IR Presentation for Fiscal Year 2019,
Ending March 2020

May 22, 2020

JTEKT Corporation
1. Results for Fiscal Year 2019, Ending March 2020

2. Remarks

2-1. Extraordinary loss
2-2. Fiscal 2020 activities (Structural reform)

3. Status by business

3-1. Steering Systems
3-2. Drivelines
3-3. Bearings
3-4. Machine Tools & Mechatronics
3-5. New business
1. Sales and profits decreased year on year due to the impact of COVID-19. Annual loss for the first time in 10 years due to recording extraordinary losses such as European impairment loss.

2. Dividend for the current term is down 6 yen from the previous term (44 yen to 38 yen)

3. Earnings forecast for the fiscal year ending March 2021 is undecided due to the difficulty of rational calculation at this stage due to the impact of COVID-19. (Announced when disclosure becomes possible)
### Consolidated Performance

- Sales and profits decreased in all regions including China due to the impact of COVID-19.
- Net loss due to impairment loss in Europe and other regions and extraordinary losses on North American restructuring cost.

<table>
<thead>
<tr>
<th>(%): Ratio to sales</th>
<th>FY2018</th>
<th>FY2019</th>
<th>Increase/Decrease</th>
<th>Increase/Decrease(%)</th>
<th>Special factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>1,520.8</td>
<td>1,418.5</td>
<td>△ 102.3</td>
<td>△ 6.7%</td>
<td>△ 26.0 (1)</td>
</tr>
<tr>
<td>Operating income</td>
<td>(4.4%) 66.6</td>
<td>(2.4%) 34.6</td>
<td>△ 31.9</td>
<td>△ 47.9%</td>
<td>△ 7.0 (1)</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>(4.6%) 69.6</td>
<td>(2.5%) 34.7</td>
<td>△ 34.9</td>
<td>△ 50.1%</td>
<td>△ 7.0 (1)</td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>(1.6%) 24.6</td>
<td>(△ 0.5%) △ 6.6</td>
<td>△ 31.2</td>
<td>—</td>
<td>△ 28.5 (2)</td>
</tr>
<tr>
<td>Foreign exchange (Apr. to Mar.)</td>
<td>¥110.91/USD ¥128.41/EUR</td>
<td>¥108.74/USD ¥120.82/EUR</td>
<td>△ 2.17 strong yen</td>
<td>△ 7.59 strong yen</td>
<td>—</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>75.2</td>
<td>75.0</td>
<td>△ 0.1</td>
<td>△ 0.2%</td>
<td>—</td>
</tr>
<tr>
<td>Depriciation and amortization</td>
<td>66.9</td>
<td>65.9</td>
<td>△ 0.9</td>
<td>△ 1.5%</td>
<td>—</td>
</tr>
<tr>
<td>R&amp;D costs</td>
<td>(4.2%) 63.6</td>
<td>(4.6%) 64.7</td>
<td>+ 1.0</td>
<td>+ 1.7%</td>
<td>—</td>
</tr>
<tr>
<td>Dividend</td>
<td>Interim</td>
<td>¥22</td>
<td>¥22</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Term-end</td>
<td>¥22</td>
<td>¥16</td>
<td>¥ △6</td>
<td>—</td>
</tr>
</tbody>
</table>

### Details

1. Impact of the expansion of COVID-19.
2. COVID-19 △7.0, Impairment loss △15.7, Restructuring cost △5.8
1-3) Operating Profit Analysis

- Covering the decline in selling price level with cost improvements
- Decrease in profit due to lower sales, including the impact of COVID-19, and higher fixed costs such as R&D expenses.

Operating profit 31.9 billion yen decrease

Factors of profit decrease 46.3 billion yen

Factors of profit increase 14.4 billion yen

Earning structure  \( \Delta 2.0 \) (billions of yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange impact</td>
<td>+3.0</td>
<td>+11.4</td>
</tr>
<tr>
<td>Profit loss by sales decrease</td>
<td>-7.0</td>
<td>+7.9</td>
</tr>
<tr>
<td>COVID-19</td>
<td>-18.3</td>
<td>-4.6</td>
</tr>
<tr>
<td>Cost increase</td>
<td>+7.0</td>
<td>+8.5</td>
</tr>
<tr>
<td>Decline in selling price level</td>
<td>-66.6</td>
<td>34.6</td>
</tr>
<tr>
<td>Cost improvement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Other costs
1-4) Trends in Profit and Loss (Management rate)

- Failed to reverse in the second half due to decreased sales and increased fixed costs.
- Profitability improved from 4Q due to cost improvements in Bearings and Machine tools.

