

# **IR Presentation for the First Quarter of Fiscal Year Ending March 2023**

**August 2, 2022**

**JTEKT Corporation**

## Results

**Revenues** increased due to foreign exchange, but **remained essentially flat YoY** due to production cuts caused by COVID-19 and semiconductor shortages. **Business profit decreased due to production cutbacks and raw material, logistics, and energy costs, despite cost reductions.**

## Forecasts

Because the outlook for the external environment remains uncertain, **the FY2022 forecast remains unchanged** at 1.6 trillion yen in revenue and 60 billion yen in business profit. **We will strive to achieve our forecasted performance by promoting profit improvement through cost reductions and reflecting soaring material costs in selling prices.**

## Return to Shareholders

**The dividend forecast for FY2022 remains unchanged at 22 yen per year. (4 yen increase from the previous year, interim dividend is 11 yen, year-end dividend is 11 yen, payout ratio is 30.2%.)**

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# 1-1) Consolidated Performance

**Revenues** increased due to foreign exchange effects, but were **essentially flat YoY** due to customers' production cutbacks.

**Business profit** decreased due to the impact of customers' production cutbacks, as well as **material, logistics, and energy cost hikes in each region and business**, despite cost reduction efforts, especially in bearings.

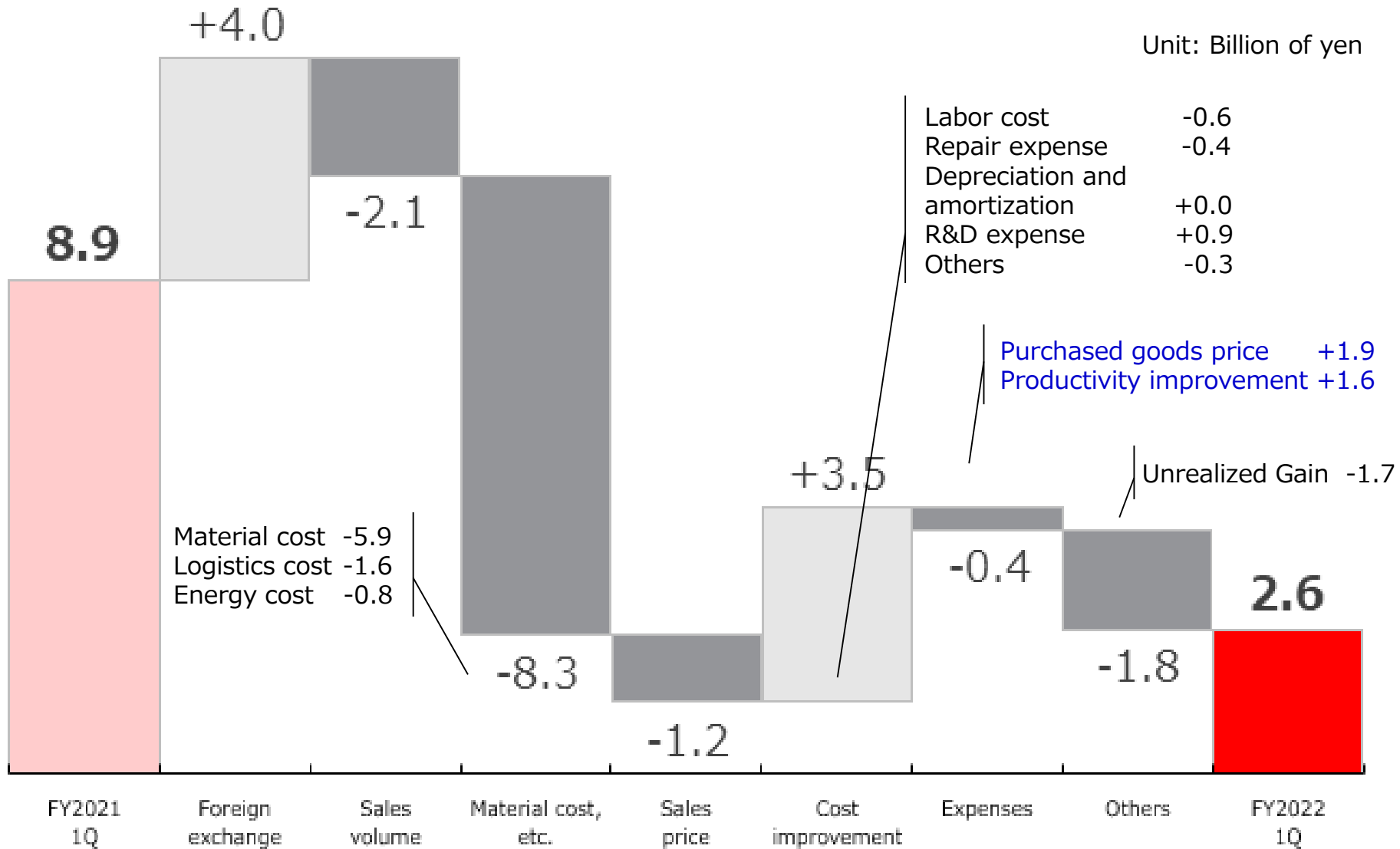
Unit: Billion of yen (Ratio to revenue)

	FY2021 1Q		FY2022 1Q		Change	Change ratio
<b>Revenue</b>		344.1		<b>371.6</b>	+27.5	+ 8.0%
<b>Business profit</b> ※1	(2.6%)	8.9	(0.7%)	<b>2.6</b>	-6.2	-70.5%
<b>Operating profit</b>	(2.5%)	8.7	(0.8%)	<b>2.8</b>	-5.8	-67.0%
<b>Profit before income taxes</b>	(3.1%)	10.6	(2.5%)	<b>9.1</b>	-1.5	-14.8%
<b>Proift</b> ※2	(1.7%)	5.7	(0.8%)	<b>3.1</b>	-2.5	-45.3%
Foreign Exchange	JPY	109.49/USD	JPY	129.57/USD	+20.08 JPY	
	JPY	131.96/EUR	JPY	138.12/EUR	+6.16 JPY	
Earnings per share		16.70 JPY		9.13 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

# 1-2) Business profit Analysis



# 1-3) Results by Region

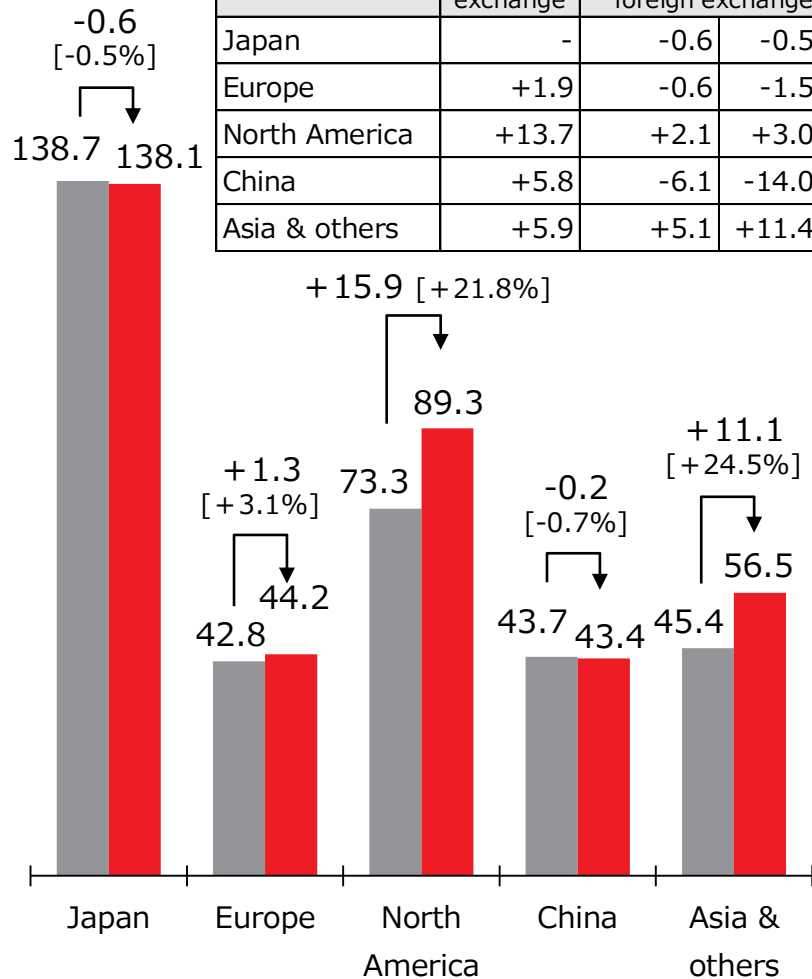
## Revenue

Unit: Billion of yen

[Rate of change]

■ 21/6 ■ 22/6

	Foreign exchange	Change excluding foreign exchange	
Japan	-	-0.6	-0.5%
Europe	+1.9	-0.6	-1.5%
North America	+13.7	+2.1	+3.0%
China	+5.8	-6.1	-14.0%
Asia & others	+5.9	+5.1	+11.4%



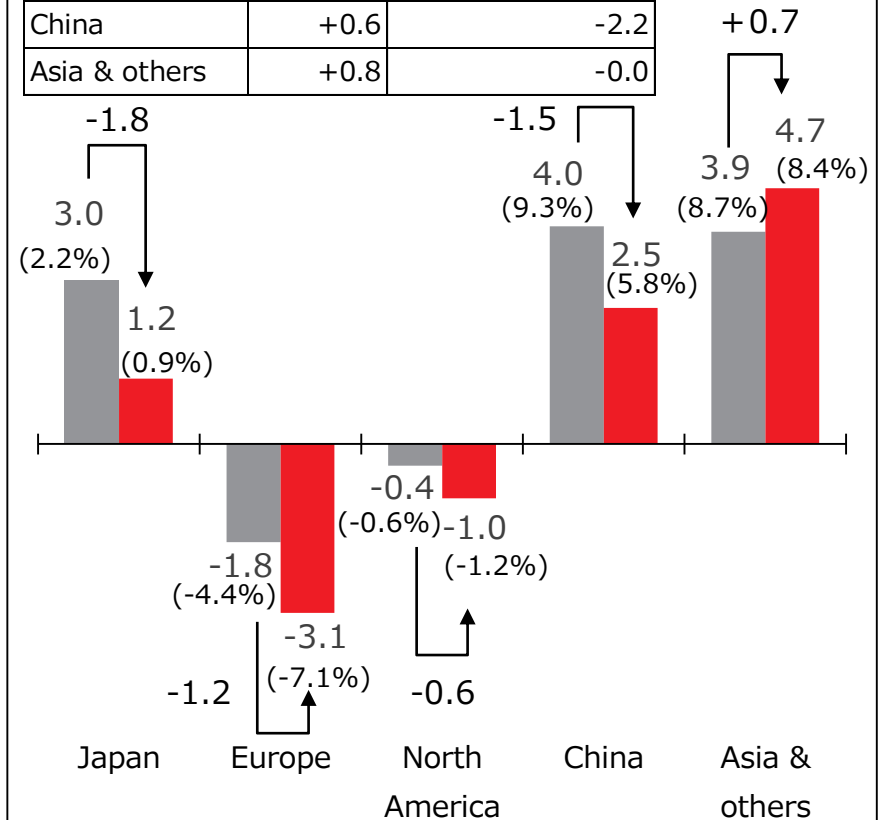
## Business profit

Unit: Billion of yen

(Ratio to revenue)

■ 21/6 ■ 22/6

	Foreign exchange	Change excluding foreign exchange	
Japan	+2.9	-4.8	
Europe	-0.3	-0.9	
North America	-0.1	-0.4	
China	+0.6	-2.2	
Asia & others	+0.8	-0.0	



# 1-4) Results by Business

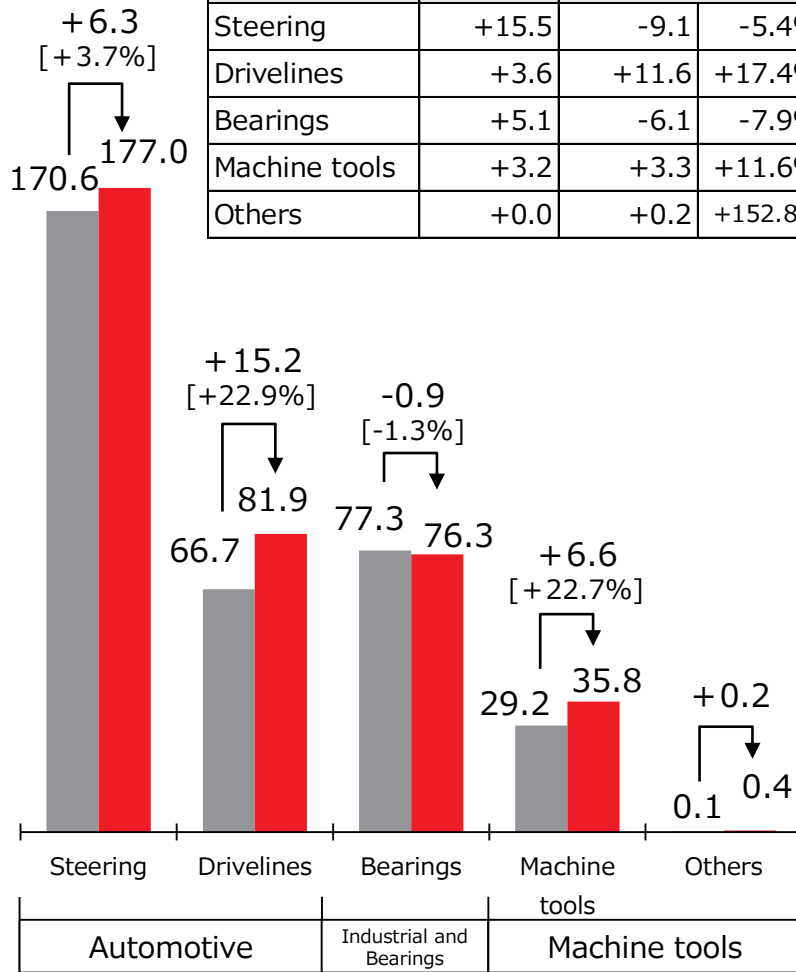
## Revenue

Unit: Billion of yen

[Rate of change]

■ 21/6 ■ 22/6

	Foreign exchange	Change excluding foreign exchange	
Steering	+15.5	-9.1	-5.4%
Drivelines	+3.6	+11.6	+17.4%
Bearings	+5.1	-6.1	-7.9%
Machine tools	+3.2	+3.3	+11.6%
Others	+0.0	+0.2	+152.8%



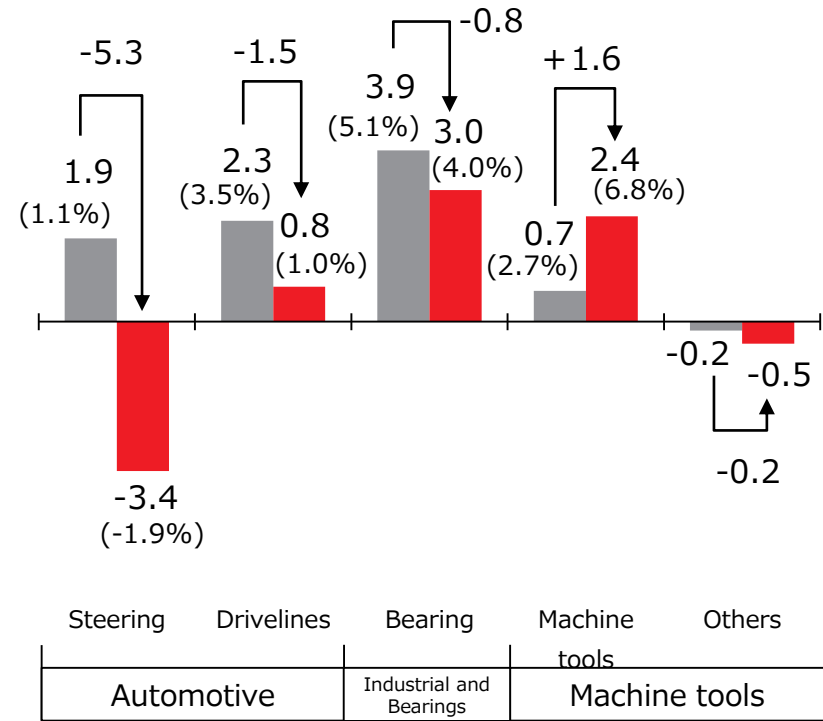
## Business profit

Unit: Billion of yen

(Ratio to revenue)

