Financial results for the 1st Quarter of fiscal year ending March 2027

August 4th, 2026

JTEKT CORPORATION

Overview of Financial results

Result	■ **Revenue increased YoY**, driven by favorable foreign exchange effects and higher sales in North America and Asia, despite the impact of the Middle East situation. ■ **Business profit increased YoY,** supported by the effects of structural reforms in Europe and North America and cost improvement activities, despite the impact of U.S. Tariffs and inflation. ■ The Transfer of the European Automotive Business was completed at the end of July, one month ahead of schedule.
Forecast	■ **Initial forecast (Record-High Profit) maintained**, despite the steady accumulation of benefits from cost improvement and restructuring initiatives, due to continued market uncertainty, including geopolitical developments in the Middle East. **Business profit 900 / Operating profit 750 / Profit for the period 500** (Unit: 100 million yen) ■ **Aim to achieve record-high profit** through the successful completion of restructuring initiatives in Europe and North America and the continued accumulation of cost improvement benefits.
Share holder returns	■ **FY2026 dividend forecast maintained at 70 yen** per share annually. (Interim 35 yen / Year-end 35 yen, **DOE 2.8%**)

Agenda

1. Results for the 1st Quarter of fiscal year ending March 2027 P 4

2. Forecasts for Fiscal Year ending March 2027 P 9

3. Appendix P 16

1-1) FY2026 Q1 Results – Consolidated performance

- **Revenue increased YoY**, driven by favorable foreign exchange effects and higher sales in North America and Asia, despite the impact of the Middle East situation.
- **Business profit increased YoY**, supported by the effects of structural reforms in Europe and North America and cost improvement activities, despite the impact of U.S. Tariffs and inflation.
- **Profit for the period increased YoY**, reflecting higher business profit and improved financial income and expenses.

(Ratio to revenue) Unit:100M of yen

	FY2025 Q1		**FY2026 Q1**		Change	Change ratio
Revenue		4,547		**4,919**	+371	+8.2%
Business profit *1	(3.1%)	140	**(4.6%)**	**227**	+87	+62.1%
Operating profit	(3.0%)	135	**(4.6%)**	**228**	+92	+68.6%
Profit before income taxes	(2.3%)	103	**(4.4%)**	**215**	+112	+108.8%
Profit for the period *2	(1.4%)	65	**(2.8%)**	**138**	+73	+112.5%
Foreign Exchange USD		144.59 JPY		**159.49 JPY**	+14.90 JPY	
EUR		163.80 JPY		**185.39 JPY**	+21.59 JPY	

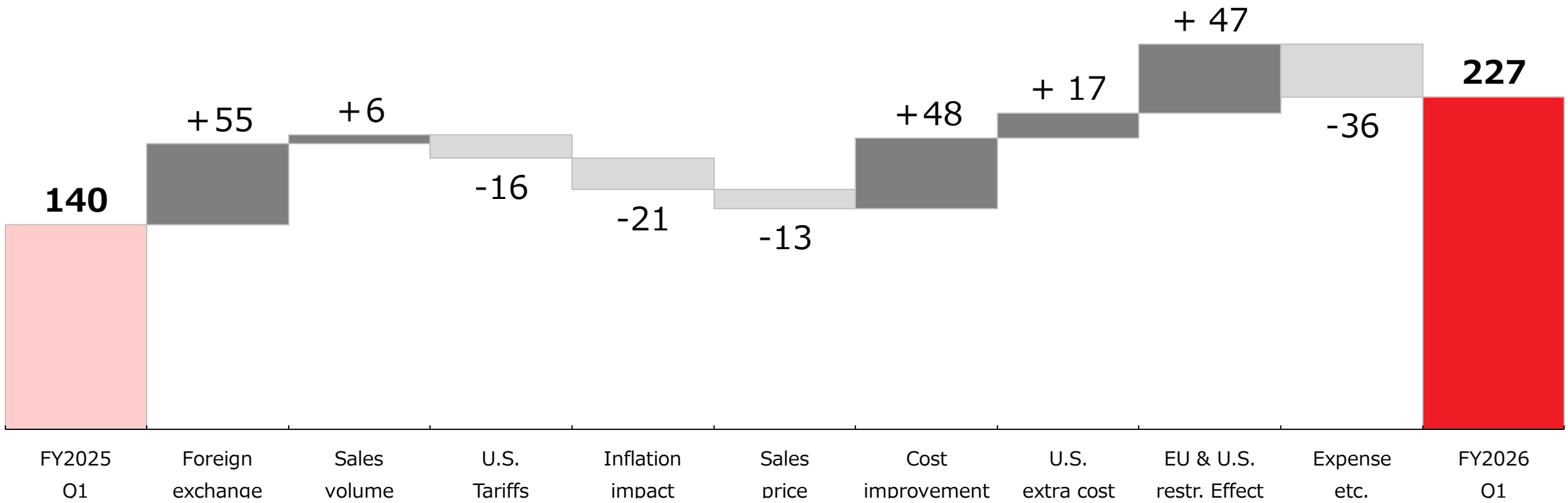
(*1) Our own management profit after deducting "cost of revenue" and "selling, general and administrative expenses" from "Revenue"

(*2) Profit attributable to owners of the parent company

1-2) FY2026 Q1 Results – Business profit analysis

- U.S. Tariffs and cost inflation (mainly labor costs) were incurred prior to recovery from customers.
- **Business profit increased YoY**, supported by the effects of structural reforms in Europe and North America and cost improvement activities.

Unit : 100M of yen

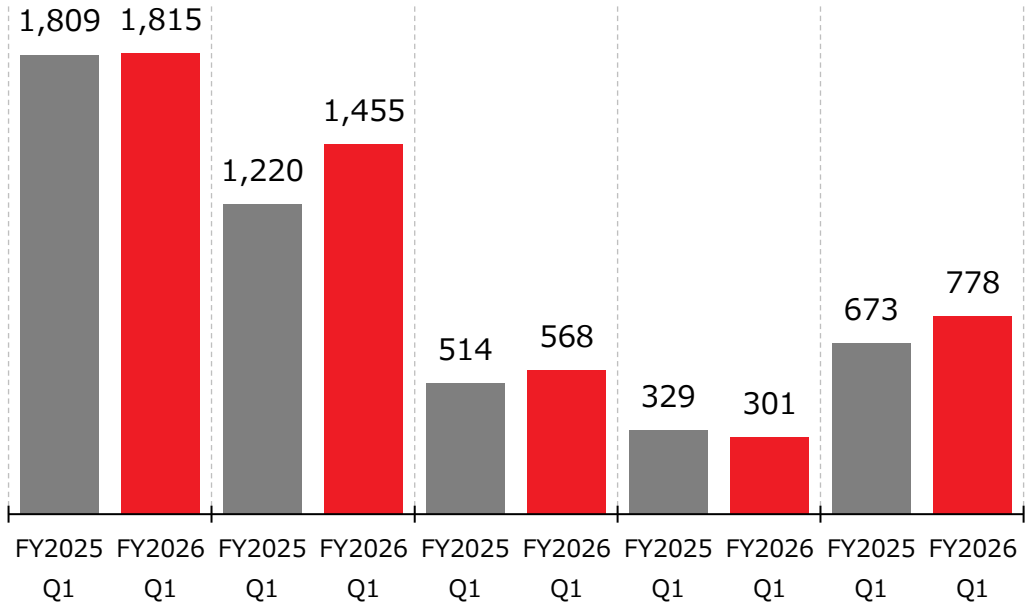


1-3) FY2026 Q1 Results – by Region

■ **Europe returned to profitability on a quarterly basis,** supported mainly by the recovery of inflation costs incurred in prior years from customers.

Revenue

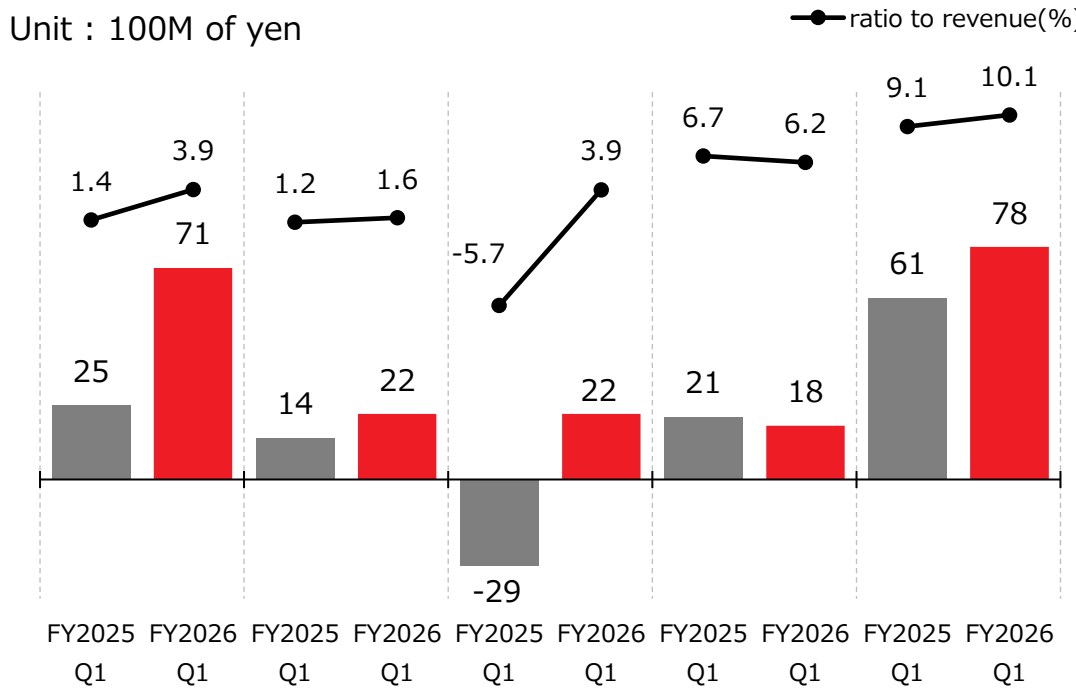
Unit : 100M of yen



Japan	North America	Europe	China	Asia & Others
Change [Change Ratio]				
+5 [+0.3%]	+234 [+19.2%]	+53 [+10.5%]	-27 [-8.3%]	+104 [+15.6%]

Business Profit

Unit : 100M of yen



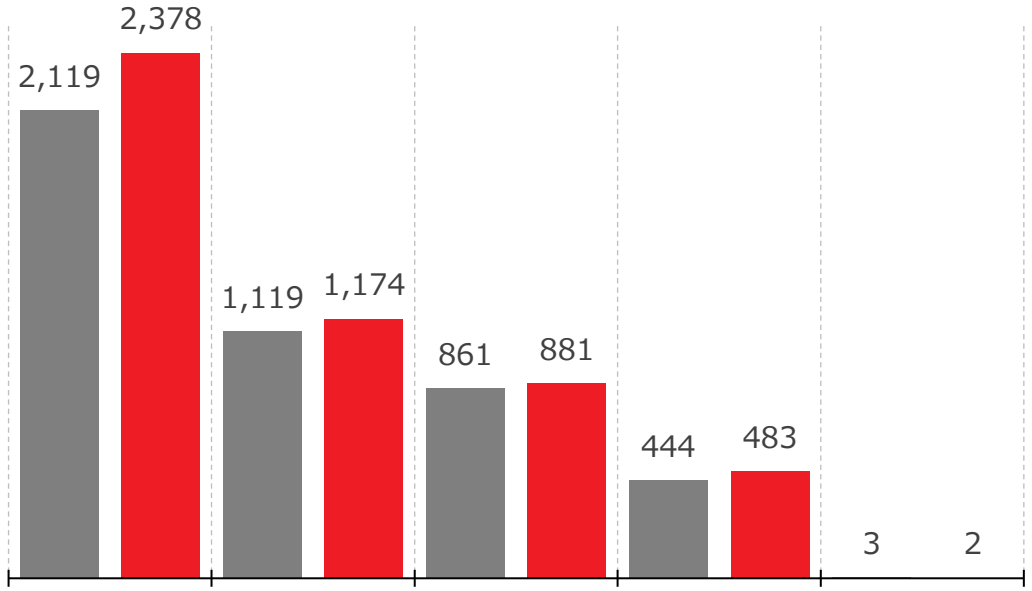
Japan	North America	Europe	China	Asia & Others
Change [Change Ratio]				
+46 [+184.3%]	+8 [+56.3%]	+51 [-%]	-3 [-15.4%]	+17 [+27.8%]

1-4) FY2026 Q1 Results – by Business unit

■ Steering systems : **Business profit increased YoY,** supported mainly by the recovery of inflation costs incurred in prior years from customers in Europe.

