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DATE: February 25, 2025

Company name: JTEKT Corporation
Stock exchange listing: Tokyo, Nagoya
Stock code: 6473
Representative: Yoshihito Kondo,
President, Member of the Board
Contact: Takanori Iwai,
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Notice Concerning Signing of Definitive Agreement on Restructuring of Needle Roller Bearing Business in Europe and Recording of Other Expenses / Extraordinary Losses

We hereby announce that we have signed a definitive agreement with AEQH32 GmbH, subsidiary of a Germany-based investor AEQUITA SE & Co. KGaA to transfer our needle roller bearings (hereinafter referred to as "NRB") business in Europe, including the entire share capital of our three consolidated subsidiaries engaged in the manufacture and sale of NRBs in Europe (hereinafter referred to as "Target Companies") (hereinafter referred to as "Transaction").

The Transaction was intended by the basic agreement between both parties, which we had released in the "Notice Concerning Basic Agreement on Restructuring of Needle Roller Bearing Business in Europe" on December 23, 2024, and will be completed subject to the approval of the relevant regulatory authorities and the completion of audit procedures.

1. Reason for Transaction

In our Second Medium-term Management Plan for the period from Fiscal Year 2024 through 2026, we are planning to strengthen our management and business structure by restructuring our global structure. As for our European business segment, we aim to become profitable by restructuring and consolidating our businesses and improving profitability.

We will pursue our internal reform through optimizing our strategies and business structure according to the market environment in each region and continue proposing solutions to meet demand from customers.

2. Outline of Target Companies

Germany

(1) Name	JTEKT BEARINGS DEUTSCHLAND GMBH
(2) Location	Halle-Westfalen, Germany
(3) Business	Sales and manufacturing of NRB
(4) Amount of Capital	12.6M Euro
(5) Owned %	100% *1

(6) Operating results and financial positions for the last three years			(1,000 Euro)
As of / Fiscal year ended	March 31, 2022	March 31, 2023	March 31, 2024
Net assets	(51,792)	(52,589)	(64,044)
Total assets	43,131	46,980	47,660
Net sales	95,327	101,560	92,991
Operating profit	(81)	(5,252)	(8,463)
Profit before tax	(283)	(6,601)	(11,497)
Profit	480	(5,677)	(11,484)

France

(1) Name	JTEKT BEARINGS FRANCE SAS		
(2) Location	Vierzon Plant: Vierzon, France Maromme Plant: Maromme, France		
(3) Business	Sales and manufacturing of NRB		
(4) Amount of Capital	1.5M Euro		
(5) Owned %	100% *1		
(6) Operating results and financial positions for the last three years			(1,000 Euro)
As of / Fiscal year ended	March 31, 2022	March 31, 2023	March 31, 2024
Net assets	(4,122)	663	(5,649)
Total assets	31,706	31,416	26,895
Net sales	38,966	39,342	39,723
Operating profit	(769)	(879)	(5,442)
Profit before tax	(895)	(1,213)	(6,128)
Profit	(895)	(1,213)	(6,128)
Net assets per share (Euro)	(0.26)	0.04	(0.36)
Profit per share (Euro)	(0.06)	(0.08)	(0.39)
Dividend per share (Euro)	—	—	—

Czech Republic

(1) Name	JTEKT BEARINGS CZECH REPUBLIC S.R.O.		
(2) Location	Olomouc, Czech Republic		
(3) Business	Sales and manufacturing of NRB		
(4) Amount of Capital	712M CZK		
(5) Owned %	100% *1		
(6) Operating results and financial positions for the last three years			(1,000 CZK)
As of / Fiscal year ended	March 31, 2022	March 31, 2023	March 31, 2024
Net assets	780,743	802,035	739,151
Total assets	986,000	1,031,917	932,413
Net sales	900,774	959,189	751,843
Operating profit	29,339	32,380	(92,245)
Profit before tax	29,394	31,839	(75,061)
Profit	24,757	21,291	(62,883)

*1 While the entire share capital of the Target Companies is currently owned by JTEKT EUROPE BEARINGS B.V., prior to the Transaction, it will be transferred from JTEKT EUROPE BEARINGS B.V. to us.

*2 Information per share is omitted for the company in Germany and Czech Republic as they are limited companies.

3. Overview of the Counterparty

(1)	Name	AEQH32 GmbH	
(2)	Location	Munich, Germany	
(3)	Job title and name of representative	Ralph Westphal (Managing Director)	
(4)	Description of business	Holding of participation	
(5)	Share capital	25,000 Euro	
(6)	Date of establishment	September 6, 2023	
(7)	Major shareholders and ownership ratios	AEQUITA SE & Co. KGaA 100%	
(8)	Relationship between the Company and said company	Capital relationship	N/A
		Personnel relationship	N/A
		Business relationship	N/A
		Related party relationship	N/A

4. Number of shares and equity transferred, and investment ratio after Transaction

All shares, equity, and receivables of the Target Companies will be transferred at a memorandum value.

After the completion of Transaction, our investment ratio in the Target Companies will be 0%.

5. Timetable and Future Outlook

We will proceed with required procedures to complete the Transaction on or before the end of July 2025.

The loss amount related to the Transaction is expected that a loss of 13 billion yen (other expenses) will be recorded in consolidated financial results, and a loss of 23 billion yen (extraordinary loss) will be recorded in non-consolidated financial result for the fiscal year ending March 2025. However, it will vary depending on the financial statements and audit procedures of the Target Companies, as well as the finalization of contractual conditions.

This expected loss amount has already been incorporated into the consolidated financial result forecasts for the current fiscal year, which was released on January 31, 2025. Therefore, there is no revision to the consolidated financial result forecasts due to this announcement.

(Reference) Consolidated financial results forecasts for the current fiscal year (released on January 31, 2025) and actual consolidated results for the previous fiscal year

	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
Consolidated financial result forecasts for the current fiscal year ending March 31, 2025	1,860,000	55,000	27,000	5,000	14.58
Actual consolidated results for the previous fiscal year ended March 31, 2024	1,891,504	72,898	72,513	40,257	117.37