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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Under IFRS)

DATE: July 29, 2022

Company name: JTEKT Corporation
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 6473 URL: <https://www.jtekt.co.jp/e/>
 Representative: Kazuhiro Sato, President, Member of the Board
 Contact: Takanori Iwai, General Manager of Finance & Accounting Dept.
 Telephone: +81-566-25-7326
 Scheduled date to commence dividend payments: —
 Scheduled date to file quarterly securities report (Japanese only): August 10, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts and institutional investors)

(Amounts less than one million yen are omitted.)

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Business profit		Profit before income taxes		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2022	371,686	8.0	2,632	(70.5)	9,115	(14.8)	3,636	(43.0)
June 30, 2021	344,159	76.2	8,931	—	10,696	—	6,379	—

	Profit attributable to owners of the parent company		Comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Three months ended						
June 30, 2022	3,132	(45.3)	28,393	33.0	9.13	9.13
June 30, 2021	5,726	—	21,355	—	16.70	16.69

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent company	Ratio of equity attributable to owners of the parent company to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of				
June 30, 2022	1,424,154	684,292	646,989	45.4
March 31, 2022	1,386,463	660,415	624,012	45.0

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	8.00	—	10.00	18.00
Fiscal year ended March 31, 2023	—				
Fiscal year ending March 31, 2023 (Forecast)		11.00	—	11.00	22.00

(Note) Changes in the forecasted cash dividends in this quarter: No

3. Forecast of consolidated financial results for the year ending March 31, 2023

(from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Revenue		Business profit		Profit before income taxes		Profit attributable to owners of the parent company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,600,000	12.0	60,000	41.7	48,500	10.4	25,000	20.9	72.89

(Note) Changes in the forecast of consolidated financial results in this quarter: No

***Notes**

- (1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Excluded: 4 companies

JTEKT AUTOMOTIVE TENNESSEE-MORRISTOWN, INC.

JTEKT AUTOMOTIVE TENNESSEE-VONORE, LLC

JTEKT AUTOMOTIVE LYON S.A.S.

JTEKT AUTOMOTIVE DIJON SAINT-ETIENNE S.A.S.

- (2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS: No
(ii) Changes in accounting policies due to other reasons: No
(iii) Changes in accounting estimates: No

- (3) Number of issued shares (ordinary shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2022	343,286,307 shares
As of March 31, 2022	343,286,307 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2022	310,407 shares
As of March 31, 2022	321,786 shares

- (iii) Average number of shares outstanding during the period

Three months ended June 30, 2022	342,964,571 shares
Three months ended June 30, 2021	342,966,471 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forecasts included in this documents are based on the information that the Company has obtained at the time of disclosure.

Actual results may differ significantly from the forecast due to a various factors in the future.

Consolidated financial statements

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and cash equivalents	124,254	133,448
Trade and other receivables	319,084	306,105
Inventories	229,074	254,960
Other financial assets	5,099	6,813
Income tax receivable	943	1,679
Other current assets	4,522	4,407
Sub total	682,979	707,415
Assets held for sale	2,518	—
Total current assets	685,497	707,415
Non-current assets		
Property, plant and equipment	460,012	469,669
Goodwill and Intangible assets	34,590	34,508
Other financial assets	139,771	143,792
Investments accounted for using equity method	13,091	13,846
Deferred tax assets	17,414	18,137
Other non-current assets	36,085	36,785
Total non-current assets	700,965	716,739
Total assets	1,386,463	1,424,154

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	317,672	322,198
Bonds and borrowings	85,749	94,584
Other financial liabilities	3,128	5,599
Income taxes payable	13,375	6,850
Provisions	6,547	6,718
Other current liabilities	6,258	4,866
Sub total	432,732	440,817
Liabilities directly associated with assets held for sale	2,047	—
Total current liabilities	434,779	440,817
Non-current liabilities		
Bonds and borrowings	176,012	181,216
Other financial liabilities	7,657	8,050
Retirement benefit liabilities	75,110	76,412
Provisions	228	113
Deferred tax liabilities	24,432	25,314
Other non-current liabilities	7,827	7,936
Total non-current liabilities	291,268	299,044
Total liabilities	726,048	739,861
Equity		
Capital stock	45,591	45,591
Capital surplus	107,638	107,639
Treasury stock	(430)	(414)
Other components of equity	27,253	47,725
Retained earnings	443,960	446,447
Equity attributable to owners of the parent company	624,012	646,989
Non-controlling interests	36,402	37,302
Total equity	660,415	684,292
Total liabilities and equity	1,386,463	1,424,154

