

Notice Regarding Transfer of Shares of Consolidated Subsidiaries and Assignment of Receivables

Company Name	: THK CO., LTD.
Representative	: Takashi Teramachi, President and CEO
Code number	: 6481 (Tokyo Stock Exchange Prime Market)
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THK CO., LTD. (hereinafter, “THK”) hereby announces that, at the Board of Directors' meeting held on February 2, 2026, THK decided to transfer all of its shares of TRA Holdings, CO., LTD., a subsidiary of THK which has THK RHYTHM CO., LTD. as a group company (hereinafter, “TRAH”), THK RHYTHM AUTOMOTIVE CANADA LIMITED (hereinafter, “TRAC”), THK RHYTHM AUTOMOTIVE CZECH a.s. (hereinafter, “TRACz”), THK RHYTHM AUTOMOTIVE GmbH (hereinafter, “TRAG”), and THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION (hereinafter, “TRAM”; and collectively, the “Target Subsidiaries”) and all the loans receivable from the Target Subsidiaries (hereinafter, the “Receivables”) to a special purpose company indirectly funded by investment funds serviced by Advantage Partners, Inc. (Headquarter: Tokyo, Japan) (hereinafter, “SPC”). On the same date, THK and SPC entered into a basic agreement concerning transfer of shares of the Target Subsidiaries and assignment of the Receivables (hereinafter, the “Agreement”). Details are as follows.

1. Purposes of the Agreement

THK has established “Early Realization of ROE over 10%” as its new management policy and announced its management indicator targets and measures to achieve them at the announcement of financial results in February 2025. In addition to the “structural reform” in the industrial machinery business and the “selection and concentration” in the automotive & transportation business, the new management policy places greater emphasis on controlling shareholders' equity, which is the denominator of ROE. In light of these circumstances, for the automotive & transportation business, THK conducted a thorough examination of the expected cost of capital and return on invested capital (ROIC) at present and in the future as well. As a result, THK has determined that transferring the automotive & transportation business is the most appropriate option. With this action, the “selection and concentration” in the automotive & transportation business is now complete.

2. Outline of the Subsidiaries Subject to Transfers of Shares

1. TRA Holdings, CO., LTD.

(1)	Name	TRA Holdings, CO., LTD.		
(2)	Head office	Minato-ku, Tokyo		
(3)	Representative	Mr. Akihiro Teramachi, Representative Director and Chairman		
(4)	Business	Holding company		
(5)	Paid-in capital	JPY 100 million		
(6)	Date of establishment	October 5, 2017 (as a holding company)		
(7)	Major shareholder and shareholding ratio	THK 100%		
(8)	Relationship between THK and TRAH	Capital relationship	THK directly holds all of the shares of TRAH.	
		Personnel relationship	Five directors of THK concurrently serve as directors of TRAH.	
		Business relationship	The Company and TRAH have entered loan agreements and other transactions.	
(9)	Consolidated operating results of TRAH for the recent three years			
(Millions of JPY)				
As of or for the year ended December 31		2022	2023	2024
Consolidated:				
Revenue		38,511	46,106	46,876
Operating income (loss)		(5,275)	809	(65)

Note: TRA directly or indirectly holds 100% of the shares in the following six companies. As a result of the transfers of shares, all the shares of these six subsidiaries will be transferred to a group company of SPC.

<u>Name of Subsidiaries</u>	<u>Location</u>	<u>Share Capital</u>
THK RHYTHM CO., LTD.	Chuo-ku, Hamamatsu, Shizuoka, Japan	JPY 490 million
THK RHYTHM NORTH AMERICA CO., LTD.	Sparta, Tennessee, U.S.A.	USD 66 thousand
THK RHYTHM MEXICANA, S.A. DE C.V.	Guanajuato, Mexico	MXN 800,000 thousand
THK RHYTHM (GUANGZHOU) CO., LTD.	Guangzhou, Guangdong, China	RMB 91,498 thousand
THK RHYTHM (CHANGZHOU) CO., LTD.	Changzhou, Jiangsu, China	RMB 237,265 thousand
THK RHYTHM (THAILAND) CO., LTD.	Rayong, Thailand	THB 350,000 thousand

(For reference) The exchange rates as of December 31, 2025, are as follows: U.S. dollar 1 = ¥156.75; Mexican peso 1 = ¥8.72; Chinese yuan 1 = ¥22.43; and Thai baht 1 = ¥4.98.

