THK
The Mark of Linear Motion

August 5, 2026

Consolidated Financial Results for the Six Months Ended June 30, 2026 under IFRS

Company Name	THK CO., LTD.
Head Office	Tokyo, Japan (Tel: +81-3-5730-3911)
URL	https://www.thk.com/
Stock exchange listing	Tokyo Stock Exchange Prime Market
Code number	6481
Representative	Takashi Teramachi, President and CEO
Contact	Kenji Nakane, Director and CFO
Scheduled date of filing semi-annual securities report (Japanese version only)	August 6, 2026
Scheduled starting date of dividend payment	September 11, 2026

1. Consolidated operating results and financial position as of and for the six months ended June 30, 2026 (January 1, 2026 to June 30, 2026)

(1) Consolidated Operating Results

Six Months Ended June 30	Revenue (Millions of Yen)		Operating Income (Millions of Yen)		Profit Before Tax (Millions of Yen)		Profit (Millions of Yen)		Profit Attributable to Owners of the Parent (Millions of Yen)		Total Comprehensive Income (Loss) (Millions of Yen)	
2026	¥151,067	32.4%	¥22,483	268.9%	¥22,092	221.7%	¥33,837	751.3%	¥33,744	805.3%	¥30,358	－%
2025	114,137	－	6,095	－	6,866	－	3,974	(46.0)	3,727	(48.3)	(9,364)	－

Six Months Ended June 30	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
2026	¥301.18	－
2025	32.72	－

Note: Effective from the fourth quarter period of the previous fiscal year, the automotive & transportation business has been classified as a discontinued operation. Therefore, revenue, operating income, and profit before tax in the table above represent amounts from continuing operations and exclude amounts from the discontinued operation, whereas profit and profit attributable to owners of the parent is presented at the total amount of the continuing operations and discontinued operation. Since the comparative prior-year figures are presented in the same manner, the year-on-year percentage points of revenue, operating income, and profit before tax are not presented.

(2) Consolidated Financial Position

	Total Assets (Millions of Yen)	Total Equity (Millions of Yen)	Equity Attributable to Owners of the Parent (Millions of Yen)	Ratio of Equity Attributable to Owners of the Parent
June 30, 2026	¥480,597	¥275,996	¥275,996	57.4%
December 31, 2025	472,992	265,749	261,333	55.3

2. Dividends

	Dividend Per Share (Yen)				
	First Quarter end	Second Quarter end	Third Quarter end	Year/Period end	Total
Year ended December 31, 2025 (Actual)	¥―	¥123.00	¥―	¥123.00	¥246.00
Year ending December 31, 2026 (Actual)	―	96.00	N/A	N/A	N/A
Year ending December 31, 2026 (Projected)	N/A	N/A	―	99.00	195.00

(Note) Change in dividend projection: Yes

THK's dividend policy is to pay dividends based on a dividend on equity (DOE) ratio of 8%. Based on this policy, THK revised the dividend projection for the year ending December 31, 2026. For details of the revision to the dividend projection, please refer to the "Notice Regarding Revision to Dividend Projection" announced today (August 5, 2026).

3. Forecasts for the year ending December 31, 2026 (January 1, 2026 to December 31, 2026)

	Revenue (Millions of Yen)		Operating Income (Millions of Yen)		Profit Before Tax (Millions of Yen)		Profit Attributable to Owners of the Parent (Millions of Yen)		Profit per Share (Yen)
Year ending December 31, 2026	¥310,000	28.9%	¥48,000	232.5%	¥47,100	199.1%	¥54,800	―%	¥488.97

(Note) Changes from forecasts most recently announced: Yes

Effective from the fourth quarter period of the previous fiscal year, the automotive & transportation business has been classified as a discontinued operation. Therefore, revenue, operating income, and profit before tax in the table above represent amounts from continuing operations and exclude amounts from the discontinued operation, whereas profit attributable to owners of the parent is presented at the total amount of the continuing operations and discontinued operation. The year-on-year percentage points for the year ending December 31, 2026 are calculated based on the previous-year operating results after classification to the continuing operations.

