

October 23, 2017

Company Name	THK CO., LTD.
Code number	6481, Section 1 of Tokyo Stock Exchange
Representative	Akihiro Teramachi, President and CEO
Contact	Kenji Nakane, Executive Officer, General Manager of Finance and Accounting Department, Corporate Strategy Headquarters (Tel: +81-3-5730-3911)

Notice regarding Capital Increase and Capital Reduction of a Subsidiary

THK CO., LTD. (hereinafter, the "Company") hereby announces that the Company decided to carry out a capital increase and a capital deduction of its wholly owned subsidiary TRA Holdings, CO., LTD. (hereinafter, "TRA") following the resolution of the Board of Directors meeting and Extraordinary General Meeting of Shareholders held on October 23, 2017.

1. Reasons of the Capital Increase and Capital Reduction

On October 5, 2017, the Company established TRA in charge of comprehensive management of the THK Group's expanding transportation equipment business to improve the value of the aforementioned business and reinforce the THK Group's management.

The Company plans to conduct the capital increase and the capital reduction in order to transfer all of its holdings of shares of THK RHYTHM CO., LTD. to TRA and implement an efficient capital policy. In the capital increase, some part will be subscribed to external investors for the purpose of diversification of funding sources and enhancement of corporate governance.

2. Outline of the Subsidiary Subject to Capital Increase and Capital Deduction

(1)	Name	TRA Holdings, CO., LTD.
(2)	Head office	2-12-10, Shibaura, Minato-ku, Tokyo
(3)	Representative	Mr. Akihiro Teramachi, President and CEO
(4)	Business	Management of the transportation equipment business and related operations
(5)	Paid-in capital	JPY 30 million
(6)	Date of establishment	October 5, 2017
(7)	Major shareholder and shareholding ratio	The Company 100%

3. Outline of the Capital Increase

Outline of Capital Increase #1

(1)	Number of shares to be issued	139,400 shares
(2)	Issue price	JPY 50,000 per share
(3)	Total amount of issuance	JPY 6,970 million
(4)	Allottee	The Company 100%
(5)	Payment date	October 24, 2017

Outline of Capital Increase #2

(1)	Number of shares to be issued	60,000 shares
(2)	Issue price	JPY 50,000 per share
(3)	Total amount of issuance	JPY 3,000 million
(4)	Allottees	Blue Partners Investment Limited Partnership No.2: 40,000 shares IBJ Leasing Company, Limited. : 20,000 shares
(5)	Payment date	November 13, 2017

4. Outline of Subscribers

Blue Partners Investment Limited Partnership No.2

(1)	Name	Blue Partners Investment Limited Partnership No.2	
(2)	Head office	1-9-6, Otemachi, Chiyoda-ku, Tokyo	
(3)	Basis of formation	Limited Partnership Act for Investment	
(4)	Purposes of formation	Acquisition of investment securities and others	
(5)	Date of formation	October 15, 2015	
(6)	Total amount of funds	Not disclosed	
(7)	Outline of investors	<p>1. Development Bank of Japan Inc. 1-9-6, Otemachi, Chiyoda-ku, Tokyo President and CEO: Mr. Masanori Yanagi</p> <p>2. Mizuho Bank, Ltd. 1-5-5, Otemachi, Chiyoda-ku, Tokyo President & CEO: Mr. Koji Fujiwara</p>	
(8)	Outline of the managing partner	Name	Blue Partners Inc.
		Head office	1-9-6, Otemachi, Chiyoda-ku, Tokyo
		Representative	Mr. Yusuke Okimoto, President & CEO
		Business	Acquisition and holdings of investment securities and others
		Paid-in capital	JPY 3 million
		Name	Development Bank of Japan Inc.
		Head office	1-9-6, Otemachi, Chiyoda-ku, Tokyo
		Representative	Mr. Masanori Yanagi, President and CEO
		Business	Financial and insurance services
		Paid-in capital	JPY 1,000,424 million
(9)	Relationship between the fund and the Company	Relationship between the fund and the Company	There is no capital/trade/personnel relationship between the fund/managing partner and the Company.
		Relationship between the managing partner and the Company	

IBJ Leasing Company, Limited.

(1)	Name	IBJ Leasing Company, Limited.	
(2)	Head office	1-2-6, Toranomon, Minato-ku, Tokyo	
(3)	Representative	Mr. Hiroshi Motoyama, President and CEO	
(4)	Business	General leasing business	
(5)	Paid-in capital	JPY 17,874 million	
(6)	Date of establishment	December 1, 1969	
(7)	Net assets (consolidated)	JPY 141,755 million (as of March 31, 2017)	
(8)	Total assets (consolidated)	JPY 1,752,284 million (as of March 31, 2017)	
(9)	Major shareholder and shareholding ratio	The Dai-ichi Life Insurance Company, Limited: 6.87% NISSAN MOTOR CO., LTD. Retirement Benefit Trust Account Trustee: Mizuho Trust & Banking Co., Ltd. Re-trustee: Trust & Custody Services Bank, Ltd.: 4.10% Mizuho Bank, Ltd.: 3.81%	
(10)	Relationship between IBJ and the Company	Capital relationship	Not applicable
		Personnel relationship	Not applicable
		Trade relationship	The Company and its affiliates have lease transactions with IBJ and its affiliates.

5. Outline of the Capital Reduction

(1)	Amount of paid-in capital to be decreased	Paid-in capital of JPY5,015 million (before the capital reduction) will decrease JPY4,915 million, to JPY100 million.
(2)	Amount of capital reserve to be decreased	Capital reserve of JPY4,985 million (before the capital reduction) will decrease JPY4,885 million, to JPY100 million.
(3)	Effective date	December 15, 2017 (scheduled)

6. Status of Shares Held Before and After the capital increase and the capital deduction

(1)	Number of shares held before the capital increase and the capital deduction	600 shares (Number of voting rights: 600) (Ownership ratio of voting rights: 100%)
(2)	Number of shares to be acquired	139,400 shares (Number of voting rights: 139,400)
(3)	Number of shares held after the capital increase and the capital deduction	140,000 shares (Number of voting rights: 140,000) (Ownership ratio of voting rights: 70.0%)

7. Outlook

The impact of the capital increase and the capital reduction of TRA on the forecasts for the fiscal year ending December 31, 2017 is not significant. If it significantly affects the operating results of the Company, it will be disclosed immediately.