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Company name in English:	THK CO., LTD.
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Part I. [Information on the THK Group]

I. [Overview of the THK Group]

1. [Key Financial Data]

(1) Financial data (consolidated)

Term		51st Term	52nd Term	53rd Term	54th Term	55th Term
Fiscal Year-End		December 2020	December 2021	December 2022	December 2023	December 2024
Revenue	(Millions of Yen)	218,998	318,188	393,687	351,939	352,759
Profit (Loss) Before Tax	(Millions of Yen)	(9,725)	29,984	35,596	25,289	18,782
Profit (Loss) Attributable to Owners of the Parent	(Millions of Yen)	(9,992)	23,007	21,198	18,398	10,439
Comprehensive Income Attributable to Owners of the Parent	(Millions of Yen)	(11,897)	46,696	42,086	35,145	34,505
Equity Attributable to Owners of the Parent	(Millions of Yen)	266,491	304,555	331,887	357,264	383,645
Total Assets	(Millions of Yen)	460,173	516,086	560,304	556,351	567,418
Equity Attributable to Owners of the Parent per Share	(Yen)	2,105.54	2,442.90	2,707.51	2,914.23	3,157.34
Basic Earnings (Loss) per Share	(Yen)	(78.95)	181.97	172.67	150.08	85.17
Diluted Earnings per Share	(Yen)	—	—	—	—	—
Ratio of Equity Attributable to Owners of the Parent	(%)	57.9	59.0	59.2	64.2	67.6
Profit Ratio to Equity Attributable to Owners of the Parent	(%)	(3.7)	8.1	6.7	5.3	2.8
Price to Earnings Ratio	(Times)	—	15.2	14.6	18.4	43.2
Net Cash Provided by Operating Activities	(Millions of Yen)	25,399	15,643	37,561	39,332	28,412
Net Cash Used in Investing Activities	(Millions of Yen)	(18,406)	(19,125)	(30,081)	(27,094)	(34,223)
Net Cash Provided by (Used in) Financing Activities	(Millions of Yen)	3,977	(12,725)	(3,649)	(24,266)	(22,652)
Cash and Cash Equivalents at the End of the Year	(Millions of Yen)	158,839	151,430	163,835	156,486	138,293
Number of Employees	(Persons)	12,914	13,073	13,502	13,360	13,268

(Notes) 1. International Financial Reporting Standards (hereinafter referred to as “IFRS”) have been applied in the preparation of consolidated financial statements.

2. Amounts less than ¥1 million are truncated.
3. Diluted earnings per share information is not shown as the Company has not issued potential shares.
4. The price to earnings ratio for the 51st Term is not shown as the basic earnings per share figure is negative.

(2) Financial data for the reporting company

Term		51st Term	52nd Term	53rd Term	54th Term	55th Term
Fiscal Year-End		December 2020	December 2021	December 2022	December 2023	December 2024
Revenue	(Millions of Yen)	102,866	167,583	197,624	144,227	144,737
Ordinary Income	(Millions of Yen)	2,118	21,914	35,105	15,905	18,020
Net Income (Loss)	(Millions of Yen)	(13,183)	18,348	6,094	13,037	15,495
Common Stock	(Millions of Yen)	34,606	34,606	34,606	34,606	34,606
Total Number of Issued Shares	(Shares)	133,856,903	129,856,903	129,856,903	129,856,903	129,856,903
Net Assets	(Millions of Yen)	230,190	239,760	230,001	233,497	240,909
Total Assets	(Millions of Yen)	370,608	397,066	399,875	370,882	365,869
Net Assets per Share	(Yen)	1,818.68	1,923.12	1,876.28	1,904.60	1,982.59
Dividend per Share	(Yen)	15	60	87	46	146.5
[of Which, Interim Dividend per Share]	(Yen)	[7.5]	[20.5]	[37.0]	[30.0]	[18.0]
Net Income (Loss) per Share	(Yen)	(104.16)	145.12	49.64	106.35	126.41
Net Income per Share-Diluted	(Yen)	—	—	—	—	—
Equity Ratio	(%)	62.1	60.4	57.5	63.0	65.8
Return on Equity	(%)	(5.5)	7.8	2.6	5.6	6.5
Price to Earnings Ratio	(Times)	—	19.1	50.7	26.0	29.1
Payout Ratio	(%)	—	41.3	175.3	43.3	115.9
Number of Employees	(Persons)	3,957	3,968	4,058	4,068	4,076
Total Shareholder Return	(%)	112.7	96.0	90.2	100.1	135.9
[Reference Index: TOPIX, Including Dividends]	(%)	[107.4]	[121.1]	[118.1]	[151.5]	[182.5]
Highest Share Price	(Yen)	3,480	4,140	3,070	3,295	3,778
Lowest Share Price	(Yen)	1,727	2,301	2,195	2,454	2,120

- (Notes) 1. The number of employees shows the number of staff members in service.
2. Information on net income per share-diluted for the period from the 52nd Term to the 55th Term is not shown because the Company has not issued potential shares.
3. Information on net income per share-diluted for the 51st Term is not shown because the net income per share figure is negative and the Company has not issued potential shares.

4. The highest and lowest share prices from April 4, 2022 are those on the Tokyo Stock Exchange (Prime Market), and the prices before that date are those on the Tokyo Stock Exchange (First Section).
5. The price to earnings ratio and payout ratio for the 51st Term are not shown because the net income per share figure is negative.
6. The dividend per share for the 52nd Term includes a commemorative dividend of ¥5.0 for the 50th anniversary of THK's founding.
7. The Company changed the term "net sales" to "revenue" in conjunction with its adoption of "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others at the beginning of its 53rd Term.

## 2. [History]

Month/Year	Events
Apr. 1971	Hiroshi Teramachi established Toho Seiko Co., Ltd., in Meguro-ku, Tokyo. The company started selling parts for machine tools, link balls, LM rollers, and LM balls.
Apr. 1972	Toho Seiko started selling its main products, LM Guides and ball splines.
Dec. 1972	Toho Seiko took over Nisshin Seisakusho Co., Ltd.
Mar. 1973	THK CO., LTD., was established by a joint investment between Toho Seiko and Miyairi Valve Seisakusho Co., Ltd.
Apr. 1977	Toho Seiko acquired the manufacturing department of THK CO., LTD., and began operating it as its Kofu Plant.
Sep. 1979	Toho Seiko started manufacturing and selling ball screws.
Mar. 1981	THK America, Inc. (currently a consolidated subsidiary) was established in Chicago, the U.S.A.
Jul. 1982	Toho Seiko started manufacturing and selling X-Y tables.
Oct. 1982	With a change in the face value of its shares (from ¥500 to ¥50 per share), Toho Seiko was taken over by THK CO., LTD. (a pro forma surviving corporation). The plants of pre-merger THK continued operating as the Nagoya and Osaka Plants.
Oct. 1982	THK Europe GmbH (currently THK GmbH, a consolidated subsidiary) was established in Düsseldorf, West Germany (currently Germany).
Jan. 1984	The company's trading name was re-established as THK CO., LTD.
Feb. 1984	THK acquired Daiko Seisakusho Co., Ltd., and began operating it as its Gifu Plant.
Apr. 1985	THK took over Toyo Seiko Co., Ltd., and began operating it as its Mie Plant. THK established Yamaguchi Plant (which manufactures LM Guides).
Dec. 1985	THK participated in a capital investment in Daito Seiki Co., Ltd. (renamed to THK INTECHS CO., LTD. in July 2009; currently a consolidated subsidiary), and entered into a technical tie-up.
Jun. 1987	THK started manufacturing and selling Intelligent Actuators.
Jan. 1988	THK Yasuda Co., Ltd. (renamed to THK NIIGATA CO., LTD. in July 2004; currently a consolidated subsidiary) was established in Yasuda-cho (currently Agano-shi), Kitakanbaragun, Niigata Prefecture, by a joint investment between THK CO., LTD. and Samon Kogyosho CO., LTD.
Apr. 1988	THK took over THK Distribution Co., Ltd.
Jan. 1989	THK TAIWAN CO., LTD. (currently a consolidated subsidiary) was established in Taipei, Taiwan, as a joint venture between THK and Fishion Trading Co., Ltd. (Taiwan).
May 1989	THK co-founded the CNTIC-THK SERVICE CENTER in Beijing, China, with National Technical Import & Export Corporation (China) and Beijing Numerical Control Technical Development Center (China).
Nov. 1989	THK was listed on the over-the-counter market.
Apr. 1991	THK participated in a capital investment in Beldex Co., Ltd.
Jun. 1991	THK established the Yamagata Plant (to manufacture LM Guides and special bearings).
Oct. 1991	THK participated in a capital investment in Samick Industrial Co., Ltd. (currently SAMICK THK CO., LTD., an equity-method affiliate) in South Korea, and entered into a technical tie-up.
Aug. 1992	THK acquired PGM Ballscrews Ireland Ltd. (currently THK Manufacturing of Ireland Ltd., a consolidated subsidiary) in Dublin, Ireland.
May 1993	THK Europe B.V. (currently a consolidated subsidiary) was established in Amsterdam, the Netherlands.
May 1994	THK participated in a capital investment in Toden System Co., Ltd. (renamed to TALK SYSTEM CO., LTD. in October 1994; currently a consolidated subsidiary).
Oct. 1994	THK started manufacturing and selling Cross LM Guides.
Mar. 1996	DALIAN THK CO., LTD. (currently a consolidated subsidiary) was established in Dalian, China, as a joint venture between THK and Wafangdian Bearing Group Corporation.
Jul. 1996	THK started manufacturing and selling Caged Ball LM Guides.

Month/Year	Events
Aug. 1997	THK Manufacturing of America, Inc. (currently a consolidated subsidiary) was established in Hebron, Ohio, the U.S.A.
Aug. 1998	THK started manufacturing and selling linear motor actuators.
Feb. 2000	THK Manufacturing of Europe S.A.S. (currently a consolidated subsidiary) was established in Ensisheim, France.
Jan. 2001	THK started manufacturing and selling Caged Roller LM Guides.
Feb. 2001	THK was listed on the First Section of the Tokyo Stock Exchange.
Oct. 2002	THK France S.A.S. (currently a consolidated subsidiary) was established in Dardilly, France.
Aug. 2003	THK (SHANGHAI) CO., LTD. (currently a consolidated subsidiary) was established in Shanghai, China.
Mar. 2004	THK MANUFACTURING OF CHINA (WUXI) CO., LTD. (currently a consolidated subsidiary) was established in Wuxi, China.
Nov. 2004	THK INTECHS CO., LTD. (currently a consolidated subsidiary) became a full subsidiary of THK through a share exchange.
Feb. 2005	THK MANUFACTURING OF CHINA (LIAONING) CO., LTD. (currently a consolidated subsidiary) was established in Dalian, China.
Sep. 2005	THK (CHINA) CO., LTD. (currently a consolidated subsidiary) was established in Dalian, China as THK's controlling company in China.
Dec. 2006	THK LM SYSTEM Pte. Ltd. (currently a consolidated subsidiary) was established in Suntec City, Singapore.
May 2007	RHYTHM CO., LTD. (renamed to THK RHYTHM CO., LTD. in June 2010; currently a consolidated subsidiary), together with its group companies, became a subsidiary of THK through the sale of its shares.
Jul. 2007	THK RHYTHM (THAILAND) CO., LTD. (currently a consolidated subsidiary) was established in Rayong, Thailand.
Sep. 2008	THK MANUFACTURING OF VIETNAM CO., LTD. (currently a consolidated subsidiary) was established in Bac Ninh, Vietnam.
Jul. 2009	THK transferred the business of Beldex Co., Ltd. to THK INTECHS CO., LTD. (currently a consolidated subsidiary) to integrate operations.
Mar. 2011	THK established THK RHYTHM CHANGZHOU CO., LTD. (currently a consolidated subsidiary), in Changzhou, China.
Jun. 2011	THK acquired outstanding shares in TRW Steering & Suspension (Malaysia) Sdn. Bhd. (renamed to THK RHYTHM MALAYSIA Sdn. Bhd. in August 2011; currently a consolidated subsidiary) in Malaysia.
Feb. 2012	THK RHYTHM MEXICANA, S.A. DE C.V. (currently a consolidated subsidiary) and THK RHYTHM MEXICANA ENGINEERING, S.A. DE C.V. were established in Guanajuato, Mexico.
Mar. 2012	Development and manufacturing division of ball joint products at Future Automotive Industry Division was split off from THK and merged into THK RHYTHM CO., LTD. (currently a consolidated subsidiary).
Nov. 2012	THK India Pvt. Ltd. (currently a consolidated subsidiary) was established in Bengaluru, Karnataka, India.
Feb. 2015	DALIAN THK CO., LTD. (currently a consolidated subsidiary) was expanded and moved to Dalian Economic and Technological Development Zone in China.
Aug. 2015	The L&S (linkage and suspension) business of TRW Automotive Inc. (now part of ZF Friedrichshafen AG) in Europe and North America was transferred to THK to establish THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION (currently a consolidated subsidiary), THK RHYTHM AUTOMOTIVE CANADA LIMITED (currently a consolidated subsidiary) and THK RHYTHM AUTOMOTIVE GmbH (currently a consolidated subsidiary), and acquire the shares of TRW-DAS a.s. (currently THK RHYTHM AUTOMOTIVE CZECH a.s., a consolidated subsidiary) in the Czech Republic.

Month/Year	Events
Nov. 2016	THK established THK CAPITAL UNLIMITED COMPANY (currently a consolidated subsidiary) and THK FINANCE UNLIMITED COMPANY (currently a consolidated subsidiary) in Dublin, Ireland.
Oct. 2017	TRA Holdings CO., LTD. (currently a consolidated subsidiary) was established in Minato-ku, Tokyo, Japan.
Oct. 2017	The headquarters was moved to the current location (12-10, Shibaura 2-chome, Minato-ku, Tokyo, Japan).
Apr. 2022	THK transitioned from the First Section to the Prime Market of the Tokyo Stock Exchange following its market restructuring.
May 2024	NIPPON BEARING KIRYU CO., LTD. (renamed to THK KIRYU CO., LTD.; currently a consolidated subsidiary) became a full subsidiary of THK through the sale of all of its shares.



### 3. [Description of Businesses]

The THK Group is comprised of the parent, 38 subsidiaries and 3 associates.

Industrial machinery business engages in manufacturing and sales of machinery components and others, chiefly linear motion systems, as well as industrial machinery. Automotive & transportation business engages in the development and design, and manufacturing and sales of steering components, suspension components, brake components and others primarily for transportation equipment such as automobiles and motorcycles.

A linear motion system is used in linear motion parts of machinery equipment, etc., and is a machinery component that realizes high speed and high precision of machinery equipment. As it converts the motion parts of machinery equipment, etc. into “rolling” motion, which reduces the friction of the motion parts to 1/50 of that of “sliding” motion, it is a product with superior energy-saving performance that is friendly to the global environment.

With such characteristics, its use is wide ranging. Aside from precision equipment, such as machine tools and semiconductor manufacturing equipment, which require high speed and high precision, it is adopted in fields from amusement devices to seismic isolation, damping systems, etc. that protect buildings from the shock of an earthquake.

The THK Group’s principal businesses and the roles of its subsidiaries, etc. in the businesses are as follows.

In Japan, the Company sells directly to manufacturers of industrial machinery, including machine tools, industrial robots and semiconductor manufacturing equipment, and their agents, etc. while TALK SYSTEM CO., LTD. is in charge of sales to certain other manufacturers and certain other agents. In addition to the Company, THK INTECHS CO., LTD., THK NIIGATA CO., LTD., NIPPON SLIDE CO., LTD., and THK KIRYU CO., LTD. are responsible for manufacturing. THK INTECHS CO., LTD. engages in manufacturing and sales of industrial machinery, and purchases linear motion systems and others from the Company. Further, the Company purchases certain manufacturing machinery from THK INTECHS CO., LTD. THK RHYTHM CO., LTD. manufactures ball joints and other products and sells to manufacturers of transportation equipment both within and outside Japan.

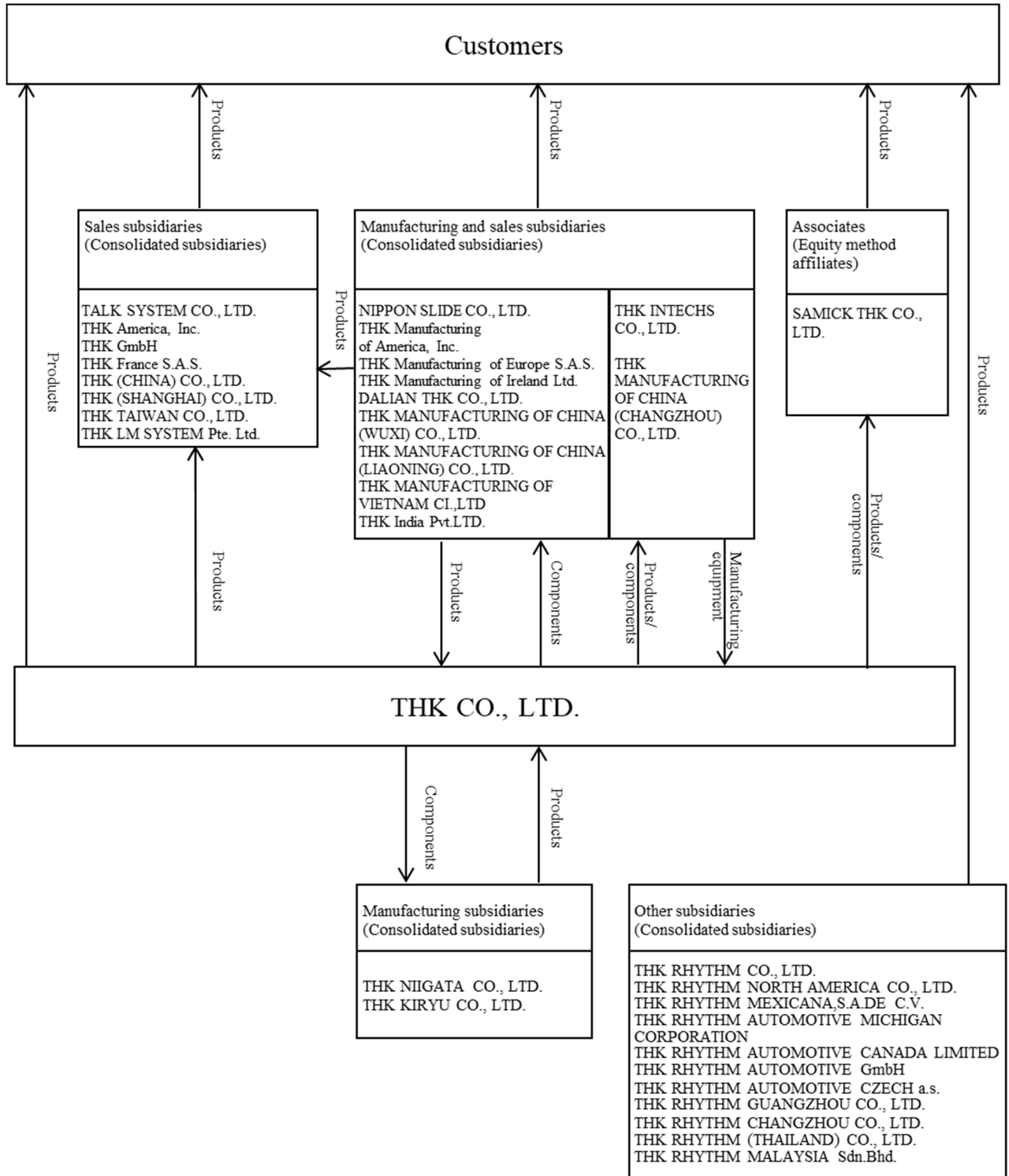
In the Americas, THK America, Inc. is in charge of sales and THK Manufacturing of America, Inc. is responsible for manufacturing. THK RHYTHM NORTH AMERICA CO., LTD., THK RHYTHM MEXICANA, S.A. DE C.V., THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION and THK RHYTHM AUTOMOTIVE CANADA LIMITED manufacture and sell components for transportation equipment, such as link balls and suspension ball joints, to manufacturers of transportation equipment.

In Europe, THK GmbH and THK France S.A.S. are in charge of sales. THK Manufacturing of Europe S.A.S. and THK Manufacturing of Ireland Ltd. are in charge of manufacturing. THK RHYTHM AUTOMOTIVE GmbH and THK RHYTHM AUTOMOTIVE CZECH a.s. manufacture and sell components for transportation equipment, such as link balls and suspension ball joints, to manufacturers of transportation equipment. In addition, THK CAPITAL UNLIMITED COMPANY and THK FINANCE UNLIMITED COMPANY are responsible for group finance and fund management.

In China, THK (CHINA) CO., LTD. and THK (SHANGHAI) CO., LTD. are in charge of sales. Further, DALIAN THK CO., LTD., THK MANUFACTURING OF CHINA (WUXI) CO., LTD., THK MANUFACTURING OF CHINA (LIAONING) CO., LTD. and THK MANUFACTURING OF CHINA (CHANGZHOU) CO., LTD. are in charge of manufacturing. THK RHYTHM GUANGZHOU CO., LTD. and THK RHYTHM CHANGZHOU CO., LTD. manufacture and sell components for transportation equipment, such as link balls and suspension ball joints, to manufacturers of transportation equipment.

In other regions, THK TAIWAN CO., LTD. (Taiwan) and THK LM SYSTEM Pte. Ltd. (Singapore) are in charge of sales activities. THK MANUFACTURING OF VIETNAM CO., LTD. (Vietnam) is in charge of manufacturing. THK India Pvt. Ltd. (India) and SAMICK THK CO., LTD. (South Korea), an associate of the Company, are in charge of sales and manufacturing.

Business overview is provided in the chart below.



Segment categories

Japan	THK CO., LTD., THK INTECHS CO., LTD., TALK SYSTEM CO., LTD., THK NIIGATA CO., LTD., THK RHYTHM CO., LTD., NIPPON SLIDE CO., LTD., and THK KIRYU CO., LTD.
The Americas	THK America, Inc., THK Manufacturing of America, Inc., THK RHYTHM NORTH AMERICA CO., LTD., THK RHYTHM MEXICANA, S.A. DE C.V., THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION, and THK RHYTHM AUTOMOTIVE CANADA LIMITED
Europe	THK GmbH, THK France S.A.S., THK Manufacturing of Europe S.A.S., THK Manufacturing of Ireland Ltd., THK RHYTHM AUTOMOTIVE GmbH, and THK RHYTHM AUTOMOTIVE CZECH a.s.
China	THK (CHINA) CO., LTD., THK (SHANGHAI) CO., LTD., DALIAN THK CO., LTD., THK MANUFACTURING OF CHINA (WUXI) CO., LTD., THK MANUFACTURING OF CHINA (LIAONING) CO., LTD., THK RHYTHM GUANGZHOU CO., LTD., THK RHYTHM CHANGZHOU CO., LTD., and THK MANUFACTURING OF CHINA (CHANGZHOU) CO., LTD.
Other	THK TAIWAN CO., LTD., THK LM SYSTEM Pte. Ltd., THK RHYTHM (THAILAND) CO., LTD., THK MANUFACTURING OF VIETNAM CO., LTD., THK RHYTHM MALAYSIA Sdn. Bhd., THK India Pvt. Ltd., and SAMICK THK CO., LTD.

\* Major consolidated Group companies are listed.

## 4. [Information on Subsidiaries and Associates]

Name	Address	Capital Stock or Capitalization	Principal Business	Segment Name	Percentage of Voting Rights Held by the Company (%)	Description of Relationship	Funding Support	Leasing of Facilities
(Consolidated Subsidiaries)								
THK INTECHS CO., LTD.	Minato-ku, Tokyo	¥100 million	Industrial machinery business	Japan	100.00	In charge of manufacturing products and equipment. Concurrent service as an Officer: Yes	Yes	Yes
TALK SYSTEM CO., LTD.	Minato-ku, Tokyo	¥400 million	Industrial machinery business	Japan	99.00	In charge of sales of products. Concurrent service as an Officer: Yes	Yes	Yes
THK NIIGATA CO., LTD.	Agano-shi, Niigata	¥100 million	Industrial machinery business	Japan	100.00	In charge of manufacturing products. Concurrent service as an Officer: Yes	No	Yes
THK RHYTHM CO., LTD.	Chuo-ku, Hamamatsu- shi, Shizuoka	¥490 million	Automotive & transportation business	Japan	100.00 [100.00]	In charge of manufacturing and sales of products. Concurrent service as an Officer: Yes	Yes	Yes
NIPPON SLIDE CO., LTD.	Adachi-ku, Tokyo	¥80 million	Industrial machinery business	Japan	100.00	In charge of manufacturing and sales of products. Concurrent service as an Officer: Yes	Yes	Yes
TRA Holdings CO., LTD.	Minato-ku, Tokyo	¥100 million	Holding and controlling company	Japan	100.00	Concurrent service as an Officer: Yes	Yes	No
THK KIRYU CO., LTD.	Kiryu-shi, Gunma	¥30 million	Industrial machinery business	Japan	100.00	In charge of manufacturing products. Concurrent service as an Officer: Yes	Yes	Yes
THK America, Inc.	Schaumburg, Illinois, the U.S.A.	USD 20,100 thousand	Industrial machinery business	The Americas	100.00	In charge of sales of products. Concurrent service as an Officer: Yes	No	No

Name	Address	Capital Stock or Capitalization	Principal Business	Segment Name	Percentage of Voting Rights Held by the Company (%)	Description of Relationship	Funding Support	Leasing of Facilities
THK Manufacturing of America, Inc. (Note 2)	Hebron, Ohio, the U.S.A.	USD 75,000 thousand	Industrial machinery business and automotive & transportation business	The Americas	100.00 [100.00]	In charge of manufacturing products. Concurrent service as an Officer: Yes	No	No
THK RHYTHM NORTH AMERICA CO., LTD.	Sparta, Tennessee, the U.S.A.	USD 66 thousand	Automotive & transportation business	The Americas	100.00 [100.00]	In charge of manufacturing and sales of products. Concurrent service as an Officer: Yes	No	No
THK RHYTHM MEXICANA, S.A. DE C.V. (Note 2)	Guanajuato, Mexico	MXN 800,000 thousand	Automotive & transportation business	The Americas	100.00 [100.00]	In charge of manufacturing and sales of products. Concurrent service as an Officer: Yes	Yes	No
THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION (Note 2)	Portland, Michigan, the U.S.A.	USD 70,000 thousand	Automotive & transportation business	The Americas	100.00	In charge of manufacturing and sales of products. Concurrent service as an Officer: Yes	No	No
THK RHYTHM AUTOMOTIVE CANADA LIMITED (Note 2)	City of St. Catharines, Ontario, Canada	CAD 150,000 thousand	Automotive & transportation business	The Americas	100.00	In charge of manufacturing and sales of products. Concurrent service as an Officer: Yes	No	No
THK Europe B.V. (Note 2)	Amsterdam, the Netherlands	EUR 90,000 thousand	Holding and controlling company	Europe	100.00	Concurrent service as an Officer: Yes	No	No
THK GmbH	Ratingen, Nordrhein- Westfalen, Germany	EUR 1,000 thousand	Industrial machinery business	Europe	100.00 [100.00]	In charge of sales of products. Concurrent service as an Officer: Yes	No	No
THK France S.A.S.	Tremblay- en-France, France	EUR 37 thousand	Industrial machinery business	Europe	100.00 [100.00]	In charge of sales of products. Concurrent service as an Officer: No	No	No
THK Manufacturing of Europe S.A.S. (Note 2)	Ensisheim, France	EUR 96,000 thousand	Industrial machinery business	Europe	100.00 [100.00]	In charge of manufacturing products. Concurrent service as an Officer: Yes	No	Yes

Name	Address	Capital Stock or Capitalization	Principal Business	Segment Name	Percentage of Voting Rights Held by the Company (%)	Description of Relationship	Funding Support	Leasing of Facilities
THK Manufacturing of Ireland Ltd.	Dublin, Ireland	EUR 8,000 thousand	Industrial machinery business	Europe	100.00 [100.00]	In charge of manufacturing products. Concurrent service as an Officer: Yes	No	No
THK RHYTHM AUTOMOTIVE GmbH	Düsseldorf, Nordrhein-Westfalen, Germany	EUR 1,000 thousand	Automotive & transportation business	Europe	100.00	In charge of manufacturing and sales of products. Concurrent service as an Officer: Yes	No	No
THK RHYTHM AUTOMOTIVE CZECH a.s.	Dačice, Czech Republic	CZK 335,479 thousand	Automotive & transportation business	Europe	100.00	In charge of manufacturing and sales of products. Concurrent service as an Officer: Yes	No	No
THK CAPITAL UNLIMITED COMPANY (Note 2)	Dublin, Ireland	USD 250,000 thousand	In-group financing and fund management for THK's group companies in the Americas	Europe	100.00	In charge of group finance and fund management. Concurrent service as an Officer: Yes	Yes	No
THK FINANCE UNLIMITED COMPANY (Note 2)	Dublin, Ireland	EUR 50,000 thousand	In-group financing and fund management for THK's group companies in Europe	Europe	100.00	In charge of group finance and fund management. Concurrent service as an Officer: Yes	No	No
THK (CHINA) CO., LTD. (Note 2) (Note 3)	Dalian, Liaoning Province, China	CNY 2,296,109 thousand	Holding and controlling company and industrial machinery business	China	100.00	In charge of sales of products. Concurrent service as an Officer: Yes	No	No
THK (SHANGHAI) CO., LTD.	Shanghai, China	CNY 1,655 thousand	Industrial machinery business	China	100.00 [100.00]	In charge of sales of products. Concurrent service as an Officer: Yes	No	No
DALIAN THK CO., LTD. (Note 2)	Dalian, Liaoning Province, China	CNY 420,997 thousand	Industrial machinery business	China	70.00 [25.00]	In charge of manufacturing products. Concurrent service as an Officer: Yes	No	No

Name	Address	Capital Stock or Capitalization	Principal Business	Segment Name	Percentage of Voting Rights Held by the Company (%)	Description of Relationship	Funding Support	Leasing of Facilities
THK MANUFACTURING OF CHINA (WUXI) CO., LTD. (Note 2)	Wuxi, Jiangsu Province, China	CNY 806,494 thousand	Industrial machinery business	China	100.00 [100.00]	In charge of manufacturing products. Concurrent service as an Officer: Yes	No	Yes
THK MANUFACTURING OF CHINA (LIAONING) CO., LTD. (Note 2)	Dalian, Liaoning Province, China	CNY 848,827 thousand	Industrial machinery business	China	100.00 [100.00]	In charge of manufacturing products. Concurrent service as an Officer: Yes	No	No
THK RHYTHM GUANGZHOU CO., LTD.	Guangzhou, Guangdong Province, China	CNY 91,498 thousand	Automotive & transportation business	China	100.00 [100.00]	In charge of manufacturing and sales of products. Concurrent service as an Officer: Yes	No	No
THK RHYTHM CHANGZHOU CO., LTD.	Changzhou, Jiangsu Province, China	CNY 237,265 thousand	Automotive & transportation business	China	100.00 [100.00]	In charge of manufacturing and sales of products. Concurrent service as an Officer: Yes	No	No
THK MANUFACTURING OF CHINA (CHANGZHOU) CO., LTD. (Note 2)	Changzhou, Jiangsu Province, China	CNY 312,669 thousand	Industrial machinery business	China	100.00 [100.00]	In charge of manufacturing products and equipment. Concurrent service as an Officer: Yes	No	No
THK TAIWAN CO., LTD.	Taipei, Taiwan	TWD 90,000 thousand	Industrial machinery business	Other	100.00	In charge of sales of products. Concurrent service as an Officer: Yes	No	No
THK LM SYSTEM Pte. Ltd.	Kaki Bukit, Singapore	SGD 8,000 thousand	Industrial machinery business	Other	100.00	In charge of sales of products. Concurrent service as an Officer: Yes	No	No
THK RHYTHM (THAILAND) CO., LTD.	Rayong, Thailand	THB 350,000 thousand	Industrial machinery business and automotive & transportation business	Other	100.00 [100.00]	In charge of manufacturing and sales of products. Concurrent service as an Officer: Yes	No	No

Name	Address	Capital Stock or Capitalization	Principal Business	Segment Name	Percentage of Voting Rights Held by the Company (%)	Description of Relationship	Funding Support	Leasing of Facilities
THK MANUFACTURING OF VIETNAM CO., LTD. (Note 2)	Bac Ninh, Vietnam	USD 62,500 thousand	Industrial machinery business	Other	100.00	In charge of manufacturing products. Concurrent service as an Officer: Yes	No	No
THK RHYTHM MALAYSIA Sdn. Bhd.	Penang, Malaysia	MYR 11,464 thousand	Automotive & transportation business	Other	80.00 [80.00]	In charge of manufacturing and sales of products. Concurrent service as an Officer: No	No	No
THK India Pvt. Ltd. (Note 2)	Andhra Pradesh, India	INR 11,000,000 thousand	Industrial machinery business	Other	100.00 [0.02]	In charge of manufacturing and sales of products. Concurrent service as an Officer: Yes	No	No
(Associates Accounted for Using Equity Method)  SAMICK THK CO., LTD.	Daegu, South Korea	KRW 10,500,000 thousand	Industrial machinery business	Other	33.82	In charge of manufacturing and sales of products. Concurrent service as an Officer: Yes	Yes	Yes

(Notes) 1. Figures in parentheses in “Percentage of Voting Rights Held by the Company” indicate indirect ownership.

- THK Manufacturing of America, Inc., THK RHYTHM MEXICANA, S.A. DE C.V., THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION, THK RHYTHM AUTOMOTIVE CANADA LIMITED, THK Europe B.V., THK Manufacturing of Europe S.A.S., THK CAPITAL UNLIMITED COMPANY, THK FINANCE UNLIMITED COMPANY, THK (CHINA) CO., LTD., DALIAN THK CO., LTD., THK MANUFACTURING OF CHINA (WUXI) CO., LTD., THK MANUFACTURING OF CHINA (LIAONING) CO., LTD., THK MANUFACTURING OF CHINA (CHANGZHOU) CO., LTD., THK MANUFACTURING OF VIETNAM CO., LTD., and THK India Pvt. Ltd. are specified subsidiaries.
- Revenue (excluding intercompany sales within the Group) of THK (CHINA) CO., LTD. accounts for more than 10% of consolidated revenue.

#### Financial summary

(1) Revenue	¥55,391 million
(2) Profit before tax	¥8,253 million
(3) Profit	¥7,210 million
(4) Total equity	¥50,709 million
(5) Total assets	¥57,196 million



## 5. [Employees]

### (1) Information on consolidated Group companies

As of December 31, 2024

Segment Name	Number of Employees (Persons)
Japan	5,723
The Americas	1,836
Europe	1,663
China	3,047
Other	999
Total for the Company's Consolidated Group	13,268

(Note) The number of employees is the number of staff members in service (excluding employees transferred from the Group to a company outside the Group and including employees of a company outside the Group transferred to the Group).

### (2) Information on the reporting company

As of December 31, 2024

Number of Employees (Persons)	Average Age (Years)	Average Length of Service (Years)	Average Annual Salary (Yen)
4,076	41.1	18.7	6,080,839

(Notes) 1. The number of employees is the number of staff members in service (excluding employees transferred from the Company to outside the Group and including employees on loan to the Company from a different company).

2. Average annual salary includes bonuses and extra wages.

3. The segment name of the reporting company is Japan.

### (3) Information on labor unions

Within the THK Group, labor unions have been formed at THK RHYTHM CO., LTD., THK RHYTHM MEXICANA, S.A. de C.V., THK RHYTHM AUTOMOTIVE CANADA LIMITED, THK RHYTHM AUTOMOTIVE CZECH a.s., THK RHYTHM AUTOMOTIVE GmbH, THK RHYTHM MALAYSIA Sdn. Bhd., THK Manufacturing of Ireland Ltd., THK Manufacturing of Europe S.A.S., DALIAN THK CO., LTD., THK MANUFACTURING OF CHINA (LIAONING) CO., LTD., THK MANUFACTURING OF CHINA (WUXI) CO., LTD., THK RHYTHM GUANGZHOU CO., LTD., THK RHYTHM CHANGZHOU CO., LTD., Shanghai Branch of THK RHYTHM CHANGZHOU CO., LTD., and THK MANUFACTURING OF VIETNAM CO., LTD. These companies have stable labor-management relations with no particular disclosure to be made.

Further, while no labor unions have been formed at the Company and other consolidated subsidiaries, they have smooth labor-management relations with no particular disclosure to be made.

### (4) Percentage of female employees in managerial positions, rate of male employees taking childcare leave, and wage gap between male and female employees

#### (i) Reporting company

Current Fiscal Year				
Percentage of Female Employees in Managerial Positions (%) (Note 1)	Rate of Male Employees Taking Childcare Leave (%) (Note 2)	Wage Gap Between Male and Female Employees (%) (Note 1) (Note 3)		
		All Employees (Note 4)	Regular Employees (Note 5)	Part-Time and Fixed-Term Employees
2.0	62.0	77.1	77.1	63.2

- (Notes) 1. Figures are calculated based on the provisions in the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). Figures include employees transferred from other companies, but exclude those transferred from the Company to domestic (Japanese) and overseas associates.
2. The rate of childcare leave, etc., taken under Article 71-4, Item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) is calculated based on the provisions in the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991). Figures include employees transferred from the Company to domestic (Japanese) and overseas associates, but exclude those transferred from other companies.
3. As the Company's wage system is based on the principle of equal pay for equal work, there are no differences based on gender. The gender wage gap mainly stems from the proportion of male and female employees in managerial positions and differences in employment status.
4. "All Employees" includes regular employees and part-time and fixed-term employees.
5. "Regular Employees" includes regular employees and full-time, indefinite non-regular employees. Figures include employees seconded from the Company to domestic (Japanese) associates, but exclude those seconded from the Company to overseas associates and those seconded from other companies.

(ii) Consolidated subsidiaries

Current Fiscal Year					
Name of Consolidated Subsidiary	Percentage of Female Employees in Managerial Positions (%) (Note 1)	Rate of Male Employees Taking Childcare Leave (%) (Note 2)	Wage Gap Between Male and Female Employees (%) (Note 1) (Note 3)		
			All Employees	Regular Employees	Part-Time and Fixed-Term Employees
THK INTECHS CO., LTD.	0.0	100.0	77.4	80.0	55.3
TALK SYSTEM CO., LTD.	9.1	33.3	78.3	80.5	29.8
THK NIIGATA CO., LTD.	0.0	66.7	79.0	78.7	93.7
THK RHYTHM CO., LTD.	2.9	69.0	80.0	79.2	79.4
NIPPON SLIDE CO., LTD.	0.0	—	75.2	78.0	59.4
THK KIRYU CO., LTD.	0.0	50.0	95.8	95.8	—

- (Notes) 1. Figures are calculated based on the provisions in the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).
2. The rate of childcare leave, etc., taken under Article 71-4, Item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) is calculated based on the provisions in the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).
3. As the wage systems of the consolidated subsidiaries are based on the principle of equal pay for equal work, there are no differences based on gender. The gender wage gap mainly stems from the proportion of male and female employees in managerial positions and differences in employment status.