Other Financial Information

(1) Significant change in scope of consolidation:

11 subsidiaries excluded from the scope of consolidation:

THK RHYTHM AUTOMOTIVE CANADA LIMITED;
THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION;
THK RHYTHM MEXICANA, S.A. DE C.V.; and eight other subsidiaries

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

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

(3) Number of shares

		(shares)
a. Common stock issued, including treasury stock, as of:	June 30, 2026	119,099,803
	December 31, 2025	119,099,803
b. Treasury stock as of:	June 30, 2026	7,027,254
	December 31, 2025	7,080,022
c. Average number of common stock for the six months ended:	June 30, 2026	112,041,588
	June 30, 2025	113,923,163

Management's Discussion and Analysis

1. Outline of operating results

(1) Operating results (from January 1, 2026 to June 30, 2026)

In this six months period, the outlook for 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 the U.S. tariff policy.

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. Consequently, on February 2, 2026, THK decided to transfer the automotive & transportation business to AP87 Co., Ltd., a special purpose company indirectly funded by investment funds serviced by Advantage Partners, Inc. and entered into a basic agreement concerning transfer of shares and assignment of receivables of subsidiaries engaging in the automotive & transportation business. Since the requirements of classification of assets as held for sale in accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" have been met, the automotive & transportation business has been classified as a discontinued operation since the fourth quarter period of the previous fiscal year, and the related consolidated financial statements and notes thereto for the corresponding period of the previous year have been reclassified to align with the current year presentation. Subsequently on June 1, 2026, THK completed the transfer of shares and assignment of receivables of subsidiaries engaging in the automotive & transportation business.

In the industrial machinery business, the continuing operations of THK, orders remained strong mainly owing to the expansion of capital investments primarily in semiconductor-related products due to the increased demand for AI. As a result, along with the weaker yen as compared to that a year earlier, revenue amounted to ¥151,067 million, up ¥36,930 million, or 32.4%, compared to the figure a year earlier.

Costs were impacted by expenses associated with structural reforms of the industrial machinery business under the new management policy and the effects of U.S. tariffs. However, the cost to revenue ratio decreased by 4.6% from a year earlier to 65.7%, due to the increased revenue, the effect of the structural reforms.

Selling, general and administrative expenses amounted to ¥28,949 million, up ¥1,552 million, or 5.7%, compared to the figure a year earlier. However, the ratio to revenue was 19.2%, down 4.8% from a year earlier.

In addition, the THK Group recorded ¥740 million of costs associated with implementing the Next Career Support Program announced on February 12, 2026.

As a result, operating income amounted to ¥22,483 million, up ¥16,388 million, or 268.9%, compared to the figure a year earlier. Operating income margin rose by 9.6% from a year earlier to 14.9%.

Finance income and finance costs were ¥1,208 million and ¥1,600 million, respectively. As a result, income before tax amounted to ¥22,092 million, up ¥15,225 million, or 221.7%, compared to the figure a year earlier.

In addition, THK recorded a gain on transfer of business which is mainly attributable to a reclassification of the cumulative translation difference for foreign operations resulting from the transfer of the automotive & transportation business of ¥16,436 million. As a result, profit attributable to owners of the parent amounted to ¥33,744 million, up ¥30,017 million, or 805.3%, compared to the figure a year earlier.

(2) Operating results by segment

(Japan)

In Japan, revenue amounted to ¥63,351 million, up ¥10,007 million, or 18.8%, compared to the figure a year earlier due mainly to the recovery of demand for electronics-related products and machine tools. Segment income (operating income) amounted to ¥27,163 million, up ¥25,013 million, compared to the figure a year earlier (¥2,150 million), due mainly to the increased revenue and a gain on transfer of business which is mainly attributable to a reclassification of the cumulative translation difference for foreign operations resulting from the transfer of the automotive & transportation business of ¥16,436 million.

(The Americas)

In the Americas, revenue amounted to ¥44,922 million, up ¥1,073 million, or 2.4%, compared to the figure a year earlier due mainly to the recovery of demand for electronics-related products and the weaker yen as compared to that a year earlier. Segment income (operating income) amounted to ¥534 million, down ¥93 million, or 14.8%, compared to the figure a year earlier.

