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# IR Presentation for the First Quarter of Fiscal Year Ending March 2022

August 2, 2021

**JTEKT Corporation**

1. Sales revenue increased in all regions and businesses, supported by a recovery in automobile production, despite the impact of semiconductor shortages and other factors, resulting in an overall increase of 76.2% year on year.

Business profit increased by 38.8 billion yen year-on-year due to not only the effect of increased sales but also the effect of efforts to improve profitability in the previous year and further reduction of fixed costs.

2. Sales forecast remains unchanged at 1,400 billion yen due to uncertainties due to increased risks such as semiconductor shortage, although automobile production was on a recovery trend. On the other hand, the profit forecast will be revised upward to 45 billion yen by adding 6 billion yen to the business profit, reflecting the results of efforts to improve the constitution such as reduction of fixed costs.

3. Dividend remains unchanged at 16 yen per year. We consider it according to the situation in the second quarter.

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# 1-1) Consolidated Performance

- Sales increased in all businesses and regions due to the recovery in automobile production.
- business structure is steadily improving due to the effects of cost improvement and fixed cost reduction despite of material cost hike and transport cost.

( ):Ratio to Revenue

billions of yen

	FY2020 1Q	FY2021 1Q	Increase/ Decrease	Increase/ Decrease(%)
<b>Sales revenue</b>	195.3	<b>344.1</b>	+ 148.8	76.2%
<b>Business profit</b> ※1	(▲15.3%) ▲ 29.8	(2.6%) <b>8.9</b>	+ 38.8	-
<b>Operating Profit</b>	(▲15.3%) ▲ 29.9	(2.5%) <b>8.7</b>	+ 38.6	-
<b>Profit before tax</b>	(▲14.9%) ▲ 29.0	(3.1%) <b>10.6</b>	+ 39.7	-
<b>Profit attributable to owners of parent</b> ※2	(▲12.9%) ▲ 25.1	(1.7%) <b>5.7</b>	+ 30.9	-
Foreign exchange USD	¥ 107.62/USD	<b>¥ 109.49/USD</b>	1.87 week yen	
EUR	¥ 118.48/EUR	<b>¥ 131.96/EUR</b>	13.48 week yen	
Earnings per share	▲ 73.44yen	<b>16.70yen</b>		

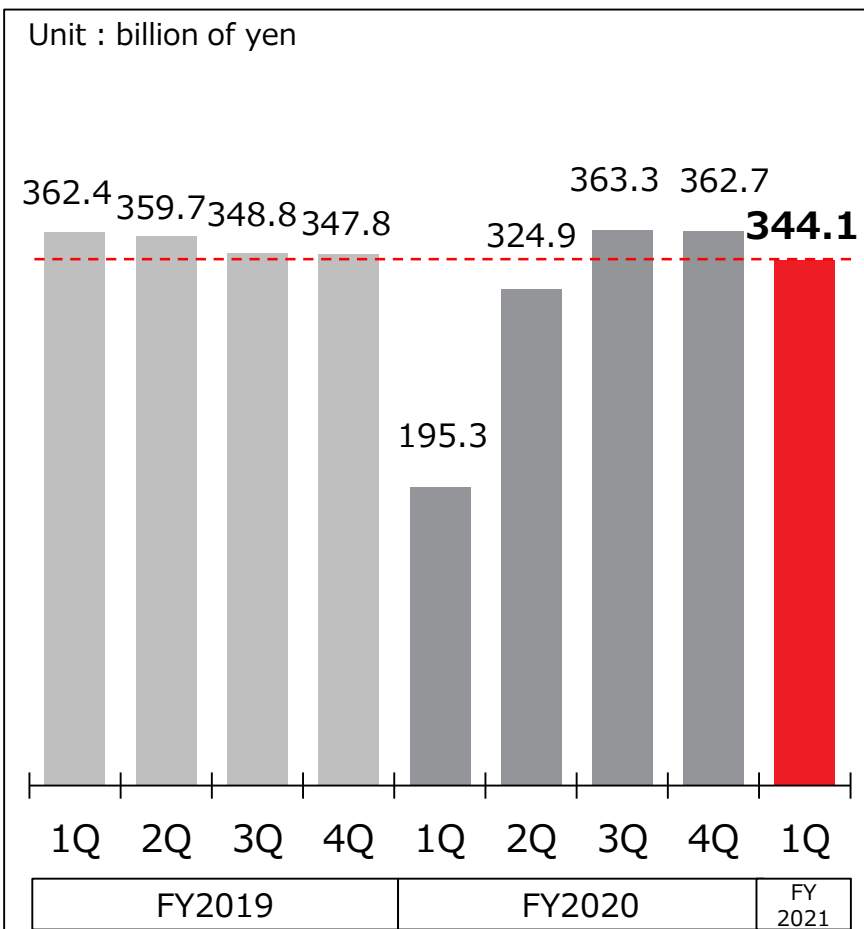
(※1) Our own management profit after deducting "cost of revenue" and "selling, general and administrative expenses" from "Sales revenue"

(※2) Profit attributable to owners of the parent

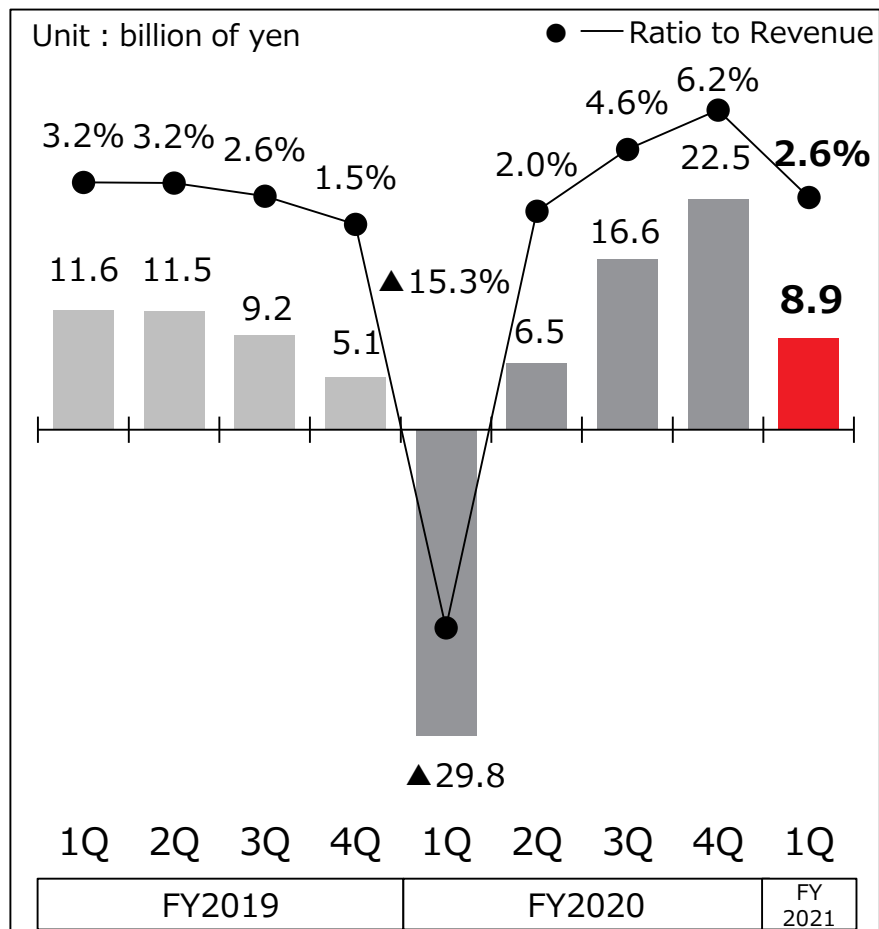
# 1-2) Quarterly Result Trend

- Sales in the first quarter of 2021 did not recover to the results of the first quarter of 2019 due to the impact of semiconductor shortages.
- Despite deteriorating profitability in North America, the Company's business structure is steadily improving due to the effects of cost reduction and prevention of rebound.

## Sales revenue

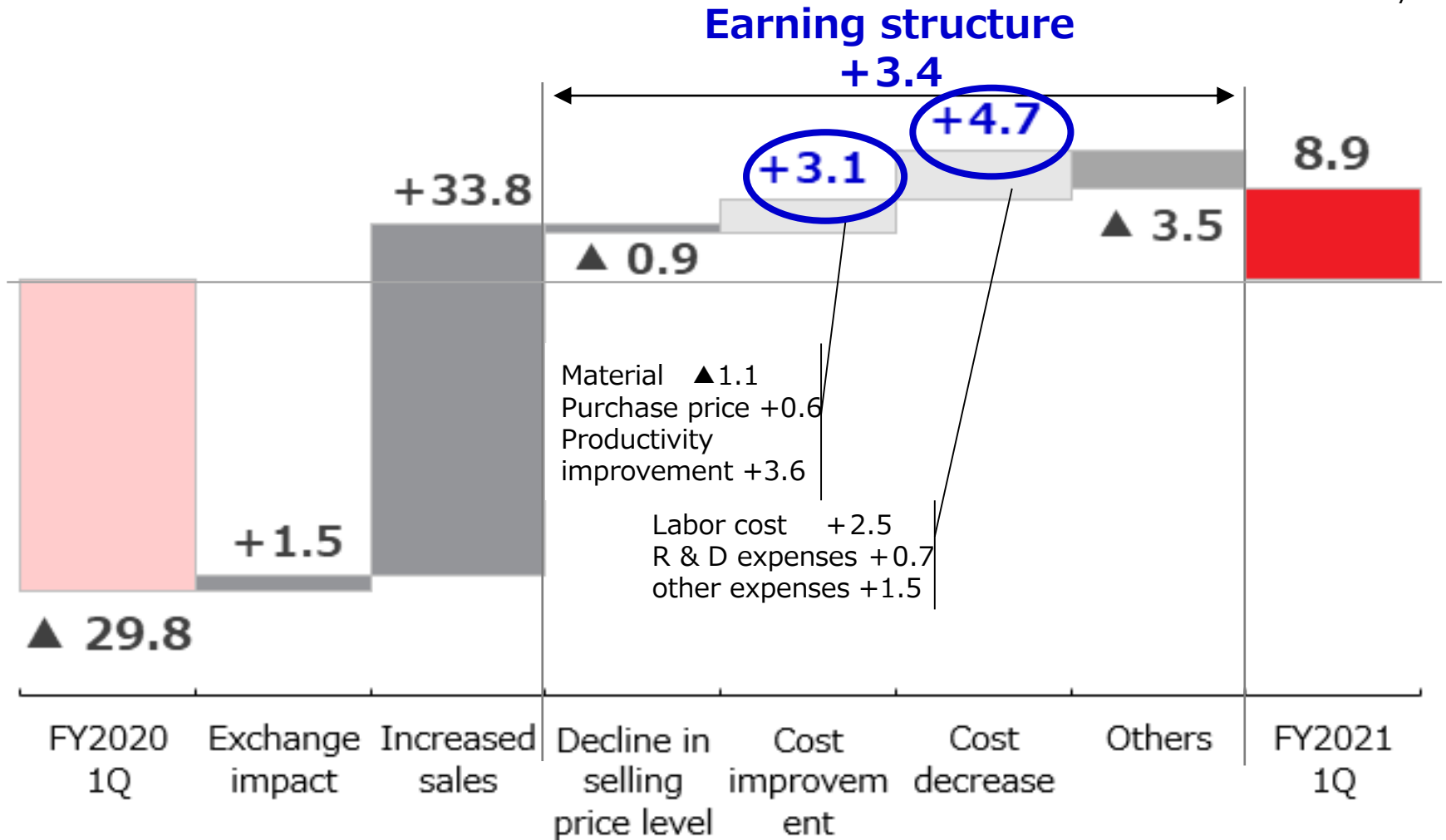


## Business profit



# 1-3) Business Profit Analysis

Unit : billion of yen



# 1-4) Results by Region

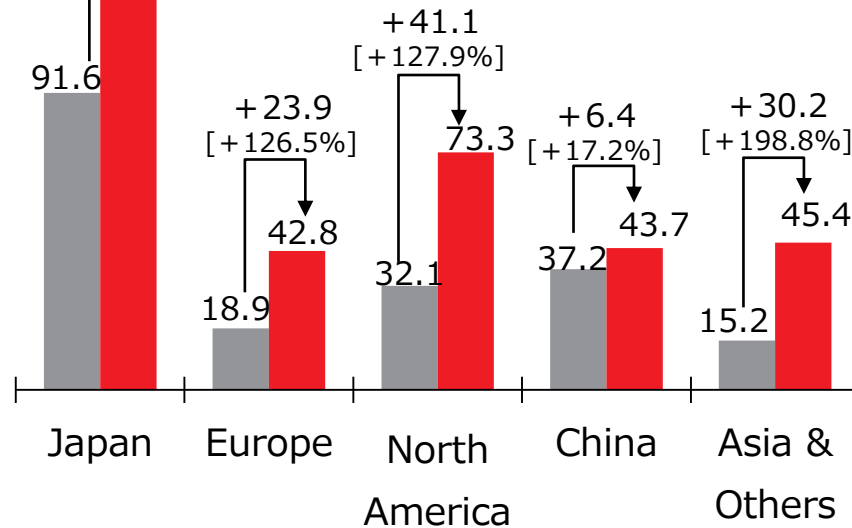
## Sales revenue

Unit : billion of yen

[Rate of change]

■ FY20 1Q ■ FY21 1Q

	Currency difference	Increase / decrease	
		FY20 1Q	FY21 1Q
Japan	-	+47.0	+51.3%
Europe	+4.5	+19.4	+102.5%
North America	+2.1	+38.9	+121.1%
China	+4.6	+1.8	+4.9%
Asia & Others	+1.6	+28.5	+188.0%



	FY20 1Q	FY21 1Q	Increase / decrease	%	Currency difference	Increase / decrease	%
Total	195.3	344.1	148.8	+76.2%	+12.9	+135.8	+69.6%

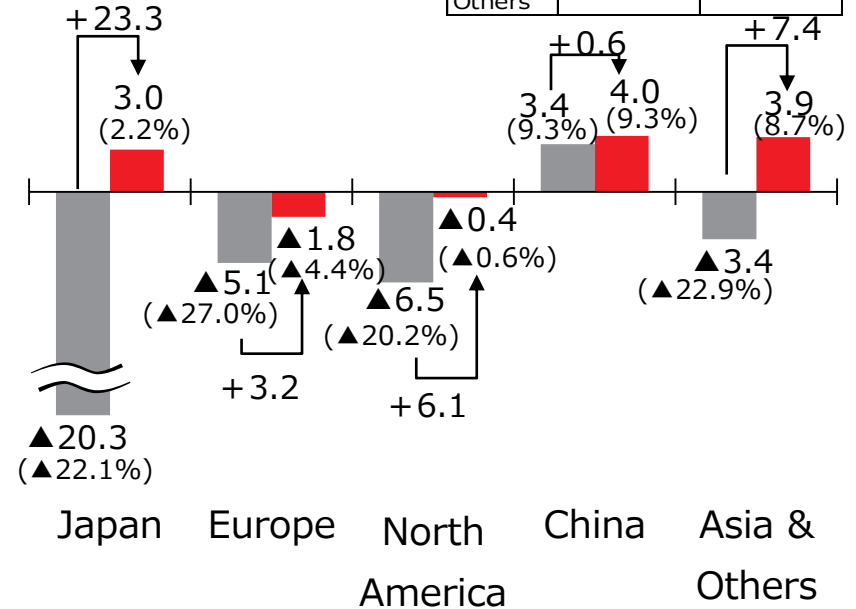
## Business profit

Unit : billion of yen

(Ratio to Revenue)

■ FY20 1Q ■ FY21 1Q

	Currency difference	Increase / decrease	
		FY20 1Q	FY21 1Q
Japan	+0.9	+22.4	
Europe	▲0.2	+3.4	
North America	+0.0	+6.0	
China	+0.5	+0.0	
Asia & Others	+0.3	+7.1	



