Supplementary Materials For Fiscal 2025 Financial Results

February 12th 2026

THK CO.,LTD.

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Contents

This presentation material contains forward looking statements that reflect the Company’s business plans, performance projections, and management strategy. Such statements are based on information currently available to the Company. However, changes in the operating environment may cause actual results and achievements to differ from those anticipated in this corporate presentation material. Also, please let you know that this presentation material includes reference information that are not exactly accounts indication matters.

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Ⅰ. Financial Results for Fiscal 2025

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Financial Highlights

Consolidated Revenue（Continuing operations）

- **¥240.4 billion (+7.9% YoY)**
  - The outlook of the global economy remained uncertain amid concerns such as increasing geopolitical risks including the situation in Ukraine and in the Middle East, continuing inflation, and U.S. tariff policy.
  - Despite this situation, revenue increased in the industrial machinery business due to the recovery in demand mainly in U.S. and China.

Consolidated Operating Income （Continuing operations）

- **¥14.4 billion (-9.3% YoY)**
  - Although revenue increased in the industrial machinery business, operating income decreased due to various unfavorable factors, including a deterioration in the sales mix, increased U.S. import tariffs, share of loss of SAMICK THK (an equity method affiliate), costs associated with structural reforms being implemented under the new management policy, and a hike in various costs.

Key Point

- **Both revenue and operating income exceeded the revised plan set in November 2025 （Before adjustment）**
- **Loss on business liquidation of ¥81.6 billion was recorded in relation to the transfers of shares and assignment of receivables associated with the automotive & transportation business.**

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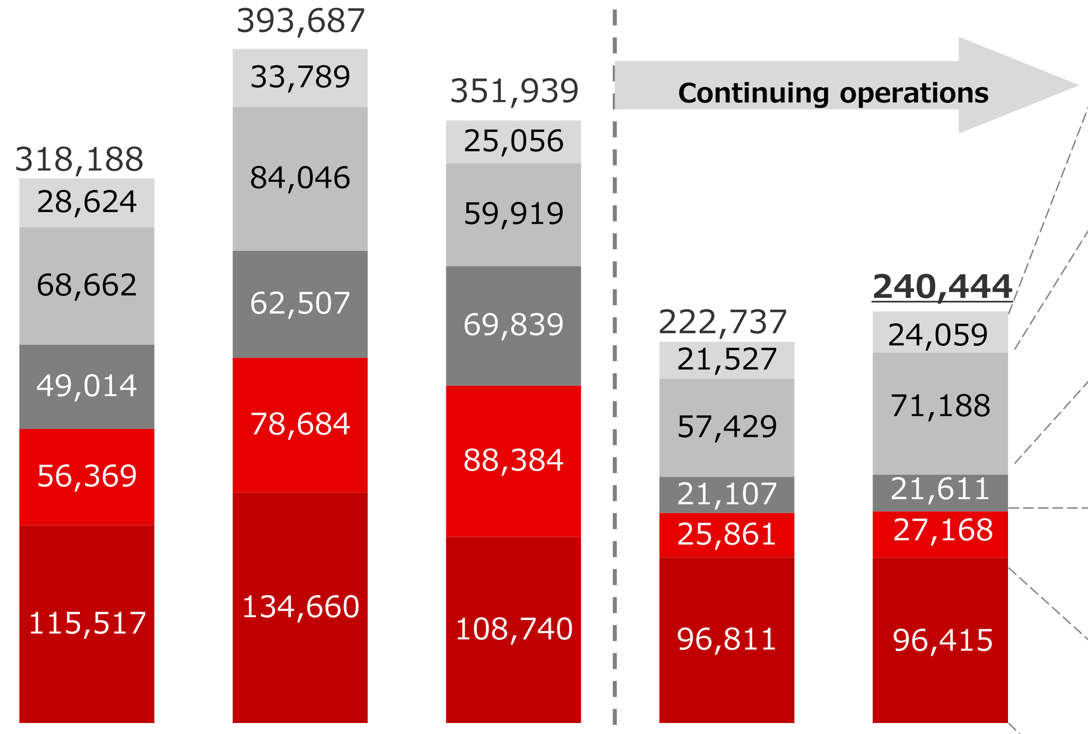
Trend in Net Sales

Regional Sales and Growth Rates by Industry



Exchange rate	2021/12	2022/12	2023/12	2024/12	2025/12
1US$	109.79	131.43	140.52	151.48	149.61
1EUR	129.85	138.03	151.95	163.81	169.00
1CNY	17.02	19.50	19.83	21.04	20.82

Region	Breakdown	Growth rate	Y/Y
Asia and other	Taiwan	+40.5%	+11.8%
	Singapore	+36.7%	
	India	+13.7%	
China	Machine tools	+26.8%	+24.0 %
	General Machinery	+24.9%	
	Electronics	+30.5%	
Europe	Machine tools	-11.0%	+2.4%
	General Machinery	-8.8%	
	Electronics	+2.2%	
The Americas	Machine tools	-1.0%	+5.1%
	General Machinery	+7.6%	
	Electronics	-5.0%	
Japan	Machine tools	+8.4%	-0.4%
	General Machinery	+20.5%	
	Electronics	-17.7%	

*Geographic sales is based on where our customers are located.
*Growth rate by industry is based on the figures in local currency from January to December.