## II. [Business Overview]

### 1. [Management Policy, Management Environment and Issues to Be Addressed]

Please note that the forward-looking statements herein are based on the THK Group's judgment as of the end of the fiscal year.

#### (1) The Company's basic policy for management

The THK Group supplies the world with vital machinery components that convert “sliding” motion into “rolling” motion, thereby enabling motion parts to move more “lightly” and “accurately” in linear motion. Since its establishment in 1971, the Company has been contributing to the development of industry by means of indispensable component parts, underpinned by its management philosophy of “providing innovative products to the world and generating new trends to contribute to the creation of an affluent society.” This has involved serving as a company focused on creation and development in supplying machinery components that include THK's LM Guides (Linear Motion Guides), while also achieving improvements in terms of high precision, high rigidity, high speed, and energy saving with respect to various machines and equipment, such as machine tools and semiconductor manufacturing equipment.

Since the development of LM Guides, high-quality products and wide-ranging proposal capabilities that capitalize on know-how accumulated in responding to a variety of customer needs have allowed the Group to garner a high level of trust among customers as the world's leading manufacturer. In recent years, the THK Group's products have come to be used across an increasingly extensive range of applications beyond the field of industrial machinery. For instance, in addition to fields close to consumer goods, such as automobiles, medical equipment, aircraft, and service robotics, our products are also finding uses in applications aimed at mitigating the risk of natural disasters and climate change, including applications in seismic isolation and damping systems, as well as renewable energy. As such, we will accordingly contribute to society through our primary operations, serving as an essential business as our many customers worldwide turn to us for product supply, while concurrently striving to enhance our corporate value as we engage in initiatives that help give rise to a sustainable society in the midst of global warming and other changes in the global environment.

#### (2) Medium to long term management strategy of the Company

The THK Group will endeavor to expand its fields of business based on the pillars of its growth strategy focusing on: “Full-Scale Globalization” aiming to expand its geographic business areas, “Development of New Business Areas” aiming to expand applications of its products, and “Change in Business Style” aiming to thoroughly apply Artificial Intelligence (AI), IoT, robotics, and other technologies.

Under the “Full-Scale Globalization” objective, we have been building a “unified retailer-producer system at the locations closer to centers of demand,” whereby products will be produced and sold locally in our four key geographic regions of Japan, the Americas, Europe and Asia. As such, we have been working to expand our sales network and to strengthen the production structure in recent years, particularly in China and other emerging markets poised for growth in demand over the medium to long term. Moreover, we will derive further growth from efforts that involve enhancing our sales network in a bid to steadily tap demand even in developed countries as the user base continues to expand.

For “Development of New Business Areas,” although we believe that the main customers of our LM Guides and other product groups are now capital goods manufacturers, we are working to promote the adoption of THK Group's products to the fields of applications aimed at mitigating the risk of natural disasters and climate change, such as seismic isolation and damping systems, and renewable energy, in addition to the fields close to consumer goods, such as automobiles, medical equipment, aircraft, and service robotics.

Under the “Change in Business Style” objective, we will strive to transform our business approach and framework through painstaking efforts in every aspect of operations encompassing areas that include sales, production, and development with respect to new technologies such as AI, IoT, and robotics, amid a scenario of digital technologies undergoing rapid development.

As we promote these initiatives, we will go beyond simply creating things to incorporate everything from before to after the sale into our line of business, setting our vision of becoming a “manufacturing and innovative services company” that expands our interactions with customers and truly contributes to our customers, and will make that vision even clearer.

Until now, we have primarily focused on solving the problems of machine builders, as “machinery components business,” but going forward, we will also look beyond machine builders to actual machine users to solve the problems they face, and further strengthen our business as “FA solution business.” From the perspective of the evolution of machinery components, we will seek to increase our points of contact with machine users to develop high quality products that help solve problems for both machine builders and users. Furthermore, we will use the diverse information we collect from these multiple levels of customers in all of our operations, such as development and production, to reinforce our development work in growth fields and to strengthen our business foundation. To accelerate these efforts, we organized our sales divisions into two groups, corresponding to each of our “machinery component business” and our “FA solution business,” and clearly defined the roles of each.

Going forward, we are committed to accelerate these initiatives and step up our efforts for sustainability and ESG, which are the prerequisites for these initiatives, and enhance our corporate value.

### (3) Management environment

The environment around the THK Group is growing even more uncertain due to rising geopolitical risks, ongoing inflation, China’s sluggish economy, and other factors. We face various challenges related to issues such as the advancement of digital technology, the growing environmental protection movement, and the shrinkage of working-age populations in developed nations. However, keywords such as 5G, AI, IoT, CASE, Industry 4.0, automation, and labor and energy savings are emerging as indicators of change. These keywords drive demand for various products and solutions that the Group offers, such as semiconductor manufacturing equipment, FA-related products, service robot-related products, products for medical equipment, electric actuators, Omni THK, and OMNI edge. The growth potential is expected to be explosive, lasting over the medium to long term horizon. Accordingly, we will promote our growth strategy to realize and steadily capture this growth potential.

### (4) Business and financial issues to be addressed on a priority basis

In February 2022, we set our “Management Targets for FY2026.” However, while our business opportunities have expanded, the business environment around us has changed dramatically since then. We have been unable to adapt to these changes in a timely fashion, and thus have been unable to meet the targets as well as expectations of our shareholders, with stagnant return on equity (ROE). Upon being appointed Representative Director and President in January 2024, Takashi Teramachi made a statement that “THK will thoroughly strengthen what needs to be strengthened and courageously change what needs to be changed.” In November 2024, we completely revised our conventional management targets and announced our new management policy, “Early Realization of ROE of Over 10%.”

To achieve this, we have tackled the Company’s issues from all directions, such as profitability, capital policies, and corporate governance. We began by revising our capital policy. With respect to profitability, we have focused on business selection and concentration. We conducted strict comparison and scrutiny of return on invested capital (ROIC) and cost of capital and carried out thorough business selection and concentration, with nothing considered out of bounds. We are not simply relying on revenue from growing demand for our products, but instead are making ours a leaner company that produces greater medium- and long-term returns. The profit we generate through these structural reforms will not only be returned to our shareholders, but also be used in disciplined growth investment.

To heighten our ability to achieve these goals, we are enhancing our corporate governance, such as by reviewing the composition of the Board of Directors and having a third-party organization evaluate the effectiveness of the Board. We will also boldly carry out various initiatives, such as strengthening the

monitoring system that applies the PDCA cycle, reinforcing our compensation system for officers, further revising the composition of the Board of Directors, and enhancing our environmental and other sustainability-related measures.

By doing so, we are striving to achieve early realization of ROE of over 10% and continue to raise ROE, not only to a level that exceeds cost of equity but even beyond, so that we can provide stable shareholder returns. Through this, we will increase our corporate value.

(5) Objective indicators, etc. to determine the degree of achievement of management targets

As a management indicator under our new management policy, “Early Realization of ROE of Over 10%,” we set the level of required equity capital, the denominator of ROE, at around ¥300,000 million for the time being, and for the numerator, set the operating income required to achieve profit of ¥30,000 million at ¥40,000 million. Basically, we plan to achieve our targets through our self-help efforts, without relying on revenue growth owing to market expansion. In other words, we will push ahead with reforms in the industrial machinery and automotive & transportation businesses, without sanctuary. To this end, we have set the two-year period through to fiscal year 2026 as a structural reform period, during which we will implement various reforms and transform into a lean, highly profitable structure with the aim of the early realization of ROE of over 10% during fiscal years 2027 to 2029.

## 2. [Sustainability Approach and Initiatives]

The THK Group's approach and initiatives related to sustainability are as follows.

Please note that the forward-looking statements herein are based on the THK Group's judgment as of the end of the fiscal year.

### (1) Basic sustainability policy

Based on the management philosophy and others, common throughout the THK Group of "providing innovative products to the world and generating new trends to contribute to the creation of an affluent society," the Group's basic approach to sustainability is to aim to both enhance corporate value through its core business and contribute to the creation of a sustainable and affluent society.

#### (i) Governance

We established the Sustainability Committee comprised of all Directors, including outside Directors, to act as an advisory body to the Board of Directors, in order to develop, penetrate, and firmly establish a sustainability promotion system with the objectives of enhancing our corporate value and realizing a sustainable and affluent society. The Sustainability Committee examines and deliberates on sustainability policies and significant challenges (material issues).

We also established the Sustainability Promotion Subcommittee as an organization beneath the Sustainability Committee, which consists of members selected from across various business divisions. The Sustainability Promotion Subcommittee works to hammer out initiatives related to material issues.

Based on the items considered and deliberated by the Sustainability Committee, the Board of Directors receives reports and proposals as appropriate and provides general supervision for the sustainability efforts of each division.

#### (ii) Strategy

As part of efforts to strengthen our sustainability management, we have identified the following four material themes based on factors such as recent social developments and changes in the internal environment, as well as 13 associated items as material issues: "Creating an affluent society and solving social issues through innovation," "Decarbonization and realization of a recycling-oriented society," "Realization of a diverse and meaningful work environment," and "Strengthening of a sustainable value creation platform."

We identified these material issues through the following four phases.

##### Phase 1: Create a material issue candidate list

While giving due consideration to the THK Group's existing policies, we made a material issue candidate list to be evaluated and examined based on metrics from ESG evaluation bodies, investors, and other social metrics, consolidating duplicate and similar items from each of these

##### Phase 2: Evaluate against societal and business standards

A matrix was created after an evaluation on a scale of 1 to 5 that plotted the "societal demands and expectations" on the vertical axis by outside experts against the "impact on business" on the horizontal axis by THK

##### Phase 3: Create a proposal for re-identified material issues

The Sustainability Promotion Subcommittee members held a discussion based on the Phase 2 evaluation results. After thoroughly examining the business opportunities and risks related to long-term value creation, they then drafted a material issue re-identification proposal

##### Phase 4: Approval by the Sustainability Committee (\*)

The Sustainability Committee approved the material issue re-identification proposal generated in Phase 3

\* As the Sustainability Committee had not yet been established at the time of approval in June 2022, approval was given by the Board of Directors

(iii) Risk management

In terms of overall risk management, the Risk Management Committee, which serves as an advisor to the Board of Directors, comprehensively and exhaustively identifies and assesses risks in accordance with risk management regulations, evaluates their severity, and determines the priority for addressing them.

In addition to the above, for individual risks related to different sustainability areas, the Sustainability Committee and the organization beneath it, Sustainability Promotion Subcommittee, identify risks, and evaluate them as necessary to determine countermeasures.

Based on the risks and measures, etc. identified by the Risk Management Committee and the Sustainability Committee, the Board of Directors confirms the impact of various sustainability-related risks on the business.

(iv) Metrics and targets

We have set metrics and targets for each of the 13 items identified as material issues. We aim to achieve these targets in fiscal year 2026, the final year for our management targets.

Item (Note 1)	Metrics and Targets	Fiscal Year 2024 Results	Scope
(i) Solving societal issues through innovation	Develop and provide new products and services (DX and other solutions) related to consumer goods, such as those for the space, automotive, logistics, and medical fields	<ul style="list-style-type: none"> <li>Developed new OMNI edge solutions and implemented sales expansion activities</li> <li>Developed and made proposals for compact and low-cost next-generation automotive components that are compatible with high load environments</li> <li>Implemented sales expansion activities of transfer robots for logistics centers</li> <li>Released slide unit for removing containers (for aircraft galleys)</li> <li>Released small sluice gate remote monitoring and operation system</li> </ul>	THK Japan, Group companies in Japan, and Group companies overseas
(i) Quality and safety of products	Promote the proper operation of quality management systems such as ISO 9001 and IATF 16949, and the maintenance and management of certification at applicable sites	<ul style="list-style-type: none"> <li>ISO 9001 (implemented top management review, internal quality audits (at five plants), renewed registration with Japan Quality Assurance Organization (JQA))</li> <li>IATF 16949 (conducted regular IATF audits (Automotive &amp; Transportation Headquarters))</li> </ul>	THK Japan
(ii) Climate change	50% reduction in CO2 emissions (Scope 1 and 2) compared to 2018 (emissions in 2018: 106,514 t-CO2; target for 2030: 53,257 t-CO2) [Target year: 2030]	<ul style="list-style-type: none"> <li>CO2 emissions (Scope 1 and 2) 80,406 t-CO2 (Specific activities) <ul style="list-style-type: none"> <li>Installed solar power generation systems</li> <li>Installed new high-efficiency production machines</li> <li>Introduced insulation sheets and insulation coating</li> <li>Protected against air leaks</li> </ul> </li> </ul>	THK Japan and Group companies in Japan
(ii) Sustainable procurement	Distribute sustainability procurement guidelines to suppliers, conduct surveys and interviews using questionnaires	<ul style="list-style-type: none"> <li>Formulation of sustainability procurement guidelines underway</li> </ul>	THK Japan

Item (Note 1)	Metrics and Targets	Fiscal Year 2024 Results	Scope
(ii) Recycling and conserving resources	Maintain zero emissions (Note 2)	<ul style="list-style-type: none"> <li>Emission rate of less than 0.50% (Specific activities) <ul style="list-style-type: none"> <li>Maintained waste sorting and reduction efforts</li> <li>Recycled oil and liquid waste</li> <li>Recycled steel (scrap and cut pieces)</li> <li>Selected appropriate waste disposal business operators and managed them through regular audits</li> </ul> </li> </ul>	THK Japan and Group companies in Japan (production division)
(ii) Managing harmful substances	Distribute Green Procurement Guidelines and obtain a non-inclusion certificate	<ul style="list-style-type: none"> <li>Obtained non-inclusion certificates of Green Procurement Guidelines: 258 companies</li> </ul>	THK Japan, Group companies in Japan, and Group companies overseas
(iii) Respecting and considering human rights	Achieve 100% attendance rate for e-learning course on human rights	<ul style="list-style-type: none"> <li>Attendance rate: 98.86% (Specific activities) <ul style="list-style-type: none"> <li>Made company-wide announcements</li> <li>Provided information on mandatory training to the persons in charge</li> <li>Sent communication regarding the status of attendance for each business office/division</li> <li>Sent reminders to employees that had not yet taken courses</li> </ul> </li> </ul>	THK Japan
(iii) Promoting diversity	Increase percentage of women hired among new graduates in sales, administration, and engineering divisions to 20% or more	<ul style="list-style-type: none"> <li>Percentage of women: 24.5% (Specific activities) <ul style="list-style-type: none"> <li>Continued to promote hiring, taking into account individuals on childcare leave and details of the short-time work hour system for childcare</li> </ul> </li> </ul>	THK Japan
(iii) Occupational health and safety	Achieve and maintain a severity rate of 0.01 or less, and achieve and maintain an incident rate of 0.50 or less (Note 3)	<ul style="list-style-type: none"> <li>Severity rate = 0.00, Incident rate = 0.60 (Specific activities) <ul style="list-style-type: none"> <li>Established standards for non-routine work</li> <li>Conducted training for non-routine work</li> </ul> </li> </ul>	THK Japan (production division)
(iii) Talent development	Maintain a data utilization training (basics) attendance rate of 95% or more	<ul style="list-style-type: none"> <li>Attendance rate: 97.67% (Specific activities) <ul style="list-style-type: none"> <li>Provided information on courses for mid-career hires and new graduates</li> <li>Organized attendance status</li> <li>Sent reminders to employees that had not yet taken courses</li> </ul> </li> </ul>	THK Japan
(iv) Corporate governance	Continue to evaluate the effectiveness of the Board of Directors once a year	<ul style="list-style-type: none"> <li>Implemented once a year (using a third-party organization)</li> </ul>	THK Japan
(iv) Compliance	Enhance the diversity of internal reporting tools and investigators	<ul style="list-style-type: none"> <li>Selected and provided training for female investigators</li> </ul>	THK Japan



Item (Note 1)	Metrics and Targets	Fiscal Year 2024 Results	Scope
(iv) Risk management	Continue to implement risk assessments once a year	<ul style="list-style-type: none"> <li>Implemented once a year (at 31 THK Japan divisions, 29 Group companies in Japan and overseas)</li> </ul>	THK Japan, Group companies in Japan, and Group companies overseas

- (Notes) 1. (i) to (iv) listed in the item column represent each of the material issue themes. (i) Creating an affluent society and solving societal issues through innovation, (ii) Decarbonization and realization of a recycling-oriented society, (iii) Realization of a diverse and meaningful work environment, (iv) Strengthening of a sustainable value creation platform.
2. Zero emissions: Emission rate (disposal volume/total amount of waste generation) of less than 0.50%.
  3. Severity rate: Number of workdays lost per 1,000 total actual working hours. Incident rate: Number of casualties due to occupational accidents per million actual working hours.

## (2) Climate change

The THK Group has identified climate change as one of the material issues and it supports the TCFD (Task Force on Climate-Related Financial Disclosures) recommendations.

### (i) Strategy

Based on 1.5°C and 4°C climate change scenarios proposed by the IEA (International Energy Agency) and IPCC (International Panel on Climate Change), the THK Group has been analyzing scenarios primarily with regard to its Japanese industrial machinery business and automotive & transportation business in consideration of their long-term impact up to 2050 and in accordance with the TCFD recommendations in order to investigate strategies and the resilience of those strategies with reference to climate change risks and opportunities.

Scenario	Cause	Change	Risk/ Opportunity	Level	Impact on THK	THK's Response
1.5°C	Introduction of carbon taxes	Increased procurement costs	Risk	Major	The introduction of carbon taxes will cause raw material price increases to be passed on to THK, and procurement costs will rise.	<ul style="list-style-type: none"> <li>• Reduce raw material input</li> <li>• Switch to raw materials with low carbon taxes</li> </ul>
		Increased operating costs	Risk	Major	The introduction of carbon taxes will cause carbon tax payments to increase based on Japanese Scope 1 and Scope 2 emissions.	<ul style="list-style-type: none"> <li>• Develop energy-saving production technology</li> <li>• Transition to low-carbon, non-fossil fuel energy</li> </ul>
	Switch to renewable energy	Increased energy procurement costs	Risk	Minor	The switch to renewable energy will increase energy procurement costs.	<ul style="list-style-type: none"> <li>• Procure renewable energy internally by installing solar power generation systems</li> </ul>
	Increased need for energy savings	Increased demand for environmentally friendly technology solutions	Opportunity	Major	There will be more equipment designs, fabrications, modifications, and product demand for automation and efficiency improvements for the purpose of boosting energy efficiency.	<ul style="list-style-type: none"> <li>• Strengthen provision of THK products that contribute to energy savings (LM Guides, electric actuators, unit products, etc.)</li> </ul>
		Increased business opportunities in semiconductors	Opportunity	Major	Business opportunities will increase for the manufacture of semiconductor manufacturing equipment components, particularly involving power semiconductors, which form the core of energy savings.	<ul style="list-style-type: none"> <li>• Establish a development, production, and sales structure that can respond promptly and flexibly</li> </ul>
		Increased demand for failure diagnosis/predictive failure detection service	Opportunity	Minor	Demand will increase for a failure diagnosis/predictive failure detection service that utilizes the IoT and helps boost productivity and reduces energy loss.	<ul style="list-style-type: none"> <li>• Expand IoT services that boost productivity and strengthen sales activities and solutions that utilize such services</li> </ul>
	Advancement of electric vehicles	Increased demand for electric vehicle components	Opportunity	Major	As more vehicles become electric, new types of products become required, and demand for THK products will increase.	<ul style="list-style-type: none"> <li>• Establish a development, production, and sales structure that can respond promptly and flexibly</li> <li>• Plan new business</li> </ul>
	Expansion of environmental business	Increased ESG investment	Opportunity	Minor	Expanding THK's business in environmental fields will capture the attention of investors and make them evaluate THK more favorably, and ESG investment will increase.	<ul style="list-style-type: none"> <li>• Establish a development, production, and sales structure that can respond promptly and flexibly</li> <li>• Actively disclose information and strengthen communication with stakeholders</li> </ul>

Scenario	Cause	Change	Risk/ Opportunity	Level	Impact on THK	THK's Response
4°C	Serious damage from weather-related disasters	Supply chain interruptions	Risk	Minor	Supply of raw materials will be interrupted if suppliers suffer a disaster.	<ul style="list-style-type: none"> <li>• Decentralize raw material suppliers</li> <li>• Secure alternative suppliers</li> </ul>
		Increased costs from global warming	Risk	Minor	Rising temperatures will cause air conditioning costs to increase for factories, distribution centers, and offices.	<ul style="list-style-type: none"> <li>• Improve heat insulation performance of buildings</li> </ul>

## (ii) Metrics and targets

The THK Group formulated the “medium-term target” and “long-term target” for reducing CO2 emissions (Scope 1 and 2) in order to combat global warming.

### Medium-term target

By FY2030, reduce CO2 emissions to 50% of FY2018 levels.

Scope: THK Japan and Group companies in Japan

### Long-term target

By FY2050, achieve net-zero CO2 emissions.

Scope: Entire THK Group

Our CO2 emissions (Scope 1 and 2) to date and targets are as follows:

(t-CO2)

	FY2018 result (base year)	FY2022 result	FY2023 result	FY2024 result	FY2030 target
CO2 emissions (Scope 1 and 2)	106,514	102,558	85,065	80,406	53,257
Reduction rate (compared to fiscal year 2018)	—	4%	20%	25%	50%

(Notes) 1. Scope includes THK Japan and Group companies in Japan.

2. Figure for FY2024 result is tentative as of March 17, 2025.

## (3) Human capital

### (i) Strategy

We have grown as a company focused on creation and development that develops unique products using our unique technologies. We believe this growth is attributable to each and every employee that strives to embody our management philosophy. As indicated by how we refer to our “human resources” as “talent,” we consider our employees invaluable assets that enable the Company to achieve sustainable growth and create value.

Based on the view above, we aim to create an environment in which our talent respects the strengths and individuality of one another, and can work safely and with enthusiasm. To this end, we set “Realization of a diverse and meaningful work environment” as one of our material themes, and have been carrying

out initiatives for respecting and considering human rights, promoting diversity, occupational health and safety, and talent development. With regards to talent development and promoting diversity, we consider it necessary for us to strengthen efforts to build and develop our talent portfolio, in response to changes in the times.

We will continue our efforts to achieve our growth strategy of “Full-Scale Globalization,” “Development of New Business Areas” and “Change in Business Style,” and to realize our management philosophy beyond that. Accordingly, we have identified material issues to address, and will engage in human capital management initiatives from the perspectives of succession planning, recruitment, mental health, physical health, and childcare leave\*.

\* Selected from the 19 recommended disclosure items listed in the Cabinet Secretariat’s Guidelines for Human Capital Visualization based on importance.

(a) Human resource (talent) development policy

1. Developing global talent

As overseas revenue accounts for more than 50% of our total revenue, we will work to develop talent that can play an active role on the global stage.

Specifically, we provide support for English conversation learning, including the introduction of speaking tests and e-learning courses, with the aim of improving the language skills of our in-house talent. In addition, in order to quickly develop global talent, we have introduced an “international trainee system” in which young employees are dispatched to overseas Group companies for about one year. In fiscal year 2024, a total of three employees were dispatched to China and India.

2. Developing digital talent

Our vision is to transform into a “Manufacturing and Innovative Services Company.” By utilizing the latest technologies, we aim to transform business processes and systems, thereby increasing customer satisfaction, improving the efficiency of internal operations, and ultimately realizing a recycling-oriented society and solving future social issues such as labor shortages. To achieve this, we are focusing on DX activities so that we can provide value through innovation, and promoting the development of digital talent.

Specifically, we conduct data utilization training for all employees, including plant workers, with the goal of having each location be able to utilize data in a unique and autonomous way. By fiscal year 2024, more than 90% of employees had completed basic courses, and almost all employees in their twenties had completed beginner courses. Going forward, we will expand the intermediate and advanced courses throughout more of the Company in order to achieve more advanced data utilization (by using tools such as image recognition and demand forecasts based on machine learning). We also hold internal competitions to encourage employees to make voluntary efforts related to data science by presenting their own research results and engaging in friendly competition.

3. Expansion of training initiatives for all employees

In order to continuously support the skill and career development of all employees, we plan to review and enhance current training initiatives as necessary.

Specifically, in addition to enhancing training such as technical training and e-learning content, we are working to improve the skills of all employees, such as by holding forums aimed at improving skills and sharing knowledge. Furthermore, in order to promote the growth and career development of our talent, responsible for creating our strengths as a company focused on creation and development, we have introduced a system to treat the employees based on the expertise they possess. Going forward, we plan to consider further expansion of the expertise to be covered by the system.

#### 4. Development of successors and next-generation talent

In order to achieve the medium to long term development of the Company, we will secure and develop talent in key positions.

Specifically, we select key positions that require planned succession, hold review meetings to discuss the development status of candidate talent, and conduct management training and aptitude assessments, etc., to ensure the smooth succession of management talent. In addition, with the aim of developing candidate talent over the medium to long term, we will consider expanding the program to include younger talent. In fiscal year 2024, we conducted 360-degree assessments for 15 successor candidates, and also implemented management training. Going forward, in addition to training, we will also incorporate transfers and other measures to help employees increase the necessary skills and experience over the medium to long term.

#### 5. Promoting diversity

In order to create corporate value over the medium to long term, we believe an environment in which diverse values can be accepted and utilized is key, as is the promotion of diversity. As the first step toward this, we aim to promote the advancement of women.

Specifically, we are considering implementing career training for women, roundtable discussions involving employees raising children, and unconscious bias training for managers. Additionally, our immediate goal is to increase percentage of women hired among new graduates in sales, administration, and engineering divisions to 20% or more.

#### 6. Strengthening the hiring of international talent

We actively hire international talent based on the belief that collaboration among employees with diverse backgrounds and experiences will lead to new business proposals and the medium to long term development of our existing businesses.

Specifically, we are carrying out a project in which we actively accept international talent with backgrounds in science as interns and have them present solutions that utilize our technology. We also actively participate in job fairs at universities overseas. Through such initiatives, we have already accepted students from several Asian countries, with some joining the Company as employees.

#### (b) Internal environment development policy

##### 1. Improving occupational health and safety

We believe that occupational health and safety is the foundation of corporate management, and as such, consider the creation of a safe, healthy, and comfortable workplace to be one of the most important issues for the Production Division. Accordingly, we work to eliminate harmful work environments that may lead to injury or illness. Specific initiatives on this front are outlined below.

Prevent work-related injuries and illnesses	<ul style="list-style-type: none"><li>· Assessing risk</li><li>· Conducting workplace health and safety training</li><li>· Implementing hazard prediction training and soliciting proposals to prevent near miss events</li></ul>
Continuously improve occupational health and safety performance	<ul style="list-style-type: none"><li>· Communicating and managing up-to-date laws and regulations (Performing chemical substance risk assessments)</li><li>· Promoting health and safety committee activities</li><li>· Performing internal audits and management reviews</li><li>· Implementing traffic safety activities</li><li>· Conducting workplace safety patrols</li></ul>

## 2. Promoting health and productivity management

We are implementing initiatives from both mental and physical standpoints with the goal of providing a workplace where employees can work healthily and with enthusiasm, which serves as the basis for talent development. Moreover, as part of our efforts to improve work-life balance, we are carrying out measures to support employees balancing work with childcare or nursing care.

Mental health measures	· Conduct stress checks of all employees
Receiving guidance from industrial physicians and implementing disease prevention activities	· Having an industrial physician inspect the workplace and provide guidance at the health and safety committee meeting
Performing regular and special health checks	· In addition to regular health checks, special health checks for relevant individuals at each production facility are conducted
Managing long work hours (excessive overtime)	· Managing overtime at each production facility and monitoring at Head Office divisions
Providing support for balancing work with childcare or nursing care	· Formulating a handbook on support for balancing work with childcare or nursing care

### (ii) Metrics and targets

We have established the following metrics and targets for our talent development policy and internal environment development policy.

Metrics	Result (FY2024)	Target (FY2026)
Percentage of women hired among new graduates in sales, administration, and engineering divisions	24.5%	20.0% or more
Rate of male employees taking childcare leave	62%	50% or more
Rate of employees returning to work after taking childcare leave	100%	100%
Severity rate	0.00	0.01
Incident rate	0.60	0.50

(Note) As it is difficult to report uniformly due to differences in personnel management, the scope of coverage is limited to THK Japan.

Due to the occurrence of occupational accidents at multiple business sites, we were unable to achieve our target incident rate. As a measure to prevent lost-time accidents, we formulated standards and conducted training to make cautionary points in non-routine operations easier to understand. In FY2025, we plan to have a specialist department observe the status of implementation through on-site inspections for countermeasures for occupational accidents that have occurred in the past three years. We will continue striving to prevent occupational accidents.

### 3. [Business and Other Risks]

The risks and uncertainties that may affect the THK Group's operating results and financial position include the following. However, these risks are not exhaustive, and there may be additional risks that are unforeseeable or considered immaterial at the moment and yet will impact the Group's management in the future.

Please note that the forward-looking statements in this section are based on the THK Group's judgment as of the end of the fiscal year.

#### (1) Risk management structure of the Company

In order to gain an accurate understanding of every kind of risk related to the business activities of the THK Group and to facilitate more appropriate risk-taking by executive staff, the Company established the Risk Management Committee headed by the Representative Director and President and created a Group-wide risk management structure based on the risk management rules. The Risk Management Committee establishes and formulates countermeasures to risks identified in relation to the Group's business activities and verifies whether the risk management structure is functioning in an effective manner.

In addition, the Company considers risk as an uncertainty that impacts the organization's profits and losses, and believes that risks have both positive and negative sides. If a risk that is on the negative side is hedged appropriately while one that is on the positive side is actively taken, we believe it will lead to sustained growth in the future.

#### (2) Risk identification method

The Company performs risk assessments for the entire THK Group each year pursuant to the risk management rules. The materiality of risks is assessed by mapping using the two axes of "probability of occurrence" and "impact" based on the results of risk assessment reported by group companies within and outside Japan as well as the respective divisions of the Company, to determine the priorities to be given to measures against risks. The frequency and impact of a risk are each assessed on a five-point scale; the higher the number is and the more companies/divisions identify it as a risk, the higher the risk.

#### (3) Business and other risks

##### <Particularly material risks>

##### (i) Natural disasters, geopolitical issues, acts of terrorism, wars, infectious diseases and others

The THK Group has manufacturing and sales bases not only in Japan but also in the Americas, Europe, Asia and other regions. In the event that those business bases and/or our suppliers' business bases are affected by a disaster, such as an earthquake, typhoon, or fire; political instability due to acts of terrorism or war; the spread of an infectious disease; or other factors, overall business activities, including production activities, may be materially impacted. The Group has formulated a business continuity plan (BCP) and taken preventive measures to minimize any impact in the event of a crisis, and measures to continue operations and ensure early recovery, in addition to introducing a crisis management service to promptly ascertain impacts on the Company in the event of a natural disaster, such as an earthquake, typhoon, or heavy rain, in order to establish a system that allows us to identify business offices and suppliers located in the affected areas and promptly ascertain the status of component supply due to damage. However, it is difficult to completely avoid risks and, in the event damage occurs that exceeds the assumption, the operating results and financial position of the Group could be impacted as a result.

The impact of political and economic turmoil in various regions caused by changes in international relations, including the prolonged Russia-Ukraine issue and the intensification of conflict in the Middle East, has manifested itself in soaring global prices and shortages in the supply of parts and raw materials. The scale of the Group's business activities in the countries involved in these conflicts is relatively small, and the direct impact of the conflict on the Group's business is minimal. However, the outlook is

uncertain, and if geopolitical risks were to heighten due to the Russia-Ukraine issue persisting further or international conflicts occurring in other regions, the Group's business activities, which are operated globally, may be affected by such events as soaring energy and raw material prices, delays in procuring raw materials and the suspension of business activities.

(ii) International activities and overseas expansion

The THK Group has manufacturing and sales bases in the Americas, Europe, Asia and other regions. With the emergence of products from emerging countries, mainly China, the competitive environment from a pricing perspective, in particular, is becoming increasingly challenging globally.

The Group not only conducts daily sales activities with a customer-focused approach where we think, act, and verify results from the customer's perspective, but has also introduced a mechanism to accurately capture the needs of customers and markets by making use of IT, to develop and offer high-performance and highly value-added products on a continuing basis. However, if we are unable to adequately forecast the needs of customers and markets, and thereby fail to develop attractive new products or launch new products in a timely manner in markets, or other companies develop innovative products that cause the Company's products to lose their position in the market for machinery components and components for transportation equipment, it could potentially result in lower future growth and profitability.

Moreover, international conflict such as friction between the U.S. and China and the Russia-Ukraine issue have led to various government policies and regulatory changes in security trade control, resulting in mounting uncertainty in overseas business operations. We monitor on a global basis the latest status of political/economic circumstances, laws and regulations, tariffs as well as export regulations based on security trade control and take measures, including reviewing trade formats and supply chains, and are also strengthening our global pre-screening processes for transactions of concern. In doing so, we aim to mitigate impact from the increasingly complex export restrictions and sanctions on our businesses. However, changes in political circumstances or economic conditions in a country or region in which the Group's products are manufactured and sold, or unexpected changes to laws and regulations may cause the operating results and financial position of the Group to be impacted.

(iii) Talented human resources

To strengthen human capital and maintain its competitiveness, the THK Group actively hires not only new graduates but also mid-career personnel, and hires superior talent both within and outside Japan on a continuing basis. We are working to support the development of employees in order to empower individuals. We also believe that promoting diversity is important in order to realize a diverse and meaningful work environment. To enable employees who are raising children or caring for elderly family members to balance work and life with peace of mind, we are implementing initiatives to support childbirth, childcare and nursing care. From the perspective of promoting the active participation of women in the workplace, we also aim to increase the percentage of women hired among new graduates. Moreover, we strive to improve the system and employee engagement by, for example, supporting the elderly and the disabled in playing more active roles and confirming employees' desires through a self-reporting system.

However, the increased global demand for talent with skills in specific fields has further intensified the competition for talent in each field, which was already intense against the backdrop of the declining working population caused by the aging population and declining birthrate. If the Group fails to hire appropriate talent as planned or experiences difficulty in developing talent, it could pose a problem for technology and skill succession and constrain the execution of the Group's businesses.

In addition, while the Group endeavors to develop stable labor-management relations, there are differences in labor-management practices in overseas countries. In the event of a deterioration in labor-management relations or a labor dispute caused by an unexpected event, such as changes in the legal framework, economic environment or social environment, or a sharp rise in the wages of employees primarily in emerging countries, the operating results and financial position of the Group could be impacted.



(iv) Impact of changes in demand trends in specific industry sectors

The THK Group operates industrial machinery business and automotive & transportation business. Industrial machinery business manufactures and sells machinery components, such as LM Guides and ball screws, and automotive & transportation business manufactures and sells components for transportation equipment, including link balls and suspension ball joints. Industrial machinery business sells their products mainly to manufacturers of industrial machinery, including machine tools, general machinery and semiconductor manufacturing equipment, while automotive & transportation business sells their products to manufacturers of transportation equipment such as automotive-related companies. The Group promotes the expansion of the business domains through the three axes of its growth strategy: “Full-Scale Globalization,” “Development of New Business Areas,” and “Change in Business Style.” By adding an FA solution business to our existing machinery component business, we aim to establish a structure that allows us to support the manufacturing operations of a variety of customers, from machine builders to machine users. In this way, we endeavor to diversify risks without depending on particular customers/products. However, at present, the operating performance of the Group is susceptible to demand trends in industry sectors such as machine tools, general machinery, semiconductor manufacturing equipment, and transportation equipment, which are its main customers. Automotive & transportation business, in particular, tends to be greatly affected by the trends in the automotive industry. Accordingly, rapid changes in the demand trends in a particular industry sector in the future may cause the operating results and financial position of the Group to be impacted.

(v) Procurement of raw materials and components

The THK Group procures raw materials and components used in product manufacturing from multiple suppliers across the world, not limited to those in Japan. We consider those suppliers as “valuable partners for ensuring mutual growth,” provide forums for sharing information about new technology, production methods and materials, and build collaborative frameworks with them. In this way, we endeavor to maintain stable and continued supply, as well as ensure thorough cost management. Further, given the demand from society for enhanced responses from an ESG perspective throughout supply chains, including the handling of conflict minerals and consideration for the environment, we distribute the “CSR Procurement Guidelines” to suppliers to ensure CSR procurement.

International conflicts such as the Russia-Ukraine issue has caused global price spikes, and if international conflicts arise elsewhere, and, further, in case of insufficient production capacity, poor quality, bankruptcy or compliance violations of a supplier, natural disasters such as fire and earthquakes, or, in the event that an outbreak of an infectious disease or other event causes a country or region in which a supplier is located to be locked down, resulting in a shortage of raw materials and components due to a disruption in the supply chain, or the prices of raw materials soar unexpectedly on the back of higher oil prices, social circumstances in a country supplying raw materials, increased demand in emerging countries and others, the operating results and financial position of the Group could be impacted.

(vi) Information security

At times, the THK Group obtains personal information through its business activities and holds confidential information for sales and technological purposes.

The Group has established and operates the Information Security Committee, which is chaired by the Representative Director and President and the meetings of which are attended by external experts as observers, to establish a management system for information security and develop and enhance rules. We also respond to the tightening of laws and regulations, including those on the protection of personal information within and outside Japan, as the need arises, and conduct employee education to improve information literacy, with a view to ensuring strict management of information.

In addition, as the Group makes use of various information systems and IT networks in its overall businesses, adequate safety measures are put in place for those systems.

In recent years, risks associated with information security have been increasing as cyber attacks are becoming more advanced and stealthy and cloud-based services are used more widely, and various countries are moving to strengthen regulations regarding the handling of held information from the perspective of privacy protection. In light of this, we endeavor to strengthen security as needed. However, in the event that a cyber attack, computer virus infection, unauthorized access, infrastructure failure, information system malfunction, or other cause results in an unforeseen event, such as an information leak, destruction or alteration of important data, or a system outage, it may cause the social trust in the Group to be compromised, its business activities to be interrupted, costs to be incurred for measures, a large penalty to be paid, or business dealings to be suspended, thereby impacting the operating results and financial position of the Group.

#### <Material risks>

##### (i) Quality issue of products

Beyond the field of industrial machinery, such as machine tools, industrial robots and semiconductor manufacturing equipment, the THK Group's products have come to be used across an increasingly extensive range of applications that are closer to consumer products, including automobiles, seismic isolation and damping systems, medical equipment, amusement devices, and aircraft.

In this environment, the Group has established a quality assurance system in which each production facility both within and outside Japan is certified under the ISO 9001 Quality Management System, and the Group engages in the development and manufacturing of various products and services according to said standard, to provide a quality assurance system for the industrial machinery business. We also obtain certifications under quality standards adapted to the automotive & transportation business such as automobile industry, and new fields such as aerospace industry, in order to develop an advanced quality assurance system for all types of markets.

However, it is impossible to eliminate the risk of product defects entirely. Should an unexpected problem with a product occur that gives rise to a large-scale recall or product liability, it may cause enormous costs to be incurred, social trust to be compromised and business dealings to be suspended, thereby impacting the operating results and financial position of the Group.