(Europe)

In Europe, revenue amounted to ¥34,679 million, up ¥802 million, or 2.4%, compared to the figure a year earlier due mainly to the overall recovery of demand and the weaker yen as compared to the period a year earlier. Segment loss (operating loss) decreased by ¥466 million from the figure a year earlier to ¥294 million (a loss of ¥760 million a year earlier).

(China)

In China, while demand was strong overall, revenue amounted to ¥49,922 million, up ¥14,479 million, or 40.9%, compared to the figure a year earlier. Segment income (operating income) amounted to ¥8,318 million, up ¥3,985 million, or 92.0%, compared to the figure a year earlier due to the increased revenue.

(Other)

In other countries and regions, the THK Group expanded its sales channels and implemented aggressive sales activities to cultivate new customers while demand for THK Group’s products was widely expanded in India and the ASEAN countries. In such a situation, revenue amounted to ¥13,577 million, up ¥3,844 million, or 39.5%, compared to the figure a year earlier. Segment income (operating income) amounted to ¥1,806 million, up ¥1,582 million or 707.3%, compared to the figure a year earlier.

2. Financial position (as of June 30, 2026)

Total assets stood at ¥480,597 million, ¥7,605 million up from the previous fiscal year-end, due mainly to a combined effect of decrease in assets held for sale by ¥36,126 million resulting from the completion of the transfer of the automotive & transportation business, and increase in (1) cash and cash equivalents by ¥6,916 million, (2) trade and other receivables by ¥10,707 million, (3) inventories by ¥5,275 million, (4) property plant and equipment by ¥1,193 million, and (5) other financial assets by ¥13,633 million.

Total liabilities stood at ¥204,600 million, ¥2,641 million down from the previous fiscal year-end, due mainly to a combined effect of increase in (1) bonds and borrowings by ¥16,607 million and (2) trade and other payables by ¥3,824 million and decrease in liabilities directly associated with assets held for sale by ¥28,377 million resulting from the completion of the transfer of the automotive & transportation business.

Total equity stood at ¥275,996 million, ¥10,247 million up from the previous fiscal year-end, due mainly to a combined effect of decrease in (1) capital surplus by ¥1,015 million, and (2) non-controlling interests by ¥4,416 million, and (3) other components of equity associated with a disposal group held for sale by ¥14,142 million resulting from the completion of the transfer of the automotive & transportation business, and increase in (1) retained earnings by ¥19,765 million and (2) other components of equity by ¥9,886 million.

3. Forecast for the fiscal year ending December 31, 2026

For details of the financial forecasts for the year ending December 31, 2026, please refer to “Notice Regarding the Revision of Financial Forecasts” announced today, August 5, 2026.

Consolidated Financial Statements

Consolidated Statements of Financial Position

(Millions of Yen)

	As of December 31, 2025	As of June 30, 2026
Assets:		
Current assets:		
Cash and cash equivalents	¥110,008	¥116,924
Trade and other receivables	63,528	74,236
Inventories	65,177	70,452
Other financial assets	2,001	2,515
Other current assets	7,526	13,544
Subtotal	248,241	277,673
Assets held for sale	36,126	—
Total current assets	284,367	277,673
Non-current assets:		
Property, plant and equipment	162,901	164,095
Goodwill and intangible assets	3,197	4,037
Investments accounted for using the equity method	5,347	4,930
Other financial assets	10,880	23,999
Deferred tax assets	6,005	5,549
Retirement benefit asset	129	157
Other non-current assets	162	155
Total non-current assets	188,624	202,923
Total assets	472,992	480,597

(Millions of Yen)