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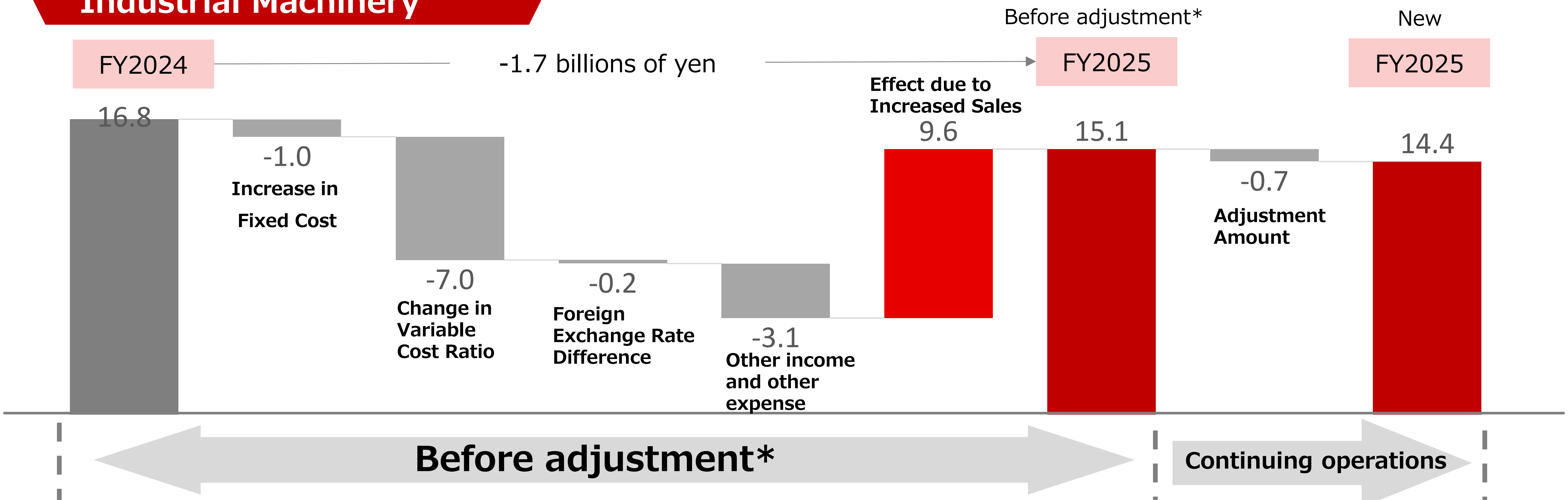
(Ref.) Operating Income – Change Factors –

Industrial Machinery



Billions of yen	FY24	FY25	Adjustment → FY25
Revenue	216.6	233.3	240.4
Operating Income	16.8	15.1	14.4

*Calculated by subtracting the combined figures of the Transportation & Automotive businesses, THK RHYTHM and THK RHYTHM AUTOMOTIVE, from the consolidated results.

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Assets, Liabilities and Equity

Changes in Balance Sheet

Millions of yen

■ **Cash and Cash in Account**	**Down 28,285**
□ Cash Flows from Operating Activities	42,748
□ Cash Flows from Investing Activities	(19,798)
□ Cash Flows from Financing Activities	(42,055)
□ Foreign Currency Translation Adjustments on Cash and Cash Equivalents	1,346
■ **Trade and other receivables**	**Down 17,945**
■ **Inventories**	**Down 26,483**
■ **Assets held for sale**	**Up 36,126**

■ **Property, Plant and Equipment**	**Down 40,881**
■ **Goodwill and intangible assets**	**Down 6,010**

Total Assets
472,992 millions of yen
Down ¥94,426 million from previous period

Current assets
284,367
Down ¥42,436 million from previous period

Non-current assets
188,624
Down ¥51,989 million from previous period

Liabilities
207,242
Up ¥29,619 million from previous period

Equity
265,749
Down ¥124,045 million from previous period

■ **Current liabilities**	**Up 19,439**
□ Trade and other payables	Down 15,454
□ Bonds and borrowings	Up 9,834
□ Liabilities directly associated with assets held for sale	Up 28,377
■ **Non-current liabilities**	**Up 10,180**

■ **Profit Attributable to Owners of the Parent**	**(69,891)**
■ **Dividends Paid**	**29,359**
■ **Acquisition and Cancellation of Treasury Stock**	**35,982**
■ **Other components of equity associated with a disposal group held for sale**	**Up 14,142**