Further, while the Group subscribes to global product liability insurance, there is no guarantee that loss associated with compensation for damage will be covered in full.

##### (ii) Changes in foreign exchange rates

The THK Group hedges foreign exchange risk associated with foreign currency-denominated transactions, primarily export and import transactions, through foreign exchange forwards and others. However, should significant changes in foreign exchange rates arise, the operating results and financial position of the Group could be impacted.

Further, the financial statements of subsidiaries outside Japan are converted into Japanese yen in the preparation of consolidated financial statements. Even when amounts in local currency are unchanged, foreign exchange rates at the time of conversion may cause amounts in yen in the consolidated financial statements to be impacted.

##### (iii) Changes in interest rates

The THK Group raises funds by such measures as taking loans from financial institutions and issuing bonds and commercial paper, and makes decisions on the amount, period and method of fundraising by taking into consideration the nature of the demand for funds, its financial position and the financial environment. If the interest rates rise, the cost of fundraising increases. To mitigate this impact, the Group uses derivative instruments such as interest rate swap agreements.

The Group uses a discount rate based on market interest rates to calculate the present value of invested assets. If interest rates rise significantly, the discount rate used to calculate the value in use will rise significantly, which may reduce the recoverable amount and affect the value of the assets.

Depending on the interest rates, the operating results and financial position of the Group could be impacted.

(iv) Environmental issue

The THK Group believes that it is a company's social responsibility to leave the global environment in a healthy state for the next generation. Accordingly, the Group has formulated the THK Group's Basic Environmental Policy and endeavors to develop energy-saving products, continually decrease its environmental impact, sustain and improve the natural environment, and take other measures. Moreover, in addition to having the respective production bases certified according to ISO 14001, an international standard for environmental management systems, the Group is complying with various regulations, as exemplified by the Restriction of Hazardous Substances Directive (RoHS) and REACH Regulation in the EU and the Administrative Measure on the Control of Pollution by Electronic Information Products in China, not to mention adhering to environment-related laws and regulations in Japan and abroad, by applying the Green Procurement Guidelines to production bases within and outside Japan. There have been no material environmental issues to date.

However, in the event that an environmental issue arises in the future due to an unforeseen event, it may give rise to liability for damages and costs associated with the response, an administrative disposition, including a fine, loss of public trust, suspension of production activities and others, thereby impacting the operating results and financial position of the Group.

Further, if environmental regulations become even more stringent, giving rise to additional obligations or costs, the operating results and financial position of the Group could be impacted.

With regard to the impact of climate change (rising temperatures), the results of a scenario analysis in accordance with the TCFD recommendations are as described in "2. Sustainability Approach and Initiatives (2) Climate change."

(v) Compliance

The THK Group engages in businesses globally and is subject to laws and regulations of various countries. Furthermore, if harassment or human rights issues were to occur in the Group's workplaces, the physical and mental health of employees could deteriorate, and social trust and corporate image could be tarnished. This may materialize risks related to securing and developing talent, which could have a significant impact on the Group's operations.

In order to thoroughly instill compliance awareness and create a work environment that does not tolerate misconduct, the Group has established and operates the Compliance Committee, which is headed by the Representative Director and President and the meetings of which are attended by external experts as observers. The Group maintains structures and ensures fair corporate activities with the aim of complying with laws, internal standards, and ethical norms. In addition, we have formulated the THK Group Action Charter, which the Group's executives and employees must share and adhere to. We not only make it known to all executives and employees of the Group, but also conduct necessary internal training, to improve compliance awareness.

Further, an internal reporting system was established to receive reports on acts in violation of laws, internal standards and others, or acts that may result in a violation, to prevent compliance violations. There is a combination of three internal and external contacts for reporting: the department in charge, the Audit and Supervisory Committee and a legal advisor. We have also established a helpline to receive consultations regarding violations of laws and regulations against business partners committed by the Group organizations or executives and employees.

However, it is difficult to completely avoid compliance risks as we engage in businesses globally. If a violation of laws and regulations occurs, it may cause the Group to incur criminal, civil or administrative liability, or its social trust may be compromised, thereby impacting the operating results and financial position of the Group.

#### 4. [Management Analyses of Consolidated Financial Position, Operating Results and Cash Flows]

##### (1) Summary of the status of consolidated operating results, etc.

The status of the consolidated financial position, operating results and cash flows (hereinafter referred to as “operating results, etc.”) of the THK Group (the Company, its consolidated subsidiaries and equity-method affiliate) during the fiscal year is outlined below.

##### (i) Status of consolidated operating results

In this fiscal year, 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,” “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 Guides (Linear Motion Guides). 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 production/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 newly developed products. Such business fields include automobile parts, medical equipment, aircraft, and robotics, 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 expanding its business fields by changing its business style by making full use of AI, IoT, robot and technologies in many ways.

In such a situation, demand for products of the industrial machinery business headed for a moderate recovery trend; however, revenue decreased as compared to the figure a year earlier, when the order backlog was at a high level, particularly in the first half of the fiscal year. In the automotive & transportation business, the first half of the year was generally strong due to the easing of automobile parts supply shortages, but automobile production continued to decline in the second half of the year. On the other hand, the yen weakened compared to the previous year. As a result, consolidated revenue amounted to ¥352,759 million, up ¥820 million, or 0.2%, compared to the figure a year earlier.

On the cost front, the cost to revenue ratio was 76.8%, the same as in the previous fiscal year.

Selling, general and administrative expenses amounted to ¥64,639 million, up ¥5,680 million, or 9.6%, compared to the figure a year earlier. The ratio to revenue rose by 1.5 percentage points from a year earlier to 18.3% despite the THK Group’s endeavors to improve operating efficiency.

As a result, operating income amounted to ¥17,349 million, down ¥6,358 million, or 26.8%, compared to the figure a year earlier. Operating margin dropped by 1.8 percentage points to 4.9%.

Financial income and financial costs were ¥3,116 million and ¥1,683 million, respectively.

As a result, profit before tax amounted to ¥18,782 million, down ¥6,506 million, or 25.7%, compared to the figure a year earlier. Profit attributable to owners of the parent amounted to ¥10,439 million, down ¥7,959 million, or 43.3%, compared to the figure a year earlier.

Consolidated operating results by segment are as follows.

##### (Japan)

In Japan, revenue amounted to ¥112,905 million, down ¥2,451 million, or 2.1%, compared to the figure a year earlier, when the order backlog of the industrial machinery business was at a high level. Segment income (operating income) amounted to ¥7,845 million, down ¥2,773 million, or 26.1%, compared to the figure a year earlier due mainly to the decrease in revenue.

(The Americas)

In the Americas, revenue amounted to ¥91,756 million, up ¥2,530 million, or 2.8%, compared to the figure a year earlier due mainly to the weaker yen. Segment income (operating income) amounted to ¥2,408 million, up ¥188 million, or 8.5%, compared to the figure a year earlier due mainly to the increase in revenue.

(Europe)

In Europe, revenue amounted to ¥67,599 million, down ¥2,948 million, or 4.2%, compared to the figure a year earlier due mainly to weak demand in the industrial machinery business and the impact of a decline in automobile production in the automotive & transportation business. Segment income (operating income) dropped by ¥2,087 million, and consequently turned to ¥407 million of segment loss (operating loss).

(China)

In China, revenue amounted to ¥62,525 million, up ¥3,115 million, or 5.2%, compared to the figure a year earlier due mainly to the weaker yen. Segment income (operating income) amounted to ¥7,202 million, down ¥284 million, or 3.8%, compared to the figure a year earlier.

(Other areas)

In other countries and regions, the THK Group expanded its sales channels and implemented aggressive sales activities to cultivate new customers while demand for the THK Group's products was widely expanded in India and the ASEAN countries. In such a situation, revenue amounted to ¥17,972 million, up ¥574 million, or 3.3%, compared to the figure a year earlier due mainly to the weaker yen. Segment income (operating income) amounted to ¥746 million, down ¥235 million or 24.0%, compared to the figure a year earlier.

(ii) Overview of consolidated financial position

Total assets stood at ¥567,418 million, ¥11,066 million up from the previous fiscal year-end, due mainly to a combined effect of decrease in cash and cash equivalents by ¥18,193 million and increase in trade and other receivables by ¥2,852 million, inventories by ¥9,199 million, and property, plant and equipment by ¥17,226 million.

Total liabilities stood at ¥177,623 million, ¥15,830 million down from the previous fiscal year-end, due mainly to a combined effect of increase in income taxes payable by ¥2,163 million and decrease in trade and other payables by ¥6,840 million, and bonds and borrowings by ¥12,248 million.

Total equity stood at ¥389,795 million, ¥26,896 million up from the previous fiscal year-end, due mainly to a combined effect of decrease owing to purchase of treasury stock by ¥3,973 million and increase in retained earnings by ¥7,197 million and other components of equity by ¥23,138 million.

(iii) Overview of cash flows

The status of cash flows from operating, investing, and financing activities are as follows.

Cash flows from operating activities totaled ¥28,412 million of cash inflows (compared to ¥39,332 million of cash inflows in the previous fiscal year). This mainly included cash inflows of ¥18,782 million in profit before tax, ¥23,981 million in depreciation and amortization, and cash outflows of ¥570 million in increase in trade and other receivables, ¥5,391 million of increase in inventories, ¥6,805 million in decrease in trade and other payables and ¥3,174 million in income taxes paid.

Cash flows from investing activities totaled ¥34,223 million of cash outflows (compared to ¥27,094 million of cash outflows in the previous fiscal year), due to cash outflows including ¥29,563 million in purchase of property, plant and equipment and ¥2,600 million in payments for transfers of receivables.

Cash flows from financing activities totaled ¥22,652 million of cash outflows (compared to ¥24,266 million of cash outflows in the previous fiscal year). This included cash outflows of ¥2,185 million in repayments of long-term borrowings, ¥10,000 million in payments for redemption of bonds, ¥4,020 million in purchase of treasury stock and ¥4,167 million in dividends paid.

As a result, cash and cash equivalents as of the end of the fiscal year stood at ¥138,293 million, a decrease of ¥18,193 million compared with the end of the previous fiscal year.

(iv) Results of production, orders received and sales

The THK Group manufactures and sells many different categories of products, in widely differing areas, and even products of the same type are not necessarily the same in terms of their capacity, construction, form or other elements. There are also products that are not manufactured on a made-to-order basis, and we do not indicate production volume or order volume in monetary amounts or quantities for each segment on a consolidated basis.

Accordingly, information on the status of production, orders received and sales is provided as part of “4. Management Analyses of Consolidated Financial Position, Operating Results and Cash Flows, (1) Summary of the status of consolidated operating results, etc., (i) Status of consolidated operating results.”

(2) Analyses and review of the status of consolidated operating results, etc. from management’s perspective

The recognition, analyses and review of the status of consolidated operating results, etc. of the THK Group from management’s perspective are as follows.

Please note that the forward-looking statements herein are based on the judgment as of the end of the fiscal year.

(i) Analysis of consolidated operating results

Consolidated revenue was ¥352,759 million, operating income was ¥17,349 million, profit before tax was ¥18,782 million, and profit attributable to owners of the parent was ¥10,439 million. While revenue increased year on year due to the weaker yen compared with the previous year, each profit item decreased compared to the previous fiscal year, resulting in basic earnings per share (EPS) of ¥85.17 and profit ratio to equity attributable to owners of the parent (ROE) of 2.8%.

Looking at the results by business segment, demand for products of the industrial machinery business headed for a moderate recovery trend; however, revenue decreased as compared to the figure a year earlier, when the order backlog was at a high level, particularly in the first half of the fiscal year. In the automotive & transportation business, the first half of the year was generally strong due to the easing of

automobile parts supply shortages, but automobile production continued to decline in the second half of the year.

Turning to the results by region, in Japan, revenue decreased compared to the figure a year earlier, when the order backlog of the industrial machinery business was at a high level. In the Americas, revenue increased compared to the figure a year earlier due mainly to the weaker yen. In Europe, revenue decreased compared to the figure a year earlier due mainly to weak demand in the industrial machinery business and the impact of a decline in automobile production in the automotive & transportation business. In China, revenue increased compared to the figure a year earlier due mainly to the weaker yen. In Asia and other regions, revenue increased compared to the figure a year earlier due mainly to the weaker yen.

On the cost front, we conducted various improvement activities to boost productivity amid persistently low demand in the industrial machinery business. However, due to a large decrease in volume benefits accompanying the decline in revenue in the industrial machinery business, operating income, profit before tax, and profit attributable to owners of the parent decreased from the previous fiscal year.

(ii) Analyses and review of the status of cash flows, as well as information on sources of capital and fund liquidity

a. Basic policy for financial strategy

The THK Group appropriately raises and allocates funds for the enhancement of corporate value. We have also established a basic financial strategy of maintaining a strong financial base in order to continue our businesses and fulfill our responsibility for supplying the Company's products even in the event of a pandemic, a natural disaster, or other unforeseen event. In relation to the maintenance of a financial base, we aim to maintain and improve our "A+" rating obtained from rating agencies, Rating and Investment Information, Inc. and Japan Credit Rating Agency, Ltd., to ensure that funds can be raised stably. We maintain favorable relationships with major financial institutions. Together with our strong financial base, we believe that it is possible to raise working capital and funds for investment, which are necessary to maintain and expand the Group's businesses and operate them.

b. Financing and fund liquidity

The primary sources of funds for the THK Group are cash flows from operating activities and financing from financing activities, including the issuance of commercial paper and corporate bonds and borrowing from financial institutions. Cash flows from operating activities during the period amounted to ¥28,412 million. In financing activities, commitment lines of ¥30,000 million are in place with major financial institutions to secure means of financing in the event of an emergency.

In addition, the Group has built and operates a cash management system in each of Japan, the Americas, Europe, and China, which enables funds held by the group companies to be used efficiently within the Group. To smooth out unbalanced distribution of funds, improve fund efficiency, and secure liquidity, funds are centrally managed by the Company for Japan, its finance subsidiaries for the Americas and Europe, and the local holding and controlling company for China.

c. Demand for funds

Demand for funds within the THK Group primarily comes from working capital requirement, such as purchasing costs of raw materials and components for manufacturing products, manufacturing costs, and selling and general administrative expenses, as well as capital investments for production efficiency and quality improvement and expansion in production capacity, funds for research and development in response to technological revolution, and payment of dividends.

Capital investments during the fiscal year amounted to ¥31,843 million, up ¥1,689 million, or 5.6%, compared to ¥30,153 million a year earlier. Research and development expenses amounted to ¥7,057

million, up ¥896 million, or 14.5%, compared to ¥6,161 million a year earlier. Dividends paid totaled ¥4,167 million.

These capital investments and research and development expenses as well as dividend payment are financed primarily by own funds.

d. Approach to allocation of management resources

On November 12, 2024, THK announced “Notice Regarding Decision of Basic Policy (Early Realization of ROE of Over 10%) for Revision of the Current Management Targets for FY2026 (Five-Year Plan).”

Based on this policy, we will implement business selection and concentration to promote management that emphasizes profitability and capital efficiency, and we will be highly disciplined mainly in making “capital investments that contribute to productivity improvement including IT,” “talent investments,” and “investments in research and development.” Furthermore, the profit generated by structural reforms will be allocated to growth investments aimed at strengthening the competitiveness of our businesses.

As for the distribution of profit, for the purpose of improving capital efficiency, we have set the required level of equity capital and our dividend policy to maintain a dividend on equity (DOE) ratio of 8% with the aim of more actively returning profits to shareholders until we achieve “Early Realization of ROE of Over 10%.”

(iii) Significant accounting estimates and assumptions for those estimates

The consolidated financial statements of the THK Group are prepared based on IFRS pursuant to the provisions of Article 312 of the “Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements” (hereinafter referred to as the “Regulations of Consolidated Financial Statements”). Estimates deemed necessary for the preparation of the consolidated financial statements have been made in accordance with reasonable standards.

Material accounting policies, accounting estimates and assumptions used in those accounting estimates are described in “V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated financial statements, Notes to the consolidated financial statements, 3. Material accounting policy information, and 4. Significant accounting estimates and judgments involving estimates.”



5. [Material Agreements, etc.]

Not applicable

6. [Research and Development]

The THK Group is actively engaged in R&D activities, conducted primarily at its Head Office and the Technology Center (Tokyo) as an R&D base, to develop core linear motion systems and other products by applying the core technologies and know-how in linear motion systems, including mechatronics such as Precision XY Stage and linear motor actuators, and products in fields close to consumer goods such as automobiles, seismic isolation and damping systems, medical equipment, aircraft, renewable energy, and robotics.

Turning to activities outside Japan, we established the R&D Center in China, the Company's R&D facility. We also established the R&D Division of THK RHYTHM AUTOMOTIVE in Germany, and the THK Group is working to establish an R&D framework for product development at optimal locations covering the Americas, Europe, and Asia to enable development of products that more accurately meet diverse needs of global customers.

In the industrial machinery business, THK developed the Super-Low Waving Caged Ball LM Guide Model SPH in the area of LM Guide products. Its dimensions are ISO-compliant, achieving super-low waving that is best-in-class among linear motion guides. We also expanded our lineup of the super-heavy load LM Guide Model NR-X/NRS-X for machine tools. These help meet the high performance requirements of machine tools. We developed the Low-Magnetic Permeability LM Guide HSR-M0 that uses THK-NM1, a ferrous material that offers both the high load performance required of an LM Guide and high levels of non-magnetism. We are working to expand our sales of products for applications with high performance and non-magnetic property requirements, such as electron beam lithography systems and electron microscopes. Furthermore, we also sought to expand our lineup with the compatible LM Guide Model RSX, which is easy to use in a wide range of markets. In addition, we developed the Model HSR-X, with an improvement on the compact HSR which provides highly compatible, ball retention functions.

In the area of ball splines, we developed our smallest diameter ball splines, Model LT/LF3X and Model LT/LF3XD. These contribute to the further miniaturization of equipment.

In the actuator, THK added a lead variation for the LM guide actuator KR Model, which is used for a wide range of purposes.

In seismic isolation, we have begun accepting orders for the new Seismic Isolation Table Model CGM, used as a seismic countermeasure for semiconductor manufacturing equipment (vertical furnaces).

In IoT, for OMNIedge, a solution that helps reduce customer manufacturing site losses and maximize overall equipment effectiveness (OEE), we launched a predictive part failure detection AI solution for linear motion products such as the LM Guides and ball screws and for rotating components, such as motors and pumps, and an AI solution for detecting equipment wear, damage, and breakage. Furthermore, we simultaneously released a skill management AI solution for centrally managing talent skill information and an integrated maintenance management system that supports the comprehensive management and operation of maintenance activities. We will continue to develop solutions that help reduce production site loss and maximize overall equipment effectiveness (OEE).

In our factory automation, in August 2024 we officially released our next-generation linear transport system, Versatile Transport System (VTS). In recent years, production sites have been required to handle the production of a wide variety of articles, in varying quantities. This VTS system is a linear system that can flexibly assist with automation. For Model PPR, robots specialized for the pick and place process of small components such as electronic components, we are continuing our development to meet the needs of the market and promoting to expand overseas. Our flexible next-generation transfer robot SIGNAS can be used without placing guide tape on the floor, simply by placing signpost markers along the route, and can also traverse rough surfaces. This makes it easy to set up routes for them, and we have received a large number of inquiries regarding their use not only in automobile and electrical device factories but also logistics centers,

food plants, and other new customers. We will continue our development to further improve their performance so they can be used by a wider range of customers.

In the automotive & transportation business, THK launched aluminum products that are manufactured by a new method to meet the needs for reducing the weight of automobiles with the transition to electric vehicles and strived to expand sales. In North America, having succeeded in internalizing aluminum forging technology, THK has been serving not only U.S. customers but also Japanese manufacturers who require local sources of procurement.

In addition to the linkage and suspension (L&S) business, the THK Group has developed and is mass-producing ball screw products for “CASE” automobiles as a second pillar for our business. The products are now developed not only as components for automatic braking, but also as components for next-generation suspension units.

Furthermore, we will aim to expand sales into new fields such as eAxle and ball screws for new brake systems.

In addition to continuing to promote the development of next-generation products aimed at a true market-oriented approach that anticipates needs, of which customers themselves are not yet aware, five or ten years into the future, we will strive to expand our product lineup to meet current customer needs.

Research and development expenses during the fiscal year totaled ¥7,057 million.

### III. [Information about Facilities]

#### 1. [Overview of Capital Investments, etc.]

The THK Group made investments aimed at developing production systems to respond to diversifying demand, increasing production efficiency and improving quality.

As a result, total capital investments in the fiscal year amounted to ¥31,843 million (of which, ¥30,712 million was for investments in property, plant and equipment).

The amount of capital investments by segment is as follows.

##### (1) Japan

In Japan, investments in buildings, machinery and facilities, tools, furniture and fixtures, and others of ¥10,700 million and ¥1,397 million were made by the Company and THK KIRYU CO., LTD., respectively.

As a result, capital investments in Japan in the fiscal year amounted to ¥14,879 million.

##### (2) The Americas

In the Americas, investments in machinery and facilities, tools, furniture and fixtures, and others of ¥1,704 million and ¥812 million were made by THK Manufacturing of America, Inc. and THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION, respectively.

As a result, capital investments in the Americas in the fiscal year amounted to ¥3,667 million.

##### (3) Europe

In Europe, investments in machinery and facilities, tools, furniture and fixtures, and others of ¥836 million and ¥572 million were made by THK RHYTHM AUTOMOTIVE CZECH a.s. and THK Manufacturing of Europe S.A.S., respectively.

As a result, capital investments in Europe in the fiscal year amounted to ¥1,830 million.

##### (4) China

In China, investments in machinery and facilities, tools, furniture and fixtures, and others of ¥1,901 million and ¥1,754 million were made by THK MANUFACTURING OF CHINA (WUXI) CO., LTD. and THK MANUFACTURING OF CHINA (LIAONING) CO., LTD., respectively.

As a result, capital investments in China in the fiscal year amounted to ¥5,742 million.

##### (5) Other regions

In other regions, investments in buildings, machinery and facilities, tools, furniture and fixtures, and others of ¥3,355 million and ¥2,253 million were made by THK India Pvt. Ltd. and THK MANUFACTURING OF VIETNAM CO., LTD., respectively.

As a result, capital investments in other regions in the fiscal year amounted to ¥5,723 million.

## 2. [Major Facilities]

Major facilities of the THK Group (the Company and its consolidated subsidiaries) are as follows.

### (1) Reporting company

As of December 31, 2024

Business Office Name (Location)	Segment Name	Details of the Facilities	Carrying Value (Millions of Yen)					Number of Employ- ees (Persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (Site area: Thousand square meters)	Other	Total	
Kofu Plant (Chuo-shi, Yamanashi) (Note 2)	Japan	Production facilities	740	4,413	365 [38]	25	5,544	553
Gifu Plant (Sekigahara-cho, Fuwa-gun, Gifu) (Note 2)	Japan	Production facilities	1,054	3,027	2,157 [86]	63	6,303	240
Mie Plant (Matsusaka-shi, Mie) (Note 2)	Japan	Production facilities	892	3,722	211 [42]	104	4,930	296
Yamaguchi Plant (Sanyo Onoda-shi, Yamaguchi) (Note 2)	Japan	Production facilities	1,980	12,489	1,122 [175]	238	15,831	800
Yamagata Plant (Higashine-shi, Yamagata) (Kawasaki-ku, Kawasaki-shi, Kanagawa) (Note 2)	Japan	Production facilities	7,661	9,841	1,847 [176]	103	19,453	822
Head Office (Minato-ku, Tokyo) (Ota-ku, Tokyo) Engineering Development Dept. and other administrative divisions	Japan	Research and development facilities Administrative facilities	280	1,511	706 [7]	1,340	3,837	878
Chubu Distribution Center (Sekigahara-cho, Fuwa-gun, Gifu) Four other centers across Japan	Japan	Logistic facilities	528	3	15 [5]	4	551	24

## (2) Subsidiaries in Japan

As of December 31, 2024

Company Name (Location)	Segment Name	Details of the Facilities	Carrying Value (Millions of Yen)					Number of Employ- ees (Persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (Site area: Thousand square meters)	Other	Total	
THK INTECHS CO., LTD. Mishima Plant (Shimizu-cho, Sunto- gun, Shizuoka)	Japan	Production facilities	360	394	42 [12]	101	899	160
THK INTECHS CO., LTD. Sendai Plant (Ohira-mura, Kurokawa-gun, Miyagi)	Japan	Production facilities	1,647	828	206 [59]	66	2,749	185
THK NIIGATA CO., LTD. (Agano-shi, Niigata)	Japan	Production facilities	1,726	2,457	181 [51]	84	4,448	291
THK RHYTHM CO., LTD. Head Office, Hamamatsu Plant (Hamamatsu-shi, Shizuoka)	Japan	Production facilities	946	995	2,251 [104]	227	4,420	584
THK RHYTHM CO., LTD. Kyushu Plant (Nakatsu-shi, Oita)	Japan	Production facilities	721	636	182 [46]	92	1,632	154
THK KIRYU CO., LTD. (Kiryu-shi, Gunma)	Japan	Production facilities	1,876	1,258	406 [25]	58	3,600	48

## (3) Subsidiaries outside Japan

As of December 31, 2024

Company Name (Location)	Segment Name	Details of the Facilities	Carrying Value (Millions of Yen)					Number of Employ- ees (Persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (Site area: Thousand square meters)	Other	Total	
THK Manufacturing of America, Inc. (Hebron, Ohio, the U.S.A.)	The Americas	Production facilities	1,518	4,452	151 [109]	49	6,172	405
THK RHYTHM NORTH AMERICA CO., LTD. (Sparta, Tennessee, the U.S.A.)	The Americas	Production facilities	1,259	2,119	42 [116]	39	3,461	214
THK RHYTHM MEXICANA, S.A. DE C.V. (Guanajuato, Mexico)	The Americas	Production facilities	1,045	453	102 [91]	23	1,624	257
THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION (Portland, Michigan, the U.S.A.)	The Americas	Production facilities	303	2,278	136 [307]	325	3,044	281
THK RHYTHM AUTOMOTIVE CANADA LIMITED (St. Catharines, Ontario, Canada)	The Americas	Production facilities	859	3,545	419 [178]	—	4,823	508
THK Manufacturing of Europe S.A.S. (Ensisheim, France)	Europe	Production facilities	1,855	3,990	256 [198]	206	6,308	327
THK Manufacturing of Ireland Ltd. (Dublin, Ireland)	Europe	Production facilities	384	146	109 [10]	4	645	32
THK RHYTHM AUTOMOTIVE GmbH (Düsseldorf, Nordrhein-Westfalen, Germany)	Europe	Production facilities Research and development facilities	391	1,389	826 [64]	225	2,831	401
THK RHYTHM AUTOMOTIVE CZECH a.s. (Dačice, Czech Republic)	Europe	Production facilities	1,726	5,682	189 [130]	543	8,142	711
DALIAN THK CO., LTD. (Dalian, Liaoning Province, China)	China	Production facilities	2,273	5,741	— [—]	905	8,920	881
THK MANUFACTURING OF CHINA (WUXI) CO., LTD. (Wuxi, Jiangsu Province, China)	China	Production facilities	1,624	8,301	— [—]	411	10,336	526

Company Name (Location)	Segment Name	Details of the Facilities	Carrying Value (Millions of Yen)					Number of Employees (Persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (Site area: Thousand square meters)	Other	Total	
THK MANUFACTURING OF CHINA (LIAONING) CO., LTD. (Dalian, Liaoning Province, China)	China	Production facilities	4,020	8,015	— [—]	1,154	13,190	751
THK RHYTHM GUANGZHOU CO., LTD. (Guangzhou, Guangdong Province, China)	China	Production facilities	464	1,077	— [—]	62	1,605	95
THK RHYTHM CHANGZHOU CO., LTD. (Changzhou, Jiangsu Province, China)	China	Production facilities	1,244	1,438	— [—]	322	3,006	104
THK MANUFACTURING OF CHINA (CHANGZHOU) CO., LTD. (Changzhou, Jiangsu Province, China)	China	Production facilities	2,010	2,040	— [—]	166	4,217	324
THK RHYTHM (THAILAND) CO., LTD. (Rayong, Thailand)	Other	Production facilities	97	227	116 [18]	14	456	94
THK MANUFACTURING OF VIETNAM CO., LTD. (Bac Ninh, Vietnam)	Other	Production facilities	1,938	4,011	— [—]	2,300	8,250	479
THK RHYTHM MALAYSIA Sdn. Bhd. (Penang, Malaysia)	Other	Production facilities	150	519	— [—]	16	687	131
THK India Pvt. Ltd. (Andhra Pradesh, India)	Other	Production facilities	3,115	5,534	— [—]	1,379	10,029	237

- (Notes)
1. For carrying values, “Other” consists of tools, furniture and fixtures, and others, and does not include construction in progress.
  2. It includes buildings under lease of ¥431 million, which are leased to Neturen Co., Ltd. and other parties we outsource to.
  3. Some of the major facilities are leased, and rent expenses amounted to ¥1,496 million.
  4. Currently, there is no suspension of machinery and equipment, etc. that could materially impact production capacity.
  5. The above amounts do not include consumption taxes, etc.
  6. Buildings and structures of the Head Office include right-of-use assets.

### 3. [Planned Additions, Retirement, etc. of Facilities]

Facility plans of the THK Group (the Company and its consolidated subsidiaries) are, in principle, formulated by each consolidated Group company and coordinated by the reporting company.

Planned additions, retirement, etc. of important facilities as of the end of the fiscal year are as below.

#### (1) Additions, etc. of important facilities

Company Name Business Office Name	Location	Segment Name	Details of the Facilities	Planned Investment Amount		Financing Method	Schedule		Objectives of Capital Investments
				Total amount (Millions of Yen)	Amount already paid (Millions of Yen)		Com- mencement	Completion	
THK CO., LTD. Yamaguchi Plant	Sanyo Onoda-shi, Yamaguchi	Japan	Production facilities	1,477	—	Own funds	January 2025	December 2025	Expansion in production capacity Product quality improvement
THK CO., LTD. Yamagata Plant	Higashine-shi, Yamagata	Japan	Production facilities	1,325	—	Own funds	January 2025	December 2025	Expansion in production capacity Product quality improvement
THK CO., LTD. Production Engineering Department	Minato-ku, Tokyo Sanyo Onoda-shi, Yamaguchi, and others	Japan	Production facilities	2,536	—	Own funds	January 2025	December 2025	Expansion in production capacity Product quality improvement
THK CO., LTD. Head Office	Minato-ku, Tokyo Ota-ku, Tokyo, and others	Japan	Administrati ve facilities Research and development facilities	2,068	—	Own funds	January 2025	December 2025	Operating efficiency improvement Research and development
THK KIRYU CO., LTD.	Kiryu-shi, Gunma	Japan	Production facilities	2,027	—	Own funds	January 2025	December 2025	Expansion in production capacity Product quality improvement
THK India Pvt. Ltd.	Andhra Pradesh, India	Other	Production facilities	3,792	—	Own funds	January 2025	December 2025	Expansion in production capacity Product quality improvement
THK MANUFACTURING OF CHINA (LIAONING) CO., LTD.	Dalian, Liaoning Province, China	China	Production facilities	1,651	—	Own funds	January 2025	December 2025	Expansion in production capacity Product quality improvement
THK RHYTHM AUTOMOTIVE CZECH a.s.	Dačice, Czech Republic	Europe	Production facilities	1,227	—	Own funds	January 2025	December 2025	Expansion in production capacity Product quality improvement

(Notes) 1. The above amounts do not include consumption taxes, etc.

2. Since it is difficult to categorically determine increased capacity after the completion based on the above plans for capital investments, its information is omitted.

#### (2) Retirement, etc. of important facilities

Not applicable



#### IV. [Information on the Reporting Company]

##### 1. [Status of Shares, etc.]

##### (1) [Total number of shares, etc.]

##### (i) [Total number of shares]

Category	Total Number of Authorized Shares (Shares)
Common stock	465,877,700
Total	465,877,700

##### (ii) [Shares issued]

Category	Number of Shares Issued as of the End of the Fiscal Year (Shares) (December 31, 2024)	Issued Number as of Date of Submission (Shares) (March 17, 2025)	Name of Listed Financial Instruments Exchange or Name of Registered Authorized Financial Instruments Firms Association	Contents
Common stock	129,856,903	129,856,903	Tokyo Stock Exchange (Prime Market)	The number of shares constituting one trading unit is 100 shares.
Total	129,856,903	129,856,903	—	—

##### (2) [Status of stock acquisition rights, etc.]

##### (i) [Contents of stock option system]

Not applicable

##### (ii) [Contents of rights plan]

Not applicable

##### (iii) [Status of other stock acquisition rights, etc.]

Not applicable

##### (3) [Exercise status of corporate bonds with stock acquisition rights with exercise price amendments, etc.]

Not applicable

##### (4) [Changes in total number of issued shares, common stock, etc.]

Date	Changes in Total Number of Issued Shares (Thousands of Shares)	Number of Outstanding Shares (Thousands of Shares)	Changes in Common Stock (Millions of Yen)	Common Stock Balance (Millions of Yen)	Changes in Capital Reserve (Millions of Yen)	Capital Reserve Balance (Millions of Yen)
November 26, 2021 (Note)	(4,000)	129,856	—	34,606	—	47,471

(Note) Decrease due to disposition of treasury stock.

## (5) [Status by owner]

As of December 31, 2024

Item	Status of Shares (Number of Shares in One Trading Unit: 100 Shares)								Status of Shares Less Than One Unit (Shares)
	Government and local governments	Financial institution	Financial instruments trader	Other corporations	Foreign corporations, etc.		Individuals and others	Total	
					Non-individual	Individual			
Number of shareholders (Persons)	0	56	28	227	341	19	12,291	12,962	–
Number of shares owned (Unit)	0	436,452	49,562	82,153	547,052	34	182,600	1,297,853	71,603
Ratio of shares owned (%)	0.00	33.63	3.82	6.33	42.15	0.00	14.07	100	–

(Notes) 1. The 8,344,292 shares of treasury stock include 83,442 units in the “Individuals and others” column, and 92 shares in the “Status of Shares Less Than One Unit” column. The actual number of shares owned as of the end of the term is 8,344,292 shares.

2. “Other corporations” above includes four units of shares in the name of Japan Securities Depository Center, Inc.

## (6) [Status of major shareholders]

As of December 31, 2024

Name	Address	Number of Shares Owned (Thousands of Shares)	Ratio of Number of Shares Owned to Total Issued Shares (Excluding Treasury Stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo, Japan	18,551	15.26
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo, Japan	16,368	13.47
STATE STREET BANK AND TRUST COMPANY 505001 Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.	One Congress Street, Suite 1, Boston, Massachusetts Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo, Japan	6,621	5.44
TERAMACHI CORPORATION	2-34-8 Higashitamagawa, Setagaya-ku, Tokyo, Japan	6,014	4.94
JP MORGAN CHASE BANK 385632 Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.	25 Bank Street, Canary Wharf, London E14 5JP, United Kingdom Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo, Japan	3,007	2.47
BBH (LUX) FOR FIDELITY FUNDS-GLOBAL TECHNOLOGY POOL Standing Proxy: MUFG Bank, Ltd.	2A Rue Albert Borschette, Luxembourg, L-1246 Transaction Services Division, 1-4-5 Marunouchi, Chiyoda-ku, Tokyo, Japan	2,570	2.11
JPMorgan Securities Japan Co., Ltd.	Tokyo Building, 2-7-3 Marunouchi, Chiyoda-ku, Tokyo, Japan	2,254	1.85
JP MORGAN CHASE BANK 385781 Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.	25 Bank Street, Canary Wharf, London E14 5JP, United Kingdom Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo, Japan	2,008	1.65
JP MORGAN CHASE BANK 385864 Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.	25 Bank Street, Canary Wharf, London E14 5JP, United Kingdom Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo, Japan	1,990	1.63
Mizuho Bank, Ltd. Standing Proxy: Custody Bank of Japan, Ltd.	1-5-5 Otemachi, Chiyoda-ku, Tokyo, Japan 1-8-12 Harumi, Chuo-ku, Tokyo, Japan	1,600	1.31
Total	—	60,988	50.19

(Notes) 1. In addition to the above, the Company owns 8,344,000 shares of treasury stock (6.42% of the total number of shares issued).

2. The number of shares related to trust business is as follows among the number of shares owned in the table above.

The Master Trust Bank of Japan, Ltd. (Trust Account)	18,551,000 shares
Custody Bank of Japan, Ltd. (Trust Account)	16,368,000 shares

3. On December 19, 2023, Lazard Asset Management LLC submitted a change report to the Director-General of the Kanto Local Finance Bureau (reporting obligation date: December 15, 2023). The Company has not been able to confirm the actual number of shares owned as of December 31, 2024. The contents of the change report are as follows.

Name	Address	Number of Shares Owned (Thousands of Shares)	Ratio of the Number of Shares Owned to the Total Number of Shares Issued (%)
Lazard Asset Management LLC	30 Rockefeller Plaza, New York City, New York, U.S.A.	4,322	3.33
Lazard Japan Asset Management K.K.	Akasaka Twin Tower (ATT) Annex, 2-11-7 Akasaka, Minato-ku, Tokyo, Japan	2,710	2.09

4. On May 22, 2024, Mizuho Bank, Ltd. submitted a large volume holding report to the Director-General of the Kanto Local Finance Bureau (reporting obligation date: May 15, 2024). The Company has not been able to confirm the actual number of shares owned as of December 31, 2024. The contents of the large volume holding report are as follows.

Name	Address	Number of Shares Owned (Thousands of Shares)	Ratio of the Number of Shares Owned to the Total Number of Shares Issued (%)
Mizuho Bank, Ltd.	1-5-5 Otemachi, Chiyoda-ku, Tokyo, Japan	2,807	2.16
Asset Management One Co., Ltd.	1-8-2 Marunouchi, Chiyoda-ku, Tokyo, Japan	3,840	2.96

5. On July 19, 2024, Sumitomo Mitsui Trust Asset Management Co., Ltd. submitted a change report to the Director-General of the Kanto Local Finance Bureau (reporting obligation date: July 15, 2024). The Company has not been able to confirm the actual number of shares owned as of December 31, 2024. The contents of the change report are as follows.

Name	Address	Number of Shares Owned (Thousands of Shares)	Ratio of the Number of Shares Owned to the Total Number of Shares Issued (%)
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1-1 Shibakoen, Minato-ku, Tokyo, Japan	3,179	2.45
Nikko Asset Management Co., Ltd.	9-7-1 Akasaka, Minato-ku, Tokyo, Japan	2,219	1.71

6. On November 22, 2024, FIL Investments (Japan) Limited submitted a change report to the Director-General of the Kanto Local Finance Bureau (reporting obligation date: November 15, 2024). The Company has not been able to confirm the actual number of shares owned as of December 31, 2024. The contents of the change report are as follows.