Revenue

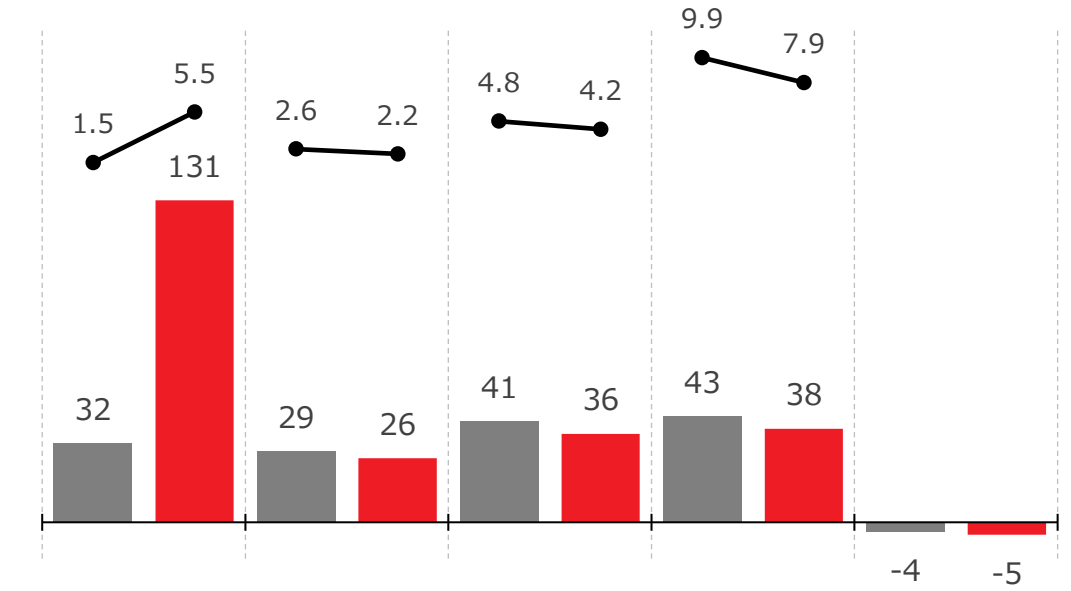
Unit : 100M of yen



Steering Systems	Drivelines	Industrial & Bearings	Machine tools	Others
Change [Change Ratio]				
+259 [+12.2%]	+54 [+4.9%]	+20 [+2.4%]	+38 [+8.7%]	-1 [-45.7%]

Business Profit

Unit : 100M of yen



Steering Systems	Drivelines	Industrial & Bearings	Machine tools	Others
Change [Change Ratio]				
+99 [+310.7%]	-3 [-10.3%]	-4 [-11.1%]	-5 [-13.0%]	-0 [-%]

Agenda

1. Results for the 1st Quarter of fiscal year ending March 2027 P 4

2. Forecasts for Fiscal Year ending March 2027 P 9

3. Appendix P 16

2-1) FY2026 Forecast – Consolidated performance

■ **Initial forecast (Record-High Profit) maintained**, despite the steady accumulation of benefits from cost improvement and restructuring initiatives, due to continued market uncertainty, including geopolitical developments in the Middle East.

Unit : 100M of yen

		FY2025 Actual		FY2026 Forecast		Change	Change ratio
Revenue			19,249		**18,800**	-449	-2.3%
Business profit	*1	(3.9%)	756	**(4.8%)**	**900**	+143	+18.9%
Operating profit		(1.3%)	248	**(4.0%)**	**750**	+501	+201.8%
Profit before income taxes		(1.4%)	273	**(3.7%)**	**700**	+426	+155.7%
Profit for the period	*2	(0.6%)	119	**(2.7%)**	**500**	+380	+317.6%
Foreign Exchange	USD		150.77 JPY		**156.00 JPY**	+5.23 JPY	
	EUR		174.79 JPY		**181.00 JPY**	+6.21 JPY	
Earnings per share			37.62 JPY		**157.07 JPY**	+119.45 JPY	

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

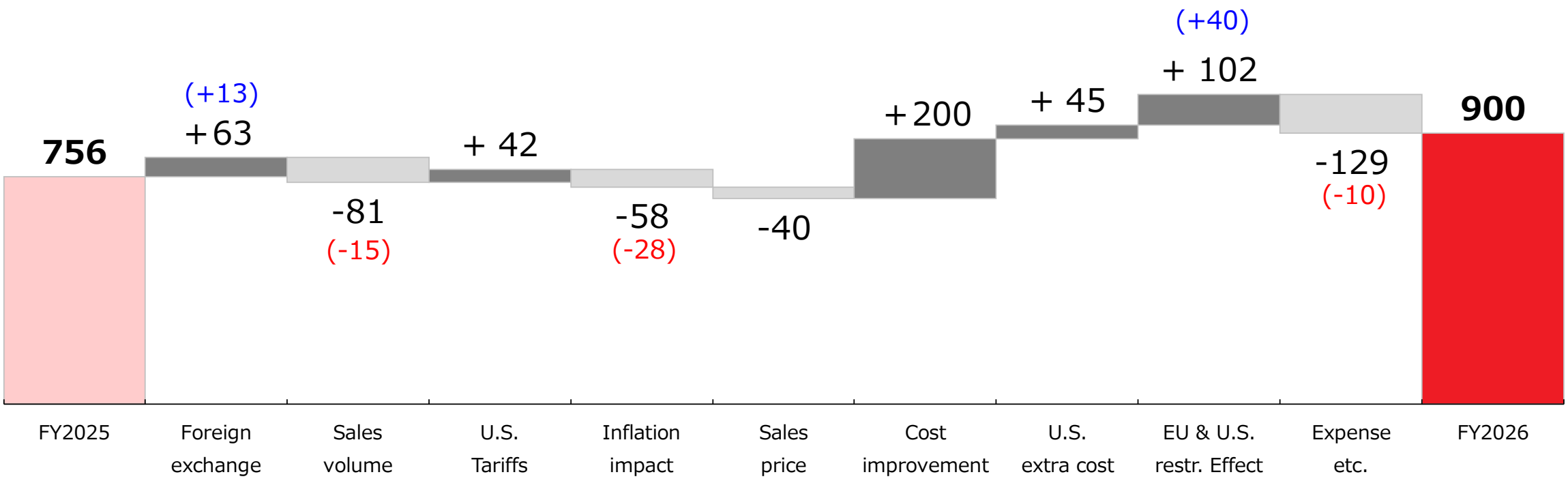
(*2) Profit attributable to owners of the parent company

2-2) FY2026 Forecast – Business profit analysis

- Despite the impact of lower sales, particularly in China, **record-high business profit is expected**, supported by cost improvement activities, including selling price improvement, productivity improvement and structural reforms in Europe and North America.
- Steadily execute strategic investments, including development, production preparation, and ADC business expansion initiatives, to secure future growth.

() : Change from previous forecast

Unit : 100M of yen



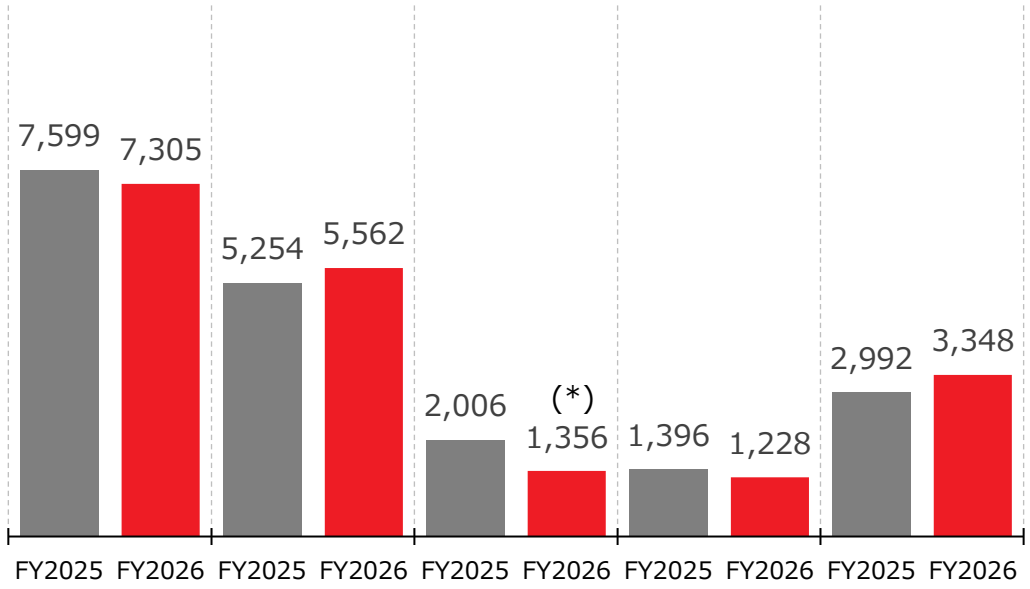
2-3) FY2026 Forecast – by Region

*Including the impact of The Transfer of the European Automotive Business

- North America : Business profit increased supported by cost improvement activities.
- Europe : Business profit increased supported by structural reforms.

Revenue

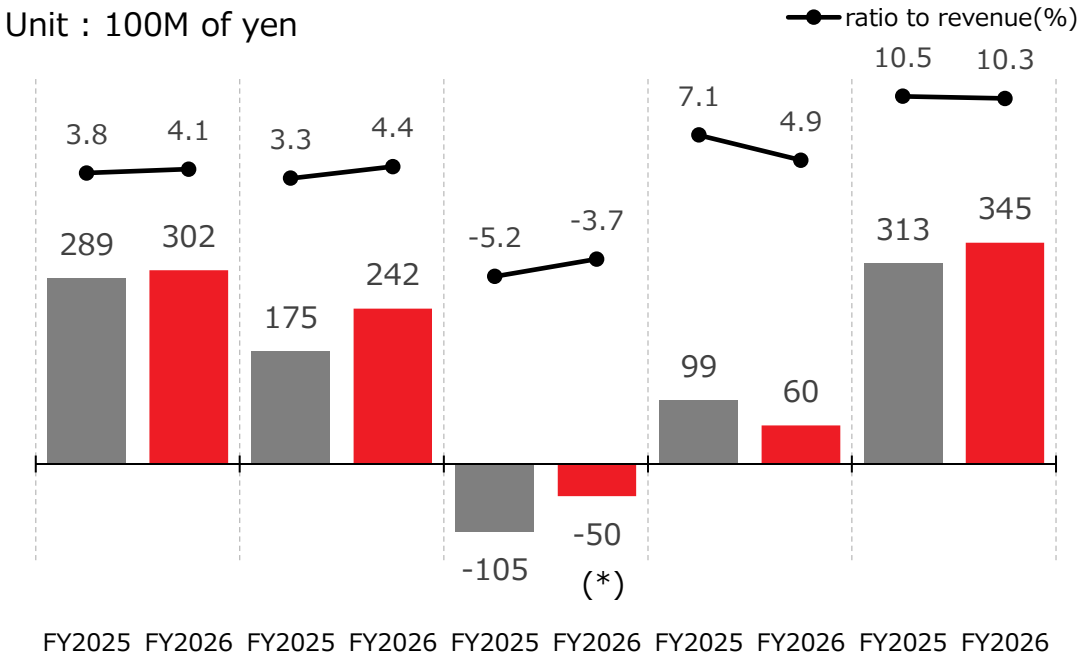
Unit : 100M of yen



Japan	North America	Europe	China	Asia & Others
Change [Change Ratio]				
-294 [-3.9%]	+307 [+5.9%]	-649 [-32.4%]	-168 [-12.0%]	+355 [+11.9%]

Business Profit

Unit : 100M of yen



Japan	North America	Europe	China	Asia & Others
Change [Change Ratio]				
+12 [+4.5%]	+66 [+38.1%]	+54 [-%]	-38 [-39.1%]	+31 [+10.0%]

