

May 9, 2025

Consolidated Financial Results for the Three Months Ended March 31, 2025 under IFRS

Company Name	THK CO., LTD.
Head Office	Tokyo, Japan (Tel: +81-3-5730-3911)
URL	https://www.thk.com/
Stock exchange listing	Tokyo Stock Exchange Prime Market
Code number	6481
Representative	Takashi Teramachi, President and CEO
Contact	Kenji Nakane, Director and CFO
Scheduled starting date of dividend payment	N/A

1. Consolidated operating results and financial position as of and for the three months ended March 31, 2025 (January 1, 2025 to March 31, 2025)

(1) Consolidated Operating Results

Three Months Ended March 31	Revenue (Millions of Yen)		Operating Income (Millions of Yen)		Profit Before Tax (Millions of Yen)		Profit (Millions of Yen)		Profit Attributable to Owners of the Parent (Millions of Yen)		Total Comprehensive Income (Loss) (Millions of Yen)	
2025	¥84,946	(0.2)%	¥1,702	(19.7)%	¥1,560	(43.2)%	¥471	(76.6)%	¥319	(83.7)%	¥(10,676)	—%
2024	85,127	(9.0)	2,121	(78.1)	2,748	(70.7)	2,014	(71.3)	1,960	(71.5)	18,997	56.7

Three Months Ended March 31	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
2025	¥2.75	—
2024	15.99	—

(2) Consolidated Financial Position

	Total Assets (Millions of Yen)	Total Equity (Millions of Yen)	Equity Attributable to Owners of the Parent (Millions of Yen)	Ratio of Equity Attributable to Owners of the Parent
March 31, 2025	¥514,024	¥327,150	¥321,113	62.5%
December 31, 2024	567,418	389,795	383,645	67.6

2. Dividends

	Dividend Per Share (Yen)				
	First Quarter end	Second Quarter end	Third Quarter end	Year/Period end	Total
Year ended December 31, 2024 (Actual)	¥—	¥18.00	¥—	¥128.50	¥146.50
Year ending December 31, 2025 (Actual)	—	n/a	n/a	n/a	n/a
Year ending December 31, 2025 (Projected)	n/a	123.00	—	123.00	246.00

(Note) Change in dividend projection: Yes

For details of the revision to the dividend projection, please refer to the "Notice Regarding Revision to Dividend Projection" announced today (May 9, 2025)

3. Forecasts for the year ending December 31, 2025 (January 1, 2025 to December 31, 2025)

	Revenue (Millions of Yen)		Operating Income (Millions of Yen)		Profit Before Tax (Millions of Yen)		Profit Attributable to Owners of the Parent (Millions of Yen)		Profit per Share (Yen)
Six-month period ending June 30, 2025	¥173,300	(3.6)%	¥7,000	(16.7)%	¥7,600	(24.6)%	¥5,000	(30.7)%	¥41.15
Year ending December 31, 2025	363,500	3.0	23,500	35.5	24,500	30.4	18,000	72.4	148.14

(Note) Changes from forecasts most recently announced: None

Other Financial Information

(1) Significant change in scope of consolidation: None

(2) Changes in accounting policy and estimates, and restatement due to:

- a. Changes in accounting standards None
- b. Other changes None
- c. Changes in accounting estimates None

(3) Number of shares

		(shares)
a. Common stock issued, including treasury stock, as of:		
	March 31, 2025	129,856,903
	December 31, 2024	129,856,903
b. Treasury stock as of:		
	March 31, 2025	18,002,074
	December 31, 2024	8,347,674
c. Average number of common stock for the three months ended:		
	March 31, 2025	115,851,240
	March 31, 2024	122,593,125

Management's Discussion and Analysis

1. Outline of operating results

(1) Operating results (from January 1, 2025 to March 31, 2025)

In this three months period, the outlook of the global economy remained uncertain amid concerns such as rising geopolitical risks including the situation in Ukraine and in the Middle East, continuing inflation, and China's sluggish economy shaken by real estate recession.

