

August 6, 2025

Consolidated Financial Results for the Six Months Ended June 30, 2025 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 7, 2025
Scheduled starting date of dividend payment	September 11, 2025

1. Consolidated operating results and financial position as of and for the six months ended June 30, 2025 (January 1, 2025 to June 30, 2025)

(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)	
2025	¥176,246	(2.0)%	¥6,181	(26.4)%	¥6,643	(34.1)%	¥3,974	(46.0)%	¥3,727	(48.3)%	¥(9,364)	—%
2024	179,851	(3.1)	8,399	(49.0)	10,080	(41.2)	7,367	(40.0)	7,213	(40.1)	42,305	18.6

Six Months Ended June 30	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
2025	¥32.72	—
2024	58.83	—

(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, 2025	¥515,511	¥326,906	¥323,064	62.7%
December 31, 2024	567,418	389,795	383,645	67.6

2. Dividends

	Dividend Per Share (Yen)				
	First Quarter end	Second Quarter end	Third Quarter end	Year/Period end	Total
Year ended December 31, 2024 (Actual)	¥—	¥18.00	¥—	¥128.50	¥146.50
Year ending December 31, 2025 (Actual)	—	123.00	N/A	N/A	N/A
Year ending December 31, 2025 (Projected)	N/A	N/A	—	123.00	246.00

(Note) Change in dividend projection: None

THK's dividend policy is to pay dividends based on a dividend on equity (DOE) ratio of 8%. The dividends for the year ending December 31, 2025 will be paid based on this policy.

3. Forecasts for the year ending December 31, 2025 (January 1, 2025 to December 31, 2025)

	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, 2025	¥363,500	3.0%	¥23,500	35.5%	¥24,500	30.4%	¥18,000	72.4%	¥148.14

(Note) Changes from forecasts most recently announced: None

Other Financial Information

(1) Significant change in scope of consolidation: None

(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, 2025	129,856,903
	December 31, 2024	129,856,903
b. Treasury stock as of:	June 30, 2025	17,835,820
	December 31, 2024	8,347,674
c. Average number of common stock for the six months ended:	June 30, 2025	113,923,163
	June 30, 2024	122,601,350

Management's Discussion and Analysis

1. Outline of operating results

(1) Operating results (from January 1, 2025 to June 30, 2025)

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 U.S. tariff policy.

The THK Group has identified "Full-Scale Globalization," the "Development of New Business Areas," and "Change in Business Style" as cornerstones of its growth strategy to expand the markets of its products such as LM Guide (Linear Motion Guide). As to Full-Scale Globalization, while the markets in emerging countries such as China are growing by dint of the factory automation progress, which is also spreading to developed-country users, the THK Group endeavors to expand its global sales network to meet such demand. Regarding Development of New Business Areas, while the THK Group's products are getting widely adopted in various business fields, the THK Group is working on expanding sales of not only existing products but also new developed products. Such business fields include automobile parts, medical equipment, aircraft, and robot, which are close to consumer goods, as well as seismic isolation and damping systems and renewable energy, which offer products that reduce risks arising from natural disasters and climate change. In addition to promoting these strategies above, the THK Group is also committed to further expand its business fields by changing its business style enabled by making full use of AI and robot technologies in many ways.

In such a situation, revenue in the industrial machinery business increased due to a recovery in demand, primarily in China and the United States. In the automotive & transportation business, demand was largely flat following a decline in automobile production in the second half of last year. As a result, consolidated revenue amounted to ¥176,246 million, down ¥3,604 million, or 2.0%, compared to the figure a year earlier.

On the cost front, the THK Group continued to implement various activities to improve its productivity. As a result, the cost to revenue ratio improved by 0.2% from a year earlier to 77.6%.

Selling, general and administrative (SGA) expenses amounted to ¥32,833 million, up ¥407 million, or 1.3%, compared to the figure a year earlier. The ratio to revenue rose by 0.6% from a year earlier to 18.6% despite the THK Group's endeavors to improve operating efficiency.

As a result, operating income amounted to ¥6,181 million, down ¥2,218 million, or 26.4%, compared to the figure a year earlier. Operating income margin dropped by 1.2% from a year earlier to 3.5%.