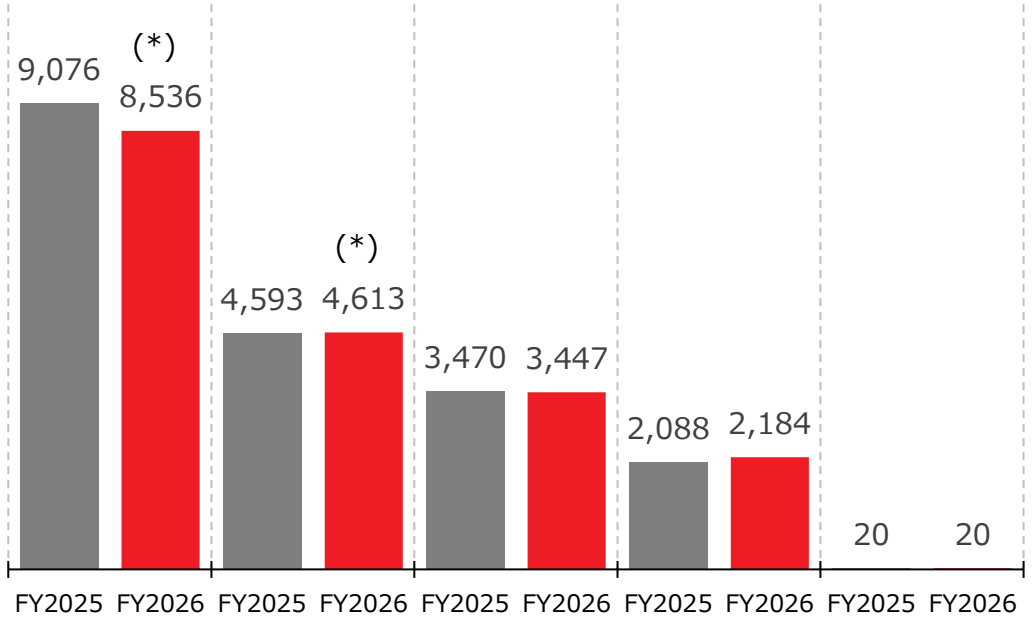
2-4) FY2026 Forecast – by Business unit

*Including the impact of The Transfer of the European Automotive Business

■ Business profit increased in all business units, with particularly strong growth in Steering Systems driven by structural reforms in Europe.

Revenue

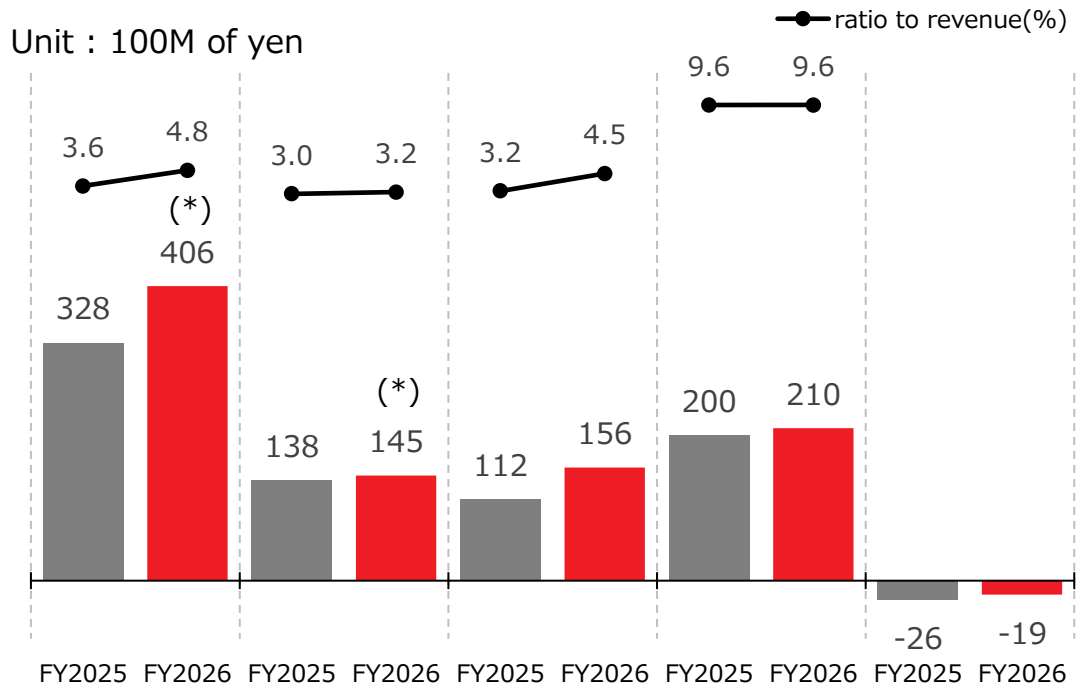
Unit : 100M of yen



Steering Systems	Drivelines	Industrial & Bearings	Machine tools	Others
Change [Change Ratio]				
-540 [-6.0%]	+19 [+0.4%]	-23 [-0.7%]	+95 [+4.6%]	-0 [-2.5%]

Business Profit

Unit : 100M of yen

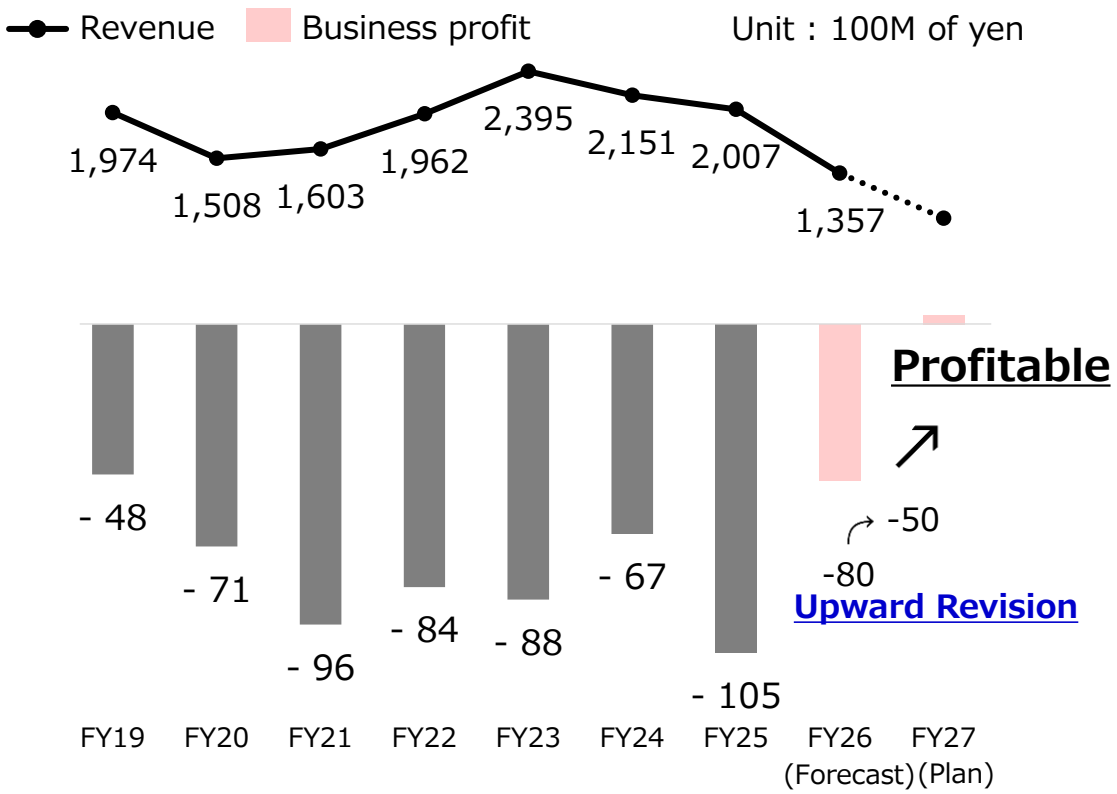


Steering Systems	Drivelines	Industrial & Bearings	Machine tools	Others
Change [Change Ratio]				
+78 [+23.9%]	+7 [+5.2%]	+44 [+39.6%]	+9 [+4.7%]	+6 [-%]

2-5) FY2026 Forecast - Structural Reform in Europe

- The transfer of the European Automotive Business was completed at the end of July, one month ahead of schedule.
- **The forecast is revised upward**, reflecting the recovery from customers of inflation costs incurred in prior years.
  → **Europe is expected to return to profitability in FY2027**, following the completion of the remaining structural reforms.

Revenue / Profit trend



History of Structural reform in Europe

FY23 Transfer of the Industrial Pump business

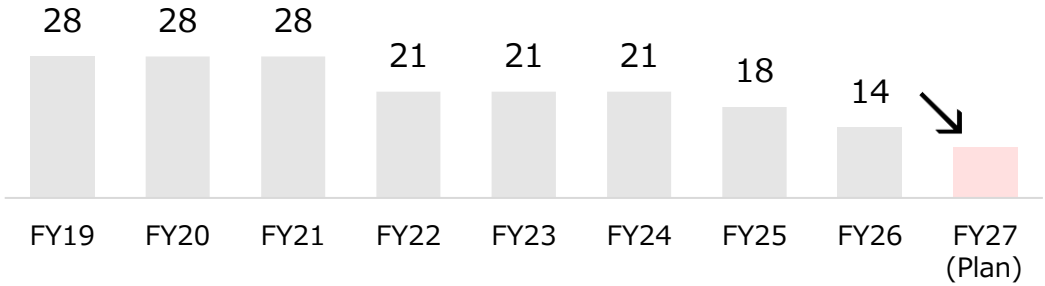
FY24 Transfer of the Needle Roller Bearing business

FY26 Transfer of the European Automotive business (End of July)

FY26 Promote the remaining structural reforms

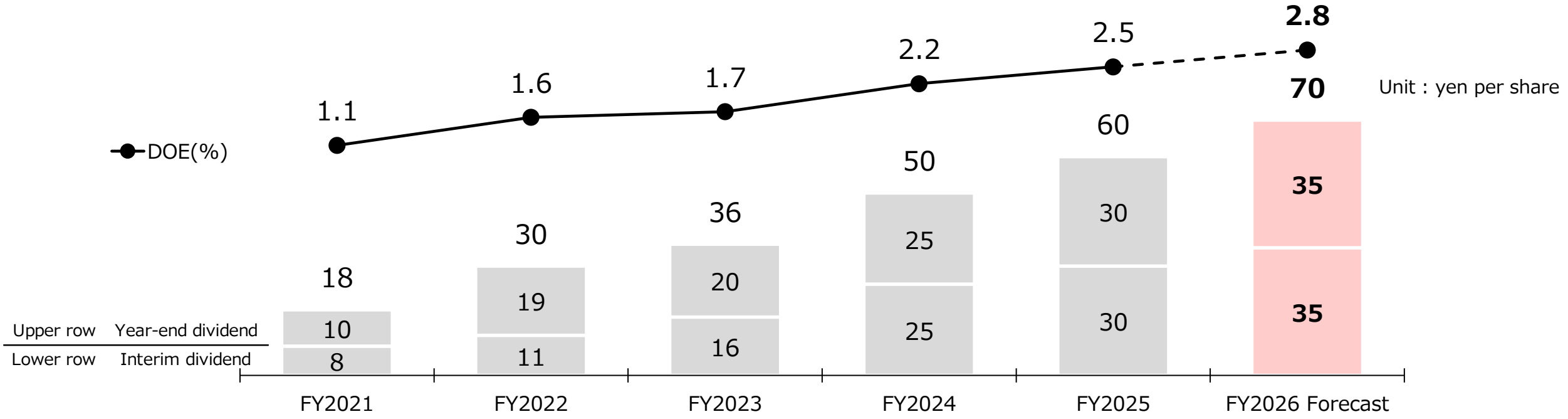
[Exit from HUB unit and Bearing Manufacturing Sites in Romania and the UK
→ Production Transfer to Japan, China, and Other Region]

Numbers of the business entities



2-6) Shareholder Returns

■ Continue to enhance shareholder returns in line with the Mid-Term Management Plan.
FY2026 dividend forecast maintained at 70 yen per share annually.
(Interim 35 yen / Year-end 35 yen, **DOE 2.8%**)



1st Mid-Term Management Plan
『 Profit payout ratio 』

2nd Mid-Term Management Plan
『 DOE 』

Profit for the period	(100M of yen)	206	342	402	137	119	**500**
Earnings per share	(JPY)	60.31	99.94	117.37	40.36	37.62	**157.07**
Dividend payout ratio	(%)	29.8	30.0	30.7	123.9	159.5	**44.6**