Name	Address	Number of Shares Owned (Thousands of Shares)	Ratio of the Number of Shares Owned to the Total Number of Shares Issued (%)
FIL Investments (Japan) Limited	7-7-7 Roppongi, Minato-ku, Tokyo, Japan	4,288	3.30

7. On December 4, 2024, Wellington Management Company LLP submitted a change report to the Director-General of the Kanto Local Finance Bureau (reporting obligation date: November 29, 2024). The Company has not been able to confirm the actual number of shares owned as of December 31, 2024.

The contents of the change report are as follows.

Name	Address	Number of Shares Owned (Thousands of Shares)	Ratio of the Number of Shares Owned to the Total Number of Shares Issued (%)
Wellington Management Company LLP	280 Congress Street, Boston, Massachusetts 02210, U.S.A.	5,524	4.25
Wellington Management Japan Pte Ltd	Palace Building 7th Floor, 1-1-1 Marunouchi, Chiyoda-ku, Tokyo, Japan	1,129	0.87
Wellington Management International Ltd	Cardinal Place, 80 Victoria Street, London SW1E 5JL, United Kingdom	174	0.13

## (7) [Status of voting rights]

## (i) [Shares issued]

As of December 31, 2024

Item	Number of Shares (Shares)	Number of Voting Rights (Voting Rights)	Contents
Non-voting shares	—	—	—
Shares with restricted voting rights (treasury stock, etc.)	—	—	—
Shares with restricted voting rights (other)	—	—	—
Shares with full voting rights (treasury stock, etc.)	(Treasury stocks) Common stock 8,344,200	—	Standard shares of the Company with no restrictions on the content of rights
	(Mutually held shares) Common stock 83,600		
Shares with full voting rights (other)	Common stock 121,357,500	1,213,575	Ditto
Shares less than one unit	Common stock 71,603	—	Ditto
Total number of issued shares	129,856,903	—	—
Voting rights of all shareholders	—	1,213,575	—

(Notes) 1. Common stocks of “Shares with full voting rights (other)” include 400 stocks (four voting rights) in the name of Japan Securities Depository Center, Inc.

2. Common stocks of “Shares less than one unit” include 92 shares of treasury stock owned by the Company.

## (ii) [Treasury stock, etc.]

As of December 31, 2024

Name of Owner	Address of Owner	Number of Shares Owned Under Own Name (Shares)	Number of Shares Owned by Others (Shares)	Total Number of Shares Owned (Shares)	Ratio of the Number of Shares Owned to the Total Number of Shares Issued (%)
(Treasury stocks) THK CO., LTD.	12-10, Shibaura 2-chome, Minato-ku, Tokyo, Japan	8,344,200	—	8,344,200	6.42
(Mutually held shares) SAMICK THK CO., LTD.	Daegu, South Korea	10,000	—	10,000	0.00
(Mutually held shares) SANKO SEISAKUSHO CO., LTD.	620, Hatanaka 3-chome, Ome, Tokyo, Japan	73,600	—	73,600	0.05
Total	—	8,427,800	—	8,427,800	6.49

2. [Status of Acquisition of Treasury Stock, etc.]

[Type of stock, etc.]

Acquisition of common stock pursuant to Article 155, item 3 of the Companies Act and acquisition of common stock pursuant to Article 155, item 7 of the Companies Act

(1) [Status of acquisition by resolution of the General Meeting of Shareholders]

Not applicable

(2) [Status of acquisition by resolution of the Board of Directors]

Acquisition based on the provisions of Article 156 of the Companies Act, which is applied by replacing terms pursuant to the provisions of Article 165, Paragraph 3 of the same Act

Item	Number of Shares (Shares)	Total Value (Yen)
Resolution status at the Board of Directors (November 12, 2024) (Acquisition period: November 13, 2024 to November 12, 2025)	20,000,000	40,000,000,000
Acquired treasury stocks before the current fiscal year	—	—
Acquired treasury stocks in the current fiscal year	1,102,900	4,017,146,523
Total number and value of remaining resolution shares	18,897,100	35,982,853,477
Unexercised ratio as of the last day of the current fiscal year (%)	94.48	89.95
Acquired treasury stocks during the period	9,654,200	35,982,799,455
Unexercised ratio as of submission date (%)	46.21	0.00

(Note) The acquisition of treasury stocks pursuant to this resolution was completed on March 6, 2025 (trade date basis).

(3) [Details of matters not based on the resolution of the General Meeting of Shareholders or the resolution of the Board of Directors]

Item	Number of Shares (Shares)	Total Value (Yen)
Acquired treasury stocks in the current fiscal year	1,104	3,444,059
Acquired treasury stocks during the period	150	554,900

(Note) Treasury stocks acquired during this period do not include the number of shares less than one unit purchased from March 1, 2025 to the submission date of the securities report.

## (4) [Processing status and holding status of acquired treasury stocks]

Item	Current Fiscal Year		This Period	
	Number of shares (Shares)	Total disposal value (Yen)	Number of shares (Shares)	Total disposal value (Yen)
Acquired treasury stocks for which subscribers were solicited	—	—	—	—
Acquired treasury stocks that have been cancelled	—	—	—	—
Acquired treasury stocks that have been transferred due to a merger, share exchange, share delivery, or company split	—	—	—	—
Others (sale of shares less than one unit based on demand for sale)	—	—	—	—
Others (disposition of treasury stock as restricted stock remuneration)	20,007	47,197,913	—	—
Number of treasury stocks held	8,344,292	—	17,199,942	—

(Note) Treasury stocks held during the current period do not include the treasury stocks acquired based on resolutions of the Board of Directors, the number of shares less than one unit purchased, or the number of shares sold by demand for shares less than one unit from March 1, 2025 to the submission date of the securities report.



### 3. [Dividend Policy]

On November 12, 2024, THK announced “Notice Regarding Decision of Basic Policy (Early Realization of ROE of Over 10%) for Revision of the Current Management Targets for FY2026 (Five-Year Plan).”

According to this policy, for the purpose of improving capital efficiency, THK has set the required level of equity capital and its dividend policy to maintain a dividend on equity (DOE) ratio of 8% with the aim of more actively returning profits to shareholders until THK achieves “Early Realization of ROE of Over 10%.”

Since the new dividend policy became effective as of the third quarter period of the year ended December 31, 2024, the year-end dividend therefor has been ¥128.5 per share, calculated based on a DOE of 4%, which is for the half of the fiscal year. As a result, cash dividends applicable for the year ended December 31, 2024 will be ¥146.5 per share, including the interim dividends of ¥18.0 per share.

THK will continue to strive for stable shareholder returns by raising ROE above the cost of equity even after achieving “Early Realization of ROE of Over 10%.”

The decision-making bodies for dividends from surplus are the General Meeting of Shareholders for year-end dividends and the Board of Directors for interim dividends.

Dividends from surplus for the 55th term are as follows.

Resolution Date	Total Dividend Amount (Millions of Yen)	Dividend per Share (Yen)
August 7, 2024 Resolution of the Board of Directors	2,207	18.0
March 15, 2025 Resolution of the Ordinary General Meeting of Shareholders	15,614	128.5

#### 4. [Status of Corporate Governance, etc.]

##### (1) [Outline of corporate governance]

###### (i) Basic concept of corporate governance

Based on the management philosophy and others, common throughout the THK Group of “providing innovative products to the world and generating new trends to contribute to the creation of an affluent society,” the Group will enhance transparency of its management for all stakeholders, including our shareholders, from the viewpoint of “maximizing corporate value” in conducting appropriate and efficient management. By doing so, the Group will take initiatives with the aim of enhancing the THK Group’s medium to long term corporate value by continuously growing through appropriate cooperation with stakeholders. The Group regards this as its basic approach to corporate governance and works to enhance corporate governance.

###### (ii) Outline of corporate governance system and reasons for adopting the system

###### (a) Outline of corporate governance system

After the 46th Ordinary General Meeting of Shareholders held on June 18, 2016, the Company transitioned from a company with a board of auditors to a company with an audit and supervisory committee. In this system, in addition to being involved in supervision by the Board of Directors, the Directors exercise voting rights at the Board of Directors as members of the Audit and Supervisory Committee, which is responsible for audits, etc., from the perspective of both legality audits and validity audits. We believe that this transition will enhance the transparency and objectivity of the Group’s management, strengthen the supervisory function of the Board of Directors, and speed up and improve the efficiency of management decision-making and business execution. In addition, due to the transition to a company with an audit and supervisory committee, we have established a provision in the Company’s Articles of Incorporation that all or part of important business execution decisions can be delegated to Directors by resolution of the Board of Directors. We believe that this will allow us to further speed up and improve the efficiency of management decision-making and business execution of the Company.

###### 1. Board of Directors

The Company’s Board of Directors consists of eight Directors (excluding Directors who are Audit and Supervisory Committee Members) (including two outside Directors) and three outside Directors who are Audit and Supervisory Committee Members. It supervises decision-making on important matters in overall management of the Company and the Group, and the execution of duties by Directors and Executive Officers.

Furthermore, the Company has five outside Directors who are independent in accordance with the independence criteria established by the Tokyo Stock Exchange and the Company, and who have specialized knowledge and qualifications, etc., regarding corporate accounting and overall management. Through these outside Directors exercising their voting rights at Board of Directors meetings, we are working to further enhance the neutrality, legality and appropriateness of the Company’s management, and to improve our management oversight function.

###### (Members)

Inside Directors: Akihiro Teramachi (Chairman), Takashi Teramachi, Hiroshi Imano, Nobuyuki Maki, Naoki Kinoshita, and Kenji Nakane

Outside Directors: Junko Kai, Hiroko Kawasaki, Masakatsu Hioki, Tomitoshi Omura, and Yoshiki Ueda

## 2. Audit and Supervisory Committee

The Company's Audit and Supervisory Committee consists of three Directors who are members of the Audit and Supervisory Committee (including three outside Directors). The Audit and Supervisory Committee implements audit and supervision on the status of execution of duties of Directors, Executive Officers, etc., through the internal control system. Furthermore, the Audit and Supervisory Committee enhances the effectiveness of audits by cooperating with the Accounting Auditor, the Internal Audit Division, and the Risk Management Division. In addition, the Company has established an Audit and Supervisory Committee Secretariat to support the Audit and Supervisory Committee and the Audit and Supervisory Committee Members. The Audit and Supervisory Committee Secretariat follows the instructions of the Audit and Supervisory Committee and coordinates with each department, such as communicating instructions to the Risk Management Division, which is responsible for the development and operation of internal controls as well as to the Internal Audit Division.

(Members)

Outside Directors: Masakatsu Hioki (Chairman), Tomitoshi Omura, and Yoshiki Ueda

## 3. Voluntary Nomination Advisory Committee and Remuneration Advisory Committee

On June 18, 2016, the Company introduced a voluntary Nomination Advisory Committee and a voluntary Remuneration Advisory Committee. In accordance with the resolution of the Board of Directors, each committee is composed of more than three (3) Directors with a majority of outside Directors, having outside Director as a Chairperson. Each committee, functioning as an advisory body to the Board of Directors, examines and deliberates on nomination of Director Candidates and the remuneration plan for Directors, and the content of deliberation is proposed to the Board of Directors. The Board of Directors deliberates and makes resolutions based on the content.

(Members)

Voluntary Nomination Advisory Committee

Outside Directors: Masakatsu Hioki (Chairman) and Hiroko Kawasaki

Inside Director: Takashi Teramachi

Voluntary Remuneration Advisory Committee

Outside Directors: Yoshiki Ueda (Chairman) and Junko Kai

Inside Director: Takashi Teramachi

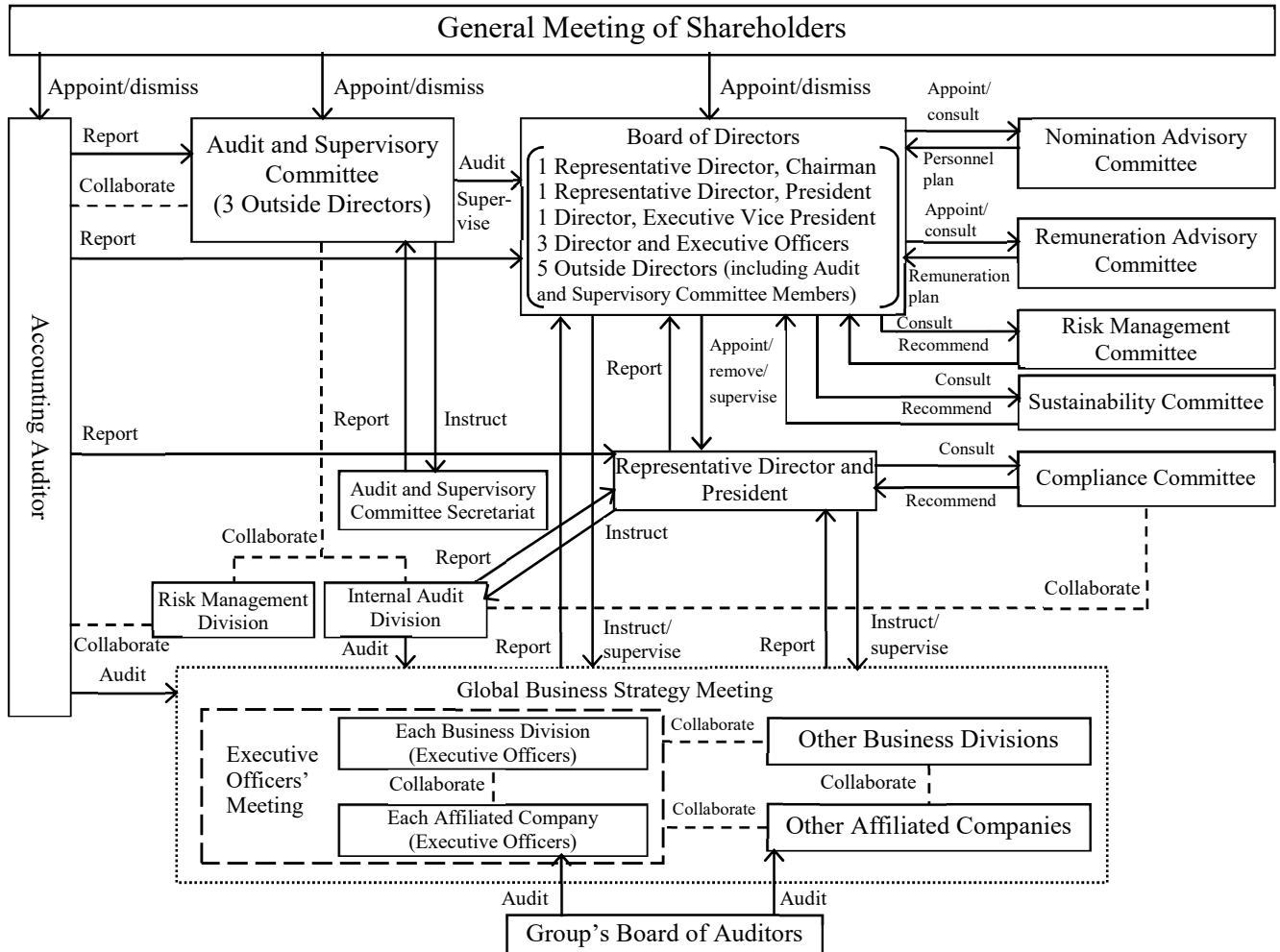
## 4. Other institutions

By introducing an executive officer system on June 21, 2014, the Company aims to improve the management supervision function of the Board of Directors, clarify roles and responsibilities regarding business execution, and expedite decision-making and business execution. We hold Executive Officers' Meetings, which are attended by Directors and Executive Officers, as well as Global Business Strategy Meetings attended by members of the Executive Officers' Meetings and the personnel responsible for each business division and affiliated company. By collaborating with Directors, including outside Directors (excluding Directors who are Audit and Supervisory Committee Members), Directors who are Audit and Supervisory Committee Members, Executive Officers, and other members of management, we aim to share information throughout the Group and work to improve corporate governance of the Group.

In addition, we have established the Risk Management Committee and the Compliance Committee, both of which are chaired by the Director and President, in order to achieve the objectives of developing, penetrating, and firmly establishing the Company's risk management and compliance system. Adding outside Directors and outside experts as observers, both committees are working to build a cross-sectional risk management and compliance system for the Group.

Furthermore, we have established the Sustainability Committee comprised of Directors, including outside Directors, in order to develop, penetrate, and firmly establish a sustainability promotion system with the objectives of enhancing our corporate value and realizing a sustainable society.

The schematic diagram of the Company's corporate governance system and internal control system is as follows.



(b) Development status of internal control system, development status of risk management system, and development status of system to ensure the appropriateness of subsidiary operations

1. Structures for ensuring that Directors' and employees' execution of their respective duties at the THK Group complies with laws and regulations and the Articles of Incorporation

The Company established the "THK's Corporate Basic Policies" and the "THK Group Action Charter" and has disseminated such policies by distributing the "THK Code of Conduct Handbook" and has provided related education and guidance to ensure that executives and employees comply with applicable laws, regulations and the Articles of Incorporation and perform their duties under sound social norms. Furthermore, the Company has established a Compliance Committee (which held four meetings) and a Risk Management Committee (which held one meeting), chaired by the Representative Director and President, as well as a Compliance Subcommittee as a subordinate organization of the Compliance Committee, to establish a group-wide compliance structure and risk management structure, identify problems, and make improvements. In addition, the Company has established and operates the "THK Group Helpline," which is available for use by executives and employees of domestic THK Group companies, and also the "THK Business Partners Helpline," which is available for use by executives and employees of the Company's business partners.

2. Matters related to the preservation and management of information regarding Directors' execution of their duties

The Company records and appropriately preserves information on Directors' execution of their duties, such as minutes of the Board of Directors meeting, in documents or electromagnetic media in accordance with the Document Management Regulations and the Security Control Regulations.

The Company has established the Information Security Committee (which held four meetings), chaired by the Representative Director and President, in an effort to build up, penetrate and firmly establish the information security system to implement proper use and management of information.

3. Regulations and other structures concerning the management of risk of loss for the THK Group

To address the operational risks, the Company has formulated rules and guidelines and prepared manuals (Emergency Response Manual, Security Control Regulations, Information Systems Management Regulations, etc.), and has established the Risk Management Division to monitor the status of cross-sectional risks and conduct company-wide measures. In cases when an unpredicted situation occurs, such as a disaster or an accident, the Risk Management Division has quickly collected information, notified related sections and provided instructions. In addition, the Company has formulated a business continuity plan (BCP) and has established a BCP Promotion Conference as a subordinate organization of the Risk Management Committee to review the BCP as appropriate, while formulating Risk Management Regulations and promoting the establishment of a group-wide risk management structure at the Risk Management Committee.

4. Structures for ensuring that the duties of the THK Group's Directors are efficiently executed

The Company's Board of Directors (held 16 meetings) defines management objectives and establishes a Global Business Strategy Meeting (including General Meeting) (held 4 times) attended by responsible personnel such as the THK Group's Directors and Executive Officers to manage their progress and monitor the status of achievement of such objectives. In addition, the Company introduces an Executive Officer System as stipulated under the Articles of Incorporation and determines an efficient structure for executing operations in order to achieve the objectives.

The Company also formulates the THK Group Basic Policy for Financial Management related to the THK Group's overall financial management and introduces an accounting system, a consolidated performance management system, and a THK Group finance system (cash management system) that are common to the THK Group with the aim of accelerating consolidated account closing work and streamlining fund management.

5. Structures for ensuring the appropriateness of operations at the THK Group

The Company designates the Risk Management Division as a department in charge of internal control of the THK Group, and facilitates its improvement and operation, collecting information related to the internal controls, conducting related discussion efficiently, sharing information and communicating its instructions and requests. The Company's Internal Audit Division has conducted the internal audits of the THK Group to check whether the business execution activities were conducted in accordance with the intended purposes, efficiently and in compliance with laws. The results of such audits have been reported to the Representative Director and President. Moreover, to ensure the reliability of financial reports of the THK Group, based on the "Internal Control Regulations for Financial Reporting," the Company has been improving and operating the relevant control system.

The Company has received reports on the status of business operation of the entire THK Group and other important matters at Global Business Strategy Meetings and Executive Officers' meetings (held 12 times), attended by the Directors and Executive Officers of the THK Group. The Company also formulated its "Regulations for the Management of Affiliates," thereby collecting important information of the Group companies such as sales performance and the financial position of the Group companies.

6. Structures for cases where the Audit and Supervisory Committee orders an employee to be appointed as its assistant, and matters related to ensuring the independence of the employee from Directors (excluding Directors who are Audit and Supervisory Committee Members) and the effectiveness of the Audit and Supervisory Committee's instructions to the employee

The Company has established the Audit and Supervisory Committee Secretariat to assist the duties of the Audit and Supervisory Committee and support the smooth execution of their duties, and appointed a dedicated employee for this purpose. The Company defines that the employee assigned to the Audit and Supervisory Committee Secretariat shall exclusively perform tasks related to the Audit and Supervisory Committee, and decisions on personnel matters including personnel transfer related to such employee shall require the consent of the Audit and Supervisory Committee.

7. Structures for Directors, etc. and employees of the THK Group, or persons who have received a report from such individuals, to report to the Company's Audit and Supervisory Committee

The Company has stipulated in the THK Group Helpline Regulations that it can report on the status and content of reporting from the THK Group Helpline, which is available for use by executives and employees of the domestic Group companies, to the Audit and Supervisory Committee. The content of internal reports received through the THK Group Helpline is reported to the Compliance Committee meeting, which the Representative Director and President as well as Directors who are Audit and Supervisory Committee Members of the Company attend. When the Audit and Supervisory Committee requests a report, the Company reports on the results of internal audit and the status of other activities, the content of internal reports received through the THK Group Helpline and the content of reports on compliance. In addition, the Company periodically reports on the status of development and operation of matters stipulated in the Basic Policy for Internal Control at the Board of Directors meeting.

8. Structures for ensuring that a person reporting to the Audit and Supervisory Committee is protected from being unfavorably treated on the grounds that he/she has made such a report

The Company has stipulated in the THK Group Helpline Regulations that executives and employees of the Company shall not be treated in a disadvantageous way on the grounds of making such a report.

9. Matters relating to policy concerning procedures for advance payment or reimbursement of expenses incurred in the execution of duties of a Director who is an Audit and Supervisory Committee Member, and treatment of other expenses or debts incurred in the execution of such duties

The Company allocates a budget to pay for expenses incurred by the execution of duties by Directors who are Audit and Supervisory Committee Members and quickly processes such expenses and obligations when Directors who are Audit and Supervisory Committee Members requested the Company to reimburse for such expenses. If a Director who is an Audit and Supervisory Committee Member independently requests the use of external experts in executing his/her duties, the Company shall bear such expenses unless such duties are unnecessary for the execution of duties of said Director who is an Audit and Supervisory Committee Member.

10. Structures for ensuring that audits by the Audit and Supervisory Committee are effectively conducted

The Company holds meetings where the Audit and Supervisory Committee exchanges opinions with the Representative Director and President, principal Directors (excluding Directors who are Audit and Supervisory Committee Members), and Executive Officers. In addition, the Company established a three-way audit liaison meeting (held 4 times) between the Audit and Supervisory Committee, Accounting Auditor and Internal Audit Division, as well as outside Directors (excluding Directors who are Audit and Supervisory Committee Members). In addition, the Company established a system to ensure that audits by the Audit and Supervisory Committee are carried out effectively by holding four meetings of the Board of Auditors of the THK Group to promote close cooperation between the Audit and Supervisory Committee and Auditors of the Company's subsidiaries.

- (c) Liability limitation agreements for Directors (excluding those who are Executive Directors, etc.)

Pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, the Company and each Director (excluding a Director who is an Executive Director, etc.) entered into an agreement that limits the indemnity liability under Article 423, Paragraph 1 of the said Act. The maximum amount of liability for damages of a Director (excluding a Director who is an Executive Director, etc.) under this agreement shall be the higher of the minimum liability amount set forth in Article 425, Paragraph 1 of the Companies Act or ¥10 million. Liability is limited only when the Directors (excluding those who are Executive Directors, etc.) acted in good faith and without gross negligence in the execution of their duties as the cause of liability.

- (d) Directors and officers liability insurance contract

The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with officers and Executive Officers, etc. of the Company and its subsidiaries as the insured. Insurance fees are paid in full by the Company. The insurance covers damages that may occur due to an insured director or officer being held liable for the execution of his/her duties or being subject to a claim related to the pursuit of such liability. However, there are certain exemptions, such as no coverage for damages caused by acts which the insured committed knowing such acts were in violation of laws and regulations.

- (iii) The Articles of Incorporation stipulate that the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company shall be ten or less and the number of Directors who are Audit and Supervisory Committee Members shall be five or less.
- (iv) The Articles of Incorporation stipulate that the election of Directors of the Company shall be resolved by a majority of the votes of shareholders, with the attendance of shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise voting rights, and that all election resolutions shall not be subject to cumulative voting.

- (v) Based on the provisions of Article 165, Paragraph 2 of the Companies Act, the Company's Articles of Incorporation stipulate that it is possible to acquire its own shares through market transactions, etc., by resolution of the Board of Directors. The purpose of this is to implement a flexible capital policy that is tailored to changes in the business environment.
- (vi) The Articles of Incorporation stipulate that, by resolution of the Board of Directors, the Company may distribute dividend of surplus funds (interim dividend) as stipulated in Article 454, Paragraph 5 of the Companies Act to the shareholders or registered share pledgees listed or recorded in the final shareholder registry on June 30 of each year. The purpose of this is to flexibly return profits to shareholders.
- (vii) The Company's Articles of Incorporation stipulate that special resolutions of the General Meeting of Shareholders stipulated in Article 309, Paragraph 2 of the Companies Act shall be passed by two-thirds or more of the votes of shareholders, with the attendance of shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise voting rights. The purpose of this is to facilitate the smooth operation of the General Meeting of Shareholders by relaxing the quorum required for special resolutions at the General Meeting of Shareholders.
- (viii) Basic policies on control of the Company

Based on the management philosophy and others common throughout the THK Group of "providing innovative products to the world and generating new trends to contribute to the creation of an affluent society," the Group will enhance transparency of its management for all stakeholders, including our shareholders, from the viewpoint of "maximizing corporate value" in conducting appropriate and efficient management. By doing so, the Group will take initiatives with the aim of enhancing the THK Group's medium to long term corporate value by continuously growing through appropriate cooperation with stakeholders.

The Company's basic policy regarding takeover defense measures calls for not introducing such measures. When a party attempts a large-scale acquisition of the Company's stocks and the Company's stocks are targeted for a tender offer, the Company will clearly explain the stance of its Board of Directors and counterproposal, if any. At the same time, the Company will not take any measures to unreasonably interfere with shareholders' right to relinquish the stocks upon accepting the tender offer.

In addition, when such large-scale acquisition is deemed to be an act taken by an inappropriate party, the Company will form a "Countermeasure Headquarters" to carefully examine the purpose of acquisition by the acquirer and the details of the proposal, among other things, in light of the common interest of shareholders and other considerations, with the intention of determining and implementing concrete action.



(ix) Activities of the Board of Directors and committees

(a) Board of Directors

In the fiscal year under review, the Company held Board of Directors meetings 16 times in total, and the number of times each member attended is as follows.

Position	Name	Number of Times Attended
Representative Director, Chairman and CEO	Akihiro Teramachi	16 of 16 meetings (100%)
Representative Director, President and COO	Takashi Teramachi	16 of 16 meetings (100%)
Director and Executive Vice President	Hiroshi Imano	16 of 16 meetings (100%)
Director, Executive Vice President and CIO	Toshihiro Teramachi	16 of 16 meetings (100%)
Director and Senior Managing Executive Officer	Nobuyuki Maki	16 of 16 meetings (100%)
Director and Senior Managing Executive Officer	Junji Shimomaki	16 of 16 meetings (100%)
Director, CFO and Executive Officer	Kenji Nakane	16 of 16 meetings (100%)
Outside Director	Masaaki Kainosho	16 of 16 meetings (100%)
Outside Director	Junko Kai	16 of 16 meetings (100%)
Outside Director (Audit and Supervisory Committee Member)	Masakatsu Hioki	16 of 16 meetings (100%)
Outside Director (Audit and Supervisory Committee Member)	Tomitoshi Omura	16 of 16 meetings (100%)
Outside Director (Audit and Supervisory Committee Member)	Yoshiki Ueda	16 of 16 meetings (100%)

The main topics reviewed in these meetings are as follows.

- Matters related to medium-term management targets
- Matters related to the settlement of accounts and finances
- Matters related to the General Meeting of Shareholders
- Matters related to Directors and the Board of Directors
- Matters related to sustainability, etc.
- Matters related to internal control and compliance
- Other important matters

(b) Voluntary Nomination Advisory Committee

In the fiscal year under review, the Company held meetings of the voluntary Nomination Advisory Committee 2 times in total, and the number of times each member attended is as follows.

Position	Name	Number of Times Attended
Representative Director, Chairman and CEO; Committee Chairman	Akihiro Teramachi	1 of 1 meetings (100%)
Representative Director, President and COO	Takashi Teramachi	2 of 2 meetings (100%)
Outside Director	Masaaki Kainosho	2 of 2 meetings (100%)
Outside Director (Audit and Supervisory Committee Member); Committee Chairman	Masakatsu Hioki	2 of 2 meetings (100%)

(Note) Akihiro Teramachi retired from his position on November 12, 2024, after which Masakatsu Hioki was appointed as Committee Chairman.

The main topics reviewed in these meetings are as follows.

- Formulation of proposals for Director Candidates
- Review of the skill matrix

(c) Voluntary Remuneration Advisory Committee

In the fiscal year under review, the Company held meetings of the voluntary Remuneration Advisory Committee 2 times in total, and the number of times each member attended is as follows.

Position	Name	Number of Times Attended
Representative Director, Chairman and CEO; Committee Chairman	Akihiro Teramachi	1 of 1 meetings (100%)
Representative Director, President and COO	Takashi Teramachi	2 of 2 meetings (100%)
Outside Director	Masaaki Kainosho	2 of 2 meetings (100%)
Outside Director (Audit and Supervisory Committee Member); Committee Chairman	Yoshiki Ueda	2 of 2 meetings (100%)

(Note) Akihiro Teramachi retired from his position on November 12, 2024, after which Yoshiki Ueda was appointed as Committee Chairman.

The main topics reviewed in these meetings are as follows.

- Review of policies for determining individual remuneration, etc., for Directors
- Formulation of remuneration proposals for Directors

## (2) [Status of executives]

## (i) List of executives

9 males, 2 females (proportion of female executives: 18.1%)

Position	Name	Date of Birth	Brief History		Term	Number of Shares Owned (Thousands of Shares)
Representative Director and Chairman	Akihiro Teramachi	April 5, 1951	Oct. 1975 Oct. 1975 Apr. 1977 Mar. 1982 Jun. 1986 Jun. 1987 Jun. 1994 May 1995 Jan. 1997 Jan. 1997 Jun. 1997 Jun. 1998 Jun. 1998 Jun. 1998 Jun. 1998 Sep. 1998	Resigned from Okuma Iron Works Ltd. Joined the Company Assumed the position of Kofu Plant Manager Assumed the position of Director, General Manager of Administration Division Assumed the position of Director of DAITO SEIKI CO., LTD. Assumed the position of Managing Director and Senior General Manager of Control Division of the Company Assumed the position of Director and Executive Vice President Assumed the position of Representative Director and President of DAITO SEIKI CO., LTD. Assumed the position of Representative Director and President of the Company Assumed the position of Director and Chairman of DAITO SEIKI CO., LTD. Assumed the position of Director and Chairman of THK Yasuda Co., Ltd. (currently THK NIIGATA CO., LTD.) (current position) Assumed the position of Representative Director and Chairman of THK Holdings of America, L.L.C. Assumed the position of Representative Director and Chairman of THK America, Inc. (current position) Assumed the position of Representative Director and Chairman of THK Manufacturing of America, Inc. (current position) Assumed the position of Representative Director and Chairman of PGM Ballscrews Ireland Ltd. (currently THK Manufacturing of Ireland Ltd.) (current position) Assumed the position of Representative Director and Chairman of THK Europe B.V. (current position)	(Note 3)	7

Position	Name	Date of Birth	Brief History		Term	Number of Shares Owned (Thousands of Shares)
Representative Director and Chairman	Akihiro Teramachi	April 5, 1951	Nov. 1998	Assumed the position of Representative Director and Chairman of THK GmbH (current position)	(Note 3)	7
			Jul. 1999	Assumed the position of Executive Chairman of THK TAIWAN CO., LTD. (current position)		
			May 2001	Assumed the position of Representative Director and Chairman of THK Manufacturing of Europe S.A.S. (current position)		
			Jun. 2002	Assumed the position of Director and Chairman of TALK SYSTEM CO., LTD. (current position)		
			Aug. 2003	Assumed the position of Executive Chairman of THK (SHANGHAI) CO., LTD. (current position)		
			Mar. 2004	Assumed the position of Executive Chairman of THK MANUFACTURING OF CHINA (WUXI) CO., LTD. (current position)		
			Feb. 2005	Assumed the position of Executive Chairman of THK MANUFACTURING OF CHINA (LIAONING) CO., LTD. (current position)		
			Sep. 2005	Assumed the position of Executive Chairman of THK (CHINA) CO., LTD. (current position)		
			May 2007	Assumed the position of Representative Director and Chairman of Rhythm Corporation (currently THK RHYTHM CO., LTD.) (current position)		
			Jun. 2009	Assumed the position of Director and Chairman of THK INTECHS CO., LTD. (current position)		
			Jul. 2014	Assumed the position of Executive Chairman of THK MANUFACTURING OF CHINA (CHANGZHOU) CO., LTD. (current position)		
			May 2015	Assumed the position of Representative Director and President of THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION (current position)		
			Jun. 2015	Assumed the position of Representative Director and President of THK RHYTHM AUTOMOTIVE CANADA LIMITED (current position)		

Position	Name	Date of Birth	Brief History		Term	Number of Shares Owned (Thousands of Shares)
Representative Director and Chairman	Akihiro Teramachi	April 5, 1951	Jun. 2015	Assumed the position of Representative Director and President of THK RHYTHM AUTOMOTIVE GmbH (current position)	(Note 3)	7
			Sep. 2015	Assumed the position of Representative Director and Chairman of THK RHYTHM AUTOMOTIVE CZECH a.s. (current position)		
			Nov. 2016	Assumed the position of Director of THK CAPITAL UNLIMITED COMPANY (current position)		
			Nov. 2016	Assumed the position of Director of THK FINANCE UNLIMITED COMPANY (current position)		
			Oct. 2017	Assumed the position of Representative Director and President of TRA Holdings CO., LTD.		
			Mar. 2023	Assumed the position of Representative Director and Chairman of TRA Holdings CO., LTD. (current position)		
			Jan. 2024	Assumed the position of Representative Director, Chairman and CEO of the Company		
			Mar. 2025	Assumed the position of Representative Director and Chairman (current position)		

Position	Name	Date of Birth	Brief History		Term	Number of Shares Owned (Thousands of Shares)
Representative Director, President and CEO Senior General Manager of Industrial Machinery Headquarters	Takashi Teramachi	November 17, 1978	Apr. 2003 Sep. 2013 Nov. 2013 Jan. 2014 Jun. 2014 Jun. 2016 Jan. 2020 Mar. 2020 Jan. 2024 Mar. 2025	Joined Sumitomo Corporation Resigned from Sumitomo Corporation Joined the Company Assumed the position of General Manager of IMT Division Assumed the positions of Director, Executive Officer and Deputy General Manager of IMT Division of the Company and Representative Director and President of THK INTECHS CO., LTD. Assumed the positions of Director, Senior Managing Executive Officer and Senior General Manager of Industrial Machinery Headquarters of the Company and Representative Director and President of THK INTECHS CO., LTD. Assumed the positions of Director, Senior Managing Executive Officer and Senior General Manager of Industrial Machinery Headquarters of the Company and Director of THK INTECHS CO., LTD. Assumed the position of Director, Senior Managing Executive Officer and Senior General Manager of Industrial Machinery Headquarters of the Company Assumed the position of Representative Director, President and COO and Senior General Manager of Industrial Machinery Headquarters Assumed the position of Representative Director, President and CEO and Senior General Manager of Industrial Machinery Headquarters (current position)	(Note 3)	7

Position	Name	Date of Birth	Brief History		Term	Number of Shares Owned (Thousands of Shares)
Director and Executive Vice President	Hiroshi Imano	January 31, 1954	Apr. 1977	Joined The Industrial Bank of Japan, Limited	(Note 3)	8
			Apr. 2002	Seconded to the Company Assumed the position of Deputy General Manager of Corporate Strategy Division		
			Mar. 2004	Resigned from Mizuho Corporate Bank, Ltd.		
			Apr. 2004	Joined the Company		
			May 2004	Assumed the position of President of THK MANUFACTURING OF CHINA (WUXI) CO., LTD.		
			Oct. 2007	Assumed the position of General Manager of Production Division of the Company		
			Dec. 2007	Assumed the position of Representative Director and President of THK Manufacturing of Europe S.A.S.		
			Jun. 2008	Assumed the position of Director and General Manager of Production Division of the Company		
			Jun. 2010	Assumed the position of Managing Director		
			Jun. 2012	Assumed the position of Director and Executive Vice President (current position)		
			Jun. 2017	Assumed the position of Director, Executive Vice President and CFO		

Position	Name	Date of Birth	Brief History		Term	Number of Shares Owned (Thousands of Shares)
Director and Senior Managing Executive Officer Senior General Manager of Automotive & Transportation Headquarters	Nobuyuki Maki	May 12, 1960	Apr. 1983 Jul. 1992 Jan. 2003 Oct. 2007 Jun. 2010 Jun. 2014 Apr. 2015 May 2015 Jun. 2015 Nov. 2015 Jun. 2016	Joined the Company Assumed the position of Manager of Chicago Branch of THK America, Inc. Assumed the position of Representative Director and President of THK Manufacturing of America, Inc. Assumed the position of Yamaguchi Plant Manager of the Company Assumed the position of Director and Senior General Manager of Production Division Assumed the position of Managing Executive Officer and Senior General Manager of Production Division Assumed the position of Managing Executive Officer, Senior General Manager of Production Division and Senior General Manager of Sales Support Division Assumed the position of Managing Executive Officer, Senior General Manager of Production Division, Senior General Manager of Sales Support Division and General Manager of L&S Business Integration Division Assumed the position of Director, Managing Executive Officer and General Manager of L&S Business Integration Division Assumed the position of Director, Managing Executive Officer and Senior General Manager of Automotive & Transportation Business Unit Assumed the position of Director, Senior Managing Executive Officer and Senior General Manager of Automotive & Transportation Headquarters (current position)	(Note 3)	7