Management rate: ¥95/USD, ¥110/EUR

**Yearly Trends**
- 2016: 1,265.1
- 2017: 1,351.3
- 2018: 1,431.3

**Half-yearly results**
- 2019 1H: 694.0
- 2019 2H: 684.8

**Quarterly Trends**
- 2019 Q1: 344.5
- 2019 Q2: 349.5
- 2019 Q3: 337.5
- 2019 Q4: 347.3

**Net sales**
- 2016: 1,265.1
- 2017: 1,351.3
- 2018: 1,431.3

**Operating income**
- 2019 1H: 694.0
- 2019 2H: 684.8

**Operating income rate**
- 2019 1H: 2.6%
- 2019 2H: 2.6%

**Management rate**
- 2016: ¥95/USD
- 2017: ¥110/EUR

**Lowering**
- Turnaround
- Stop the decline

**Except for COVID-19**
- 2019 1H: 17.9
- 2019 2H: 17.8

**Turnaround**
- 2019 Q1: 8.6
- 2019 Q2: 9.3
- 2019 Q3: 6.6
- 2019 Q4: 11.2
Decrease due to lower sales in all regions. Main reasons for the decrease in income. Japan: Increase in R&D and infrastructure construction costs. Europe: Unprofitable plan for Rack Assist EPS. China: Decline in selling price level of EPS.
1-6) Sales Impact of COVID-19

Negative impact on sales rapidly expanding globally, mainly for automobiles

Automobile: Sales declined sharply in Japan, Europe and the U.S. due to customer operations stop. Sales are resuming in Europe. Customer operations system has almost recovered in China, but the outlook for future demand is unclear.

Bearing: Sales of industrial equipment OE are down, but the impact is less than that of automobiles, and there is a tendency to refrain from buying on the market as a whole.

Machine Tools: Risk of future sales decline due to restrictions on meeting/installation and review of capital investment.

Sales impact due to COVID-19 (February-March) Difference between sales plan and actual (April-May) ※May expected

By securing liquidity and setting a commitment line, a monthly cash allowance of about 3 months was provided.
1. Results for Fiscal Year 2019, Ending March 2020

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2-1. Extraordinary loss
2-2. Fiscal 2020 activities (Structural reform)

3. Status by business

3-1. Steering Systems
3-2. Drivelines
3-3. Bearings
3-4. Machine Tools & Mechatronics
3-5. New business
2-1) Recording of extraordinary losses

- In Europe, business performance was sluggish due to increased fixed costs such as product switching losses and R&D expenses. An impairment loss was recorded in accordance with accounting standards.
- In North America, profitability was declining due to increased fixed costs by overcapacity, and the company optimized its global production sites and incurred restructuring costs.

### Extraordinary losses

<table>
<thead>
<tr>
<th></th>
<th>(billions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Impairment loss</td>
<td></td>
</tr>
<tr>
<td>(Europe subtotal)</td>
<td>15.7 (13.2)</td>
</tr>
<tr>
<td>2. North America</td>
<td>5.8</td>
</tr>
<tr>
<td>Restructuring cost</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21.5</strong></td>
</tr>
</tbody>
</table>

- **Bearings Reorganization**
  - TRB
    - Shikoku (Kawgawa)
    - Washington
    - Orangeburg
    - Dahlonega

- **Steering systems Reorganization**
  - Electric
    - Bonoa
    - Texas
    - Mexico
  - Hydraulic
    - Strongly promote structural reforms to strengthen the earnings structure

(billions of yen)
2-2) Activities toward 「Structural Reform」
(selection and concentration)

Return to thorough 「Customer perspective.」 Complete 「Structural reform」 to improve corporate value and lead to continuous / sustainable growth.

Outline of Structural Reform (selection and concentration)

- Reconfirm customer demands. (differentiation from competitor) … Reformation to thought of 「Market In」
- Identify the area for 「Structural Reform (selection and concentration)」 without exceptions, with consideration of 「Capital Cost」
- Provide fruits to various stakeholders by growing continuously and sustainably

Image of Resources shift

Area for structural reform
Area for resources shift

Europe
China/Asean

Customer needs Return Ratio

Commodity
Machinery
Automotives
Bearing (Sales)
Bearing (Manufacturing)
Others
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1) Steering Business Unit
3-1-1) Operating Profit Analysis (FY18 vs FY19)

【Review of FY2019】
① Profit decrease due to slowdown of automobile market growth / intensifying market competition
② Increased investment for switching to rack assist EPS and new fields
③ R & D cost increase for advanced system development

(Billions of yen)

Operating profit 13.5 billion yen decrease
Factors of profit decrease 18.5 billion yen
Factors of profit increase 5.0 billion yen

<table>
<thead>
<tr>
<th>FY18 Result</th>
<th>Profit loss by sales decrease</th>
<th>Cost increase</th>
<th>Decline in sales price level</th>
<th>Cost improvement</th>
<th>Others</th>
<th>FY19 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>37.2</td>
<td>△9.4</td>
<td>△4.1</td>
<td>△5.0</td>
<td>+4.0</td>
<td>+1.0</td>
<td>23.7</td>
</tr>
</tbody>
</table>