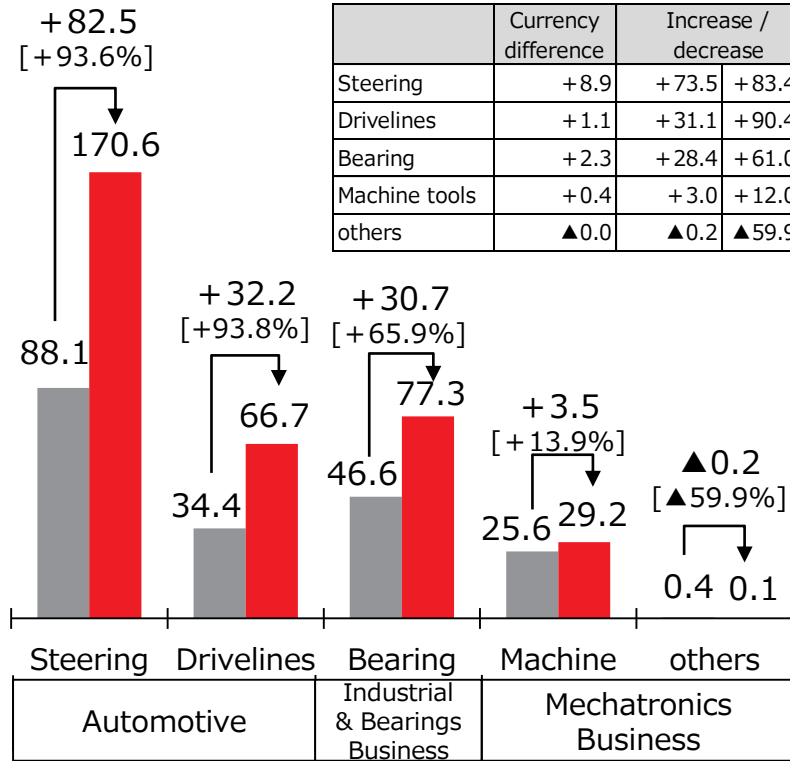
	FY20 1Q	FY21 1Q	Increase / decrease	%	Currency difference	Increase / decrease	%
region total	▲31.9	8.8	40.7	-	+1.5	+39.2	-
elimination	2.0	0.1	▲1.9	▲95.1%	-	▲1.9	▲95.1%
Total	▲29.8	8.9	38.8	-	+1.5	+37.2	-

# 1-5) Result by Business

## Sales revenue

Unit : billion of yen [Rate of change]

■ FY20 1Q ■ FY21 1Q



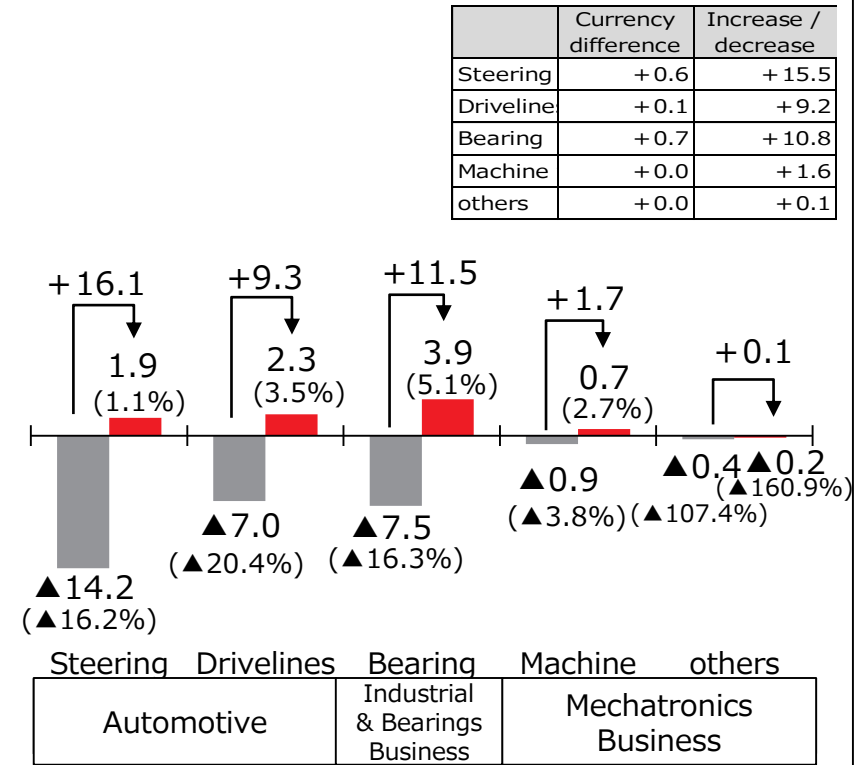
	FY20 1Q	FY21 1Q	Increase / decrease	%	Currency difference	Increase / decrease	%
Automotive	122.5	<b>237.3</b>	+114.7	+93.7%	+10.1	+104.6	+85.3%
Industrial & Bearings Business	46.6	<b>77.3</b>	+30.7	+65.9%	+2.3	+28.4	+61.0%
Mechatronics Business	26.0	<b>29.3</b>	+3.2	+12.6%	+0.4	+2.7	+10.7%
Total	195.3	<b>344.1</b>	+148.8	+76.2%	+12.9	+135.8	+69.6%

## Business profit

Unit : billion of yen

(Ratio to Revenue)

■ FY20 1Q ■ FY21 1Q



	FY20 1Q	FY21 1Q	Increase / decrease	%	Currency difference	Increase / decrease	%
Automotive	▲21.3	<b>4.2</b>	+25.5	-	+0.7	+24.7	-
Industrial & Bearings Business	▲7.5	<b>3.9</b>	+11.5	-	+0.7	+10.8	-
Mechatronics Business	▲1.4	<b>0.4</b>	+1.9	-	+0.0	+1.8	-
elimination	0.4	<b>0.2</b>	▲0.2	▲51.9%	-	▲0.2	▲51.9%
Total	▲29.8	<b>8.9</b>	+38.8	-	+1.5	+37.2	-

Segment supplement: HUB separated from the former Bearing business and consolidated into Drivelines



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# 2-1) Forecasts for Fiscal Year Ending March 2022

- Although the market environment was on a recovery trend, sales revenue remains unchanged due to uncertainties such as semiconductor shortages and the spread of COVID-19.
- Revised profits upward at each stage to reflect the upside factors such as cost improvement and fixed costs reductions realized in the first quarter of the current fiscal year.

( ):Ratio to Revenue

billions of yen

	21/3 result		<b>22/3 revised forecast</b>		Increase/ Decrease	Increase/ Decrease(%)	22/3 previous forecast	Increase/ Decrease
<b>Sales revenue</b>		1,246.2		<b>1,400.0</b>	+153.7	12.3%	1,400.0	-
<b>Business profit</b> ※1	(1.3%)	15.9	(3.2%)	<b>45.0</b>	+29.0	182.8%	(2.8%) 39.0	+6.0
<b>Operating Profit</b>	(1.0%)	12.9	(2.8%)	<b>38.5</b>	+25.5	198.0%	(2.3%) 32.5	+6.0
<b>Profit before tax</b>	(1.2%)	15.3	(2.8%)	<b>38.5</b>	+23.1	150.8%	(2.3%) 32.5	+6.0
<b>Profit attributable to owners of parent</b> ※2	(0.1%)	0.8	(1.5%)	<b>21.0</b>	+20.2	-	(1.2%) 17.0	+4.0
Foreign exchange USD	¥ 106.06/USD		<b>¥ 106.00/USD</b>		0.06 strong yen		¥ 105.00/USD	1.00 week yen
EUR	¥ 123.70/EUR		<b>¥ 130.00/EUR</b>		6.30 week yen		¥ 125.00/EUR	5.00 week yen
Earnings per share		2.33yen		<b>61.23yen</b>			49.57yen	

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

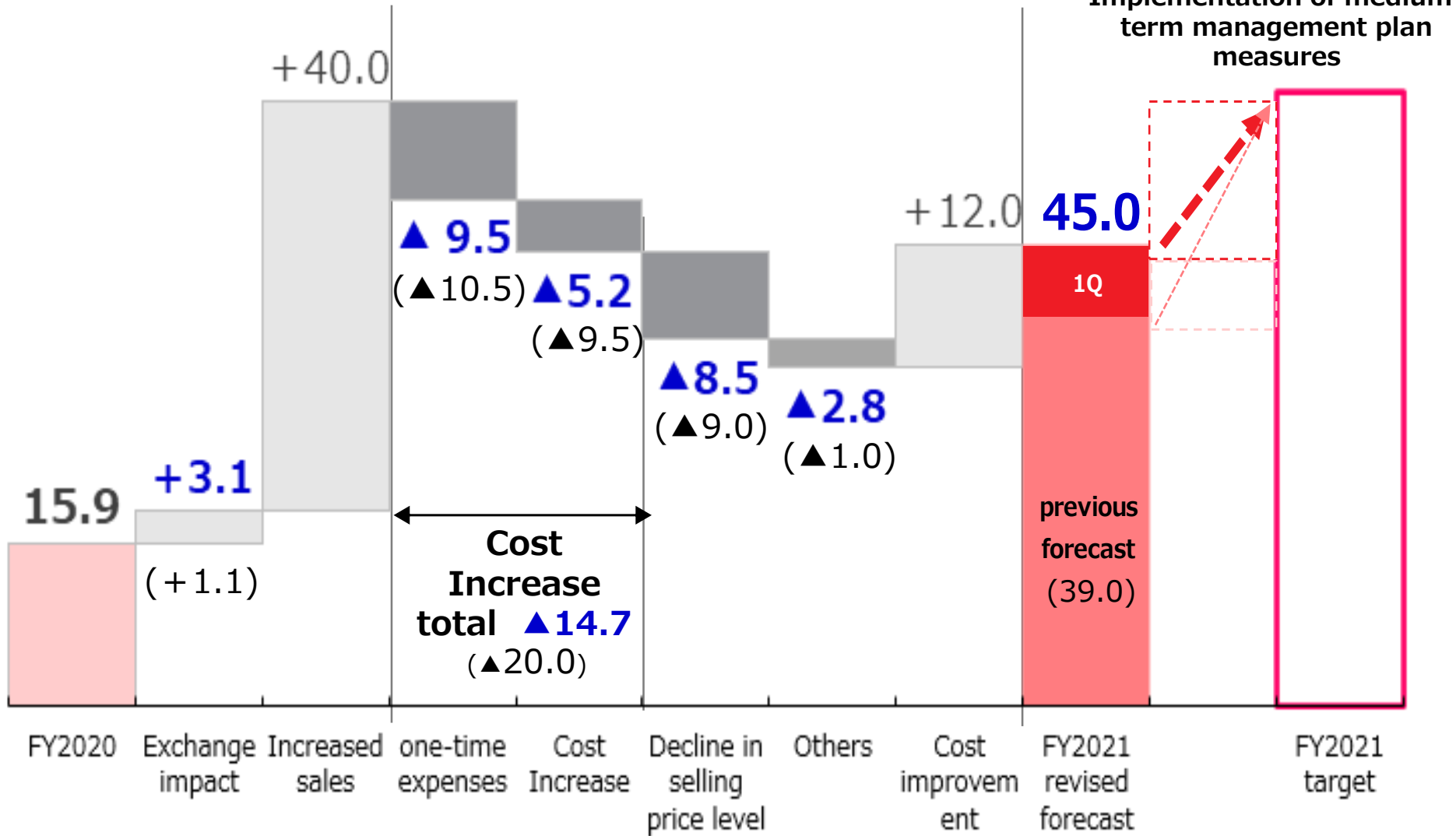
(※2) Profit attributable to owners of the parent

# 2-2) Forecasts – Business profit Analysis



Unit : billion of yen

( ) : Increase / decrease in the previous forecast

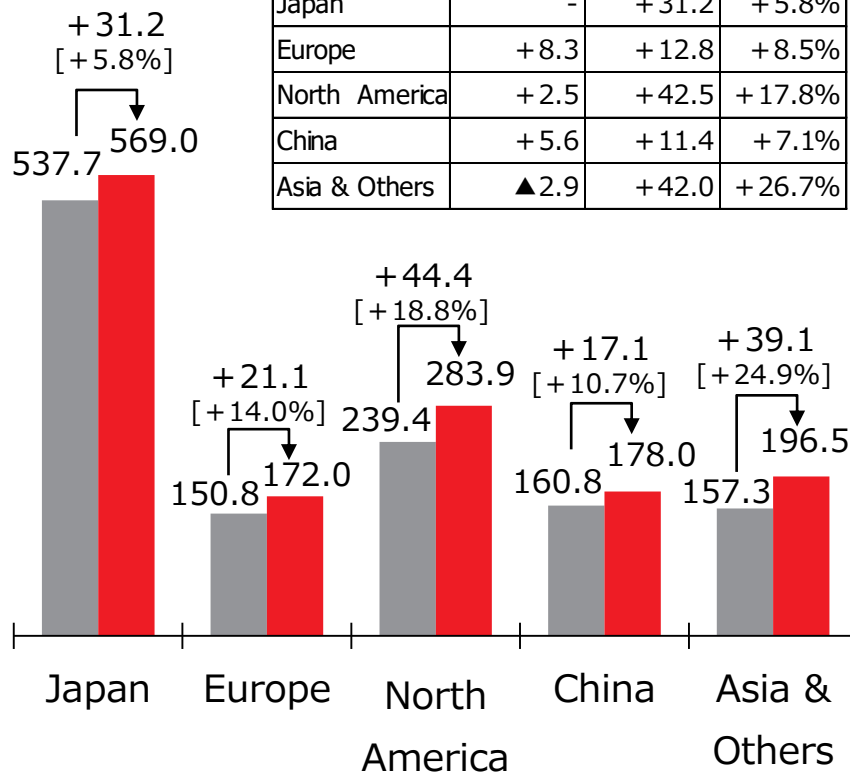


# 2-3) Forecasts – by Region

## Sales revenue

Unit : billions of yen [Rate of change] ■ 21/3 ■ 22/3

	Currency difference	Increase / decrease	
Japan	-	+31.2	+5.8%
Europe	+8.3	+12.8	+8.5%
North America	+2.5	+42.5	+17.8%
China	+5.6	+11.4	+7.1%
Asia & Others	▲2.9	+42.0	+26.7%

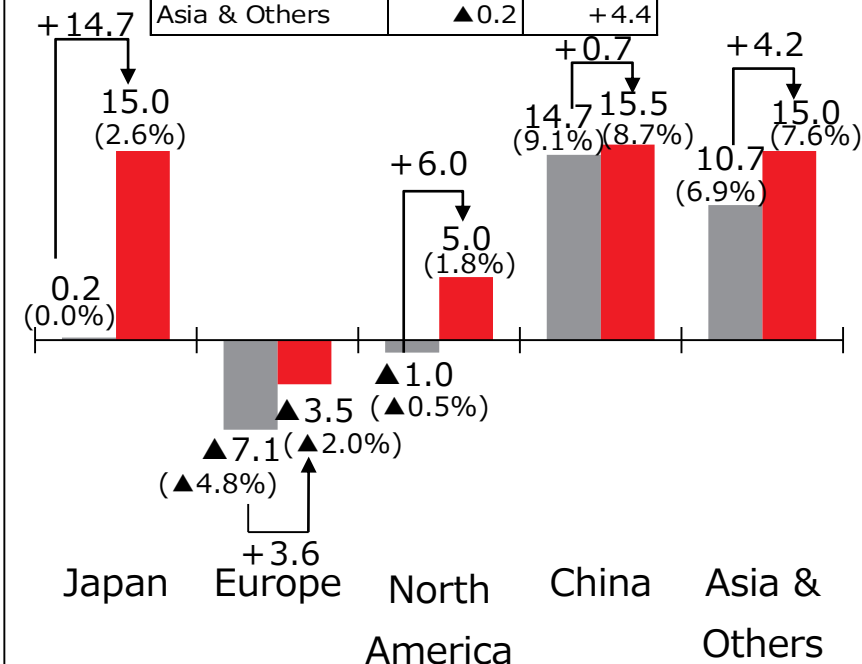


	FY2020	FY2021	Increase / decrease	%	Currency difference	Increase / decrease	%
Total	1,246.2	<b>1,400.0</b>	153.7	+12.3%	+13.5	+140.2	+11.2%

## Business profit

Unit : billions of yen (Ratio to Revenue) ■ 21/3 ■ 22/3

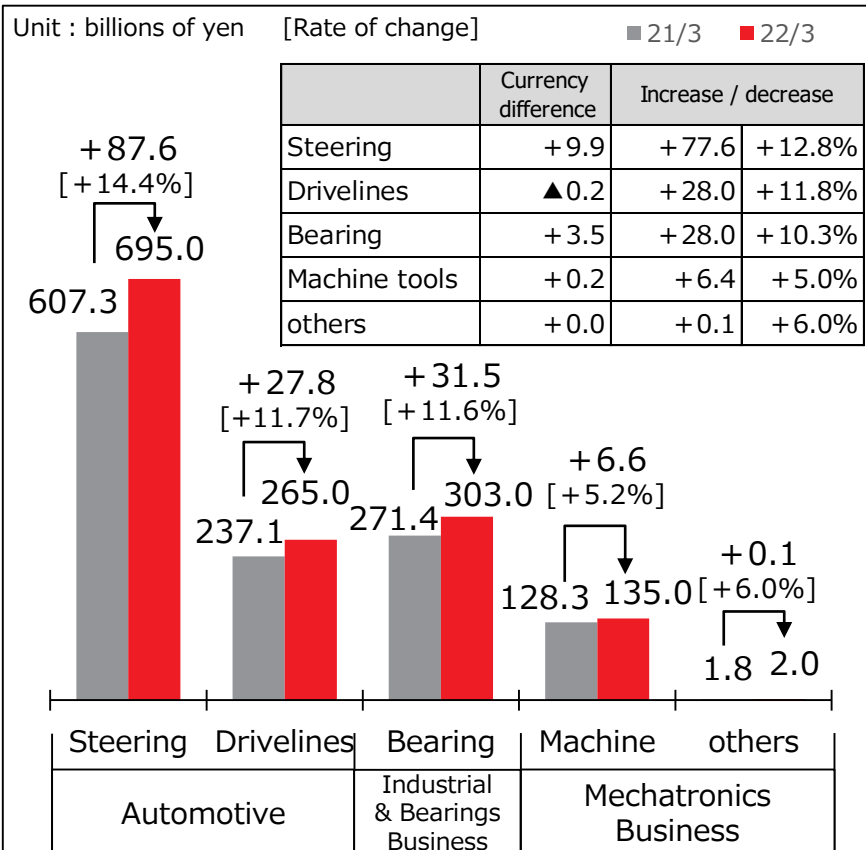
	Currency difference	Increase / decrease
Japan	+3.0	+11.7
Europe	▲0.0	+3.7
North America	+0.1	+5.9
China	+0.3	+0.4
Asia & Others	▲0.2	+4.4



