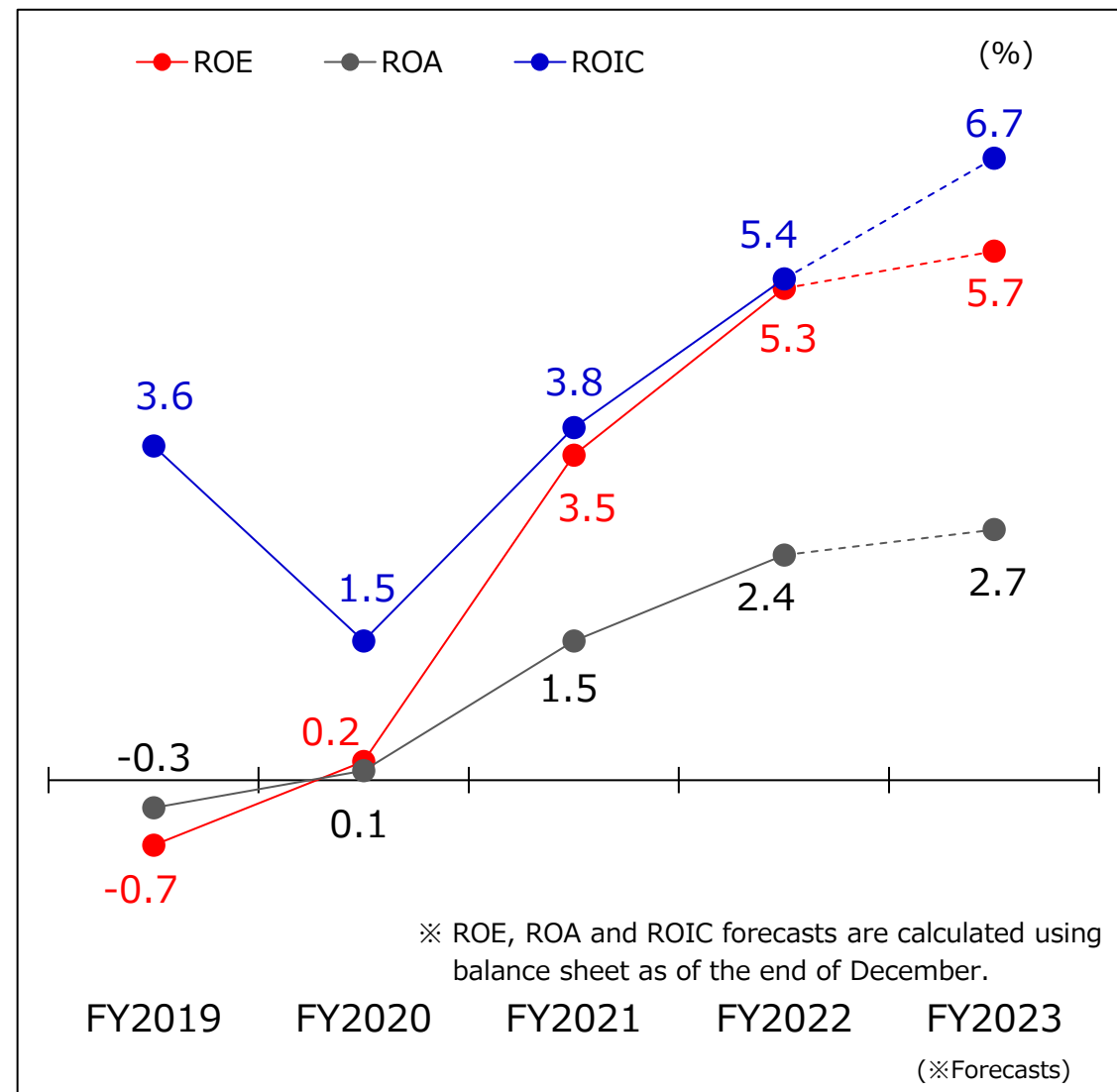


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Cash Flow statement



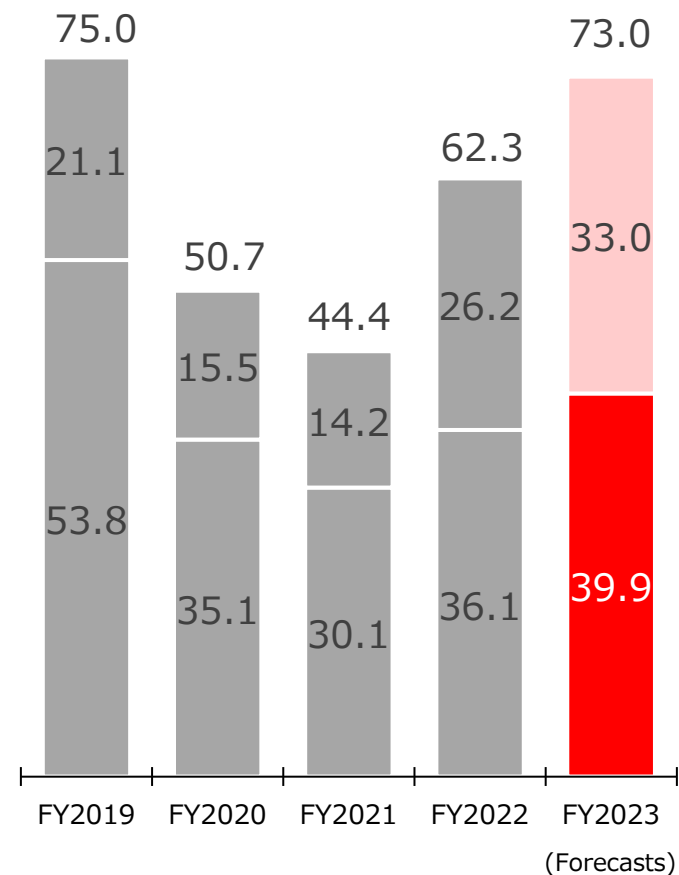
Capital Efficiency Indicators



Capital expenditures

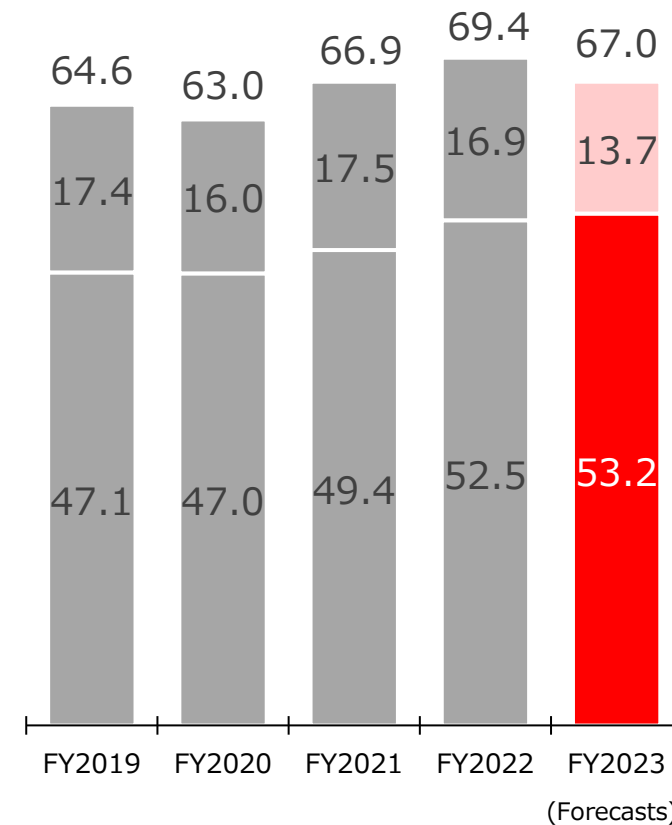
Upper row Jan-Mar Unit : Billion of yen

Lower row Apr-Dec



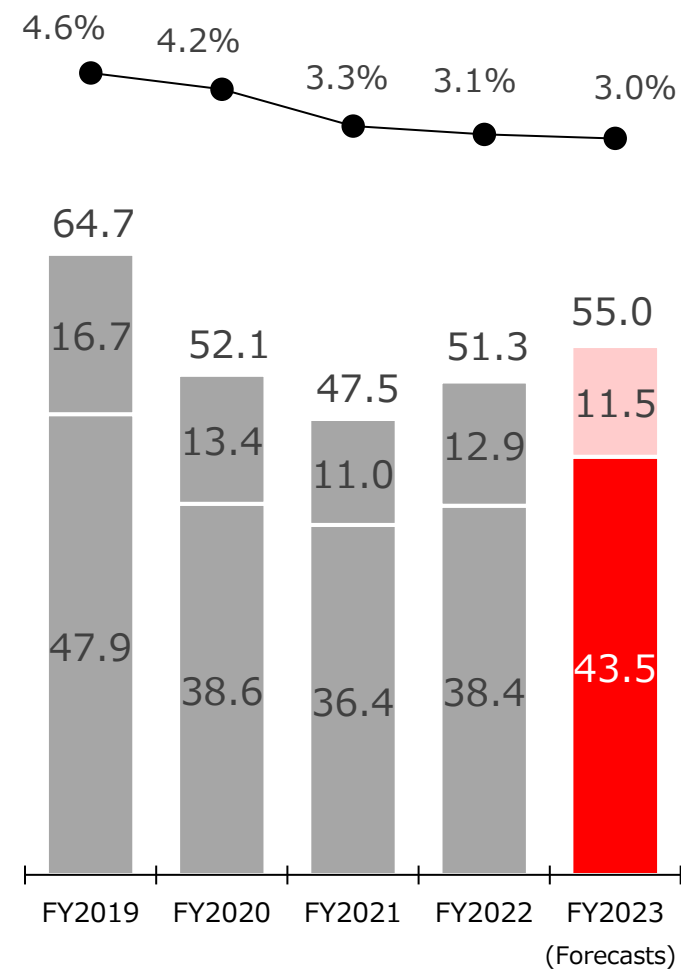
Depreciation & amortization

Unit : Billion of yen

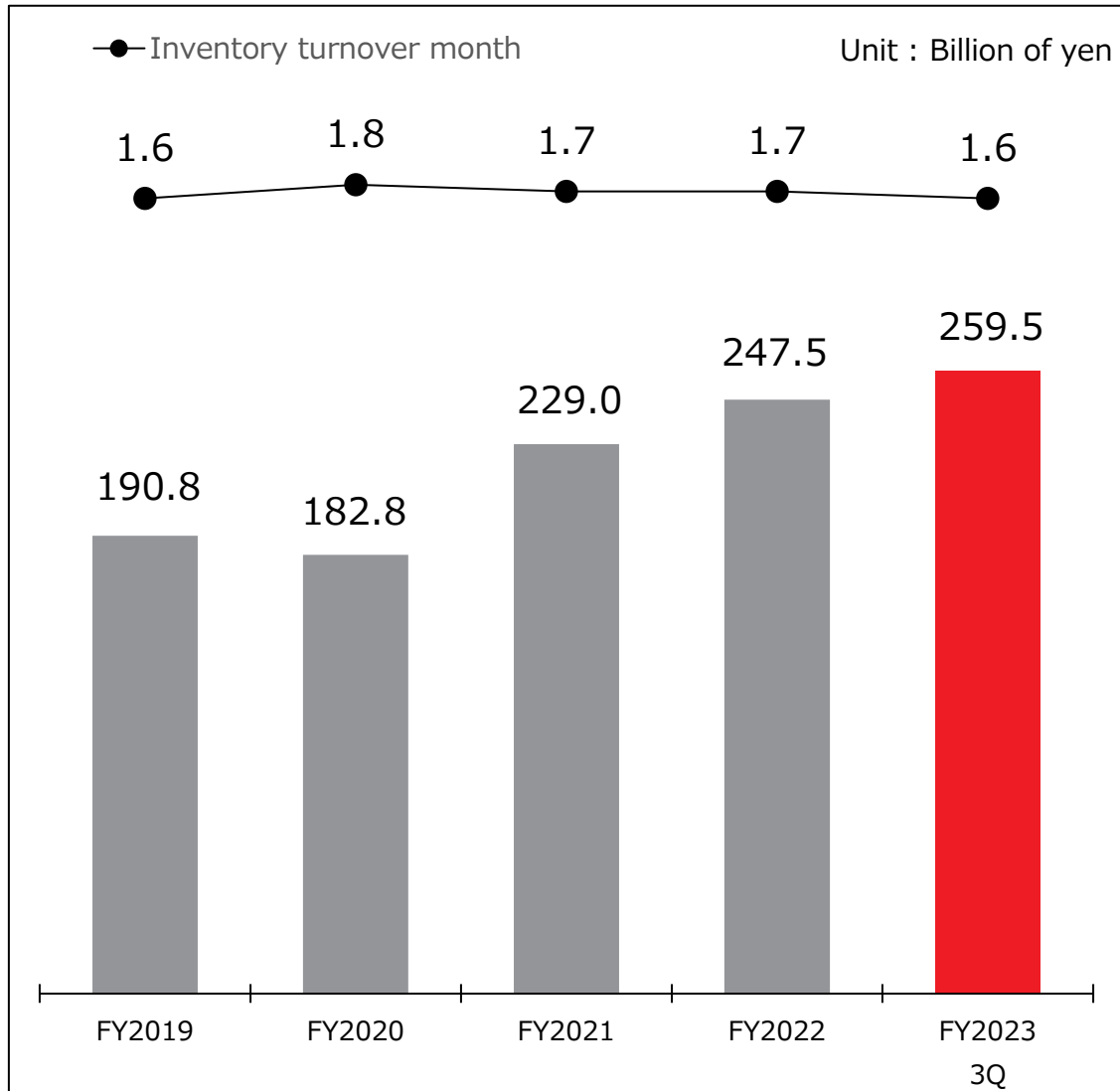


R&D expenses

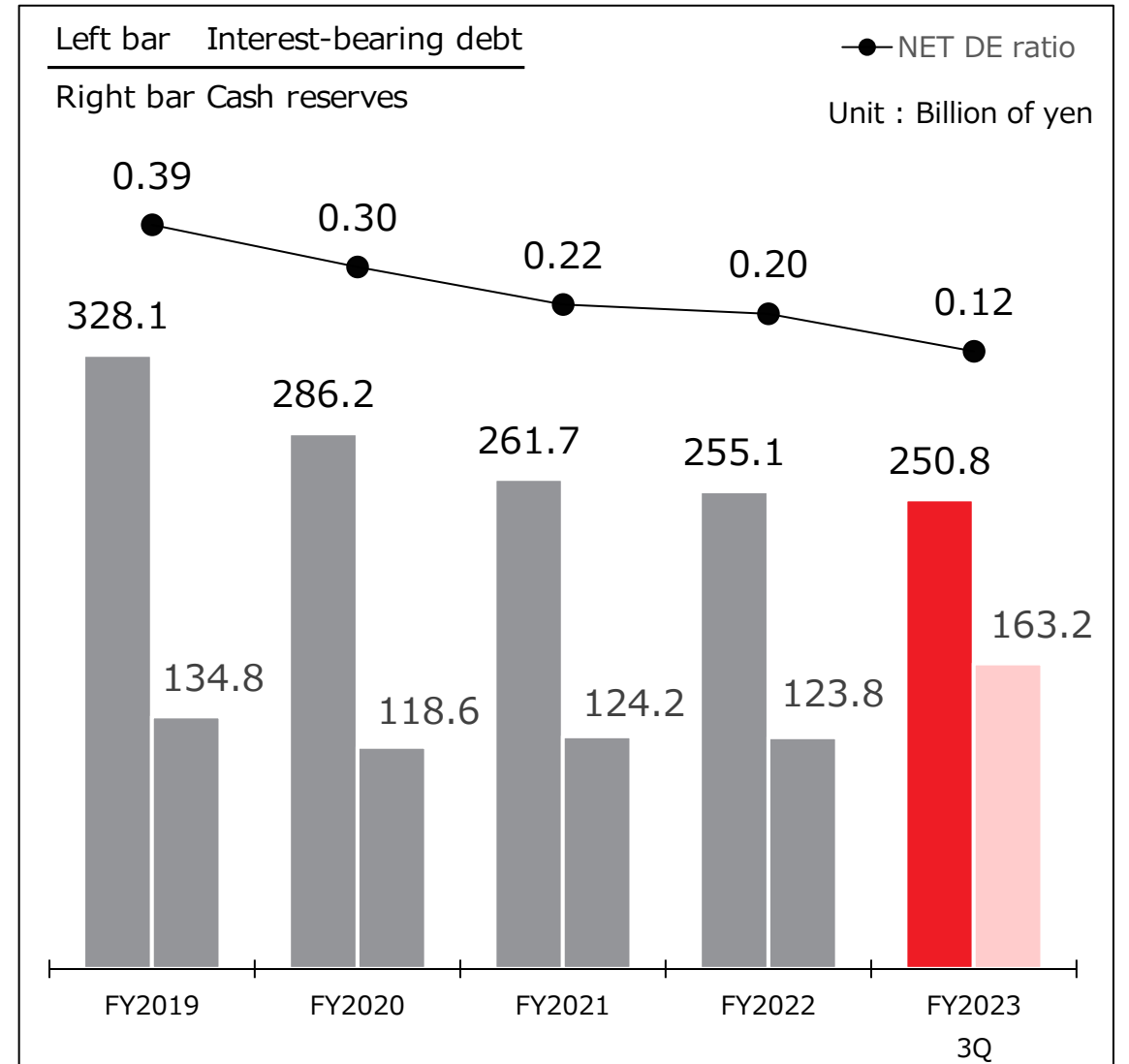
Ratio to revenue Unit : Billion of yen



Inventories