Finance income and finance costs were ¥2,046 million and ¥1,583 million, respectively.

As a result, income before tax amounted to ¥6,643 million, down ¥3,437 million, or 34.1%, compared to the figure a year earlier. Profit attributable to owners of the parent amounted to ¥3,727 million, down ¥3,485 million, or 48.3%, compared to the figure a year earlier.

(2) Operating results by segment

(Japan)

In Japan, demand in the industrial machinery business was generally flat; however, revenue amounted to ¥53,343 million, down ¥1,454 million, or 2.7%, compared to the figure a year earlier. Segment income (operating income) amounted to ¥2,150 million, down ¥2,177 million, or 50.3%, compared to the figure a year earlier.

(The Americas)

In the Americas, revenue amounted to ¥43,849 million, down ¥5,873 million, or 11.8%, compared to the figure a year earlier due mainly to weak demand in the automotive & transportation business. Segment income (operating income) amounted to ¥628 million, down ¥418 million, or 40.0%, compared to the figure a year earlier, due mainly to the decrease in revenue.

(Europe)

In Europe, revenue amounted to ¥33,877 million, down ¥3,203 million, or 8.6%, compared to the figure a year earlier due mainly to weak demand in both the industrial machinery business and the automotive & transportation business. Segment loss (operating loss) worsened by ¥565 million from the figure a year earlier (¥194 million) to ¥760 million.

(China)

In China, while demand in the industrial machinery business was in a recovery trend, revenue amounted to ¥35,443 million, up ¥5,610 million, or 18.8%, compared to the figure a year earlier. Segment income (operating income) amounted to ¥4,332 million, up ¥930 million, or 27.3%, compared to the figure a year earlier, due mainly to the increase in 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 ¥9,732 million, up ¥1,316 million, or 15.6%, compared to the figure a year earlier. Segment income (operating income) amounted to ¥223 million, down ¥300 million or 57.3%, compared to the figure a year earlier.

2. Financial position (as of June 30, 2025)

Total assets stood at ¥515,511 million, ¥51,907 million down from the previous fiscal year-end, due mainly to decrease in cash and cash equivalents by ¥36,766 million, inventories by ¥4,752 million, property, plant and equipment by ¥7,772 million, and goodwill and intangible assets by ¥1,107 million.

Total liabilities stood at ¥188,604 million, ¥10,981 million up from the previous fiscal year-end, due mainly to a combined effect of decrease in trade and other payables by ¥1,407 million and increase in bonds and borrowings by ¥11,487 million.

Total equity stood at ¥326,906 million, ¥62,888 million down from the previous fiscal year-end, due mainly to decrease in retained earnings by ¥12,219 million, purchase of treasury stock by ¥35,456 million, decrease in other components of equity by ¥12,623 million, and decrease in noncontrolling interests by ¥2,307 million.

3. Forecast for the fiscal year ending December 31, 2025

For the year ending December 31, 2025, THK has not revised the consolidated forecasts announced on February 12, 2025.

Consolidated Financial Statements

Consolidated Statements of Financial Position

(Millions of Yen)

	As of December 31, 2024	As of June 30, 2025
Assets:		
Current assets:		
Cash and cash equivalents	¥138,293	¥101,527
Trade and other receivables	81,474	80,813
Inventories	91,660	86,908
Other financial assets	2,002	2,001
Other current assets	13,375	13,737
Total current assets	<u>326,804</u>	<u>284,987</u>
Non-current assets:		
Property, plant and equipment	203,783	196,010
Goodwill and intangible assets	9,207	8,100
Investments accounted for using the equity method	6,709	6,102
Other financial assets	11,152	10,211
Deferred tax assets	5,142	5,628
Retirement benefit asset	4,243	4,131
Other non-current assets	374	338
Total non-current assets	<u>240,613</u>	<u>230,523</u>
Total assets	<u><u>567,418</u></u>	<u><u>515,511</u></u>