The THK Group has identified "Full-Scale Globalization," the "Development of New Business Areas," and "Change in Business Style" as cornerstones of its growth strategy to expand the markets of its products such as LM Guide (Linear Motion Guide). As to Full-Scale Globalization, while the markets in emerging countries such as China are growing by dint of the factory automation progress, which is also spreading to developed-country users, the THK Group endeavors to expand its global sales network to meet such demand. Regarding Development of New Business Areas, while the THK Group's products are getting widely adopted in various business fields, the THK Group is working on expanding sales of not only existing products but also new developed products. Such business fields include automobile parts, medical equipment, aircraft, and robot, which are close to consumer goods, as well as seismic isolation and damping systems and renewable energy, which offer products that reduce risks arising from natural disasters and climate change. In addition to promoting these strategies above, the THK Group is also committed to further expand its business fields by changing its business style enabled by making full use of AI and robot technologies in many ways.

In such a situation, revenue in the industrial machinery business increased amid a general improvement in demand. In the automotive & transportation business, demand was largely flat following a decline in automobile production in the second half of last year. As a result, consolidated revenue amounted to ¥84,946 million, down ¥180 million, or 0.2%, compared to the figure a year earlier.

On the cost front, the THK Group continued to implement various activities to improve its productivity. As a result, the cost to revenue ratio improved by 0.5% from a year earlier to 78.2%.

Selling, general and administrative (SGA) expenses amounted to ¥16,783 million, up ¥176 million, or 1.1%, compared to the figure a year earlier. The ratio to revenue rose by 0.3% from a year earlier to 19.8% despite the THK Group's endeavors to improve operating efficiency.

As a result, operating income amounted to ¥1,702 million, down ¥418 million, or 19.7%, compared to the figure a year earlier. Operating income margin dropped by 0.5% from a year earlier to 2.0%.

Finance income and finance costs were ¥1,122 million and ¥1,264 million, respectively.

As a result, income before tax amounted to ¥1,560 million, down ¥1,188 million, or 43.2%, compared to the figure a year earlier. Profit attributable to owners of the parent amounted to ¥319 million, down ¥1,641 million, or 83.7%, compared to the figure a year earlier.

(2) Operating results by segment

(Japan)

In Japan, demand in the industrial machinery business was generally flat and revenue amounted to ¥26,439 million, up ¥246 million, or 0.9%, compared to the figure a year earlier. Segment income (operating income) amounted to ¥975 million, down ¥279 million, or 22.2%, compared to the figure a year earlier.

(The Americas)

In the Americas, revenue amounted to ¥21,523 million, down ¥2,670 million, or 11.0%, compared to the figure a year earlier due mainly to weak demand in the automotive & transportation business. Segment income (operating income) amounted to ¥127 million, down ¥19 million, or 13.1%, compared to the figure a year earlier.

(Europe)

In Europe, revenue amounted to ¥16,761 million, down ¥1,299 million, or 7.2%, compared to the figure a year earlier due mainly to weak demand in both the industrial machinery business and the automotive & transportation business. Segment loss (operating loss) worsened by ¥1 million from the figure a year earlier (¥310 million) to ¥311 million.

(China)

In China, while demand in the industrial machinery business was generally in a recovery trend, revenue amounted to ¥15,347 million, up ¥2,863 million, or 22.9%, compared to the figure a year earlier. Segment income (operating income) amounted to ¥1,553 million, up ¥285 million, or 22.5%, compared to the figure a year earlier due to the increased revenue.

(Other)

In other countries and regions, the THK Group expanded its sales channels and implemented aggressive sales activities to cultivate new customers while demand for THK Group's products was widely expanded in India and the ASEAN countries. In such a situation, revenue amounted to ¥4,874 million, up ¥680 million, or 16.2%, compared to the figure a year earlier. Segment income (operating income) amounted to ¥155 million, down ¥103 million or 40.1%, compared to the figure a year earlier.

2. Financial position (as of March 31, 2025)

Total assets stood at ¥514,024 million, ¥53,394 million down from the previous fiscal year-end, due mainly to decrease in cash and cash equivalents by ¥42,063 million, inventories by ¥3,118 million, and property, plant and equipment by ¥5,651 million.

Total liabilities stood at ¥186,874 million, ¥9,251 million up from the previous fiscal year-end, due mainly to a combined effect of decrease in (1) trade and other payables by ¥946 million and (2) income taxes payable by ¥1,889 million, and increase in bonds and borrowings by ¥11,481 million.