	As of December 31, 2025	As of June 30, 2026
Liabilities and equity:		
Liabilities:		
Current liabilities:		
Trade and other payables	¥18,585	¥22,410
Bonds and borrowings	33,205	60,006
Other financial liabilities	2,884	3,047
Provisions	99	2,172
Income taxes payable	3,057	2,809
Other current liabilities	14,157	16,022
Subtotal	71,990	106,468
Liabilities directly associated with assets held for sale	28,377	—
Total current liabilities	100,368	106,468
Non-current liabilities:		
Bonds and borrowings	90,000	79,807
Other financial liabilities	6,621	7,715
Retirement benefit liabilities	1,408	1,438
Provisions	65	65
Deferred tax liabilities	6,174	6,513
Other non-current liabilities	2,605	2,593
Total non-current liabilities	106,874	98,132
Total Liabilities	207,242	204,600
Equity		
Common stock	34,606	34,606
Capital surplus	39,580	38,564
Retained earnings	128,734	148,500
Treasury stock	(22,445)	(22,276)
Other components of equity	66,715	76,601
Other components of equity associated with a disposal group held for sale	14,142	—
Total equity attributable to owners of the parent	261,333	275,996
Non-controlling interests	4,416	—
Total Equity	265,749	275,996
Total liabilities and equity	472,992	480,597

Consolidated Statements of Profit or Loss

(Millions of Yen)

	Six months Ended June 30, 2025	Six months Ended June 30, 2026
Continuing operations		
Revenue	¥114,137	¥151,067
Cost of sales	80,199	99,184
Gross profit	33,938	51,883
Selling, general and administrative expenses	27,396	28,949
Other income	746	953
Other expenses	713	1,237
Share of loss in investments accounted for using the equity method	(479)	(166)
Operating income	6,095	22,483
Finance income	2,354	1,208
Finance costs	1,582	1,600
Profit before tax	6,866	22,092
Income tax expense	2,651	3,751
Profit from continuing operations	4,215	18,341
Discontinued operation		
Profit (loss) from discontinued operation	(240)	15,496
Profit	3,974	33,837
Profit attributable to:		
Owners of the parent	3,727	33,744
Non-controlling interests	247	92
Profit	3,974	33,837
Earnings (loss) per share:		
Basic earnings (loss) per share (yen):		
Continuing operations	34.79	162.87
Discontinued operation	(2.07)	138.31
Basic earnings per share	32.72	301.18
Diluted earnings per share (yen):		
Continuing operations	—	—
Discontinued operation	—	—
Diluted earnings per share	—	—

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Six months Ended June 30, 2025	Six months Ended June 30, 2026
Profit	¥3,974	¥33,837
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	124	1,939
Remeasurements of defined benefit plans	(328)	(305)
Share of other comprehensive income of associates accounted for using the equity method	4	17
Total of items that will not be reclassified to profit or loss	(199)	1,651
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(13,141)	(4,927)
Share of other comprehensive income (loss) of associates accounted for using the equity method	2	(203)
Total of items that may be reclassified to profit or loss	(13,139)	(5,130)
Other comprehensive income (loss), net of tax	(13,338)	(3,479)
Comprehensive income (loss)	(9,364)	30,358
Comprehensive income (loss) attributable to:		
Owners of the parent	(9,228)	30,148
Non-controlling interests	(135)	210
Comprehensive income	(9,364)	30,358

Consolidated Statements of Changes in Equity

(Millions of Yen)

Six Months Ended June 30, 2025	Equity attributable to owners of the parent				
					Other components of equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Exchange differences on translating foreign operations
Beginning balance	¥34,606	¥40,120	¥260,638	¥(21,104)	¥67,919
Profit	—	—	3,727	—	—
Other comprehensive income (loss)	—	—	—	—	(12,756)
Total comprehensive income	—	—	3,727	—	(12,756)
Purchase of treasury stock	—	(369)	—	(35,984)	—
Disposal of treasury stock	—	87	—	527	—
Dividends	—	—	(15,614)	—	—
Transfer from other components of equity to retained earnings	—	—	(332)	—	—
Other	—	—	—	—	—
Total transactions with owners	—	(281)	(15,947)	(35,456)	—
Ending balance	34,606	39,838	248,419	(56,560)	55,163