Position	Name	Date of Birth	Brief History		Term	Number of Shares Owned (Thousands of Shares)
Director and Senior Managing Executive Officer General Manager of Industrial Machinery Headquarters and Executive Vice Chairman and President of THK (CHINA) CO., LTD.	Naoki Kinoshita	November 23, 1961	Apr. 1985 Feb. 2011 Jun. 2014 Jan. 2022 Mar. 2022 Mar. 2025	Joined the Company Assumed the position of General Manager of West Japan Sales Region I Assumed the position of Executive Officer of the Company and President of THK (CHINA) CO., LTD. Assumed the position of Executive Officer of the Company and Executive Vice Chairman of THK (CHINA) CO., LTD. Assumed the position of Managing Executive Officer Assumed the position of Director, Senior Managing Executive Officer, General Manager of Industrial Machinery Headquarters and Executive Vice Chairman and President of THK (CHINA) CO., LTD. (current position)	(Note 3)	3
Director, CFO and Executive Officer General Manager of Finance & Accounting Department, Corporate Strategy Headquarters and General Manager of Indirect Material Procurement Department, Corporate Strategy Headquarters	Kenji Nakane	July 10, 1970	Apr. 1993 Jun. 2009 Jul. 2016 Apr. 2017 Nov. 2022 Mar. 2023	Joined the Company Assumed the position of General Manager of Finance & Accounting Department, Corporate Strategy Division Assumed the position of General Manager of Finance & Accounting Department, Corporate Strategy Headquarters Assumed the position of Executive Officer and General Manager of Finance & Accounting Department, Corporate Strategy Headquarters Assumed the position of Executive Officer, General Manager of Finance & Accounting Department, Corporate Strategy Headquarters and General Manager of Indirect Material Procurement Department, Corporate Strategy Headquarters (current position) Assumed the position of Director and CFO (current position)	(Note 3)	10

Position	Name	Date of Birth	Brief History		Term	Number of Shares Owned (Thousands of Shares)
Director	Junko Kai	September 29, 1967	Apr. 1992	Registered at the Daini Tokyo Bar Association	(Note 3)	—
			Dec. 2002	Assumed the position of Partner of Hamani Takahashi Kai Law Office (current position)		
			Jun. 2006	Assumed the position of Member of the Daini Tokyo Bar Association's discipline enforcement committee		
			Mar. 2007	Assumed the position of Instructor for defense in criminal cases, the Legal Training and Research Institute		
			Apr. 2010	Assumed the position of Conciliation Commissioner of Tokyo Family Court		
			Jul. 2010	Assumed the position of Reserve member of Disciplinary Committee, The Japanese Institute of Certified Public Accountants		
			Oct. 2010	Assumed the position of Examiner for the national bar examination (Code of Criminal Procedure)		
				Assumed the position of Examiner for the preliminary national bar examination (Code of Criminal Procedure)		
			Jun. 2014	Assumed the position of Member of the Ministry of Health, Labour and Welfare's Committee for Public Procurement for Special Pension Accounts (current position)		
			Oct. 2015	Assumed the position of Special Member of Ministry of Land, Infrastructure, Transport and Tourism's Chuo Construction Disturbance Inspection Meeting (current position)		
			Feb. 2016	Assumed the position of Member of the Daini Tokyo Bar Association's disciplinary committee		
			Jun. 2019	Assumed the position of outside Director of NARITA INTERNATIONAL AIRPORT CORPORATION (current position)		
			Jun. 2021	Assumed the position of Member of the Daini Tokyo Bar Association's discipline enforcement committee		
			Jun. 2021	Assumed the position of outside Audit & Supervisory Board Member of JSR Corporation		
			Mar. 2022	Assumed the position of Director of the Company (current position)		

Position	Name	Date of Birth	Brief History		Term	Number of Shares Owned (Thousands of Shares)
Director	Hiroko Kawasaki	September 21, 1963	Apr. 1987 Jul. 2006  Jun. 2010 Jun. 2012 Jun. 2014 Jun. 2017 Jun. 2020 Apr. 2021 Jun. 2021 Jun. 2022 Jun. 2023 Jun. 2024 Jun. 2024 Mar. 2025	Joined Nippon Telegraph and Telephone Assumed the position of Manager of Human Resources Department, Diversity Promotion Office of NTT DOCOMO, INC. Assumed the position of Manager of Shizuoka Branch, Tokai Branch Office of NTT DOCOMO, INC. Assumed the position of General Manager of Customer Service Dept. of NTT DOCOMO, INC. Assumed the position of General Manager of CSR of NTT DOCOMO, INC. Assumed the position of Executive Officer, Executive General Manager of Hokuriku Regional Office of NTT DOCOMO, INC. and Representative Director, President of DOCOMO CS Hokuriku Assumed the position of Executive Officer, General Manager of Marketing Dept. of NTT DOCOMO, INC. Assumed the position of Member of the Labor Policy Council, Ministry of Health, Labour and Welfare of Japan (current position) Assumed the position of Managing Director of DOCOMO Systems, Inc. Assumed the position of Director, Full-Time Audit and Supervisory Committee Member of NTT DOCOMO, INC. Assumed the position of outside Director, Audit and Supervisory Committee Member of ENEOS Holdings, Inc. Assumed the position of outside Director of Mitsubishi Shokuhin Co., Ltd. (current position) Assumed the position of outside Director and Chairperson of the Board of Directors of ENEOS Holdings, Inc. (current position) Assumed the position of Director of the Company (current position)	(Note 3)	—

Position	Name	Date of Birth	Brief History		Term	Number of Shares Owned (Thousands of Shares)
Director (Audit and Supervisory Committee Member)	Masakatsu Hioki	July 30, 1950	Apr. 1975 Apr. 2004 Apr. 2008 Jul. 2012 Dec. 2013 Jun. 2014 Nov. 2014 Feb. 2015 Apr. 2015 May 2016 Jun. 2016 May 2023	Joined Komatsu Ltd. Assumed the position of Executive Officer of Komatsu Ltd. Assumed the position of Senior Executive Officer of Komatsu Ltd. Assumed the position of Advisor of Komatsu Ltd. Assumed the position of Director of Japan Center for Technology Management, a specified non-profit organization Assumed the position of Director of the Company Assumed the position of outside Director of SUKIYA CO., LTD. (current position) Assumed the position of Senior Fellow of Mercer Japan Ltd. Assumed the position of Visiting Professor of Ritsumeikan University Graduate School of Management Assumed the position of outside Director of ZUIKO CO., LTD. Assumed the position of Director (Audit and Supervisory Committee Member) of the Company (current position) Assumed the position of Director (Audit and Supervisory Committee Member) of ZUIKO CO., LTD. (current position)	(Note 4)	2
Director (Audit and Supervisory Committee Member)	Tomitoshi Omura	August 3, 1954	Oct. 1976 Oct. 1977 Oct. 1980 Mar. 1982 Dec. 1989 Jun. 2016	Registered as Assistant CPA Joined Fuji Accounting Office Joined Asahi & Co. (currently KPMG AZSA LLC.) Registered as Certified Public Accountant Assumed the position of Managing Director of Omura Accounting Office (current position) Assumed the position of Director (Audit and Supervisory Committee Member) of the Company (current position)	(Note 4)	3

Position	Name	Date of Birth	Brief History		Term	Number of Shares Owned (Thousands of Shares)
Director (Audit and Supervisory Committee Member)	Yoshiki Ueda	March 10, 1953	Apr. 1976	Joined Mitsubishi Corporation	(Note 4)	3
			Apr. 2007	Assumed the position of Deputy General Manager of Kansai Branch of Mitsubishi Corporation		
			Apr. 2008	Assumed the position of Executive of Mitsubishi Corporation		
			Jun. 2010	Assumed the position of President & CEO of Mitsubishi Corporation Technos		
			Jun. 2011	Assumed the position of Chairman of Japan Machine Tool Distributors Association		
			Jun. 2015	Assumed the position of Advisor of Mitsubishi Corporation Technos		
			Jun. 2016	Assumed the position of Director (Audit and Supervisory Committee Member) of the Company (current position)		
			Jun. 2016	Assumed the position of outside Director of SINTOKOGIO, LTD.		
			Nov. 2016	Assumed the position of Corporate Advisor of Makino Milling Machine Co., Ltd.		
			Dec. 2016	Assumed the position of Visiting Professor of National University Corporation Shizuoka University		
			Jun. 2017	Assumed the position of outside Director, Representative Director & Chairman of SINTOKOGIO, LTD. (current position)		
			Jun. 2018	Assumed the position of Representative Director & Vice-Chairman of Makino Milling Machine Co., Ltd.		
			Jun. 2020	Assumed the position of Representative Director & Chairman of Makino Milling Machine Co., Ltd.		
			Jan. 2021	Assumed the position of Corporate Advisor of Makino Milling Machine Co., Ltd.		
Total						53

- (Notes) 1. Representative Director, President and CEO Takashi Teramachi is the biological son of Representative Director and Chairman Akihiro Teramachi.
2. Director Junko Kai, Director Hiroko Kawasaki, Director Masakatsu Hioki, Director Tomitoshi Omura and Director Yoshiki Ueda are outside Directors.
3. The term of office of Directors is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended December 2024 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending December 2025.

4. The term of office of Directors (Audit and Supervisory Committee Members) is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended December 2023 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending December 2025.
5. In preparation for cases in which the number of Directors who are Audit and Supervisory Committee Members falls short of the number stipulated by laws and regulations, the Company has elected one Director who is a substitute Audit and Supervisory Committee Member as stipulated in Article 329, Paragraph 3 of the Companies Act.

The brief history of the Director who is a substitute Audit and Supervisory Committee Member is as follows:

(Name)	(Date of Birth)	(Term)	(Brief History)	(Number of Shares Owned)
Hidetaka Miyake	April 15, 1972	Apr. 2000	Joined Public Prosecutors Office of Ministry of Justice as a Public Prosecutor	—
		Jun. 2004	Registered as an attorney at law Joined Ashurst LLP, Tokyo Office (currently Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo)	
		Jan. 2010	Joined the Securities and Exchange Surveillance Commission, Financial Services Agency	
		Jul. 2013	Joined Ernst & Young ShinNihon LLC	
		Apr. 2017	Joined Anderson Mori & Tomotsune LPC (currently Anderson Mori & Tomotsune)	
		Jan. 2020	Assumed the position of Partner of Anderson Mori & Tomotsune (current position)	
		Apr. 2023	Assumed the position of Chairperson of Complaint Review Committee of the Internal Reporting System, Japan Post Holdings Co., Ltd.	
		Jun. 2023	Assumed the position of outside Auditor of MITSUI-SOKO HOLDINGS Co., Ltd. (current position)	
		Apr. 2024	Assumed the position of Chairperson of Compliance Subcommittee, Complaint Review Committee of the Internal Reporting System, Japan Post Holdings Co., Ltd. (current position)	

6. The Company has introduced an executive officer system in order to clarify responsibilities and roles related to business execution and speed up decision-making and business execution, in addition to strengthening the supervisory function of the Board of Directors. Executive Officers (excluding those held concurrently by Directors) are the following 15 members.

Position	Name	Job Title
Managing Executive Officer	Nobufumi Sato	Representative Director and President of THK America, Inc.
Managing Executive Officer	Takanobu Hoshino	General Manager of IMT Division, Industrial Machinery Headquarters Director and Executive Vice Chairman of THK INTECHS CO., LTD.
Managing Executive Officer	Toshiki Matsuda	Representative Director and President of THK Europe B.V. Representative Director and President of THK GmbH Representative Director and President of THK France S.A.S. Representative Director and President of THK Manufacturing of Europe S.A.S.
Managing Executive Officer	Masato Sawada	General Manager of Automotive & Transportation Headquarters Director and Executive Vice Chairman of THK RHYTHM CO., LTD.
Managing Executive Officer	Toshihiro Takahashi	Senior General Manager of Production Division, Industrial Machinery Headquarters
Managing Executive Officer	Yutaka Nakano	Senior General Manager of LM System Sales Division, Industrial Machinery Headquarters
Managing Executive Officer	Takuya Sakamoto	Senior General Manager of FA Solution Sales Division, Industrial Machinery Headquarters General Manager of FA Sales Department, FA Solution Sales Division, Industrial Machinery Headquarters Senior General Manager of FA Solution Development Division, Industrial Machinery Headquarters
Managing Executive Officer	Katsuya Iida	Senior General Manager of LM System Planning and Development Division, Industrial Machinery Headquarters
Executive Officer	Kaoru Hoshide	Head of Research Center, Industrial Machinery Headquarters General Manager of Mobility Development Department, Research Center, Industrial Machinery Headquarters
Executive Officer	Yukio Yamada	General Manager of LM System Sales Division, Industrial Machinery Headquarters General Manager of International Sales Department, LM System Sales Division, Industrial Machinery Headquarters
Executive Officer	Takehiro Nakanishi	General Manager of Production Division, Industrial Machinery Headquarters General Manager of Global Procurement Department, Production Division, Industrial Machinery Headquarters General Manager of Global Sales & Manufacturing Management Department, Industrial Machinery Headquarters

Position	Name	Job Title
Executive Officer	Masaki Kimura	General Manager of The President's Office General Manager of Corporate Planning Department, Corporate Strategy Headquarters
Executive Officer	Katsumi Fujita	General Manager of Human Resources & General Affairs Department, Corporate Strategy Headquarters
Executive Officer	Akira Furihata	Representative Director and President of THK RHYTHM CO., LTD. Representative Director and President of TRA Holdings CO., LTD.
Executive Officer	Toshihiko Enomoto	General Manager of Production Division, Industrial Machinery Headquarters General Manager of Production Engineering Department, Production Division, Industrial Machinery Headquarters Director of THK INTECHS CO., LTD. Director of THK MANUFACTURING OF CHINA (CHANGZHOU) CO., LTD.

(ii) Status of outside executives

The Company has five outside Directors.

Outside Directors are appointed from among those who have specialized knowledge and qualifications, etc., related to corporate accounting and management in general, and who can judge the legality, objectivity and appropriateness of management from their own professional standpoint.

Through attendance at meetings of the Board of Directors and important meetings such as the Global Business Strategy Meetings, outside Directors are able to apply their extensive experience and wide-ranging insight from the position of an independent third party, and provide expert and appropriate opinions and advice on all aspects of the Company's management. They fulfill their responsibility to supervise the execution of duties by the Board of Directors and Directors, etc.

The interests between the Company and the outside Directors are as follows. The status of each outside Director's holding of the Company's shares is as described in "(2) Status of executives."

- Director Junko Kai is a partner of Hamani Takahashi Kai Law Office and an outside Director of NARITA INTERNATIONAL AIRPORT CORPORATION. There is no special interest between the Company and Hamani Takahashi Kai Law Office or NARITA INTERNATIONAL AIRPORT CORPORATION.
- Director Hiroko Kawasaki is an outside Director of Mitsubishi Shokuhin Co., Ltd. and ENEOS Holdings, Inc. There is no special interest between the Company and Mitsubishi Shokuhin Co., Ltd. or ENEOS Holdings, Inc.
- Director (Audit and Supervisory Committee Member) Masakatsu Hioki is an outside Director of SUKIYA CO., LTD. and an outside Director of ZUIKO CO., LTD. There is no special interest between the Company and SUKIYA CO., LTD. or ZUIKO CO., LTD.
- Director (Audit and Supervisory Committee Member) Tomitoshi Omura is the Managing Director of Omura Accounting Office. There is no special interest between the Company and Omura Accounting Office.
- Director (Audit and Supervisory Committee Member) Yoshiki Ueda is a Representative Director & Chairman of SINTOKOGIO, LTD. The Company has business transactions with SINTOKOGIO, LTD. involving purchase, etc., of its products, but the amount of such transactions accounts for less than 1% of the Company's and SINTOKOGIO's net sales in the current fiscal year.



In October 2015, the Company established standards for judging the independence of outside Directors of the Company. In appointing independent outside Directors, their independence is determined according to the standards for judging the independence of outside Directors established by the Company in addition to the standards for judging the independence of independent directors/auditors established by the Tokyo Stock Exchange.

The standards for judging the independence of outside Directors of the Company are as follows.

(Standards for Independence of Outside Directors)

The Company formulated its Standards for Independence of Outside Directors as follows. Any person who falls under any of the following items is judged not to be “independent.”

1. Not currently a business operator of the Group but was a business operator of the Company within ten years before the assumption of current office (provided, however, with regard to a person who was a non-Executive Director, Auditor or Accounting Advisor sometime within ten years before the assumption of office, within ten years before assuming such office)
2. An entity for which the Company is a major client or its business operator
3. The Company’s major client or its business operator
4. A consultant, Certified Public Accountant or other accounting expert or a legal expert such as a lawyer who is receiving from the Company a large amount of money or other assets other than officer’s remuneration (if the recipient of such money or asset is an organization such as a corporation, a person who belongs to such an organization)
5. A person who falls under 2, 3 or 4 above in the past one year
6. A spouse or a relative within the second degree of kinship of the following persons (excluding those who are not important)
  - (a) A person who falls under 2 through 5 above
  - (b) A business operator of the Group
  - (c) A person who falls under (b) above in the past one year
7. The Company’s shareholder who holds 10% or more of the current total voting rights of the Company (if the shareholder is an organization such as a corporation, a business operator of the organization)

Notes: A “business operator”:

A “business operator” refers to a person who executes business duties as prescribed in Article 2, Paragraph 3, Item 6, of the Regulation for Enforcement of the Companies Act, including Executive Directors, Executive Officers, Managers and other employees but excluding non-Executive Directors and Auditors.

The Company’s concept of “major” and “importance”:

A person or an organization such as a corporation that gives significant influence on the Company’s decision making and that is deemed to be able to give significant influence on stakeholders including shareholders, or a business operator who belongs to such an organization.

Specifically, the Company’s client whose transaction amount with the Company accounts for a significant part of the Company’s revenue and the Group’s management (Directors and Executive Officers, etc.) are considered to be major and/or important.

- (iii) Mutual cooperation between supervision or audits by outside Directors and internal audits, audits by the Audit and Supervisory Committee and accounting audits, and their relationship with internal control divisions

The Company enhances the effectiveness of audits by holding a three-way audit liaison meeting attended by the Audit and Supervisory Committee, the Accounting Auditor and the Internal Audit Division, as well as outside Directors (excluding Directors who are Audit and Supervisory Committee Members).

The relationship between the Audit and Supervisory Committee and the internal control divisions is as described in “(3) Status of audits (ii) Status of internal audits.”

(3) [Status of audits]

(i) Status of audits by the Audit and Supervisory Committee

The Company has three Audit and Supervisory Committee Members, all of whom are outside Directors. Audit and Supervisory Committee Member Tomitoshi Omura is a certified public accountant and has a substantial level of expertise in corporate accounting.

In addition, we have established the Audit and Supervisory Committee Secretariat to assist with the operation of the Audit and Supervisory Committee and the Audit and Supervisory Committee Members, and have appointed dedicated employees as well as support staff who hold concurrent posts.

The Audit and Supervisory Committee Secretariat reports the collected audit-related information to the Audit and Supervisory Committee in a prompt and detailed manner to enhance information sharing among Directors who are Audit and Supervisory Committee Members, as well as coordinates with each department, such as sending instructions to the Internal Audit Division and the Risk Management Division, which is responsible for the development and operation of internal controls, following the instructions of the Audit and Supervisory Committee.

In the fiscal year under review, the Company held meetings of the Audit and Supervisory Committee 13 times in total, and the number of times each Audit and Supervisory Committee Member attended is as follows.

Position	Name	Number of Times Attended
Audit and Supervisory Committee Member (Independent outside Director)	Masakatsu Hioki	13 of 13 meetings (100%)
Audit and Supervisory Committee Member (Independent outside Director)	Tomitoshi Omura	13 of 13 meetings (100%)
Audit and Supervisory Committee Member (Independent outside Director)	Yoshiki Ueda	13 of 13 meetings (100%)

The Audit and Supervisory Committee's specific considerations include the basic audit policy and audit plan, the status of the development and operation of the internal control system, the adequacy of audits by the Accounting Auditor, and their remuneration.

The Committee conducts activities in accordance with the prepared audit plan. For accounting audits, the Committee receives an explanation of the audit plan from the Accounting Auditor in advance, holds discussions, receives reports on the audit results, and monitors and verifies whether the Accounting Auditor maintains an independent position and conducts appropriate audits. In addition, the Committee receives reports from the Accounting Auditor on the status of execution of their duties, and requests explanations as necessary. Furthermore, the Committee holds regular meetings of the Group's Board of Auditors with the auditors of domestic associates to exchange information on audits.

In addition, the Committee attends important meetings such as Board of Directors' meetings (16 times in total in FY2024), the Global Business Strategy Meetings, and the Executive Officers' Meetings (12 times in total in FY2024). The Committee also attends Internal Control Liaison Meetings concerning the internal control system and opinion exchange meetings to exchange information and opinions with key executives, including those in charge of domestic associates, and relevant divisions such as the Internal Audit Division and the Risk Management Division.

(ii) Status of internal audits

The Company has established the Internal Audit Division, which monitors the business activities of each business division as a group directly reporting to the Representative Director and President that is independent from any other division.

The Internal Audit Division consists of seven members and carries the dual responsibilities of conducting internal audits and evaluating internal controls.

During internal audits, the business activities of each division and Group company are audited. While there is no system for reporting the results of internal audits directly to the Board of Directors, the General Manager of the Internal Audit Division prepares an internal audit report, which he/she then submits directly to the Representative Director and also provides a copy to the Audit and Supervisory Committee.

During evaluations of internal controls, internal controls related to financial reporting are evaluated based on the Financial Instruments and Exchange Act. The results of internal control evaluations are summarized in a report on the effectiveness of internal control over financial reporting and reported directly to the Board of Directors.

(iii) Status of accounting audits

a. Audit firm name

Grant Thornton Taiyo LLC

b. Continuous audit period

2006 onwards

c. Name of the certified public accountant who performed the work

Tatsuya Arai (Grant Thornton Taiyo LLC)

Kenichi Nakamura (Grant Thornton Taiyo LLC)

Motoki Ishikawa (Grant Thornton Taiyo LLC)

d. Composition of assistants involved in audit work

There are 14 certified public accountants, 15 people who have passed the CPA exam, etc. and 14 other people assisting in the accounting audit of the Company.

e. Audit firm selection policy and reasons

The Audit and Supervisory Committee has determined that Grant Thornton Taiyo LLC is qualified as an Accounting Auditor of the Company from the perspectives of the following policy for determining dismissal or non-reappointment of Accounting Auditors, audit quality, independence and efficiency. Therefore, we have decided to reappoint Grant Thornton Taiyo LLC as the Accounting Auditor for the current fiscal year as well.

(Policy for determining dismissal or non-reappointment of Accounting Auditors)

The Audit and Supervisory Committee, if it considers it necessary, such as in the case where the performance of the Accounting Auditor's duties is hindered, decides the details of the proposal for the dismissal or non-reappointment of the Accounting Auditor to be presented to the General Meeting of Shareholders.

In addition, if it is considered that the Accounting Auditor comes under any of the items of Article 340, Paragraph 1 of the Companies Act, the Accounting Auditor will be dismissed with the consent of all Audit and Supervisory Committee Members. In this case, the Audit and Supervisory Committee Member selected by the Audit and Supervisory Committee will report the dismissal of the Accounting

Auditor and the reason for such dismissal at the first General Meeting of Shareholders held after such dismissal.

f. Evaluation of audit firms by the Audit and Supervisory Committee

The Company's Audit and Supervisory Committee monitors and verifies whether the Accounting Auditor maintains an independent position and conducts appropriate audits. In addition, the Audit and Supervisory Committee evaluates, in every term, whether the Accounting Auditor's duties are properly performed, through audit activities during the period such as by seeking explanations from the Accounting Auditor on the status of quality control and the appropriateness of the work execution system as necessary.

(iv) Suspension of operations imposed on the Accounting Auditor in the past two years

Summary of disciplinary action announced by the Financial Services Agency as of December 26, 2023

a. Target of disciplinary action

Grant Thornton Taiyo LLC

b. Contents of disciplinary action

- Suspension of operations related to the conclusion of new contracts for a period of three months (from January 1, 2024 to March 31, 2024, excluding the period renewal of audit agreements and the conclusion of new agreements associated with the listing of companies with whom an audit agreement already exists)
- Business improvement order (improvements to business management system)
- Prohibition of the partner materially responsible for the action that resulted in the disciplinary action from involving in a part of the audit activities (examination of audit activities) for a period of three months (from January 1, 2024 to March 31, 2024)

c. Reason for disciplinary action

Two certified public accountants, who are partners of the said audit firm, neglected to exercise considerable care when auditing another client's correction report, etc. and certified that financial documents that contained material misstatements contained no material misstatements.

(v) Details of audit remuneration, etc.

a. Remuneration for auditing certified public accountants, etc.

Classification	Previous Fiscal Year		Current Fiscal Year	
	Remuneration based on audit certification work (Millions of Yen)	Remuneration based on non-audit work (Millions of Yen)	Remuneration based on audit certification work (Millions of Yen)	Remuneration based on non-audit work (Millions of Yen)
Reporting company	110	1	109	—
Consolidated subsidiaries	—	—	—	—
Total	110	1	109	—

In the previous fiscal year, the non-audit work of the Company consists of writing comfort letters to underwriters for the issuance of corporate bonds.

- b. Remuneration for organizations belonging to the same network (Grant Thornton) as auditing certified public accountants, etc. (excluding a.)

Classification	Previous Fiscal Year		Current Fiscal Year	
	Remuneration based on audit certification work (Millions of Yen)	Remuneration based on non-audit work (Millions of Yen)	Remuneration based on audit certification work (Millions of Yen)	Remuneration based on non-audit work (Millions of Yen)
Reporting company	—	—	—	—
Consolidated subsidiaries	92	27	100	37
Total	92	27	100	37

Non-audit services at consolidated subsidiaries include preparation of tax returns and tax advice.

- c. Details of remuneration based on other important audit certification services

(Previous fiscal year)

Not applicable

(Current fiscal year)

Not applicable

- d. Policy for determining audit remuneration

There is no applicable policy. Audit remuneration is decided after taking into account the content of the on-site audit, the number of days, etc.

- e. Reasons why the Audit and Supervisory Committee agreed to the remuneration, etc. of the Accounting Auditor

In line with the “Practical Guidelines on the Alliance with Accounting Auditors” announced by the Japan Audit & Supervisory Board Members Association, the Audit and Supervisory Committee checked and verified the Accounting Auditor’s actual performance by audit item in the audit plans for the previous fiscal years, the transition in the amounts of remuneration paid to them, and the status of their execution of duties, and then inspected the audit plan for the current fiscal year and the adequacy of the amounts of remuneration. As a result, the Committee gave consent to the remuneration, etc. for the Accounting Auditor under Article 399, Paragraphs 1 and 3 of the Companies Act.

(4) [Executive remuneration, etc.]

- (i) Matters pertaining to the policy regarding the determination of the amount of executive remuneration, etc. or its calculation method

Remuneration for executives consists of fixed amount remuneration that is provided stably to executives according to their position and role, remuneration based on restricted stock that aims to provide medium-term incentives, and performance-based remuneration based on annual and medium-term performances.

At the 52nd Ordinary General Meeting of Shareholders held on March 19, 2022, it was approved that the total amount of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members) will be no more than ¥1,200 million per year (of which remuneration for outside Directors will be no more than ¥120 million per year), and at the 46th Ordinary General Meeting of Shareholders held on June 18, 2016, that the total monthly remuneration for Audit and Supervisory Committee Members will be no more than ¥10 million.

Fixed amount remuneration is also reviewed each fiscal year, taking into account the Company’s operating performance, based on the intent of clarifying the Company’s operating performance and an individual role’s

responsibilities for the results and operating performance. With the fixed amount remuneration determined accordingly, operating performance during the fiscal year and that over the most recent four fiscal years as well as the degree of contribution by the entire management are taken into consideration to determine the ratio between the fixed amount remuneration and the amount of performance-based remuneration for an Executive Director.

In addition, the number of restricted stocks to be granted as remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors) is calculated at around 5% of the total amount of fixed amount remuneration paid to Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors) at the time of initial introduction. In order to contribute to the sustainable improvement of the Company's corporate value, share the benefits and risks of stock price fluctuations with shareholders, and increase the willingness to contribute to the raised stock price and improvement of corporate value, we will adjust the above-mentioned ratio based on the initial introduction to respond to future changes in the business environment, and will provide an appropriate payment ratio.

The Board of Directors has delegated the authority to determine the number of restricted stocks to be granted to each Director as well as the amount of fixed remuneration of each Director, and evaluation and allocation of performance-based remuneration based on operating performance of the business line that each Director, excluding outside Directors, is in charge of, to Akihiro Teramachi, Director and Chairman, Takashi Teramachi, Director and President, and Hiroshi Imano, Director and Executive Vice President. The reason for the delegation is that the Company determined that they are appropriate for evaluating the business that each Director is in charge of, while taking into account company-wide operating performance, etc.

In addition, the Board of Directors has judged that the remuneration, etc. for individual Directors for the fiscal year under review is in line with the policies for determining the details of the remuneration, etc. for individual Directors because the determination of the details of the remuneration, etc. and the details of the determined remuneration, etc. were consistent with the policies and because the report from the voluntary Remuneration Advisory Committee, of which outside Directors form a majority, was respected. For details of the activities of the voluntary Remuneration Advisory Committee, please refer to "IV. Information on the Reporting Company 4. Status of Corporate Governance, etc. (1) Outline of corporate governance (ix) Activities of the Board of Directors and committees (c) Voluntary Remuneration Advisory Committee."

(1) Fixed amount remuneration (total amount)

No more than ¥1,200 million per year (for outside Directors, (excluding Directors who are Audit and Supervisory Committee Members) no more than ¥120 million per year)

(2) Performance-based remuneration (total amount)

In order for Directors to share profits with shareholders and increase their motivation to improve performance, the amount of remuneration for Directors is linked with annual and medium-term performances. Namely, the upper limit of performance-based remuneration is calculated by adding the amount obtained by multiplying the amount of profit attributable to owners of the parent in the fiscal year in which remuneration is paid by 3%, to the amount obtained by multiplying the average amount of profit attributable to owners of the parent for the most recent four fiscal years including the relevant fiscal year by 3%, taking into consideration the medium-term initiatives and results. However, the Company does not provide remuneration to outside Directors. The profit attributable to owners of the parent for the current fiscal year was ¥10,439 million.

(3) Restricted stock remuneration

The Company provides monetary remuneration claims to eligible Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors) as remuneration related to restricted stocks, within the fixed amount remuneration of ¥1,200 million per year (for outside Directors, within ¥120 million per year), and each eligible Director receives allotted restricted stocks by paying all the monetary

claims by means of contribution in kind. The total number of common stocks of the Company to be allotted to eligible Directors shall be within 270,000 shares in each fiscal year. Eligible Directors who have received allotted common stocks of the Company under the Allotment Agreement shall not transfer, create a security interest on, or otherwise dispose of those stocks during the period from the day on which stocks are allotted under the Allotment Agreement to the time that the eligible Director retires from the position of Director of the Company (excluding situations where the eligible Director retires and is reappointed at the same time).

The amount of remuneration for Directors who are Audit and Supervisory Committee Members is no more than ¥10 million per month. The amount of remuneration for Directors who are Audit and Supervisory Committee Members is determined through discussions among the Directors who are Audit and Supervisory Committee Members.

(ii) Total amount of remuneration, etc., for each executive classification of the reporting company, total amount of remuneration, etc., by type, and number of applicable executives

Executive Classification	Total Amount of Remuneration, etc. (Millions of Yen)	Total Amount of Remuneration, etc. by Type (Millions of Yen)				Executives Receiving Remuneration (Persons)
		Fixed remuneration	Performance-based remuneration	Retirement benefits	Restricted stock remuneration	
Directors (excluding Audit and Supervisory Committee Members) (excluding outside Directors)	528	432	66	—	29	7
Directors (Audit and Supervisory Committee Members) (excluding outside Directors)	—	—	—	—	—	—
Outside executives	90	90	—	—	—	5

(iii) Total amount of consolidated remuneration, etc., for each executive

Name	Total Amount of Consolidated Remuneration, etc. (Millions of Yen)	Executive Classification	Company Classification	Amount of Consolidated Remuneration, etc. by Type (Millions of Yen)			
				Fixed remuneration	Performance-based remuneration	Retirement benefits	Restricted stock remuneration
Akihiro Teramachi	128	Director	Reporting company	105	15	—	7
Takashi Teramachi	114	Director	Reporting company	90	18	—	5

(Note) Only persons whose total consolidated remuneration, etc., is ¥100 million or more are listed.

(5) [Shareholding status]

(i) Criteria and concepts for classification of investment stocks

The Company classifies investment stocks held for pure investment purposes and investment stocks held for purposes other than pure investment purposes as follows.

Investment stocks held for pure investment purposes:

Stocks held for the purpose of pursuing stock price appreciation and dividend income

Investment stocks held for purposes other than pure investment:

Stocks held for the purpose of strengthening relationships of trust with important business partners and contributing to the medium to long term growth and improvement of corporate value of the Company

(ii) Investment stocks held for purposes other than pure investment

a. Holding policy, method of verifying the rationality of holdings, and details of verification by the Board of Directors, etc., regarding the propriety of holding individual security names

The Company's Corporate Governance Guidelines ("Guidelines") stipulate our policy on holding as follows.

- For the purpose of facilitating or strengthening business activities such as transactions, the Company shall, at its Board of Directors, comprehensively consider the profits directly obtained by the Group from holdings, the profits obtained from the maintenance and development of business relationships, and the amount of investment and the opinions of related departments, etc., and if it is determined to be beneficial, the Company will hold the shares of our business partners as cross-shareholdings.

Under this policy, each year the Company regularly checks the financial condition, business performance, valuation gains and losses on the stocks we hold, dividend yield, ROE, stock price trends, etc., of the companies in which we hold stocks. The Board of Directors makes the final decision on the propriety of holding stocks upon verifying medium to long term economic rationality and future prospects in light of the transaction size, nature, and relationship with the Company. In addition, the Guidelines stipulate the following regarding the exercise of voting rights related to cross-shareholdings.

- With respect to the exercise of voting rights of cross-shareholdings, the Company judges whether or not it is beneficial to the Company's business activities based on the content of the proposal, and will not make affirmative judgments on proposals that may damage the shareholders' value of the Company.

b. Number of names of securities and book value

	Number of Names of Securities (Security name)	Total Book Value (Millions of Yen)
Unlisted stocks	8	322
Stocks other than unlisted stocks	13	3,347

(Security names whose number of shares held increased in the current fiscal year)

	Number of Names of Securities (Security name)	Total Acquisition Price Related to the Increase in the Number of Shares Held (Millions of Yen)	Reason for Increase in Number of Shares Held
Unlisted stocks	1	30	Increase due to new investment



Stocks other than unlisted stocks	3	2	Increase due to purchases by the stock ownership association of business partners
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(Security names whose number of shares held decreased in the current fiscal year)

	Number of Names of Securities (Security name)	Total Selling Price Related to the Decrease in the Number of Shares Held (Millions of Yen)
Unlisted stocks	—	—
Stocks other than unlisted stocks	9	98

- c. Information on the number of shares held for each security name of specified equity securities and deemed holdings of equity securities, book value, etc.

Specified equity securities

Security Name	Current Fiscal Year	Previous Fiscal Year	Purpose of Holding, Outline of Business Alliance, etc., Quantitative Effect of Holding, and Reason for Increase in Number of Shares Held *1	Owns Shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Book value (Millions of Yen)	Book value (Millions of Yen)		
NITTOKU CO., LTD.	300,000	300,000	It is a sales destination for linear motion products, and we have determined that continuing to strengthen our business relationship will contribute to improving the Company's corporate value over the medium to long term.	Yes
	619	600		
Mitsubishi UFJ Financial Group, Inc.	293,900	293,900	It is determined that it will contribute to the medium to long term improvement of the Company's corporate value through the facilitation of fund procurement for business activities and the collection, etc., of financial information.	No *2
	542	356		
TSUGAMI CORPORATION	300,000	300,000	It is a sales destination for linear motion products, and we have determined that continuing to strengthen our business relationship will contribute to improving the Company's corporate value over the medium to long term.	Yes
	467	364		
TOKYO SEIMITSU CO., LTD.	52,000	52,000	It is a sales destination for linear motion products, and we have determined that continuing to strengthen our business relationship will contribute to improving the Company's corporate value over the medium to long term.	Yes
	382	450		

Security Name	Current Fiscal Year	Previous Fiscal Year	Purpose of Holding, Outline of Business Alliance, etc., Quantitative Effect of Holding, and Reason for Increase in Number of Shares Held *1	Owns Shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Book value (Millions of Yen)	Book value (Millions of Yen)		
Okuma Corporation	99,977	49,963	It is a sales destination for linear motion products, and we have determined that continuing to strengthen our business relationship will contribute to improving the Company's corporate value over the medium to long term. The number of shares held increased due to participation in the stock ownership association. *3	Yes
	340	303		
Mizuho Financial Group, Inc.	63,900	63,900	It is determined that it will contribute to the medium to long term improvement of the Company's corporate value through the facilitation of fund procurement for business activities and the collection, etc., of financial information.	No *2
	247	154		
NACHI-FUJIKOSHI CORP.	63,576	63,369	It is a sales destination for linear motion products, and we have determined that continuing to strengthen our business relationship will contribute to improving the Company's corporate value over the medium to long term. The number of shares held increased due to participation in the stock ownership association.	Yes
	201	232		
Neturen Co., Ltd.	200,000	200,000	It is a subcontractor that is responsible for part of the manufacturing process, and we have determined that continuing to strengthen our business relationship will contribute to improving the Company's corporate value over the medium to long term.	Yes
	195	192		
Laboro.AI Inc.	117,370	117,370	We have determined that strengthening our collaborative relationship in AI technology for developing IoT and other solutions will contribute to improving the Company's corporate value over the medium to long term.	No
	117	86		
ONEX CORPORATION	53,000	53,000	It is a subcontractor that is responsible for part of the manufacturing process, and we have determined that continuing to strengthen our business relationship will contribute to improving the Company's corporate value over the medium to long term.	Yes
	103	97		

Security Name	Current Fiscal Year	Previous Fiscal Year	Purpose of Holding, Outline of Business Alliance, etc., Quantitative Effect of Holding, and Reason for Increase in Number of Shares Held *1	Owns Shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Book value (Millions of Yen)	Book value (Millions of Yen)		
TOBA, INC.	17,938	17,496	It is a sales destination for linear motion products, and we have determined that continuing to strengthen our business relationship will contribute to improving the Company's corporate value over the medium to long term. The number of shares held increased due to participation in the stock ownership association.	No
	62	59		
MICRON MACHINERY CO., LTD.	30,000	30,000	It is a sales destination for linear motion products, and we have determined that continuing to strengthen our business relationship will contribute to improving the Company's corporate value over the medium to long term.	No
	47	43		
HEPHAIST Co., Ltd.	50,000	50,000	It is a sales destination for linear motion products, and we have determined that continuing to strengthen our business relationship will contribute to improving the Company's corporate value over the medium to long term.	No
	18	12		
Daifuku Co., Ltd.	—	55,600	Sold shares in the current fiscal year.	No
	—	158		
SCREEN Holdings Co., Ltd.	—	8,000	Sold shares in the current fiscal year.	No
	—	95		
Takatori Corporation	—	21,000	Sold shares in the current fiscal year.	No
	—	89		
Sodick Co., Ltd.	—	40,200	Sold shares in the current fiscal year.	No
	—	29		

Security Name	Current Fiscal Year	Previous Fiscal Year	Purpose of Holding, Outline of Business Alliance, etc., Quantitative Effect of Holding, and Reason for Increase in Number of Shares Held *1	Owns Shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Book value (Millions of Yen)	Book value (Millions of Yen)		
NISSEI PLASTIC INDUSTRIAL CO., LTD.	—	20,100	Sold shares in the current fiscal year.	No
	—	22		
HI-LEX CORPORATION	—	14,200	Sold shares in the current fiscal year.	No
	—	19		
KITAGAWA SEIKI CO., LTD.	—	14,000	Sold shares in the current fiscal year.	No
	—	10		
Nippon Electric Glass Co., Ltd.	—	3,300	Sold shares in the current fiscal year.	No
	—	10		
SHIBUYA CORPORATION	—	3,200	Sold shares in the current fiscal year.	No
	—	7		

\*1 It is difficult to individually describe the quantitative effects of cross-shareholdings because the Company holds such shares for the purpose of maintaining and developing medium to long term business relationships, including maintenance services, and from the perspective of confidentiality.

