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

DATE: October 28, 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: November 25, 2022
 Scheduled date to file quarterly securities report (Japanese only): November 11, 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 six months ended September 30, 2022 (from April 1, 2022 to September 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	%
Six months ended								
September 30, 2022	804,576	21.1	18,055	16.4	26,431	48.6	13,985	74.1
September 30, 2021	664,140	27.7	15,508	—	17,781	—	8,032	—

	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
Six months ended						
September 30, 2022	12,233	80.7	39,235	75.0	35.67	35.65
September 30, 2021	6,769	—	22,417	—	19.74	19.73

(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				
September 30, 2022	1,425,560	692,560	656,638	46.1
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	—	11.00			
Fiscal year ending March 31, 2023 (Forecast)			—	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	1,700,000	19.0	60,000	41.7	59,500	35.4	25,000	20.9	72.89

(Note) Changes in the forecast of consolidated financial results in this quarter: Yes

***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 September 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 September 30, 2022	310,783 shares
As of March 31, 2022	321,786 shares

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

Six months ended September 30, 2022	342,970,191 shares
Six months ended September 30, 2021	342,966,204 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 September 30, 2022
Assets		
Current assets		
Cash and cash equivalents	124,254	116,693
Trade and other receivables	319,084	329,247
Inventories	229,074	255,889
Other financial assets	5,099	4,017
Income tax receivable	943	2,501
Other current assets	4,522	5,652
Sub total	682,979	714,001
Assets held for sale	2,518	—
Total current assets	685,497	714,001
Non-current assets		
Property, plant and equipment	460,012	472,302
Goodwill and Intangible assets	34,590	33,756
Other financial assets	139,771	137,483
Investments accounted for using equity method	13,091	14,529
Deferred tax assets	17,414	17,902
Other non-current assets	36,085	35,582
Total non-current assets	700,965	711,558
Total assets	1,386,463	1,425,560

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	317,672	324,765
Bonds and borrowings	85,749	81,373
Other financial liabilities	3,128	6,557
Income taxes payable	13,375	7,252
Provisions	6,547	6,870
Other current liabilities	6,258	4,898
Sub total	432,732	431,717
Liabilities directly associated with assets held for sale	2,047	—
Total current liabilities	434,779	431,717
Non-current liabilities		
Bonds and borrowings	176,012	185,745
Other financial liabilities	7,657	7,406
Retirement benefit liabilities	75,110	76,193
Provisions	228	97
Deferred tax liabilities	24,432	23,903
Other non-current liabilities	7,827	7,936
Total non-current liabilities	291,268	301,281
Total liabilities	726,048	732,999
Equity		
Capital stock	45,591	45,591
Capital surplus	107,638	107,851
Treasury stock	(430)	(414)
Other components of equity	27,253	52,764
Retained earnings	443,960	450,845
Equity attributable to owners of the parent company	624,012	656,638
Non-controlling interests	36,402	35,921
Total equity	660,415	692,560
Total liabilities and equity	1,386,463	1,425,560

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

Consolidated Statement of Profit or Loss

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Revenue	664,140	804,576
Cost of revenue	(566,342)	(692,439)
Gross profit	97,797	112,137
Selling, general and administrative expenses	(82,289)	(94,081)
Business profit	15,508	18,055
Other income	3,930	2,919
Other costs	(4,225)	(2,152)
Operating profit	15,212	18,822
Finance income	4,234	11,991
Finance costs	(1,895)	(4,710)
Share of the profit of associates and joint ventures accounted for using the equity method	229	327
Profit before income taxes	17,781	26,431
Income tax expense	(9,749)	(12,446)
Profit for the period	8,032	13,985
Attributable to		
Owners of the parent company	6,769	12,233
Non-controlling interests	1,262	1,751
Earnings per share		
Basic (Yen)	19.74	35.67
Diluted (Yen)	19.73	35.65

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit for the period	8,032	13,985
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	13,976	(2,614)
Remeasurements of defined benefit pension plans	283	168
Share of other comprehensive income of investments accounted for using equity method	34	17
Total	14,294	(2,428)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(424)	26,488
Share of other comprehensive income of investments accounted for using equity method	514	1,189
Total	90	27,678
Total other comprehensive income	14,385	25,250
Comprehensive income for the period	22,417	39,235
Attributable to		
Owners of the parent company	20,862	35,323
Non-controlling interests	1,554	3,912