Earning structure △4.1 billion

Management rate: 95 yen / $ 110 yen / €

Operating Profit Analysis (FY18 vs FY19)

Management rate:

- 95 yen / $ 110 yen / €

FY18
FY19
Profit loss by sales decrease
Cost increase
Decline in sales price level
Cost improvement
Others
Profit decrease due to slowdown of automobile market growth / intensifying market competition
Increased investment for switching to rack assist EPS and new fields
R & D cost increase for advanced system development

Factors of profit decrease 18.5 billion yen
Factors of profit increase 5.0 billion yen

Earning structure △4.1 billion
Creating a strong constitution that can withstand changes in the market / environment
~Improvements based on rack assist EPS experience~

① Cost Reduction
• Cost improvement
  (Include direct material)
  ~Collaboration and improvement across functional boundaries~
  ~Cost reduction at each product subcommittee~
• Promotion of automation and manpower saving
  ~Smart automation/Use KARAKURI~

② Project management
• Introduction of project manager system
  ~Improve service quality and profitability by managing projects from the planning stage to mass production~

③ Building the best business structure

Realizing further improvement of competitiveness and securing of profit as No.1 steering system supplier
3-1-3) Mid and Long term activities

In addition to strengthening competitiveness, Step up business to offer value (KOTO), not only Product (MONO)

Vehicle posture control/Optimal cornering

Driving force distribution

Braking force distribution

Strengthen JTEKT Group foundation

Technology internalization

Realizing safety, security, comfort and convenience at a high level by fusing human and vehicles

Vehicle Dynamics

Component system technology

Unit element technology
3-1-4) Mid and Long term activities ②

<Activities to realize autonomous driving> ～Kesennuma*BRT Autonomous bus demonstration test～
Participated in East Japan Railway Company’s automated bus demonstration test
*BRT : Bus Rapid Transit

Demonstration experiment content

- Automatic control of steering wheel, brake and accelerator
- Lane keeping control at upper speed limit (60km / h)
- Driving in tunnels and narrow road (3.4m)
- Traffic signal link control (alternate traffic section), obstacle detection
- Precise docking (station platform)

Driving route (round trip about 10km)

Source: Geospatial Information Authority of Japan Map

Tunnel running
Traffic signal
Narrow road
Precise docking

Automatic steering device

Lane keep control
Runs smoothly by reading off the magnetic marker information on the dedicated road and specifying the position of the vehicle (co-development with Advanced Smart Mobility Co., Ltd.)
2) Drivelines Business Unit
3-2-1) Operating Profit Analysis (FY18 vs FY19)

【Review of FY2019】
① Profit decrease due to sales decrease mainly due to slowdown in car market
② Cost increase for next-generation product development

(Billions of yen)

Operating profit 3.3 billion yen decrease
Factors of profit decrease 4.7 billion yen
Factors of profit increase 1.4 billion yen

Operating profit 3.3 billion yen decrease

Profit loss by sales decrease△2.3
Cost increase△1.0
Decline in sales price level△1.4
Cost improvement+1.2
Others+0.2

FY2018 Result

Profit loss by sales decrease
Cost increase
Decline in sales price level
Cost improvement
Others

FY2019 Result

Management rate: 95 yen / $ 110 yen / €
3-2-2) Activities in FY2020

Strengthen competitiveness by thoroughly reducing costs and by strengthening Gr collaboration

Raising competitiveness with group comprehensive strength

Deepening cooperation

Toyota Motor Corporation

Thorough cost reduction

Foundation strengthening

Sales expansion

Strengthen driveline business by deepening Gr collaboration

⇒Promote efforts to make a leap forward as a system supplier
3-2-3) Mid and Long term activities

Strengthen business for leap forward to driveline system supplier

By unit

Vehicle

System through

Accumulation of technology and knowledge

Sales comparison with competitors

Providing the solutions for safe, secure, and comfortable automobiles and expanding sales through optimal proposals for the total system, including cooperation with vehicles

* T/M: transmission
** NV: Noise/Vibration

Providing system solutions such as driving performance / NV compatibility

Sales scale comparable to competitors

Company A
Competitors

Company B

Company C

Company D

JTEKT current

JTEKT ideal

JTEKT CORPORATION
3) Bearing Business Units
Cost reduction activities and structural reforms cannot cover sales decrease due to reduced demand (Particularly in Japan, North America, and Europe)

Operating profit 8.0 billion yen decrease

Factors of profit decrease 13.3 billion yen
Factors of profit increase 5.3 billion yen

Operating Profit Analysis (FY18 vs FY19)

FY2018 Result
Profit loss by sales decrease
Decline in sales price level
Cost improvement
Cost decrease
Others
FY2019 Result