\*2 The company in which we hold stocks does not hold shares of the Company, but its subsidiary does.

\*3 Okuma Corporation conducted a two-for-one split of its common stock effective October 1, 2024.

(iii) Investment stocks held for pure investment purposes

Not applicable

## V. [Financial Information]

### 1. Method of Preparing Consolidated Financial Statements and Non-Consolidated Financial Statements

- (1) The Company's consolidated financial statements are based on International Financial Reporting Standards ("IFRS") pursuant to Article 312 of the "Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Order No. 28 of 1976).
- (2) The Company's non-consolidated financial statements are prepared in accordance with the "Regulation on Terminology, Forms and Preparation Methods of Financial Statements" (Ministry of Finance Order No. 59 of 1963; hereinafter referred to as the "Regulation on Financial Statements").

In addition, the Company falls under the category of a company submitting special financial statements, and prepares financial statements in accordance with the provisions of Article 127 of the Regulation on Financial Statements.

### 2. Special Efforts to Ensure Appropriateness of Consolidated Financial Statements, etc. and Establishment of System to Properly Prepare Consolidated Financial Statements, etc. Based on IFRS

The Company has taken special measures to ensure the appropriateness of consolidated financial statements, etc., and has established a system that allows the proper preparation of consolidated financial statements, etc. based on IFRS. The contents are as follows.

- (1) As a special effort to ensure the appropriateness of consolidated financial statements, to properly understand the content of accounting standards, etc., or to develop a system that can appropriately respond to changes in accounting standards, etc., the Company is a member of the Financial Accounting Standards Foundation.
- (2) The Company obtains press releases, etc., published by the International Accounting Standards Board in a timely manner, understands the latest standards, and establishes group accounting policies in accordance with IFRS, based on which we conduct accounting.

1. [Consolidated Financial Statements, etc.]

(1) [Consolidated financial statements]

(i) [Consolidated statements of financial position]

(Millions of Yen)

	Notes	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Assets			
Current assets			
Cash and cash equivalents	7	156,486	138,293
Trade and other receivables	8	78,621	81,474
Inventories	10	82,460	91,660
Other financial assets	9	504	2,002
Other current assets	11	15,388	13,375
Total current assets		333,462	326,804
Non-current assets			
Property, plant and equipment	12	186,556	203,783
Goodwill and intangible assets	13	9,492	9,207
Investments accounted for using the equity method		6,960	6,709
Other financial assets	9	10,724	11,152
Deferred tax assets	15	5,891	5,142
Retirement benefit asset	19	3,182	4,243
Other non-current assets	11	80	374
Total non-current assets		222,889	240,613
Total assets		556,351	567,418

(Millions of Yen)

	Notes	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	18	40,881	34,040
Bonds and borrowings	16	13,123	23,371
Other financial liabilities	16	4,352	4,315
Provisions	20	114	425
Income taxes payable	15	849	3,013
Other current liabilities	21	14,320	15,763
Total current liabilities		73,643	80,929
Non-current liabilities			
Bonds and borrowings	16	95,639	73,143
Other financial liabilities	16	8,491	7,891
Retirement benefit liabilities	19	6,278	5,859
Provisions	20	171	65
Deferred tax liabilities	15	6,488	6,827
Other non-current liabilities	21,22	2,740	2,906
Total non-current liabilities		119,810	96,693
Total liabilities		193,453	177,623
Equity			
Common stock	23	34,606	34,606
Capital surplus	23	40,102	40,120
Retained earnings	23	253,440	260,638
Treasury stock	23	(17,130)	(21,104)
Other components of equity		46,245	69,384
Total equity attributable to owners of the parent		357,264	383,645
Non-controlling interests		5,633	6,149
Total equity		362,898	389,795
Total liabilities and equity		556,351	567,418

(ii) [Consolidated statements of profit or loss and consolidated statements of comprehensive income]  
[Consolidated statements of profit or loss]

(Millions of Yen)

	Notes	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Revenue	6,25	351,939	352,759
Cost of sales		270,308	270,975
Gross profit		81,630	81,784
Selling, general and administrative expenses	26	58,958	64,639
Other income	28	2,318	2,553
Other expenses	28	1,322	2,404
Share of profit of investments accounted for using the equity method		40	55
Operating income	6	23,707	17,349
Financial income	29	2,446	3,116
Financial costs	29	864	1,683
Profit before tax		25,289	18,782
Income tax expense	15	6,550	8,125
Profit		18,738	10,657
Profit attributable to:			
Owners of the parent		18,398	10,439
Non-controlling interests		339	217
Profit		18,738	10,657
Earnings per share			
Basic earnings per share (yen)	31	150.08	85.17
Diluted earnings per share (yen)	31	—	—



[Consolidated statements of comprehensive income]

(Millions of Yen)

	Notes	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Profit		18,738	10,657
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income	30	532	248
Remeasurements of defined benefit plans	30	(1,430)	846
Share of other comprehensive income of investments accounted for using the equity method	30	54	(123)
Total of items that will not be reclassified to profit or loss		(843)	971
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	30	17,442	23,763
Share of other comprehensive income of investments accounted for using the equity method	30	360	(179)
Total of items that may be reclassified to profit or loss		17,802	23,583
Other comprehensive income, net of tax		16,959	24,554
Comprehensive income		35,697	35,212
Comprehensive income attributable to:			
Owners of the parent		35,145	34,505
Non-controlling interests		551	706
Comprehensive income		35,697	35,212

(iii) [Consolidated statements of changes in equity]  
Previous fiscal year (from January 1, 2023 to December 31, 2023)

(Millions of Yen)

	Notes	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	40,094	245,941	(17,160)	27,234
Profit		—	—	18,398	—	—
Other comprehensive income	30	—	—	—	—	17,590
Total comprehensive income		—	—	18,398	—	17,590
Purchase of treasury stock	23	—	—	—	(2)	—
Disposition of treasury stock	23	—	8	—	31	—
Dividends	24	—	—	(9,807)	—	—
Transfer from other components of equity to retained earnings		—	—	(1,091)	—	—
Other		—	—	—	—	—
Total transactions with owners		—	8	(10,898)	29	—
Ending balance		34,606	40,102	253,440	(17,130)	44,825

		Equity attributable to owners of the parent					
		Other components of equity					
	Notes	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Subtotal	Total	Non-controlling interests	Total equity
Beginning balance		1,171	—	28,406	331,887	5,393	337,281
Profit		—	—	—	18,398	339	18,738
Other comprehensive income	30	535	(1,379)	16,747	16,747	211	16,959
Total comprehensive income		535	(1,379)	16,747	35,145	551	35,697
Purchase of treasury stock	23	—	—	—	(2)	—	(2)
Disposition of treasury stock	23	—	—	—	40	—	40
Dividends	24	—	—	—	(9,807)	—	(9,807)
Transfer from other components of equity to retained earnings		(287)	1,379	1,091	—	—	—
Other		—	—	—	—	(311)	(311)
Total transactions with owners		(287)	1,379	1,091	(9,769)	(311)	(10,080)
Ending balance		1,419	—	46,245	357,264	5,633	362,898

Current fiscal year (from January 1, 2024 to December 31, 2024)

(Millions of Yen)

	Notes	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		—	—	10,439	—	—
Other comprehensive income	30	—	—	—	—	23,094
Total comprehensive income		—	—	10,439	—	23,094
Purchase of treasury stock	23	—	—	—	(4,020)	—
Disposition of treasury stock	23	—	17	—	47	—
Dividends	24	—	—	(4,168)	—	—
Transfer from other components of equity to retained earnings		—	—	926	—	—
Other		—	—	—	—	—
Total transactions with owners		—	17	(3,241)	(3,973)	—
Ending balance		34,606	40,120	260,638	(21,104)	67,919

		Equity attributable to owners of the parent					Non-controlling interests	Total equity
		Other components of equity				Total		
	Notes	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Subtotal				
Beginning balance		1,419	—	46,245	357,264	5,633	362,898	
Profit		—	—	—	10,439	217	10,657	
Other comprehensive income	30	250	721	24,065	24,065	488	24,554	
Total comprehensive income		250	721	24,065	34,505	706	35,212	
Purchase of treasury stock	23	—	—	—	(4,020)	—	(4,020)	
Disposition of treasury stock	23	—	—	—	65	—	65	
Dividends	24	—	—	—	(4,168)	—	(4,168)	
Transfer from other components of equity to retained earnings		(205)	(721)	(926)	—	—	—	
Other		—	—	—	—	(191)	(191)	
Total transactions with owners		(205)	(721)	(926)	(8,124)	(191)	(8,315)	
Ending balance		1,464	—	69,384	383,645	6,149	389,795	

## (iv) [Consolidated statements of cash flows]

(Millions of Yen)

	Notes	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Cash flows from operating activities			
Profit before tax		25,289	18,782
Depreciation and amortization		21,803	23,981
Increase or decrease in retirement benefit assets or liabilities		(409)	(857)
Financial income		(2,446)	(3,116)
Financial costs		1,589	763
Share of profit of investments accounted for using the equity method		(40)	(55)
(Increase) decrease in trade and other receivables		22,035	(570)
(Increase) decrease in inventories		(1,049)	(5,391)
Increase (decrease) in trade and other payables		(13,808)	(6,805)
Other		(1,036)	2,439
Subtotal		51,926	29,170
Interests and dividends received		2,424	2,889
Interests paid		(419)	(473)
Income taxes paid		(14,599)	(3,174)
Net cash provided by operating activities		39,332	28,412
Cash flows from investing activities			
Purchase of property, plant and equipment		(27,045)	(29,563)
Proceeds from sale of property, plant and equipment		125	428
Purchase of other financial assets		(366)	(156)
Proceeds from sales of other financial assets		624	394
Payments for transfers of receivables		—	(2,600)
Proceeds from acquisition of a subsidiary resulting in change in scope of consolidation		—	13
Other		(433)	(2,740)
Net cash used in investing activities		(27,094)	(34,223)
Cash flows from financing activities			
Repayments of long-term borrowings	32	(2,185)	(2,185)
Proceeds from issuance of bonds	32	10,000	—
Payments for redemption of bonds	32	(20,000)	(10,000)
Purchase of treasury stock	23	(2)	(4,020)
Dividends paid	24	(9,795)	(4,167)
Dividends paid to non-controlling interests		(349)	(184)
Repayments of lease liabilities	32	(1,934)	(2,096)
Net cash used in financing activities		(24,266)	(22,652)
Effect of exchange rate changes on cash and cash equivalents		4,680	10,270
Net increase (decrease) in cash and cash equivalents		(7,348)	(18,193)
Cash and cash equivalents at the beginning of the year	7	163,835	156,486
Cash and cash equivalents at the end of the year	7	156,486	138,293

[Notes to the consolidated financial statements]

1. Reporting entity

THK CO., LTD. (the “Company”) is a stock company located in Japan. The Company’s consolidated financial statements, which end on December 31, 2024, consist of the Company and its subsidiaries (the “Group”) and the Group’s interests in associates.

Details of the Group’s business are described in Note “6. Segment information” of the Consolidated Financial Statements.

2. Basis of preparation

(1) Compliance with IFRS

The Group’s consolidated financial statements meet the requirements for a “specified company complying with any designated international accounting standards” listed in Article 1-2 of the “Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements” (Ministry of Finance Order No. 28 of 1976). Therefore, it has been prepared in accordance with IFRS pursuant to the provisions of Article 312 of the above regulation.

These consolidated financial statements were approved by the Representative Director and President Takashi Teramachi on March 17, 2025.

(2) Functional currency and presentation currency

The Group’s consolidated financial statements are presented in Japanese yen, the Company’s functional currency, rounded down to the nearest million yen.

(3) Change in accounting policies

The Group has applied standards and interpretation policies which became mandatory from the current fiscal year. Their application did not have a significant impact on the accompanying consolidated financial statements.

3. Material accounting policy information

(1) Basis of consolidation

(i) Subsidiaries

Subsidiaries are companies controlled by the Group. The Group has determined that it controls a company in case the Group has exposure or rights to variable returns from its involvement in the company and has the ability to influence those returns through its power over the company.

The financial statements of subsidiaries are included in the scope of consolidation from the date control is obtained until the date control is lost.

Receivables and payables balances and internal transaction volumes between our group companies, as well as unrealized gains and losses arising from transactions between our group companies, are eliminated when preparing consolidated financial statements.

Disposal of a portion of a subsidiary’s interest is accounted for as an equity transaction if control continues. The difference between the non-controlling interest adjustment and the fair value of the consideration is recognized directly in equity as equity attributable to owners of the parent company.

(ii) Associates

Associates are companies over which the Group has significant influence over the financial and operating policies, but not under control or joint control.

Associates are accounted for using the equity method from the date the Group gains significant influence until the date it loses significant influence. Investments in associates include goodwill (net of accumulated impairment losses) recognized on acquisition.

## (2) Business combination

Business combinations are accounted for using the acquisition method. The purchase price is measured as the sum of the acquisition-date fair value of the assets transferred, liabilities assumed, and equity instruments issued by the Company in exchange for control of the acquiree. If the purchase price exceeds the fair value of identifiable assets and liabilities, it is recorded as goodwill in the consolidated statements of financial position. Conversely, if it falls below the fair value, it is immediately recorded as profit or loss in the consolidated statements of profit or loss.

A decision is made for each business combination whether to measure non-controlling interests at fair value or at a proportionate share of the recognized amount of identifiable net assets.

The additional acquisition of non-controlling interests after obtaining control is accounted for as an equity transaction, so no goodwill is recognized from such transaction.

Identifiable assets and liabilities of the acquired company are measured at fair value on the date of acquisition, except for the following.

- Deferred tax assets and liabilities and assets and liabilities related to employee benefit agreements
- Remuneration agreement based on shares of the acquired company
- Assets or disposal groups classified as held for sale in accordance with IFRS 5 “Non-current assets held for sale and discontinued operations”

In the case of a business combination achieved in stages, the Group’s previously held equity interest in the acquiree is remeasured at its fair value on the acquisition date and any gains or losses incurred are recognized in profit or loss.

## (3) Foreign currency conversion

### 1) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of each company of the Group at the exchange rate on the date of the transaction or a rate that approximates it.

Monetary assets and liabilities denominated in foreign currencies at the end of the period are translated into the functional currency at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies measured at fair value are translated into the functional currency at the exchange rate on the date the fair value is determined.

Exchange differences arising from translation or settlement are recognized in profit or loss. However, exchange differences arising from financial assets measured through other comprehensive income are recognized as other comprehensive income.

### 2) Financial statements of foreign operations

Assets and liabilities of foreign operations are translated into Japanese yen using the exchange rate at the end of the period, whereas income and expenses of them are translated into Japanese yen using the average exchange rate during the period. Exchange differences arising from the translation of financial statements of foreign operations are recognized in other comprehensive income. The exchange differences on translation of foreign operations are disposed of.



#### (4) Financial instruments

##### 1) Financial assets

###### (i) Initial recognition and measurement

The Group classifies its financial assets as those measured at fair value through profit or loss or through other comprehensive income and those measured at amortized cost. This classification is made at the time of initial recognition.

The Group recognizes a financial instrument on the trade date when the Group becomes a party to the contract of the financial asset.

All financial assets are measured at fair value plus transaction cost, except for those classified as financial assets measured at fair value through profit or loss.

Financial assets are classified as those measured at amortized cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets other than those measured at amortized cost are classified as financial assets measured at fair value.

Except for equity instruments held for trading that have to be measured at fair value through profit or loss, the Group designates each equity instrument as at fair value through profit or loss or through other comprehensive income and continues the designation for each equity instrument.

###### (ii) Subsequent measurement

After the initial recognition, financial assets are measured according to their types as follows.

###### (a) Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method.

###### (b) Financial assets measured at fair value

A change in fair value for financial assets measured at fair value is recognized as profit or loss.

Of equity instruments, however, for those designated as financial assets measured at fair value through other comprehensive income, a change in fair value is recognized in other comprehensive income.

Dividends paid from those financial assets are recognized in profit or loss as part of financial income in the fiscal year under review.

###### (iii) Derecognition of financial assets

The Group derecognizes financial assets when contractual rights to cash flows from the financial assets expire, or when the Group transfers most of all risks and economic values of the financial assets elsewhere. When the Group continues to control the transferred financial assets, it recognizes liabilities related to the assets to the extent of the continuous control.

###### (iv) Impairment of financial assets

For financial assets measured at amortized cost, the Group recognizes allowance for bad debts against the expected credit loss associated with those financial assets.

The Group assesses whether the credit risk associated with each financial asset has increased significantly since the initial recognition at the end of each reporting period, and when the credit risk has not increased significantly, the Group recognizes the 12-month expected credit loss in allowance for bad debts. When

the credit risk has increased significantly since the initial recognition, the Group recognizes the amount equal to the lifetime expected credit loss as allowance for bad debts.

The Group considers, as a general rule, that there has been a significant increase in credit risk when payments have not been made and more than 30 days have passed since the contractual due date. The assessment of whether or not credit risk has increased significantly takes into account information that is reasonably available to the Group and supportable (e.g. internal and external credit ratings) as well as past due information.

When the credit risk on a financial asset is considered low at the end of the reporting period, the Group determines that the credit risk on the financial asset has not increased significantly since initial recognition.

However, with regard to trade receivables that do not contain a significant financing component, the allowance for bad debts is always recognized at an amount equal to the lifetime expected credit losses, regardless of whether or not there has been a significant increase in credit risk since initial recognition.

Expected credit losses are measured as the present value of the difference between all contractual cash flows to be paid to a company under the contract and all cash flows that the company expects to receive.

The Group measures expected credit losses of a financial asset in a way that reflects the following items.

- Unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- Time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group makes necessary adjustments to the expected credit losses measured above if being affected by significant changes in the economy and other factors.

The Group directly reduces the gross carrying amount of a financial asset when it has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Provision of allowance for bad debts on financial assets is recognized in profit or loss. If any event arises that reduces allowance for bad debts, reversal of allowance for bad debts is recognized in profit or loss.

## 2) Financial liabilities

### (i) Initial recognition and measurement

The Group classifies its financial liabilities as those measured at fair value through profit or loss or those measured at amortized cost. This classification is made at the time of initial recognition.

The Group initially recognizes issued debt securities on the date of issue. All other financial liabilities are initially recognized on the trade date when the Group becomes a party to the contract for the financial instrument.

All financial liabilities are initially measured at fair value, but financial liabilities measured at amortized cost are measured after deducting directly attributable transaction costs.

### (ii) Subsequent measurement

After the initial recognition, financial liabilities are measured according to their types as follows.

#### (a) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss are measured at fair value after initial recognition, and changes in fair value are recognized in profit or loss for the period.

#### (b) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method after initially recognized.

When the effective interest method amortization and recognition are discontinued, gains and losses are recognized in profit or loss for the period as part of financial costs.

(iii) Derecognition of financial liabilities

The Group derecognizes a financial liability when it is extinguished, i.e. when the obligation specified in the contract is discharged, canceled or expired.

3) Presentation of financial assets and financial liabilities

Financial assets and financial liabilities are offset in the consolidated statements of financial position and presented on a net basis only if the Group has the legal right to set off the balance and intends to settle net or realize the asset and settle the liability at the same time.

4) Derivatives

The Group utilizes derivatives, including forward exchange contracts and interest-rate swap contracts, to hedge currency risk and interest rate risk. These derivatives are initially recognized at fair value when the contract is entered into, and are subsequently remeasured at fair value.

(5) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and deposits that can be withdrawn at any time.

(6) Inventories

Inventories are measured at the lower of acquisition cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories is determined by the weighted average method, in principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(7) Property, plant and equipment

Items of property, plant and equipment are presented at acquisition cost less any accumulated depreciation and impairment losses.

Acquisition cost includes any costs directly attributable to the acquisition of assets, dismantling costs, removal costs, and restoration costs for the land on which the property, plant and equipment have been located.

Items of property, plant and equipment other than land and construction in progress are depreciated over the estimated useful lives using the straight-line method. The estimated useful lives of major items of property, plant and equipment are as follows:

- Buildings and structures: 5 to 50 years
- Machinery and vehicles: 4 to 12 years

The estimated useful lives, residual values, and depreciation method are subject to review at the end of each fiscal year, and any change to them is prospectively applied as a change in an accounting estimate.

(8) Goodwill

The Group initially measures goodwill at the amount calculated by deducting the net recognized amount (usually, fair value) of identifiable assets acquired and liabilities assumed at the date of acquisition from fair value of consideration for the transfer including the recognized amount of non-controlling interests in the acquiree, which is measured at the date of acquisition.

Goodwill is not amortized. Instead, it is tested for impairment annually, or whenever there are indications of potential impairment.

Impairment losses of goodwill are recognized in the consolidated statements of profit or loss, and not reversed subsequently.

In addition, goodwill is carried at acquisition cost less accumulated impairment losses on consolidated statements of financial position.

(9) Intangible assets

Separately acquired intangible assets are measured at acquisition cost at the time of initial recognition. Intangible assets acquired through business combinations are measured at fair value at the acquisition date. After initial recognition, intangible assets are presented at acquisition cost less any accumulated amortization and impairment losses.

After initial recognition, intangible assets other than those with indefinite useful lives are amortized over the estimated useful lives using the straight-line method and are presented at cost less any accumulated amortization and impairment losses. The estimated useful lives of major intangible assets are as follows:

- Software for internal use: 5 years

The estimated useful lives, residual values, and amortization method are subject to review at the end of each fiscal year, and any change to them is prospectively applied as a change in an accounting estimate.

(10) Leases

For leases as lessee, the Group measures right-of-use assets at cost and lease liabilities at the present value of the total accrued lease payments at the commencement date of the leases, and includes and presents the right-of-use assets in "Property, plant and equipment" and the lease liabilities in "Other financial liabilities" in the consolidated statements of financial position.

Right-of-use assets are depreciated over the shorter of their useful lives and lease terms using the straight-line method.

Lease payments are allocated to financial costs and repayments of lease liabilities based on the effective interest method. Financial costs are recognized in the consolidated statements of profit or loss.

However, for short-term leases with a lease term of 12 months or less and leases for which the underlying asset is of low value, the Group does not recognize right-of-use assets or lease liabilities, but recognizes the total lease payments associated with those leases as expenses on either a straight-line method over the lease term or another systematic basis.

(11) Impairment of non-financial assets

The Group determines at the end of every reporting period whether there is any indication that carrying amounts of the Group's non-financial assets excluding inventories and deferred tax assets may be impaired. If any indication exists, the recoverable amount of the asset is estimated. For goodwill and intangible assets with indefinite useful lives or not yet available for use, the recoverable amount is estimated at the same time each year, irrespective of whether there is any indication of impairment.

The recoverable amount of an asset or a cash-generating unit is the higher of its value in use and fair value less cost of disposal. In calculating value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the time value of money and the risks specific to the asset. Assets that are not tested individually in impairment test are integrated into the smallest cash-generating unit that generates cash inflows largely independent of the cash inflows from other assets or groups of assets through continuing use. To test goodwill for impairment, cash-generating units to which the goodwill is allocated are integrated so that impairment is tested reflecting the smallest unit related to the goodwill. Goodwill acquired in business combination is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate independent cash inflows. The recoverable amount of cash-generating units to which the corporate assets are attributed is determined if there is any indication of impairment in the corporate assets.

An impairment loss is recognized as profit or loss, if the carrying amount of an asset or cash-generating unit exceeds the estimated recoverable amount. The impairment loss recognized in association with a cash-

generating unit is first allocated to reduce the carrying amount of goodwill allocated to this unit, and then the carrying amounts of other assets in the cash-generating unit are reduced on a pro rata basis.

## (12) Employee benefits

### (i) Post-employment benefits

The Group has defined benefit plans and defined contribution plans as post-employment benefit plans for employees.

In defined benefit plans, the Group calculates the amount of defined benefit obligations separately for each plan by discounting the estimated amounts of future benefits that employees have earned in exchange for their service rendered in the prior fiscal years and the fiscal year under review to the present value, and recognizes the calculated amount of defined benefit obligations less the fair value of plan assets in the consolidated statements of financial position.

The Group determines the present value of its defined benefit obligations, the related current service cost, and past service cost using the projected unit credit method.

The discount rate is determined by reference to market yields at the end of the fiscal year on high quality corporate bonds, reflecting the estimated timing of benefit payments.

Liabilities or assets associated with the defined benefit plans are determined by subtracting the fair value of plan assets from the present value of defined benefit obligations. However, if defined benefit plans are overfunded, the asset ceiling of the net amount of defined benefit assets is the present value of available economic benefits available in the form of returns from the plans or reductions in future contributions to the plans.

Remeasurements of the defined benefit plans are recognized at once as other comprehensive income for the period in which the remeasurements arise, and are immediately transferred from other components of equity to retained earnings.

Past service cost resulting from a plan amendment or curtailment is recognized as profit or loss at the earlier of the dates when the plan amendment or curtailment occurs and when related restructuring costs or termination benefits are recognized.

In defined contribution plans, contributions payable to the plans are recognized as profit or loss at the time when employees render the related service.

### (ii) Short-term employee benefits

Short-term employee benefits such as wages are recognized as profit or loss at the time when employees render the related service.

Bonuses are recognized as a liability when the Group has a present legal or constructive obligation to make such payments and can make a reliable estimate of the obligation.

Paid absences are recognized as a liability at the time when employees render service that increases their entitlement to future paid absences.

## (13) Provisions

The Group recognizes a provision when it has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the time value of money is material, the estimated future cash flows are discounted to present value using a pre-tax interest rate that reflects the time value of money and the risks inherent in the liability. Unwinding of the discounted amount arising from the passage of time is recognized as a financial cost.

## (14) Revenue

The Group recognizes revenue under the following steps for contracts with customers, excluding interest and dividend income, etc., under IFRS 9 “Financial Instruments.”

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Group's main products and services are industrial machinery and transportation equipment. The industrial machinery business engages in manufacturing and sales of machinery components and others, chiefly linear motion systems, as well as industrial machinery. The automotive & transportation business engages in the development and design, and manufacturing and sales of steering components, suspension components, brake components, and others primarily for transportation equipment such as automobiles and motorcycles.

Of these, it is determined that the performance obligation is satisfied for sales within the same country, unless otherwise stipulated in the contract, at the time the product arrives at the customer, and for export sales, at the time when it is assumed that the customer has obtained control of the product based on the terms and conditions of trade. Revenue is recorded at the time when the performance obligation is satisfied.

(15) Financial income and financial costs

Financial income mainly consists of interest income, dividends income, foreign exchange profit, and changes in fair value of financial assets measured at fair value through profit or loss. Interest income is recognized when incurred using the effective interest method. Dividends income is recognized when the right to receive the dividend is established.

Financial costs mainly consist of interest expenses, foreign exchange losses, and changes in fair value of financial assets measured at fair value through profit or loss. Interest expense is recognized when incurred using the effective interest method.

(16) Government subsidies

Government subsidies are recognized at fair value when there is reasonable assurance that the conditions for granting the subsidies will be met and that the grant will be received.

When a government subsidy relates to an expense item, it is recognized as revenue on a systematic basis over the period in which the related costs intended to be compensated by the subsidy are recognized as an expense. Subsidies related to assets are recognized as deferred income and recognized in profit or loss on a systematic basis over the estimated useful lives of the related assets.

(17) Income tax

Income tax expense consists of current tax and deferred tax. They are recognized in profit or loss unless they arise from items recognized directly in other comprehensive income or equity, or from business combinations.

Current taxes are measured at the amounts expected to be paid to or refunded from the tax authorities. Tax rates and tax laws used to calculate tax amounts are those that have been enacted or substantially enacted by the end of the period.

Deferred taxes are recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of the reporting period, and are recognized on loss carry forwards and tax credit carry forwards.

Deferred tax assets and liabilities are not recorded for the following temporary differences.

- Temporary differences arising from the initial recognition of goodwill
- Temporary differences arising from the initial recognition of assets and liabilities arising from transactions that do not affect accounting profit or taxable income (loss) and that do not create equal amounts of taxable temporary differences and deductible temporary differences at the time of the transaction, excluding business combination transactions

- With regard to deductible temporary differences related to investments in subsidiaries and associates, if it is highly probable that the temporary differences will not be resolved in the foreseeable future, or if it is unlikely that the taxable income for which the temporary difference is to be used will be earned.
- With regard to taxable temporary differences related to investments in subsidiaries and associates, if it is possible to control the timing of the elimination of the temporary differences, and it is highly likely that the temporary differences will not be eliminated within the foreseeable period.

Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be used.

The carrying amount of deferred tax assets is reviewed each period and is reduced to the extent that it is probable that sufficient taxable income will not be available to utilize all or part of the deferred tax assets. Unrecognized deferred tax assets are reviewed each period and recognized to the extent that it becomes probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured by tax rates and tax laws, which are expected to apply to the period in which the asset is realized or the liability is settled, based on tax rates and laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset if we have a legally enforceable right to set off current tax assets and current tax liabilities and are imposed by the same tax authority on the same tax entity, or if we intend to settle the net amount of current tax liabilities and current tax assets of separate taxable entities, or to realize the asset and settle the liability at the same time.

#### (18) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to common stockholders of the parent company by the weighted average number of common stocks outstanding during the period, adjusted for treasury stock. Diluted earnings per share information is not calculated as the Company has not issued potential shares.

#### (19) Segment information

A business segment is a unit of business activity that earns income and incurs expenses, including transactions with other business segments. Individual financial information is available regarding the results of operations of all business segments. The Board of Directors of the Company regularly reviews it in order to allocate management resources to each segment and evaluate performance.

#### (20) Treasury stock

Treasury stock is valued at cost and deducted from equity. No gain or loss is recognized on the purchase, sale or disposition of treasury stock of the Company. The difference between the carrying amount and the consideration at the time of sale is recognized as equity.

#### 4. Significant accounting estimates and judgments involving estimates

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. The effect of reassessing accounting estimates is recognized in the period in which the estimates are reassessed and in subsequent future periods.

Judgments and estimates made by management that have a material impact on the amounts in the consolidated financial statements are as follows.

- Scope of consolidation (Note “3. Material accounting policy information (1) Basis of consolidation”)
- Matters related to financial instruments (Note “3. Material accounting policy information (4) Financial instruments,” Note “9. Other financial assets,” and Note “34. Financial instruments”)
- Valuation of inventories (Note “10. Inventories”)
- Impairment of non-financial assets (Note “14. Impairment of non-financial assets”)
- Recoverability of deferred tax assets (Note “15. Income tax”)
- Accounting and valuation of provisions (Note “20. Provisions”)
- Measurement of defined benefit obligations (Note “19. Employee benefits”)

#### 5. Issued standards and interpretation policies that have not yet been applied

Among major new standards or interpretation policies that have been created or revised by the date of approval of the consolidated financial statements for issuance, the following was not applied early by the Group: The impact of the application of IFRS 18 on the Group is currently being assessed.

Standard	Name of Standard	Mandatory Application Date (fiscal year beginning on or after that date)	Timing of Application by the Group	Outline of New or Amended Standard
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	Fiscal year ending December 2027	A new standard that replaces IAS 1, the current accounting standard on presentation and disclosure in financial statements

#### 6. Segment information

##### (1) Overview of reportable segments

The reportable segments of the Group are those for which separate financial information is available among the Company’s constituent units, and are subject to regular review by the Board of Directors in order to determine the allocation of management resources and evaluate performance.

The Group manufactures and sells machine element components such as LM (linear motion) guides and ball screws, and transportation equipment element parts such as link balls and suspension ball joints. In Japan, the Company and domestic subsidiaries are in charge, and overseas, independent local subsidiaries are in charge of each region, and we are developing comprehensive strategies and developing business activities in each region.

Therefore, the Group’s compositional units are based on the manufacturing and sales system, and reportable segments consist of five regional segments: Japan, The Americas, Europe, China, and Others.



(2) Information on reportable segments

Accounting policies for reportable segments are the same as the Group's accounting policies described in Note "3. Material accounting policy information."

Intersegment revenue is based on prevailing market prices.

Previous fiscal year (from January 1, 2023 to December 31, 2023)

(Millions of Yen)

	Reportable Segments					Total	Adjustment (Note 3)	Consoli- dated
	Japan	The Americas	Europe	China	Others			
Revenue								
Revenue to external customers	115,357	89,225	70,548	59,410	17,397	351,939	—	351,939
Intersegment revenue	57,812	268	410	4,544	3,749	66,785	(66,785)	—
Total	173,170	89,494	70,958	63,954	21,147	418,724	(66,785)	351,939
Segment income (Note 4)	10,619	2,219	1,680	7,486	981	22,989	718	23,707
Financial income	6,058	1,367	2,034	483	158	10,102	(7,656)	2,446
Financial costs	899	372	1,794	29	61	3,157	(2,292)	864
Profit before tax	15,778	3,215	1,921	7,940	1,078	29,934	(4,644)	25,289
Segment assets	437,859	85,250	118,445	102,325	43,514	787,393	(231,042)	556,351
Other items								
Depreciation and amortization	8,792	3,862	2,813	4,645	1,369	21,484	(202)	21,281
Investments accounted for using the equity method	6,960	—	—	—	—	6,960	—	6,960
Share of profit of investments accounted for using the equity method	40	—	—	—	—	40	—	40
Capital investments	14,759	2,860	1,872	7,086	3,574	30,153	—	30,153

- (Notes)
- Country or region classification is based on geographical proximity.
  - Main countries or regions belonging to each category other than Japan and China
    - The Americas ..... the U.S.A., etc.
    - Europe ..... Germany, France, etc.
    - Others ..... Taiwan, Singapore, etc.
  - Adjustments are as follows.
    - Segment income adjustment of ¥718 million is the eliminations of intersegment transactions.
    - Segment assets adjustment of ¥(231,042) million is the eliminations of intersegment transactions.
    - Depreciation and amortization adjustment of ¥(202) million is the intersegment adjustments.
  - Segment income is adjusted with operating profit in the consolidated statements of profit or loss.

Current fiscal year (from January 1, 2024 to December 31, 2024)

(Millions of Yen)

	Reportable Segments					Total	Adjustment (Note 3)	Consolidated
	Japan	The Americas	Europe	China	Others			
Revenue								
Revenue to external customers	112,905	91,756	67,599	62,525	17,972	352,759	—	352,759
Intersegment revenue	60,752	189	813	3,634	4,643	70,034	(70,034)	—
Total	173,658	91,945	68,413	66,160	22,615	422,793	(70,034)	352,759
Segment income (loss) (Note 4)	7,845	2,408	(407)	7,202	746	17,795	(446)	17,349
Financial income	12,210	1,639	2,394	650	169	17,063	(13,947)	3,116
Financial costs	541	709	3,036	46	56	4,390	(2,707)	1,683
Profit (loss) before tax	19,515	3,337	(1,049)	7,805	858	30,468	(11,685)	18,782
Segment assets	428,762	95,393	126,646	106,215	56,432	813,450	(246,032)	567,418
Other items								
Depreciation and amortization	9,535	4,252	2,995	5,272	1,624	23,681	(193)	23,488
Investments accounted for using the equity method	6,709	—	—	—	—	6,709	—	6,709
Share of profit of investments accounted for using the equity method	55	—	—	—	—	55	—	55
Capital investments	14,879	3,667	1,830	5,742	5,723	31,843	—	31,843

- (Notes)
- Country or region classification is based on geographical proximity.
  - Main countries or regions belonging to each category other than Japan and China
    - The Americas ..... the U.S.A., etc.
    - Europe ..... Germany, France, etc.
    - Others ..... Taiwan, Singapore, etc.
  - Adjustments are as follows.
    - Segment income adjustment of ¥(446) million is the eliminations of intersegment transactions.
    - Segment assets adjustment of ¥(246,032) million is the eliminations of intersegment transactions.
    - Depreciation and amortization adjustment of ¥(193) million is the intersegment adjustments.
  - Segment income is adjusted with operating profit in the consolidated statements of profit or loss.

(3) Information on products and services

Revenue to external customers for each product and service is as follows.

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Industrial machinery business	221,184	221,129
Automotive & transportation business	130,755	131,630
Total	351,939	352,759

(4) Information by region

The regional breakdown of revenue and non-current assets is as follows.

Revenue to external customers

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Japan	108,740	106,692
The Americas	88,384	91,211
Europe	69,839	66,390
China	59,919	63,042
Other	25,056	25,423
Total	351,939	352,759

(Note) Revenue is based on the location of the sales destination.

Non-current assets

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Japan	88,415	94,805
The Americas	26,053	27,371
Europe	22,588	22,130
China	42,178	46,172
Other	16,813	22,511
Total	196,049	212,990

(Note) Non-current assets are based on the location of the assets and do not include financial instruments, deferred tax assets, and retirement benefit assets.

(5) Information on major customers

Not applicable as there is no single external customer whose revenue is 10% or more of consolidated revenue.

7. Cash and cash equivalents

The breakdown of cash and cash equivalents is as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Cash and deposits	156,486	138,293
Total	156,486	138,293

8. Trade and other receivables

The breakdown of trade and other receivables is as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Notes and accounts receivable - trade	60,929	62,290
Electronically recorded monetary claims - operating	17,790	19,636
Allowance for bad debts	(98)	(452)
Total	78,621	81,474

Trade and other receivables are classified as financial assets measured at amortized cost.

## 9. Other financial assets

### (1) Breakdown of other financial assets

The breakdown of other financial assets is as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Financial assets measured at amortized cost		
Leasehold deposits	15	24
Security money	1,403	1,521
Short-term loans	500	2,000
Long-term loans	130	145
Other	1,341	1,454
Financial assets measured at fair value through profit or loss		
Derivative assets	2,304	2,528
Other	1,307	1,252
Financial assets measured at fair value through other comprehensive income		
Share	4,107	4,105
Other	118	121
Total	11,229	13,155
Current assets	504	2,002
Non-current assets	10,724	11,152
Total	11,229	13,155

### (2) Financial assets measured at fair value through other comprehensive income

The main stocks and fair values of financial assets measured at fair value through other comprehensive income are as follows.