	FY2020	FY2021	Increase / decrease	%	Currency difference	Increase / decrease	%
region total	17.4	<b>47.0</b>	29.5	+169.9%	+3.1	+26.4	+152.1%
elimination	▲1.4	▲2.0	▲0.5	-	-	▲0.5	-
Total	15.9	<b>45.0</b>	29.0	+182.8%	+3.1	+25.9	+163.3%

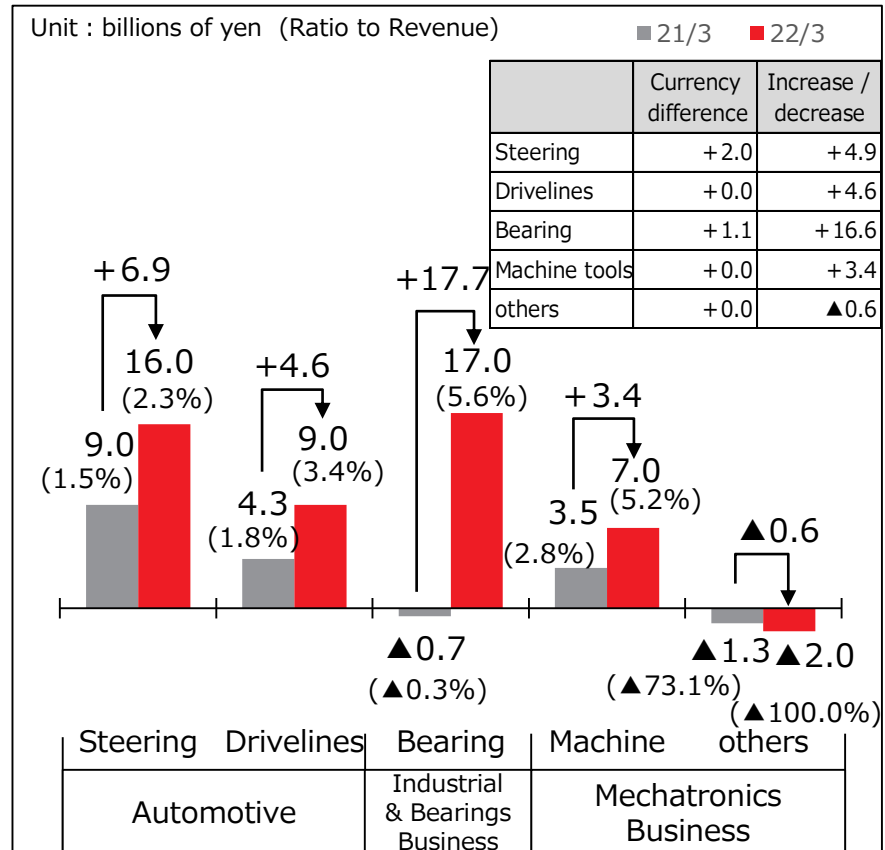
# 2-4) Forecasts – by Business

## Sales revenue



	FY2021	FY2022	Increase / decrease	%	Currency difference	Increase / decrease	%
Automotive	844.5	960.0	115.4	+13.7%	+9.7	+105.6	+12.5%
Industrial & Bearings Business	271.4	303.0	31.5	+11.6%	+3.5	+28.0	+10.3%
Mechatronics Business	130.2	137.0	6.7	+5.2%	+0.2	+6.5	+5.0%
<b>Total</b>	<b>1,246.2</b>	<b>1,400.0</b>	<b>153.7</b>	<b>+12.3%</b>	<b>+13.5</b>	<b>+140.2</b>	<b>+11.3%</b>

## Business profit

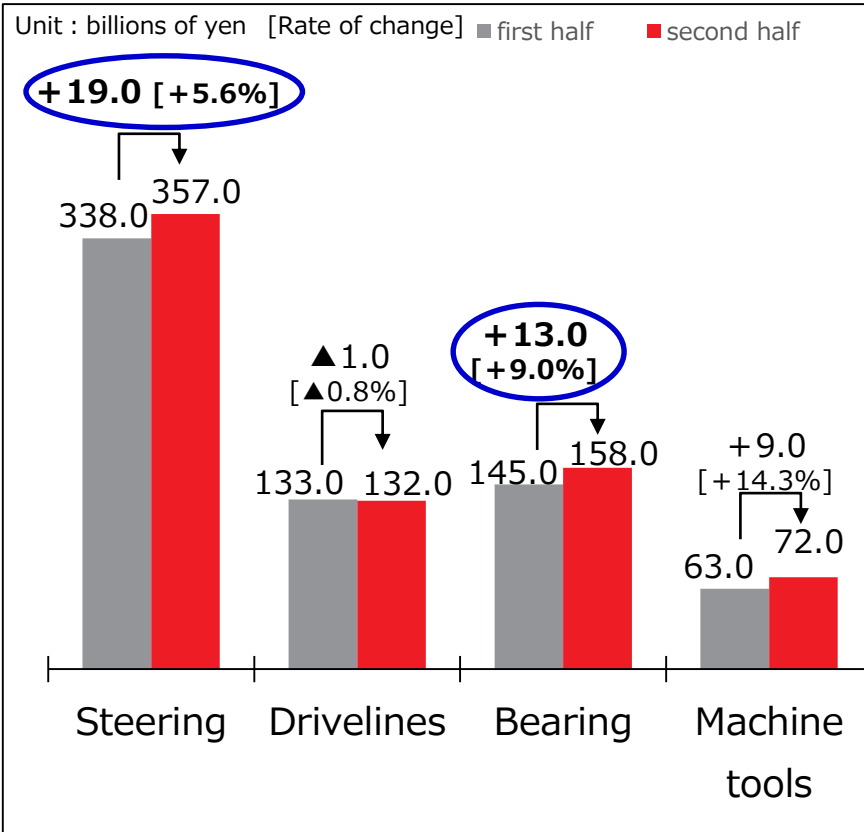


	FY2021	FY2022	Increase / decrease	%	Currency difference	Increase / decrease	%
Automotive	13.4	25.0	11.5	+86.3%	+2.0	+9.5	+71.4%
Industrial & Bearings Business	▲0.7	17.0	17.7	-	+1.1	+16.6	-
Mechatronics Business	2.1	5.0	2.8	+129.6%	+0.0	+2.8	+129.6%
elimination	1.0	▲2.0	▲3.0	-	-	▲3.0	-
<b>Total</b>	<b>15.9</b>	<b>45.0</b>	<b>29.0</b>	<b>+182.8%</b>	<b>+3.1</b>	<b>+25.9</b>	<b>+163.3%</b>

Segment supplement: HUB separated from the former Bearing business and consolidated into Drivelines

# 2-5) Forecasts – by Business (first half – second half)

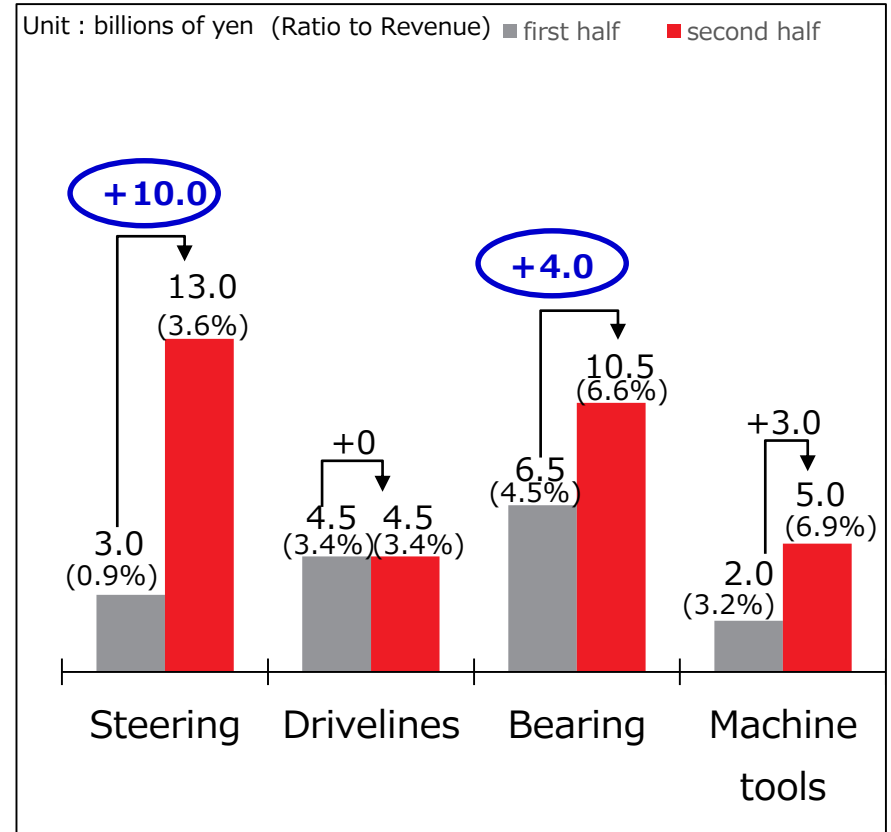
## Sales revenue



	First half of FY 2021	Second half of FY 2021	FY 2021	Increase / decrease	%
Total	680.0	720.0	1,400.0	40.0	+5.9%

※The difference from the graph total is due to the business "Other" and eliminations.

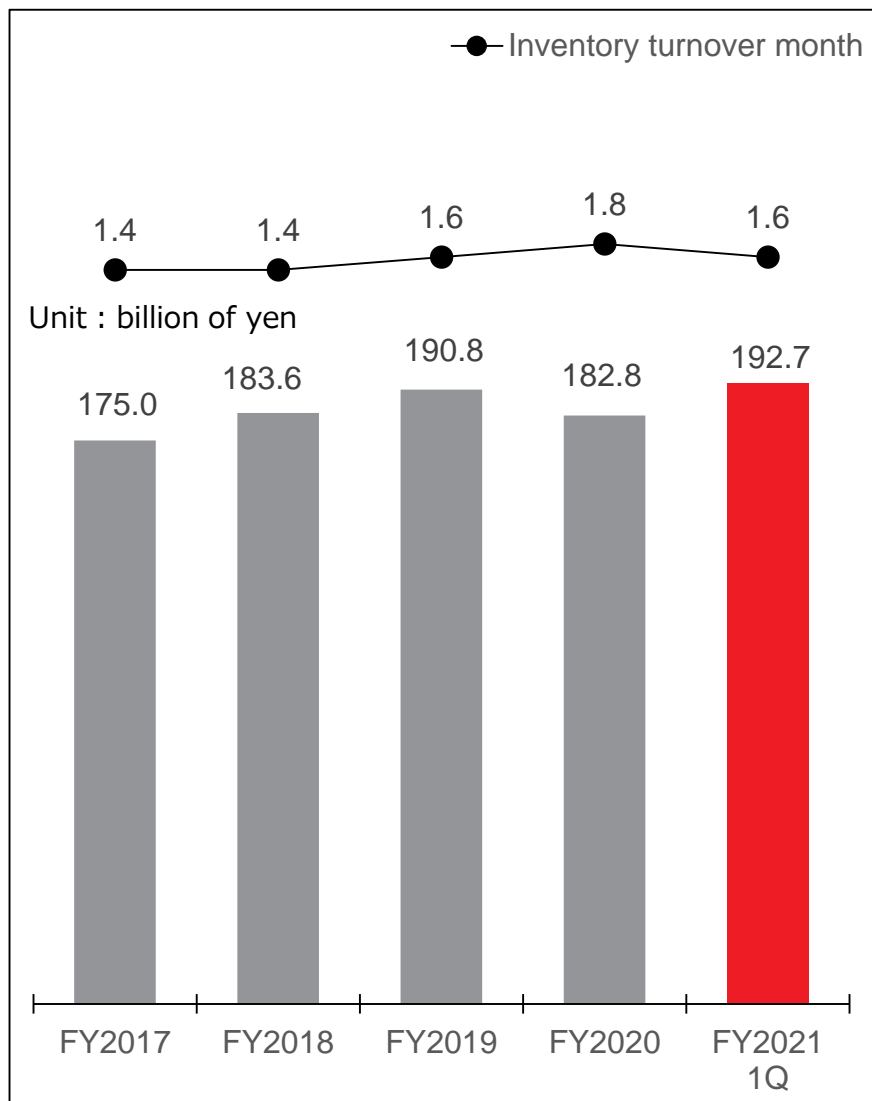
## Business profit



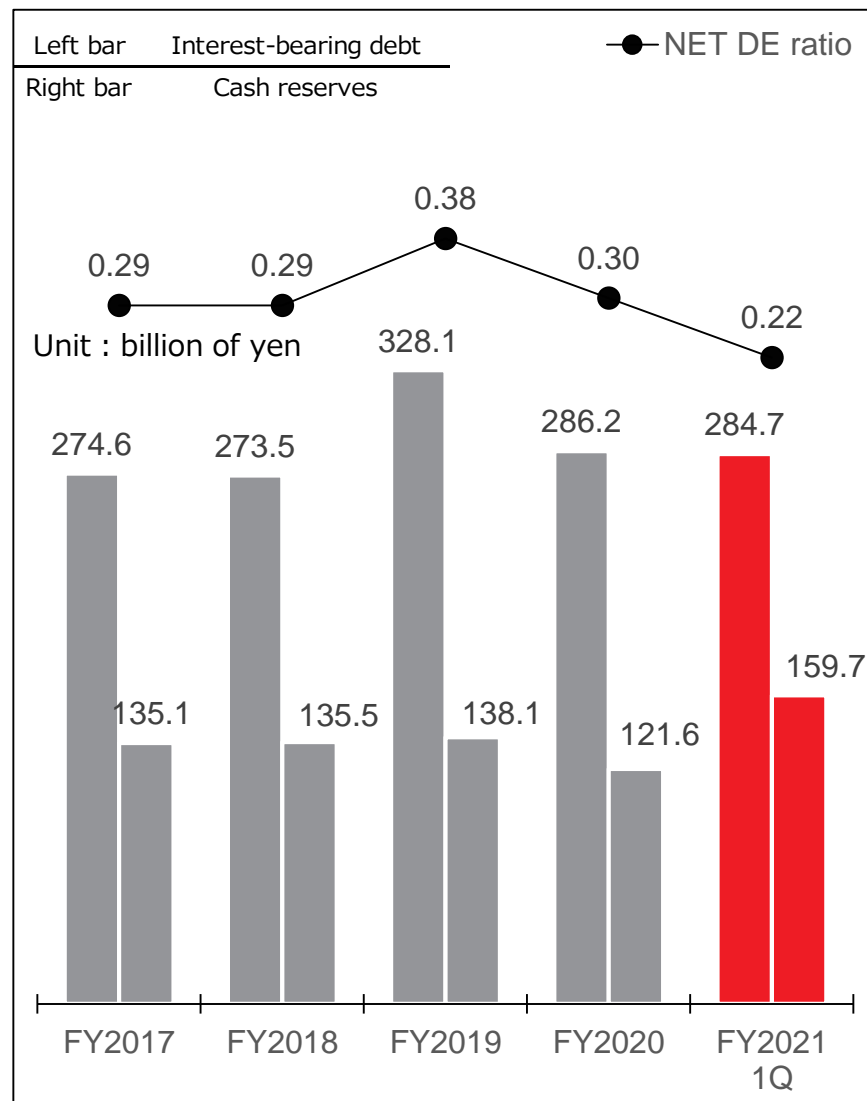
	First half of FY 2021	Second half of FY 2021	FY 2021	Increase / decrease	%
Total	14.0	31.0	45.0	17.0	+121.4%
Ratio to Revenue	+2.1%	+4.3%	+3.2%	-	+2.2%