	Equity attributable to owners of the parent					
	Other components of equity					
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Subtotal	Total	Non-controlling interests	Total equity
Beginning balance	¥1,464	¥—	¥69,384	¥383,645	¥6,149	¥389,795
Profit	—	—	—	3,727	247	3,974
Other comprehensive income (loss)	133	(332)	(12,955)	(12,955)	(383)	(13,338)
Total comprehensive income	133	(332)	(12,955)	(9,228)	(135)	(9,364)
Purchase of treasury stock	—	—	—	(36,353)	—	(36,353)
Disposal of treasury stock	—	—	—	615	—	615
Dividends	—	—	—	(15,614)	—	(15,614)
Transfer from other components of equity to retained earnings	—	332	332	—	—	—
Other	—	—	—	—	(2,171)	(2,171)
Total transactions with owners	—	332	332	(51,352)	(2,171)	(53,524)
Ending balance	1,597	—	56,760	323,064	3,841	326,906

(Millions of Yen)

Six Months Ended June 30, 2026	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	¥39,580	¥128,734	¥(22,445)	¥64,449
Profit	—	—	33,744	—	—
Other comprehensive income	—	—	—	—	8,894
Total comprehensive income	—	—	33,744	—	8,894
Purchase of treasury stock	—	—	—	(2)	—
Disposal of treasury stock	—	87	—	171	—
Dividends	—	—	(13,778)	—	—
Changes in ownership interests in subsidiaries without losing control	—	(1,103)	—	—	(858)
Transfer from other components of equity to retained earnings	—	—	(200)	—	—
Other	—	(0)	(0)	—	—
Total transactions with owners	—	(1,015)	(13,978)	169	(858)
Ending balance	34,606	38,564	148,500	(22,276)	72,485

	Equity attributable to owners of the parent						
	Other components of equity						
	Financial assets measured at fair value through other comprehensive income	Remeasure-ments of defined benefit plans	Subtotal	Other components of equity associated with a disposal group held for sale	Total	Non-controlling interests	Total equity
Beginning balance	¥2,265	¥—	¥66,715	¥14,142	¥261,333	¥4,416	¥265,749
Profit	—	—	—	—	33,744	92	33,837
Other comprehensive income	1,937	(286)	10,545	(14,142)	(3,596)	117	(3,479)
Total comprehensive income	1,937	(286)	10,545	(14,142)	30,148	210	30,358
Purchase of treasury stock	—	—	—	—	(2)	—	(2)
Disposal of treasury stock	—	—	—	—	259	—	259
Dividends	—	—	—	—	(13,778)	—	(13,778)
Changes in ownership interests in subsidiaries without losing control	—	—	(858)	—	(1,962)	(4,625)	(6,587)
Transfer from other components of equity to retained earnings	(86)	286	200	—	—	—	—
Other	—	—	—	—	(0)	(1)	(1)
Total transactions with owners	(86)	286	(658)	—	(15,484)	(4,626)	(20,110)
Ending balance	4,116	—	76,601	—	275,996	—	275,996

Consolidated Statements of Cash Flows

(Millions of Yen)