(Millions of Yen)

Stock	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
NITTOKU CO., LTD.	600	619
Mitsubishi UFJ Financial Group, Inc.	356	542
TSUGAMI CORPORATION	364	467
TOKYO SEIMITSU CO., LTD.	450	382
Okuma Corporation	303	340
Mizuho Financial Group, Inc.	154	247

Stocks are designated as financial assets measured at fair value through other comprehensive income, as they are held mainly for the purpose of cross-shareholdings.

(3) Derecognition of financial assets measured at fair value through other comprehensive income

The Group derecognizes a part of financial assets measured at fair value through other comprehensive income by sell-offs of them for the purpose of streamlining assets and reviewing business relationships.

The cumulative gains or losses recognized in fair value at the time of sale and other comprehensive income for each fiscal year are as follows.

(Millions of Yen)

Previous Fiscal Year (From January 1, 2023 to December 31, 2023)		Current Fiscal Year (From January 1, 2024 to December 31, 2024)	
Fair value	Cumulative gains or losses	Fair value	Cumulative gains or losses
624	414	394	296

If financial assets measured at fair value through other comprehensive income are derecognized, the cumulative gains or losses recognized in other comprehensive income are transferred to retained earnings. Cumulative gains or losses (after tax) in other comprehensive income transferred to retained earnings for the fiscal years ended December 31, 2023 and 2024 were ¥287 million and ¥205 million, respectively.

The breakdown of dividends income recognized from equity instruments is as follows.

(Millions of Yen)

Previous Fiscal Year (From January 1, 2023 to December 31, 2023)		Current Fiscal Year (From January 1, 2024 to December 31, 2024)	
Investments derecognized during the period	Investments held at the end of the period	Investments derecognized during the period	Investments held at the end of the period
17	137	8	100

#### 10. Inventories

The breakdown of inventories is as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Merchandise and finished goods	30,884	34,502
Work in process	16,728	16,452
Raw materials and supplies	34,847	40,705
Total	82,460	91,660

The amounts of write-down (reversal) of inventories recognized as an expense for the fiscal years ended December 31, 2023 and 2024 were ¥183 million and ¥(193) million, respectively.

#### 11. Other assets

The breakdown of other assets is as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Other current assets		
Prepaid expenses	2,789	3,101
Advance payments to suppliers	1,283	1,394
Accrued receivables, etc.	6,245	4,218
Other	5,069	4,660
Total	15,388	13,375
Other non-current assets		
Long-term prepaid expenses	80	374
Total	80	374

## 12. Property, plant and equipment

### (1) Increase/decrease table

Changes in carrying amounts, acquisition costs, and accumulated depreciation and impairment losses of property, plant and equipment are as follows.

Carrying amount

(Millions of Yen)

	Land	Buildings and structures	Machinery and vehicles	Construction in progress	Other	Total
January 1, 2023	15,132	50,094	82,140	20,319	4,656	172,342
Acquisition	–	1,170	1,176	25,208	833	28,388
Depreciation	(61)	(4,348)	(13,683)	–	(1,860)	(19,953)
Sale or disposal	–	(68)	(305)	(36)	(12)	(422)
Transfer from construction in progress	–	3,310	24,336	(29,524)	1,849	(27)
Exchange differences on translation of foreign operations	345	1,755	3,129	836	165	6,233
Other	–	43	92	(169)	29	(3)
December 31, 2023	15,416	51,957	96,885	16,634	5,662	186,556
Acquisition	1,901	1,002	3,093	24,091	123	30,213
Depreciation	(51)	(4,673)	(15,171)	–	(1,947)	(21,844)
Sale or disposal	–	(203)	(374)	(369)	(16)	(964)
Transfer from construction in progress	8	2,569	14,117	(19,144)	2,558	108
Exchange differences on translation of foreign operations	403	1,929	4,314	622	253	7,524
Other	397	1,877	268	(356)	1	2,188
December 31, 2024	18,076	54,461	103,132	21,477	6,635	203,783

(Note) Depreciation of property, plant and equipment is included in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statements of profit or loss.

Acquisition cost

(Millions of Yen)

	Land	Buildings and structures	Machinery and vehicles	Construction in progress	Other	Total
January 1, 2023	16,865	113,662	269,743	20,319	27,659	448,250
December 31, 2023	17,274	120,882	298,314	16,634	31,787	484,893
December 31, 2024	20,112	129,592	321,139	21,477	33,884	526,206



Accumulated depreciation and impairment losses

(Millions of Yen)

	Land	Buildings and structures	Machinery and vehicles	Construction in progress	Other	Total
January 1, 2023	1,733	63,568	187,603	–	23,002	275,908
December 31, 2023	1,857	68,924	201,429	–	26,124	298,336
December 31, 2024	2,036	75,130	218,006	–	27,249	322,423

13. Goodwill and intangible assets

(1) Increase/decrease table

Changes in carrying amounts, acquisition costs, and accumulated amortization and impairment losses of goodwill and intangible assets are as follows.

Carrying amount

(Millions of Yen)

	Goodwill	Intangible assets		Total
		Software	Other	
January 1, 2023	2,422	1,505	5,393	9,321
Acquisition	–	1,396	–	1,396
Amortization	–	(536)	(1,363)	(1,899)
Exchange differences on translation of foreign operations	190	24	425	639
Other	–	34	0	35
December 31, 2023	2,612	2,424	4,456	9,492
Acquisition	–	1,129	1	1,131
Amortization	–	(699)	(1,464)	(2,164)
Sale or disposal	–	(2)	–	(2)
Exchange differences on translation of foreign operations	341	22	282	645
Other	94	(2)	11	104
December 31, 2024	3,048	2,872	3,286	9,207

(Note) Amortization of intangible assets is included in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statements of profit or loss.

Acquisition cost

(Millions of Yen)

	Goodwill	Intangible assets		Total
		Software	Other	
January 1, 2023	13,050	8,236	22,370	43,657
December 31, 2023	13,329	9,673	23,124	46,127
December 31, 2024	15,386	10,742	24,399	50,528

## Accumulated amortization and impairment losses

(Millions of Yen)

	Goodwill	Intangible assets		Total
		Software	Other	
January 1, 2023	10,628	6,730	16,976	34,336
December 31, 2023	10,716	7,248	18,668	36,634
December 31, 2024	12,338	7,869	21,112	41,320

The carrying amount of “Other” for each reporting period includes customer-related assets of THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION of ¥1,584 million at December 31, 2023, ¥706 million at December 31, 2024, and customer-related assets of THK RHYTHM AUTOMOTIVE CZECH a.s. of ¥2,267 million at December 31, 2023, and ¥1,976 million at December 31, 2024. These have a remaining amortization period of one to six years.

The carrying amount of “Goodwill” was ¥2,612 million and ¥2,953 million for THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION at the end of the previous fiscal year and the end of the current fiscal year, respectively. In addition, ¥94 million for THK KIRYU CO., LTD. was recorded at the end of the current fiscal year.

Expenditures for research and development activities recognized as expenses during the previous fiscal year and the current fiscal year amounted to ¥6,161 million and ¥7,057 million, respectively. They are included in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statements of profit or loss.

### 14. Impairment of non-financial assets

#### Impairment test of goodwill

Goodwill arising in a business combination is allocated to the cash-generating units that benefit from the business combination on the date of acquisition.

The breakdown of the carrying amount of goodwill by segment is as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Japan	—	94
The Americas	2,612	2,953
Total	2,612	3,048

The Group tests goodwill for impairment each period or whenever there is an indication of impairment. The recoverable amount in the impairment test is calculated based on value in use.

The value in use, which reflects past experience and external information, is the present value calculated by discounting the estimated cash flows based on the business plans and sales growth rates for the next five fiscal years approved by management, at a rate of 12.7% (12.6% in the previous fiscal year) based on the pre-tax weighted average cost of capital of the relevant cash generating unit or cash-generating unit group. Sales growth rates are determined to be 0% (0% in the previous fiscal year), which do not exceed the long-term average growth rate of the market, with reference to long-term average growth rates of the industry or country to which the cash-generating unit or cash-generating unit group belongs.

A decrease in future cash flows or an increase in the discount rate, which are the key assumptions used in the impairment test, could result in additional impairment losses.

In the previous fiscal year and the current fiscal year, an impairment test of goodwill was performed for THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION, and no impairment loss was recorded as the recoverable amount exceeded the carrying amount.

# 15. Income tax

## (1) Deferred tax assets and deferred tax liabilities

The breakdown and increase/decrease of deferred tax assets and deferred tax liabilities by major cause are as follows.

Previous fiscal year (from January 1, 2023 to December 31, 2023)

(Millions of Yen)

	January 1, 2023	Recognized through profit or loss	Recognized in other comprehensive income	December 31, 2023
Deferred tax assets				
Retirement benefit liabilities	21	(122)	681	581
Inventories (unrealized gains)	1,397	(228)	—	1,169
Accrued bonus	1,185	(290)	—	895
Loss carry forwards	721	953	—	1,674
Inventory valuation loss	216	(25)	—	191
Accrued business tax	437	(391)	—	46
Non-current assets (unrealized gains)	570	87	—	657
Excess of depreciation and amortization	443	362	—	806
Accrued expenses	335	(94)	—	241
Impairment losses	842	(215)	—	626
Allowance for bad debts	36	24	—	60
Paid absences	451	58	—	509
Lease liabilities	2,416	(200)	—	2,216
Other	782	337	—	1,119
Total	9,858	254	681	10,794
Deferred tax liabilities				
Depreciation	3,080	1,127	—	4,207
Carrying amounts adjustments due to market valuation at the time of consolidation of subsidiaries	1,305	(30)	—	1,275
Financial assets measured at fair value through other comprehensive income	1,834	—	109	1,944
Revaluation reserve for land	1,172	—	—	1,172
Derivatives	243	(135)	—	107
Right-of-use assets	2,295	(165)	—	2,129
Other	559	(6)	—	553
Total	10,492	789	109	11,391

Current fiscal year (from January 1, 2024 to December 31, 2024)

(Millions of Yen)

	January 1, 2024	Recognized through profit or loss	Recognized in other comprehensive income	December 31, 2024
Deferred tax assets				
Retirement benefit liabilities	581	(6)	41	616
Inventories (unrealized gains)	1,169	346	—	1,516
Accrued bonus	895	199	—	1,095
Loss carry forwards	1,674	(656)	—	1,017
Inventory valuation loss	191	31	—	223
Accrued business tax	46	163	—	209
Non-current assets (unrealized gains)	657	(17)	—	639
Excess of depreciation and amortization	806	(37)	—	769
Accrued expenses	241	(6)	—	235
Impairment losses	626	(241)	—	385
Allowance for bad debts	60	(42)	—	17
Paid absences	509	106	—	616
Lease liabilities	2,216	(171)	—	2,044
Other	1,119	(243)	—	876
Total	10,794	(573)	41	10,262
Deferred tax liabilities				
Depreciation	4,207	674	—	4,882
Carrying amounts adjustments due to market valuation at the time of consolidation of subsidiaries	1,275	(58)	—	1,216
Financial assets measured at fair value through other comprehensive income	1,944	—	34	1,978
Revaluation reserve for land	1,172	—	—	1,172
Derivatives	107	79	—	187
Right-of-use assets	2,129	(186)	—	1,942
Other	553	13	—	567
Total	11,391	521	34	11,948

Tax loss carry forwards and deductible temporary differences for which deferred tax assets have not been recognized are as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Tax loss carry forwards	26,244	30,347
Deductible temporary differences	17,336	16,614
Total	43,580	46,962

The carry-over deadline for tax loss carry forwards for which deferred tax assets have not been recognized is as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
1st year	906	946
2nd year	845	232
3rd year	62	605
4th year	56	826
5th year onwards	24,371	27,737
Total	26,244	30,347

The total amounts of taxable temporary differences related to investments in subsidiaries for which deferred tax liabilities have not been recognized were ¥2,523 million and ¥2,505 million for the previous fiscal year and the current fiscal year, respectively. Deferred tax liabilities are not recognized because the Group can control the timing of reversing the temporary differences and it is highly probable that the temporary differences will not be reversed within the foreseeable period.

(2) Income tax expense

The breakdown of income tax expense is as follows.

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Current tax expense	6,131	7,082
Deferred tax expense	419	1,043
Total	6,550	8,125

The factors of the difference between the legal effective tax rate and the average actual tax rate are as follows.

(%)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Legal effective tax rate	30.6	30.6
Items permanently not included as a deductible, such as entertainment costs	0.7	2.3
Items permanently not included as revenue, such as dividends income	(8.5)	(23.5)
Share of profit of investments accounted for using the equity method	(0.0)	(0.1)
Equal installments of inhabitant tax	0.3	0.3
Difference between parent company's legal effective tax rate and subsidiary's tax rate	(3.8)	(2.6)
Difference from applicable effective tax rate	(0.1)	—
Special deduction for experimental research	(1.6)	(3.5)
Valuation allowance	(2.5)	8.7
Investment relationship in consolidated subsidiaries	8.8	25.6
Other	2.0	5.4
The average actual tax rate	25.9	43.2

The Group is mainly subject to corporate tax, inhabitant tax, and business tax, and for each of these, the legal effective tax rate calculated based on these taxes was 30.6% for the previous fiscal year and the current fiscal year. However, overseas subsidiaries are subject to corporate tax, etc., in the area where they are located.

### (3) Global minimum tax

In Japan where the Company is domiciled, following the tax reform in fiscal 2023, the income inclusion rule (IIR) has been introduced as one of the BEPS global minimum tax rules, which levies on the Company an additional surcharge until the tax burden rate of its subsidiary, etc. reaches up to the minimum tax rate (15%) from the fiscal years beginning on or after April 1, 2024. In addition, global minimum tax rules are enacted or substantially enacted in some countries and regions where the Group is operating its business activities, and those rules are applied to some of the subsidiaries of the Company from the current fiscal year.

As a result of the assessment of the impact of the rules with external tax experts, the Group found that transitional safe harbor relief measures are provided in most of the jurisdictions where the Group is operating its business activities, and assumes no material exposure to Pillar Two income taxes.

The Group has applied a temporary exception to the requirements in IAS 12 “Income taxes” regarding deferred tax assets and liabilities related to Pillar Two income taxes, therefore does not recognize and disclose their information.

16. Bonds and borrowings

(1) Breakdown of financial liabilities

The breakdown of “Bonds and borrowings” and “Other financial liabilities” is as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)	Average Interest Rate (%)	Due Date
Short-term borrowings	303	227	0.000	—
Current portion of long-term borrowings	2,819	3,143	(0.177)	—
Current portion of bonds payable	10,000	20,000	0.225	—
Long-term borrowings	25,639	23,143	0.398	2026–2029
Bonds payable	70,000	50,000	0.436	2026–2028
Short-term lease liabilities	2,275	2,273	—	—
Long-term lease liabilities	7,493	6,790	—	2026–2039
Other	3,076	3,143	—	—
Total	121,607	108,721	—	—
Current liabilities	17,476	27,686	—	—
Non-current liabilities	104,131	81,034	—	—
Total	121,607	108,721	—	—

(Notes) 1. The average interest rate is the weighted average interest rate for the balance at the end of the period.

2. “Bonds and borrowings” are classified as financial liabilities measured at amortized cost.



A summary of the bond issuance terms is as follows.

(Millions of Yen)

Company Name	Stock	Date of Issue	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)	Interest Rate (%)	Collateral	Redemption Deadline
THK CO., LTD.	12th Unsecured Bonds	February 7, 2018	10,000	10,000 (10,000)	0.270	None	February 7, 2025
THK CO., LTD.	13th Unsecured Bonds	February 6, 2019	10,000 (10,000)	—	0.170	None	February 6, 2024
THK CO., LTD.	14th Unsecured Bonds	February 6, 2019	10,000	10,000	0.290	None	February 6, 2026
THK CO., LTD.	15th Unsecured Bonds	February 7, 2020	10,000	10,000	0.250	None	February 5, 2027
THK CO., LTD.	17th Unsecured Bonds	September 15, 2020	10,000	10,000 (10,000)	0.180	None	September 12, 2025
THK CO., LTD.	18th Unsecured Bonds	September 14, 2022	10,000	10,000	0.430	None	September 14, 2027
THK CO., LTD.	19th Unsecured Bonds	December 14, 2022	10,000	10,000	0.539	None	December 14, 2027
THK CO., LTD.	20th Unsecured Bonds	December 8, 2023	10,000	10,000	0.674	None	December 8, 2028
Total			80,000 (10,000)	70,000 (20,000)	—	—	—

(Note) Amounts in parentheses represent amounts redeemable within one year.

## 17. Leases

The Group mainly leases buildings and vehicles. Contract terms range from 5 to 15 years. There are no material purchase options, escalation clauses, or restrictions imposed by the lease agreements (such as dividends, restrictions on additional borrowings, and additional leases).

The breakdown of profit and loss related to leases is as follows.

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Depreciation of right-of-use assets		
Land	58	80
Buildings and structures	1,290	1,379
Machinery and vehicles	395	457
Other	159	157
Total	1,904	2,074
Interest expense on lease liabilities	89	97
Short-term lease expense	1,523	1,578
Low-value asset lease expense	110	80
Variable lease payments (Note)	3	3

(Note) Expenses related to variable lease payments not included in the measurement of lease liabilities.

The breakdown of the carrying amount of right-of-use assets is as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Right-of-use assets		
Land	1,986	4,093
Buildings and structures	7,506	6,628
Machinery and vehicles	804	1,103
Other	949	868
Total	11,246	12,693

Increases in right-of-use assets for the previous fiscal year and the current fiscal year were ¥1,123 million and ¥1,093 million, respectively.

Total cash outflows related to leases for the previous fiscal year and the current fiscal year were ¥2,023 million and ¥2,193 million, respectively.

The maturity analysis of lease liabilities is described in Note “34. Financial instruments (2) (ii) Liquidity risk management.”

## 18. Trade and other payables

The breakdown of trade and other payables is as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Notes and accounts payable - trade	20,088	21,117
Electronically recorded obligations - operating	13,791	6,928
Other	7,001	5,994
Total	40,881	34,040

Trade and other payables are classified as financial liabilities measured at amortized cost.

## 19. Employee benefits

The Company and some of its consolidated subsidiaries employ funded and unfunded defined benefit plans and defined contribution plans to provide employees with retirement benefits. These pension plans are exposed to general investment risk, interest rate risk, inflation risk, etc., but we judge that they are not material.

The funded defined benefit plan is managed by a pension fund that is legally separated from the Group. The board of directors of pension funds and pension investment trustees are required by law to act in the best interests of plan members, and are responsible for managing plan assets based on prescribed policies.

### (1) Defined benefit plan

#### (i) Reconciliation table of defined benefit obligations and plan assets

The relationship between defined benefit obligations and plan assets, and net defined benefit liabilities and assets recorded in the consolidated statements of financial position is as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Present value of funded defined benefit obligations	27,871	27,333
Fair value of plan assets	(29,560)	(32,169)
Subtotal	(1,688)	(4,836)
Present value of unfunded defined benefit obligations	1,284	1,338
Impact of the asset ceiling	3,501	5,112
Net defined benefit liability and asset	3,096	1,615
Amounts on the consolidated statements of financial position		
Retirement benefit liabilities	6,278	5,859
Retirement benefit asset	(3,182)	(4,243)
Net defined benefit liabilities and assets recorded in the consolidated statements of financial position	3,096	1,615

(ii) Reconciliation table of the present value of defined benefit obligations

Changes in the present value of defined benefit obligations are as follows.

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Beginning balance of the present value of defined benefit obligations	27,339	29,156
Current service cost	1,386	1,107
Interest expense	683	755
Remeasurements		
Actuarial differences resulting from changes in financial assumptions	343	(769)
Benefit payment	(1,477)	(1,757)
Exchange differences on translation of foreign operations	879	179
Ending balance of the present value of defined benefit obligations	29,156	28,671

The weighted average duration of defined benefit obligations was 11.7 years and 11.2 years for the previous fiscal year and the current fiscal year, respectively.

(iii) Reconciliation table of fair value of plan assets

Changes in the fair value of plan assets are as follows.

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Beginning balance of fair value of plan assets	26,009	29,560
Interest revenue	809	898
Remeasurements		
Return on plan assets	1,614	1,683
Contributions from employers	1,315	1,345
Benefit payment	(1,176)	(1,566)
Exchange differences on translation of foreign operations	988	247
Ending balance of fair value of plan assets	29,560	32,169

The Group plans to contribute ¥1,443 million in the next fiscal year (fiscal year ending December 2025).

(iv) Breakdown of plan assets by item

The breakdown of major items of plan assets is as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)			Current Fiscal Year (December 31, 2024)		
	Assets with active market prices	Assets without active market prices	Total	Assets with active market prices	Assets without active market prices	Total
Cash and cash equivalents	74	—	74	76	—	76
Equity instruments						
Domestic stocks	2,207	—	2,207	1,954	—	1,954
Foreign stocks	8,124	—	8,124	7,977	—	7,977
Debt instruments						
Domestic bonds	3,801	—	3,801	3,162	—	3,162
Foreign bonds	8,508	—	8,508	10,682	—	10,682
Life insurance general account	—	5,254	5,254	—	6,390	6,390
Other	—	1,590	1,590	—	1,924	1,924
Total	22,716	6,844	29,560	23,853	8,315	32,169

The Group's plan asset management policy aims to secure stable earnings over the medium to long term in order to ensure future payments of defined benefit obligations in accordance with internal regulations. Specifically, we set a target rate of return and asset composition ratio for each investment asset within the range of allowable risk determined each fiscal year, and manage by maintaining that ratio. When reviewing the asset composition ratio, we consider the introduction of plan assets that are highly correlated with changes in defined benefit obligations.

In addition, based on the Defined Benefit Corporate Pension Act, we regularly review the amount of contributions, such as recalculating contributions every five years, so that we can maintain financial balance in the future.

(v) Reconciliation table of the impact of the asset ceiling

Increase/decrease in the impact of the asset ceiling are as follows:

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Beginning balance of the impact of the asset ceiling	—	3,501
Remeasurements		
Changes in the impact of the asset ceiling	3,501	1,611
Ending balance of the impact of the asset ceiling	3,501	5,112

(vi) Major assumptions in actuarial calculations

The major assumptions used in the actuarial calculations are as follows.

(%)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Discount rate	1.6	1.9

(vii) Sensitivity analysis

If the discount rate used in the actuarial calculation changes by 0.5%, the impact on the present value of defined benefit obligations is as follows. This analysis assumes all other variables are constant, but in practice changes in other assumptions can affect the sensitivity analysis.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
If the discount rate increases by 0.5%	(1,450)	(1,315)
If the discount rate decreases by 0.5%	1,554	1,485

(2) Defined contribution plan

The amounts recognized as expenses related to defined contribution plans in the previous fiscal year and the current fiscal year were ¥615 million and ¥649 million, respectively.

20. Provisions

The breakdown and increase/decrease of provisions are as follows.

(Millions of Yen)

	Asset Retirement Obligations	Provision for Structural Reform	Other Provisions	Total
December 31, 2023	64	114	106	286
Increase during the period	—	423	0	423
Periodic interest expense by discount calculation	0	—	—	0
Amount of decrease during period (use for purpose)	—	(112)	(0)	(112)
Other	—	—	(106)	(106)
December 31, 2024	65	425	0	490

The breakdown of provisions in the consolidated statements of financial position is as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Current liabilities	114	425
Non-current liabilities	171	65
Total	286	490

(1) Asset retirement obligations

In preparation for the obligation to restore the leased buildings, etc., used by the Group to their original condition, the amount expected to be paid in the future based on past restoration results is recorded. The Group anticipates that these expenses will be paid after the expected period of use, which is determined by taking into account the useful life of the interior fixtures applied to the building, etc., but will be affected by future business plans and other factors.

(2) Provision for structural reform

In the automotive & transportation business of the Group, we are working on structural reforms to improve profitability, and we have recorded the estimated amount of costs associated with restructuring the production system. The timing of payments will be affected by future business plans and other factors.

21. Other liabilities

The breakdown of other liabilities is as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Other current liabilities		
Accrued consumption taxes	567	455
Accrued bonus	3,481	4,161
Other accrued expenses	9,580	10,618
Other	690	526
Total	14,320	15,763
Other non-current liabilities		
Accrued paid absences	1,850	2,020
Other	889	886
Total	2,740	2,906

22. Deferred income

The breakdown of deferred income is as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Non-current liabilities		
Government subsidies	480	475
Total	480	475

Deferred income related to government subsidies is primarily received for the purchase of property, plant and equipment.

There are no unfulfilled conditions or other contingencies attached to government subsidies recognized as deferred income.

## 23. Equity and other items of equity

### (1) Number of authorized shares and total number of issued shares

Changes in the number of authorized shares and the total number of issued shares are as follows.

(Shares)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Number of authorized shares		
Common stock	465,877,700	465,877,700
Total number of shares issued		
Beginning balance	129,856,903	129,856,903
Increase (decrease) during the period	—	—
Ending balance	129,856,903	129,856,903

(Note) All shares issued by the Company are non-par value common stocks with no restrictions on the content of rights, and all issued shares are fully paid in.

### (2) Treasury stock

Changes in the number and balance of treasury stocks are as follows.

	Number of Shares (Shares)	Total Amount (Millions of Yen)
January 1, 2023	7,276,353	17,160
Increase (decrease) during the period	(12,676)	(29)
December 31, 2023	7,263,677	17,130
Increase (decrease) during the period	1,083,997	3,973
December 31, 2024	8,347,674	21,104

(Notes) 1. The main factors for changes during the previous fiscal year are the purchase of treasury stock (869 shares) and the disposal of treasury stock through restricted stock remuneration (13,545 shares).

2. The main factors for changes during the fiscal year under review are the purchase of treasury stock (1,104,004 shares) and the disposal of treasury stock through restricted stock remuneration (20,007 shares).

3. The number of shares of the Company held by associates is 10,000 shares in both the previous fiscal year and the current fiscal year.

### (3) Capital surplus

Under the Companies Act of Japan (“Companies Act”), it is stipulated that at least one-half of the paid-in or paid-in amount for the issuance of shares is incorporated in the common stock, and the remainder is incorporated in the capital reserve included in capital surplus. In addition, under the Companies Act, the capital reserve can be incorporated into the common stock by resolution of a General Meeting of Shareholders.

### (4) Retained earnings

Under the Companies Act, it is stipulated that one-tenth of the amount paid out as dividends from surplus shall be set aside as capital reserves or legal retained earnings until the total amount of capital reserves and legal retained earnings reaches one-fourth of the common stock. Accumulated legal retained earnings can be used to cover deficits. In addition, the legal retained earnings reserve can be withdrawn by resolution of the General Meeting of Shareholders.



#### 24. Dividends

The amount of dividends paid is as follows.

Previous fiscal year (from January 1, 2023 to December 31, 2023)

Resolution	Type of Stock	Total Dividend Amount (Millions of Yen)	Dividend per Share (Yen)	Reference Date	Effective Date
Ordinary General Meeting of Shareholders, Mar. 18, 2023	Common stock	6,129	50.0	Dec. 31, 2022	Mar. 20, 2023
Board of Directors Meeting, Aug. 8, 2023	Common stock	3,677	30.0	Jun. 30, 2023	Sep. 12, 2023

Current fiscal year (from January 1, 2024 to December 31, 2024)

Resolution	Type of Stock	Total Dividend Amount (Millions of Yen)	Dividend per Share (Yen)	Reference Date	Effective Date
Ordinary General Meeting of Shareholders, Mar. 16, 2024	Common stock	1,961	16.0	Dec. 31, 2023	Mar. 18, 2024
Board of Directors Meeting, Aug. 7, 2024	Common stock	2,207	18.0	Jun. 30, 2024	Sep. 12, 2024

Dividends with effective dates in the following fiscal year are as follows.

Previous fiscal year (from January 1, 2023 to December 31, 2023)

Resolution	Type of Stock	Total Dividend Amount (Millions of Yen)	Dividend per Share (Yen)	Reference Date	Effective Date
Ordinary General Meeting of Shareholders, Mar. 16, 2024	Common stock	1,961	16.0	Dec. 31, 2023	Mar. 18, 2024

Current fiscal year (from January 1, 2024 to December 31, 2024)

Resolution	Type of Stock	Total Dividend Amount (Millions of Yen)	Dividend per Share (Yen)	Reference Date	Effective Date
Ordinary General Meeting of Shareholders, Mar. 15, 2025	Common stock	15,614	128.5	Dec. 31, 2024	Mar. 17, 2025

## 25. Revenue

### (1) Revenue disaggregation

The disaggregation of revenues from main products and services and the relationship with reportable segments are as follows.

Previous fiscal year (from January 1, 2023 to December 31, 2023)

(Millions of Yen)

	Reportable Segments					
	Japan	The Americas	Europe	China	Other	Total
By product and service						
Industrial machinery	103,618	25,347	23,803	54,524	13,890	221,184
Transportation equipment	11,739	63,878	46,744	4,886	3,506	130,755
Total	115,357	89,225	70,548	59,410	17,397	351,939
Timing of revenue recognition						
Goods transferred at a point in time	115,357	89,225	70,548	59,410	17,397	351,939
Total	115,357	89,225	70,548	59,410	17,397	351,939

Current fiscal year (from January 1, 2024 to December 31, 2024)

(Millions of Yen)

	Reportable Segments					
	Japan	The Americas	Europe	China	Other	Total
By product and service						
Industrial machinery	101,391	27,038	20,678	57,393	14,626	221,129
Transportation equipment	11,513	64,717	46,920	5,131	3,345	131,630
Total	112,905	91,756	67,599	62,525	17,972	352,759
Timing of revenue recognition						
Goods transferred at a point in time	112,905	91,756	67,599	62,525	17,972	352,759
Total	112,905	91,756	67,599	62,525	17,972	352,759

The Group's main products and services are industrial machinery and transportation equipment. The industrial machinery business engages in manufacturing and sales of machinery components and others, chiefly linear motion systems, as well as industrial machinery. The automotive & transportation business engages in the development and design, and manufacturing and sales of steering components, suspension components, brake components, and others primarily for transportation equipment such as automobiles and motorcycles.

Of these, it is determined that the performance obligation is satisfied for sales within the same country, unless otherwise stipulated in the contract, at the time the product arrives at the customer, and for export sales, at the time when it is assumed that the customer has obtained control of the product based on the terms and conditions of trade. Revenue is recorded at the time when the performance obligation is satisfied.

Revenue is recorded mainly in accordance with contracts with customers, but when rebates are given according to transaction volume, etc., for a certain period of time, the amount is measured after deducting the calculated rebate. In addition, the amount of the promised consideration does not include a significant financial component.

(2) Contract balance

The breakdown of receivables, contract assets, and contract liabilities arising from contracts with customers is as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Contract liabilities	871	740

Contract liabilities are mainly advances received, and the consideration for which performance obligations have not been satisfied at the end of the period is recorded. All balances at the beginning of each fiscal year are recognized as income for each fiscal year.

The amounts of revenue recognized in the previous fiscal year and the current fiscal year, which were included in the balance of contract liabilities at the beginning of the fiscal year, were ¥785 million and ¥871 million, respectively.

26. Selling, general and administrative expenses

The breakdown of selling, general and administrative expenses is as follows.

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Packing and transportation costs	5,610	6,044
Advertising expenses	1,963	2,264
Personnel expenses	27,560	29,992
Depreciation and amortization	4,122	4,482
Research and development expenses	5,690	6,493
Other	14,011	15,361
Total	58,958	64,639

27. Personnel expenses

The breakdown of personnel expenses is as follows.

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Salaries	59,101	61,045
Bonuses	4,323	4,992
Retirement benefit expenses	1,424	1,639
Other	20,029	21,122
Total	84,880	88,800

(Note) Personnel expenses are included in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statements of profit or loss.

28. Other income and expenses

(1) Other income

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Gain on sale of fixed assets	91	41
Rent income	357	362
Employment adjustment subsidy	505	244
Other	1,363	1,904
Total	2,318	2,553

(2) Other expenses

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Loss on retirement of fixed assets	332	714
Structural reform expenses (Note)	—	673
Other	989	1,017
Total	1,322	2,404

(Note) In the automotive & transportation business of the Group, we are working on structural reforms to improve profitability, and we have recorded ¥673 million of costs associated with restructuring the production system, etc. as structural reform expenses in “Other expenses.”

29. Financial income and financial costs

(1) Financial income

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Interest income		
Financial assets measured at amortized cost	2,291	2,778
Dividends income		
Financial assets measured at fair value through other comprehensive income	154	109
Other	—	228
Total	2,446	3,116

(2) Financial costs

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Interest expenses		
Financial liabilities measured at amortized cost	313	355
Lease liabilities	89	97
Foreign exchange losses	92	1,230
Other	369	—
Total	864	1,683

### 30. Other comprehensive income

Amounts arising during the current period, reclassification adjustments to profit or loss, and tax effects for each item of other comprehensive income are as follows.

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Financial assets measured at fair value through other comprehensive income		
Amount incurred during the period	762	373
Tax effect amount	(230)	(125)
Financial assets measured at fair value through other comprehensive income	532	248
Remeasurements of defined benefit plans		
Amount incurred during the period	(2,112)	804
Tax effect amount	681	41
Remeasurements of defined benefit plans	(1,430)	846
Exchange differences on translation of foreign operations		
Amount incurred during the period	17,442	23,763
Reclassification adjustment amount	—	—
Before tax effect adjustment	17,442	23,763
Tax effect amount	—	—
Exchange differences on translation of foreign operations	17,442	23,763
Share of other comprehensive income of investments accounted for using the equity method		
Amount incurred during the period	414	(303)
Reclassification adjustment amount	—	—
Share of other comprehensive income of investments accounted for using the equity method	414	(303)
Total other comprehensive income	16,959	24,554

### 31. Earnings per share

Basic earnings per share and calculation basis are as follows. There are no potential common stocks with a dilutive effect.

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Profit Attributable to Owners of the Parent (Millions of Yen)	18,398	10,439
Weighted Average Number of Common Stocks Outstanding (Thousands of Shares)	122,589	122,577
Basic Earnings per Share (Yen)	150.08	85.17

### 32. Cash flow information

Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities are as follows.

Previous fiscal year (from January 1, 2023 to December 31, 2023)

(Millions of Yen)

	January 1, 2023	Changes With Cash Flows	Changes Without Cash Flows			December 31, 2023
			Exchange rate fluctuation	New lease	Other	
Short-term borrowings	322	(18)	—	—	—	303
Long-term borrowings	30,556	(2,185)	87	—	—	28,458
Bonds payable	90,000	(10,000)	—	—	—	80,000
Lease liabilities	10,191	(1,934)	122	1,247	140	9,768
Derivatives	(2,609)	—	37	—	309	(2,262)
Total	128,460	(14,137)	248	1,247	450	116,268

Derivatives are held for the purpose of hedging trade receivables and payables denominated in foreign currencies and long-term borrowings.

Current fiscal year (from January 1, 2024 to December 31, 2024)

(Millions of Yen)

	January 1, 2024	Changes With Cash Flows	Changes Without Cash Flows			December 31, 2024
			Exchange rate fluctuation	New lease	Other	
Short-term borrowings	303	(75)	—	—	—	227
Long-term borrowings	28,458	(2,185)	12	—	—	26,286
Bonds payable	80,000	(10,000)	—	—	—	70,000
Lease liabilities	9,768	(2,096)	128	1,367	(104)	9,063
Derivatives	(2,262)	—	14	—	(228)	(2,476)
Total	116,268	(14,356)	154	1,367	(332)	103,101

Derivatives are held for the purpose of hedging trade receivables and payables denominated in foreign currencies and long-term borrowings.



### 33. Share-based payment

#### (1) Overview of the restricted stock remuneration plan

The Company has established an equity-settled share-based payment plan (the “Plan”) under which restricted stock is allocated to Directors of the Company excluding Directors who are Audit and Supervisory Committee Members and outside Directors, and Executive Officers who do not concurrently serve as Directors of the Company (the “Eligible Directors, etc.”).

The Eligible Directors, etc., will contribute to the Company all of the monetary remuneration claims paid by the Company under the Plan as property contributed in kind, and the Company will issue or dispose of common stock of the Company to the Eligible Directors, etc.

In addition, when issuing or disposing of the Company’s common stock under the Plan, a restricted stock allocation agreement (the “Allotment Agreement”) shall be concluded between the Company and the Eligible Directors, etc.

This includes, among others, the following:

(i) The Eligible Directors, etc., shall not transfer to a third party, create a security interest on, or otherwise dispose of allotted common stock of the Company that the Eligible Directors, etc., have received under the Allotment Agreement (the “Allotted Shares”) during the period specified by the Board of Directors of the Company, which is a period from the day on which shares are allotted under the Allotment Agreement until the time that the Eligible Directors, etc. retire from the position determined in advance by the Board of Directors of the Company.

(ii) In the event of a certain event, the Company shall acquire the Allotted Shares free of charge.

#### (2) Number of shares of the Company granted based on the restricted stock remuneration plan and the fair value of such shares

	Granted on April 17, 2023	Granted on April 15, 2024
Number of Shares Granted	13,545 shares	20,007 shares
Fair Value per Share	¥2,985	¥3,255

- (Notes) 1. Subject to the condition that the Eligible Director, etc., continues to hold the position of Director, etc. of the Company, the restriction on transfer will be lifted at the expiration of the restriction period.
2. The fair value is calculated based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors’ resolution regarding the grant of shares.
3. The restriction period is from the date of grant until his/her retirement from the position of Director, etc. of the Company (except in the case of reappointment upon retirement).

#### (3) Expenses related to share-based payment

The total amount of expenses recognized for the restricted stock remuneration plan is as follows.

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Equity-settlement type	40	58

Expenses related to the share-based payment agreement are included in “Selling, general and administrative expenses” in the consolidated statements of profit or loss.

### 34. Financial instruments

#### (1) Capital management

The Group manages capital in pursuit of maximizing its corporate value through sustainable growth.

Primary indicators used by the Group in capital management include ROE and EPS, etc.

These indicators are regularly monitored and reported to the management.

The Group is not subject to any material capital restrictions.

#### (2) Financial risk management

The Group is exposed to financial risks (credit risk, liquidity risk, currency risk, interest rate risk, and market price fluctuation risk) in the course of operating activities and conducts risk management in accordance with certain policy to mitigate these financial risks. The Group uses derivative transactions to avoid foreign exchange volatility risks or interest rate volatility risks and, in accordance with its policy, does not carry out any speculative transactions.

##### (i) Credit risk management

For trade receivables, the Group manages credit granted to its business partners and protects its receivables in accordance with the “Control Rules on Trade Receivables.” In addition, departments concerned regularly monitor the status of major business partners so that they can early identify and mitigate concerns about the collection of receivables mainly due to a deterioration in the financial conditions of the business partners.

As parties with whom the Group enters into derivative transactions are financial institutions with high credit ratings, the Group deems that there is little credit risk in dealing with them.

The carrying amount of financial assets presented in the consolidated financial statements represents the maximum exposure to credit risk of financial assets held by the Group.

The Group determines allowance for bad debts by distinguishing trade receivables from other receivables.

When collection of all or portion of the above receivables is considered impossible or extremely difficult, it is deemed to be a default.

When delinquency of a debtor is caused not by temporary funding requirement but primarily by significant financial difficulty of the debtor, and the collectability of receivables is considered to be of particular concern, such financial assets are deemed to be credit-impaired.