(Millions of Yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities and equity:		
Liabilities:		
Current liabilities:		
Trade and other payables	¥34,040	¥32,632
Bonds and borrowings	23,371	38,001
Other financial liabilities	4,315	4,084
Provisions	425	410
Income taxes payable	3,013	2,410
Other current liabilities	15,763	17,773
Total current liabilities	80,929	95,312
Non-current liabilities:		
Bonds and borrowings	73,143	70,000
Other financial liabilities	7,891	7,425
Retirement benefit liabilities	5,859	5,775
Provisions	65	65
Deferred tax liabilities	6,827	6,881
Other non-current liabilities	2,906	3,114
Total non-current liabilities	96,693	93,292
Total Liabilities	177,623	188,604
Equity		
Common stock	34,606	34,606
Capital surplus	40,120	39,838
Retained earnings	260,638	248,419
Treasury stock	(21,104)	(56,560)
Other components of equity	69,384	56,760
Total equity attributable to owners of the parent	383,645	323,064
Non-controlling interests	6,149	3,841
Total Equity	389,795	326,906
Total liabilities and equity	567,418	515,511

Consolidated Statements of Profit or Loss

(Millions of Yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Revenue	¥179,851	¥176,246
Cost of sales	139,975	136,817
Gross profit	39,876	39,428
Selling, general and administrative expenses	32,425	32,833
Other income	1,433	1,016
Other expenses	509	951
Share of profit (loss) in investments accounted for using the equity method	25	(479)
Operating income	8,399	6,181
Finance income	1,919	2,046
Finance costs	238	1,583
Profit before tax	10,080	6,643
Income tax expense	2,713	2,668
Profit	<u>7,367</u>	<u>3,974</u>
Profit attributable to:		
Owners of the parent	7,213	3,727
Non-controlling interests	153	247
Profit	<u>7,367</u>	<u>3,974</u>
Earnings per share:		
Basic earnings per share (yen)	58.83	32.72
Diluted earnings per share (yen)	—	—

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Profit	¥7,367	¥3,974
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	434	124
Remeasurements of defined benefit plans	(45)	(328)
Share of other comprehensive income (loss) of associates accounted for using the equity method	(12)	4
Total of items that will not be reclassified to profit or loss	377	(199)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	34,048	(13,141)
Share of other comprehensive income of associates accounted for using the equity method	512	2
Total of items that may be reclassified to profit or loss	34,561	(13,139)
Other comprehensive income (loss), net of tax	34,938	(13,338)
Comprehensive income (loss)	42,305	(9,364)
Comprehensive income (loss) attributable to:		
Owners of the parent	41,504	(9,228)
Non-controlling interests	801	(135)
Comprehensive income	42,305	(9,364)

Consolidated Statements of Changes in Equity

(Millions of Yen)

Six Months Ended June 30, 2024	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	¥40,102	¥253,440	¥(17,130)	¥44,825
Profit	—	—	7,213	—	—
Other comprehensive income (loss)	—	—	—	—	33,914
Total comprehensive income	—	—	7,213	—	33,914
Purchase of treasury stock	—	—	—	(1)	—
Disposal of treasury stock	—	17	—	47	—
Dividends	—	—	(1,961)	—	—
Transfer from other components of equity to retained earnings	—	—	(56)	—	—
Other	—	—	—	—	—
Total transactions with owners	—	17	(2,018)	45	—
Ending balance	34,606	40,120	258,635	(17,085)	78,739

	Equity attributable to owners of the parent				Other components of equity	
	comprehensive income	Remeasurements of defined benefit plans	Subtotal	Total	Non-controlling interests	Total equity
Beginning balance	¥1,419	¥—	¥46,245	¥357,264	¥5,633	¥362,898
Profit	—	—	—	7,213	153	7,367
Other comprehensive income (loss)	433	(56)	34,291	34,291	647	34,938
Total comprehensive income	433	(56)	34,291	41,504	801	42,305
Purchase of treasury stock	—	—	—	(1)	—	(1)
Disposal of treasury stock	—	—	—	65	—	65
Dividends	—	—	—	(1,961)	—	(1,961)
Transfer from other components of equity to retained earnings	—	56	56	—	—	—
Other	—	—	—	—	(191)	(191)
Total transactions with owners	—	56	56	(1,898)	(191)	(2,089)
Ending balance	1,853	—	80,593	396,870	6,244	403,115