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated Statement of Profit or Loss

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Revenue	344,159	371,686
Cost of revenue	(292,582)	(322,492)
Gross profit	51,577	49,193
Selling, general and administrative expenses	(42,645)	(46,561)
Business profit	8,931	2,632
Other income	2,321	1,297
Other costs	(2,545)	(1,055)
Operating profit	8,706	2,875
Finance income	3,060	7,276
Finance costs	(1,199)	(1,169)
Share of the profit of associates and joint ventures accounted for using the equity method	128	132
Profit before income taxes	10,696	9,115
Income tax expense	(4,316)	(5,478)
Profit for the period	6,379	3,636
Attributable to		
Owners of the parent company	5,726	3,132
Non-controlling interests	652	504
Earnings per share		
Basic (Yen)	16.70	9.13
Diluted (Yen)	16.69	9.13

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit for the period	6,379	3,636
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net fair value gain (loss) on equity instruments designated as FVTOCI	12,804	2,338
Remeasurements of defined benefit pension plans	124	(81)
Share of other comprehensive income of investments accounted for using equity method	8	11
Total	12,937	2,268
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	1,623	21,902
Share of other comprehensive income of investments accounted for using equity method	415	585
Total	2,038	22,488
Total other comprehensive income	14,975	24,756
Comprehensive income for the period	21,355	28,393
Attributable to		
Owners of the parent company	20,528	25,898
Non-controlling interests	827	2,494

(3) Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of the parent company					
	Capital stock	Capital surplus	Treasury stock	Other components of equity		
				Net fair value gain (loss) on equity instruments designated as FVTOCI	Remeasurements of defined benefit pension plans	Exchange differences on translation of foreign operations
As of April 1, 2021	45,591	107,397	(428)	—	—	(5,934)
Increase (Decrease) based on inflation accounting of Argentina consolidated subsidiary	—	—	—	—	—	—
As of April 1, 2021 (adjusted)	45,591	107,397	(428)	—	—	(5,934)
Profit for the period	—	—	—	—	—	—
Other comprehensive income	—	—	—	12,803	128	1,869
Comprehensive income for the period	—	—	—	12,803	128	1,869
Acquisition of treasury stock	—	—	(0)	—	—	—
Dividends	—	—	—	—	—	—
Transfer to retained Earnings	—	—	—	(12,803)	(128)	—
Change of scope of consolidation	—	(28)	—	—	—	—
Changes in the ownership interest in subsidiaries without a loss of control	—	315	—	—	—	—
Total transactions with the owners	—	286	(0)	(12,803)	(128)	—
As of June 30, 2021	45,591	107,684	(428)	—	—	(4,064)
As of April 1, 2022	45,591	107,638	(430)	—	—	27,253
Increase (Decrease) based on inflation accounting of Argentina consolidated subsidiary	—	—	—	—	—	—
As of April 1, 2022 (adjusted)	45,591	107,638	(430)	—	—	27,253
Profit of the period	—	—	—	—	—	—
Other comprehensive income	—	—	—	2,340	(46)	20,472
Comprehensive income for the period	—	—	—	2,340	(46)	20,472
Acquisition of treasury stock	—	—	(0)	—	—	—
Dividends	—	—	—	—	—	—
Share-based payment transactions	—	(4)	16	—	—	—
Transfer to retained Earnings	—	—	—	(2,340)	46	—
Change of scope of consolidation	—	—	—	—	—	—
Changes in the ownership interest in subsidiaries without a loss of control	—	5	—	—	—	—
Total transactions with the owners	—	0	15	(2,340)	46	—
As of June 30, 2022	45,591	107,639	(414)	—	—	47,725