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## Inventories



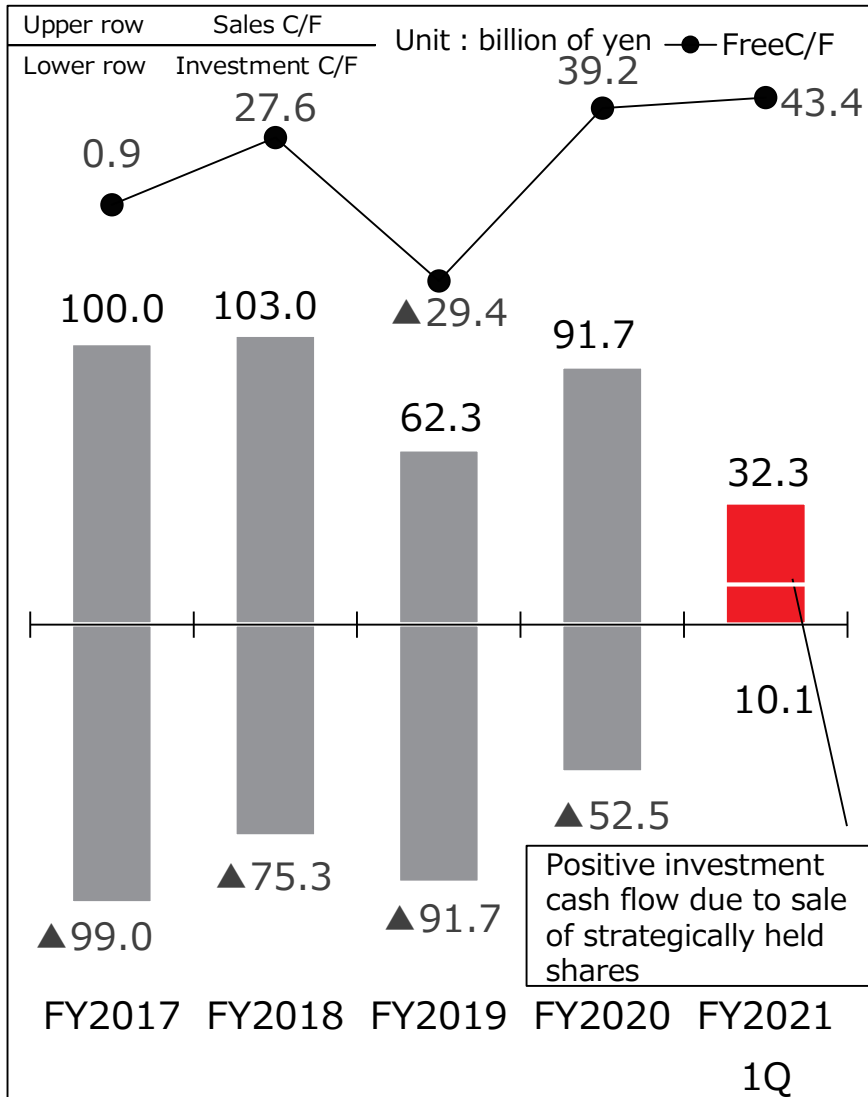
## Interest-bearing debt·Cash reserves



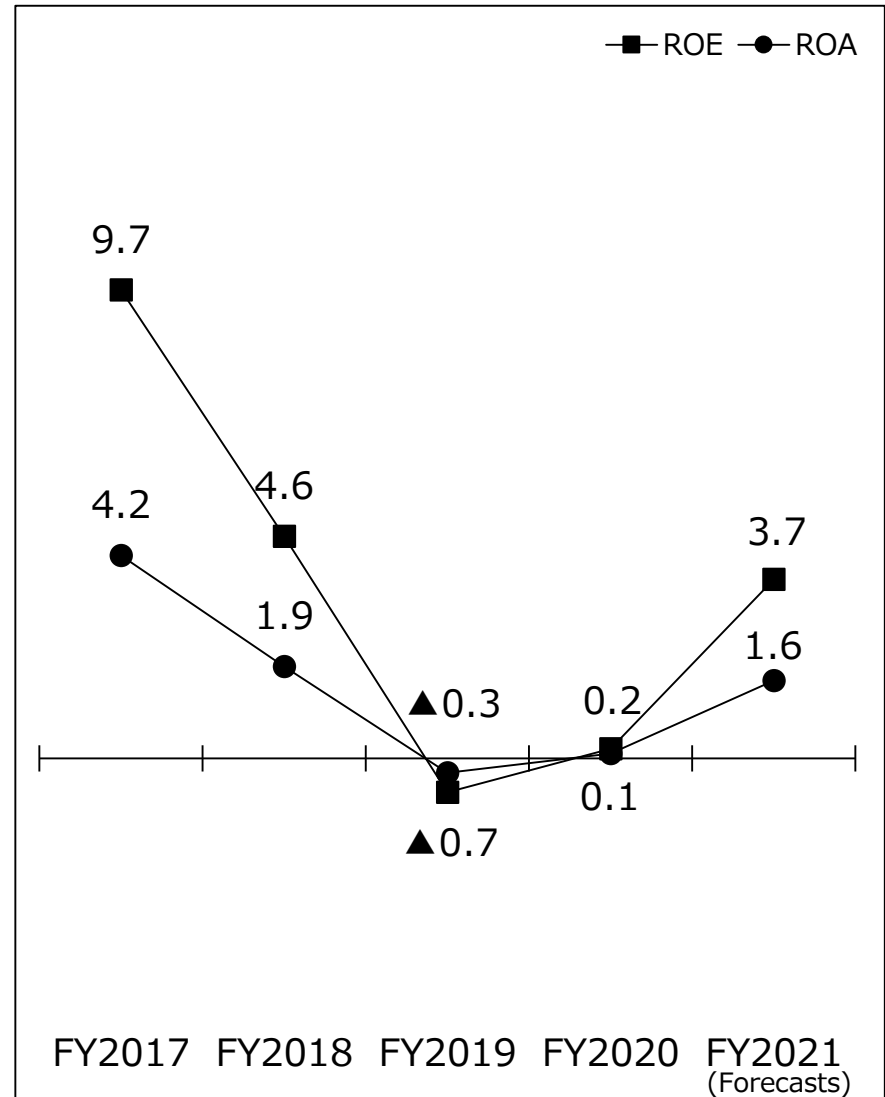


# 3-1) Cash flows/ROE·ROA

## Cash flows



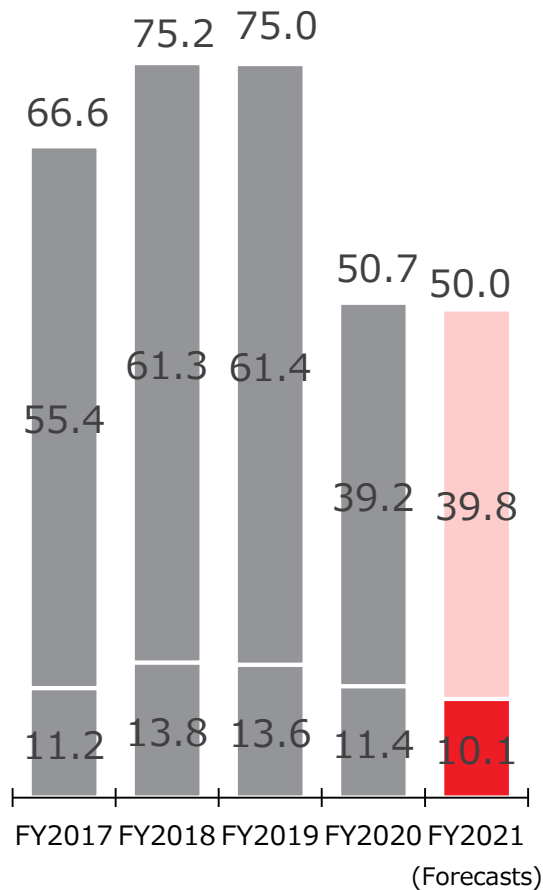
## ROE·ROA



# 3-2) Changes in fixed costs

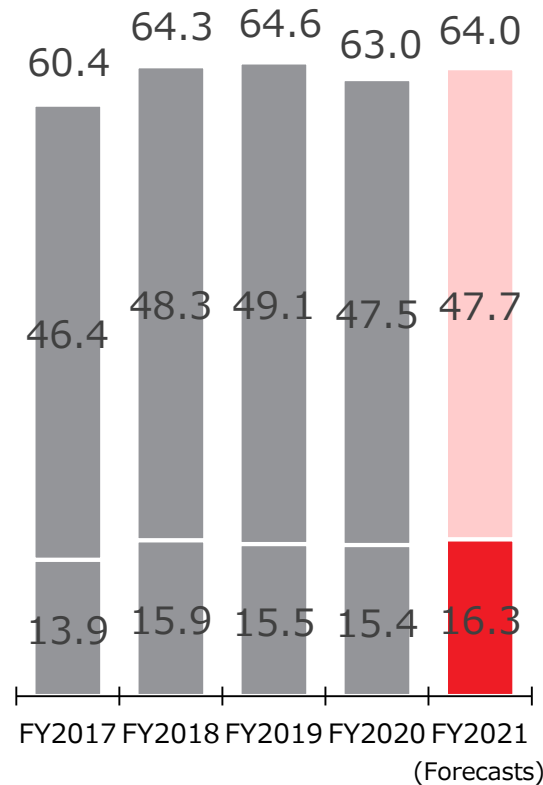
## Capital expenditures

Upper row July - March  
Lower row April - June  
Unit : billion of yen



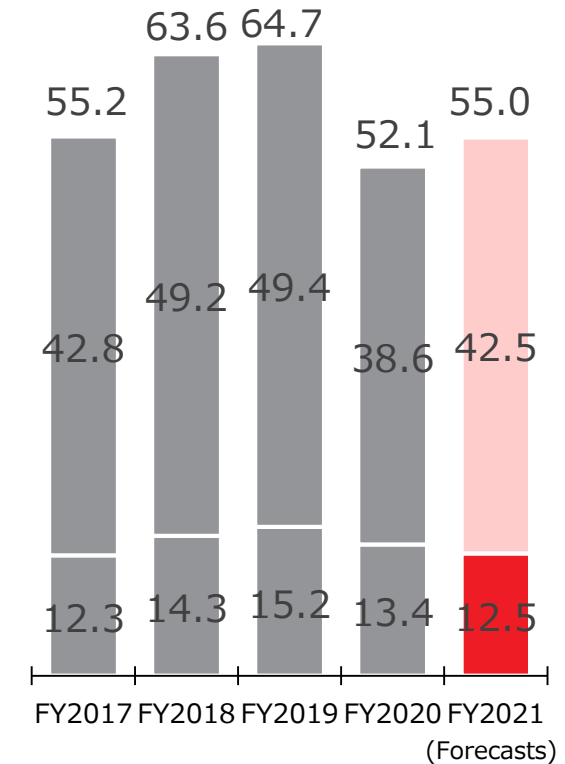
## Depreciation and amortization

Unit : billion of yen



## Research and development expenses

● Ratio to Revenue Unit : billion of yen



# 3-3) Consolidated Statements of Financial Position



## Assets

Unit : billion of yen

Assets	21/3	<b>21/6</b>	Increase / decrease
Cash and cash equivalents	118.6	<b>156.7</b>	+38.1
Trade and other receivables	290.5	<b>280.9</b>	▲ 9.6
Inventories	182.8	<b>192.7</b>	+9.9
Other current assets	8.5	<b>8.6</b>	+0.1
Property, plant and equipment	463.3	<b>458.5</b>	▲ 4.8
Other non-current assets	227.3	<b>222.9</b>	▲ 4.4
<b>Total assets</b>	<b>1,291.3</b>	<b>1,320.5</b>	+29.2

## Liabilities and equity

Unit : billion of yen

Liabilities and equity	21/3	<b>21/6</b>	Increase / decrease
Trade and other payables	286.6	<b>298.5</b>	+11.9
Interest-Bearing Debt	286.2	<b>284.7</b>	▲ 1.4
Other current liabilities	18.8	<b>21.5</b>	+2.7
Other non-current liabilities	114.5	<b>112.6</b>	▲ 1.8
owned capital	550.9	<b>569.1</b>	+18.2
Non-controlling interests	34.1	<b>33.8</b>	▲ 0.3
<b>Total liabilities and equity</b>	<b>1,291.3</b>	<b>1,320.5</b>	+29.2

# 3-3) Consolidated Statements of Income / Consolidated cash flow statement

## Consolidated Statements of Income

Unit : billion of yen

	20/6	21/6	Increase / decrease
Sales revenue	195.3	<b>344.1</b>	+148.8
Business profit	▲ 29.8	<b>8.9</b>	+38.8
Other income	▲ 0.0	▲ <b>0.2</b>	▲ 0.1
Other cost			
Finance income	0.8	<b>1.9</b>	+1.1
Finance costs			
Income tax expenses	3.7	▲ <b>4.3</b>	▲ 8.0
Owners of the parent company	0.1	▲ <b>0.6</b>	▲ 0.8
<b>Profit (loss) for the year attributable to owners of the parent company</b>	▲ 25.1	<b>5.7</b>	+30.9

## Consolidated cash flow statement

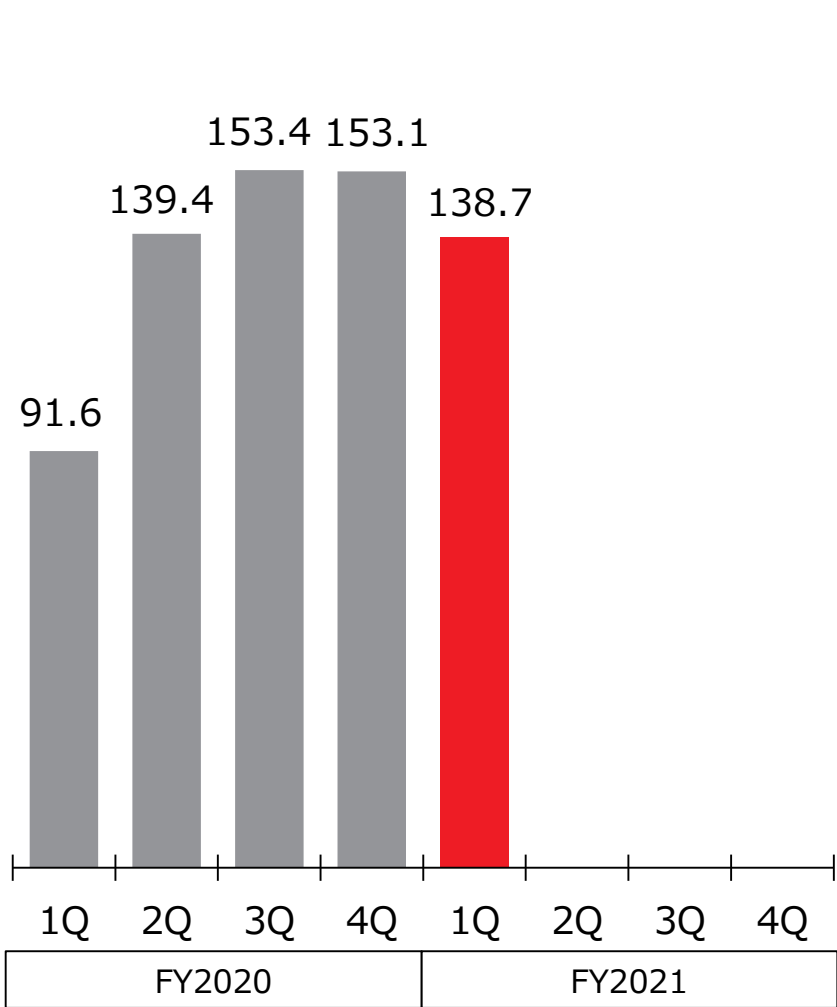
Unit : billion of yen

	20/6	21/6	Increase / decrease
Cash flows from operating activities	▲ 3.7	<b>33.2</b>	36.9
Cash flows from investing activities	▲ 14.2	<b>10.1</b>	24.4
Free cash flow	▲ 18.0	<b>43.4</b>	61.4
Cash flows from financing activities	53.7	▲ <b>5.6</b>	▲ 59.3
Effect of exchange rate change	0.6	<b>0.3</b>	▲ 0.2
Net increase (decrease) in cash and cash equivalents	36.2	<b>38.1</b>	1.8
<b>Cash and cash equivalents</b>	171.1	<b>156.7</b>	▲ 14.4