Total equity stood at ¥327,150 million, ¥62,645 million down from the previous fiscal year-end, due mainly to decrease in retained earnings by ¥15,531 million, purchase of treasury stock by ¥35,983 million, and decrease in other components of equity by ¥10,647 million.

3. Forecast for the fiscal year ending December 31, 2025

For the six-month period ending June 30, 2025 and the year ending December 31, 2025, THK has not revised the consolidated forecasts announced on February 12, 2025.

Consolidated Financial Statements

Consolidated Statements of Financial Position

(Millions of Yen)

	As of December 31, 2024	As of March 31, 2025
Assets:		
Current assets:		
Cash and cash equivalents	¥138,293	¥96,229
Trade and other receivables	81,474	81,194
Inventories	91,660	88,542
Other financial assets	2,002	2,002
Other current assets	13,375	13,351
Total current assets	326,804	281,320
Non-current assets:		
Property, plant and equipment	203,783	198,131
Goodwill and intangible assets	9,207	8,545
Investments accounted for using the equity method	6,709	6,025
Other financial assets	11,152	10,424
Deferred tax assets	5,142	5,204
Retirement benefit asset	4,243	4,034
Other non-current assets	374	337
Total non-current assets	240,613	232,704
Total assets	567,418	514,024

(Millions of Yen)

	As of December 31, 2024	As of March 31, 2025
Liabilities and equity:		
Liabilities:		
Current liabilities:		
Trade and other payables	¥34,040	¥33,093
Bonds and borrowings	23,371	37,996
Other financial liabilities	4,315	5,058
Provisions	425	399
Income taxes payable	3,013	1,123
Other current liabilities	15,763	16,009
Total current liabilities	80,929	93,680
Non-current liabilities:		
Bonds and borrowings	73,143	70,000
Other financial liabilities	7,891	7,442
Retirement benefit liabilities	5,859	5,721
Provisions	65	65
Deferred tax liabilities	6,827	6,825
Other non-current liabilities	2,906	3,138
Total non-current liabilities	96,693	93,193
Total Liabilities	177,623	186,874
Equity		
Common stock	34,606	34,606
Capital surplus	40,120	39,751
Retained earnings	260,638	245,107
Treasury stock	(21,104)	(57,087)
Other components of equity	69,384	58,736
Total equity attributable to owners of the parent	383,645	321,113
Non-controlling interests	6,149	6,036
Total Equity	389,795	327,150
Total liabilities and equity	567,418	514,024

Consolidated Statements of Profit or Loss

(Millions of Yen)

	Three months Ended March 31, 2024	Three months Ended March 31, 2025
Revenue	¥85,127	¥84,946
Cost of sales	66,953	66,454
Gross profit	18,173	18,492
Selling, general and administrative expenses	16,606	16,783
Other income	805	527
Other expenses	251	293
Share of profit (loss) in investments accounted for using the equity method	0	(239)
Operating income	2,121	1,702
Financial income	1,038	1,122
Financial costs	411	1,264
Profit before tax	2,748	1,560
Income tax expense	734	1,088
Profit	2,014	471
Profit attributable to:		
Owners of the parent	1,960	319
Non-controlling interests	54	152
Profit	2,014	471
Earnings per share:		
Basic earnings per share (yen)	15.99	2.75
Diluted earnings per share (yen)	—	—

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Three months Ended March 31, 2024	Three months Ended March 31, 2025
Profit	¥2,014	¥471
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	454	105
Remeasurements of defined benefit plans	(29)	(244)
Share of other comprehensive income of associates accounted for using the equity method	0	9
Total of items that will not be reclassified to profit or loss	426	(129)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	16,350	(10,672)
Share of other comprehensive income (loss) of associates accounted for using the equity method	205	(347)
Total of items that will not be reclassified to profit or loss	16,556	(11,019)
Other comprehensive income (loss), net of tax	16,982	(11,148)
Comprehensive income (loss)	18,997	(10,676)
Comprehensive income (loss) attributable to:		
Owners of the parent	18,643	(10,564)
Non-controlling interests	354	(112)
Comprehensive income	18,997	(10,676)

Consolidated Statements of Changes in Equity

(Millions of Yen)

