

November 13, 2017

Notice Regarding Amendments in Financial Forecasts and Dividend Projection

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THK CO., LTD. hereby announces that the financial forecasts and dividend projection reported on May 11, 2017 have been amended as follows:

1, Amendments in Financial Forecasts

(Consolidated)

	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income Attributable to Owners of the Parent (Millions of Yen)	Net Income per Share (Yen)
For the year ending December 31, 2017					
Previous projections	¥273,500	¥28,000	¥28,200	¥20,200	¥159.59
Amended	273,500	28,000	28,200	23,300	184.09
Difference	—	—	—	3,100	
(Percentage)	—	—	—	15.3	
(For reference) Actual results of the year ended March 31, 2017	273,577	24,653	23,398	16,731	132.18

(Non-consolidated)

	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Net Income per Share (Yen)
For the year ending December 31, 2017					
Previous projections	¥121,000	¥15,100	¥15,400	¥11,100	¥87.70
Amended	121,000	15,100	15,400	24,100	190.40
Difference	—	—	—	13,000	
(Percentage)	—	—	—	117.1	
(For reference) Actual results of the year ended March 31, 2017	133,189	15,998	16,241	12,165	96.10

In accordance with the partial amendments to the Articles of Incorporation approved at the 47th Ordinary General Meeting of Shareholders held on June 17, 2017, THK changed its closing date of each fiscal year from March 31 to December 31. The current fiscal year is an irregular accounting period of transition that covers nine months from April 1, 2017 to December 31, 2017. The forecasts in the above table are determined based on the estimated consolidated operating results that include the nine months period (from April 1, 2017 to December 31, 2017) of consolidated subsidiaries whose closing date is March 31 and the twelve months period (from January 1, 2017 to December 31, 2017, as before) of consolidated subsidiaries whose closing date is December 31.

Reasons of the amendments

(Non-consolidated Net Income)

Since THK decided to transfer its holding shares of a consolidated subsidiary as disclosed in “Notice regarding Transfer of Shares of a Subsidiary and Related Extraordinary Gain (Non-consolidated Basis)” announced on October 23, 2017, THK expects to record ¥9,899 million of an extraordinary gain as gain on sale of shares of a subsidiary. In addition, loss on valuation of investments in the aforementioned subsidiary became deductible for tax purposes of which impact is to decrease income tax-current by ¥3,100 million. As a result, THK has amended the previously announced forecast of net income on a non-consolidated basis.

(Consolidated Net Income Attributable to Owners of the Parent)

Because the gain on sale of shares of a subsidiary recorded on a non-consolidated basis is eliminated on consolidation, THK incorporated the decreasing effect of ¥3,100 million on income tax-current only and has amended the previously announced forecast of net income attributable to owners of the parent on a consolidated basis.

2. Amendments in Dividend Projection

	Dividend Per Share (Yen)				
	First Quarter End	Second Quarter End	Third Quarter End	Year end	Total
Previous projections (Announced on May 11, 2017)	—	—	—	—	—
Amended	—	—	—	20.00	56.00
December 2017 (Actual)	—	36.00	—		
March 2017 (Actual)	—	16.00	—	25.00	41.00

Since THK changed its closing date from March 31 to December 31, the scheduled starting date of the year-end dividend payment is late March 2018.

Reason of the amendments

Our dividend policy places importance on stable and continuous distribution based on midterm operating results that reflects the change in external operating environment. In accordance with this policy, we have amended the dividend as in the above table, considering the estimated operating results for the year ending December 31, 2017. The amended interim dividend for the second quarter ended September 30, 2017 and projected year-end dividend for the year ending December 31, 2017 are ¥36 and ¥20 per share, respectively. (The actual interim dividends for the second quarter ended September 30, 2016 and year ended March 31, 2017 were ¥16 and ¥25, respectively.)