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DATE: December 23, 2024

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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Finance & Accounting Dept.
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Notice Concerning Basic Agreement on Restructuring of Needle Roller Bearing Business in Europe

We hereby announce that we have entered into a basic agreement *1 with AEQH32 GmbH, subsidiary of a Germany-based investor AEQUITA SE & Co. KGaA for the transfer of 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”).

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% *2

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% *2

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% *2

*1 This basic agreement is a put option agreement, pursuant to which AEQH32 GmbH committed to purchase the business including the Target Companies. In case of exercise of such put option by us further to the completion of the consultation of the relevant works council of JTEKT BEARINGS FRANCE SAS, one of the Target Companies on the Transaction, which is compulsory under French law, we and AEQH32 GmbH will execute a share purchase agreement.

*2 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.

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. Timetable and Future Outlook

We will proceed with the consultation to execute a share purchase agreement by the end of March 2025. We will announce the result of the consultation and the impact of the Transaction on our consolidated financial results for the fiscal year ending March 31, 2025, as soon as we have all the details.

(Reference) Consolidated financial results forecasts for the current fiscal year (released on October 31, 2024) 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	1,830,000	50,000	40,000	20,000	58.31
Actual consolidated results for the previous fiscal year ended March 31, 2024	1,891,504	72,898	72,513	40,257	117.37