■ 21/6 ■ 22/6

	Foreign exchange	Change excluding foreign exchange	
Steering	+1.3	-6.6	
Drivelines	+0.3	-1.9	
Bearing	+1.6	-2.5	
Machine tools	+0.6	+1.0	
Others	+0.0	-0.2	



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## 2-1) Forecasts - Consolidated Performance

Because the outlook for the external environment remains uncertain, **the FY2022 forecast remains unchanged.**

We will continue our activities to achieve the forecasted figures, such as **supplying products firmly when customers' production recovers, cost reduction activities, and efforts to pass on material costs, etc. to customers.**

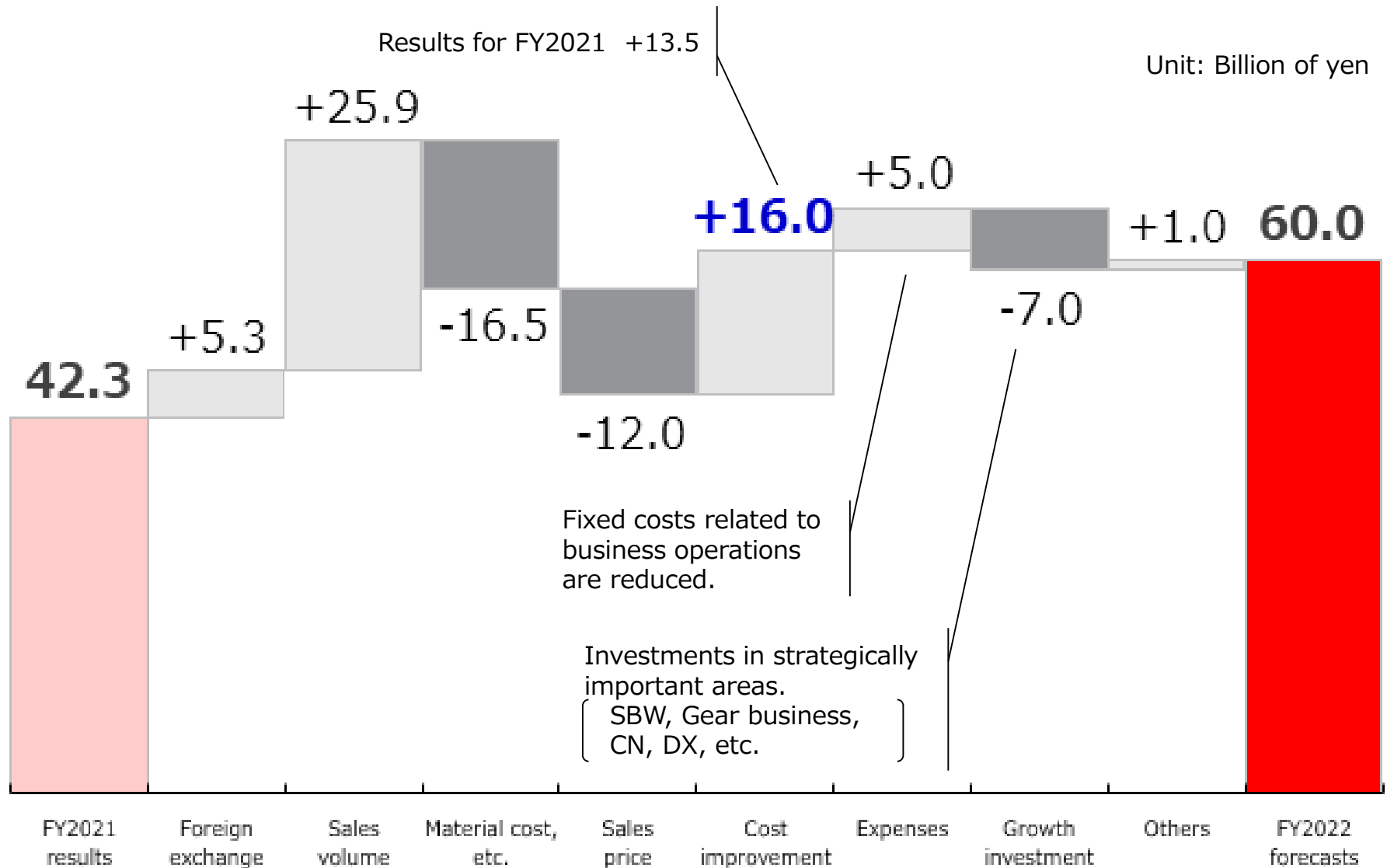
Unit: Billion of yen (Ratio to revenue)

	FY2021		FY2022		Change	Change ratio
<b>Revenue</b>		1,428.4		<b>1,600.0</b>	+171.5	+ 12.0%
<b>Business profit</b> ※1	(3.0%)	42.3	(3.8%)	<b>60.0</b>	+17.6	+ 41.7%
<b>Operating profit</b>	(2.5%)	36.4	(3.4%)	<b>54.0</b>	+17.5	+ 48.3%
<b>Profit before income taxes</b>	(3.1%)	43.9	(3.0%)	<b>48.5</b>	+4.5	+ 10.4%
<b>Proift</b> ※2	(1.7%)	20.6	(1.6%)	<b>25.0</b>	+4.3	+ 20.9%
Foreign Exchange	JPY	112.38/USD	JPY	115.00/USD	+2.62 JPY	
	JPY	130.56/EUR	JPY	130.00/EUR	-0.56 JPY	
Earnings per share		60.31 JPY		72.89 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

# 2-2) Forecasts - Business profit Analysis

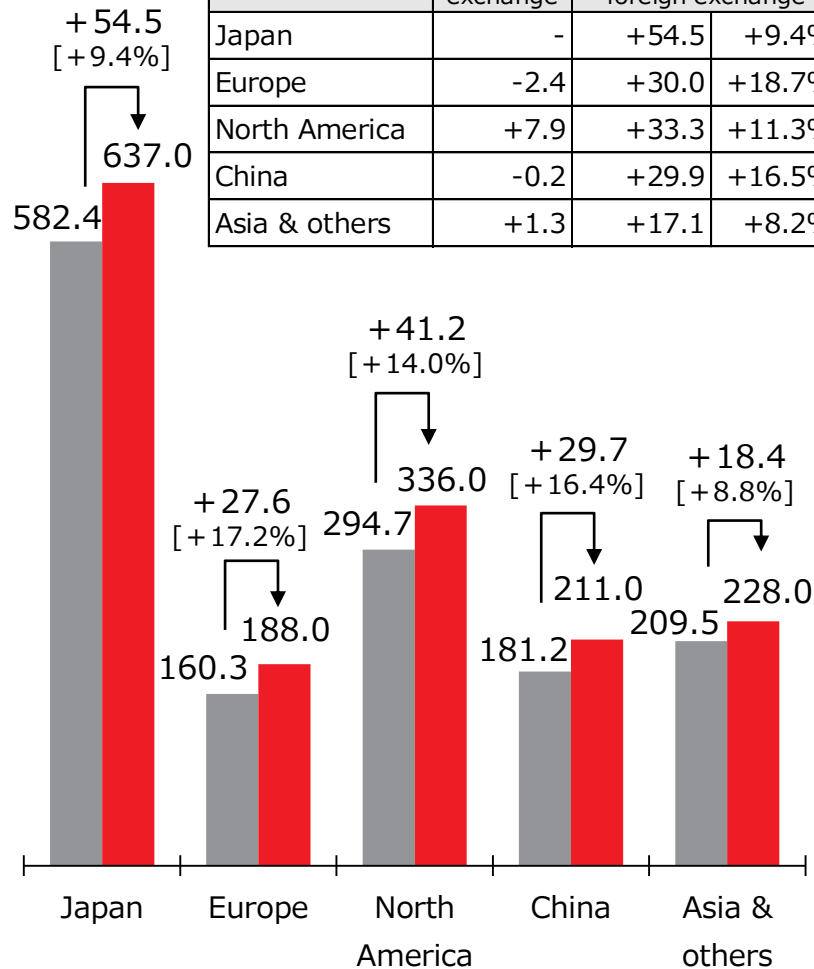


# 2-3) Forecasts by Region

## Revenue

Unit: Billion of yen [Rate of change] ■ 22/3 ■ 23/3

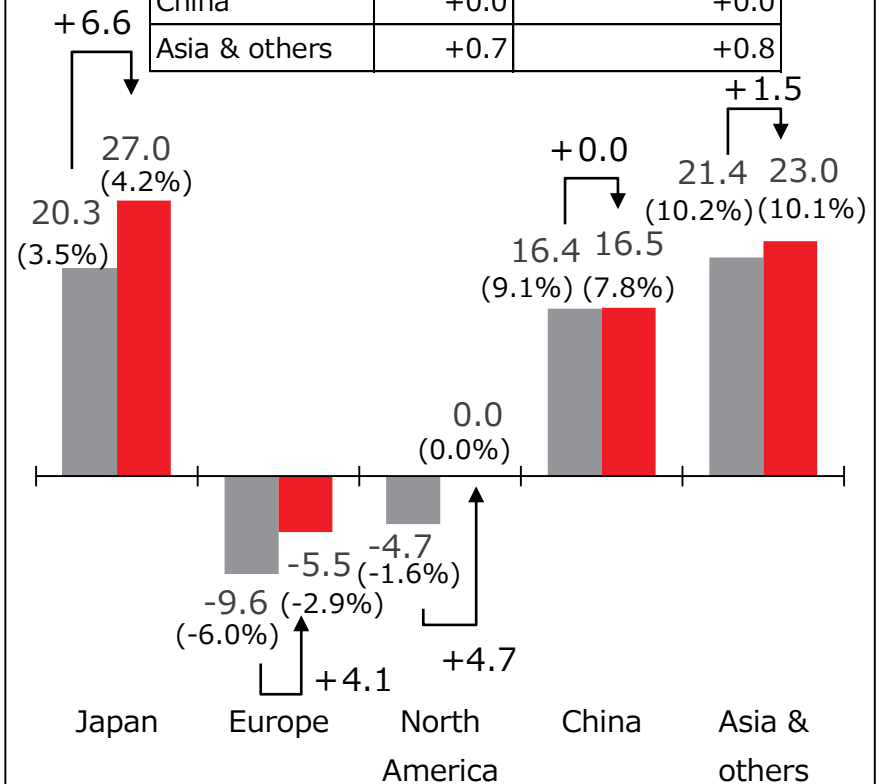
	Foreign exchange	Change excluding foreign exchange	
Japan	-	+54.5	+9.4%
Europe	-2.4	+30.0	+18.7%
North America	+7.9	+33.3	+11.3%
China	-0.2	+29.9	+16.5%
Asia & others	+1.3	+17.1	+8.2%



## Business profit

Unit: Billion of yen (Ratio to revenue) ■ 22/3 ■ 23/3

	Foreign exchange	Change excluding foreign exchange	
Japan	+4.3	+2.3	
Europe	+0.0	+4.1	
North America	+0.3	+4.4	
China	+0.0	+0.0	
Asia & others	+0.7	+0.8	



# 2-4) Forecasts by Business

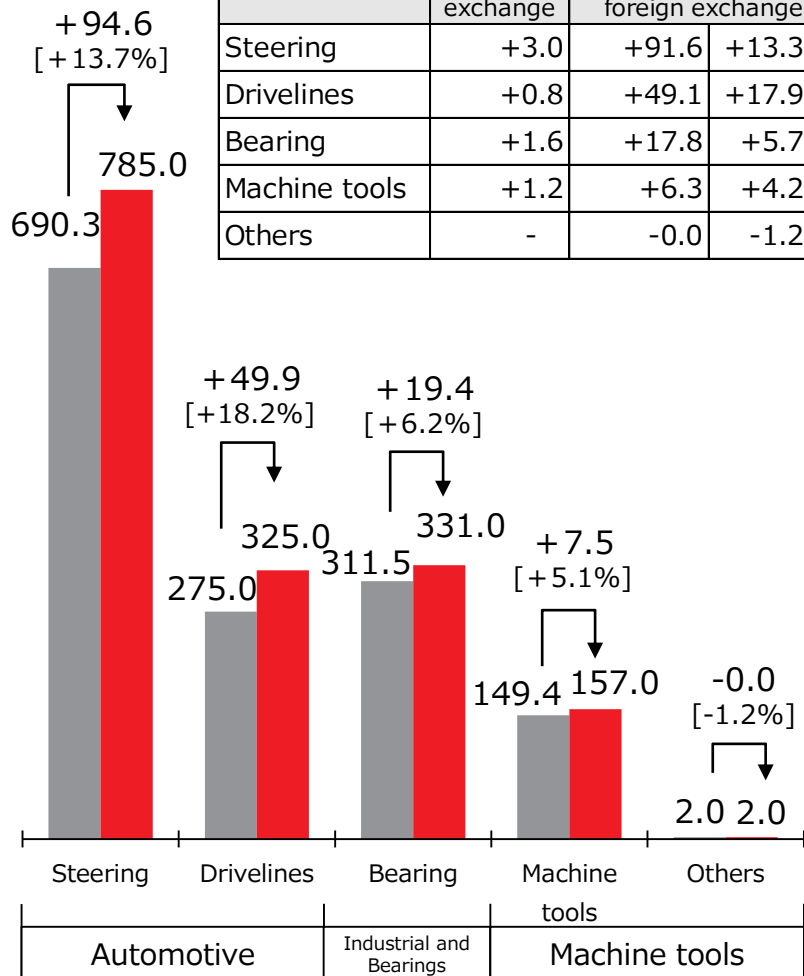
## Revenue

Unit: Billion of yen

[Rate of change]

■ 22/3 ■ 23/3

	Foreign exchange	Change excluding foreign exchange	
Steering	+3.0	+91.6	+13.3%
Drivelines	+0.8	+49.1	+17.9%
Bearing	+1.6	+17.8	+5.7%
Machine tools	+1.2	+6.3	+4.2%
Others	-	-0.0	-1.2%



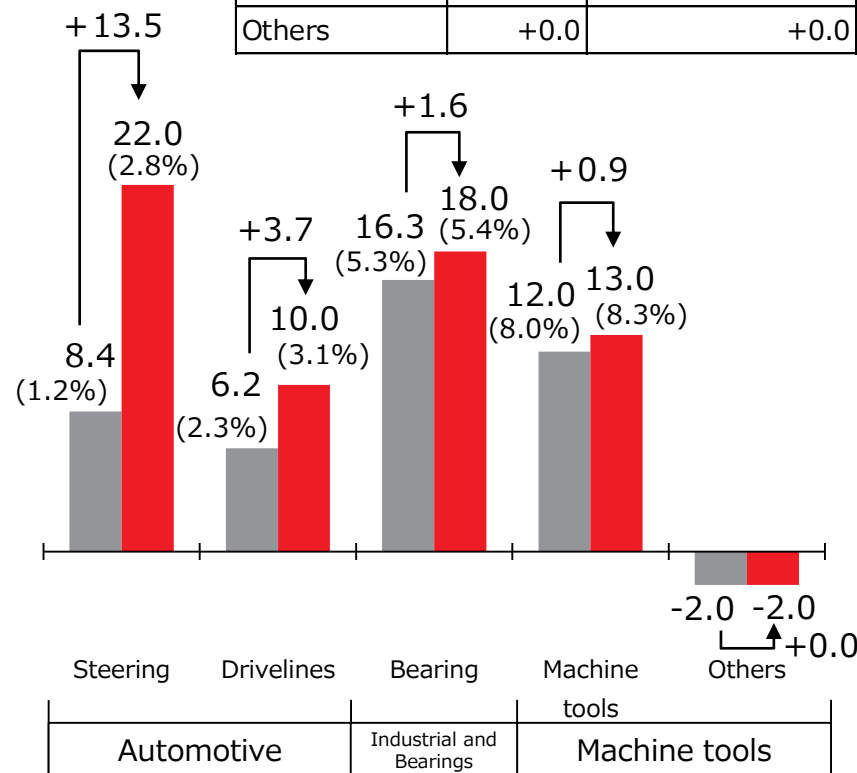
## Business profit

Unit: Billion of yen

(Ratio to revenue)