Agenda

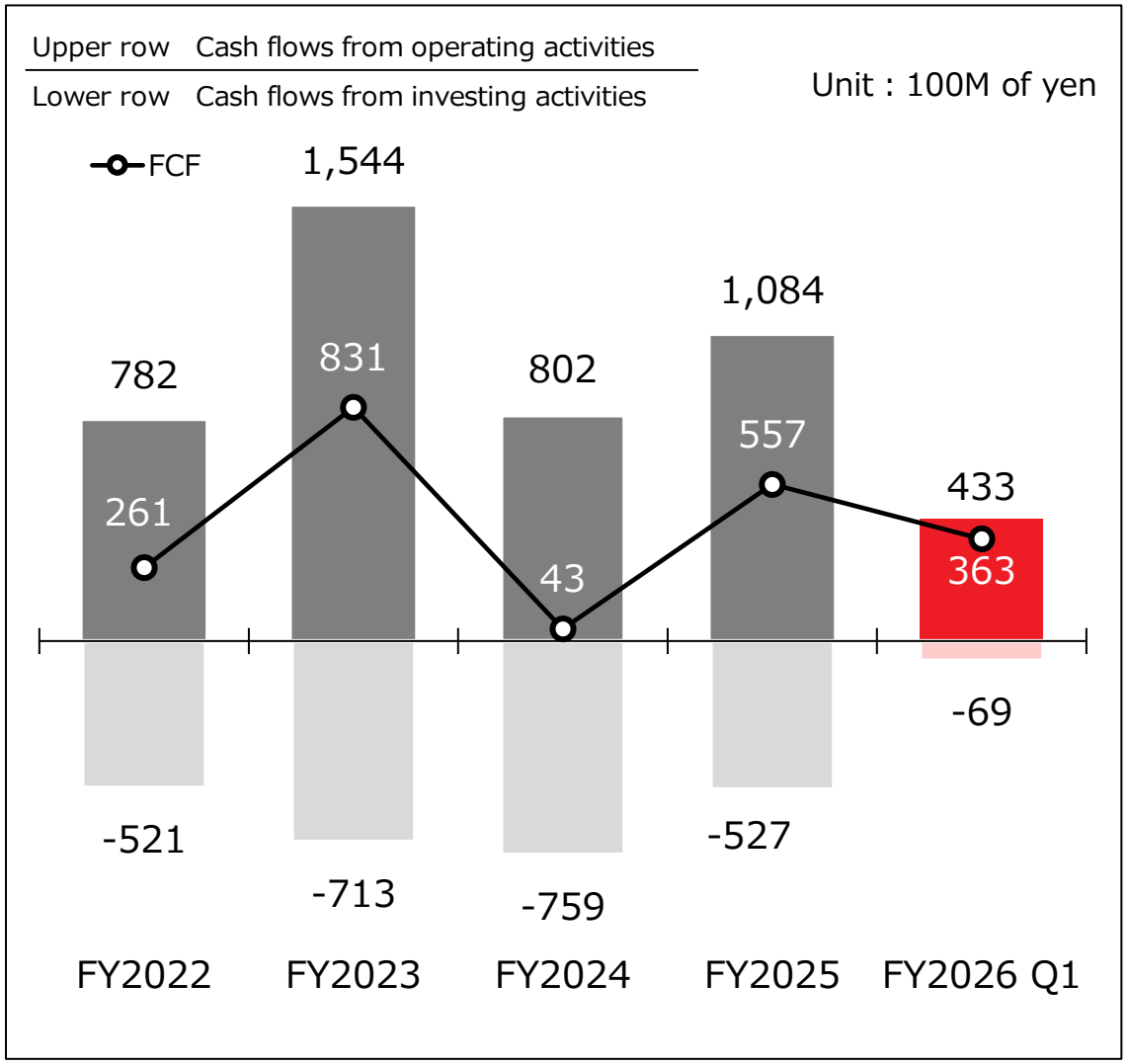
1. Results for the 1st Quarter of fiscal year ending March 2027 P 4

2. Forecasts for Fiscal Year ending March 2027 P 9

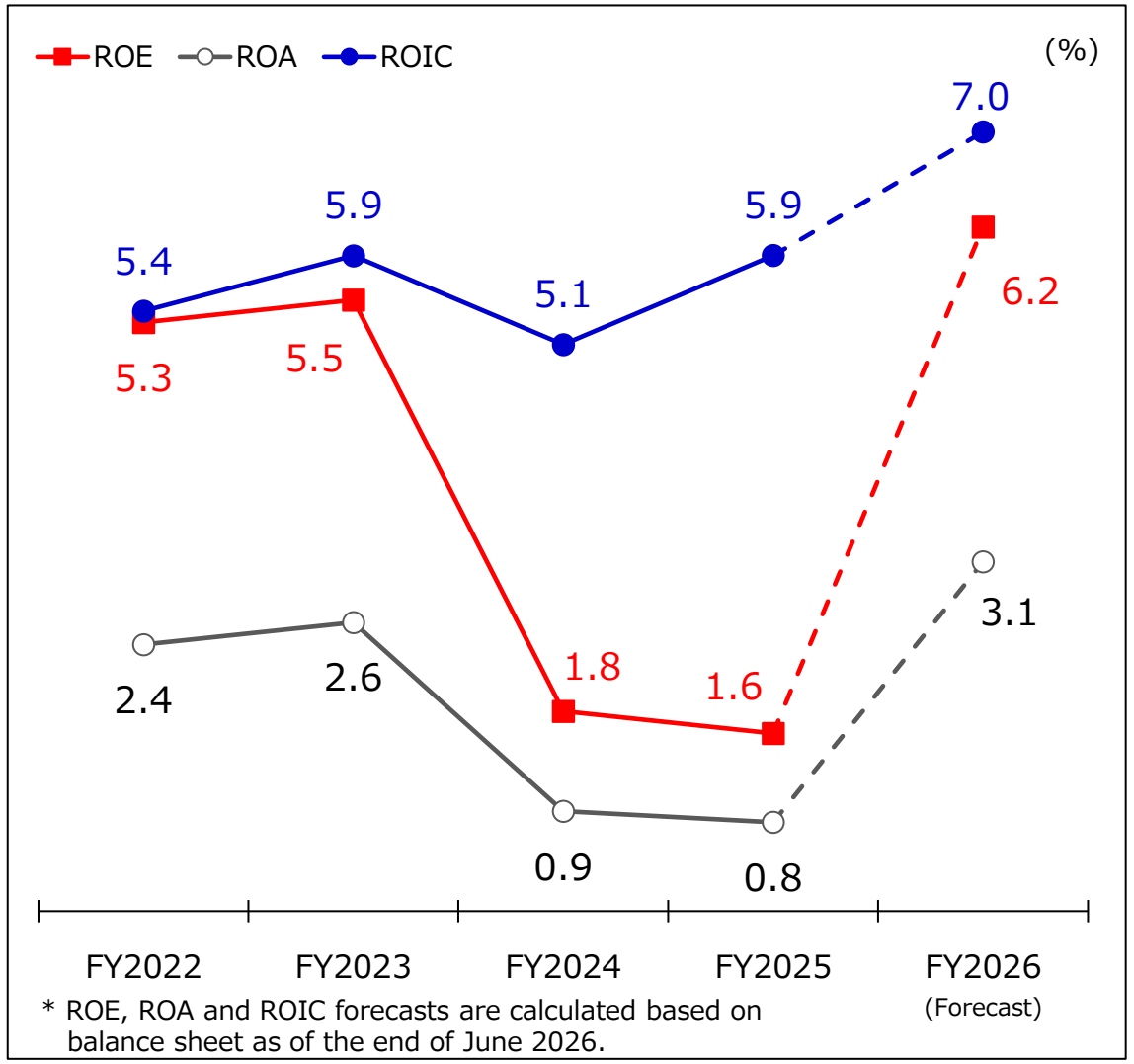
3. Appendix P 16

3-1) Management indicators

Cash Flow



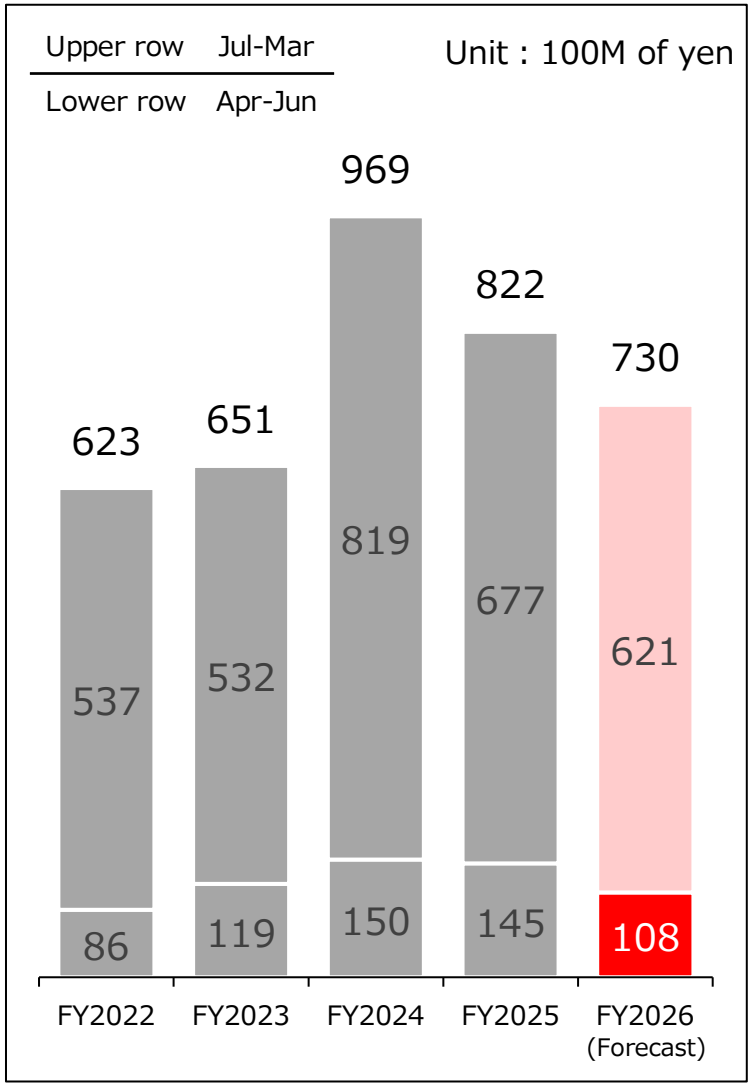
Capital Efficiency Indicators



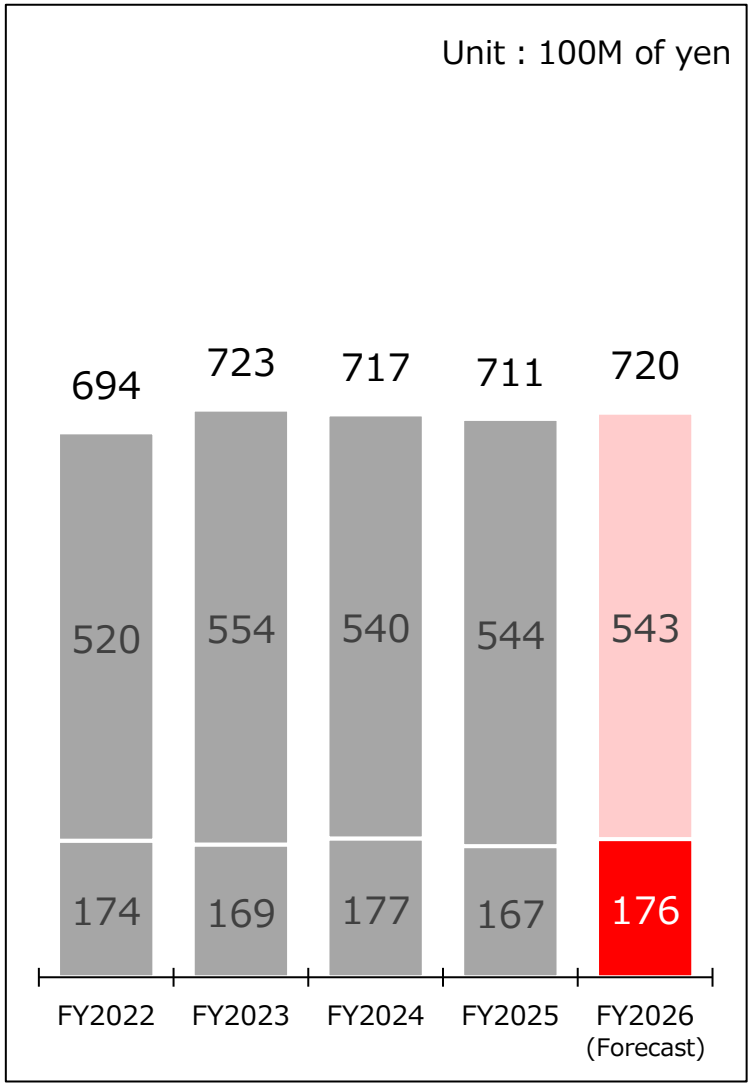
* ROE, ROA and ROIC forecasts are calculated based on balance sheet as of the end of June 2026.

