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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under IFRS)

DATE: October 31, 2023

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 27, 2023
 Scheduled date to file quarterly securities report (Japanese only): November 13, 2023
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	922,231	14.6	31,534	74.6	41,517	57.1	24,437	74.7
September 30, 2022	804,576	21.1	18,055	16.4	26,431	48.6	13,985	74.1

	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, 2023	23,114	88.9	74,425	89.7	67.39	67.36
September 30, 2022	12,233	80.7	39,235	75.0	35.67	35.65

(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, 2023	1,564,736	760,140	728,038	46.5
March 31, 2023	1,441,355	700,735	667,234	46.3

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, 2023	—	11.00	—	19.00	30.00
Fiscal year ended March 31, 2024	—	16.00			
Fiscal year ending March 31, 2024 (Forecast)			—	20.00	36.00

(Note) Changes in the forecasted cash dividends in this quarter: Yes

3. Forecast of consolidated financial results for the year ending March 31, 2024

(from April 1, 2023 to March 31, 2024)

(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	1,850,000	10.2	80,000	27.7	76,000	36.0	40,000	16.7	116.62

(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): No

(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, 2023	343,286,307 shares
As of March 31, 2023	343,286,307 shares

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

As of September 30, 2023	295,923 shares
As of March 31, 2023	311,980 shares

(iii) Average number of shares outstanding during the period

Six months ended September 30, 2023	342,983,238 shares
Six months ended September 30, 2022	342,970,191 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 document are based on the information that we have obtained at the time of disclosure. Actual results may differ from the forecasts due to various factors in the future.

Consolidated financial statements

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and cash equivalents	123,850	162,906
Trade and other receivables	350,366	357,865
Inventories	247,587	259,033
Other financial assets	3,548	2,565
Income tax receivable	4,960	5,130
Other current assets	4,986	7,006
Total current assets	735,299	794,508
Non-current assets		
Property, plant and equipment	466,972	481,046
Goodwill and Intangible assets	32,323	51,078
Other financial assets	139,163	166,887
Investments accounted for using equity method	13,964	14,921
Deferred tax assets	17,630	18,899
Other non-current assets	36,000	37,393
Total non-current assets	706,055	770,227
Total assets	1,441,355	1,564,736

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	346,599	376,034
Bonds and borrowings	47,529	56,147
Other financial liabilities	3,584	5,167
Income taxes payable	3,993	5,402
Provisions	18,865	15,403
Other current liabilities	7,182	6,821
Total current liabilities	427,755	464,977
Non-current liabilities		
Bonds and borrowings	207,640	214,652
Other financial liabilities	8,308	11,573
Retirement benefit liabilities	70,556	72,254
Provisions	119	129
Deferred tax liabilities	18,410	32,913
Other non-current liabilities	7,827	8,094
Total non-current liabilities	312,864	339,618
Total liabilities	740,619	804,595
Equity		
Capital stock	45,591	45,591
Capital surplus	107,103	103,308
Treasury stock	(416)	(393)
Other components of equity	39,177	67,103
Retained earnings	475,777	512,428
Equity attributable to owners of the parent company	667,234	728,038
Non-controlling interests	33,501	32,102
Total equity	700,735	760,140
Total liabilities and equity	1,441,355	1,564,736

(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, 2022	Six months ended September 30, 2023
Revenue	804,576	922,231
Cost of revenue	(692,439)	(795,243)
Gross profit	112,137	126,987
Selling, general and administrative expenses	(94,081)	(95,453)
Business profit	18,055	31,534
Other income	2,919	9,034
Other expenses	(2,152)	(5,945)
Operating profit	18,822	34,623
Finance income	11,991	12,980
Finance costs	(4,710)	(6,339)
Share of profit of investments accounted for using equity method	327	253
Profit before income taxes	26,431	41,517
Income tax expense	(12,446)	(17,080)
Profit for the period	13,985	24,437
Attributable to		
Owners of the parent company	12,233	23,114
Non-controlling interests	1,751	1,323
Earnings per share		
Basic (Yen)	35.67	67.39
Diluted (Yen)	35.65	67.36