■ 22/3 ■ 23/3

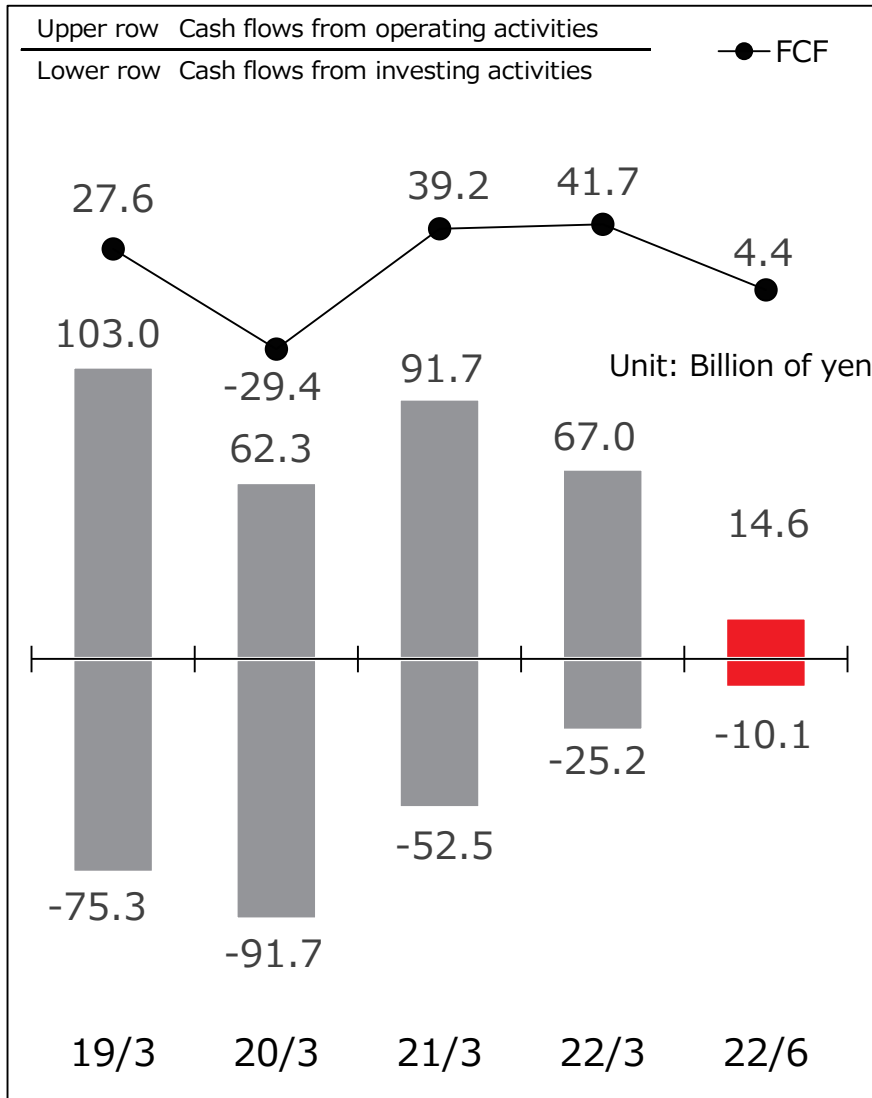
	Foreign exchange	Change excluding foreign exchange
Steering	+3.2	+10.3
Drivelines	+0.4	+3.3
Bearing	+1.5	+0.1
Machine tools	+0.2	+0.7
Others	+0.0	+0.0



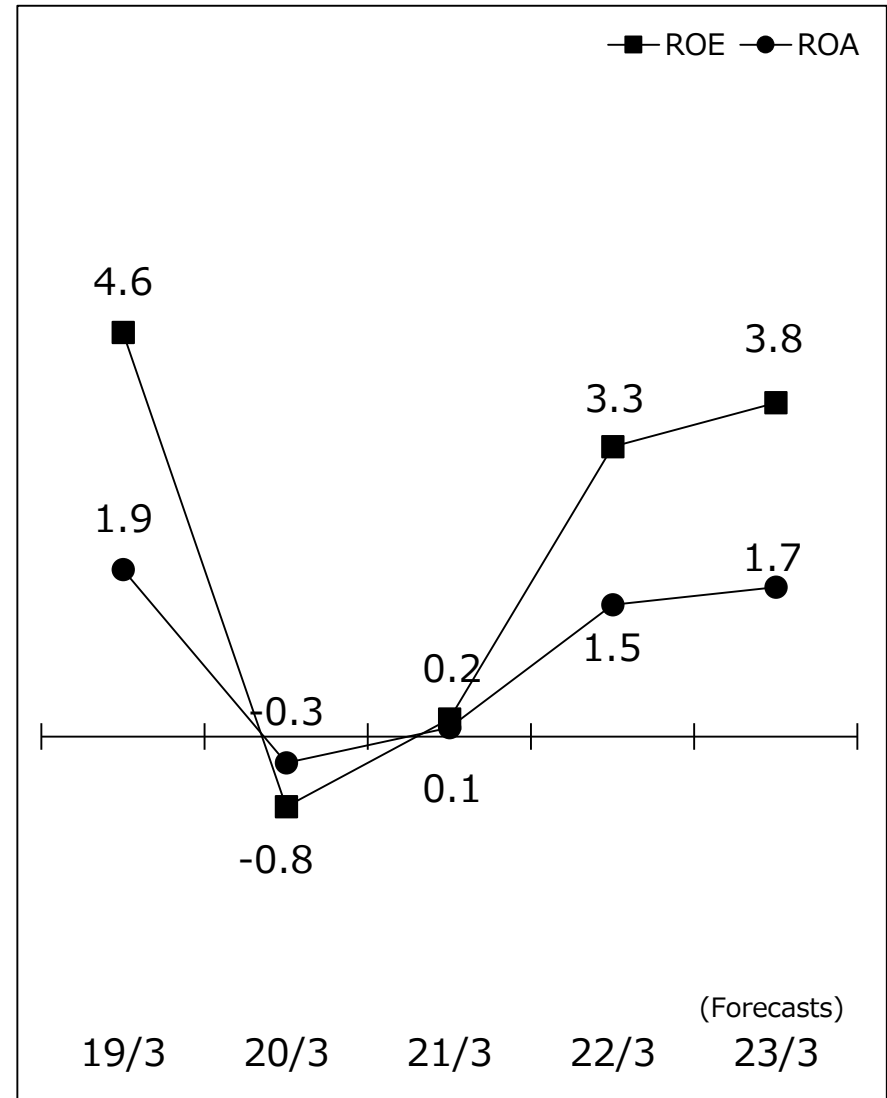
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# 3-1) Management indicator

## Cash flows



## ROE / ROA

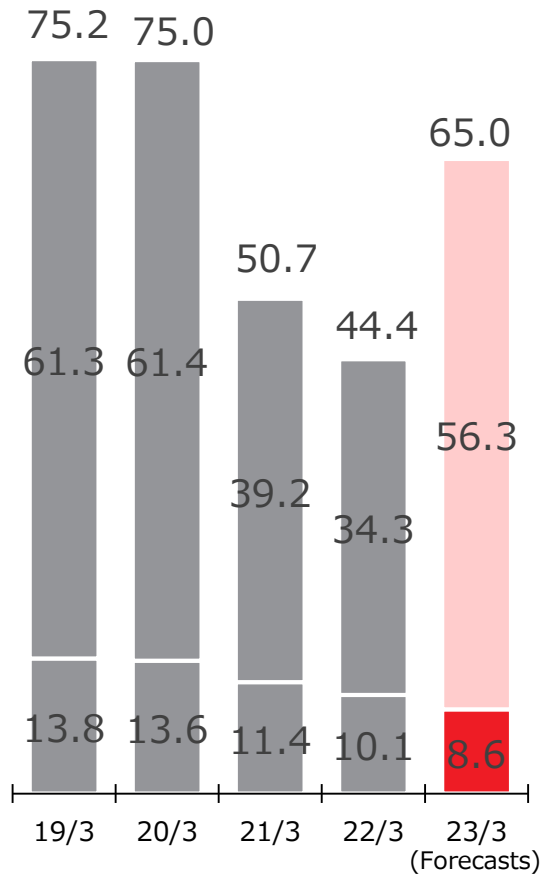


# 3-1) Management indicator

## Capital expenditures

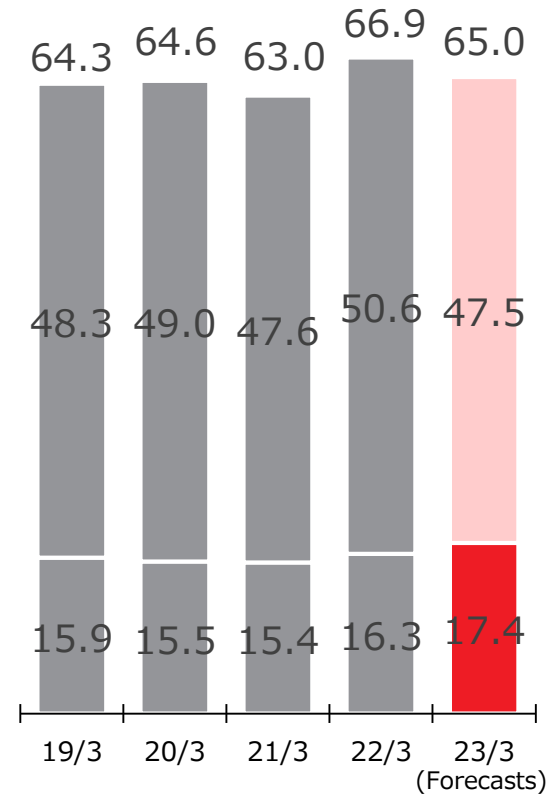
Upper row Jul-Mar  
Lower row Apr-Jun

Unit: Billion of yen



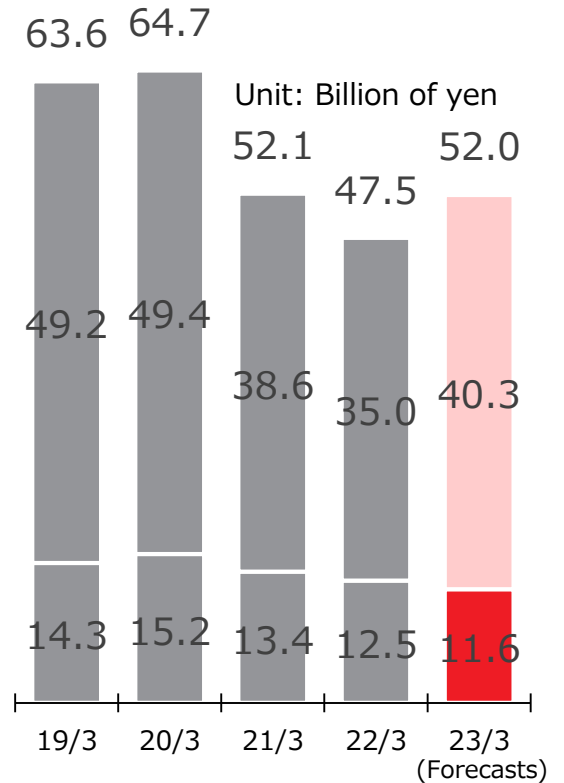
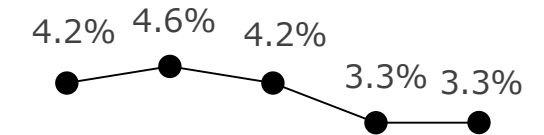
## Depreciation and amortization

Unit: Billion of yen



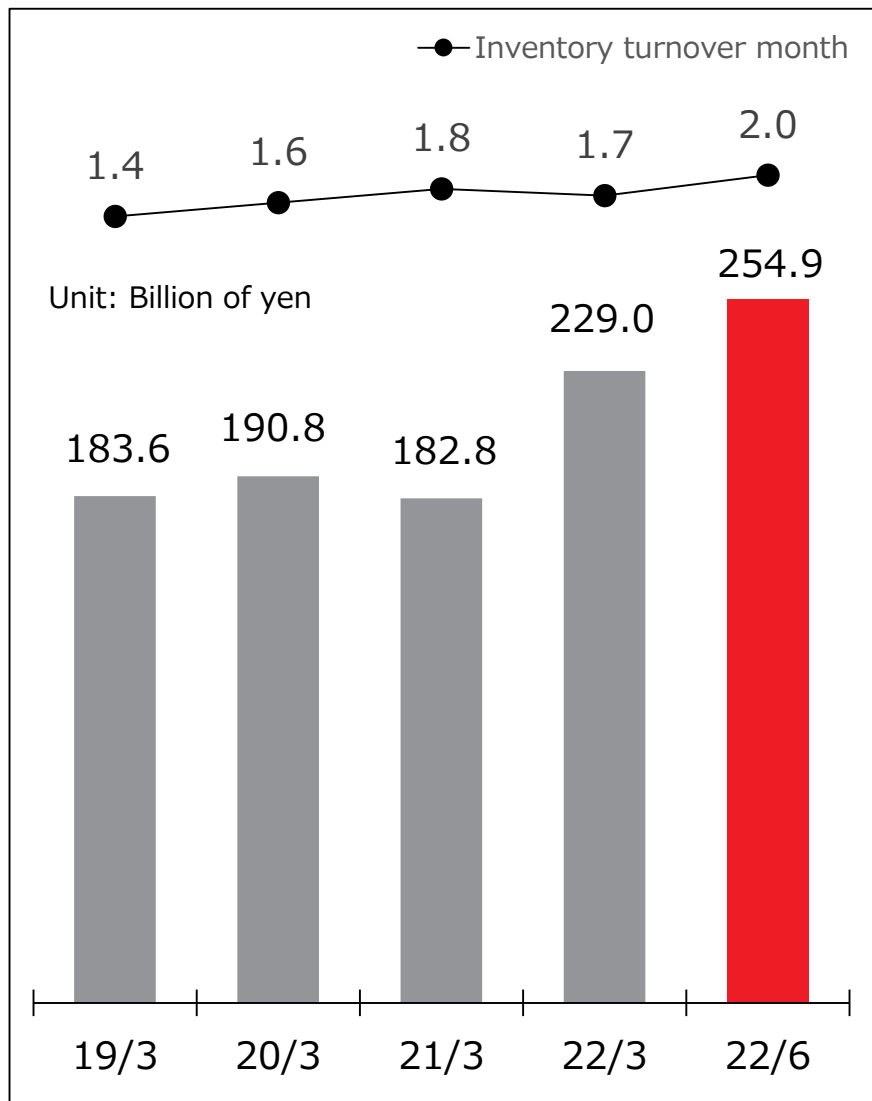
## R&D expense

● Ratio to revenue

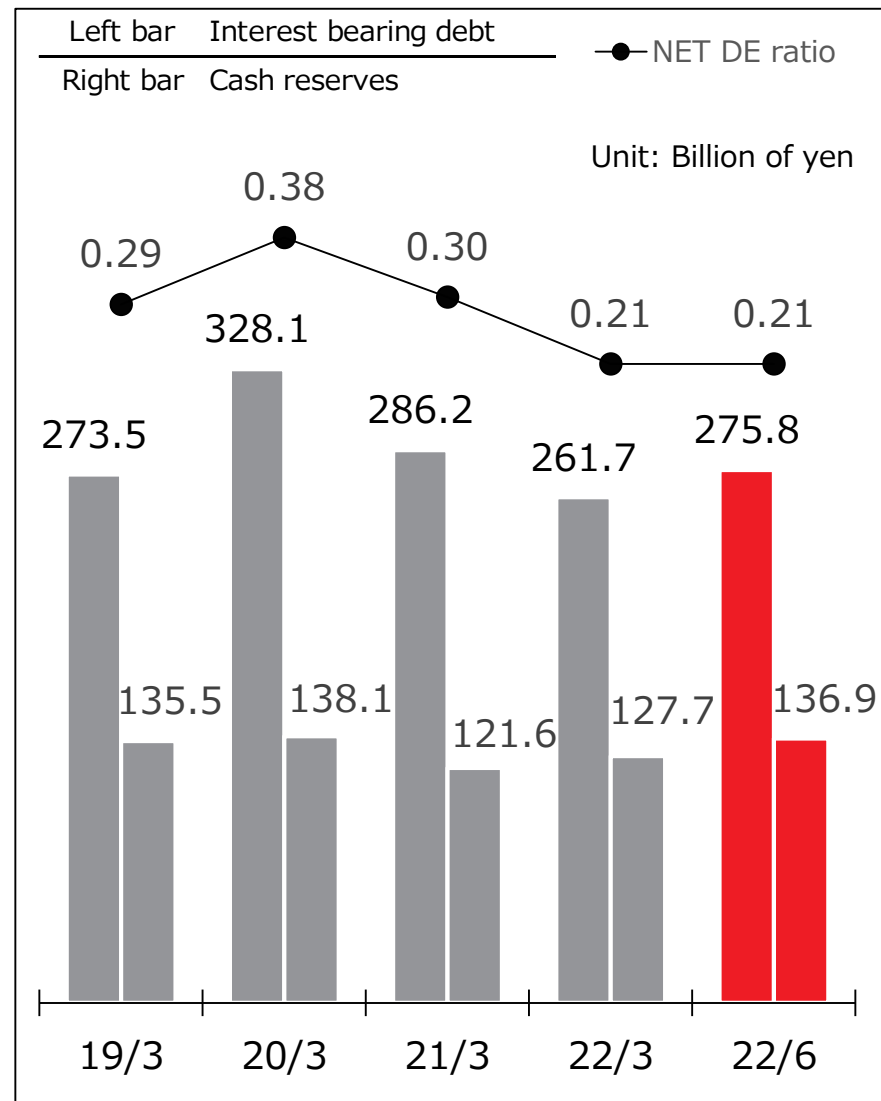


# 3-1) Management indicator

## Inventories



## Interest bearing debt / Cash reserves





## 3-2) Financial statements

### Assets

Unit: Billion of yen

Assets	22/3	22/6	Change
Cash and cash equivalents	124.2	133.4	+9.1
Trade and other receivables	319.0	306.1	-12.9
Inventories	229.0	254.9	+25.8
Other current assets	13.0	12.8	-0.1
Property, plant and equipment	460.0	469.6	+9.6
Other non-current assets	240.9	247.0	+6.1
<b>Total assets</b>	<b>1,386.4</b>	<b>1,424.1</b>	<b>+37.6</b>