# 3-4) Quarterly Result Trend – Japan

## Sales revenue

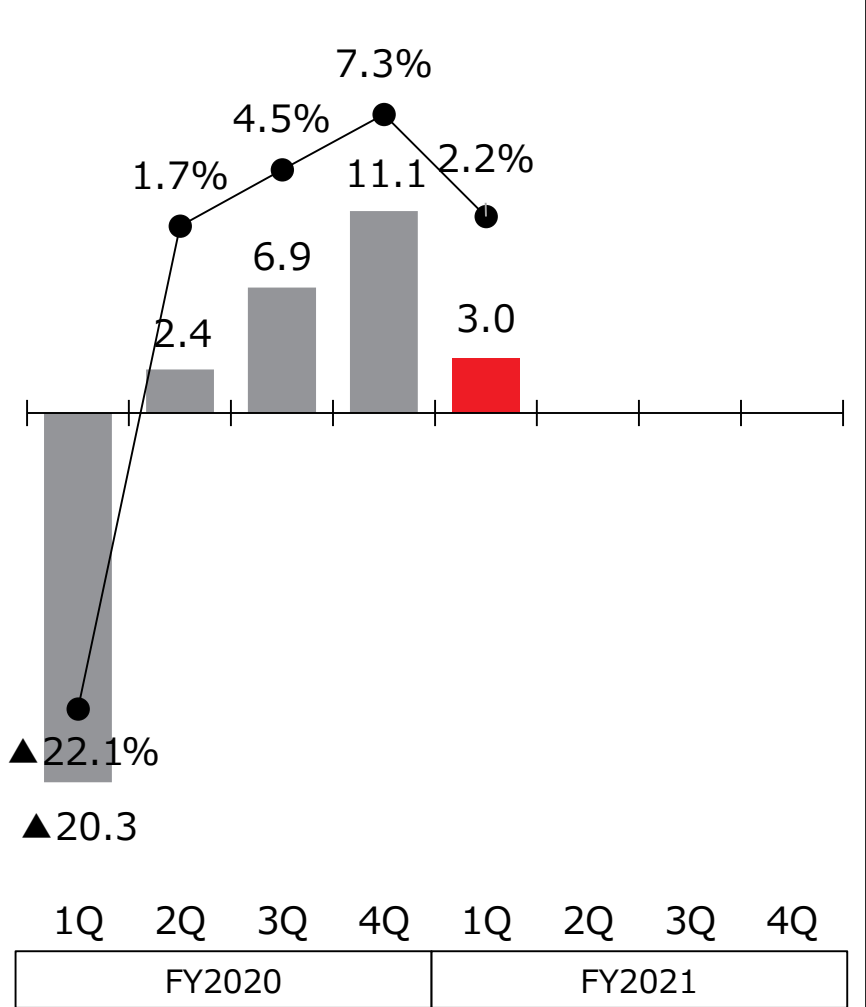
Unit : billion of yen



## Business profit

Unit : billion of yen

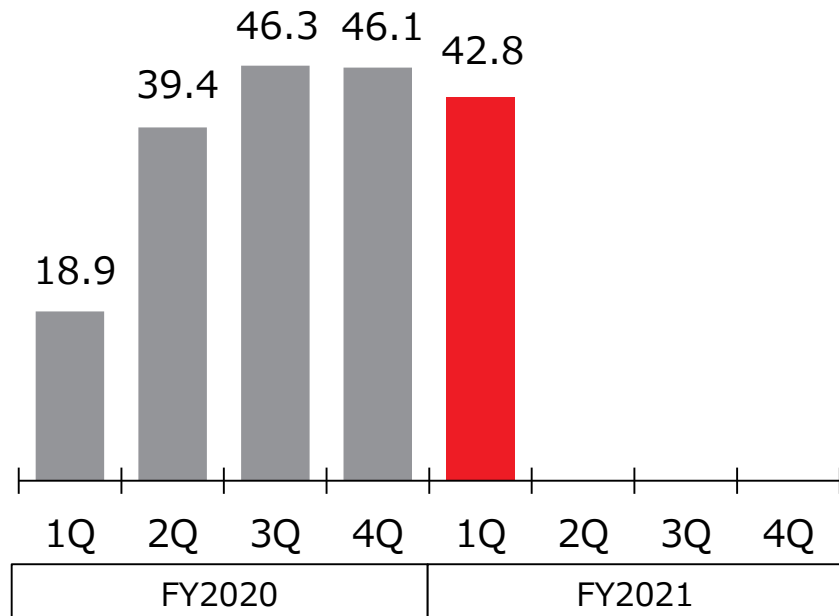
● — Ratio to Revenue



# 3-4) Quarterly Result Trend – Europe

## Sales revenue

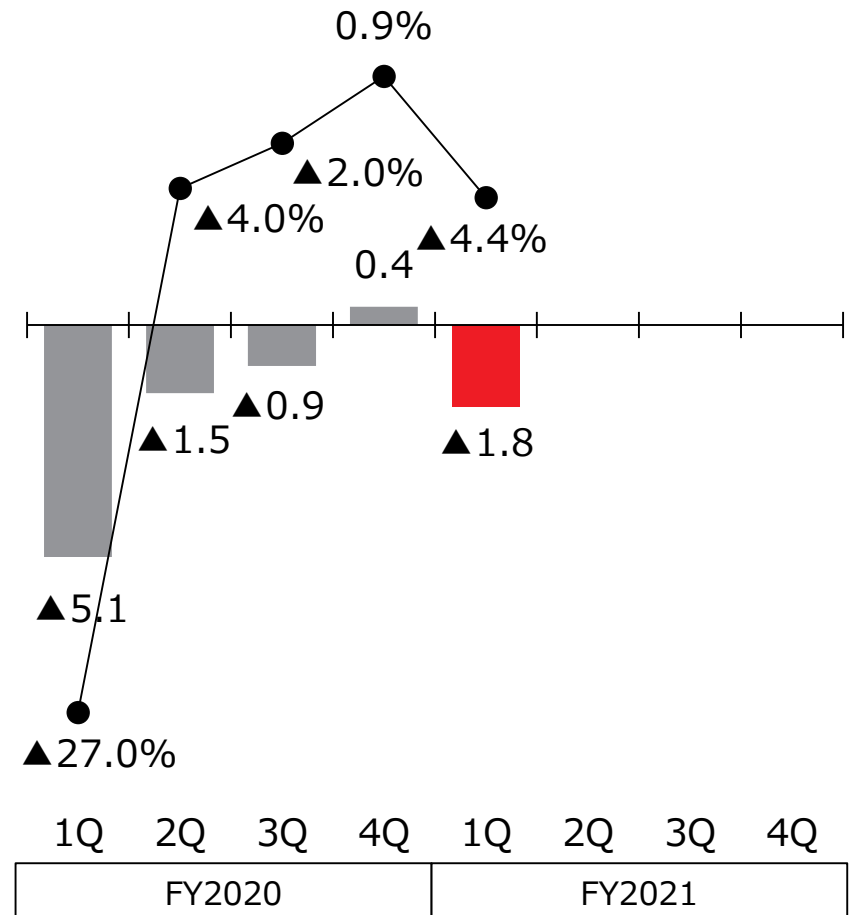
Unit : billion of yen



## Business profit

Unit : billion of yen

● — Ratio to Revenue

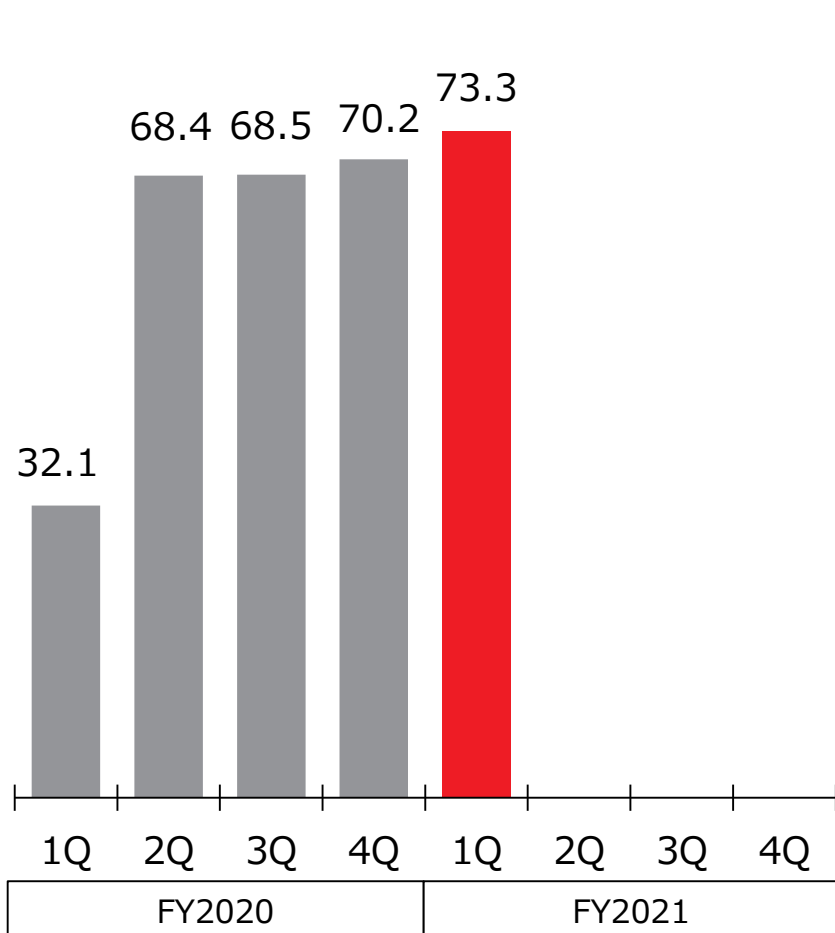


# 3-4) Quarterly Result Trend – North America



## Sales revenue

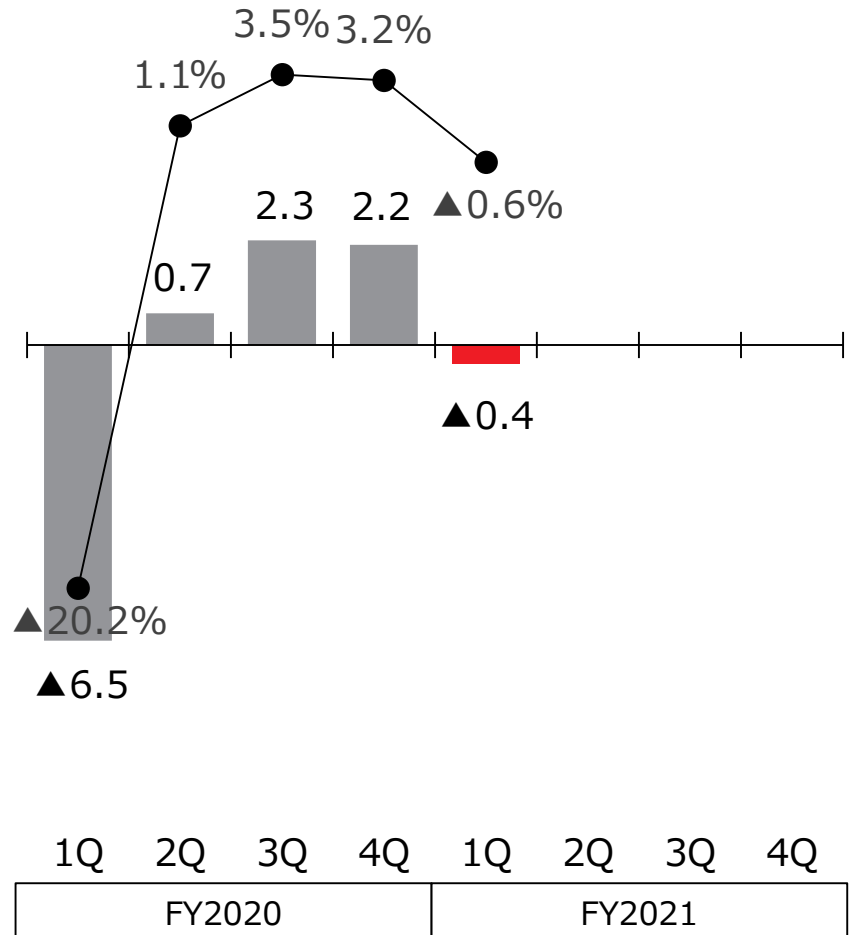
Unit : billion of yen



## Business profit

Unit : billion of yen