△12.1
△1.2
+4.1
+0
+1.2
△4.8

Earning structure +4.1 billion

Management rate: 95 yen / $ 110 yen / €
### 3-3-2) Major structural reforms

<table>
<thead>
<tr>
<th></th>
<th>~FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020~</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Domestic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kokubu plant reorganization</td>
<td></td>
<td></td>
<td></td>
<td>Seal Business reorganization (China, Transfer to other location)</td>
</tr>
<tr>
<td>Strategically strengthen bearings for industrial machinery, Selection and concentration (appropriate resource allocation) ⇒ Strengthen high value-added products for such as semiconductors, robots, and steel</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Overseas</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>Reorganization of European production locations TRB (Britain→Transfer to Romania) NRB (France, Spain closure)</td>
<td></td>
<td></td>
<td>TRB North America forging location, Orangeburg plant closure (Transfer to Japan and Washington plant)</td>
</tr>
<tr>
<td><strong>Manufacturing innovation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost reduction activities Productivity improvement (Bekido/Chokko/Finishing)</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Europe</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRB North America forging location, Orangeburg plant closure (Transfer to Japan and Washington plant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actions for BREXIT HUB New base on the continental side (Britain and Romania integration)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IoE, Promote automation/unmanned operation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Introduction of innovative production lines (TRB·SBB·HUB)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3-3-3) Vision for 2030 (future) status

2030 Ideal Figure: Koyo keeps the World’s Best Brands in Motion

Survive in commodity market
Cost competitiveness strengthening
- Improve productivity: Improve PPH/PPLH
  → Yosedome → Utilization
- Innovate production engineering
  : Blank forming revolution, High speed production line
  Unmanned operation

Beyond the commodity
High accuracy bearing
[PRECILENCE]
Magnet bearing

Shaping a Better Future
Through the spirit of ‘No1 & only one’

「Building value」
「Building Excellent Product」
「Building Professionals」
4) Machine tools and Mechatronics Business Units
Decrease in profit due to slowdown of machine tools market conditions, impact of US / China tariffs and decrease in demand for semiconductors.

Operating profit 2.6 billion yen decrease

Factors of profit decrease 5.8 billion yen
Factors of profit increase 3.2 billion yen

Earning structure +2.5 billion yen

FY2018 Result
Profit loss by sales decrease Others Cost decrease Increase in selling price level

FY2019 Result

Cost improvement

Management rate: 95 yen / $ 110 yen / €
3-4-2) Recent Initiatives

- Capture customer needs accurately and launch products to the market timely using technical strength
- Monozukuri reform focused on production lead time

Increase value by strengthening support

- Life cycle
- Package proposal
- Used machine
- Proposal
- O/H
- Sale
- Training school
- Maintenance
- Great to use TOYODA!
- Quality
- Productivity improvement

Speed up sales expansion in response to needs

- Spindle
- Carbide tool
- High accuracy
- Hard-to-cut materials
- Pin, Roll
- Process integration

Monozukuri reform in Kariya plant

- Streamlining goods flow
- Just-in-time supply
- IoT visualization
- Improvement

3 (billion yen)

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Constitution

- Improvement
- Total
- 28
3-4-3) Strategy for MT&M BU’s growth

Shift to growth fields by strengthening JTEKT group collaboration

Provide solutions of equipment and human growth responding to shrinking workforce

Productivity UP
Capability UP
Automation of Takumi

Creating new value in the progress of CASE and 5G
Motor shaft
EV unit
Reducer

Low torque,
Quiet

Battery fabrication roll
Ultra high precision
Fine, Homogeneous

SiC wafer
5) New Business
3-5-1) Cloud Matching Service in Manufacturing Industry

“Factory Agent Corporation” started in April 2020

- Rebuild Manufacturing Industry Network in JAPAN
- Co-operation with Differentiated Original Processing Technologies
- Expansion of processing area for service (Grinding, Cutting, …)

Social Issues (Customer Needs)

- Decline in small & medium-sized manufacturing industries that have supported manufacturing in Japan.
- Decrease international competitiveness in new product development.

Strength (JTEKT Seeds)

- Trust/reliability as a manufacturing company
  - Abundant processing tech. and production management know-how
  - Customer Network, Supply Chain
  - Collaboration with IoE network and lease business
  - Wide range of TOYOTA group networks

Spin-off Factory Agent business

- Confirmed the market acceptance & future growth potential by starting the 1 year market demonstration.
- Accelerate development speed with systems and management suitable for IT services.

Matching with original web network & algorithm

Ventures, Universities, R&D institutions, SMEs

[Prototype, Spot/Mass production parts]

SMEs w/ factory regional network

[Original / special processing technologies]

Large-scale prototype request from large company

Advanced processing technology of large companies

Business grows by further utilizing our seeds.