### Liabilities and equity

Unit: Billion of yen

Liabilities and equity	22/3	22/6	Change
Trade and other payables	317.6	322.1	+4.5
Interest-Bearing Debt	261.7	275.8	+14.0
Other current liabilities	31.3	24.0	-7.3
Other non-current liabilities	115.2	117.8	+2.5
Equity attributable to owners of the parent company	624.0	646.9	+22.9
Non-controlling interests	36.4	37.3	+0.9
<b>Total liabilities and equity</b>	<b>1,386.4</b>	<b>1,424.1</b>	<b>+37.6</b>

## 3-2) Financial statements

### Consolidated Statement of Profit or Loss

Unit: Billion of yen

	21/6	22/6	Change
Revenue	344.1	<b>371.6</b>	+27.5
Business profit	8.9	<b>2.6</b>	-6.2
Other income / Other costs	-0.2	<b>0.2</b>	+0.4
Finance income / Finance costs	1.9	<b>6.2</b>	+4.2
Income tax expense	-4.3	<b>-5.4</b>	-1.1
Non-controlling interests	-0.6	<b>-0.5</b>	+0.1
<b>Profit attributable to owners of parent</b>	5.7	<b>3.1</b>	-2.5

### Consolidated Statement of Cash Flows

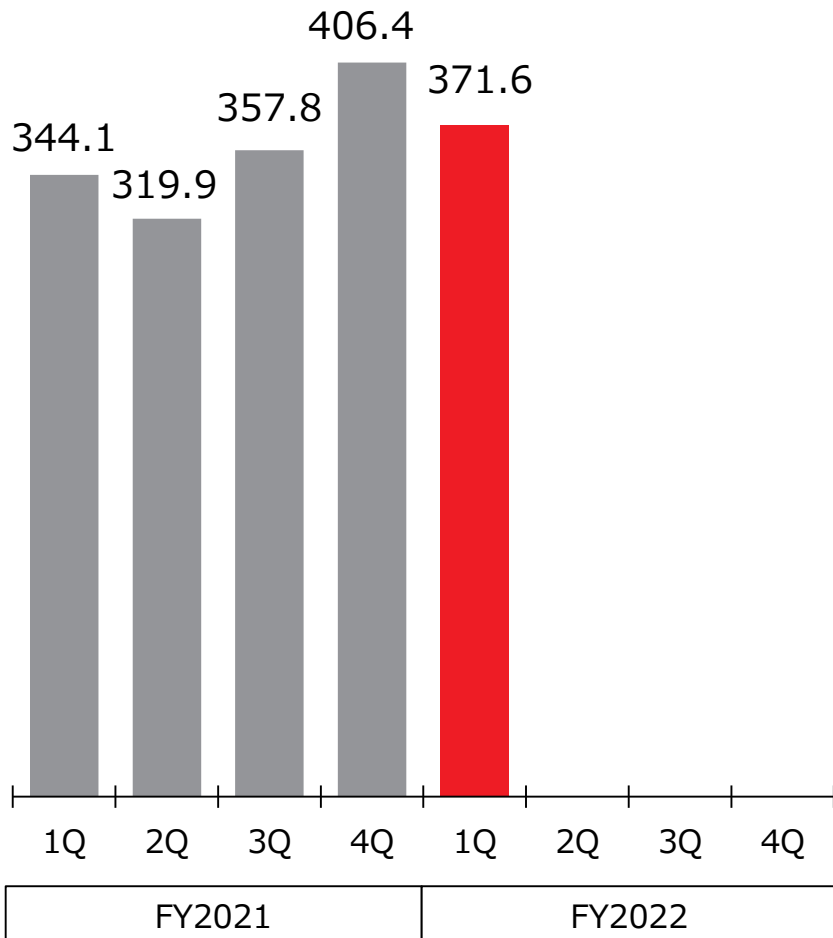
Unit: Billion of yen

	21/6	22/6	Change
Cash flows from operating activities	33.2	<b>14.6</b>	-18.6
Cash flows from investing activities	10.1	<b>-10.1</b>	-20.3
<b>Free cash flow</b>	43.4	<b>4.4</b>	-38.9
Cash flows from financing activities	-5.6	<b>-0.1</b>	+5.5
Foreign currency translation adjustments	0.3	<b>4.8</b>	+4.4
Net increase (decrease) in cash and cash equivalents	38.1	<b>9.1</b>	-28.9
<b>Cash and cash equivalents</b>	156.7	<b>133.4</b>	-23.2