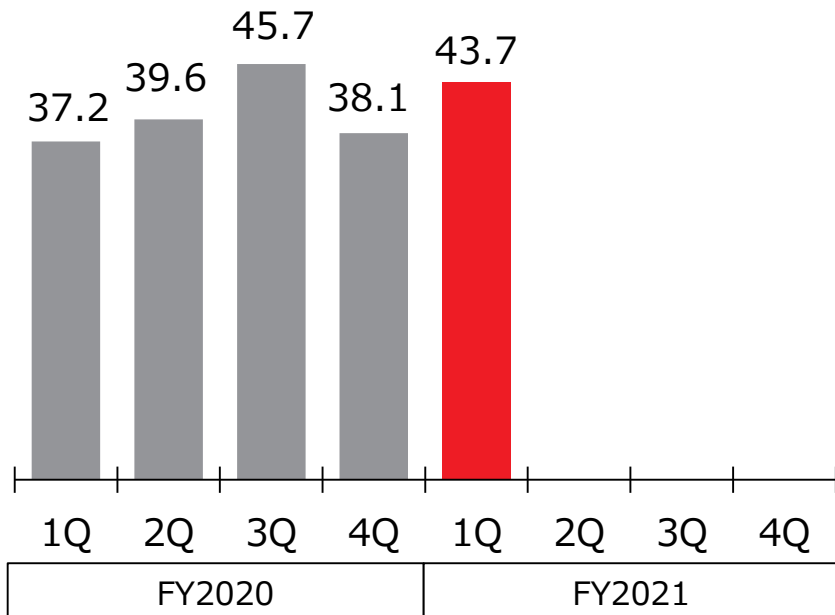
● — Ratio to Revenue



# 3-4) Quarterly Result Trend – China

## Sales revenue

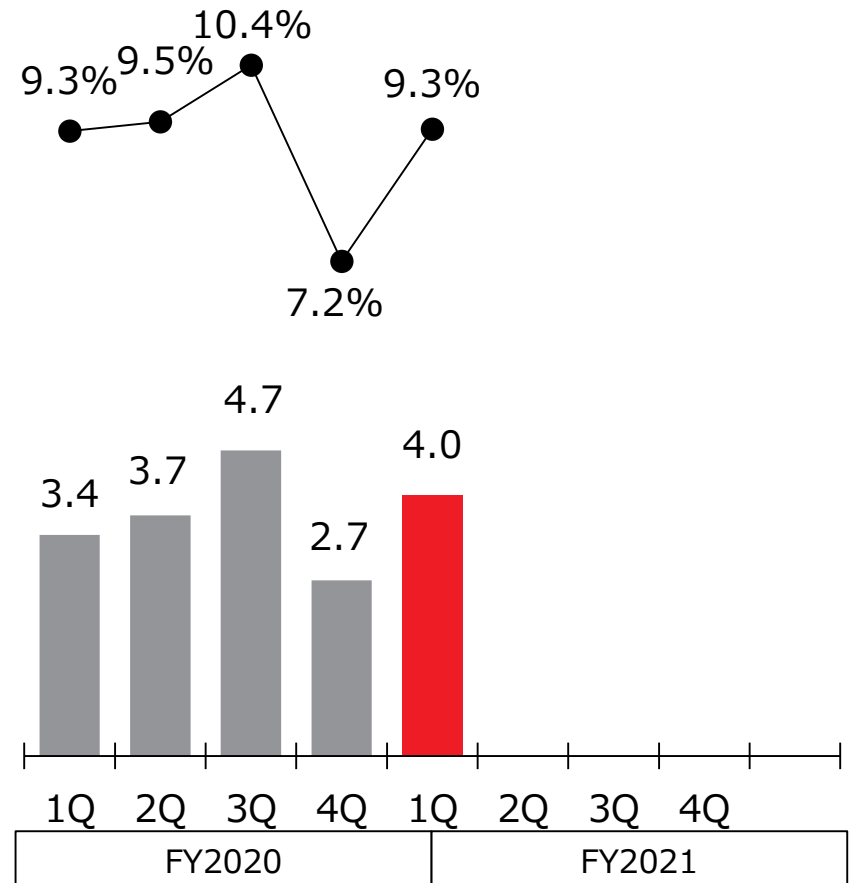
Unit : billion of yen



## Business profit

Unit : billion of yen

● — Ratio to Revenue



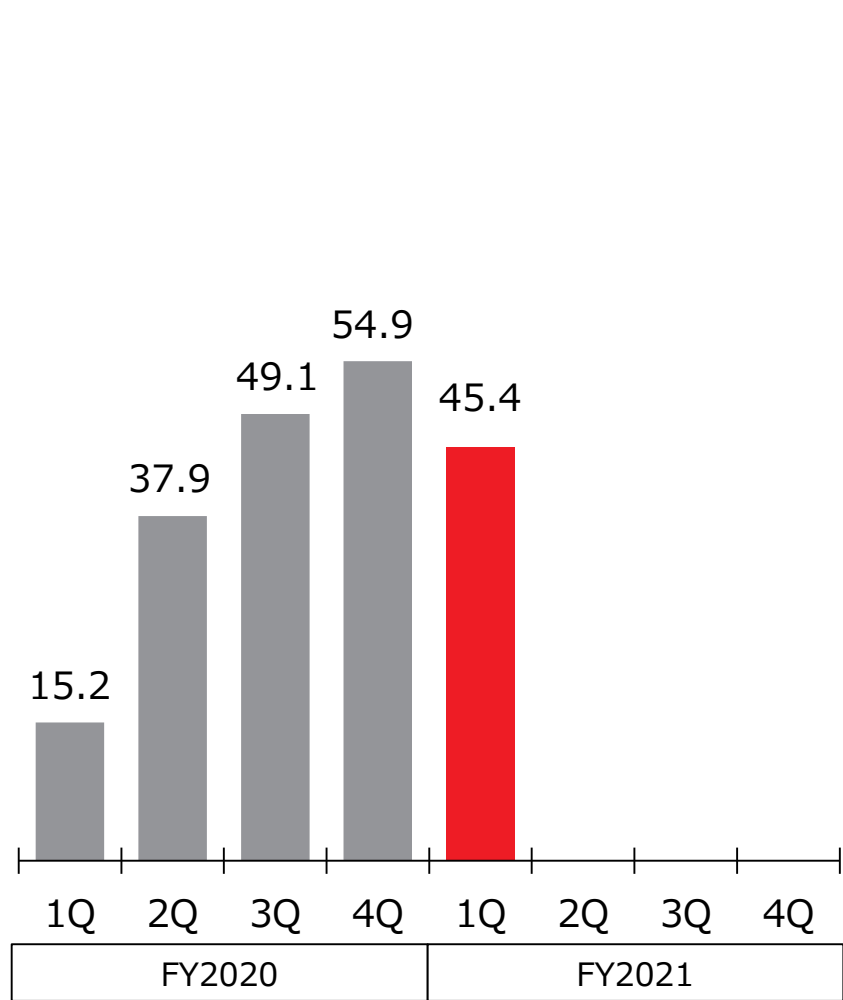


# 3-4) Quarterly Result Trend – Asia & Others



## Sales revenue

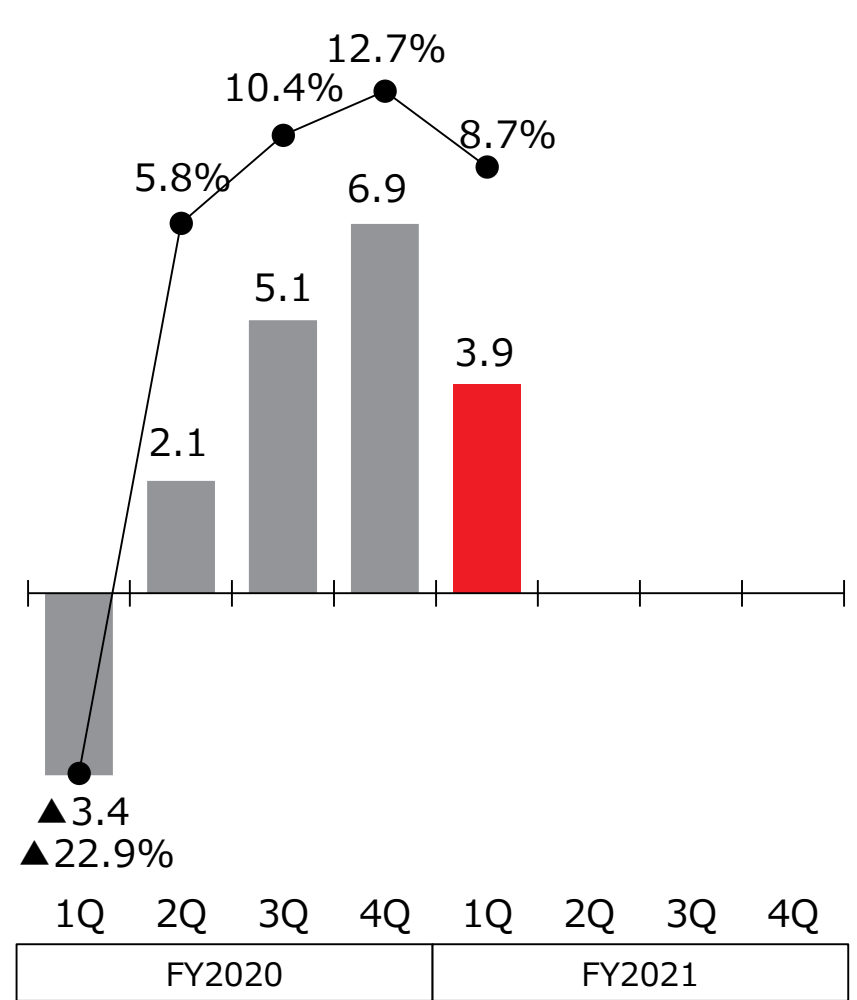
Unit : billion of yen



## Business profit

Unit : billion of yen

● — Ratio to Revenue



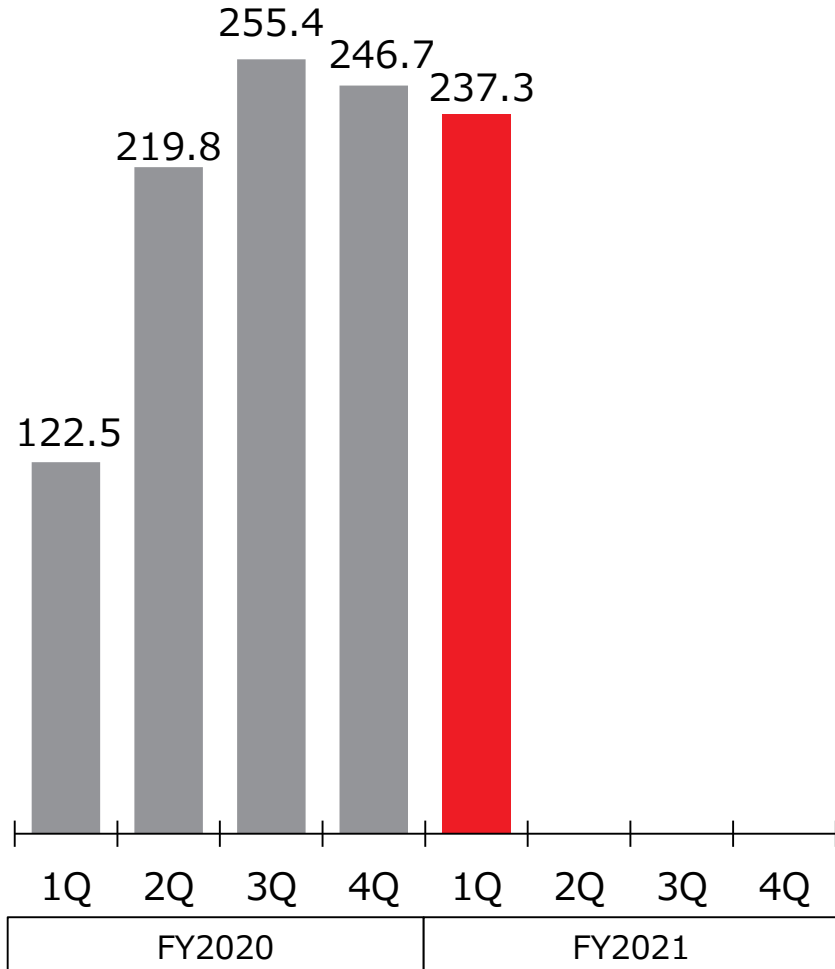
# 3-4) Quarterly Result Trend – Automotive

(Steering + Drivelines, including Hub unit)