	Six months Ended June 30, 2025	Six months Ended June 30, 2026
Cash flows from operating activities:		
Profit before tax	¥6,866	¥22,092
Profit (loss) from discontinued operation	(223)	15,582
Depreciation and amortization	12,086	11,713
Gain on transfer of business	—	(16,436)
Change in retirement benefit assets or liabilities	(457)	(532)
Finance income	(1,082)	(1,984)
Finance costs	1,524	1,600
Share of loss of investments accounted for using the equity method	479	166
(Increase) decrease in trade and other receivables	(219)	(13,899)
(Increase) decrease in inventories	2,465	(3,356)
Increase (decrease) in trade and other payables	598	4,515
Other	871	3,644
Subtotal	22,909	23,105
Interests and dividends received	945	520
Interests paid	(251)	(563)
Income taxes paid	(3,299)	(4,193)
Net cash provided by (used in) operating activities	20,302	18,868
Cash flows from investing activities:		
Purchase of property, plant and equipment	(8,610)	(8,681)
Proceeds from sales of property, plant and equipment	80	154
Purchase of other financial assets	(164)	(70)
Proceeds from sales of other financial assets	—	126
Payments for transfer of the automotive & transportation business	—	(13,898)
Other	(271)	(1,290)
Net cash provided by (used in) investing activities	(8,967)	(23,660)
Cash flows from financing activities:		
Repayments of long-term borrowings	(2,185)	(2,185)
Proceeds from short-term borrowings	15,000	30,000
Proceeds from issuance of bonds	10,000	—
Payments for redemption of bonds	(10,000)	(10,000)
Purchase of treasury stock	(36,516)	(2)
Dividends paid	(15,595)	(13,759)
Dividends paid to non-controlling interests	(2,192)	(1)
Payments for a capital reduction to non-controlling interests	—	(6,563)
Repayments of lease liabilities	(1,020)	(950)
Other	340	—
Net cash provided by (used in) financing activities	(42,169)	(3,461)
Effects of exchange rate changes on cash and cash equivalents	(5,932)	4,644
Net increase (decrease) in cash and cash equivalents	(36,766)	(3,609)
Cash and cash equivalents at the beginning of the period	138,293	120,534
Cash and cash equivalents at the end of the period	101,527	116,924

Changes in Presentation

On February 2, 2026, THK entered into a basic agreement concerning a business transfer of THK's automotive & transportation business with AP87 Co., Ltd., a special purpose company indirectly funded by investment funds serviced by Advantage Partners, Inc.

Since the requirements of classification of assets as held for sale in accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" have been met, the automotive & transportation business has been classified as a discontinued operation since the fourth quarter period of the previous fiscal year. Consequently, the consolidated statement of profit or loss, the consolidated statement of cash flows, and the related notes to the consolidated financial statements for the six months period ended June 30, 2025 have been reclassified to align with the presentation of the six months period ended June 30, 2026.

Segment Information

1. Outline of reportable segments

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

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

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

On February 2, 2026, THK entered into a basic agreement concerning a business transfer of THK's automotive & transportation business with AP87 Co., Ltd., a special purpose company indirectly funded by investment funds serviced by Advantage Partners, Inc. Since the requirements of classification of assets as held for sale in accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" have been met effective from the fourth quarter period of the previous fiscal year, the amounts of each reportable segment in the following tables are stated at the total amount of the industry machinery business and the automotive & transportation business, with reconciliation of the automotive & transportation business as a discontinued operation. The segment information for the six months period ended June 30, 2025 have been reclassified to align with the presentation of the six months period ended June 30, 2026.

This business transfer was completed on June 1, 2026.

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

2. Reportable segments

For the six months ended June 30, 2025 (January 1, 2025 to June 30, 2025)

(Millions of Yen)

	Reportable Segments									
	Japan	The Americas	Europe	China	Other	Total	Adjustments	Consolidated (Before Reclassification to Discontinued Operation)	Reclassification to Discontinued Operation	Consolidated (After Reclassification to Discontinued Operation)
Revenue:										
Revenue from external customers	¥53,343	¥43,849	¥33,877	¥35,443	¥9,732	¥176,246	¥—	¥176,246	¥(62,108)	¥114,137
Inter-segment revenue	30,051	69	469	1,121	2,716	34,427	(34,427)	—	—	—
Total	83,395	43,918	34,346	36,565	12,448	210,674	(34,427)	176,246	(62,108)	114,137
Segment income (loss)	2,150	628	(760)	4,332	223	6,574	(393)	6,181	(85)	6,095
Finance income	32,537	163	1,238	170	64	34,174	(32,128)	2,046	307	2,354
Finance costs	1,617	350	138	28	31	2,167	(583)	1,583	(1)	1,582
Profit before tax	33,070	441	339	4,474	256	38,582	(31,939)	6,643	223	6,866

(Note) All adjustments are intercompany elimination.