# 3-3) Quarterly Result Trend

## Revenue

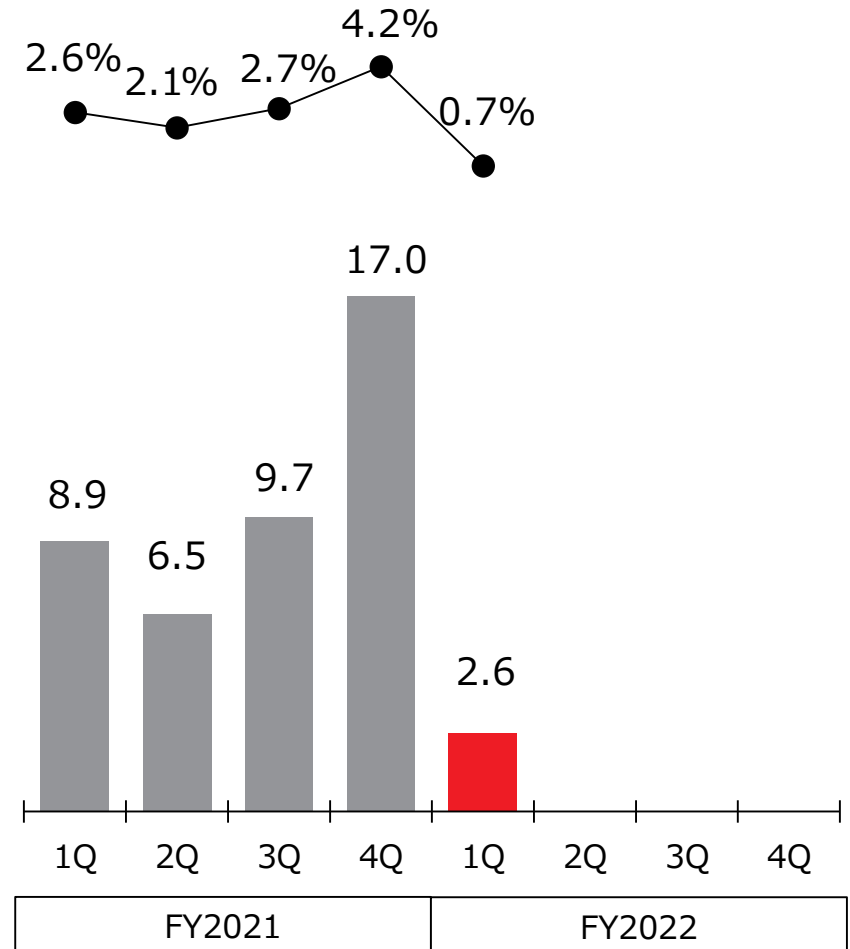
Unit: Billion of yen



## Business profit

Unit: Billion of yen

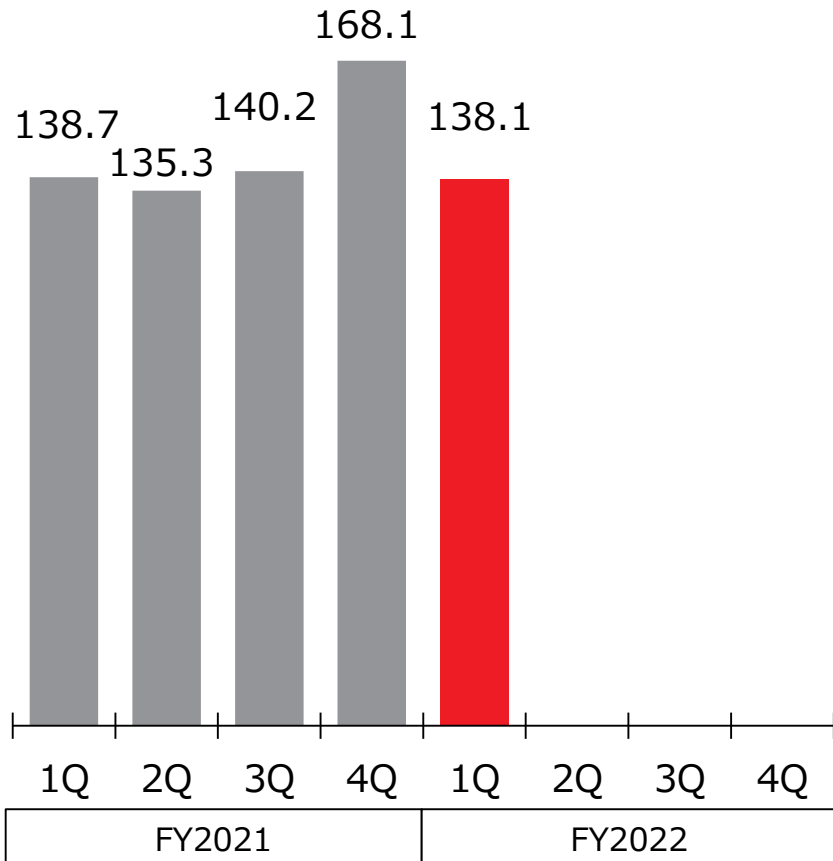
● Ratio to revenue



# 3-3) Quarterly Result Trend – Japan

## Revenue

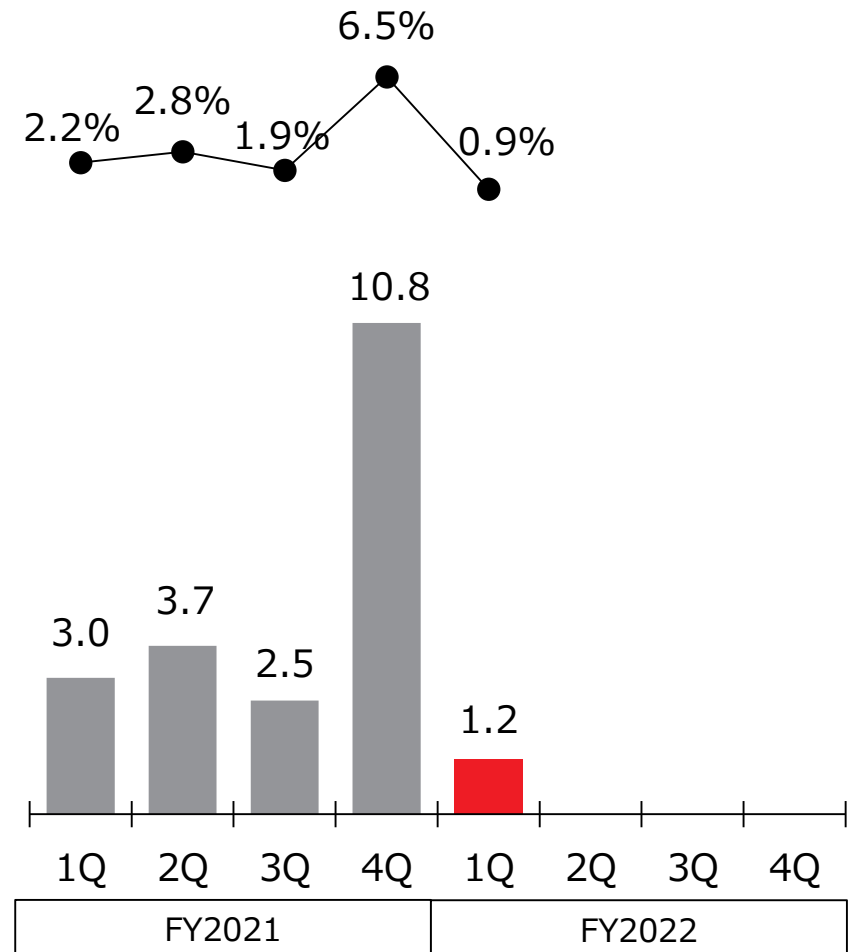
Unit: Billion of yen



## Business profit

Unit: Billion of yen

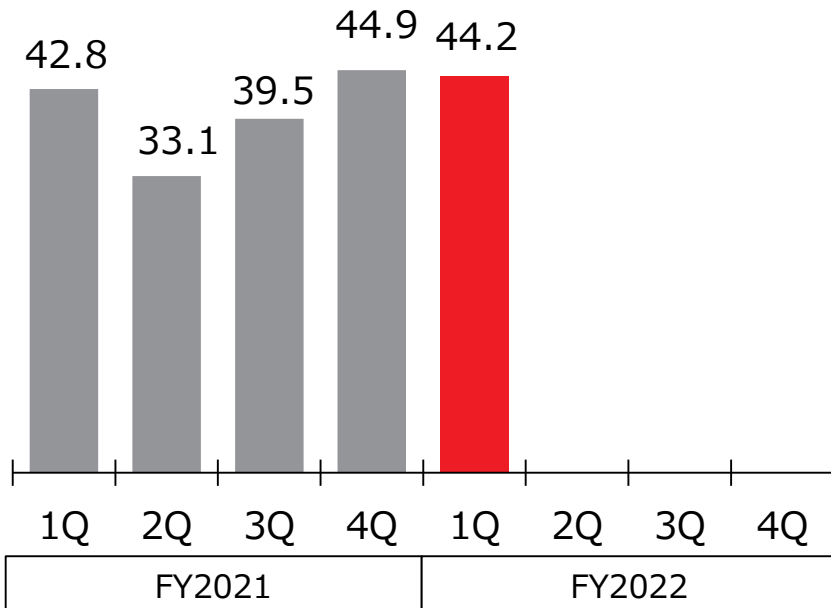
● Ratio to revenue



# 3-3) Quarterly Result Trend – Europe

## Revenue

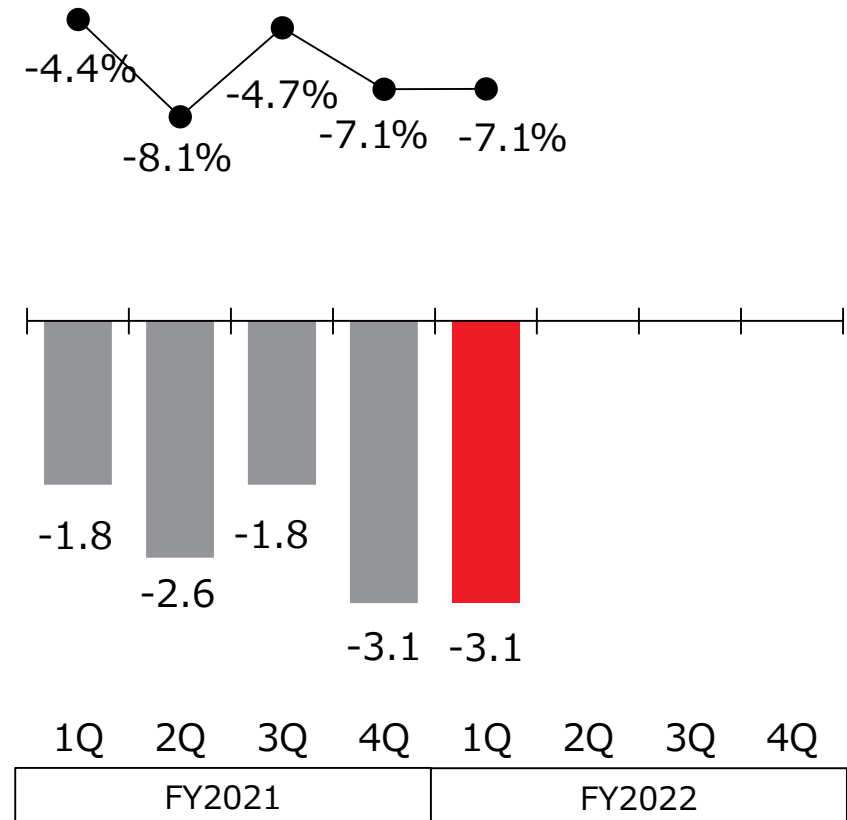
Unit: Billion of yen



## Business profit

Unit: Billion of yen

● Ratio to revenue

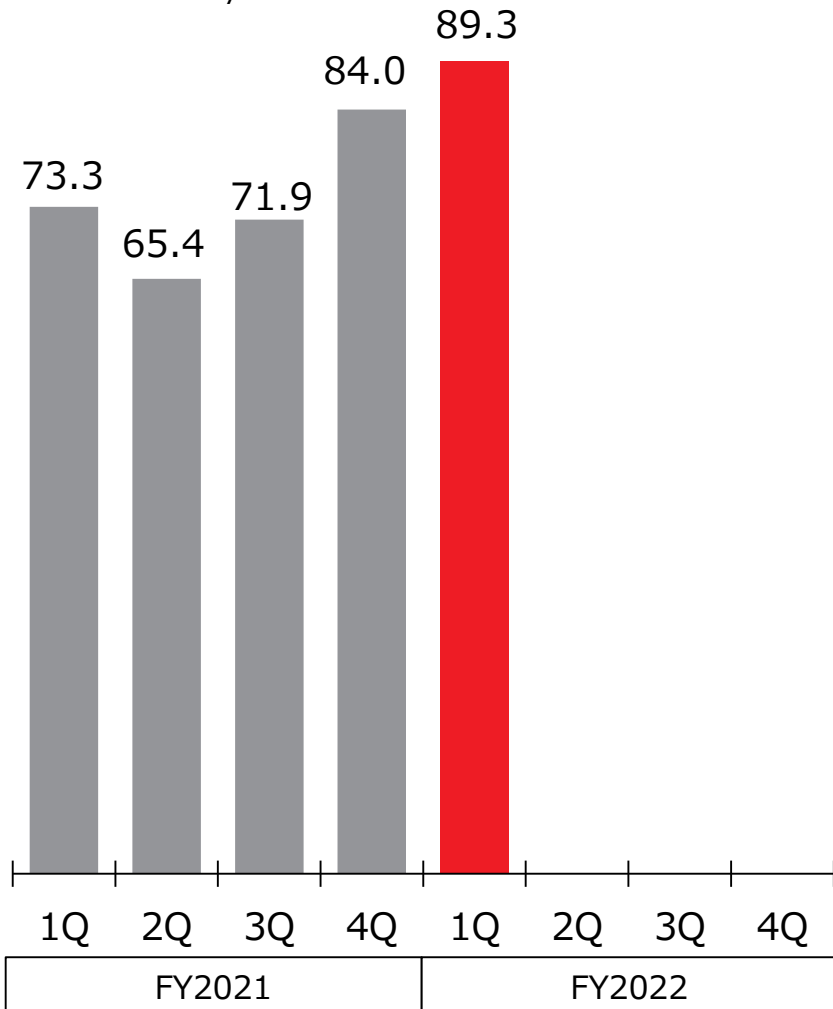


# 3-3) Quarterly Result Trend – North America



## Revenue

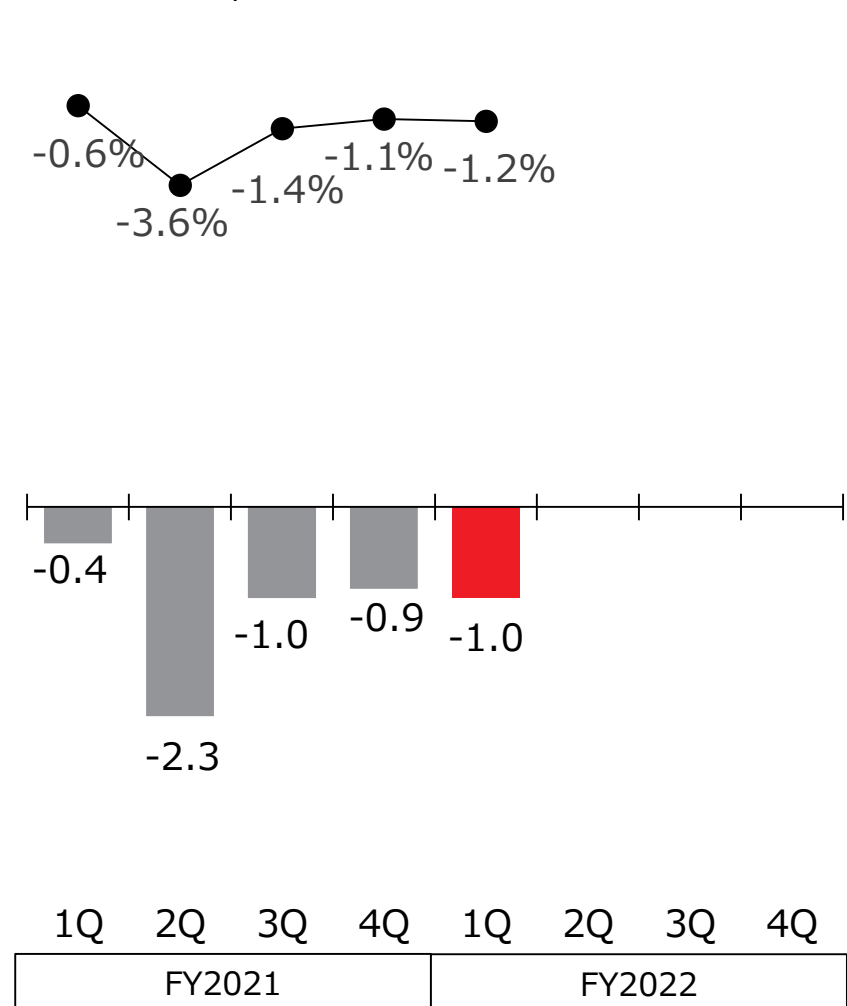
Unit: Billion of yen



## Business profit

Unit: Billion of yen

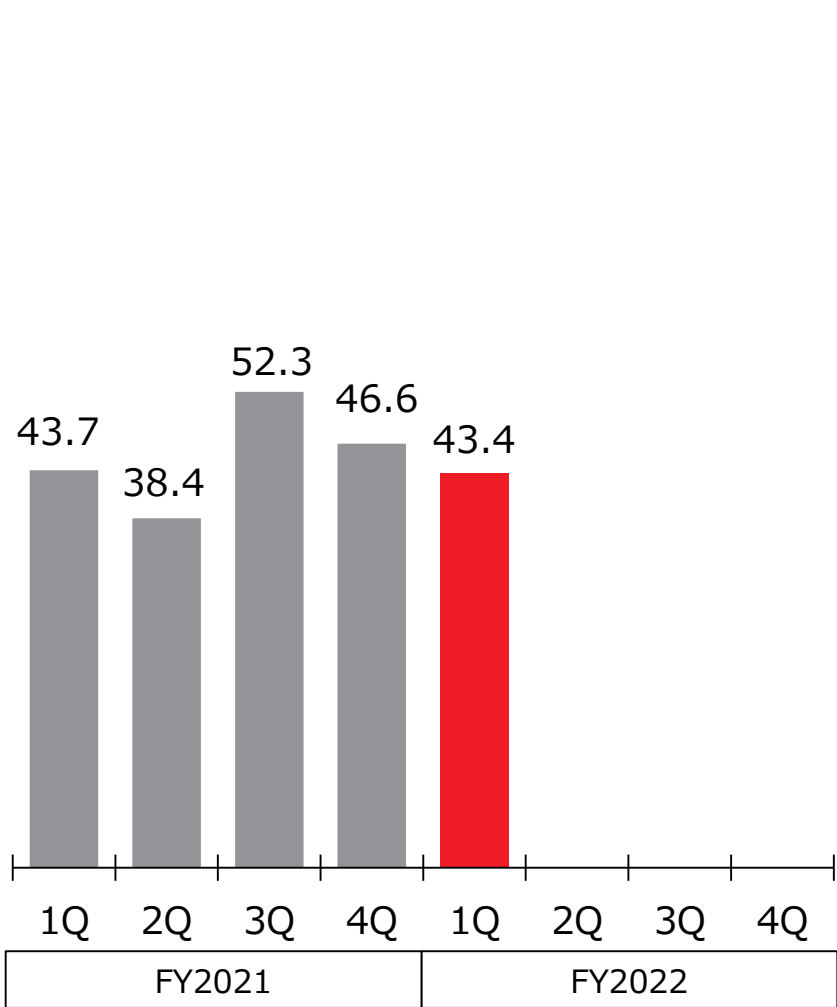
● Ratio to revenue



# 3-3) Quarterly Result Trend – China

## Revenue

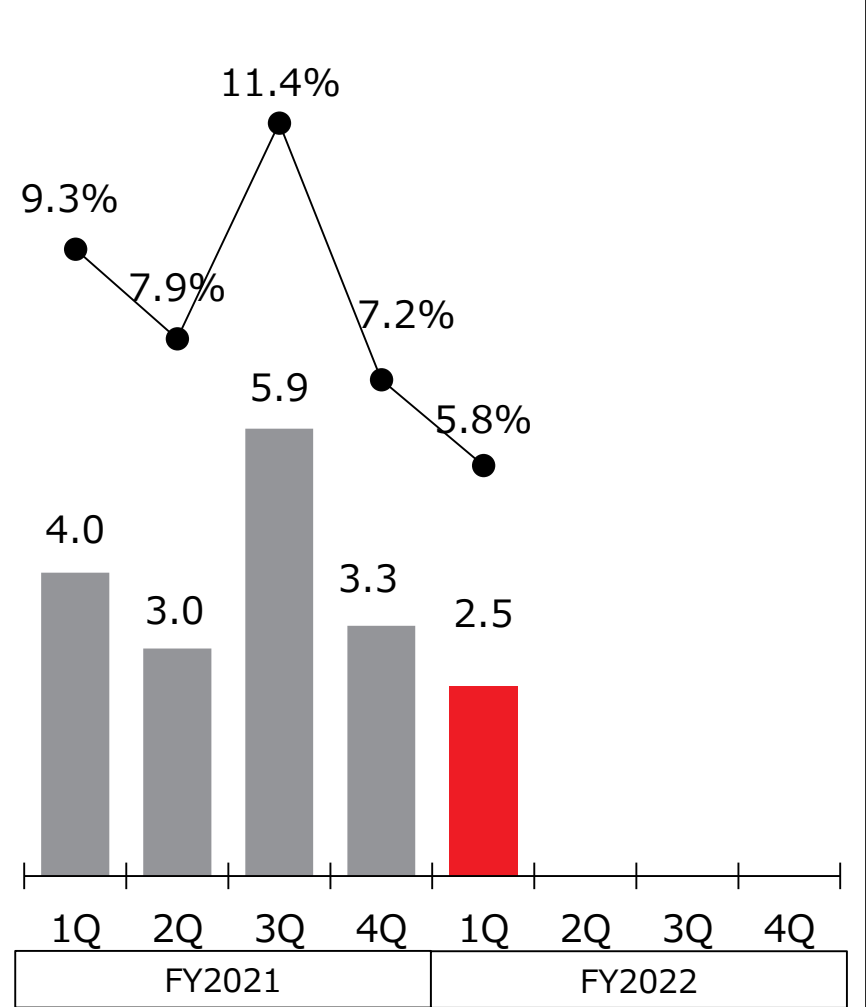