## Sales revenue

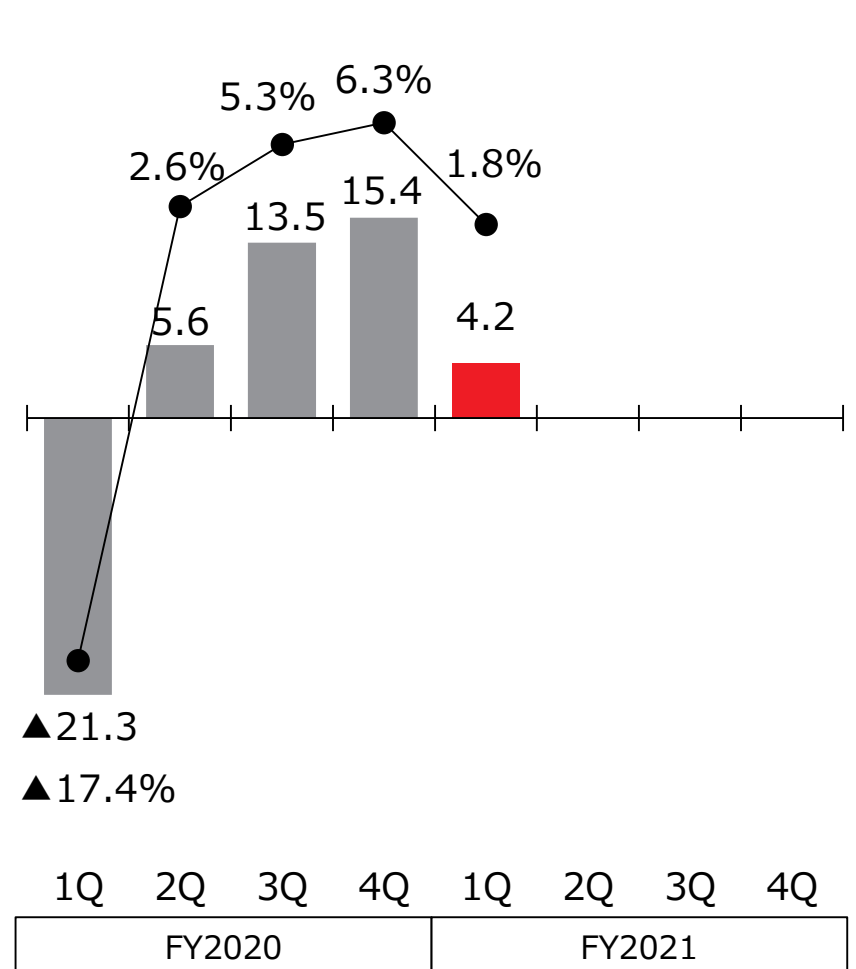
Unit : billion of yen



## Business profit

Unit : billion of yen

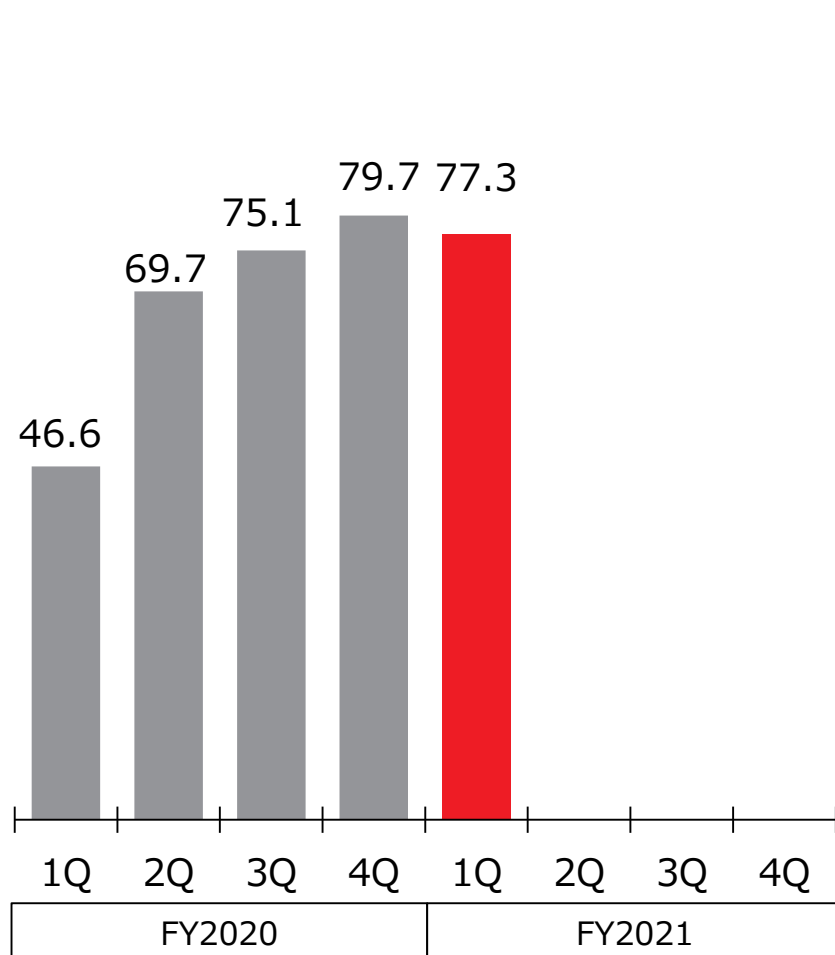
● — Ratio to Revenue



# 3-4) Quarterly Result Trend – Industrial & Bearings Business (Hub unit not included)

## Sales revenue

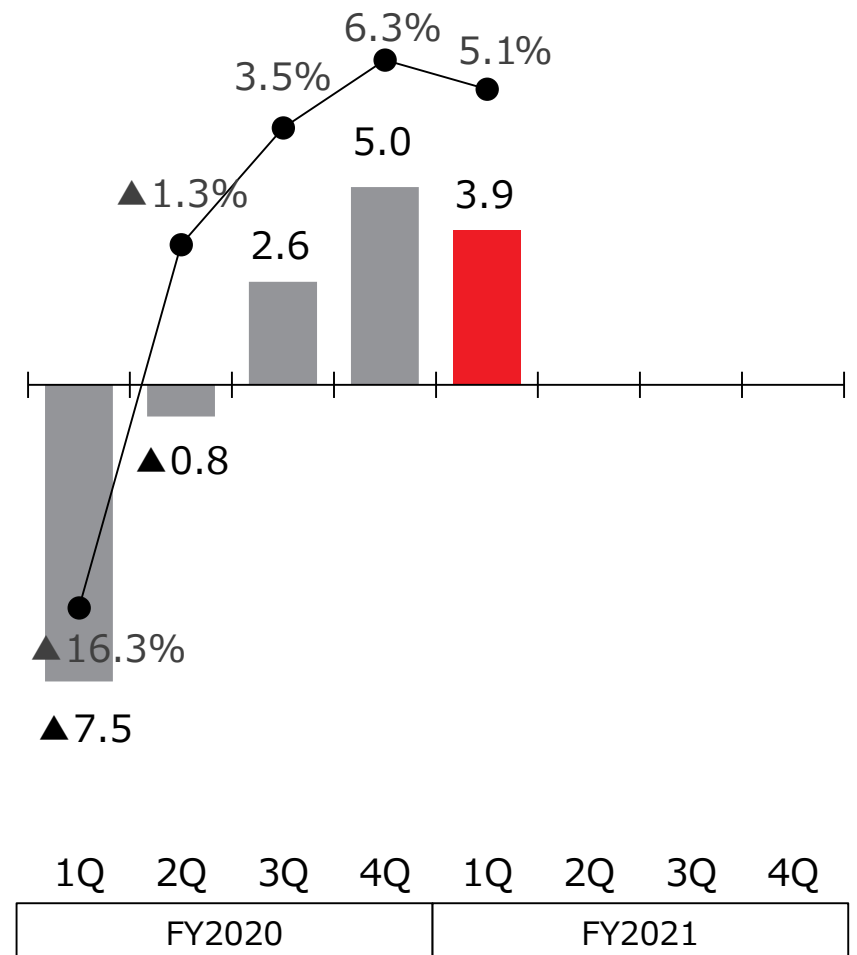
Unit : billion of yen



## Business profit

Unit : billion of yen

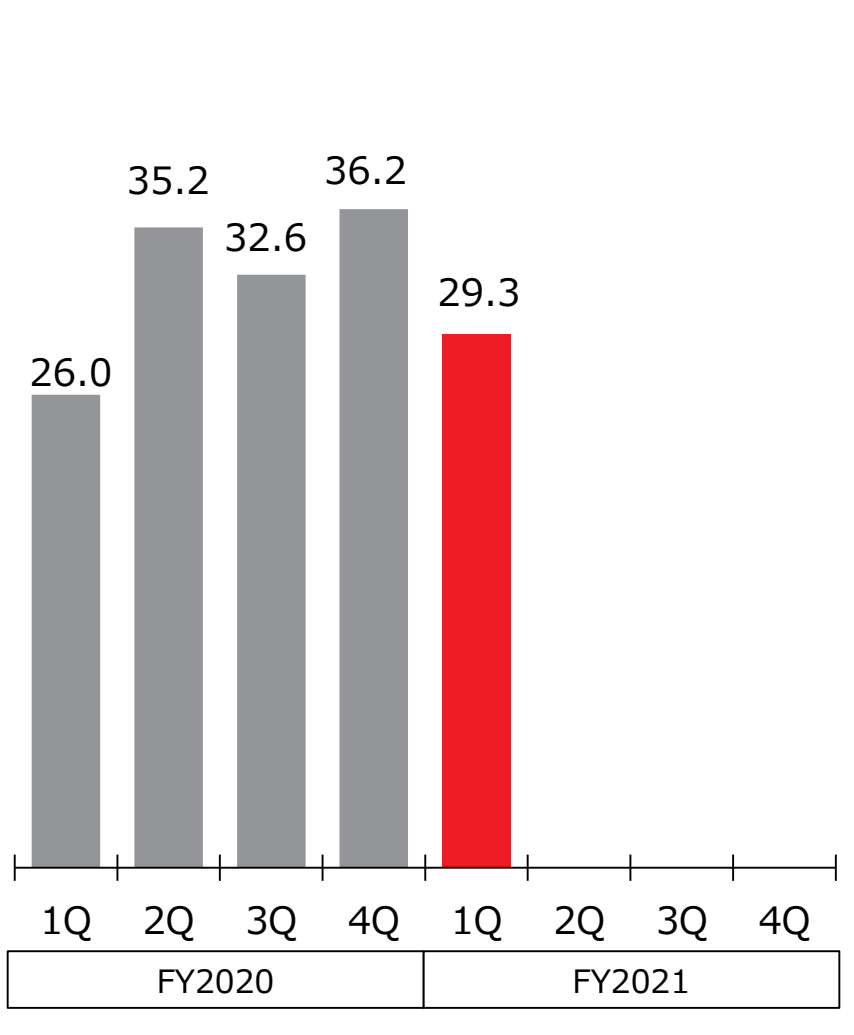
● — Ratio to Revenue



# 3-4) Quarterly Result Trend — Machine tools and others

## Sales revenue

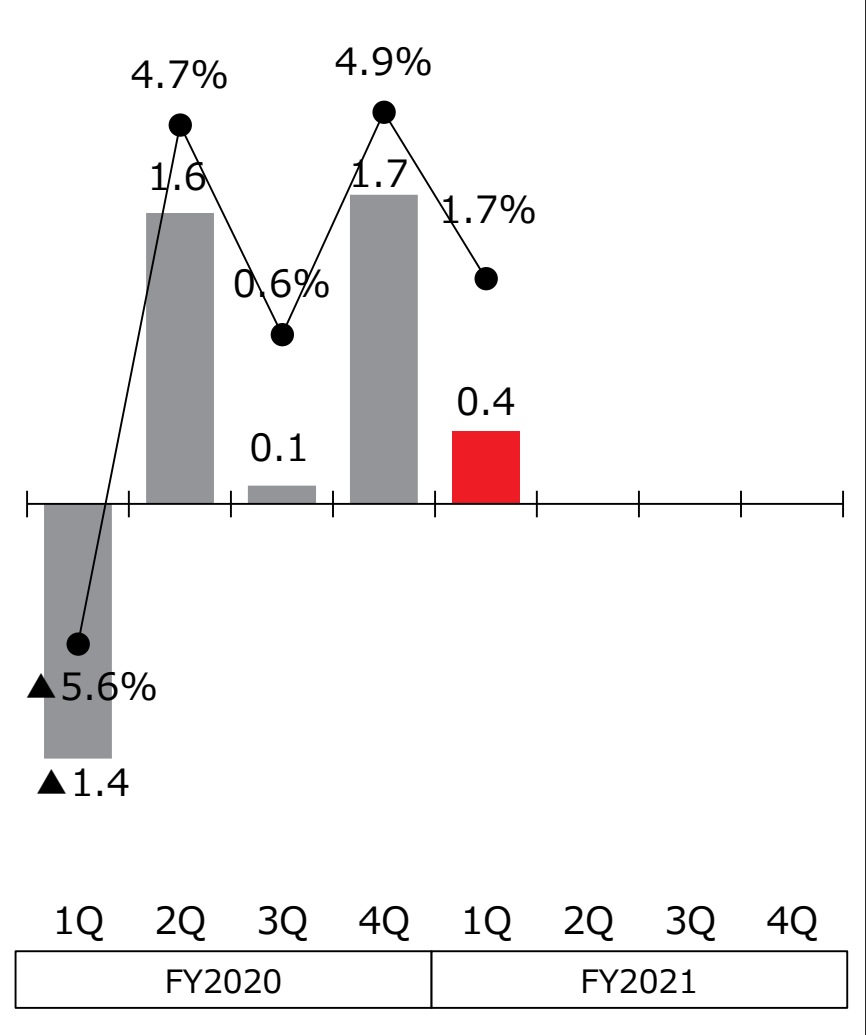
Unit : billion of yen



## Business profit

Unit : billion of yen

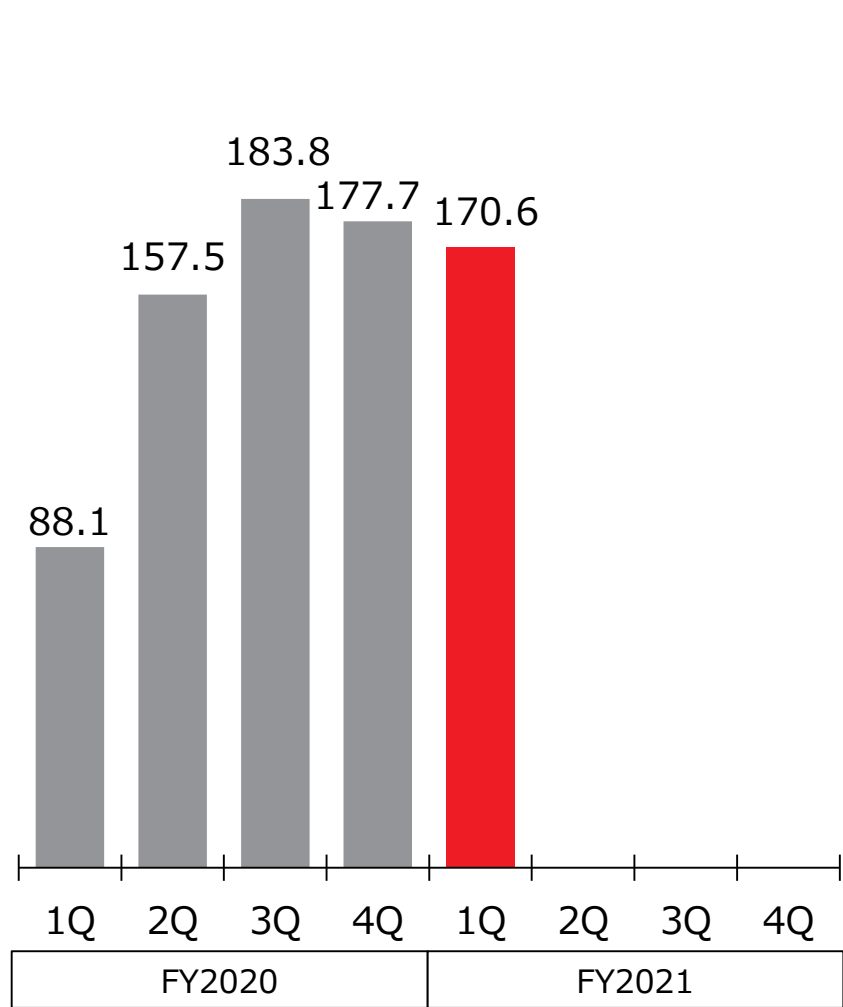
● — Ratio to Revenue



# 3-4) Quarterly Result Trend – Steering

## Sales revenue

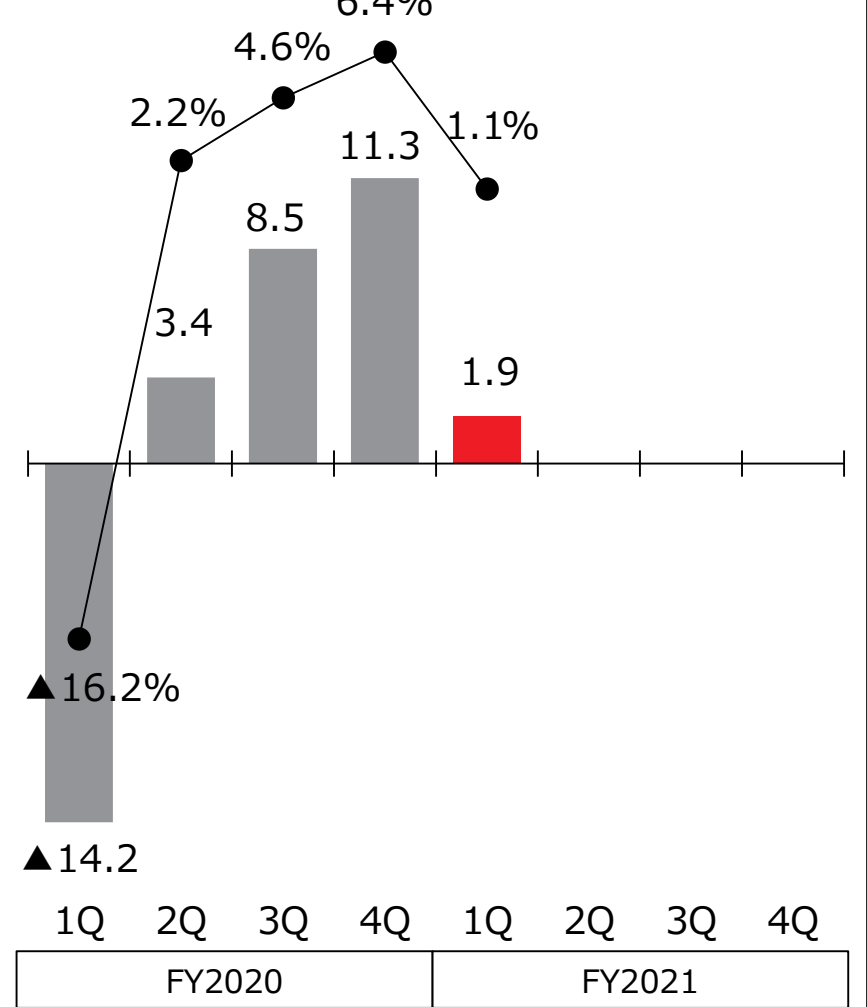
Unit : billion of yen



## Business profit

Unit : billion of yen

● — Ratio to Revenue



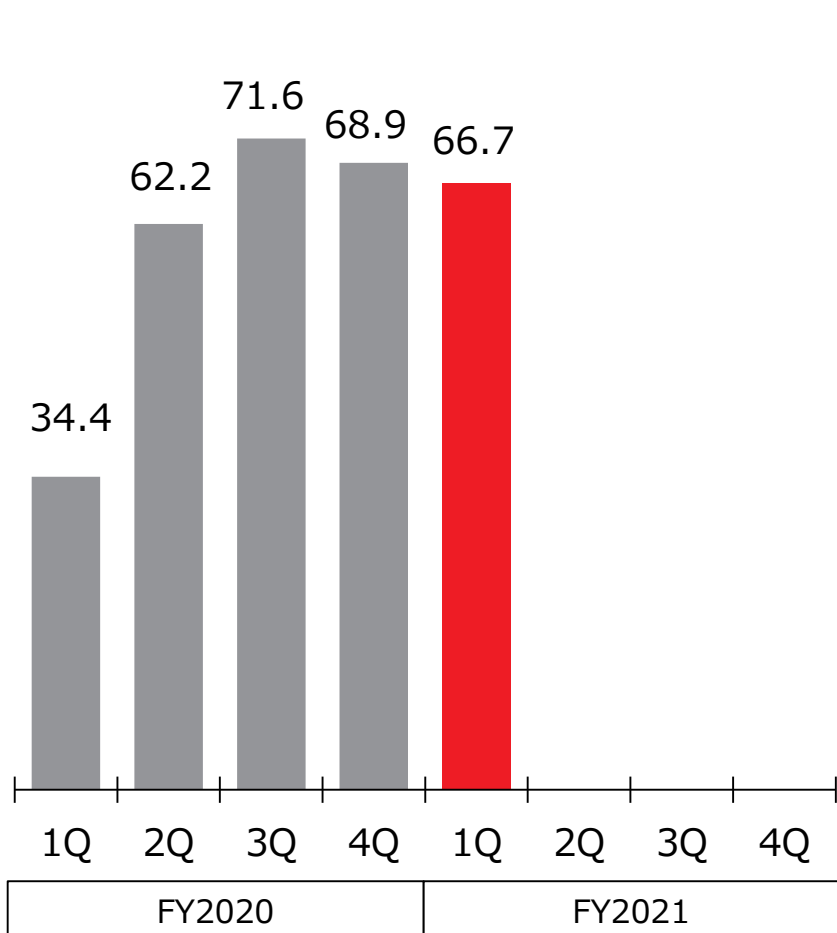
# 3-4) Quarterly Result Trend – Drivelines

(Including Hub unit)