Three Months Ended March 31, 2024	Equity attributable to owners of the parent				Other components of equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Exchange differences on translation of foreign operations
Beginning balance	¥34,606	¥40,102	¥253,440	¥(17,130)	¥44,825
Profit	—	—	1,960	—	—
Other comprehensive income (loss)	—	—	—	—	16,256
Total comprehensive income	—	—	1,960	—	16,256
Purchase of treasury stock	—	—	—	(0)	—
Dividends	—	—	(1,961)	—	—
Transfer from other components of equity to retained earnings	—	—	(30)	—	—
Other	—	—	—	—	—
Total transactions with owners	—	—	(1,992)	(0)	—
Ending balance	34,606	40,102	253,409	(17,131)	61,081

	Equity attributable to owners of the parent				Other components of equity	
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Subtotal	Total	Non-controlling interests	Total equity
Beginning balance	¥1,419	¥—	¥46,245	¥357,264	¥5,633	¥362,898
Profit	—	—	—	1,960	54	2,014
Other comprehensive income (loss)	456	(30)	16,682	16,682	300	16,982
Total comprehensive income	456	(30)	16,682	18,643	354	18,997
Purchase of treasury stock	—	—	—	(0)	—	(0)
Dividends	—	—	—	(1,961)	—	(1,961)
Transfer from other components of equity to retained earnings	—	30	30	—	—	—
Other	—	—	—	—	(0)	(0)
Total transactions with owners	—	30	30	(1,962)	(0)	(1,963)
Ending balance	1,876	—	62,958	373,945	5,987	379,932

(Millions of Yen)

Three Months Ended March 31, 2025	Equity attributable to owners of the parent				Other components of equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Exchange differences on translation of foreign operations
Beginning balance	¥34,606	¥40,120	¥260,638	¥(21,104)	¥67,919
Profit	—	—	319	—	—
Other comprehensive income (loss)	—	—	—	—	(10,754)
Total comprehensive income	—	—	319	—	(10,754)
Purchase of treasury stock	—	(369)	—	(35,983)	—
Dividends	—	—	(15,614)	—	—
Transfer from other components of equity to retained earnings	—	—	(236)	—	—
Other	—	—	—	—	—
Total transactions with owners	—	(369)	(15,850)	(35,983)	—
Ending balance	34,606	39,751	245,107	(57,087)	57,165

	Equity attributable to owners of the parent				Other components of equity	
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Subtotal	Total	Non-controlling interests	Total equity
Beginning balance	¥1,464	¥—	¥69,384	¥383,645	¥6,149	¥389,795
Profit	—	—	—	319	152	471
Other comprehensive income (loss)	107	(236)	(10,883)	(10,883)	(264)	(11,148)
Total comprehensive income	107	(236)	(10,883)	(10,564)	(112)	(10,676)
Purchase of treasury stock	—	—	—	(36,353)	—	(36,353)
Dividends	—	—	—	(15,614)	—	(15,614)
Transfer from other components of equity to retained earnings	—	236	236	—	—	—
Other	—	—	—	—	(0)	(0)
Total transactions with owners	—	236	236	(51,967)	(0)	(51,968)
Ending balance	1,571	—	58,736	321,113	6,036	327,150

Consolidated Statements of Cash Flows

(Millions of Yen)

	Three months Ended March 31, 2024	Three months Ended March 31, 2025
Cash flows from operating activities:		
Profit before tax	¥2,748	¥1,560
Depreciation and amortization	5,794	6,085
Change in retirement benefit assets or liabilities	(205)	(264)
Financial income	(613)	(1,165)
Financial costs	411	1,205
Share of profit (loss) of investments accounted for using the equity method	(0)	239
(Increase) decrease in trade and other receivables	(5,132)	(1,036)
(Increase) decrease in inventories	(617)	969
Increase (decrease) in trade and other payables	6,231	2,066
Other	(243)	(1,091)
Subtotal	8,372	8,567
Interests and dividends received	682	593
Interests paid	(131)	(120)
Income taxes paid	(679)	(2,261)
Net cash provided by (used in) operating activities	8,244	6,778
Cash flows from investing activities:		
Purchase of property, plant and equipment	(7,318)	(4,695)
Proceeds from sales of property, plant and equipment	6	19
Purchase of other financial assets	(129)	(231)
Other	(313)	(279)
Net cash provided by (used in) investing activities	(7,755)	(5,187)
Cash flows from financing activities:		
Repayments of long-term borrowings	(2,185)	(2,185)
Proceeds from short-term borrowings	—	15,000
Proceeds from issuance of bonds	—	10,000
Payments for redemption of bonds	(10,000)	(10,000)
Purchase of treasury stock	(0)	(36,516)
Dividends paid	(1,938)	(15,504)
Dividends paid to non-controlling interests	(0)	(0)
Repayments of lease liabilities	(497)	(503)
Net cash provided by (used in) financing activities	(14,622)	(39,709)
Effects of exchange rate changes on cash and cash equivalents	6,211	(3,945)
Net increase (decrease) in cash and cash equivalents	(7,922)	(42,063)
Cash and cash equivalents at the beginning of the period	156,486	138,293
Cash and cash equivalents at the end of the period	148,563	96,229