Unit: Billion of yen



## Business profit

Unit: Billion of yen

● Ratio to revenue

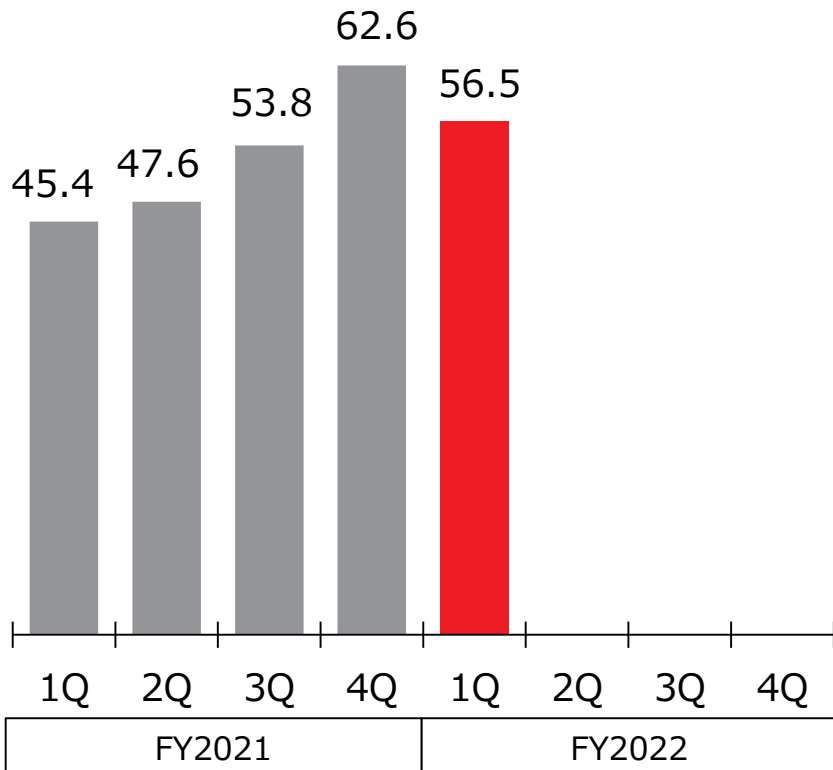


# 3-3) Quarterly Result Trend – Asia & Others



## Revenue

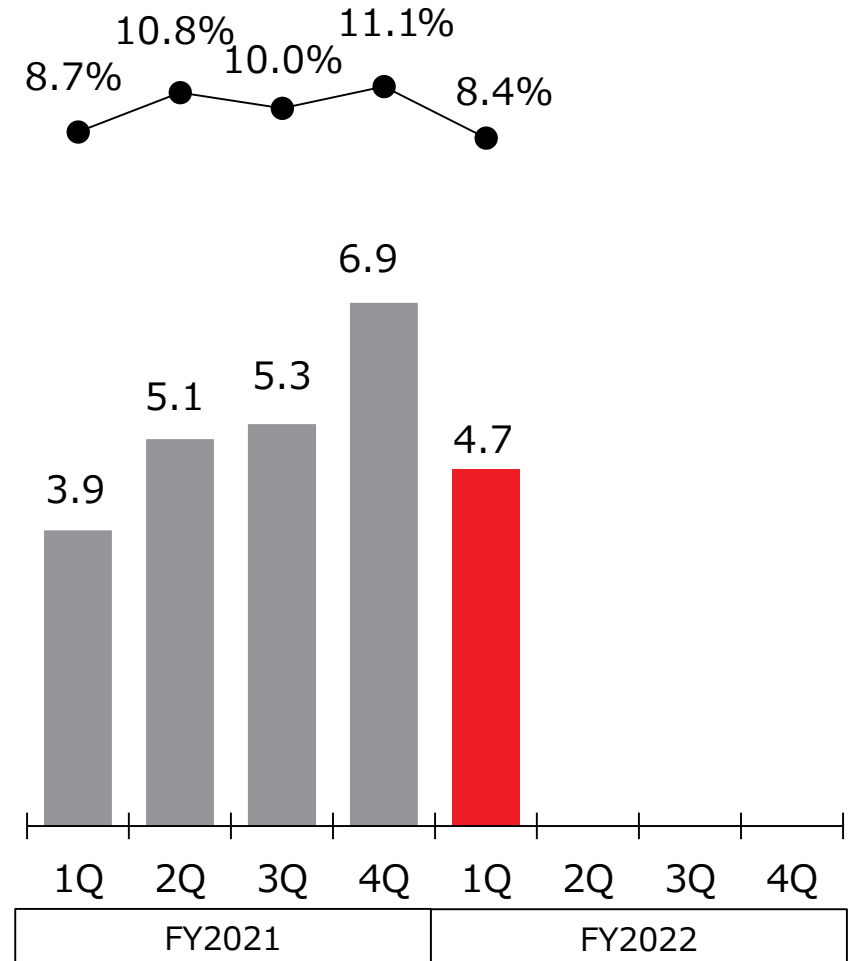
Unit: Billion of yen



## Business profit

Unit: Billion of yen

● Ratio to revenue





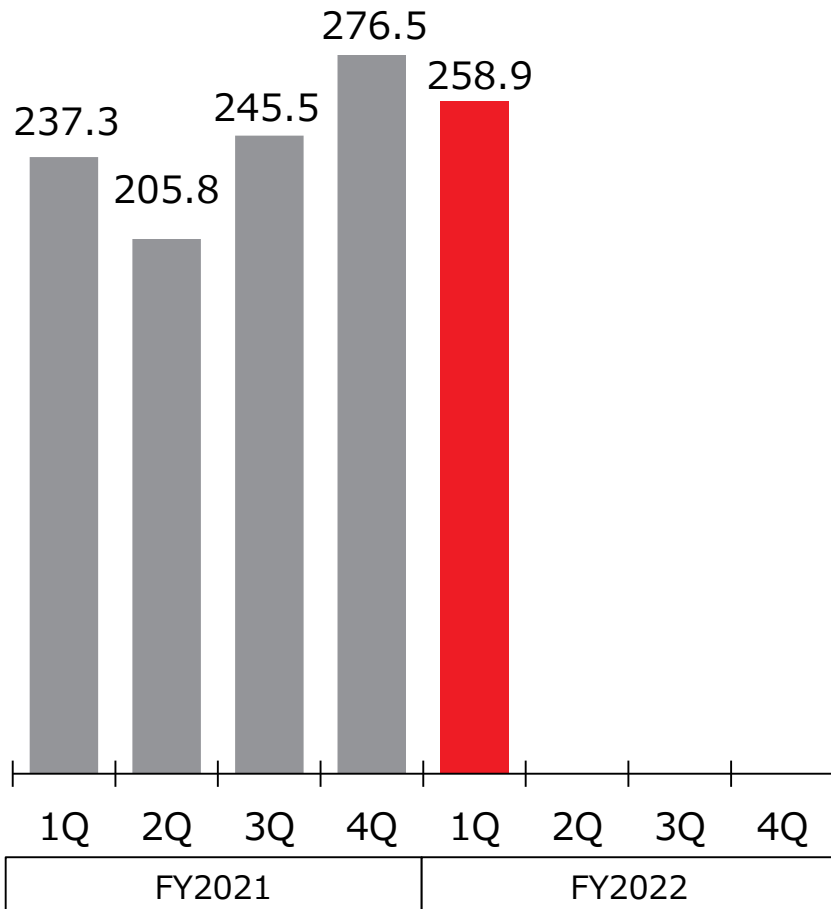
# 3-3) Quarterly Result Trend – Automotive

(Steering + Drivelines)



## Revenue

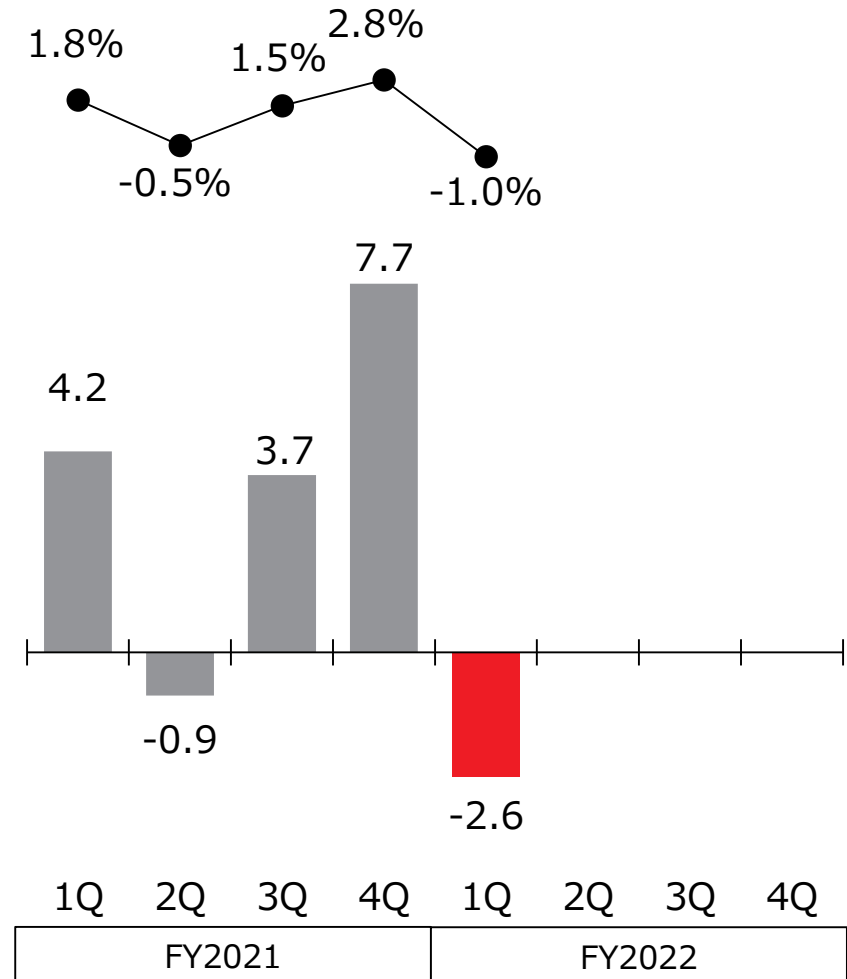
Unit: Billion of yen



## Business profit

Unit: Billion of yen

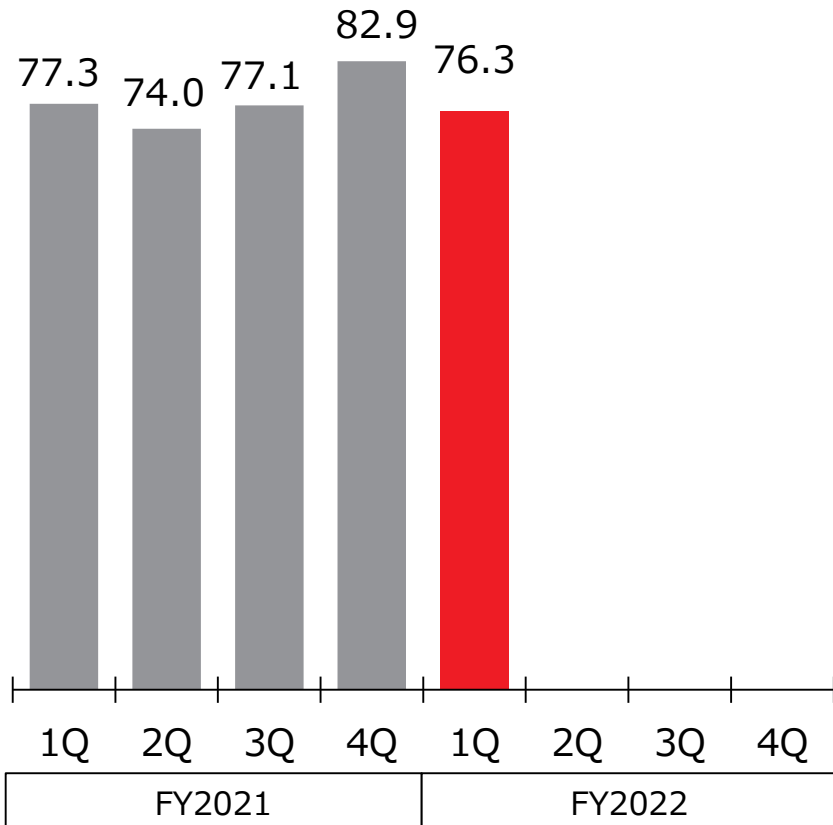
● Ratio to revenue



# 3-3) Quarterly Result Trend – Industrial & Bearings **JTEKT**

## Revenue

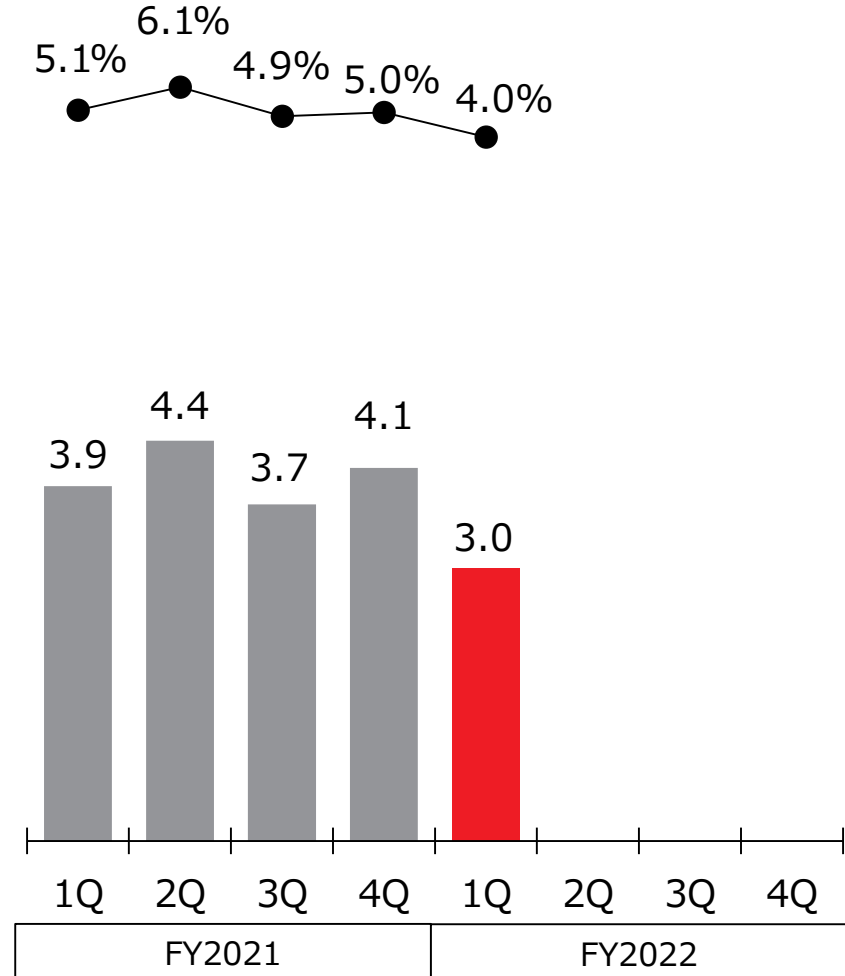
Unit: Billion of yen



## Business profit

Unit: Billion of yen

● Ratio to revenue



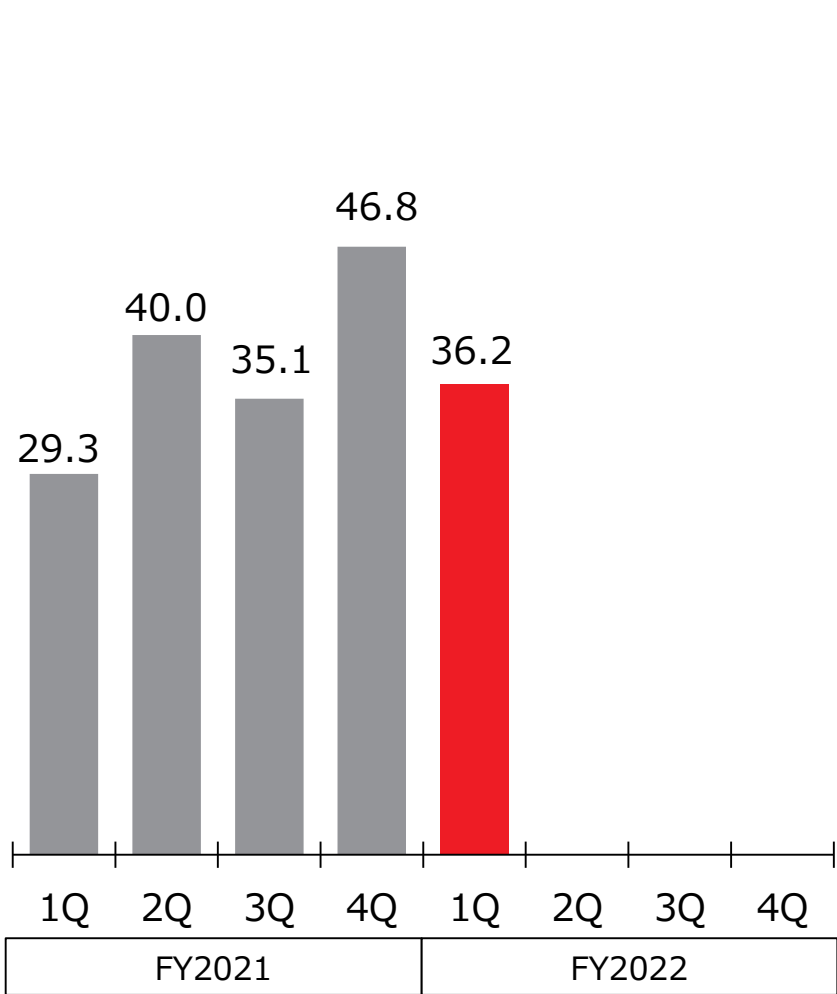
# 3-3) Quarterly Result Trend – Machine tools



(Machine tools & others)