## Sales revenue

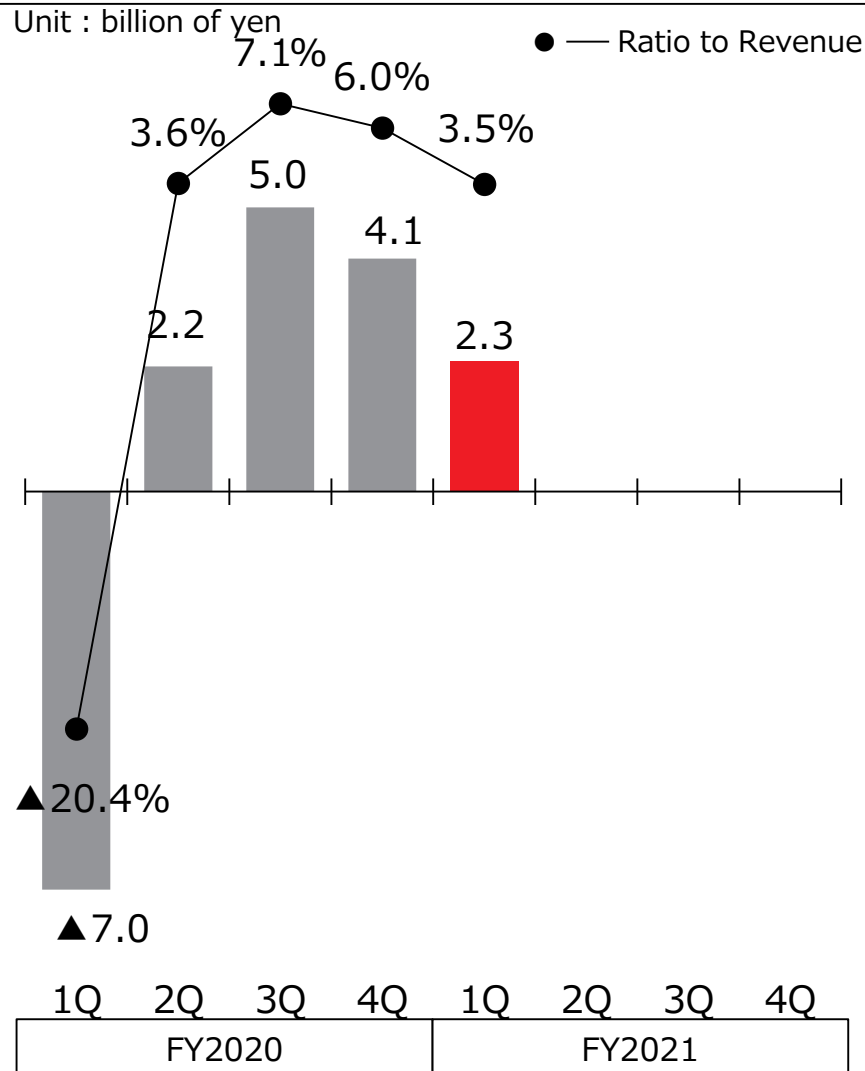
Unit : billion of yen



## Business profit

Unit : billion of yen

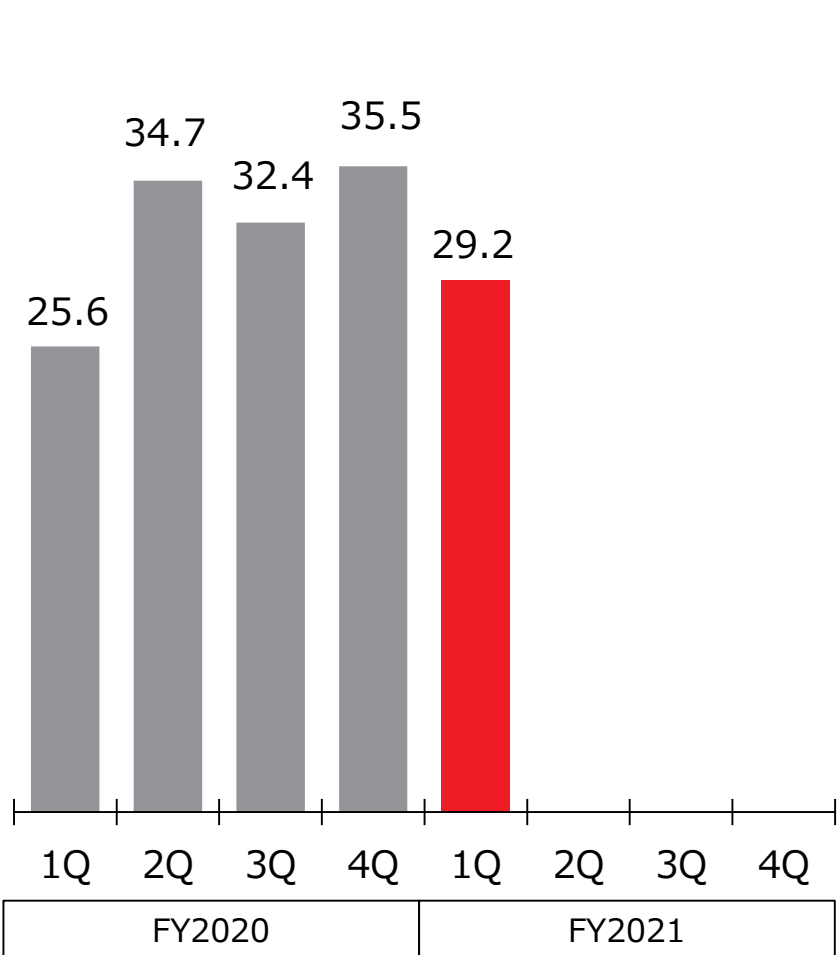
● — Ratio to Revenue



# 3-4) Quarterly Result Trend – Machine tools

## Sales revenue

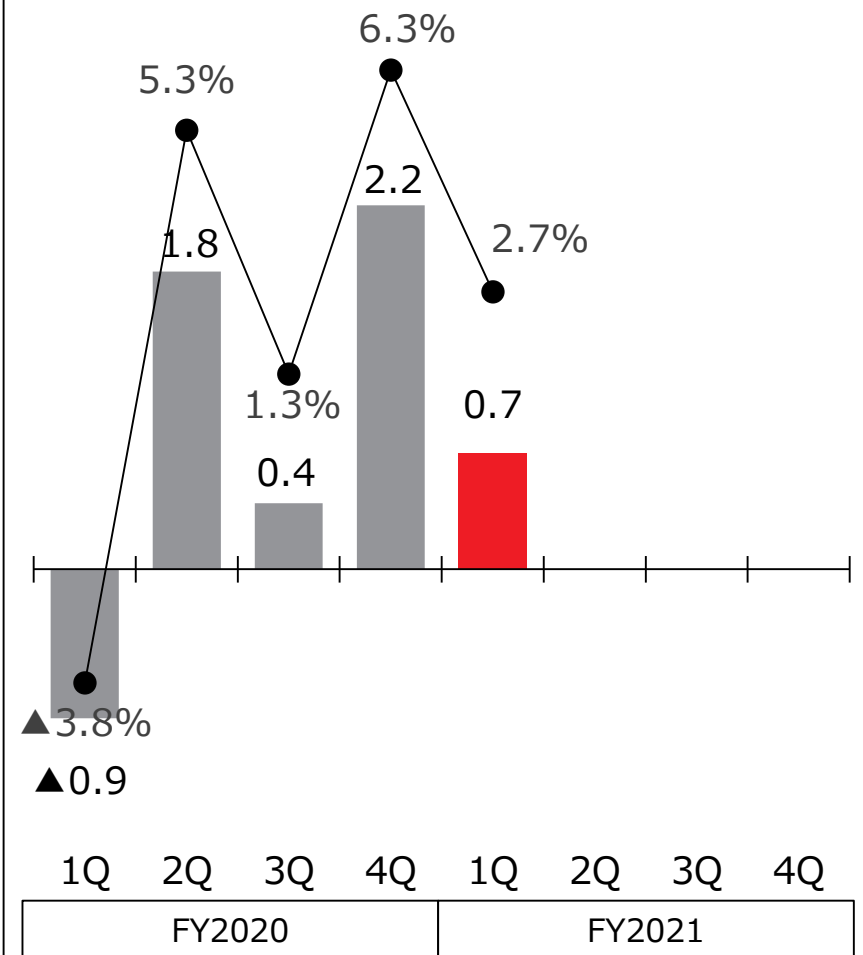
Unit : billion of yen



## Business profit

Unit : billion of yen

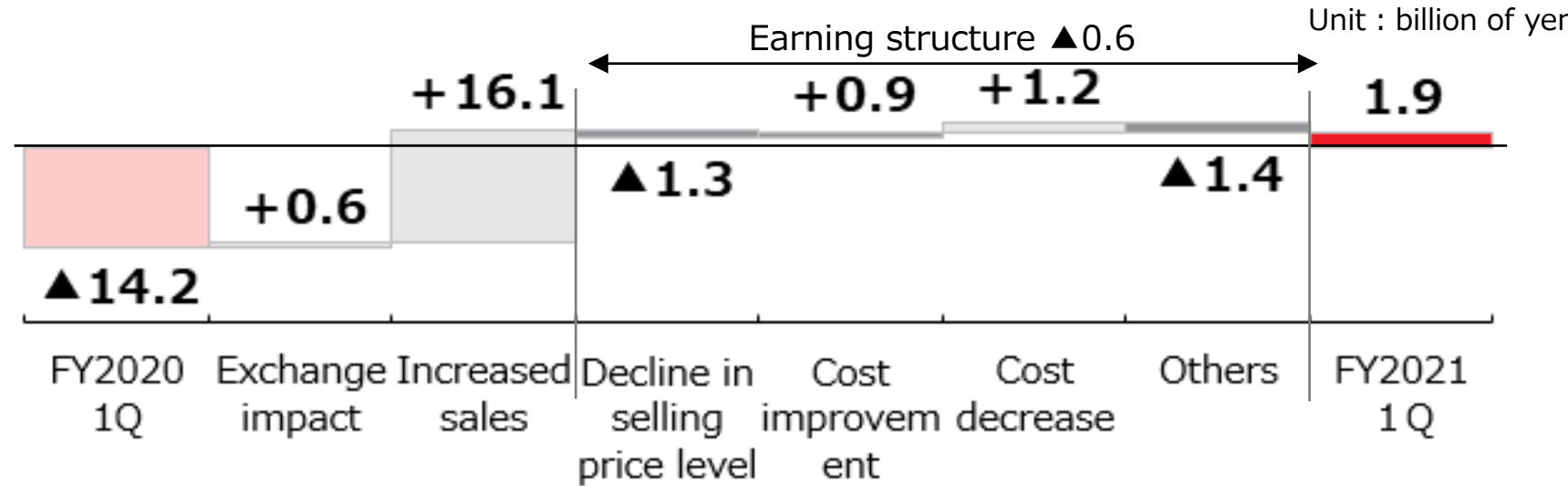
● — Ratio to Revenue



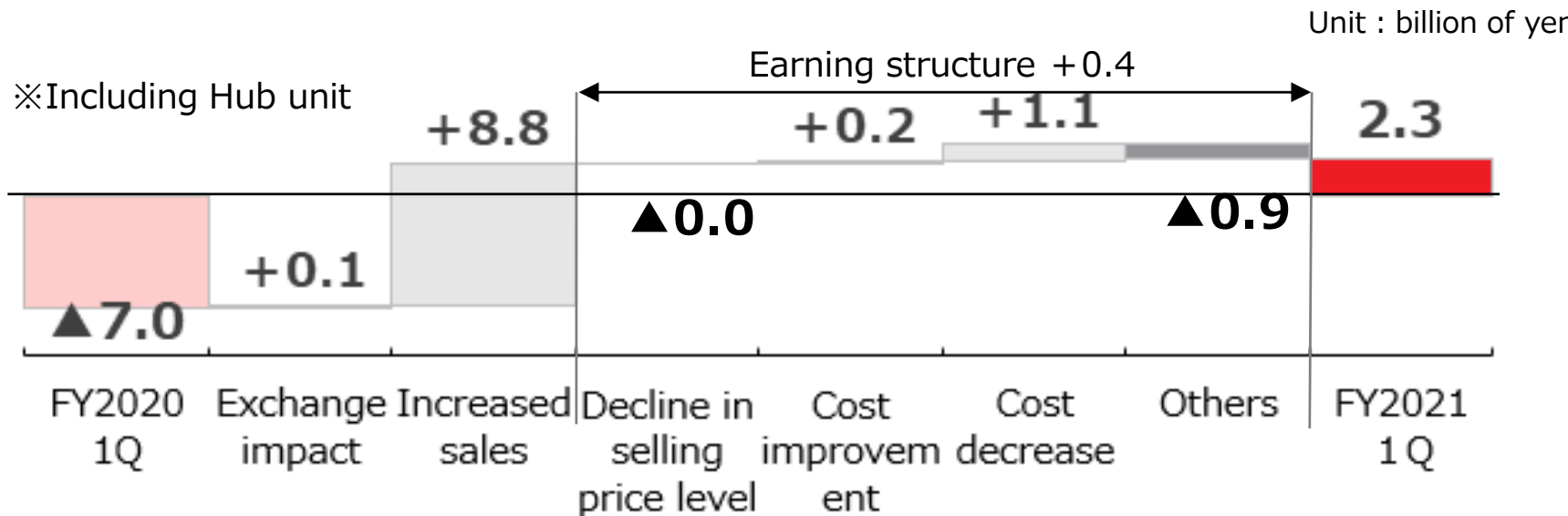
# 3-5) Business profit Analysis – Steering/Drivelines



Steering



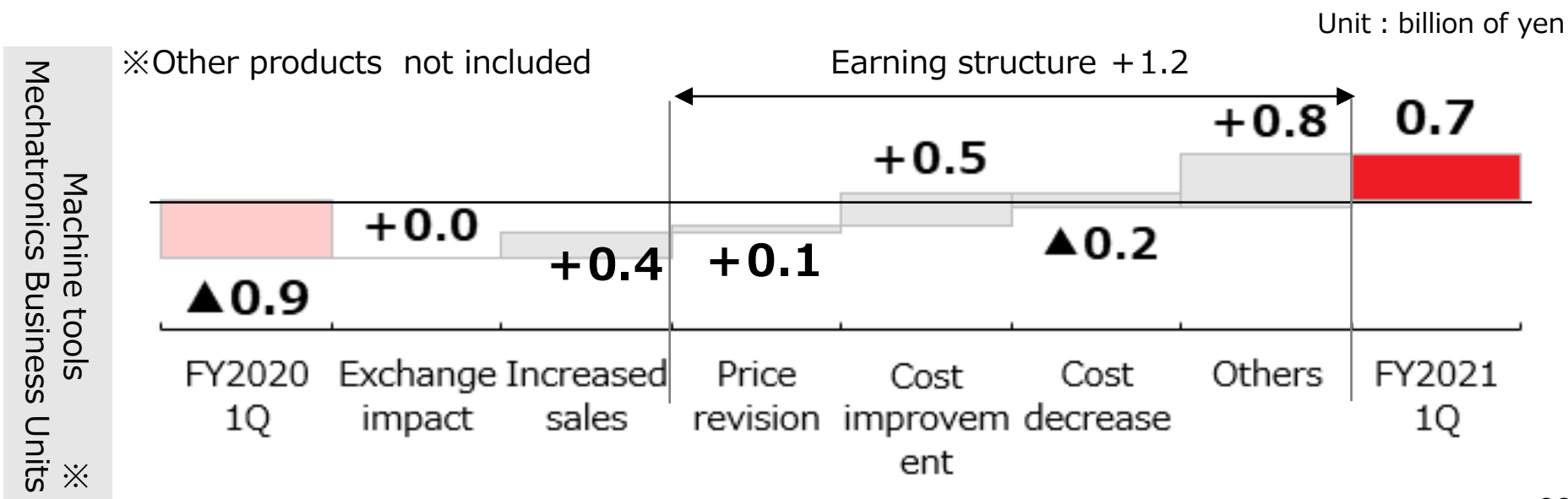
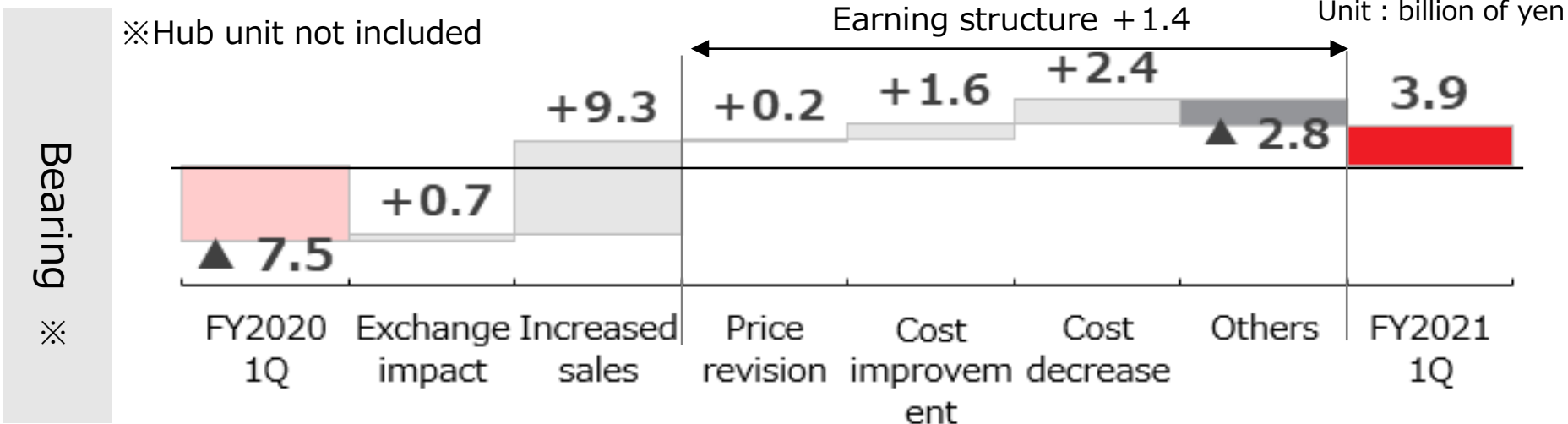
Drivelines ※





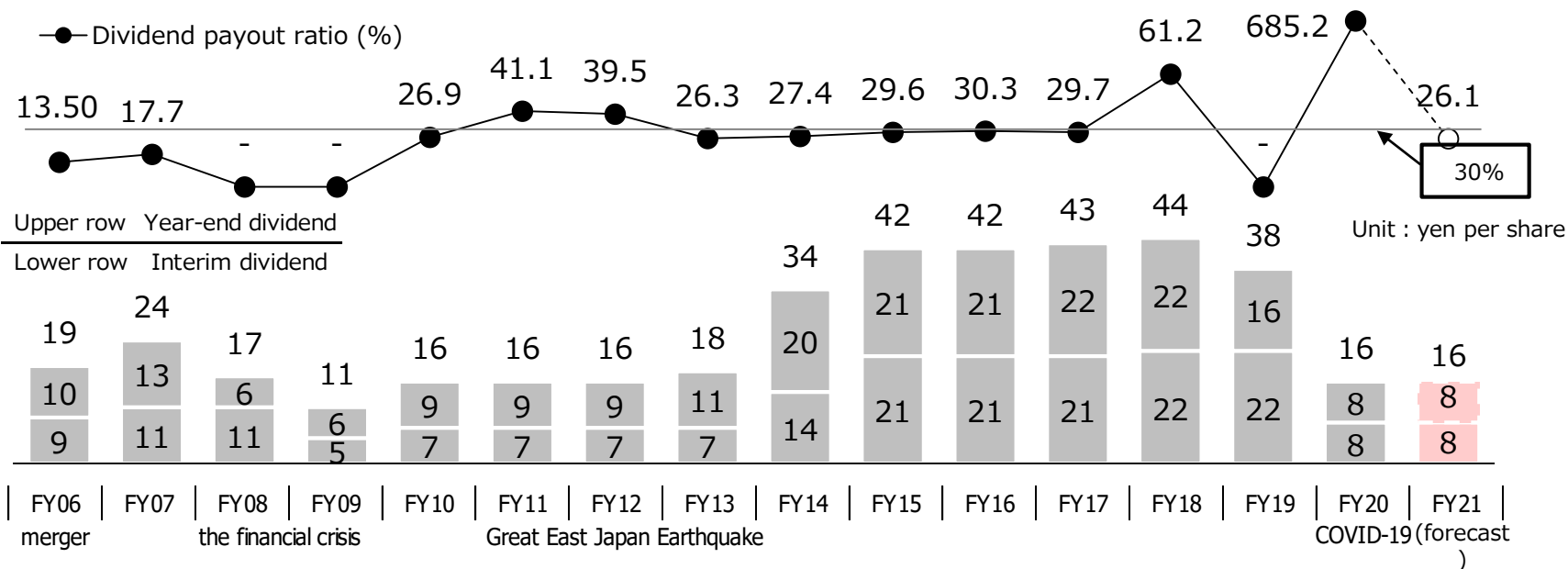
# 3-5) Business profit Analysis –

Bearing/Machine tools Mechatronics Business Units



# 3-6) Return to Shareholders

Return to Shareholders



Profit