(Millions of yen)

	Equity attributable to owners of the parent company			Non-controlling interests	Total equity
	Other components of equity	Retained Earnings	Total		
	Total				
As of April 1, 2021	(5,934)	404,281	550,908	34,179	585,088
Increase (Decrease) based on inflation accounting of Argentina consolidated subsidiary	—	(108)	(108)	—	(108)
As of April 1, 2021 (adjusted)	(5,934)	404,172	550,799	34,179	584,979
Profit for the period	—	5,726	5,726	652	6,379
Other comprehensive income	14,801	—	14,801	174	14,975
Comprehensive income for the period	14,801	5,726	20,528	827	21,355
Acquisition of treasury stock	—	—	(0)	—	(0)
Dividends	—	(2,744)	(2,744)	(653)	(3,397)
Transfer to retained Earnings	(12,932)	12,932	—	—	—
Change of scope of consolidation	—	281	252	(1)	251
Changes in the ownership interest in subsidiaries without a loss of control	—	—	315	(515)	(200)
Total transactions with the owners	(12,932)	10,469	(2,176)	(1,170)	(3,346)
As of June 30, 2021	(4,064)	420,369	569,151	33,836	602,988
As of April 1, 2022	27,253	443,960	624,012	36,402	660,415
Increase (Decrease) based on inflation accounting of Argentina consolidated subsidiary	—	491	491	—	491
As of April 1, 2022 (adjusted)	27,253	444,452	624,504	36,402	660,906
Profit of the period	—	3,132	3,132	504	3,636
Other comprehensive income	22,766	—	22,766	1,990	24,756
Comprehensive income for the period	22,766	3,132	25,898	2,494	28,393
Acquisition of treasury stock	—	—	(0)	—	(0)
Dividends	—	(3,430)	(3,430)	(1,462)	(4,892)
Share-based payment transactions	—	—	11	—	11
Transfer to retained Earnings	(2,293)	2,293	—	—	—
Change of scope of consolidation	—	—	—	(126)	(126)
Changes in the ownership interest in subsidiaries without a loss of control	—	—	5	(5)	—
Total transactions with the owners	(2,293)	(1,136)	(3,413)	(1,594)	(5,008)
As of June 30, 2022	47,725	446,447	646,989	37,302	684,292

Segment information

For the three months ended June 30, 2021

(Millions of yen)

	Reportable segment				Adjustments	Consolidated
	Automotive	Industrial and Bearings	Machine tools	Total		
Revenue						
Customers	237,374	77,395	29,389	344,159	—	344,159
Intersegment	407	4,395	5,292	10,096	(10,096)	—
Total	237,782	81,790	34,682	354,255	(10,096)	344,159
Segment profit: Business profit	4,262	3,964	488	8,715	215	8,931
Other income						2,321
Other costs						(2,545)
Operating profit						8,706
Finance income						3,060
Finance costs						(1,199)
Share of the profit of associates and joint ventures accounted for using the equity method						128
Profit before income taxes						10,696

(Notes) “Adjustments” of segment profit is the elimination of inter-segment transactions.

For the three months ended June 30, 2022

(Millions of yen)

	Reportable segment				Adjustments	Consolidated
	Automotive	Industrial and Bearings	Machine tools	Total		
Revenue						
Customers	258,994	76,398	36,293	371,686	—	371,686
Intersegment	738	4,606	5,345	10,690	(10,690)	—
Total	259,733	81,004	41,639	382,376	(10,690)	371,686
Segment profit: Business profit (loss)	(2,612)	3,064	1,936	2,388	243	2,632
Other income						1,297
Other costs						(1,055)
Operating profit						2,875
Finance income						7,276
Finance costs						(1,169)
Share of the profit of associates and joint ventures accounted for using the equity method						132
Profit before income taxes						9,115

(Notes) “Adjustments” of segment profit is the elimination of inter-segment transactions.