For the six months ended June 30, 2026 (January 1, 2026 to June 30, 2026)

(Millions of Yen)

	Reportable Segments									
	Japan	The Americas	Europe	China	Other	Total	Adjustments	Consolidated (Before Reclassification to Discontinued Operation)	Reclassification to Discontinued Operation	Consolidated (After Reclassification to Discontinued Operation)
Revenue:										
Revenue from external customers	¥63,351	¥44,922	¥34,679	¥49,922	¥13,577	¥206,453	¥—	¥206,453	¥(55,385)	¥151,067
Inter-segment revenue	40,265	32	335	950	3,289	44,873	(44,873)	—	—	—
Total	103,617	44,955	35,015	50,873	16,866	251,327	(44,873)	206,453	(55,385)	151,067
Segment income (loss)	27,163	534	(294)	8,318	1,806	37,529	501	38,030	(15,546)	22,483
Finance income	10,376	241	575	120	58	11,372	(10,126)	1,245	(36)	1,208
Finance costs	1,847	227	352	37	150	2,614	(1,014)	1,600	(0)	1,600
Profit (loss) before tax	35,692	547	(70)	8,401	1,714	46,286	(8,611)	37,675	(15,582)	22,092

(Note) All adjustments are intercompany elimination.

Assets Held for Sale and Liabilities Directly Associated with Them

Assets classified as assets held for sale and liabilities directly associated with them are as follows:

(Millions of Yen)

	As of December 31, 2025	As of June 30, 2026
Assets held for sale:		
Current assets:		
Cash and cash equivalents	¥10,526	¥―
Trade and other receivables	21,842	―
Inventories	3,757	―
Total	36,126	―
Liabilities directly associated with assets held for sale:		
Trade and other payables	15,501	―
Other financial liabilities	2,299	―
Provisions	31	―
Income taxes payable	120	―
Retirement benefit liabilities	3,785	―
Deferred tax liabilities	2,181	―
Other current liabilities	3,875	―
Other non-current liabilities	580	―
Total	28,377	―

At the Board of Directors meeting held on February 2, 2026, THK decided to conduct a business transfer of its automotive & transportation business to AP87 Co., Ltd. (the “Transferee”), a special purpose company indirectly funded by investment funds serviced by Advantage Partners, Inc. On the same date, THK entered into a basic agreement concerning the business transfer. Since the requirements of classification of assets as held for sale in accordance with IFRS 5, “Non-current Assets Held for Sale and Discontinued Operations” have been met, THK Group’s assets and liabilities related to the automotive & transportation business have been classified as a disposal group held for sale in the fourth quarter period of the previous fiscal year.

The business transfer was executed by transferring all of THK’s holding shares of TRA Holdings, CO., LTD., a subsidiary of THK which has THK RHYTHM CO., LTD. and five other companies as group companies, THK RHYTHM AUTOMOTIVE CANADA LIMITED, THK RHYTHM AUTOMOTIVE CZECH a.s., THK RHYTHM AUTOMOTIVE GmbH, and THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION (collectively, the “Target Subsidiaries”) and all the loans receivable from the Target Subsidiaries to the Transferee. This business transfer was completed on June 1, 2026.

Cash Flow Information

For the six months ended June 30, 2025 (January 1, 2025 to June 30, 2025)

No items to report.

For the six months ended June 30, 2026 (January 1, 2026 to June 30, 2026)

(Business transfer of the automotive & transportation business)

(1) Outline of the transaction

At the Board of Directors meeting held on February 2, 2026, THK decided to conduct a business transfer of its automotive & transportation business to AP87 Co., Ltd. (the “Transferee”), a special purpose company indirectly funded by investment funds serviced by Advantage Partners, Inc. On the same date, THK entered into a basic agreement concerning the business transfer. Since the requirements of classification of assets as held for sale in accordance with IFRS 5, “Non-current Assets Held for Sale and Discontinued Operations” have been met, THK Group’s assets and liabilities related to the automotive & transportation business have been classified as a disposal group held for sale in the fourth quarter period of the previous fiscal year.