2. THK RHYTHM AUTOMOTIVE CANADA LIMITED

(1)	Name	THK RHYTHM AUTOMOTIVE CANADA LIMITED		
(2)	Head office	St. Catharines, Ontario, Canada		
(3)	Representative	Mr. Akihiro Teramachi, Representative Director and President		
(4)	Business	Manufacture and sales of automotive & transportation equipment-related products		
(5)	Paid-in capital	CAD 150,000 thousand		
(6)	Date of establishment	June 1, 2015		
(7)	Major shareholder and shareholding ratio	THK 100%		
(8)	Relationship between THK and TRAC	Capital relationship	THK directly holds all of the shares of TRAC.	
		Personnel relationship	Two directors of THK concurrently serve as directors of TRAC.	
		Business relationship	There are no transactions to report.	
(9)	Consolidated operating results and financial position of TRAC for the recent three years			
(Thousands of CAD)				
As of or for the year ended December 31		2022	2023	2024
Consolidated:				
Net assets		10,088	7,400	19,540
Total assets		192,239	194,398	182,169
Revenue		221,329	278,200	251,120
Operating income (loss)		(12,534)	3,022	6,442
Ordinary income (loss)		(12,487)	(2,284)	3,931
Profit (loss)		(12,487)	(2,284)	3,863

(For reference) The exchange rate as of December 31, 2025, is as follows:
Canadian dollar 1 = ¥114.35

3. THK RHYTHM AUTOMOTIVE CZECH a.s.

(1)	Name	THK RHYTHM AUTOMOTIVE CZECH a.s.	
(2)	Head office	Dacice, Czech Republic	
(3)	Representative	Mr. Akihiro Teramachi, Representative Director and Chairman	
(4)	Business	Manufacture and sales of automotive & transportation equipment-related products	
(5)	Paid-in capital	CZK 335,479 thousand	
(6)	Date of establishment	February 3, 1967	
(7)	Major shareholder and shareholding ratio	THK 100%	
(8)	Relationship between THK and TRACz	Capital relationship	THK directly holds all of the shares of TRACz
		Personnel relationship	Two directors of THK concurrently serve as directors of TRACz.
		Business relationship	There are no transactions to report.
(9)	Consolidated operating results and financial position of TRACz for the recent three years		
(Thousands of EUR)			
As of or for the year ended December 31	2022	2023	2024
Consolidated:			
Net assets	2,072,573	2,137,172	2,205,726
Total assets	3,466,402	3,231,039	3,222,550
Revenue	4,430,885	4,765,897	4,860,831
Operating income	37,659	95,574	84,397
Ordinary income	30,688	104,133	79,088
Profit	21,642	64,598	68,554

(For reference) The exchange rate as of December 31, 2025, is as follows:
Czech koruna 1 = ¥7.62

4. THK RHYTHM AUTOMOTIVE GmbH

(1)	Name	THK RHYTHM AUTOMOTIVE GmbH		
(2)	Head office	Düsseldorf, Nordrhein-Westfalen, Germany		
(3)	Representative	Mr. Akihiro Teramachi, Representative Director and President		
(4)	Business	Manufacture and sales of automotive & transportation equipment-related products		
(5)	Paid-in capital	EUR 1,000 thousand		
(6)	Date of establishment	March 17, 2015		
(7)	Major shareholder and shareholding ratio	THK 100%		
(8)	Relationship between THK and TRAG	Capital relationship	THK directly holds all of the shares of TRAG.	
		Personnel relationship	A director of THK concurrently serve as directors of TRAG.	
		Business relationship	There are no transactions to report.	
(9)	Consolidated operating results and financial position of TRAG for the recent three years			
(Thousands of EUR)				
	As of or for the year ended December 31	2022	2023	2024
	Consolidated:			
	Net assets	813	5,494	(806)
	Total assets	72,129	80,890	67,800
	Revenue	134,143	138,808	122,805
	Operating income	1,156	2,278	1,819
	Ordinary income	918	400	430
	Profit (loss)	732	4,681	(6,301)

(For reference) The exchange rate as of December 31, 2025, is as follows:

Euro 1 = ¥184.09

5. THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION

(1)	Name	THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION		
(2)	Head office	Portland, Michigan, U.S.A.		
(3)	Representative	Mr. Akihiro Teramachi, Representative Director and President		
(4)	Business	Manufacture and sales of automotive & transportation equipment-related products		
(5)	Paid-in capital	USD 70,000 thousand		
(6)	Date of establishment	May 29, 2015		
(7)	Major shareholder and shareholding ratio	THK 100%		
(8)	Relationship between THK and TRAM	Capital relationship	THK directly holds all of the shares of TRAM.	
		Personnel relationship	Two directors of THK concurrently serve as directors of TRAM.	
		Business relationship	There are no transactions to report.	
(9)	Consolidated operating results and financial position of TRAM for the recent three years			
(Thousands of EUR)				
	As of or for the year ended December 31	2022	2023	2024
	Consolidated:			
	Net assets	72,034	72,246	68,713
	Total assets	89,118	89,500	84,523
	Revenue	82,721	91,171	103,625
	Operating income	466	1,016	(1,934)
	Ordinary income (loss)	52	376	(3,746)
	Profit (loss)	41	212	(3,532)

(For reference) The exchange rate as of December 31, 2025, is as follows:

U.S. dollar 1 = ¥156.75

Of the five subsidiaries subject to the transfers of shares, TRAM and TRAC are specified subsidiaries of THK. In addition, THK RHYTHM MEXICANA, S.A. DE C.V., a group company of TRAH, is also a specified subsidiary of THK. The details are as follows:

(1)	Name	THK RHYTHM MEXICANA, S.A. DE C.V.
(2)	Head office	Guanajuato, Mexico
(3)	Representative	Mr. Akihiro Teramachi, Representative Director and Chairman
(4)	Business	Manufacture and sales of automotive & transportation equipment-related products
(5)	Paid-in capital	MXN 800,000 thousand
(6)	Date of establishment	February 14, 2012
(7)	Major shareholder and shareholding ratio	TRA Holdings, CO., LTD. 100% (indirect)

(For reference) The exchange rate as of December 31, 2025, is as follows:

Mexican peso 1 = ¥8.72

3. Outline of the Counterparty (SPC) of Transfers of Shares

(1)	Name	AP87 Co., Ltd.	
(2)	Head office	Minato-ku, Tokyo	
(3)	Representative	Mr. Hiroshi Hayakawa	
(4)	Business	Management consulting services; acquisition, holding, operation, management, and trade of securities; and supplementary or related services thereto	
(5)	Paid-in capital	JPY 5,000	
(6)	Year of establishment	September 17, 2025	
(7)	Major shareholder and shareholding ratio	AP87 Holdings Co., Ltd.: 100%	
(8)	Relationship between THK and AP87 Co., Ltd.	Capital relationship	Not applicable
		Personnel relationship	Not applicable
		Business relationship	Not applicable

4. Number of Shares to Be Transferred, Transfer Price and Number of Holding Shares Before and After the Transfers of Shares

1. TRA Holdings, CO., LTD.

(1)	Number of shares held before the transfer	200,000 shares (voting rights: 200,000 rights, 100%)
(2)	Number of shares to be transferred	200,000 shares (voting rights: 200,000 rights)
(3)	Number of shares after the transfer	0 shares (voting rights: 0 rights, 0%)

2. THK RHYTHM AUTOMOTIVE CANADA LIMITED

(1)	Number of shares held before the transfer	500,000 shares (voting rights: 500,000 rights, 100%)
(2)	Number of shares to be transferred	500,000 shares (voting rights: 500,000 rights)
(3)	Number of shares after the transfer	0 shares (voting rights: 0 rights, 0%)

3. THK RHYTHM AUTOMOTIVE CZECH a.s.

(1)	Number of shares held before the transfer	335,479 shares (voting rights: 335,479 rights, 100%)
(2)	Number of shares to be transferred	335,479 shares (voting rights: 335,479 rights)
(3)	Number of shares after the transfer	0 shares (voting rights: 0 rights, 0%)

4. THK RHYTHM AUTOMOTIVE GmbH

(1)	Number of shares held before the transfer	1,000,000 shares (voting rights: 1,000,000 rights, 100%)
(2)	Number of shares to be transferred	1,000,000 shares (voting rights: 1,000,000 rights)
(3)	Number of shares after the transfer	0 shares (voting rights: 0 rights, 0%)

5. THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION

(1)	Number of shares held before the transfer	510 shares (voting rights: 510 rights, 100%)
(2)	Number of shares to be transferred	510 shares (voting rights: 510 rights)
(3)	Number of shares after the transfer	0 shares (voting rights: 0 rights, 0%)

Due to non-disclosure obligations, the transfer price of the shares of the Target Subsidiaries presented above is not disclosed.

5. Outline of Assignment of Receivables

(1)	Assets subject to the assignment of receivables	Receivables from the subsidiaries subject to transfers of shares
(2)	Transfer price of assigned receivables	Due to non-disclosure obligations, the transfer price of the above shares is not disclosed.

6. Schedule

(1)	Resolution date of Board of Directors	February 2, 2026 (today)
(2)	Date of the Agreement	February 2, 2026 (today)
(3)	Date of transfer of shares	June 1, 2026 (scheduled)

7. Outlook

The impact of the Agreement on THK Group's consolidated operating results for the year ended December 31, 2025 is currently under the close examination and will be disclosed in the announcement of financial results for the year ended December 31, 2025.

No revision has been made to the dividend projection for the year ending December 31, 2025.

(For Reference)

Consolidated forecasts for the year ending December 31, 2025 (as announced on November 11, 2025) and actual results for the previous year

	Revenue (Millions of Yen)	Operating Income (Millions of Yen)	Profit Before Tax (Millions of Yen)	Profit Attributable to Owners of the Parent (Millions of Yen)
Forecasts for the year ending December 31, 2025	¥360,000	¥16,000	¥16,200	¥10,000
Actual results for the year ended December 31, 2024	352,759	17,349	18,782	10,439