3-2) Management indicators

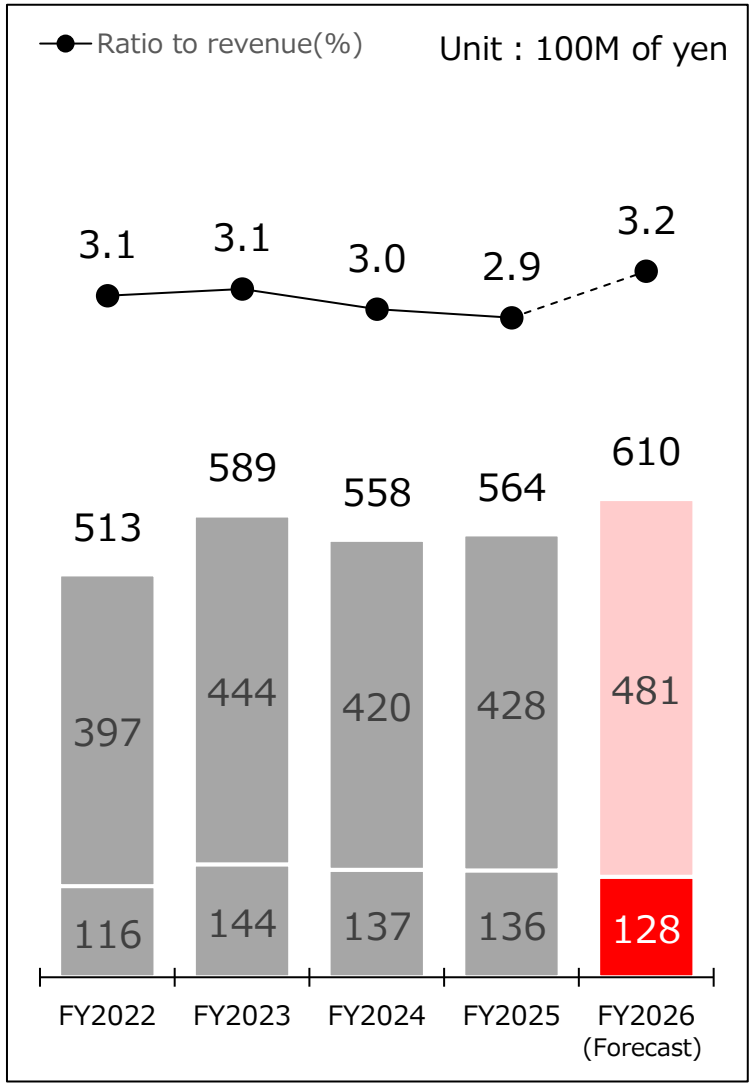
Capital expenditures



Depreciation & amortization

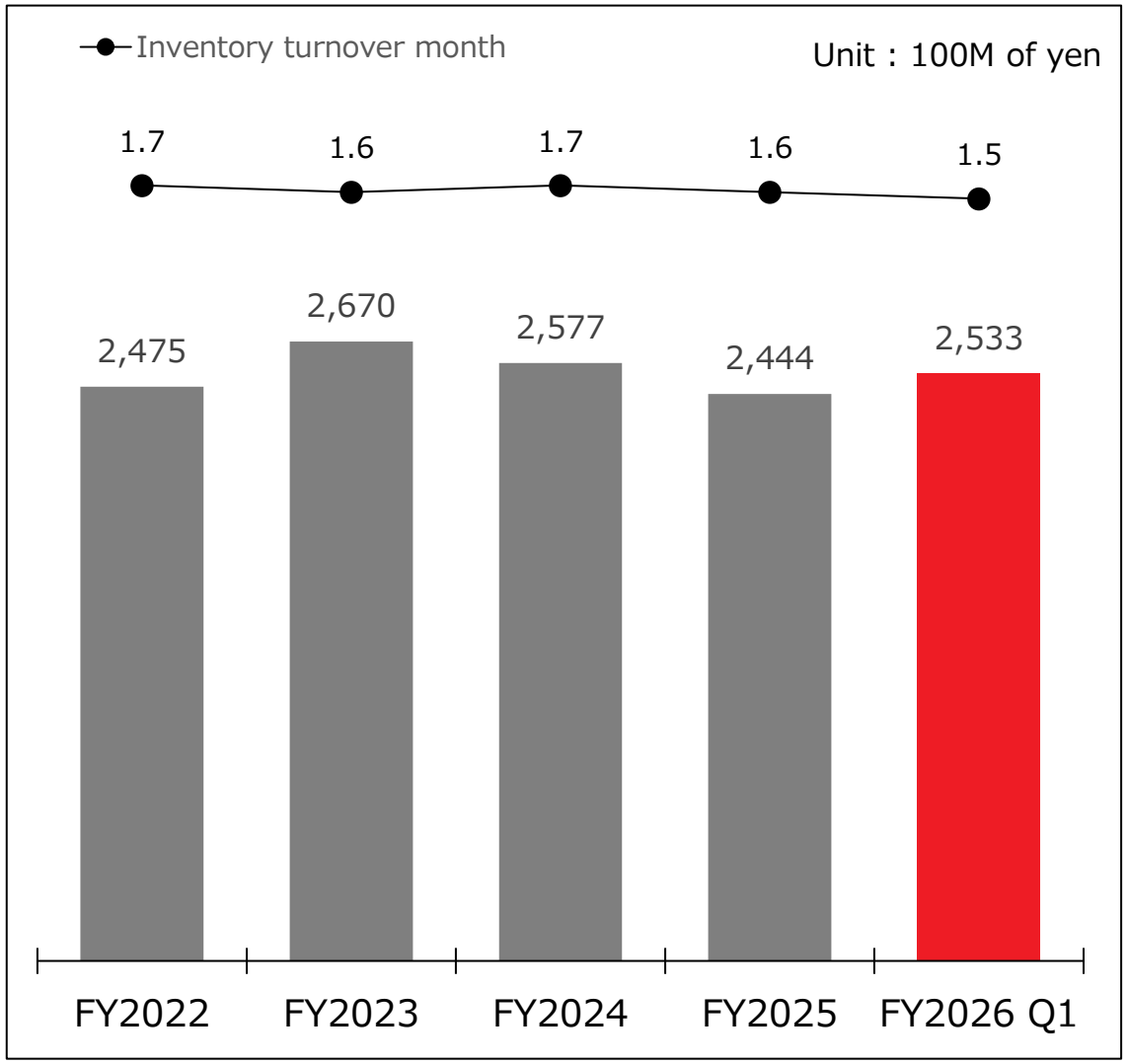


R&D expenses

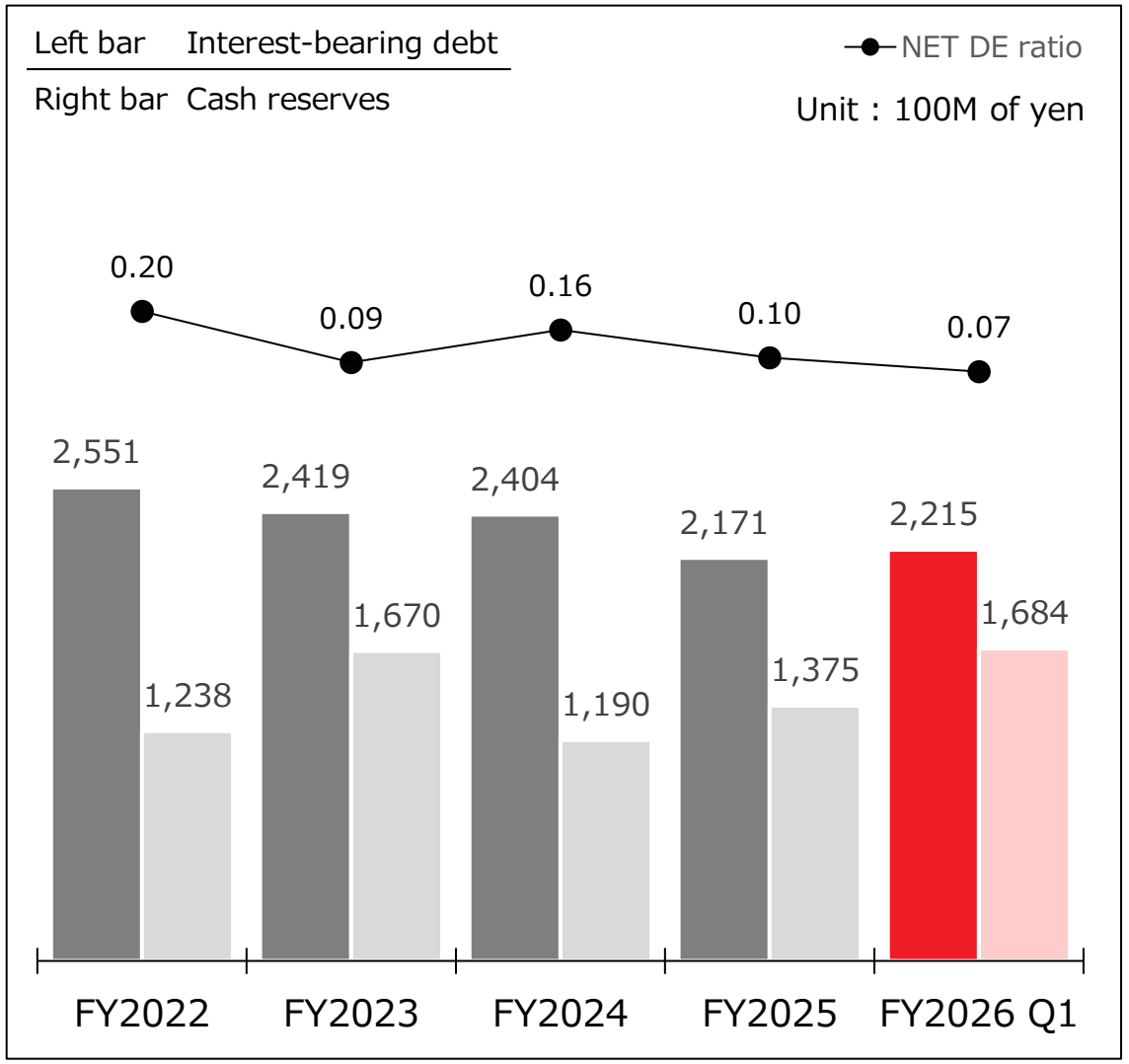


3-3) Management indicators

Inventories



Interest-bearing debt / Cash reserves



3-4-1) Financial statements

Unit : 100M of yen

Assets

Assets	FY2025	**FY2026 Q1**	Change
Cash and cash equivalents	1,375	**1,684**	+309
Trade and other receivables	3,495	**3,323**	-171
Inventories	2,444	**2,533**	+89
Other current assets	677	**679**	+2
Property, plant and equipment	4,981	**4,962**	-18
Other non-current assets	2,803	**2,858**	+55
Total assets	15,776	**16,041**	+265

Liabilities and equity

Liabilities and equity	FY2025	**FY2026 Q1**	Change
Trade and other payables	3,518	**3,483**	-34
Interest-bearing debt	2,171	**2,215**	+44
Other current liabilities	844	**849**	+5
Other non-current liabilities	990	**1,038**	+48
Equity attributable to owners of the parent company	7,902	**8,093**	+191
Non-controlling interests	350	**360**	+10
Total liabilities and equity	15,776	**16,041**	+265

3-4-2) Financial statements

Unit : 100M of yen

Consolidated Profit and Loss statement

	FY2025 Q1	**FY2026 Q1**	Change
Revenue	4,547	**4,919**	+371
Business Profit	140	**227**	+87
Other income / Other expenses	-5	**0**	+5
Operating Profit	135	**228**	+92
Financial income / financial costs	-32	**-12**	+19
Income tax expenses / Non-controlling interests	-38	**-77**	-39
Profit attributable to owners of parent	65	**138**	+73