Interest-bearing debt / Cash reserves



Assets

Unit : Billion of yen

Assets	FY2022	FY2023 3Q	Change
Cash and cash equivalents	123.8	163.2	+39.3
Trade and other receivables	350.3	336.7	-13.6
Inventories	247.5	259.5	+11.9
Other current assets	13.4	17.4	+3.9
Property, plant and equipment	466.9	469.8	+2.8
Other non-current assets	239.0	283.1	+44.0
Total assets	1,441.3	1,529.9	+88.5

Liabilities and equity

Unit : Billion of yen

Liabilities and equity	FY2022	FY2023 3Q	Change
Trade and other payables	346.5	369.5	+22.9
Interest-bearing debt	255.1	250.8	-4.2
Other current liabilities	33.6	30.3	-3.3
Other non-current liabilities	105.2	124.1	+18.9
Equity attributable to owners of the parent company	667.2	723.4	+56.1
Non-controlling interests	33.5	31.6	-1.8
Total liabilities and equity	1,441.3	1,529.9	+88.5

Consolidated Statement of Profit or Loss

Unit : Billion of yen

	FY2022 3Q	FY2023 3Q	Change
Revenue	1,224.9	1,411.8	+ 186.9
Business Profit	32.1	54.5	+ 22.4
Other income / Other expenses	1.0	2.8	+ 1.7
Operating Profit	33.1	57.3	+ 24.2
Financial income / financial costs	3.6	3.8	+ 0.2
Income tax expenses / Non-controlling interests	-18.4	-24.7	-6.3
Profit attributable to owners of parent	18.3	36.4	+ 18.0

Consolidated Statement of Cash Flows

Unit : Billion of yen

	FY2022 3Q	FY2023 3Q	Change
Cash flows from operating activities	62.7	129.8	+ 67.0
Cash flows from investing activities	-34.0	-60.8	-26.8
Free Cash flows	28.7	68.9	+ 40.1
Cash flows from financing activities	-32.8	-33.1	-0.3
Foreign currency translation adjustments	-0.1	3.6	+ 3.7
Net increase (decrease) in cash and cash equivalents	-4.1	39.3	+ 43.5
Cash and cash equivalents	120.1	163.2	+ 43.1