(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
	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	

Consolidated Statements of Cash Flows

(Millions of Yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from operating activities ..		
Profit before tax	¥10,080	¥6,643
Depreciation and amortization	11,765	12,086
Change in retirement benefit assets or liabilities	(371)	(457)
Finance income	(816)	(1,082)
Finance costs	238	1,524
Share of profit (loss) of investments accounted for using the equity method	(25)	479
(Increase) decrease in trade and other receivables	(2,508)	(219)
(Increase) decrease in inventories	(341)	2,465
Increase (decrease) in trade and other payables	(3,344)	598
Other	2,653	871
Subtotal	17,330	22,909
Interests and dividends received	1,494	945
Interests paid	(262)	(251)
Income taxes paid	(47)	(3,299)
Net cash provided by (used in) operating activities	18,514	20,302
Cash flows from investing activities:		
Purchase of property, plant and equipment	(14,214)	(8,610)
Proceeds from sales of property, plant and equipment	82	80
Purchase of other financial assets	(139)	(164)
Payments for transfer of receivables	(2,600)	—
Proceeds from acquisition of a subsidiary	13	—
Other	(635)	(271)
Net cash provided by (used in) investing activities	(17,494)	(8,967)
Cash flows from financing activities:		
Repayments of long-term borrowings	(2,185)	(2,185)
Proceeds from short-term borrowings	—	15,000
Proceeds from issuance of bonds	—	10,000
Payments for redemption of bonds	(10,000)	(10,000)
Purchase of treasury stock	(1)	(36,516)
Dividends paid	(1,961)	(15,595)
Dividends paid to non-controlling interests	(184)	(2,192)
Repayments of lease liabilities	(967)	(1,020)
Other	—	340
Net cash provided by (used in) financing activities	(15,300)	(42,169)
Effects of exchange rate changes on cash and cash equivalents	12,588	(5,932)
Net increase (decrease) in cash and cash equivalents	(1,692)	(36,766)
Cash and cash equivalents at the beginning of the period	156,486	138,293
Cash and cash equivalents at the end of the period	154,794	101,527

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 is 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, and transportation equipment-related parts such as link balls and suspension ball joints. 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.

Segment income or loss is computed based on operating income or loss. 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, 2024 (January 1, 2024 to June 30, 2024)

							(Millions of Yen)	
	Japan	The Americas	Europe	China	Other	Total	Adjust -ments	Consoli -dated
Revenue:								
Revenue from external customers	¥54,798	¥49,723	¥37,080	¥29,832	¥8,415	¥179,851	¥—	¥179,851
Intersegment revenue	27,768	106	412	3,222	2,145	33,655	(33,655)	—
Total	82,567	49,829	37,493	33,055	10,560	213,507	(33,655)	179,851
Segment income (loss)	4,328	1,046	(194)	3,402	523	9,106	(707)	8,399
Financial income	6,544	837	1,187	421	90	9,082	(7,163)	1,919
Financial costs	283	270	1,554	22	195	2,326	(2,087)	238
Profit (loss) before tax	10,589	1,613	(560)	3,802	419	15,863	(5,782)	10,080

(Note) All adjustments are intercompany elimination.

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

							(Millions of Yen)	
	Japan	The Americas	Europe	China	Other	Total	Adjust -ments	Consoli -dated
Revenue:								
Revenue from external customers	¥53,343	¥43,849	¥33,877	¥35,443	¥9,732	¥176,246	¥—	¥176,246
Intersegment 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
Segment income (loss)	2,150	628	(760)	4,332	223	6,574	(393)	6,181
Financial income	32,537	163	1,238	170	64	34,174	(32,128)	2,046
Financial costs	1,617	350	138	28	31	2,167	(583)	1,583
Profit before tax	33,070	441	339	4,474	256	38,582	(31,939)	6,643

(Note) All adjustments are intercompany elimination.

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 Securities 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.