Consolidated Cash Flow statement

	FY2025 Q1	**FY2026 Q1**	Change
Cash flows from operating activities	360	**433**	+73
Cash flows from investing activities	-225	**-69**	+155
Free Cash flows	134	**363**	+229
Cash flows from financing activities	57	**-68**	-126
Foreign currency translation adjustments	-0	**14**	+14
Net increase (decrease) in cash and cash equivalents	192	**309**	+117
Cash and cash equivalents	1,382	**1,684**	+302

3-5-1) Performance comparison – FY2026 Q1 Results (by Region)

Unit:100M of yen

	Region	FY2025 Q1	**FY2026 Q1**	change		Foreign exchange	**FY2026 Q1** (excluding FX)	Change excluding foreign exchange	
Revenue	Japan	1,809	**1,815**	+5	+0.3%	-	1,815	+5	+0.3%
	North America	1,220	**1,455**	+234	+19.2%	+152	1,302	+82	+6.7%
	Europe	514	**568**	+53	+10.5%	+66	502	-12	-2.5%
	China	329	**301**	-27	-8.3%	+44	257	-71	-21.8%
	Asia & others	673	**778**	+104	+15.6%	+64	714	+40	+6.1%
	Total	4,547	**4,919**	+371	+8.2%	+326	4,592	+44	+1.0%
Business Profit	Japan	25	**71**	+46	+184.3%	+34	36	+11	+46.2%
	North America	14	**22**	+8	+56.3%	+3	19	+4	+29.7%
	Europe	-29	**22**	+51	-%	+2	19	+48	-%
	China	21	**18**	-3	-15.4%	+5	13	-8	-40.3%
	Asia & Others	61	**78**	+17	+27.8%	+8	70	+8	+14.0%
	Elimination	46	**14**	-32	-%	+0	14	-32	-%
	Total	140	**227**	+87	+62.1%	+55	172	+31	+22.6%

3-5-2) Performance comparison – FY2026 Q1 Results (by Business unit)

Unit:100M of yen

	Business unit	FY2025 Q1	**FY2026 Q1**	change		Foreign exchange	**FY2026 Q1** (excluding FX)	Change excluding foreign exchange	
Revenue	Steering	2,119	**2,378**	+259	+12.2%	+200	2,178	+58	+2.8%
	Drivelines	1,119	**1,174**	+54	+4.9%	+43	1,130	+11	+1.0%
	Automotive	3,238	**3,552**	+314	+9.7%	+243	3,309	+70	+2.2%
	Industrial&Bearings	861	**881**	+20	+2.4%	+50	831	-29	-3.4%
	Machine tools	444	**483**	+38	+8.7%	+33	450	+5	+1.3%
	Others	3	**2**	-1	-45.7%	+0	2	-1	-45.7%
	Machine tools	448	**485**	+37	+8.3%	+33	452	+4	+0.9%
	Total	4,547	**4,919**	+371	+8.2%	+326	4,592	+44	+1.0%
Business Profit	Steering	32	**131**	+99	+310.7%	+30	100	+68	+214.6%
	Drivelines	29	**26**	-3	-10.3%	+3	22	-6	-23.2%
	Automotive	61	**157**	+96	+158.1%	+34	123	+62	+101.5%
	Industrial&Bearings	41	**36**	-4	-11.1%	+13	23	-18	-44.2%
	Machine tools	43	**38**	-5	-13.0%	+7	31	-12	-29.0%
	Others	-4	**-5**	-0	-%	+0	-5	-0	-%
	Machine tools	38	**32**	-5	-15.0%	+7	25	-12	-33.4%
	Elimination	-0	**0**	+0	-%	+0	0	+0	-%
	Total	140	**227**	+87	+62.1%	+55	172	+31	+22.6%

3-6-1) Quarterly result trend – by Region

Unit : 100M of yen

FY2025	Q1			Q2			Q3			Q4		
	Revenue	Business profit		Revenue	Business profit		Revenue	Business profit		Revenue	Business profit	
Japan	1,809	25	1.4%	1,945	93	4.8%	1,877	86	4.6%	1,967	84	4.3%
North America	1,220	14	1.2%	1,255	42	3.4%	1,270	-1	-0.1%	1,508	120	8.0%
Europe	514	-29	-5.7%	454	-29	-6.6%	463	-33	-7.2%	574	-12	-2.1%
China	329	21	6.7%	361	26	7.3%	377	36	9.7%	328	13	4.2%
Asia & Others	673	61	9.1%	737	78	10.6%	743	66	9.0%	837	107	12.8%
Elimination		46			-19			-18			-25	
Total	4,547	140	3.1%	4,753	191	4.0%	4,731	136	2.9%	5,216	288	5.5%

FY2026	Q1			Q2			Q3			Q4		
	Revenue	Business profit		Revenue	Business profit		Revenue	Business profit		Revenue	Business profit	
Japan	1,815	71	3.9%									
North America	1,455	22	1.6%									
Europe	568	22	3.9%									
China	301	18	6.2%									
Asia & Others	778	78	10.1%									
Elimination		14										
Total	4,919	227	4.6%									

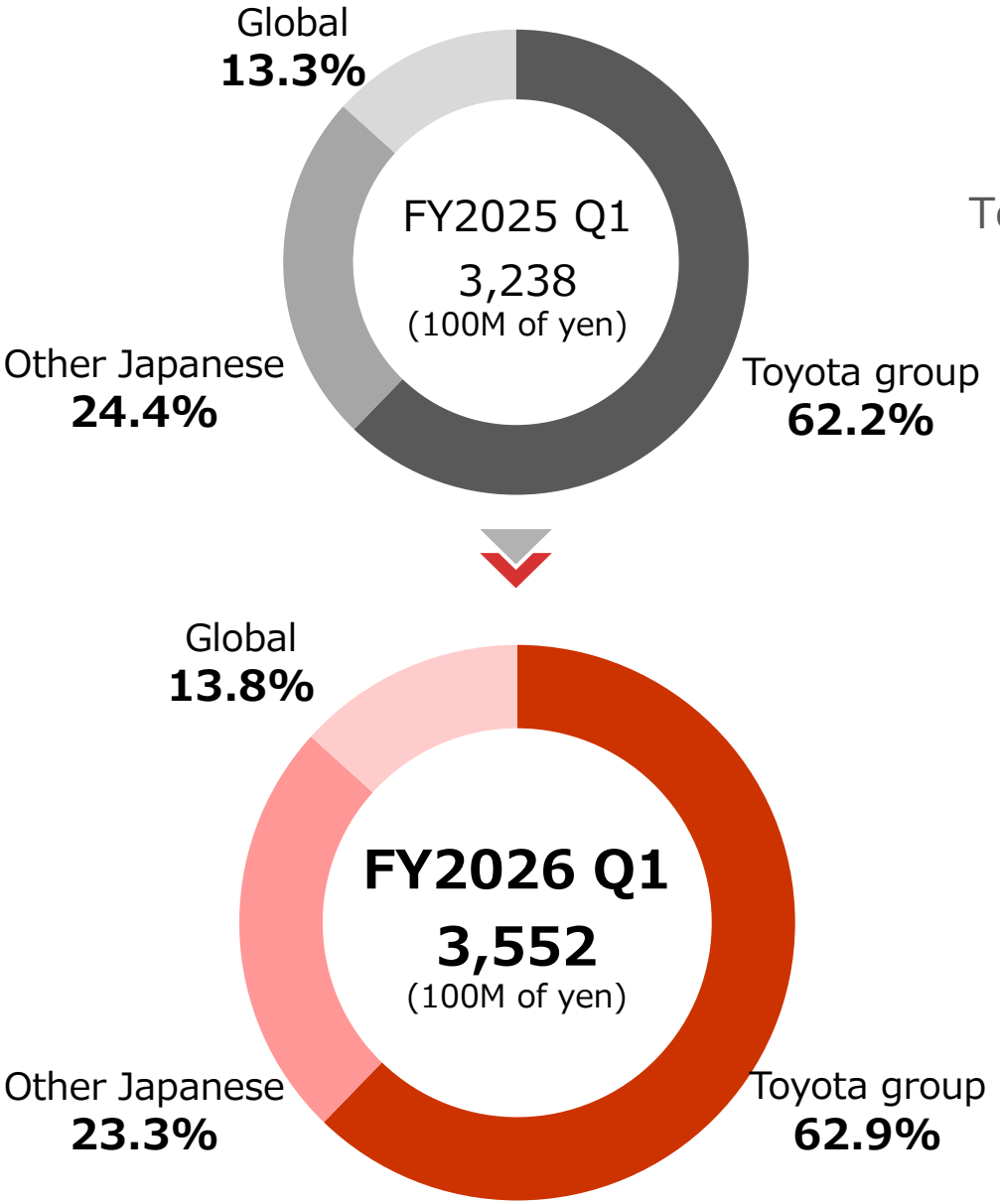
3-6-2) Quarterly result trend – by Business unit

Unit : 100M of yen

FY2025	Q1			Q2			Q3			Q4		
	Revenue	Business profit		Revenue	Business profit		Revenue	Business profit		Revenue	Business profit	
Steering Systems	2,119	32	1.5%	2,189	56	2.6%	2,243	59	2.6%	2,524	180	7.2%
Drivelines	1,119	29	2.6%	1,159	46	4.0%	1,132	23	2.0%	1,182	39	3.4%
Automotive	3,238	61	1.9%	3,348	103	3.1%	3,376	82	2.4%	3,706	220	5.9%
Industrial & Bearings	861	41	4.8%	860	35	4.1%	843	20	2.4%	905	15	1.7%
Machine tools	444	43	9.9%	539	55	10.3%	506	40	8.0%	597	60	10.2%
Others	3	-4		5	-4		4	-6		6	-10	
Machine tools	448	38	8.7%	544	50	9.3%	511	34	6.7%	604	50	8.4%
Elimination		-0			2			0			1	
Total	4,547	140	3.1%	4,753	191	4.0%	4,731	136	2.9%	5,216	288	5.5%

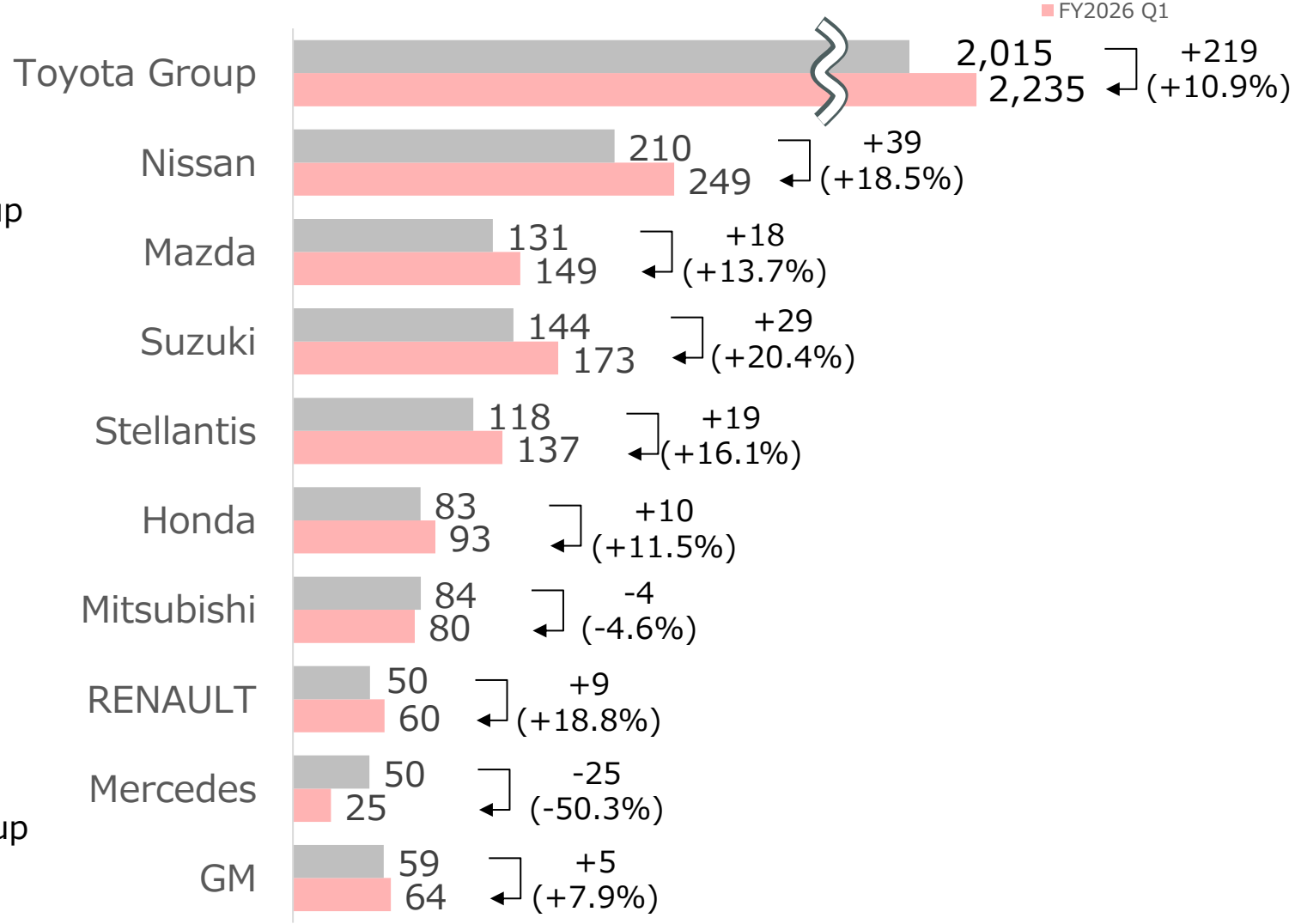
FY2026	Q1			Q2			Q3			Q4		
	Revenue	Business profit		Revenue	Business profit		Revenue	Business profit		Revenue	Business profit	
Steering Systems	2,378	131	5.5%									
Drivelines	1,174	26	2.2%									
Automotive	3,552	157	4.4%									
Industrial & Bearings	881	36	4.2%									
Machine tools	483	38	7.9%									
Others	2	-5										
Machine tools	485	32	6.8%									
Elimination		0										
Total	4,919	227	4.6%									