3-3-1) Performance comparison – FY2023-3Q Results

(by Region)

Unit: Billion of yen

Region	FY2022 3Q	FY2023 3Q	change		Foreign exchange	FY2023 3Q	Change excluding foreign exchange	
Japan	462.0	564.6	+102.6	+22.2%	-	564.6	+102.6	+22.2%
North America	286.8	339.4	+52.5	+18.3%	+ 18.7	320.6	+33.8	+11.8%
Europe	138.1	166.2	+28.0	+20.3%	+ 15.4	150.8	+12.6	+9.1%
China	143.9	136.4	-7.5	-5.2%	+ 0.6	135.7	-8.2	-5.7%
Asia & others	193.8	205.0	+11.1	+5.8%	+ 6.0	199.0	+5.1	+2.7%
Total	1,224.9	1,411.8	+186.9	+15.3%	+40.8	1,370.9	+146.0	+11.9%
Japan	18.1	27.1	+8.9	+49.1%	+ 5.2	21.8	+ 3.7	+20.4%
North America	-1.8	7.2	+9.0	-%	+ 0.4	6.7	+ 8.5	-%
Europe	-8.9	-8.6	+0.3	-%	-0.9	-7.7	+ 1.2	-%
China	13.5	11.1	-2.4	-17.8%	+ 0.2	10.8	-2.6	-19.7%
Asia & Others	18.5	18.9	+0.3	+1.9%	+ 0.8	18.0	-0.5	-2.9%
Elimination	-7.3	-1.1	+6.1	-%	+ 0.0	-1.1	+ 6.1	-%
Total	32.1	54.5	+ 22.4	+70.0%	+ 5.9	48.6	+ 16.5	+51.4%

Revenue

Business
profit

3-3-2) Performance comparison – FY2023-3Q Results

(by Business unit)

Unit: Billion of yen

Business unit	FY2022 3Q	FY2023 3Q	change		Foreign exchange	FY2023 3Q	Change excluding foreign exchange			
Revenue	Steering	585.5	674.9	89.4	+15.3%	+23.7	651.2	+65.7	+11.2%	
	Drivelines	243.9	327.6	83.6	+34.3%	+5.5	322.0	+78.0	+32.0%	
	Automotive	829.4	1,002.6	173.1	+20.9%	+29.3	973.3	+143.8	+17.3%	
	Industrial&Bearings	262.0	270.0	8.0	+3.1%	+7.8	262.2	+0.2	+0.1%	
	Machine tools	131.9	137.7	5.8	+4.4%	+3.7	134.0	+2.0	+1.6%	
	Others	1.4	1.3	-0.0	-6.5%	+0.0	1.3	-0.0	-6.5%	
	Machine tools	133.4	139.1	5.7	+4.3%	+3.7	135.4	+2.0	+1.5%	
	Total	1,224.9	1,411.8	186.9	+15.3%	+40.8	1,370.9	+146.0	+11.9%	
	Business profit	Steering	7.1	22.3	+15.1	+212.4%	+2.3	19.9	+12.8	+179.3%
		Drivelines	3.0	11.7	+8.6	+287.0%	+0.4	11.2	+8.2	+271.7%
Automotive		10.1	34.0	+23.8	+234.6%	+2.8	31.1	+21.0	+206.8%	
Industrial&Bearings		10.8	9.6	-1.2	-11.3%	+2.3	7.3	-3.5	-32.6%	
Machine tools		11.8	12.9	+1.0	+8.7%	+0.7	12.1	+0.2	+2.0%	
Others		-1.6	-2.2	-0.6	-%	+0.0	-2.2	-0.6	-%	
Machine tools		10.2	10.6	+0.4	+4.2%	+0.8	9.8	-0.3	-3.7%	
Elimination		0.8	0.2	-0.5	-73.5%	+0.0	0.2	-0.5	-73.5%	
Total		32.1	54.5	+22.4	+70.0%	+5.9	48.6	+16.5	+51.4%	

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

Unit : Billion of yen

FY2022	1Q			2Q			3Q			4Q		
	Revenue	Business profit		Revenue	Business profit		Revenue	Business profit		Revenue	Business profit	
Japan	138.1	1.2	0.9%	164.0	9.8	6.0%	159.8	7.0	4.4%	176.3	10.3	5.9%
North America	89.3	-1.0	-1.2%	101.3	-0.8	-0.9%	96.1	0.0	0.1%	113.2	10.9	9.7%
Europe	44.2	-3.1	-7.1%	44.3	-3.6	-8.2%	49.6	-2.2	-4.5%	58.0	0.5	0.9%
China	43.4	2.5	5.8%	54.0	5.6	10.4%	46.4	5.3	11.6%	36.4	0.9	2.5%
Asia & Others	56.5	4.7	8.4%	69.0	7.1	10.4%	68.2	6.6	9.7%	69.1	6.7	9.8%
Erimination		-1.7			-2.7			-2.8			0.9	
Total	371.6	2.6	0.7%	432.8	15.4	3.6%	420.3	14.0	3.3%	453.2	30.5	6.7%