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit for the period	13,985	24,437
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	(2,614)	19,374
Remeasurements of defined benefit pension plans	168	642
Share of other comprehensive income of investments accounted for using equity method	17	244
Total	(2,428)	20,261
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	26,488	28,996
Share of other comprehensive income of investments accounted for using equity method	1,189	730
Total	27,678	29,726
Total other comprehensive income	25,250	49,987
Comprehensive income for the period	39,235	74,425
Attributable to		
Owners of the parent company	35,323	71,292
Non-controlling interests	3,912	3,132

(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, 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 for 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
As of April 1, 2023	45,591	107,103	(416)	—	—	39,177
Increase (Decrease) based on inflation accounting of Argentina consolidated subsidiary	—	—	—	—	—	—
As of April 1, 2023 (adjusted)	45,591	107,103	(416)	—	—	39,177
Profit of the period	—	—	—	—	—	—
Other comprehensive income	—	—	—	19,333	918	27,925
Comprehensive income for the period	—	—	—	19,333	918	27,925
Acquisition of treasury stock	—	—	(1)	—	—	—
Disposal of treasury stock	—	(0)	0	—	—	—
Dividends	—	—	—	—	—	—
Share-based payment transactions	—	(3)	24	—	—	—
Transfer to retained Earnings	—	—	—	(19,333)	(918)	—
Changes in the ownership interest in subsidiaries without a loss of control	—	(3,791)	—	—	—	—
Total transactions with the owners	—	(3,795)	22	(19,333)	(918)	—
As of September 30, 2023	45,591	103,308	(393)	—	—	67,103

(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, 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 for 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
As of April 1, 2023	39,177	475,777	667,234	33,501	700,735
Increase (Decrease) based on inflation accounting of Argentina consolidated subsidiary	—	△199	△199	—	△199
As of April 1, 2023 (adjusted)	39,177	475,578	667,035	33,501	700,536
Profit of the period	—	23,114	23,114	1,323	24,437
Other comprehensive income	48,178	—	48,178	1,809	49,987
Comprehensive income for the period	48,178	23,114	71,292	3,132	74,425
Acquisition of treasury stock	—	—	(1)	—	(1)
Disposal of treasury stock	—	—	0	—	0
Dividends	—	(6,517)	(6,517)	(3,146)	(9,663)
Share-based payment transactions	—	—	20	—	20
Transfer to retained Earnings	(20,252)	20,252	—	—	—
Changes in the ownership interest in subsidiaries without a loss of control	—	—	(3,791)	(1,385)	(5,176)
Total transactions with the owners	(20,252)	13,735	(10,289)	(4,531)	(14,821)
As of September 30, 2023	67,103	512,428	728,038	32,102	760,140

Segment information

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 (loss)	3,954	7,078	6,450	17,483	572	18,055
Other income						2,919
Other expenses						(2,152)
Operating profit						18,822
Finance income						11,991
Finance costs						(4,710)
Share of profit of investments accounted for using equity method						327
Profit before income taxes						26,431

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

For the six months ended September 30, 2023

(Millions of yen)

	Reportable segment				Adjustments	Consolidated
	Automotive	Industrial and Bearings	Machine tools	Total		
Revenue						
Customers	649,830	180,996	91,403	922,231	—	922,231
Intersegment	1,458	11,136	12,096	24,692	(24,692)	—
Total	651,289	192,133	103,500	946,923	(24,692)	922,231
Segment profit (loss)	17,565	7,621	6,339	31,526	7	31,534
Other income						9,034
Other expenses						(5,945)
Operating profit						34,623
Finance income						12,980
Finance costs						(6,339)
Share of profit of investments accounted for using equity method						253
Profit before income taxes						41,517

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