Expansion of processing area (cutting), addition of new services
3-5-2) New business (Lithium-ion capacitor)

Approaches to next-generation and growth fields
- Nominated for automotive as mass production
- Improve recognition by our promotion
- Accelerate sales activity in a variety of industries

Vehicle
- Maintenance-free
- High heat-resistant
- Low self discharge

AGV
- Compact
- Long life
- High output power

Auxiliary power supply system for EPS
(Application: Backup, Power boost)

Train

Data communication facility

Construction machine

Plant facility

Infrastructure

Renewable energy

Various applications

Sales Forecast (single cell)
(billions of yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

New business
- Lithium-ion capacitor
- 30 series module
Appendix
(Reference) Financial Conditions

**Inventory**

- Inventory (billions of yen)
- Inventory turnover month

<table>
<thead>
<tr>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>156.9</td>
<td>158.2</td>
<td>175.0</td>
<td>183.6</td>
<td>189.3</td>
</tr>
</tbody>
</table>

**Cash flow**

- Sales C/F
- Investment C/F
- Free C/F

<table>
<thead>
<tr>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>110.1</td>
<td>99.2</td>
<td>100.0</td>
<td>103.0</td>
<td>61.6</td>
</tr>
</tbody>
</table>

**Liabilities with interest /Cash reserves**

<table>
<thead>
<tr>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.29</td>
<td>0.24</td>
<td>0.29</td>
<td>0.29</td>
<td>0.39</td>
</tr>
</tbody>
</table>

**ROE/ROA**

- ROE
- ROA

<table>
<thead>
<tr>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.5</td>
<td>10.1</td>
<td>9.7</td>
<td>4.6</td>
<td>0.5</td>
</tr>
</tbody>
</table>

**Financial Conditions**

- Sales C/F
- Investment C/F
- Free C/F

<table>
<thead>
<tr>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>110.1</td>
<td>99.2</td>
<td>100.0</td>
<td>103.0</td>
<td>61.6</td>
</tr>
</tbody>
</table>

- Liabilities with interest
- Cash reserves
- NET D/E ratio

<table>
<thead>
<tr>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>195.3</td>
<td>187.1</td>
<td>274.6</td>
<td>273.5</td>
<td>328.1</td>
</tr>
</tbody>
</table>

**ROE/ROA**

- ROE
- ROA

<table>
<thead>
<tr>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.5</td>
<td>10.1</td>
<td>9.7</td>
<td>4.6</td>
<td>0.5</td>
</tr>
</tbody>
</table>

**Financial Conditions**

- Sales C/F
- Investment C/F
- Free C/F

<table>
<thead>
<tr>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>110.1</td>
<td>99.2</td>
<td>100.0</td>
<td>103.0</td>
<td>61.6</td>
</tr>
</tbody>
</table>

- Liabilities with interest
- Cash reserves
- NET D/E ratio

<table>
<thead>
<tr>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>195.3</td>
<td>187.1</td>
<td>274.6</td>
<td>273.5</td>
<td>328.1</td>
</tr>
</tbody>
</table>
(Reference) Changes in fixed costs

- Strategically allocate fixed costs to respond to CASE and to build infrastructure.
- As a result of IT investments, the switch to telecommuting has gone smoothly, even in a COVID-19 environment.
- Reduce the unit cost of investments and receive the benefits of the investments certainly.

### Capital expenditures・Depreciation and amortization

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital expenditures</th>
<th>Depreciation and amortization</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>63.1</td>
<td>58.4</td>
</tr>
<tr>
<td>FY2016</td>
<td>66.4</td>
<td>56.1</td>
</tr>
<tr>
<td>FY2017</td>
<td>66.6</td>
<td>60.4</td>
</tr>
<tr>
<td>FY2018</td>
<td>75.2</td>
<td>66.9</td>
</tr>
<tr>
<td>FY2019</td>
<td>75.0</td>
<td>65.9</td>
</tr>
<tr>
<td>FY2020</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### R&D costs

<table>
<thead>
<tr>
<th>Year</th>
<th>(%) Ratio to sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>46.2 (3.3%)</td>
</tr>
<tr>
<td>FY2016</td>
<td>48.2 (3.7%)</td>
</tr>
<tr>
<td>FY2017</td>
<td>55.2 (3.8%)</td>
</tr>
<tr>
<td>FY2018</td>
<td>63.6 (4.2%)</td>
</tr>
<tr>
<td>FY2019</td>
<td>64.7 (4.6%)</td>
</tr>
</tbody>
</table>