FY2023	1Q			2Q			3Q			4Q		
	Revenue	Business profit		Revenue	Business profit		Revenue	Business profit		Revenue	Business profit	
Japan	172.8	2.8	1.7%	195.7	14.2	7.3%	196.1	10.0	5.1%			
North America	111.0	4.7	4.2%	113.8	-0.5	-0.5%	114.5	3.0	2.7%			
Europe	55.9	-2.9	-5.3%	49.9	-4.5	-9.1%	60.3	-1.1	-1.9%			
China	44.1	3.1	7.0%	43.3	2.9	6.8%	48.9	5.0	10.3%			
Asia & Others	61.6	4.3	7.1%	73.7	6.7	9.1%	69.6	7.8	11.2%			
Erimination		1.8			-1.2			-1.7				
Total	445.6	13.9	3.1%	476.5	17.5	3.7%	489.5	23.0	4.7%			

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

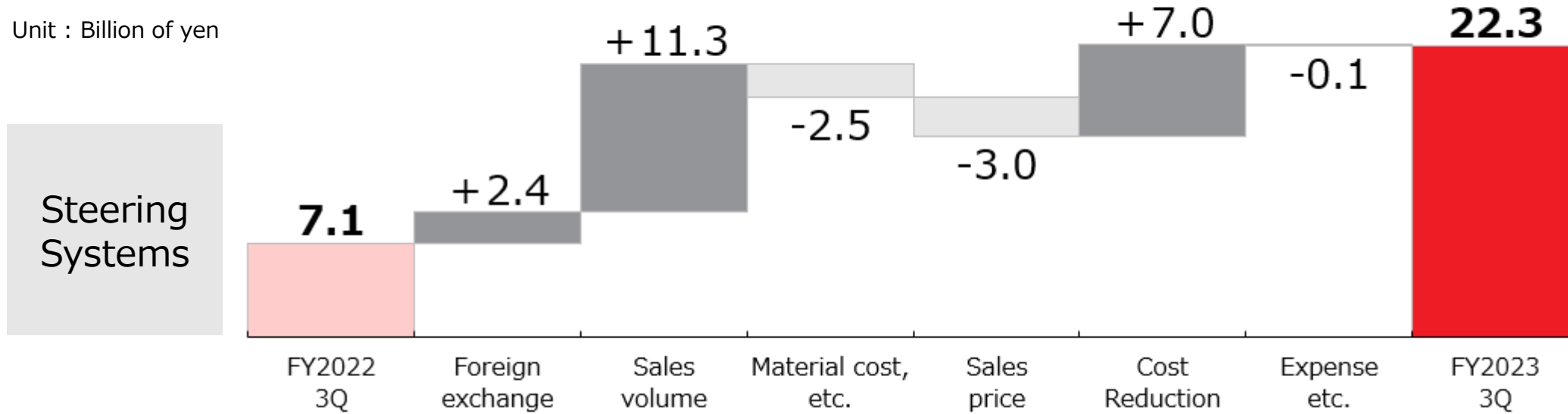
Unit : Billion of yen

FY2022	1Q			2Q			3Q			4Q		
	Revenue	Business profit		Revenue	Business profit		Revenue	Business profit		Revenue	Business profit	
Steering Systems	177.0	-3.4	-1.9%	205.9	4.8	2.4%	202.5	5.6	2.8%	220.7	15.5	7.0%
Drivelines	81.9	0.8	1.0%	79.0	1.6	2.1%	82.9	0.5	0.6%	92.4	5.2	5.7%
Automotive	258.9	-2.6	-1.0%	285.0	6.5	2.3%	285.4	6.2	2.2%	313.2	20.8	6.6%
Industrial & Bearings	76.3	3.0	4.0%	97.3	4.0	4.1%	88.2	3.7	4.3%	89.5	6.1	6.9%
Machine tools	35.8	2.4	6.8%	50.0	5.0	10.1%	46.0	4.3	9.5%	49.8	4.3	8.8%
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%	50.4	4.5	8.9%	46.6	3.8	8.2%	50.5	3.5	6.9%
Erimination		0.2			0.3			0.2			0.0	
Total	371.6	2.6	0.7%	432.8	15.4	3.6%	420.3	14.0	3.3%	453.2	30.5	6.7%