The business transfer was executed by transferring all of THK’s holding shares of TRA Holdings, CO., LTD., a subsidiary of THK which has THK RHYTHM CO., LTD. and five other companies as group companies, THK RHYTHM AUTOMOTIVE CANADA LIMITED, THK RHYTHM AUTOMOTIVE CZECH a.s., THK RHYTHM AUTOMOTIVE GmbH, and THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION (collectively, the “Target Subsidiaries”) and all the loans receivable from the Target Subsidiaries to the Transferee. This business transfer was completed on June 1, 2026. As a result, THK lost control of the Target Subsidiaries on the same date.

(2) Assets and liabilities associated with loss of control

	(Millions of Yen)
Current assets	¥41,499
Non-current assets	—
Total assets	41,499
Current liabilities	20,890
Non-current liabilities	7,487
Total liabilities	28,377

(3) Cash flows associated with loss of control

	(Millions of Yen)
Cash and cash equivalents received as a consideration of loss of control	¥2,000
Cash and cash equivalents held by the subsidiaries for which control was lost	(15,898)
Payment for transfer of the Target Subsidiaries (Note)	(13,898)

Note: Payment for transfer of the Target Subsidiaries is included in cash flows from investing activities in the consolidated statement of cash flows.

(4) Profit and loss associated with loss of control

The gain on transfer of business was ¥16,436 million and included in profit (loss) from discontinued operation in the consolidated statement of profit or loss.

Discontinued Operation

(1) Outline of discontinued operation

At the Board of Directors meeting held on February 2, 2026, THK decided to conduct a business transfer of its automotive & transportation business to AP87 Co., Ltd. (the “Transferee”), a special purpose company indirectly funded by investment funds serviced by Advantage Partners, Inc. On the same date, THK entered into a basic agreement concerning the business transfer. Since the requirements of classification of assets as held for sale in accordance with IFRS 5, “Non-current Assets Held for Sale and Discontinued Operations” have been met, THK Group’s assets and liabilities related to the automotive & transportation business have been classified as a disposal group held for sale in the fourth quarter period of the previous fiscal year.

The business transfer was executed by transferring all of THK’s holding shares of TRA Holdings, CO., LTD., a subsidiary of THK which has THK RHYTHM CO., LTD. and five other companies as group companies, THK RHYTHM AUTOMOTIVE CANADA LIMITED, THK RHYTHM AUTOMOTIVE CZECH a.s., THK RHYTHM AUTOMOTIVE GmbH, and THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION (collectively, the “Target Subsidiaries”) and all the loans receivable from the Target Subsidiaries to the Transferee. This business transfer was completed on June 1, 2026.

(2) Profit and loss from the discontinued operation

(Millions of Yen)

	Six months Ended June 30, 2025	Six months Ended June 30, 2026
Revenue	¥62,108	¥55,385
Cost of sales	56,618	50,628
Gross profit	5,490	4,757
Selling, general and administrative expenses	5,436	4,737
Other income	269	16,621
Other expenses	238	1,094
Operating income	85	15,546
Finance income	37	36
Finance costs	346	0
Profit (loss) before tax	(223)	15,582
Income tax expense	17	86
Profit (loss) from discontinued operation	(240)	15,496

(3) Cash flows from discontinued operation

Cash flows from discontinued operation are as follows:

(Millions of Yen)

	Six months Ended June 30, 2025	Six months Ended June 30, 2026
Cash flows from operating activities	¥3,370	¥(878)
Cash flows from investing activities	(1,513)	(13,898)
Cash flows from financing activities	(1,733)	6,251

Note: Cash flows from investing activities include payments for transfer of the automotive & transportation business of ¥13,898 million.

Comprehensive income

Exchange differences on translation of foreign operations of ¥(4,927) million (loss) for the six months ended June 30, 2026, include a reclassification adjustment to profit or loss of ¥14,811 million (profit) resulting from the completion of the transfer of the automotive & transportation business.

This reclassification adjustment has been included in profit (loss) from discontinued operation in the consolidated statements of profit or loss. The amount of exchange differences on translation of foreign operations other than this reclassification adjustment for the six months ended June 30, 2026, amounted to ¥9,884 million (profit).

Subsequent event

No items to report.

Additional notes:

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

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