### Business infrastructure expenses

<table>
<thead>
<tr>
<th>Year</th>
<th>Business infrastructure expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>4.5</td>
</tr>
<tr>
<td>FY2016</td>
<td>6.0</td>
</tr>
<tr>
<td>FY2017</td>
<td>7.0</td>
</tr>
<tr>
<td>FY2018</td>
<td>8.5</td>
</tr>
<tr>
<td>FY2019</td>
<td>9.7</td>
</tr>
<tr>
<td>FY2020</td>
<td></td>
</tr>
</tbody>
</table>
(Reference) Quarterly Result Trend

- Net sales
- OP income
- OP income (%)

(billions of yen)

USD

<table>
<thead>
<tr>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>¥108</td>
<td>¥111</td>
<td>¥111</td>
<td>¥113</td>
</tr>
<tr>
<td>¥119</td>
<td>¥130</td>
<td>¥130</td>
<td>¥129</td>
</tr>
</tbody>
</table>

EUR

<table>
<thead>
<tr>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>¥109</td>
<td>¥112</td>
<td>¥112</td>
<td>¥115</td>
</tr>
<tr>
<td>¥120</td>
<td>¥130</td>
<td>¥130</td>
<td>¥125</td>
</tr>
</tbody>
</table>

※ The FY2016 and FY2017 show the quarterly average. The same applies to the following slides.
(Reference) Financial Results by Business (Mechanical Components)

**Mechanical components**

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>Increase/ Decrease</th>
<th>Increase/ Decrease(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steering systems</td>
<td>770.7</td>
<td>716.1</td>
<td>△ 54.5</td>
<td>△ 7.1%</td>
</tr>
<tr>
<td>Drivelines</td>
<td>157.2</td>
<td>160.3</td>
<td>+ 3.1</td>
<td>+ 2.0%</td>
</tr>
<tr>
<td>Bearings</td>
<td>417.8</td>
<td>380.5</td>
<td>△ 37.2</td>
<td>△ 8.9%</td>
</tr>
<tr>
<td><strong>[Total]</strong></td>
<td>1,345.8</td>
<td>1,257.0</td>
<td>△ 88.7</td>
<td>△ 6.6%</td>
</tr>
<tr>
<td>OP income</td>
<td>49.0</td>
<td>21.7</td>
<td>△ 27.3</td>
<td>△ 55.6%</td>
</tr>
<tr>
<td>OP income(%)</td>
<td>3.6%</td>
<td>1.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Intercompany deletion is ommitted.

**Net Sales Quarterly Trend**

(billions of yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (billions of yen)</td>
<td>294.0</td>
<td>319.8</td>
<td>335.7</td>
<td>322.2</td>
</tr>
<tr>
<td>STG</td>
<td>96.9</td>
<td>107.3</td>
<td>107.3</td>
<td>103.9</td>
</tr>
<tr>
<td>DL</td>
<td>36.3</td>
<td>38.9</td>
<td>37.9</td>
<td>37.9</td>
</tr>
<tr>
<td>BRG</td>
<td>160.7</td>
<td>177.9</td>
<td>189.5</td>
<td>180.3</td>
</tr>
</tbody>
</table>

**OP income Quarterly Trend**

(billions of yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>OP income (billions of yen)</td>
<td>5.8%</td>
<td>5.3%</td>
<td>4.6%</td>
<td>2.8%</td>
</tr>
<tr>
<td>FY2016</td>
<td>17.0</td>
<td>17.0</td>
<td>15.6</td>
<td>12.5</td>
</tr>
<tr>
<td>FY2017</td>
<td>8.8</td>
<td>12.5</td>
<td>12.0</td>
<td>7.2</td>
</tr>
<tr>
<td>FY2018</td>
<td>6.7</td>
<td>6.7</td>
<td>5.6</td>
<td>2.2</td>
</tr>
</tbody>
</table>
## Financial Results by Business

### (Machine Tools & Others)

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>Increase/ Decrease</th>
<th>Increase/ Decrease(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Machine tools and others</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>173.1</td>
<td>160.2</td>
<td>△ 12.8</td>
<td>△ 7.4%</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>1.9</td>
<td>1.2</td>
<td>△ 0.6</td>
<td>△ 36.2%</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>175.0</td>
<td>161.4</td>
<td>△ 13.5</td>
<td>△ 7.8%</td>
</tr>
<tr>
<td><strong>[Total]</strong></td>
<td>16.8</td>
<td>11.8</td>
<td>△ 5.0</td>
<td>△ 29.8%</td>
</tr>
<tr>
<td><strong>OP income</strong></td>
<td>9.6%</td>
<td>7.3%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Intercompany elimination is omitted.