## Revenue

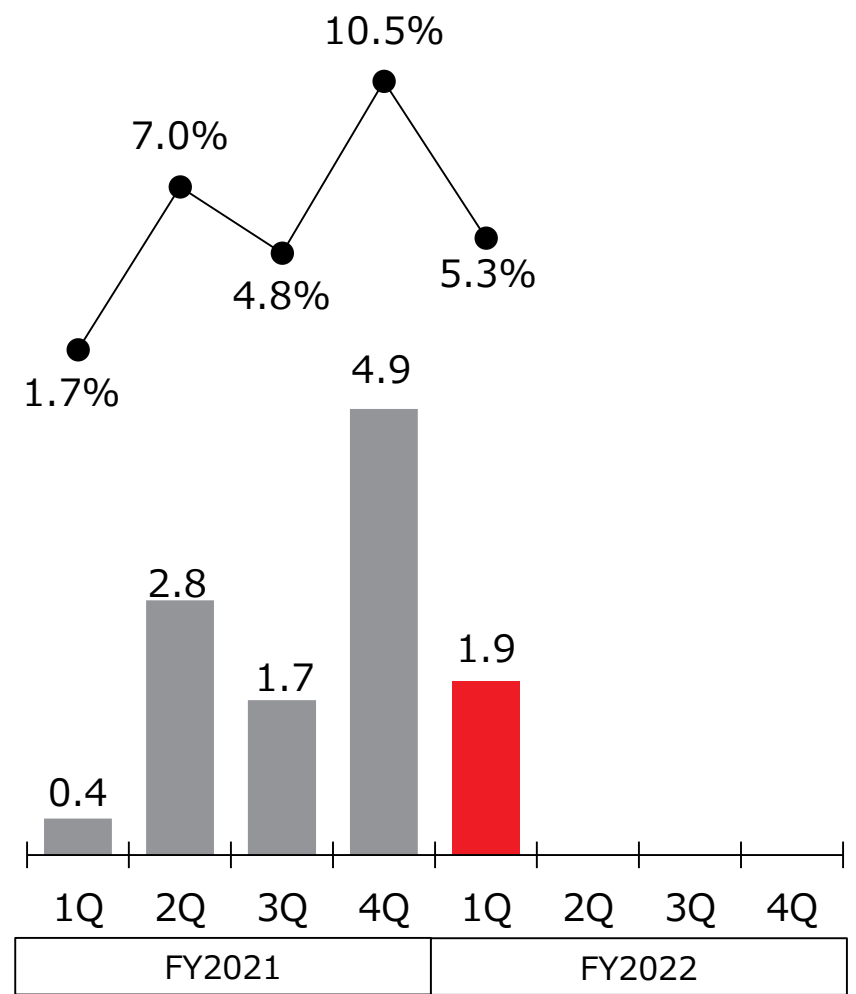
Unit: Billion of yen



## Business profit

Unit: Billion of yen

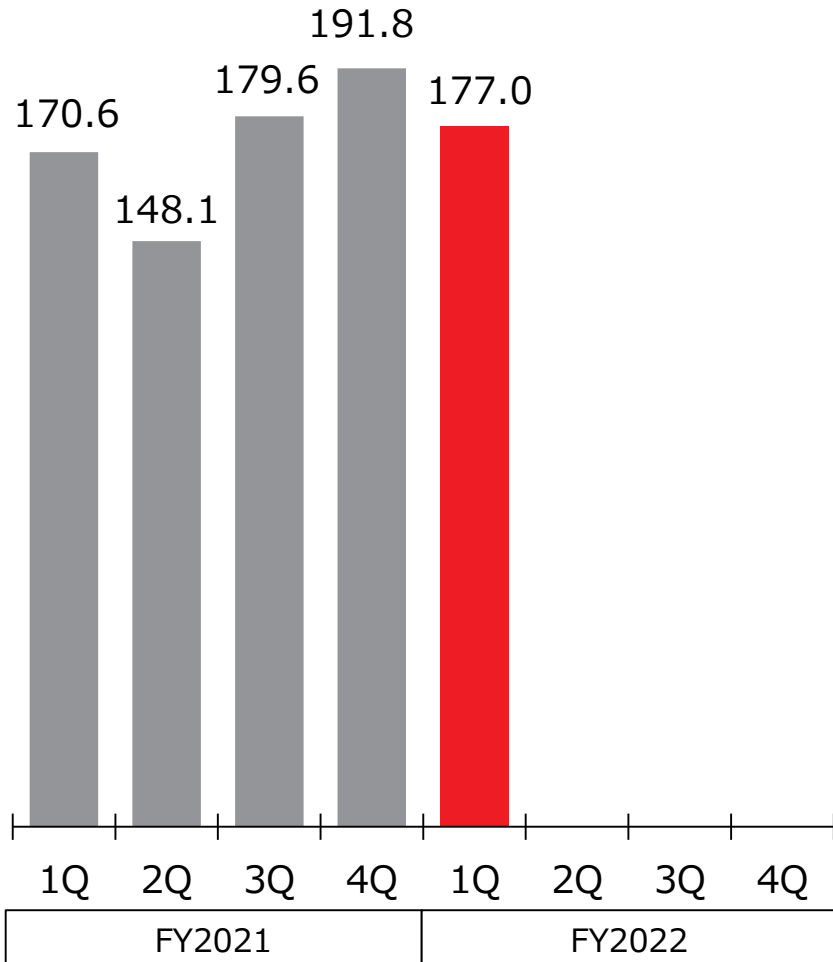
● Ratio to revenue



# 3-3) Quarterly Result Trend – Steering

## Revenue

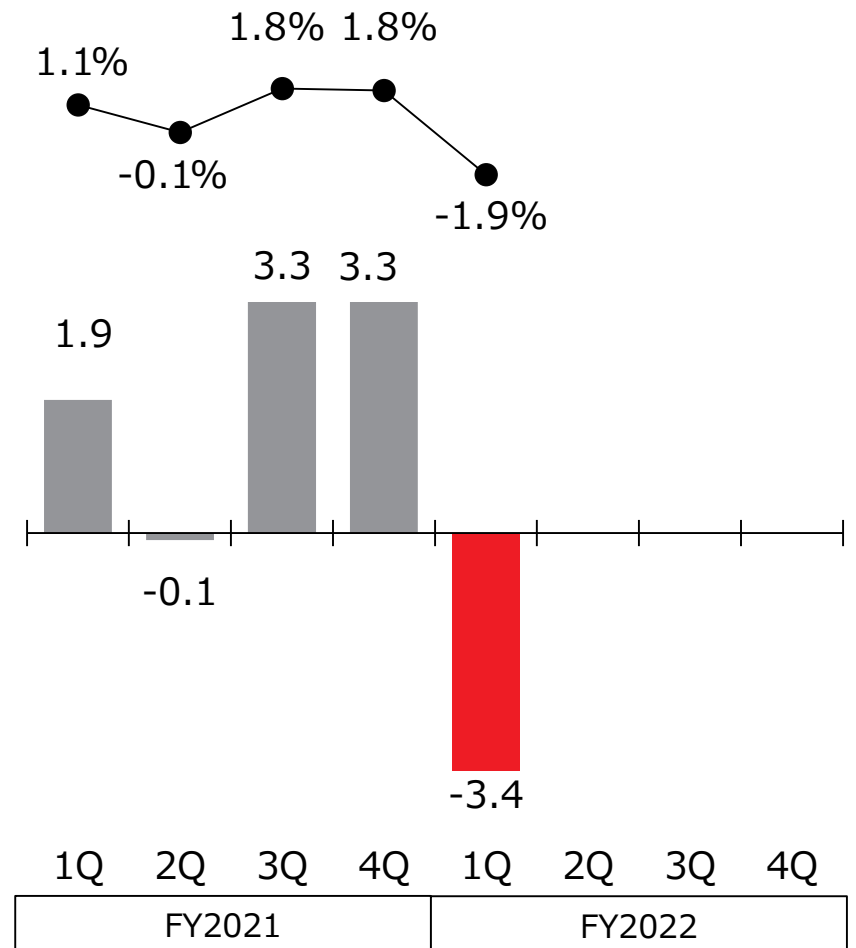
Unit: Billion of yen



## Business profit

Unit: Billion of yen

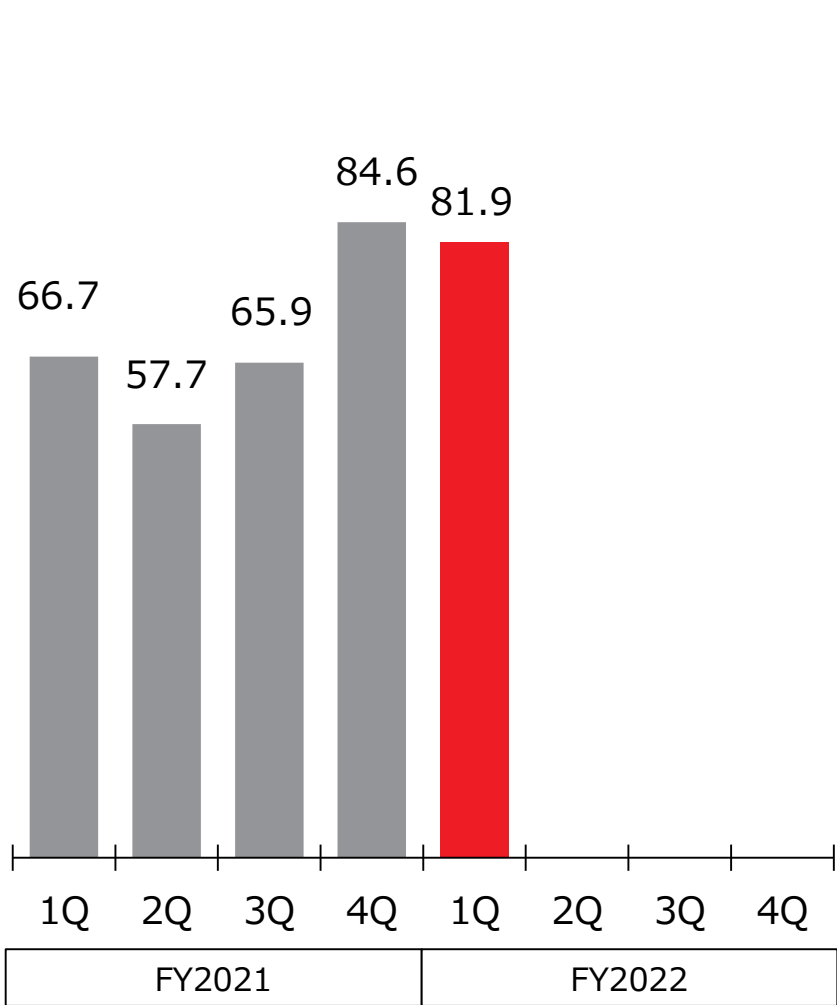
● Ratio to revenue



# 3-3) Quarterly Result Trend – Drivelines

## Revenue

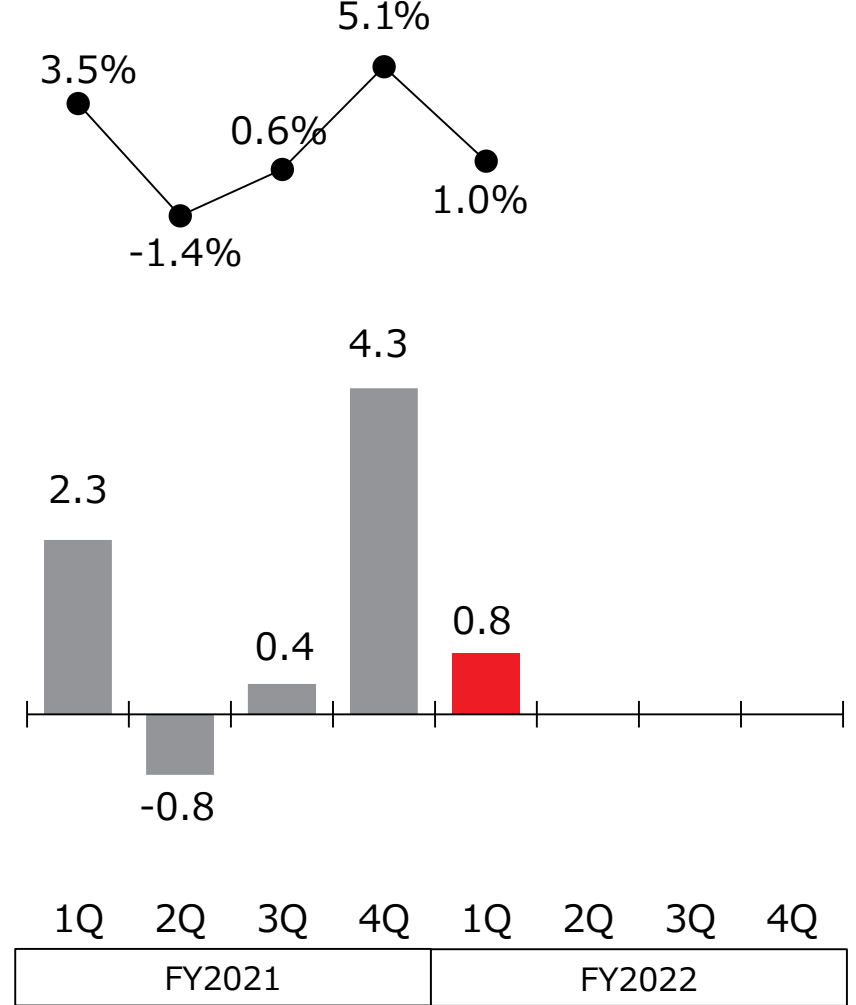
Unit: Billion of yen



## Business profit

Unit: Billion of yen

● Ratio to revenue

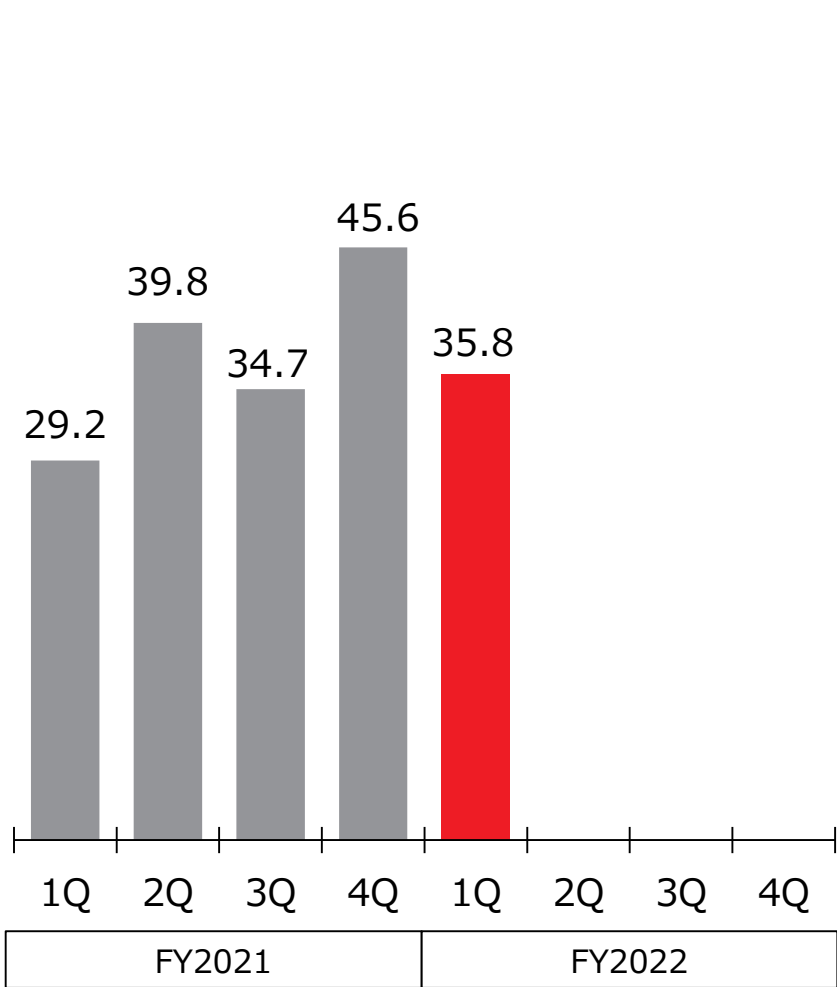


# 3-3) Quarterly Result Trend – Machine tools (Others excluded)



## Revenue

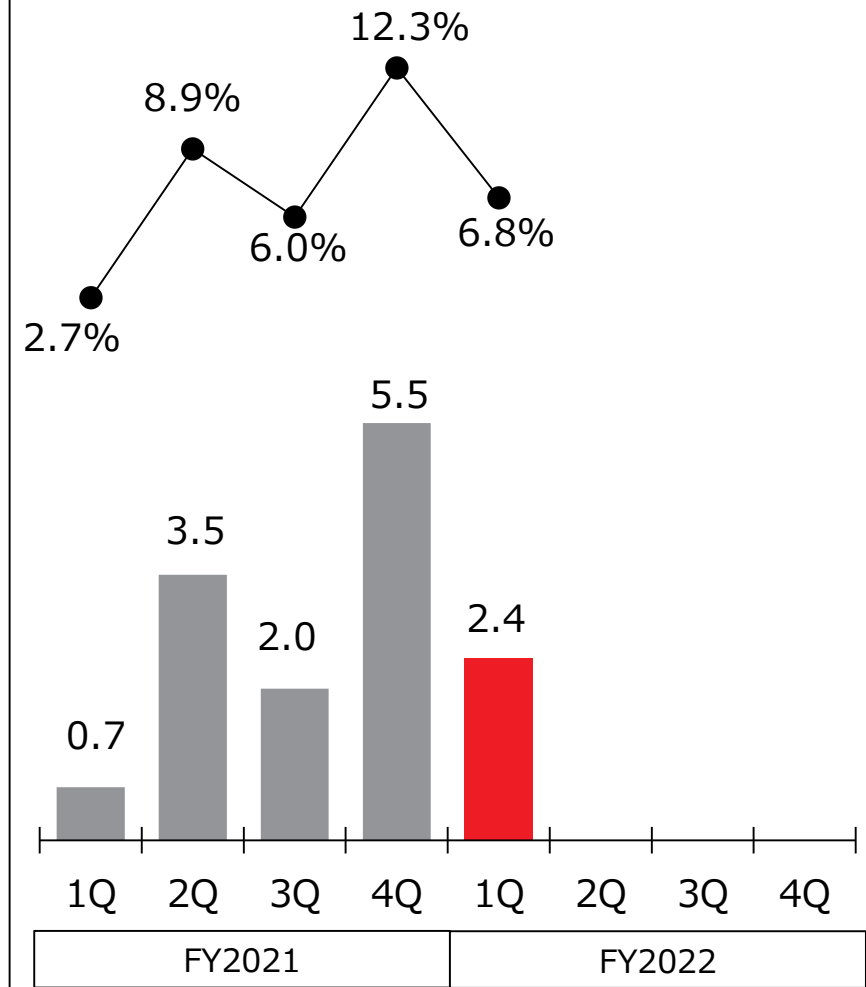
Unit: Billion of yen