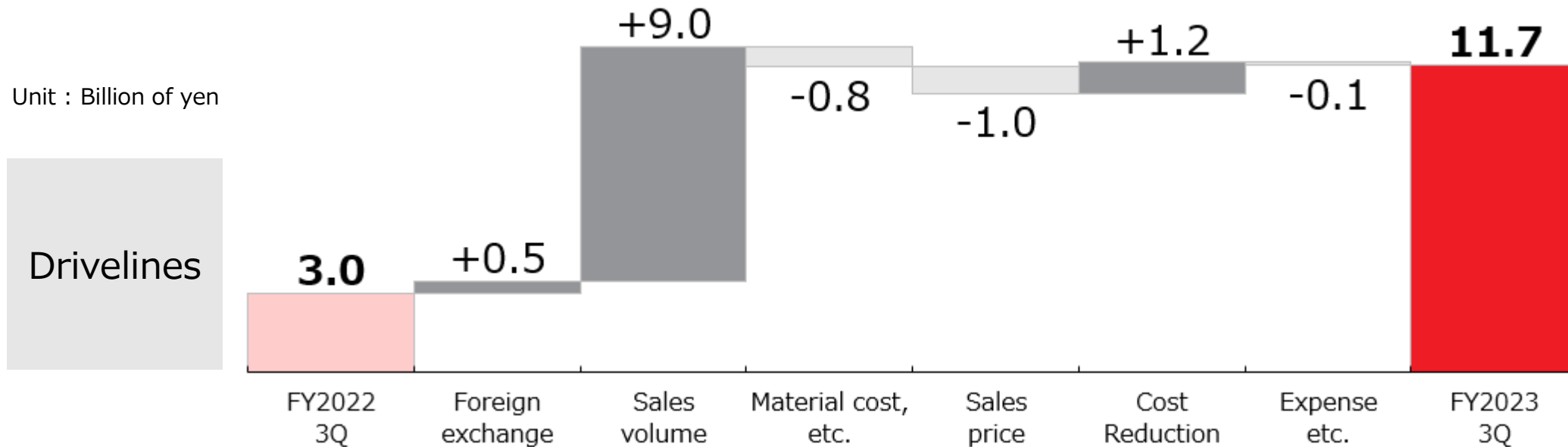
FY2023	1Q			2Q			3Q			4Q		
	Revenue	Business profit		Revenue	Business profit		Revenue	Business profit		Revenue	Business profit	
Steering Systems	215.1	5.4	2.5%	223.1	7.0	3.2%	236.7	9.8	4.2%			
Drivelines	98.0	2.3	2.4%	113.5	2.7	2.4%	116.0	6.6	5.7%			
Automotive	313.1	7.8	2.5%	336.6	9.7	2.9%	352.7	16.4	4.7%			
Industrial & Bearings	89.7	3.2	3.6%	91.2	4.3	4.8%	89.0	2.0	2.3%			
Machine tools	42.1	3.4	8.2%	48.3	4.3	9.0%	47.2	5.1	10.8%			
Others	0.5	-0.7		0.2	-0.7		0.4	-0.7				
Machine tools	42.7	2.7	6.5%	48.6	3.5	7.4%	47.7	4.3	9.1%			
Erimination		0.1			-0.1			0.2				
Total	445.6	13.9	3.1%	476.5	17.5	3.7%	489.5	23.0	4.7%			

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

Unit : Billion of yen



Unit : Billion of yen



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



3-6-1) Performance comparison – FY2023 Forecasts

(by Region)

Unit: Billion of yen

Region	FY2022	FY2023	Change		Foreign exchange	FY2023	Change excluding foreign exchange	
Japan	638.4	725.0	+ 86.5	+13.6%	-	725.0	+ 86.5	+13.6%
North America	400.1	456.0	+ 55.8	+14.0%	+ 23.0	433.0	+ 32.8	+8.2%
Europe	196.2	219.0	+ 22.7	+11.6%	+ 16.0	203.0	+ 6.7	+3.5%
China	180.3	177.0	- 3.3	-1.9%	+ 2.0	175.0	- 5.3	-3.0%
Asia & others	263.0	273.0	+ 9.9	+3.8%	+ 7.0	266.0	+ 2.9	+1.1%
Total	1,678.1	1,850.0	+ 171.8	+10.2%	+ 48.0	1,802.0	+ 123.8	+7.4%
Japan	28.5	42.0	+ 13.4	+47.1%	+ 7.0	35.0	+ 6.4	+22.6%
North America	9.1	10.5	+ 1.3	+14.5%	+ 1.5	9.0	- 0.1	-1.9%
Europe	- 8.4	- 10.0	- 1.5	-%	- 1.5	- 8.5	+ 0.0	-%
China	14.4	12.0	- 2.4	-16.8%	+ 0.5	11.5	- 2.9	-20.3%
Asia & others	25.3	25.5	+ 0.1	+0.6%	+ 0.5	25.0	- 0.3	-1.4%
Elimination	- 6.3	0.0	+ 6.3	-%	+ 0.0	0.0	+ 6.3	-%
Total	62.6	80.0	+ 17.3	+27.7%	+ 8.0	72.0	+ 9.3	+14.9%

3-6-2) Performance comparison – FY2023 Forecasts

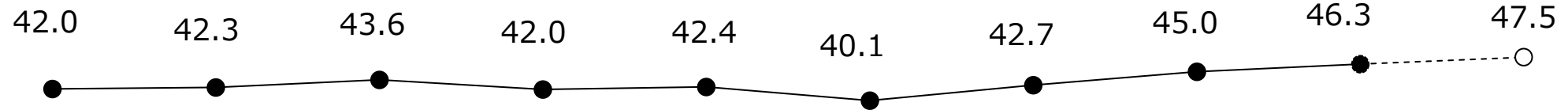
(by Business unit)