(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	—	—	—	14,006	296	(209)
Comprehensive income for the period	—	—	—	14,006	296	(209)
Acquisition of treasury stock	—	—	(1)	—	—	—
Dividends	—	—	—	—	—	—
Share-based payment transactions	—	15	—	—	—	—
Transfer to retained Earnings	—	—	—	(14,006)	(296)	—
Change of scope of consolidation	—	(28)	—	—	—	—
Changes in the ownership interest in subsidiaries without a loss of control	—	215	—	—	—	—
Total transactions with the owners	—	201	(1)	(14,006)	(296)	—
As of September 30, 2021	45,591	107,599	(429)	—	—	(6,143)
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	—	—	—	(2,628)	206	25,511
Comprehensive income for the period	—	—	—	(2,628)	206	25,511
Acquisition of treasury stock	—	—	(0)	—	—	—
Dividends	—	—	—	—	—	—
Share-based payment transactions	—	(4)	16	—	—	—
Transfer to retained Earnings	—	—	—	2,628	(206)	—
Change of scope of consolidation	—	—	—	—	—	—
Changes in the ownership interest in subsidiaries without a loss of control	—	217	—	—	—	—
Total transactions with the owners	—	213	15	2,628	(206)	—
As of September 30, 2022	45,591	107,851	(414)	—	—	52,764

(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	—	6,769	6,769	1,262	8,032
Other comprehensive income	14,093	—	14,093	291	14,385
Comprehensive income for the period	14,093	6,769	20,862	1,554	22,417
Acquisition of treasury stock	—	—	(1)	—	(1)
Dividends	—	(2,744)	(2,744)	(1,867)	(4,611)
Share-based payment transactions	—	—	15	—	15
Transfer to retained Earnings	(14,302)	14,302	—	—	—
Change of scope of consolidation	—	281	252	(1)	251
Changes in the ownership interest in subsidiaries without a loss of control	—	—	215	(584)	(368)
Total transactions with the owners	(14,302)	11,840	(2,261)	(2,452)	(4,714)
As of September 30, 2021	(6,143)	422,783	569,400	33,281	602,682
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	—	12,233	12,233	1,751	13,985
Other comprehensive income	23,089	—	23,089	2,160	25,250
Comprehensive income for the period	23,089	12,233	35,323	3,912	39,235
Acquisition of treasury stock	—	—	(0)	—	(0)
Dividends	—	(3,430)	(3,430)	(4,333)	(7,763)
Share-based payment transactions	—	—	11	—	11
Transfer to retained Earnings	2,421	(2,421)	—	—	—
Change of scope of consolidation	—	11	11	(53)	(41)
Changes in the ownership interest in subsidiaries without a loss of control	—	—	217	(5)	212
Total transactions with the owners	2,421	(5,839)	(3,189)	(4,392)	(7,581)
As of September 30, 2022	52,764	450,845	656,638	35,921	692,560

Segment information

For the six months ended September 30, 2021

(Millions of yen)

	Reportable segment				Adjustments	Consolidated
	Automotive	Industrial and Bearings	Machine tools	Total		
Revenue						
Customers	443,206	151,453	69,480	664,140	—	664,140
Intersegment	595	8,677	10,066	19,340	(19,340)	—
Total	443,802	160,130	79,547	683,480	(19,340)	664,140
Segment profit: Business profit	3,316	8,456	3,305	15,078	429	15,508
Other income						3,930
Other costs						(4,225)
Operating profit						15,212
Finance income						4,234
Finance costs						(1,895)
Share of the profit of associates and joint ventures accounted for using the equity method						229
Profit before income taxes						17,781

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

For the six months ended September 30, 2022

(Millions of yen)

	Reportable segment				Adjustments	Consolidated
	Automotive	Industrial and Bearings	Machine tools	Total		
Revenue						
Customers	544,002	173,783	86,791	804,576	—	804,576
Intersegment	1,144	9,564	11,096	21,805	(21,805)	—
Total	545,146	183,347	97,888	826,382	(21,805)	804,576
Segment profit: Business profit	3,954	7,078	6,450	17,483	572	18,055
Other income						2,919
Other costs						(2,152)
Operating profit						18,822
Finance income						11,991
Finance costs						(4,710)
Share of the profit of associates and joint ventures accounted for using the equity method						327
Profit before income taxes						26,431

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