## Business profit

Unit: Billion of yen

● Ratio to revenue

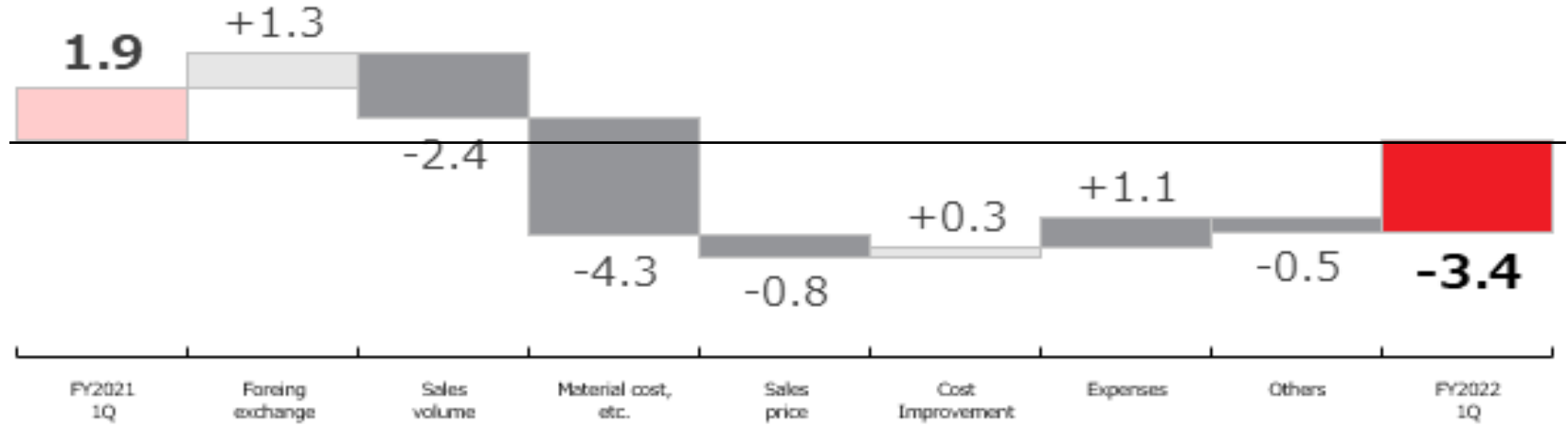


# 3-4) Business profit Analysis – Steering / Drivelines



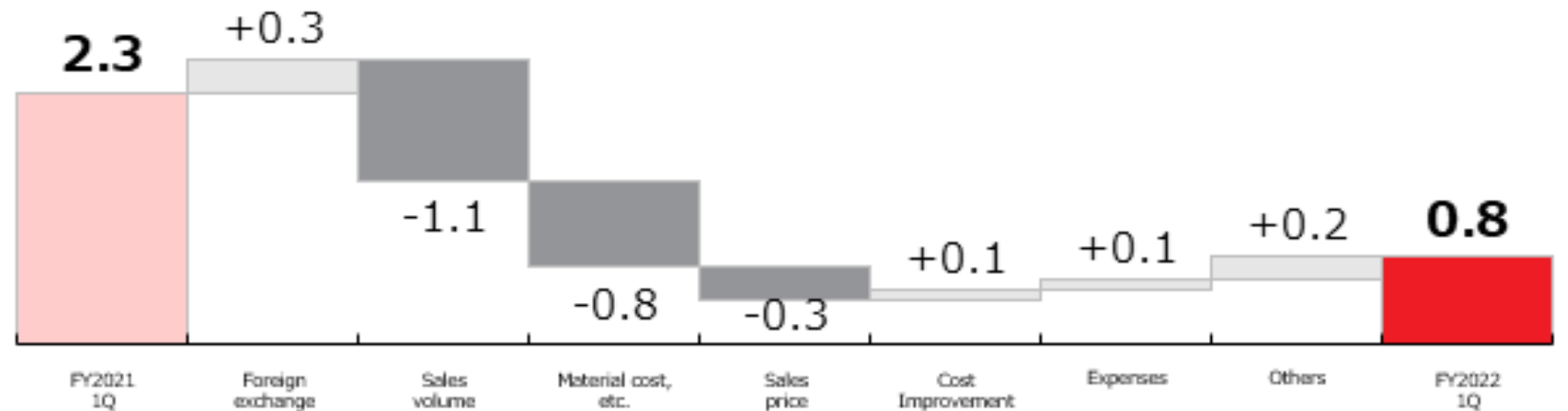
Unit: Billion of yen

Steering



Unit: Billion of yen

Drivelines

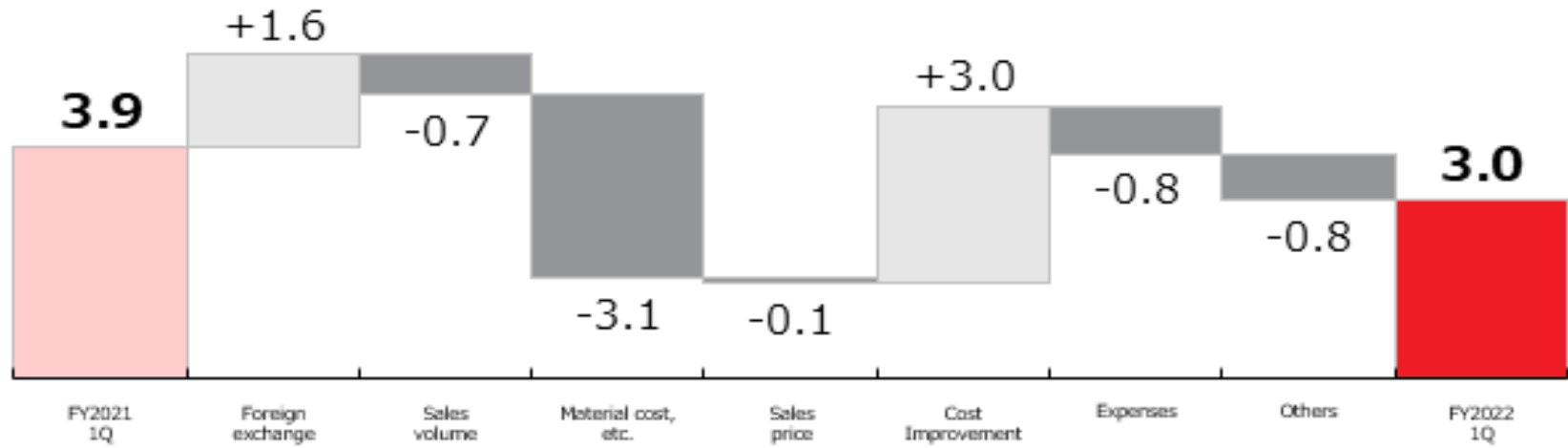


# 3-4) Business profit Analysis – Bearing / Machine tools



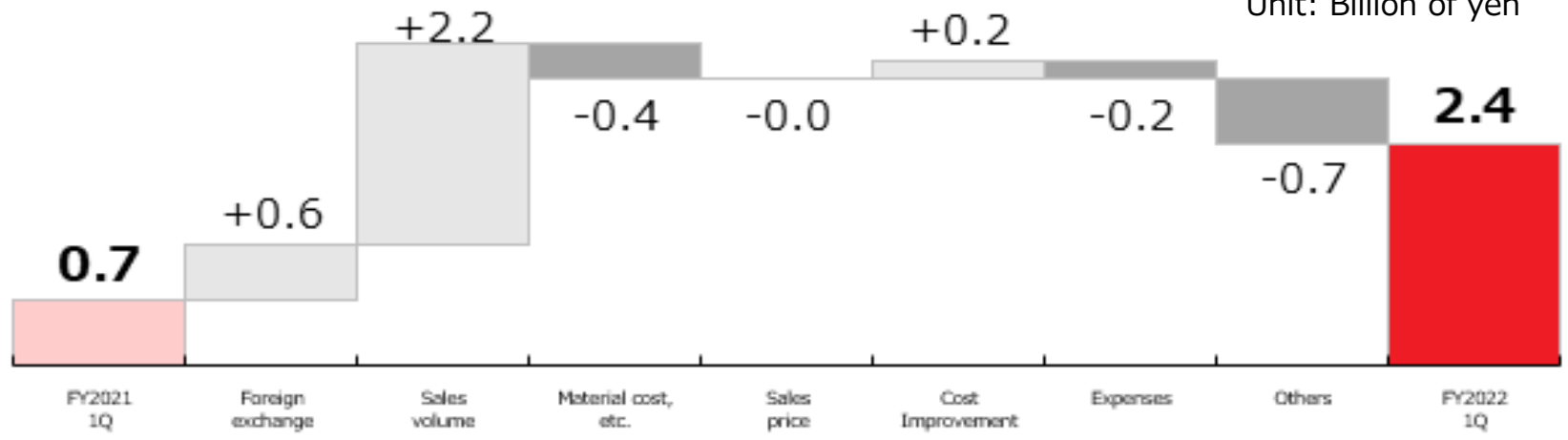
Bearing

Unit: Billion of yen



Machine tools

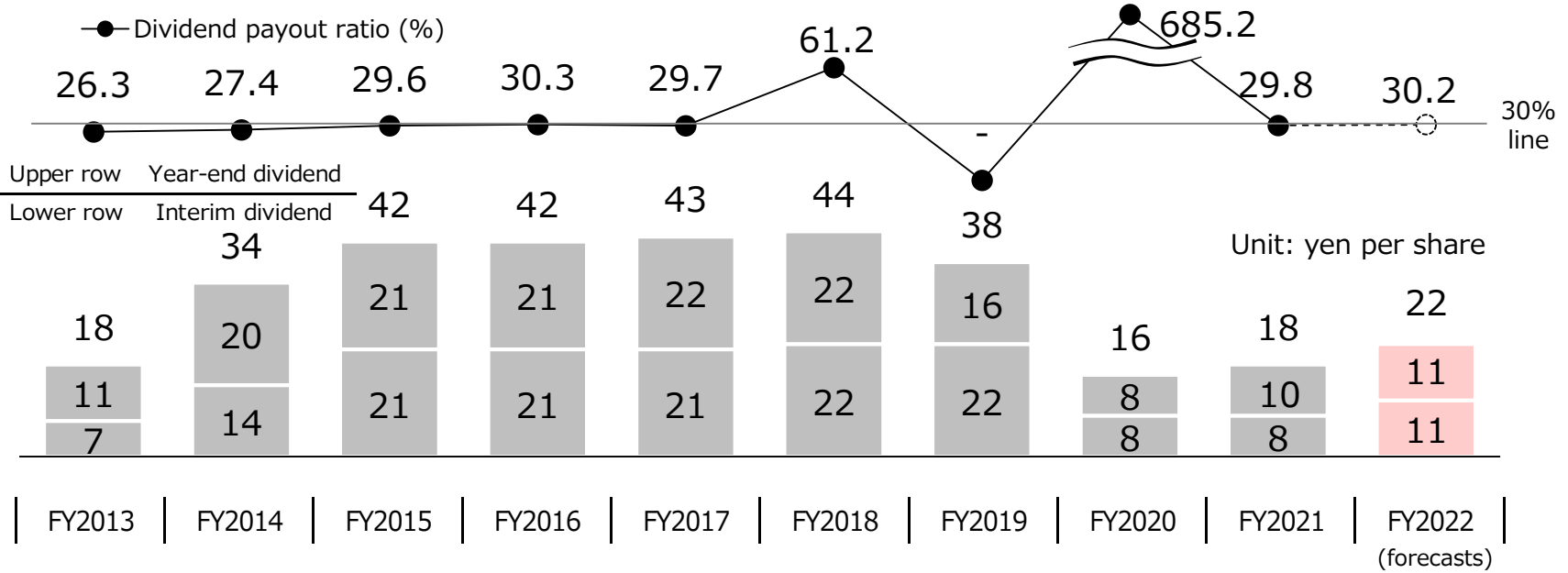
Unit: Billion of yen



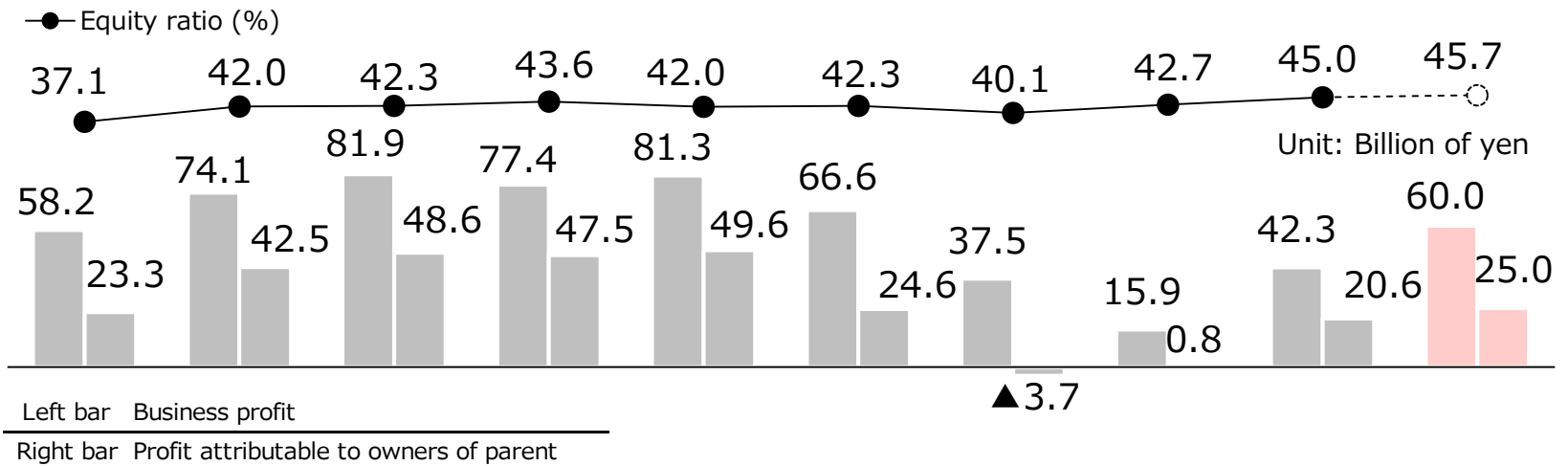


# 3-5) Return to Shareholders

Return to Shareholders



Profit





[Note on forward-looking statements]

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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.