Unit: Billion of yen

Business unit	FY2022	FY2023	Change		Foreign exchange	FY2023	Change excluding foreign exchange			
Revenue	Steering	806.2	866.0	+59.7	+7.4%	+26.0	840.0	+33.7	+4.2%	
	Drivelines	336.3	408.0	+71.6	+21.3%	+8.0	400.0	+63.6	+18.9%	
	Automotive	1,142.6	1,274.0	+131.3	+11.5%	+34.0	1,240.0	+97.3	+8.5%	
	Industrial&Bearings	351.5	386.0	+34.4	+9.8%	+10.0	376.0	+24.4	+7.0%	
	Machine tools	181.8	188.0	+6.1	+3.4%	+4.0	184.0	+2.1	+1.2%	
	Others	2.1	2.0	-0.1	-5.7%	+0.0	2.0	-0.1	-5.7%	
	Machine tools	183.9	190.0	+6.0	+3.3%	+4.0	186.0	+2.0	+1.1%	
	Total	1,678.1	1,850.0	+171.8	+10.2%	+48.0	1,802.0	+123.8	+7.4%	
	Business profit	Steering	22.6	31.0	+8.3	+36.7%	+4.6	26.4	+3.7	+16.4%
		Drivelines	8.3	15.0	+6.6	+80.3%	+1.6	13.4	+5.0	+61.1%
Automotive		30.9	46.0	+15.0	+48.4%	+6.2	39.8	+8.8	+28.4%	
Industrial&Bearings		17.0	17.0	-0.0	-0.2%	+0.5	16.5	-0.5	-3.2%	
Machine tools		16.2	19.0	+2.7	+16.8%	+1.3	17.7	+1.4	+8.8%	
Others		-2.5	-2.0	+0.5	-%	+0.0	-2.0	+0.5	-%	
Machine tools		13.7	17.0	+3.2	+23.6%	+1.3	15.7	+1.9	+14.1%	
Elimination		0.8	0.0	-0.8	-%	+0.0	0.0	-0.8	-%	
Total		62.6	80.0	+17.3	+27.7%	+8.0	72.0	+9.3	+14.9%	

3-7) Profit trends

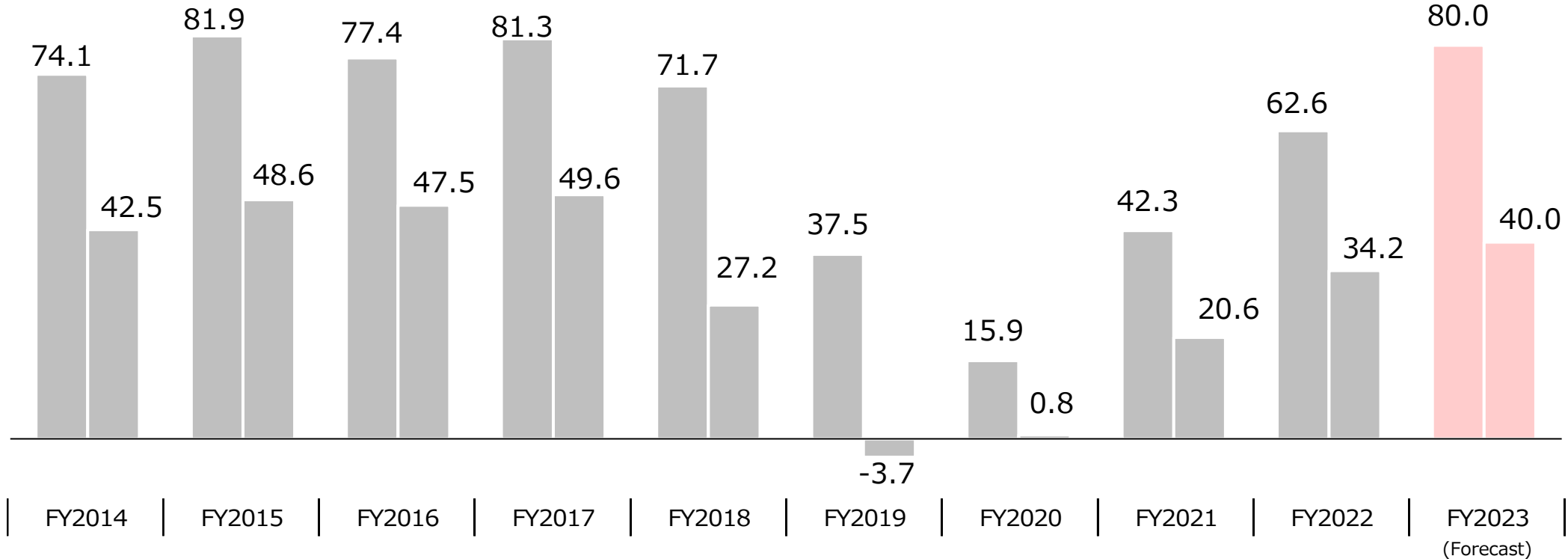
● Equity ratio(%)



Left bar Business profit

Right bar Profit attributable to owners of parent company

Unit : Billion of yen



※ Before FY2018 : J-GAAP After FY2019 : IFRS

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【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.