Segment Information

1. Outline of reportable segments

THK's reportable segments are components of THK Group for which respective financial information is separately available. Operating results of each segment is reviewed periodically by the Board of Directors to determine allocation of operating resources and evaluate its performance.

THK Group's main products are machinery parts such as LM (linear motion) guides and ball screws, and transportation equipment-related parts such as link balls and suspension ball joints. In each country, local subsidiaries establish their comprehensive business strategies and conduct their business activities in a similar way that THK and domestic subsidiaries do in Japan.

Therefore, the reportable segments consist of the five geographical segments, namely; (1) Japan, (2) The Americas (the United States and others), (3) Europe (Germany, France and others), (4) China, and (5) Other (Taiwan, Singapore and others) based on the THK Group's production/sales structure.

Segment income or loss is computed based on operating income or loss. The reportable segment information is prepared under the same accounting policies as those used in consolidation. Inter-segment sales and transfer are stated at amounts based on their fair market values. All adjustments in the following tables are intersegment elimination on consolidation.

2. Reportable segments

For the three months ended March 31, 2024 (January 1, 2024 to March 31, 2024)

	Japan	The Americas	Europe	China	Other	Total	Adjustments	Consolidated
(Millions of Yen)								
Revenue:								
Revenue from external customers	¥26,193	¥24,194	¥18,061	¥12,484	¥4,193	¥85,127	¥—	¥85,127
Inter-segment revenue	12,905	58	136	1,974	881	15,956	(15,956)	—
Total	39,099	24,253	18,197	14,458	5,075	101,084	(15,956)	85,127
Segment income (loss)	1,254	146	(310)	1,267	258	2,617	(495)	2,121
Financial income	949	477	565	132	32	2,157	(1,118)	1,038
Financial costs	432	80	899	11	105	1,529	(1,118)	411
Profit (loss) before tax	1,771	543	(643)	1,388	185	3,244	(495)	2,748

(Note) All adjustments are intercompany elimination.

For the three months ended March 31, 2025 (January 1, 2025 to March 31, 2025)

	Japan	The Americas	Europe	China	Other	Total	Adjustments	Consolidated
(Millions of Yen)								
Revenue:								
Revenue from external customers	¥26,439	¥21,523	¥16,761	¥15,347	¥4,874	¥84,946	¥—	¥84,946
Inter-segment revenue	14,161	25	207	352	1,395	16,142	(16,142)	—
Total	40,601	21,549	16,969	15,700	6,269	101,089	(16,142)	84,946
Segment income (loss)	975	127	(311)	1,553	155	2,499	(796)	1,702
Financial income	32,163	113	328	86	91	32,782	(31,660)	1,122
Financial costs	1,284	227	125	16	4	1,659	(394)	1,264
Profit (loss) before tax	31,853	12	(108)	1,623	241	33,623	(32,062)	1,560

(Note) All adjustments are intercompany elimination.

Subsequent event

No items to report.

Additional notes:

All the figures in this report except per share information are rounded down to the nearest million.

This information is summarized and translated from the original Japanese version submitted to the Tokyo Securities Exchange in accordance with its disclosure rules and presentation manners, which are different from those applied in the annual reports of THK due to reclassification and rearrangement made therein. This English translation is intended solely for the convenience of readers, and not intended in any way to substitute or replace the original Japanese version. If there is any discrepancy between the original Japanese version and this translation, the original Japanese version shall supersede all information in this translation. All the figures in this report are unaudited.