3-7-1) Automotive (Steering/Drivelines) Revenue by Customer

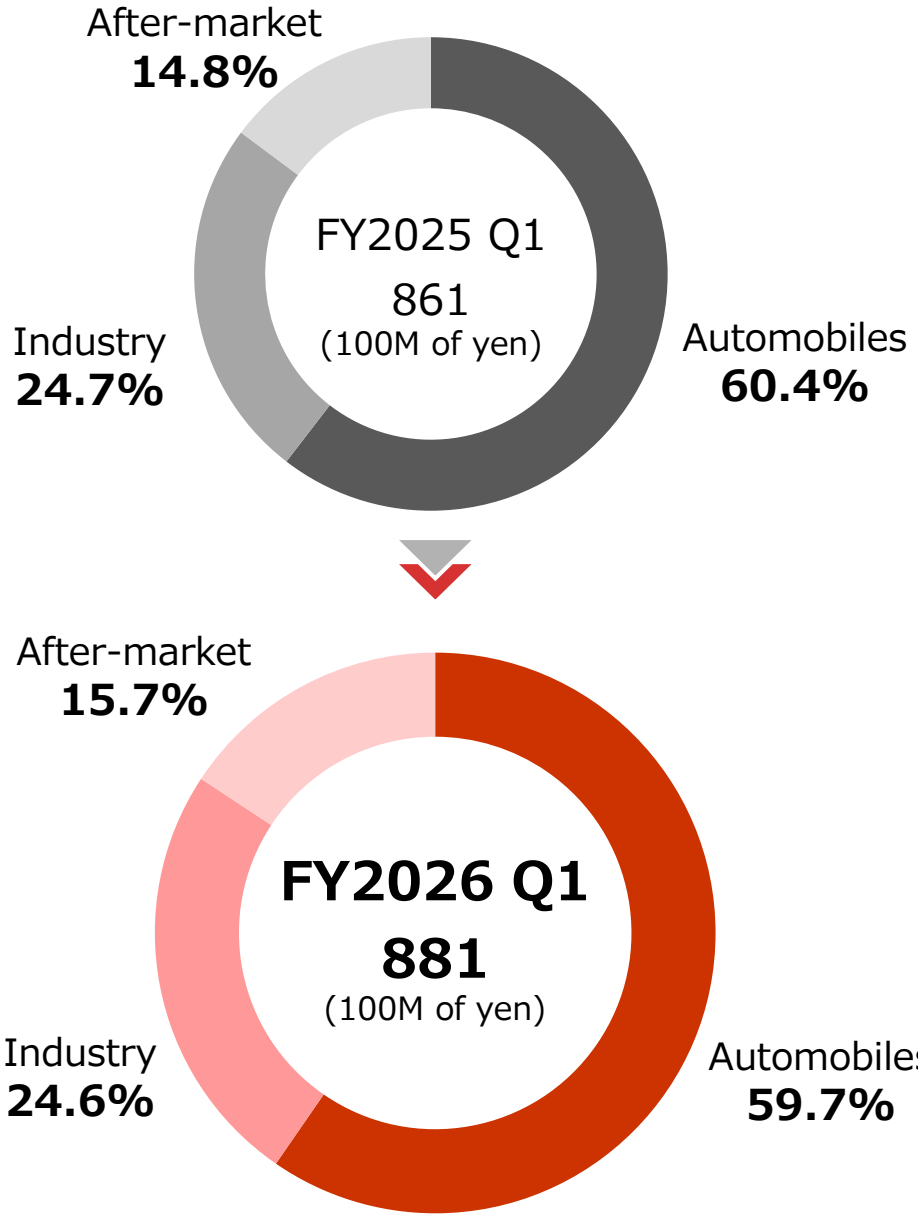


Revenue by major customer

Unit : 100M of yen

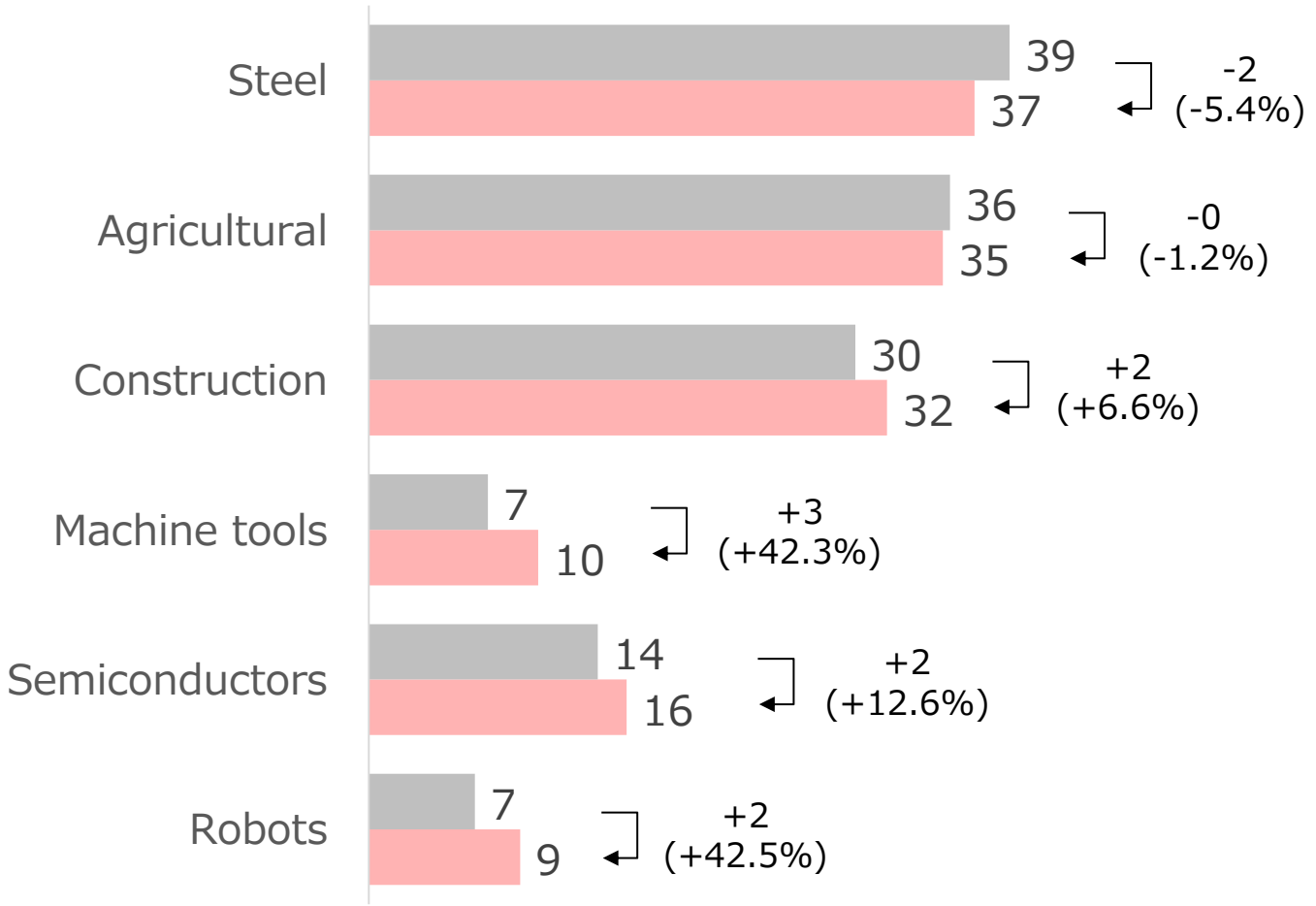


3-7-2) Industrial & Bearings Revenue by Industry



Revenue in industry by 6 priority industries

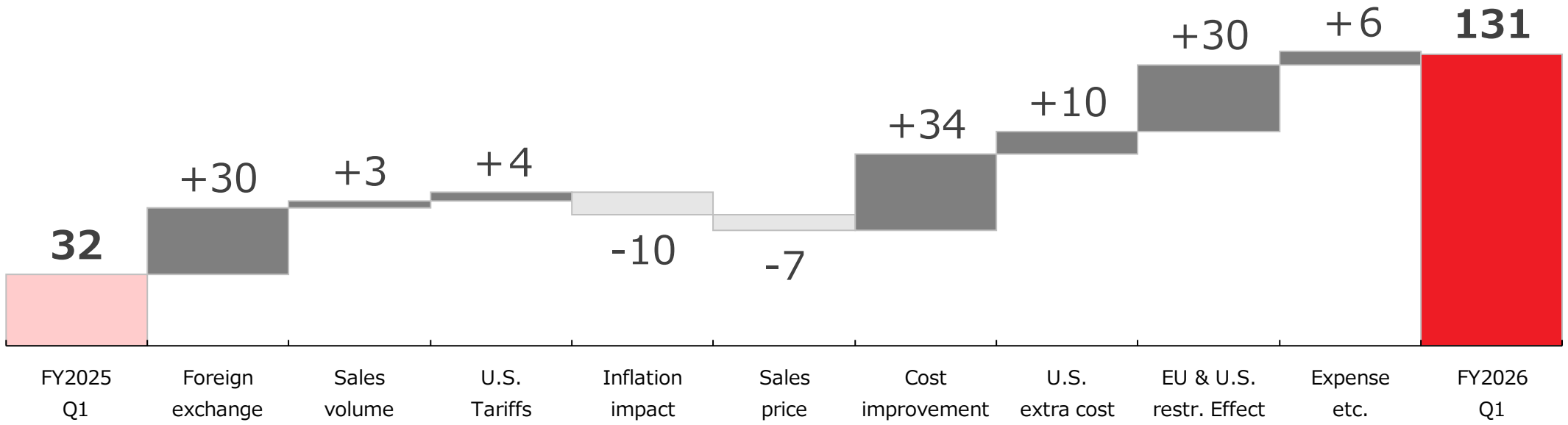
Unit : 100M of yen



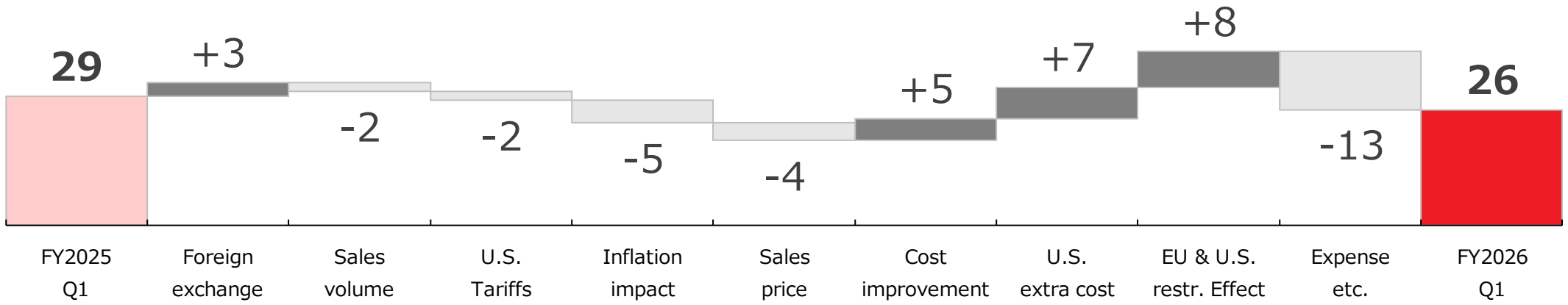
3-8-1) Business profit analysis – Steering Systems / Drivelines

