

August 6, 2020

## Notice Regarding Amendments in Financial Forecasts and Dividend Projection

Company Name : THK CO., LTD.  
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 Code number : 6481  
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 Contact : Kenji Nakane, Executive Officer, General Manager of Finance and Accounting Department

THK CO., LTD. hereby announces that the financial forecasts and dividend projection reported on February 13, 2020 have been amended as follows:

### 1, Amendments in Financial Forecasts

(Consolidated)

	Revenue (Millions of Yen)	Operating Income (Loss) (Millions of Yen)	Profit (Loss) Before Tax (Millions of Yen)	Profit (Loss) Attributable to Owners of the Parent (Millions of Yen)	Basic Earnings (Loss) per Share (Yen)
For the year ending December 31, 2020					
Previous projections	¥264,000	¥11,400	¥11,600	¥7,000	¥55.31
Amended	216,000	200	(1,400)	(3,100)	(24.49)
Difference	(48,000)	(11,200)	(13,000)	(10,100)	
(Percentage)	(18.2)	(98.2)	—	—	
(For reference)					
Actual results of the year ended December 31, 2019	274,599	18,277	18,168	11,690	92.37

(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, 2020					
Previous projections	¥125,000	¥7,400	¥8,900	¥6,800	¥53.72
Amended	103,300	1,000	2,700	1,700	13.43
Difference	(21,700)	(6,400)	(6,200)	(5,100)	
(Percentage)	(17.4)	(86.5)	(69.7)	(75.0)	
(For reference)					
Actual results of the year ended December 31, 2019	136,189	11,933	15,746	7,559	59.72

## Reasons of the amendments

The worldwide COVID-19 epidemic caused shutdowns in automotive manufacturing facilities, which had a significant adverse impact on the transportation equipment business of the THK Group. In the industrial machinery business, recent orders in Japan and various regions of the world have been weaker than the original forecasts made at the beginning of the year. As a result, revenue for the year ending December 31, 2020 is expected to be lower than the original forecasts. Accordingly, the profit/loss line items are also expected to be lower than the original forecasts.

The average exchange rates used for the calculation of the forecasts are as follows:

From July 1 to December 31, 2020

*U.S. dollar 1=¥105.00          Euro 1=¥117.00*

From January 1 to June 30, 2020

*U.S. dollar 1=¥108.27          Euro 1=¥119.24*

## 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 February 13, 2020)	—	—	—	—	—
Amended	—	—	—	7.50	15.00
December 31, 2020 (Actual)	—	7.50	—	—	—
December 31, 2019 (Actual)	—	24.00	—	8.00	32.00

## Reasons of the amendments

THK's 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, THK's targeted payout ratio on a consolidated basis is in principle 30%; however, THK has decided to pay an interim dividend of ¥7.5 per share as THK has set a minimum dividend of ¥15.00 per share for a fiscal year (¥7.5 per share for both interim dividend and year-end dividend).

The projected year-end dividend is ¥7.5 per share. As a result, the dividends for the year ending December 31, 2020 will be ¥15 per share in total.