### Net Sales Quarterly Trend

- **MT**
- **Others**

<table>
<thead>
<tr>
<th>(billions of yen)</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>34.9</td>
<td>40.0</td>
<td>40.1</td>
<td>43.0</td>
</tr>
<tr>
<td></td>
<td>35.5</td>
<td>40.4</td>
<td>40.5</td>
<td>44.3</td>
</tr>
<tr>
<td></td>
<td>0.5</td>
<td>0.4</td>
<td>0.4</td>
<td>0.5</td>
</tr>
</tbody>
</table>

### OP income Quarterly Trend

- **OP income**
- **OP income(%)**

<table>
<thead>
<tr>
<th>(billions of yen)</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.2</td>
<td>3.2</td>
<td>3.5</td>
<td>4.2</td>
</tr>
<tr>
<td></td>
<td>6.5%</td>
<td>8.0%</td>
<td>8.7%</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

* Reference

**Financial Results by Business (Machine Tools & Others)**

- **Net sales**
- **OP income**
- **OP income(%)**
### Quarterly Trend

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (billions of yen)</td>
<td>137.3</td>
<td>145.6</td>
<td>147.6</td>
<td>161.3</td>
</tr>
<tr>
<td>OP income (billions of yen)</td>
<td>5.1</td>
<td>7.0</td>
<td>4.8</td>
<td>2.1</td>
</tr>
</tbody>
</table>

### Financial Results by Region [Japan]

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>Increase/Decrease</th>
<th>Increase/Decrease(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>619.6</td>
<td>605.0</td>
<td>△ 14.5</td>
<td>△ 2.4%</td>
</tr>
<tr>
<td>OP income</td>
<td>21.3</td>
<td>9.1</td>
<td>△ 12.1</td>
<td>△ 57.0%</td>
</tr>
<tr>
<td>OP income(%)</td>
<td>3.4%</td>
<td>1.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** The financial results are presented in billions of yen.
## (Reference) Financial Results by Region [Europe]

<table>
<thead>
<tr>
<th>Region</th>
<th>FY2018</th>
<th>FY2019</th>
<th>Increase/Decrease</th>
<th>Increase/Decrease(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>231.2</td>
<td>197.4</td>
<td>△ 33.7</td>
<td>△ 14.6%</td>
</tr>
<tr>
<td>OP income</td>
<td>△ 3.4</td>
<td>△ 4.8</td>
<td>△ 1.3</td>
<td>-</td>
</tr>
<tr>
<td>OP income(%)</td>
<td>△ 1.5%</td>
<td>△ 2.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Quarterly Trend

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>48.3</td>
<td>55.1</td>
<td>61.2</td>
<td>51.9</td>
<td>55.8</td>
<td>62.1</td>
<td>57.2</td>
<td>46.0</td>
<td>47.9</td>
</tr>
<tr>
<td>OP income</td>
<td>1.6</td>
<td>0.9</td>
<td>△ 0.1</td>
<td>△ 1.2</td>
<td>△ 1.7</td>
<td>△ 0.2</td>
<td>△ 0.6</td>
<td>△ 1.5</td>
<td>△ 0.7</td>
</tr>
</tbody>
</table>

- Increase/Decrease:
  - △ 1.5%
  - △ 2.4%
### Financial Results by Region

#### North America

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>Increase/Decrease</th>
<th>Increase/Decrease(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>314.7</td>
<td>293.0</td>
<td>△ 21.7</td>
<td>△ 6.9%</td>
</tr>
<tr>
<td><strong>OP income</strong></td>
<td>4.8</td>
<td>4.0</td>
<td>△ 0.8</td>
<td>△ 17.5%</td>
</tr>
<tr>
<td><strong>OP income(%)</strong></td>
<td>1.5%</td>
<td>1.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Quarterly Trend

<table>
<thead>
<tr>
<th>Year</th>
<th>Net sales</th>
<th>OP income</th>
<th>OP income(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2016</td>
<td>72.4</td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td>FY2017</td>
<td>74.5</td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td>FY2018</td>
<td>79.6</td>
<td>2.2</td>
<td>△ 0.1</td>
</tr>
<tr>
<td>FY2019</td>
<td>82.8</td>
<td>2.2</td>
<td>△ 0.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net sales (billions of yen)</th>
<th>OP income (billions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>△ 21.7</td>
<td>△ 6.9%</td>
</tr>
<tr>
<td>2Q</td>
<td>△ 0.8</td>
<td>△ 17.5%</td>
</tr>
<tr>
<td>3Q</td>
<td>1.5%</td>
<td>1.4%</td>
</tr>
<tr>
<td>4Q</td>
<td>1.4%</td>
<td>△ 17.5%</td>
</tr>
</tbody>
</table>

*JTEKT CORPORATION*
## Financial Results by Region

### Asia/Oceania (Including India)

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>Increase/Decrease</th>
<th>Increase/Decrease(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>178.6</td>
<td>168.4</td>
<td>△ 10.2</td>
<td>△ 5.7%</td>
</tr>
<tr>
<td><strong>OP income</strong></td>
<td>17.8</td>
<td>14.0</td>
<td>△ 3.8</td>
<td>△ 21.6%</td>
</tr>
<tr>
<td><strong>OP income(%)</strong></td>
<td>10.0%</td>
<td>8.3%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Quarterly Trend