Unit : 100M of yen

Steering Systems



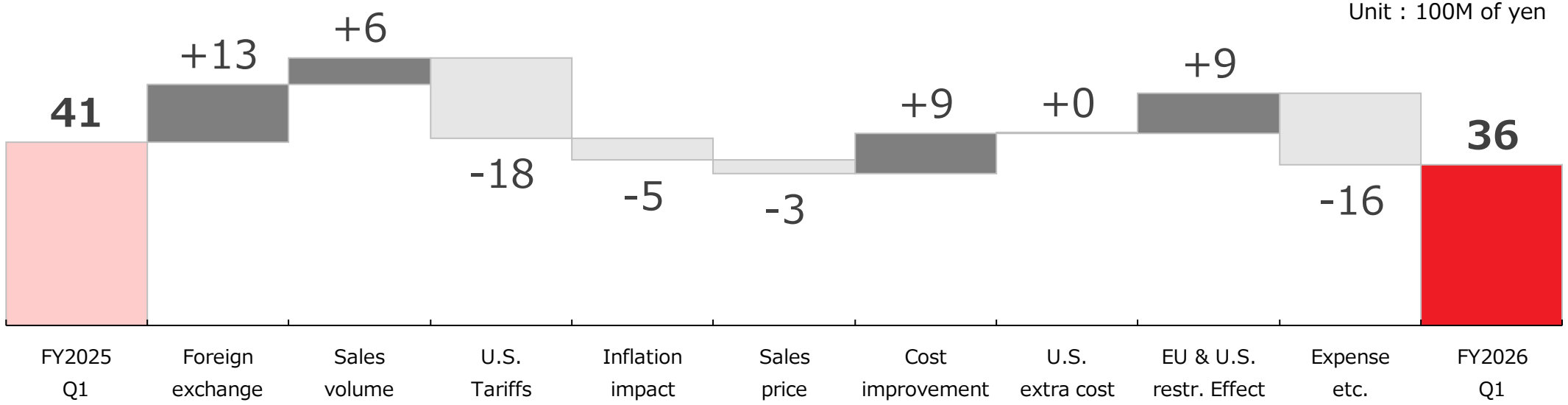
Drivelines



3-8-2) Business profit analysis – Industrial & Bearings / Machine tools

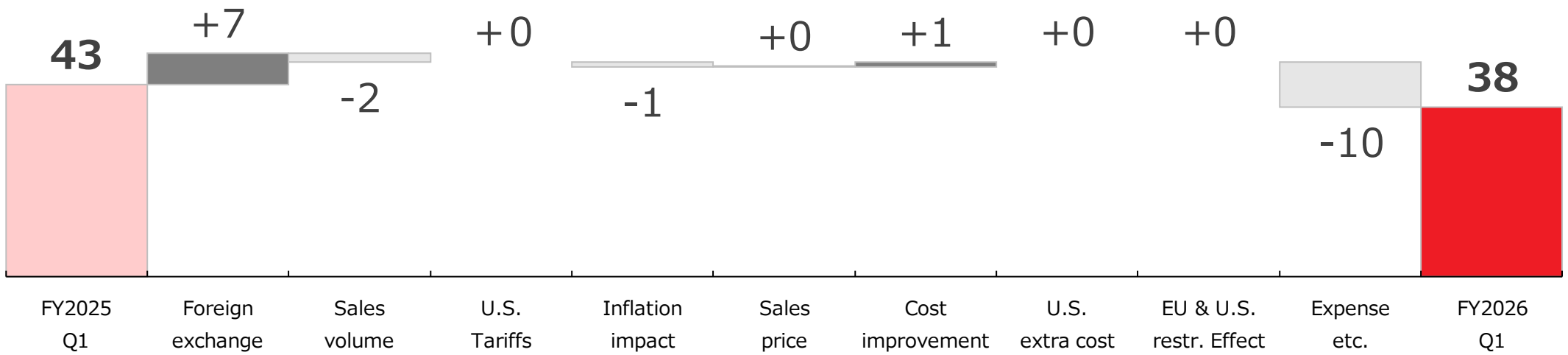
Unit : 100M of yen

Industrial & Bearings



Machine tools

*Others excluded



3-9-1) Performance comparison – FY2026 Forecasts (by Region)

*Including the impact of The Transfer of the European Automotive Business

Unit: 100M of yen

	Region	FY2025	**FY2026**	Change		Foreign exchange	FY2026 (excluding FX)	Change excluding foreign exchange	
Revenue	Japan	7,599	**7,305**	-294	-3.9%	-	7,305	-294	-3.9%
	North America	5,254	**5,562**	* +307	+5.9%	+201	5,361	* +106	+2.0%
	Europe	2,006	**1,356**	* -649	-32.4%	+50	1,306	* -699	-34.9%
	China	1,396	**1,228**	-168	-12.0%	+62	1,166	-230	-16.5%
	Asia & others	2,992	**3,348**	+355	+11.9%	+24	3,324	+331	+11.1%
	Total	19,249	**18,800**	-449	-2.3%	+337	18,462	-786	-4.1%
Business Profit	Japan	289	**302**	+12	+4.5%	+0	250	-39	-13.6%
	North America	175	**242**	* +66	+38.1%	+6	236	* +60	+34.7%
	Europe	-105	**-50**	* +54	-%	-2	-48	* +56	-%
	China	99	**60**	-38	-39.1%	+3	57	-41	-42.1%
	Asia & others	313	**345**	+31	+10.0%	+3	341	+27	+8.9%
	Elimination	-16	**0**	+16	-%	-	0	+16	-%
	Total	756	**900**	+143	+19.0%	+62	837	+80	+10.7%

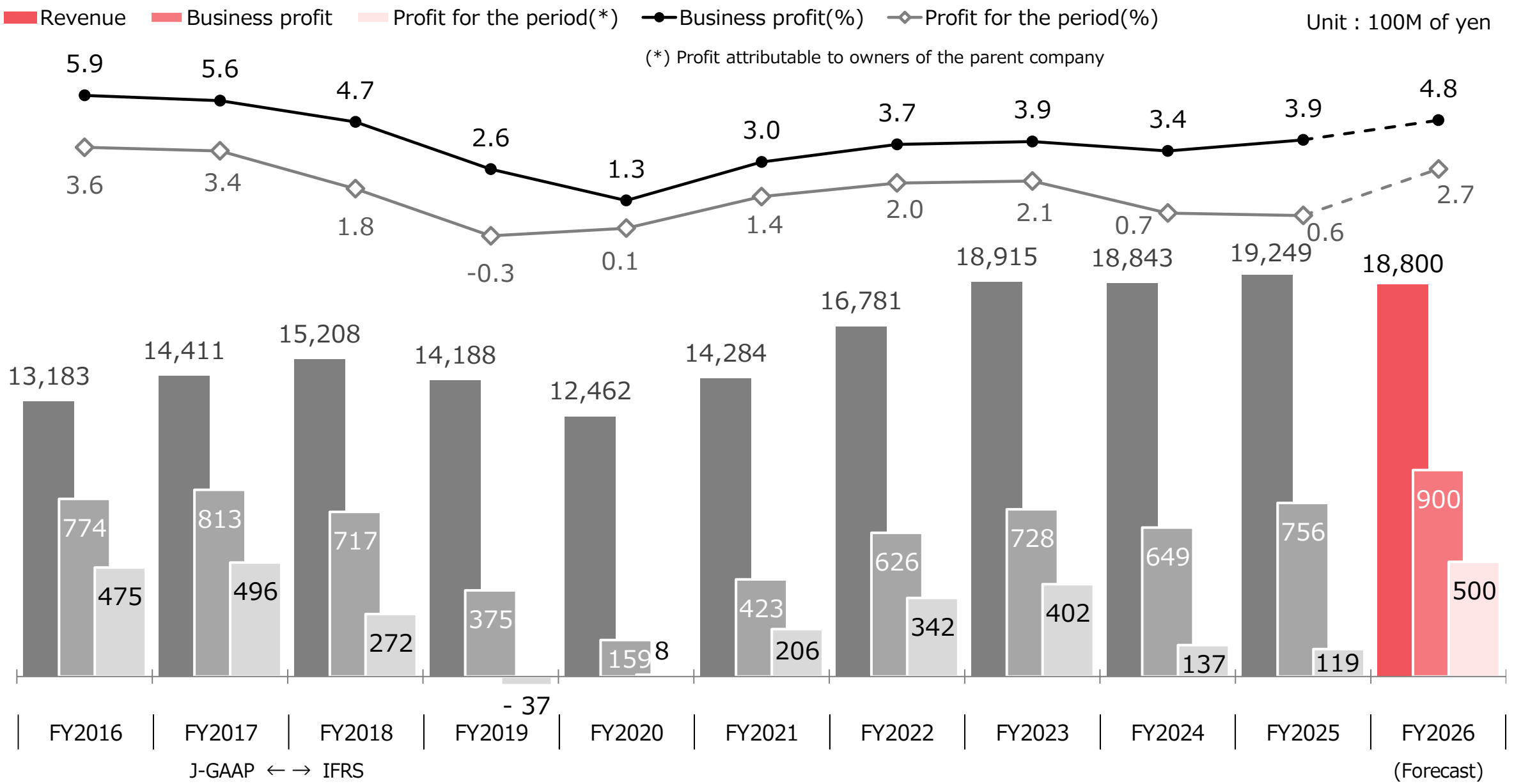
3-9-2) Performance comparison – FY2026 Forecasts (by Business unit)

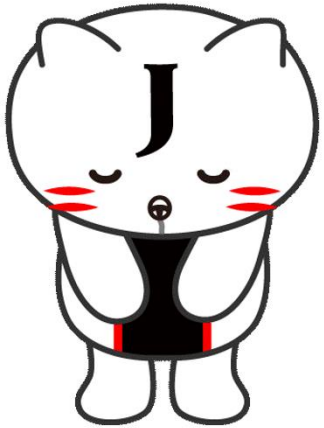
*Including the impact of The Transfer of the European Automotive Business

Unit:100M of yen

	Business unit	FY2025	**FY2026**	Change		Foreign exchange	FY2026 (excluding FX)	Change excluding foreign exchange	
Revenue	Steering	9,076	**8,536**	*	-540	-6.0%	+193	8,343	* -733	-8.1%
	Drivelines	4,593	**4,613**	*	+19	+0.4%	+40	4,573	* -20	-0.4%
	Automotive	13,670	**13,149**		-520	-3.8%	+233	12,916	-753	-5.5%
	Industrial&Bearings	3,470	**3,447**		-23	-0.7%	+59	3,388	-82	-2.4%
	Machine tools	2,088	**2,184**		+95	+4.6%	+45	2,139	+50	+2.4%
	Others	20	**20**		-0	-2.5%	+0	20	-0	-2.5%
	Machine tools	2,108	**2,204**		+95	+4.5%	+45	2,159	+50	+2.4%
	Total	19,249	**18,800**		-449	-2.3%	+337	18,462	-786	-4.1%
Business Profit	Steering	328	**406**	*	+78	+23.9%	+30	376	* +48	+14.6%
	Drivelines	138	**145**	*	+7	+5.2%	+6	139	* +0	+0.6%
	Automotive	467	**552**		+85	+18.3%	+36	516	+48	+10.5%
	Industrial&Bearings	112	**156**		+44	+39.6%	+20	136	+24	+21.8%
	Machine tools	200	**210**		+9	+4.7%	+6	204	+3	+1.7%
	Others	-26	**-19**		+6	-%	+0	-19	+6	-%
	Machine tools	174	**190**		+15	+9.2%	+6	184	+9	+5.7%
	Elimination	3	**0**		-3	-%	-	0	-3	-%
	Total	756	**900**		+143	+19.0%	+62	837	+80	+10.7%

3-10) Revenue and profit trend





J-Nyan

JTEKT

TEK-NYAN

【Note on forward-looking statements】

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