The Group always sets allowance for bad debts on trade receivables that do not contain a significant financing component at an amount equal to the lifetime expected credit losses.

Increase (decrease) in allowance for bad debts are as follows.

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Beginning balance	291	145
Increase during the period	39	457
Amount of decrease during period (use for purpose)	(199)	(89)
Amount of decrease during period (reversal)	(3)	(9)
Other increase (decrease)	16	19
Ending balance	145	523

None of the financial assets that were directly written off during the current fiscal year are currently being collected.

Credit risk exposures related to trade receivables are as follows.

(Millions of Yen)

Days Past Due	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
No overdue	75,950	79,742
Within 30 days	1,705	983
More than 30 days and within 60 days	403	311
More than 60 days and within 90 days	140	217
More than 90 days	520	672
Total	78,720	81,926

None of receivables other than trade receivables were deemed to have significantly increased credit risk, and credit risk to the carrying amount of such receivables is immaterial.

(ii) Liquidity risk management

A liquidity risk refers to a risk of the Group becoming not able to repay the financial liability for debts on the due date.

The Group prepares and updates cash flow management plans in a timely manner to manage liquidity risk.

The balance of financial liabilities (including derivative financial instruments) by maturity is as follows.

Previous fiscal year (December 31, 2023)

(Millions of Yen)

	Carrying Amount	Contractual Cash Flows	Within One Year	More Than One Year and Within Five Years	More Than Five Years
Non-derivative financial liabilities					
Short-term borrowings	303	303	303	—	—
Trade and other payables	40,881	40,881	40,881	—	—
Long-term borrowings	28,458	28,936	2,908	16,001	10,025
Bonds payable	80,000	80,978	10,266	70,711	—
Lease liabilities	9,768	10,079	2,288	4,697	3,093
Derivative financial liabilities					
Currency derivatives	42	42	42	—	—
Total	159,454	161,221	56,691	91,410	13,119

(Note) Net receivables and payables arising from derivative transactions are presented on a net basis.

Current fiscal year (December 31, 2024)

(Millions of Yen)

	Carrying Amount	Contractual Cash Flows	Within One Year	More Than One Year and Within Five Years	More Than Five Years
Non-derivative financial liabilities					
Short-term borrowings	227	227	227	—	—
Trade and other payables	34,040	34,040	34,040	—	—
Long-term borrowings	26,286	26,674	3,236	23,438	—
Bonds payable	70,000	70,606	20,240	50,365	—
Lease liabilities	9,063	9,325	2,285	4,464	2,575
Derivative financial liabilities					
Currency derivatives	51	51	51	—	—
Total	139,670	140,927	60,083	78,268	2,575

(Note) Net receivables and payables arising from derivative transactions are presented on a net basis.

(iii) Currency risk management

The Group enters into transactions in foreign currencies because of its global business development, and is exposed to risk that profit or loss, cash flows, and others are subject to fluctuations in foreign exchange rates.

To avoid such risk, the Group has entered into forward exchange contracts as a derivative transaction for trade receivables and payables denominated in foreign currencies. The Finance & Accounting Department of Corporate Strategy Headquarters has entered into and managed transactions associated with the derivative transactions, and the General Manager of the Finance & Accounting Department of the Corporate Strategy Headquarters reports the status of such transactions in the monthly Board of Directors meeting.

Foreign exchange sensitivity analysis

If the U.S. dollar, the euro, and the Chinese yuan were to appreciate by 1% on the unhedged exposures of foreign currency-denominated assets and liabilities outstanding in each reporting period, the following impacts would be recorded in pre-tax income in the consolidated statements of profit or loss.

However, this analysis assumes that other fluctuation factors (balance, interest rate, etc.) are constant.

(Millions of Yen)

	Currency	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Profit Before Tax	USD	(39)	(88)
	EUR	(87)	(80)
	CNY	(4)	(4)

(iv) Interest rate risk management

The Group pays interest incurred to finance working capital, capital investment and other general corporate needs in order to carry out its business activities, and is exposed to interest rate risk that future cash flows of interest may fluctuate if it has borrowings with variable interest rates because the amount of interest is subject to fluctuations in market interest rates.

The Group has entered into interest-rate swaps to hedge interest rate volatility risks involved in borrowings, and interest-rate and currency swaps to hedge foreign exchange volatility risks and interest rate volatility risks involved in foreign currency-denominated borrowings.

Interest-rate sensitivity analysis

For each reporting period, the impact of a 1% increase in interest rates on profit before tax in the consolidated statements of profit or loss is as follows.

However, this analysis assumes that other fluctuation factors (balance, exchange rate, etc.) are constant.

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Profit Before Tax	1,204	1,014

(v) Market price fluctuation risk management

Some of equity instruments held by the Group are exposed to market price fluctuation risk. The Group holds equity instruments for its policy objective, and none of them are held for short-term trading. The equity instruments include listed and unlisted shares. The Group regularly checks fair value and financial conditions of their issuers (i.e. business partners).

Market price fluctuation risk at the end of the fiscal year under review is considered immaterial.

(3) Fair value of financial instruments

For financial instruments measured at fair value, the fair value measurement amounts are classified from Level 1 to Level 3 according to the observability and materiality of the inputs used for measurement.

Level 1: Market prices of identical assets or liabilities in active markets (unadjusted)

Level 2: Fair value calculated using observable prices, directly or indirectly, other than Level 1

Level 3: Fair value derived from valuation techniques that include unobservable inputs

(i) Calculation methods of fair values

The calculation methods of fair values of financial instruments are as follows.

(Cash and cash equivalents, trade and other receivables, and trade and other payables)

The fair values of these financial instruments are almost equal to their carrying amounts because they are settled in a short time. For this reason, their fair values are based on their carrying amounts.

(Other financial assets and other financial liabilities)

The fair value of listed shares is measured based on market prices at the end of the reporting period. The fair value of unlisted shares is measured using valuation techniques including those based on discounted future cash flows, on market prices of comparable companies and on net asset value.

Derivatives are measured, as financial assets or liabilities measured at fair value through profit or loss, based on prices presented by the trading financial institutions.

(Bonds and borrowings)

Bonds are determined based on market prices or prices quoted by the trading financial institutions.

The fair value of long-term borrowings with variable interest rates is almost equal to their carrying amount because market interest rates are reflected in them in a short time. For this reason, the fair value is based on the carrying amount.

(ii) Financial instruments measured at amortized cost

Carrying amounts and fair values of financial instruments measured at amortized cost are as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)		Current Fiscal Year (December 31, 2024)	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities measured at amortized cost				
Bonds payable	80,000	79,787	70,000	69,125
Total	80,000	79,787	70,000	69,125

(Note) The fair value of bonds payable is classified as Level 2.

(iii) Financial instruments measured at fair value

The fair value hierarchy for financial instruments measured at fair value is as follows.

Previous fiscal year (December 31, 2023)

(Millions of Yen)

	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets measured at fair value through profit or loss				
Other financial assets				
Derivatives	—	2,304	—	2,304
Stocks, etc.	—	—	1,307	1,307
Financial assets measured at fair value through other comprehensive income				
Other financial assets				
Stocks, etc.	3,522	—	585	4,107
Other	—	—	118	118
Total	3,522	2,304	2,011	7,838
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Other financial liabilities				
Derivatives	—	42	—	42
Total	—	42	—	42

Current fiscal year (December 31, 2024)

(Millions of Yen)

	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets measured at fair value through profit or loss				
Other financial assets				
Derivatives	—	2,528	—	2,528
Stocks, etc.	—	—	1,252	1,252
Financial assets measured at fair value through other comprehensive income				
Other financial assets				
Stocks, etc.	3,479	—	626	4,105
Other	—	—	121	121
Total	3,479	2,528	2,000	8,009
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Other financial liabilities				
Derivatives	—	51	—	51
Total	—	51	—	51

Transfers between levels of the fair value hierarchy are recognized on the date the event or change in circumstances that caused the transfer occurs. There were no material transfers between Level 1 and Level 2 fair values during each fiscal year.

(iv) Valuation process

Financial instruments classified as Level 3 are valued and the valuation results are analyzed by external valuation experts or appropriate valuation personnel in accordance with valuation policies and procedures approved by the responsible person at the Finance & Accounting Department. The valuation results are reviewed and approved by the General Manager of the Finance & Accounting Department of the Corporate Strategy Headquarters.



- (v) Reconciliation table from the beginning balance to the end balance of financial instruments classified as Level 3

Changes in financial instruments classified as Level 3 from the beginning of the fiscal year to the end of the fiscal year are as follows.

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Beginning balance	1,840	2,011
Total gain and loss	(63)	33
Profit or loss (Note 1)	(69)	22
Other comprehensive income (Note 2)	5	10
Purchase	345	45
Transfer to Level 1 due to listing	(49)	—
Other	(61)	(90)
Ending balance	2,011	2,000
Changes in unrealized gains and losses for the period recorded in profit or loss for assets held at the end of the reporting period (Note 1)	(69)	22

(Notes) 1. Included in “Financial income” and “Financial costs” in the consolidated statements of profit or loss.

2. Included in “Financial assets measured at fair value through other comprehensive income” in the consolidated statements of comprehensive income.

### 35. Important subsidiary

The main consolidated subsidiaries are as shown in “I. Overview of the Group, 4. Information on Subsidiaries and Associates.”

### 36. Related parties

Remuneration for key executives

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Fixed Amount Remuneration/Performance-Linked Remuneration	600	588
Share-Based Payment	19	29
Total	620	618

37. Commitment

The Group's commitments for spending after the balance sheet date are as follows.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Acquisition of Property, Plant and Equipment	5,694	4,079
Total	5,694	4,079

38. Subsequent event

Not applicable

(2) [Others]

Quarterly information for the fiscal year under review

(YTD Period)	First Quarter (YTD)	Semi-annual	Third Quarter (YTD)	Full Year
Revenue (Millions of Yen)	85,127	179,851	265,130	352,759
Profit Before Tax (Millions of Yen)	2,748	10,080	13,694	18,782
Profit Attributable to Owners of the Parent (Millions of Yen)	1,960	7,213	9,190	10,439
Basic Earnings per Share (Yen)	15.99	58.83	74.96	85.17

(Accounting Period)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Quarterly Basic Earnings per Share (Yen)	15.99	42.84	16.12	10.20

- (Notes) 1. For the first quarter, the Quarterly Report was submitted in accordance with the provisions of Article 24-4-7, Paragraph 1 of the former Financial Instruments and Exchange Act.
2. For the third quarter, the quarterly financial information is prepared in accordance with the rules prescribed by the Financial Instruments Exchange, but this quarterly financial information has not been subjected to interim review.

2. [Non-consolidated Financial Statements, etc.]

(1) [Non-consolidated financial statements]

(i) [Non-consolidated balance sheet]

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Assets		
Current assets		
Cash and deposits	52,651	24,603
Notes receivable	*5 494	*5 556
Electronically recorded monetary claims - operating	*5 16,116	*5 17,832
Accounts receivable	*2 23,457	*2 27,239
Merchandise and finished goods	13,590	14,966
Work in process	5,281	5,308
Raw materials and supplies	9,569	8,968
Prepaid expenses	1,086	1,294
Short-term loans	*2 5,205	*2 15,610
Accrued receivables	*2 6,785	*2 4,749
Other	*2 2,265	*2 1,667
Allowance for bad debts	(3)	(4)
Total current assets	136,502	122,793
Fixed assets		
Tangible fixed assets		
Buildings	13,144	13,107
Structures	686	624
Machinery and equipment	36,502	35,853
Vehicles	27	56
Tools and supplies	1,039	1,496
Land	6,899	6,899
Lease assets	563	424
Construction in progress	6,236	8,180
Total tangible fixed assets	*1 65,100	*1 66,643
Intangible fixed assets		
Software	1,341	1,931
Other	659	419
Total intangible fixed assets	2,000	2,350
Investments and other assets		
Investment securities	4,987	4,923
Shares of subsidiaries and associates	111,352	116,758
Investments in capital of subsidiaries and associates	41,332	42,700
Long-term loans	*2 7,000	*2 6,217
Insurance reserve	1,141	1,239
Prepaid pension costs	50	697
Deferred tax assets	609	726
Other	843	855
Allowance for bad debts	(36)	(36)
Total investments and other assets	167,279	174,081
Total fixed assets	234,380	243,075
Total assets	370,882	365,869

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Liabilities		
Current liabilities		
Accounts payable	*2 5,603	*2 6,772
Electronically recorded obligations - operating	8,775	4,651
Short-term loans payable	*2 3,341	*2 4,597
Current portion of bonds payable	10,000	20,000
Current portion of long-term loans payable	2,185	2,185
Lease obligations	244	229
Accrued payables	*2 5,822	*2 5,019
Accrued expenses	*2 3,239	*2 3,456
Income taxes payable	81	1,774
Contract liabilities	2	2
Deposits received	271	300
Reserve for bonuses	2,275	2,750
Other	28	28
Total current liabilities	41,870	51,768
Long-term liabilities		
Bonds payable	70,000	50,000
Long-term loans payable	24,370	22,185
Lease obligations	385	245
Other	759	759
Total long-term liabilities	95,515	73,190
Total liabilities	137,385	124,959
Net assets		
Shareholders' equity		
Common stock	34,606	34,606
Capital surplus		
Capital reserve	47,471	47,471
Other capital surplus	12	30
Total capital surplus	47,484	47,501
Profit surplus		
Legal retained earnings	1,958	1,958
Other profit surplus		
Reserve for advanced depreciation of land	15	15
Dividend reserve	2,000	2,000
General reserve	152,000	157,000
Profit surplus carried forward	10,855	17,182
Total profit surplus	166,829	178,157
Treasury stock	(17,125)	(21,098)
Total shareholders' equity	231,795	239,167
Valuation/conversion difference, etc.		
Net unrealized gain on available-for-sale securities	1,701	1,742
Total valuation/conversion difference, etc.	1,701	1,742
Total net assets	233,497	240,909
Total liabilities and net assets	370,882	365,869

## (ii) [Non-consolidated statements of income]

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)		Current Fiscal Year (From January 1, 2024 to December 31, 2024)	
Revenue	*1	144,227	*1	144,737
Cost of sales	*1	107,186	*1	107,988
Gross profit		37,040		36,748
Selling, general and administrative expenses	*1,*2	29,902	*1,*2	32,627
Operating income		7,138		4,121
Non-operating income				
Interest received	*1	152	*1	191
Dividends received	*1	6,962	*1	11,688
Foreign exchange profit	*1	489	*1	687
Rent income	*1	438	*1	474
Royalty income	*1	942	*1	1,012
Miscellaneous income	*1	548	*1	604
Total non-operating income		9,534		14,657
Non-operating expenses				
Interest expenses	*1	255	*1	230
Interest on corporate bonds		219		264
Bond issuance cost		59		—
Rent expenses	*1	65	*1	86
Loss on investments in investment partnerships		77		—
Miscellaneous loss	*1	89	*1	176
Total non-operating expenses		766		758
Ordinary income		15,905		18,020
Extraordinary income				
Gain on sale of fixed assets	*3	16	*3	28
Gain on sale of investment securities		414		441
Employment adjustment subsidy		37		240
Total extraordinary income		468		710
Extraordinary loss				
Loss on sale and retirement of fixed assets	*4	176	*4	112
Other		0		—
Total extraordinary loss		176		112
Net income before income taxes		16,196		18,618
Income taxes - current		2,488		3,274
Income taxes - deferred		670		(151)
Total income taxes		3,159		3,122
Net income		13,037		15,495

## (iii) [Statement of changes in equity]

Previous fiscal year (from January 1, 2023 to December 31, 2023)

(Millions of Yen)

	Shareholders' equity			
	Common stock	Capital surplus		
		Capital reserve	Other capital surplus	Total capital surplus
Balance as of January 1, 2023	34,606	47,471	3	47,475
Changes in the fiscal year				
Dividends from surplus				
Reversal of general reserve				
Net income				
Purchase of treasury stock				
Disposition of treasury stock			8	8
Net changes in items other than shareholders' equity during the fiscal year				
Total changes in the fiscal year	—	—	8	8
Balance as of December 31, 2023	34,606	47,471	12	47,484

	Shareholders' equity					
	Profit surplus					
	Legal retained earnings	Other profit surplus				Total profit surplus
		Reserve for advanced depreciation of land	Dividend reserve	General reserve	Profit surplus carried forward	
Balance as of January 1, 2023	1,958	15	2,000	157,000	2,625	163,599
Changes in the fiscal year						
Dividends from surplus					(9,807)	(9,807)
Reversal of general reserve				(5,000)	5,000	—
Net income					13,037	13,037
Purchase of treasury stock						
Disposition of treasury stock						
Net changes in items other than shareholders' equity during the fiscal year						
Total changes in the fiscal year	—	—	—	(5,000)	8,230	3,230
Balance as of December 31, 2023	1,958	15	2,000	152,000	10,855	166,829

	Shareholders' equity		Valuation/conversion difference, etc.		Total net assets
	Treasury stock	Total share-holders' equity	Net unrealized gain on available-for-sale securities	Total valuation/conversion difference, etc.	
Balance as of January 1, 2023	(17,154)	228,526	1,475	1,475	230,001
Changes in the fiscal year					
Dividends from surplus		(9,807)			(9,807)
Reversal of general reserve		—			—
Net income		13,037			13,037
Purchase of treasury stock	(2)	(2)			(2)
Disposition of treasury stock	31	40			40
Net changes in items other than shareholders' equity during the fiscal year			226	226	226
Total changes in the fiscal year	29	3,268	226	226	3,495
Balance as of December 31, 2023	(17,125)	231,795	1,701	1,701	233,497



Current fiscal year (from January 1, 2024 to December 31, 2024)

(Millions of Yen)

	Shareholders' equity			
	Common stock	Capital surplus		
		Capital reserve	Other capital surplus	Total capital surplus
Balance as of January 1, 2024	34,606	47,471	12	47,484
Changes in the fiscal year				
Dividends from surplus				
Provision of general reserve				
Net income				
Purchase of treasury stock				
Disposition of treasury stock			17	17
Net changes in items other than shareholders' equity during the fiscal year				
Total changes in the fiscal year	–	–	17	17
Balance as of December 31, 2024	34,606	47,471	30	47,501

	Shareholders' equity					
	Profit surplus					
	Legal retained earnings	Other profit surplus				Total profit surplus
		Reserve for advanced depreciation of land	Dividend reserve	General reserve	Profit surplus carried forward	
Balance as of January 1, 2024	1,958	15	2,000	152,000	10,855	166,829
Changes in the fiscal year						
Dividends from surplus					(4,168)	(4,168)
Provision of general reserve				5,000	(5,000)	–
Net income					15,495	15,495
Purchase of treasury stock						
Disposition of treasury stock						
Net changes in items other than shareholders' equity during the fiscal year						
Total changes in the fiscal year	–	–	–	5,000	6,327	11,327
Balance as of December 31, 2024	1,958	15	2,000	157,000	17,182	178,157

	Shareholders' equity		Valuation/conversion difference, etc.		Total net assets
	Treasury stock	Total share-holders' equity	Net unrealized gain on available-for-sale securities	Total valuation/conversion difference, etc.	
Balance as of January 1, 2024	(17,125)	231,795	1,701	1,701	233,497
Changes in the fiscal year					
Dividends from surplus		(4,168)			(4,168)
Provision of general reserve		—			—
Net income		15,495			15,495
Purchase of treasury stock	(4,020)	(4,020)			(4,020)
Disposition of treasury stock	47	65			65
Net changes in items other than shareholders' equity during the fiscal year			40	40	40
Total changes in the fiscal year	(3,973)	7,371	40	40	7,412
Balance as of December 31, 2024	(21,098)	239,167	1,742	1,742	240,909

[Notes]

**(Significant accounting policies)**

1. Valuation basis and method for securities

(1) Other securities

Other than stocks, etc., without market prices

Fair value method based on the market price, etc., as of the last date of the fiscal year (Valuation difference is reported, net of applicable taxes, in a separate component of net assets. The cost of securities sold is determined by the moving-average method.)

Stocks, etc., without market prices

Moving-average cost method

Equity interests in investment business limited partnerships (those deemed to be securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are based on the most recent financial statements available according to the settlement date stipulated in the partnership agreement. The amount equivalent to the equity is treated as a net amount.

(2) Shares of and investments in capital of subsidiaries and associates

Moving-average cost method

2. Valuation basis and method for derivatives

Fair value method has been adopted.

3. Valuation basis and method for inventories

(1) Merchandise and finished goods

Stated at cost by the gross average method, in principle. (Amounts in the balance sheets were calculated by writing down the book value as a result of a decrease in profitability.)

(2) Work in process

For planned products, stated at cost by the gross average method, in principle. For made-to-order products, stated at cost by the specific identification method, in principle. (Amounts in the balance sheets were calculated by writing down the book value as a result of a decrease in profitability.)

(3) Raw materials and supplies

Stated at cost by the gross average method, in principle. (Amounts in the balance sheets were calculated by writing down the book value as a result of a decrease in profitability.)

4. Depreciation method for fixed assets

(1) Tangible fixed assets (excluding lease assets)

Straight-line method

(2) Intangible fixed assets (excluding lease assets)

Straight-line method

However, software for internal use is amortized by the straight-line method over the estimated internal useful life (five years).

(3) Lease assets

Leased properties related to non-ownership transfer finance lease transactions

Depreciation is calculated using the straight-line method with the useful life equal to the lease period and the residual value of zero.

5. Accounting standards for significant allowances

(1) Allowance for bad debts

To prepare for losses from bad debts related to receivables, an allowance is provided for bad debts estimated based on the actual rate of losses from bad debts for ordinary receivables, and on the estimated recoverability for specific doubtful receivables.

(2) Reserve for bonuses

To prepare for bonus payments to employees, the reserve for bonuses is provided at an amount as a defrayment for the fiscal year under review based on the estimated amount of future payments.

(3) Reserve for employees' retirement benefits

The reserve for employees' retirement benefits is provided at an amount recognized to have accrued as of the balance-sheet date based on the projected retirement benefit obligation and fair value of pension assets at the end of the fiscal year under review.

The actuarial gain or loss is amortized by the straight-line method over a certain period of time (ten years) that is within the average remaining service period at the time of recognition starting from the fiscal year following the recognition.

Prior service cost is charged to expenses using the straight-line method over a certain period (15 years) that is within the average remaining service period of the employees when incurred.

6. Method of hedge accounting

(1) Method of hedge accounting

The special accounting treatment is adopted for interest-rate swaps because they satisfy the requirements of such special accounting. The integrated treatment (special accounting treatment, appropriation treatment) is adopted for interest-rate and currency swaps that satisfy the requirements of such integrated treatment.

(2) Hedging instruments and hedged items

Interest-rate swaps

Interest on borrowings

Interest-rate and currency swaps

Foreign currency-denominated borrowings and interest on borrowings

(3) Hedge policy

Interest-rate swaps are intended to hedge interest rate volatility risks involved in borrowings. Interest-rate and currency swaps are intended to hedge foreign exchange volatility risks and interest rate volatility risks involved in foreign currency-denominated borrowings.

(4) Valuation method for hedge validity

Valuation of the validity of interest-rate swaps is omitted because they satisfy the requirements of the special accounting treatment. Valuation of the validity of interest-rate and currency swaps is omitted because they satisfy the requirements of integrated treatment (special accounting treatment, appropriation treatment).

7. Accounting standards for revenue and expenses

The Company applies the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc., and recognizes revenue by applying the following five steps to customer contracts.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Company’s main products and services are industrial machinery and transportation equipment. The industrial machinery business engages in manufacturing and sales of machinery components and others, chiefly linear motion systems, as well as industrial machinery. The automotive & transportation business engages in the development and design, and manufacturing and sales of steering components, suspension components, brake components, and others primarily for transportation equipment such as automobiles and motorcycles. Of these, it is determined that the performance obligation is satisfied for sales within the same country, unless otherwise stipulated in the contract, at the time the product arrives at the customer, and for export sales, at the time when it is assumed that the customer has obtained control of the product based on the terms and conditions of trade. Revenue is recorded at the time when the performance obligation is satisfied.

8. Other important matters that form the basis for the preparation of non-consolidated financial statements

(1) Accounting for retirement benefits

The method of accounting for unrecognized actuarial gains and losses related to retirement benefits and unrecognized past service cost differs from the method used in the consolidated financial statements.

**(Significant accounting estimates)**

Valuation of investments in associates

(1) Amounts recorded on the non-consolidated financial statements for the fiscal year under review

(Millions of Yen)

Accounting Item	Previous Fiscal Year	Current Fiscal Year
Shares of subsidiaries and associates	111,352	116,758
Investments in capital of subsidiaries and associates	41,332	42,700

(2) Information that is useful for understanding the details of the accounting estimates

In valuing investments in associates, excluding where there are market prices or values reasonably determined, the Company recognizes the impairment of investments when the actual value of an investment has significantly declined due to a deterioration in the financial conditions of the relevant investee, except where substantiated by sufficient proof of recoverability.

Recoverability in the event of a significant decline in the actual value is reasonably estimated based on business plans, etc., of associates.

Such estimate is primarily influenced by the management’s judgment on the reasonableness of the business plans of associates that involve future uncertainty, and this may have a material impact on the amounts to be recognized in non-consolidated financial statements for the following fiscal years.

**(Matters related to balance sheet)**

\*1 Amount of tax purpose reduction entry with national subsidy:

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
	150	150

\*2 Monetary claims and monetary obligations to subsidiaries and associates (excluding those separately indicated)

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Short-term monetary claims	15,399	26,209
Short-term monetary liabilities	7,228	8,428
Long-term monetary claims	7,000	6,217

3 Guarantee liability

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Electricity rate liabilities		
THK RHYTHM AUTOMOTIVE CANADA LIMITED	31	31
Trade payables		
TALK SYSTEM CO., LTD.	185	34
THK RHYTHM CO., LTD.	69	32
NIPPON SLIDE CO., LTD.	7	13
THK INTECHS CO., LTD.	363	—
THK NIIGATA CO., LTD.	72	—
Total	730	112

4 The Company has concluded Specified Commitment Line Contract with its main correspondent financial institutions to efficiently procure working capital.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Loan limit of Specified Commitment Line Contract	30,000	30,000
Borrowing outstanding balance	—	—
Balance	30,000	30,000

- \*5 Regarding the accounting treatment of bills maturing on the last day of the term, it is treated as if the settlement was made on the maturity date.  
In addition, as the last day of the current fiscal year was a holiday for financial institutions, the bills maturing on the last day of the next term are treated as having been settled on the maturity date.

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Notes receivable	8	26
Electronically recorded monetary claims - operating	2,169	2,610

**(Matters related to statement of income)**

\*1 Volume of transactions with associates

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Revenue	57,570	59,652
Purchases	20,937	23,619
Other operating transactions	1,692	1,467
Non-operating transactions	4,442	3,450

\*2 Major expenses, amounts, and approximate ratios of selling, general and administrative expenses are as follows.

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Packing and transportation costs	3,028	3,216
Advertising expenses	1,472	1,780
Salaries	8,242	8,781
Provision for reserve for bonuses	829	1,031
Retirement benefit expenses	302	286
Rent expenses	2,165	2,259
Depreciation	705	821
Research and development expenses	5,616	6,277
Commission expenses	644	710
Outsourcing expenses	1,956	1,984

(%)

Approximate percentage		
Selling expenses	15.4	15.8
General and administrative expenses	84.6	84.2

\*3 The breakdown of gain on sale of fixed assets is as follows.

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Machinery and equipment	14	26
Vehicles	—	2
Tools and supplies	1	0
Total	16	28



\*4 The breakdown of loss on disposition and sale of fixed assets is as follows.

(Millions of Yen)

	Previous Fiscal Year (From January 1, 2023 to December 31, 2023)	Current Fiscal Year (From January 1, 2024 to December 31, 2024)
Buildings	104	65
Structures	5	0
Machinery and equipment	25	12
Vehicles	0	0
Tools and supplies	0	0
Lease assets	0	—
Construction in progress	41	32
Software	—	1
Total	176	112

**(Matters related to securities)**

Previous fiscal year (December 31, 2023)

	Balance sheet amount	Fair value	(Millions of Yen) Difference
Subsidiary shares and associate shares	1,069	8,315	7,245

(Note) Stocks, etc., of subsidiaries and associates without market prices

(Millions of Yen)

Classification	Balance Sheet Amount
Subsidiary Shares	110,216
Associate Shares	66
Total	110,282

These are not included in “Subsidiary shares and associate shares” above because they are stocks, etc., without market prices.

Current fiscal year (December 31, 2024)

	Balance sheet amount	Fair value	(Millions of Yen) Difference
Subsidiary shares and associate shares	1,069	6,330	5,261

(Note) Stocks, etc., of subsidiaries and associates without market prices

(Millions of Yen)

Classification	Balance Sheet Amount
Subsidiary Shares	115,622
Associate Shares	66
Total	115,689

These are not included in “Subsidiary shares and associate shares” above because they are stocks, etc., without market prices.

**(Matters related to tax effect accounting)**

## 1. Breakdown of deferred tax assets and deferred tax liabilities according to the main cause of occurrence

(Millions of Yen)

	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
(Deferred tax assets)		
Loss on valuation of shares of subsidiaries and associates	10,169	10,169
Loss on valuation of investments in capital of subsidiaries and associates	1,127	1,127
Reserve for bonuses	696	842
Inventory valuation loss	566	575
Allowance for bad debts	421	421
Accrued business tax	20	165
Accrued retirement compensation for officers	227	227
Accrued expenses	108	132
Loss on valuation of investment securities	167	142
Impairment losses	32	32
Excess of depreciation and amortization	93	28
Other	587	693
Subtotal of deferred tax assets	14,218	14,557
Valuation allowance for total deductible temporary differences	(12,892)	(12,882)
Valuation allowance subtotal	(12,892)	(12,882)
Total deferred tax assets	1,325	1,675
(Deferred tax liabilities)		
Net unrealized gain on available-for-sale securities	(693)	(727)
Other	(22)	(221)
Total deferred tax liabilities	(716)	(948)
Net deferred tax assets	609	726

2. Breakdown of main items that served as the cause of a significant difference between the legal effective tax rate and the corporate tax ratio after application of tax effect accounting

	(%)	
	Previous Fiscal Year (December 31, 2023)	Current Fiscal Year (December 31, 2024)
Legal effective tax rate	30.6	30.6
(Adjustments)		
Items permanently not included as a deductible, such as entertainment costs	0.7	2.0
Items permanently not included as revenue, such as dividends received	(12.5)	(18.2)
Equal installments of inhabitant tax	0.4	0.3
Special deduction for experimental research, etc.	(2.5)	(3.4)
Valuation allowance	(0.8)	(0.1)
Other	3.6	5.6
Corporate tax ratio after application of tax effect accounting	19.5	16.8

**(Matters related to revenue recognition)**

Information that forms the basis for understanding revenues from contracts with customers has been omitted from the Notes because the same information is presented in “25. Revenue,” in the notes to the consolidated financial statements.

**(Significant subsequent events)**

Not applicable

(iv) [Supplementary schedules]  
[Schedule of tangible fixed assets, etc.]

(Millions of Yen)

Classification	Type of Asset	Balance as of January 1, 2024	Increase During the Period	Decrease During the Period	Depreciation/Amortization for the Period	Balance as of December 31, 2024	Accumulated Depreciation/Amortization
Tangible Fixed Assets	Buildings	13,144	925	58	903	13,107	25,582
	Structures	686	6	0	67	624	1,870
	Machinery and equipment	36,502	4,792	231	5,210	35,853	68,678
	Vehicles	27	43	0	14	56	203
	Tools and supplies	1,039	901	0	443	1,496	10,993
	Land	6,899	—	—	—	6,899	—
	Lease assets	563	70	—	209	424	802
	Construction in progress	6,236	9,804	7,860	—	8,180	—
	Total	65,100	16,543	8,152	6,848	66,643	108,130
Intangible Fixed Assets	Software	1,341	1,124	1	533	1,931	4,552
	Other	659	923	1,156	6	419	280
	Total	2,000	2,048	1,157	540	2,350	4,833
Investments and Other Assets	Long-term prepaid expenses	13	21	—	9	25	78

(Notes) 1. The main item of the amount of increase in buildings during the period is as follows.

Construction of a new connecting  
Mie Plant passageway, etc. at the third heat treating plant ¥461 million

2. The main item of the amount of increase in structures during the period is as follows.

Pit concrete backfilling work  
Kofu Plant Backfilling of a concrete pit at the third plant ¥5 million

3. The main items of the amount of increase in machinery and equipment during the period are as follows.

Yamaguchi Plant Dedicated grinding machine, etc. ¥1,400 million  
Yamagata Plant Double-disc grinding machine, etc. ¥1,064 million  
Kofu Plant Whirling machine, etc. ¥676 million

4. The main items of the amount of increase in tools, furniture and fixtures during the period are as follows.

Head Office LSR, etc. ¥695 million  
Yamaguchi Plant Mold, etc. ¥85 million

5. The main items of the amount of increase in construction in progress during the period are as follows.

Yamaguchi Plant Large straightening line, etc. ¥2,248 million  
Yamagata Plant Four-disc grinding machine, etc. ¥1,713 million  
Kofu Plant Grinding machine, etc. ¥1,240 million

6. The main item of the amount of increase in software during the period is as follows.

Head Office SAP S/4HANA for accounting, etc. ¥815 million

7. The main items of the amount of decrease in construction in progress during the period are as follows.

Yamaguchi Plant Operation of grinding machine, etc. ¥1,816 million  
Yamagata Plant Operation and sale of four-disc grinding machine, etc. ¥1,659 million

8. The main item of the amount of decrease in intangible fixed assets during the period is as follows.

## Transfer to software

¥1,096 million

[Reserve schedule]

(Millions of Yen)

Line Item	Balance as of January 1, 2024	Increase During the Period	Decrease During the Period	Balance as of December 31, 2024
Allowance for Bad Debts	39	4	3	40
Reserve for Bonuses	2,275	2,750	2,275	2,750

(2) [Major assets and liabilities]

This note is omitted as Consolidated Financial Statements are prepared.

(3) [Other]

Not applicable

## VI. [Overview of Stock-related Administration for the Reporting Company]

Fiscal year	From January 1 to December 31
Ordinary General Meeting of Shareholders	March
Record date	December 31
Record date for dividends of surplus	June 30 and December 31
Number of shares constituting one unit	100 shares
Buyback of shares less than one unit	
Handling office	(Special account) 1-4-5 Marunouchi, Chiyoda-ku, Tokyo, Japan Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation
Shareholder registry administrator	(Special account) 1-4-5 Marunouchi, Chiyoda-ku, Tokyo, Japan Mitsubishi UFJ Trust and Banking Corporation
Forward office	—
Purchasing fee	Amount separately specified as fees for stock brokerage
Method of public notice	Electronic public notice; however, if the Company cannot give notice by means of electronic public notice due to an accident or other inevitable reason, public notice will be published in Nihon Keizai Shimbun. The Company's electronic public notice is available on its website. <a href="https://www.thk.com/jp/en/ir/">https://www.thk.com/jp/en/ir/</a>
Special benefit for shareholders	Not applicable

(Notes) Shareholders of the Company may not exercise any rights other than the following rights with respect to shares less than one unit that they hold.

1. Rights as stipulated in the items in Article 189, Paragraph 2 of the Companies Act
2. Right to make a claim under Article 166, Paragraph 1 of the Companies Act
3. Right to allotment of shares for subscription and allotment of share options for subscription in proportion to the number of shares held
4. Right to demand the sale of shares less than one unit

## VII. [Reference Information on the Reporting Company]

### 1. [Information on the Parent Company, etc. of Reporting Company]

The Company does not have a parent company, etc.

### 2. [Other Reference Information]

The Company filed the following documents during the period from the beginning date of the fiscal year under review to the filing date of the Annual Securities Report.

#### (1) Annual Securities Report and attached documents, and Confirmation Letter

54th fiscal year (from January 1, 2023 to December 31, 2023)

Filed with the Director-General of the Kanto Local Finance Bureau on March 18, 2024.

#### (2) Amendment Report for Annual Securities Report and Confirmation Letter

54th fiscal year (from January 1, 2023 to December 31, 2023)

Filed with the Director-General of the Kanto Local Finance Bureau on May 2, 2024.

#### (3) Internal Control Report and attached documents

54th fiscal year (from January 1, 2023 to December 31, 2023)

Filed with the Director-General of the Kanto Local Finance Bureau on March 18, 2024.

#### (4) Quarterly Report and Confirmation Letter

First quarter of the 55th fiscal year (from January 1, 2024 to March 31, 2024)

Filed with the Director-General of the Kanto Local Finance Bureau on May 13, 2024.

#### (5) Semi-annual Securities Report and Confirmation Letter

Semi-annual period of the 55th fiscal year (from January 1, 2024 to June 30, 2024)

Filed with the Director-General of the Kanto Local Finance Bureau on August 8, 2024.

#### (6) Extraordinary Report

An extraordinary report pursuant to Article 19, Paragraph 2, Item 9-2 “Results of exercise of voting rights at general meeting of shareholders” of the Cabinet Office Order on Disclosure of Corporate Affairs

Filed with the Director-General of the Kanto Local Finance Bureau on March 18, 2024.

An extraordinary report pursuant to Article 19, Paragraph 2, Item 2-2 “Issuance of shares or share option certificates, etc. for which notifications may be omitted” of the Cabinet Office Order on Disclosure of Corporate Affairs

Filed with the Director-General of the Kanto Local Finance Bureau on March 17, 2025.

#### (7) Amended Shelf Registration Statement for Issuance of Straight Corporate Bonds

Filed with the Director-General of the Kanto Local Finance Bureau on March 18, 2024.

Filed with the Director-General of the Kanto Local Finance Bureau on May 2, 2024.

Filed with the Director-General of the Kanto Local Finance Bureau on March 17, 2025.

#### (8) Securities Registration Statement

Filed with the Director-General of the Kanto Local Finance Bureau on March 18, 2024.

Filed with the Director-General of the Kanto Local Finance Bureau on November 29, 2024.

#### (9) Amendment Report for Securities Registration Statement

Filed with the Director-General of the Kanto Local Finance Bureau on February 12, 2025.

Filed with the Director-General of the Kanto Local Finance Bureau on March 17, 2025.



(10) Shelf Registration Supplement for Issuance of Straight Corporate Bonds and attached documents

Filed with the Director-General of the Kanto Local Finance Bureau on January 22, 2025.

(11) Share Buyback Report

(From November 13, 2024 to November 30, 2024)

Filed with the Director-General of the Kanto Local Finance Bureau on December 16, 2024.

(From December 1, 2024 to December 31, 2024)

Filed with the Director-General of the Kanto Local Finance Bureau on January 15, 2025.

(From January 1, 2025 to January 31, 2025)

Filed with the Director-General of the Kanto Local Finance Bureau on February 17, 2025.

(From February 1, 2025 to February 28, 2025)

Filed with the Director-General of the Kanto Local Finance Bureau on March 17, 2025.

Part II. [Information on Guarantors, etc. for the Reporting Company]

Not applicable