- **Net sales**
  - FY2016: 33.8
  - FY2017: 41.1
  - FY2018: 41.7
  - 1Q: 3.2
  - 2Q: 4.0
  - 3Q: 3.7
  - 4Q: 4.5
- **OP income**
  - FY2016: 3.2
  - FY2017: 4.0
  - FY2018: 3.7
  - 1Q: 4.5
  - 2Q: 4.4
  - 3Q: 5.1
  - 4Q: 3.3
- **OP income(%)**
  - FY2016: 10.0%
  - FY2017: 8.3%
  - FY2018: 9.0%
  - 1Q: 9.7%
  - 2Q: 10.2%
  - 3Q: 11.0%
  - 4Q: 8.2%

### Reference

- **Financial Results by Region**
- **Asia/Oceania (Including India)**
(Reference) Financial Results by Region [China]

<table>
<thead>
<tr>
<th>Region</th>
<th>FY2018</th>
<th>FY2019</th>
<th>Increase/Decrease</th>
<th>Increase/Decrease(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>149.7</td>
<td>130.4</td>
<td>△ 19.3</td>
<td>△ 12.9%</td>
</tr>
<tr>
<td></td>
<td>22.8</td>
<td>10.5</td>
<td>△ 12.2</td>
<td>△ 53.6%</td>
</tr>
</tbody>
</table>

| OP income (%) | 15.3% | 8.1% |

Quarterly Trend

<table>
<thead>
<tr>
<th>Year</th>
<th>Net sales</th>
<th>OP income</th>
<th>OP income(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2016</td>
<td>31.9</td>
<td>5.0</td>
<td>15.9%</td>
</tr>
<tr>
<td>FY2017</td>
<td>36.7</td>
<td>5.8</td>
<td>15.8%</td>
</tr>
<tr>
<td>FY2018</td>
<td>39.5</td>
<td>6.7</td>
<td>17.1%</td>
</tr>
<tr>
<td>1Q</td>
<td>36.5</td>
<td>6.1</td>
<td>17.0%</td>
</tr>
<tr>
<td>2Q</td>
<td>40.1</td>
<td>6.0</td>
<td>15.2%</td>
</tr>
<tr>
<td>3Q</td>
<td>33.4</td>
<td>3.7</td>
<td>11.4%</td>
</tr>
<tr>
<td>4Q</td>
<td>33.8</td>
<td>3.7</td>
<td>11.2%</td>
</tr>
<tr>
<td>FY2019</td>
<td>33.4</td>
<td>3.3</td>
<td>10.0%</td>
</tr>
<tr>
<td>1Q</td>
<td>42.3</td>
<td>3.3</td>
<td>8.3%</td>
</tr>
<tr>
<td>2Q</td>
<td>3.3</td>
<td></td>
<td>△ 0.3%</td>
</tr>
<tr>
<td>3Q</td>
<td>3.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4Q</td>
<td>20.7</td>
<td></td>
<td>△ 0.0</td>
</tr>
</tbody>
</table>
## Quarterly Trend

<table>
<thead>
<tr>
<th>Region</th>
<th>FY2018</th>
<th>FY2019</th>
<th>Increase/Decrease</th>
<th>Increase/Decrease(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>26.8</td>
<td>24.2</td>
<td>△ 26.0</td>
<td>△ 9.9%</td>
</tr>
<tr>
<td>OP income</td>
<td>1.6</td>
<td>0.6</td>
<td>△ 9.0</td>
<td>△ 58.1%</td>
</tr>
<tr>
<td>OP income(%)</td>
<td>6.2%</td>
<td>2.9%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Financial Results by Region

#### South America & Others

<table>
<thead>
<tr>
<th>Year</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>Increase/Decrease</th>
<th>Increase/Decrease(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2016</td>
<td>5.7</td>
<td>7.0</td>
<td>6.6</td>
<td>7.0</td>
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<td></td>
</tr>
<tr>
<td>FY2017</td>
<td>0.2</td>
<td>0.5</td>
<td>0.4</td>
<td>0.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2018</td>
<td>0.4</td>
<td>0.4</td>
<td>0.3</td>
<td>0.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.3</td>
<td>0.3</td>
<td>0.4</td>
<td>0.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2019</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### (Reference) Financial Results by Region

【South America and Others】

<table>
<thead>
<tr>
<th>Year</th>
<th>Net sales (billions of yen)</th>
<th>OP income (billions of yen)</th>
<th>OP income(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018</td>
<td>26.8</td>
<td>1.6</td>
<td>6.2%</td>
</tr>
<tr>
<td>FY2019</td>
<td>24.2</td>
<td>0.6</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

### (billions of yen)

<table>
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