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Ⅱ. Progress of the New Management Policy “Early Realization of ROE of Over 10%”

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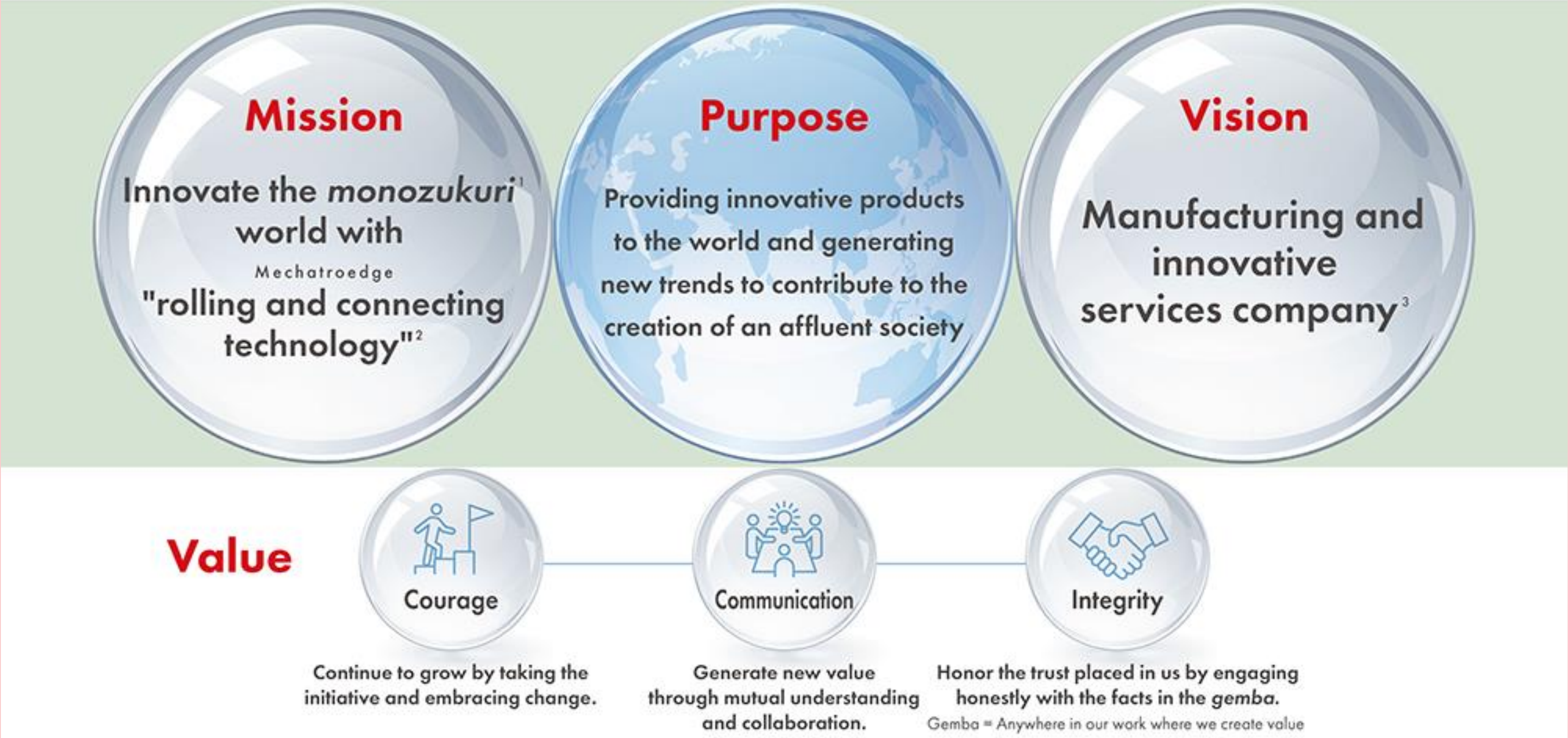
Establishment of New PMVV Statement

Refreshing our Mission and Values to drive sustainable corporate value enhancement



[1] "Monozukuri" is a philosophy of manufacturing, craftsmanship, and innovation.

[2] Our company has a foundation in technologies that enable the linear motion of machines through rolling motion, and we provide solutions that combine mechatronics products with IoT and other digital connection technologies.
Based on the idea that "added value in the manufacturing industry is created in the gemba," we help customers around the world solve problems and work toward the realization of a sustainable society.
"Mechatroedge" is a term that combines mechanical components, mechatronics, and IoT/edge computing services provided by THK.

[3] In addition to supplying products, we aim to go beyond the boundaries of the manufacturing industry and offer new value to our customers by providing high-value-added services that utilize digital technologies such as AI and IoT.

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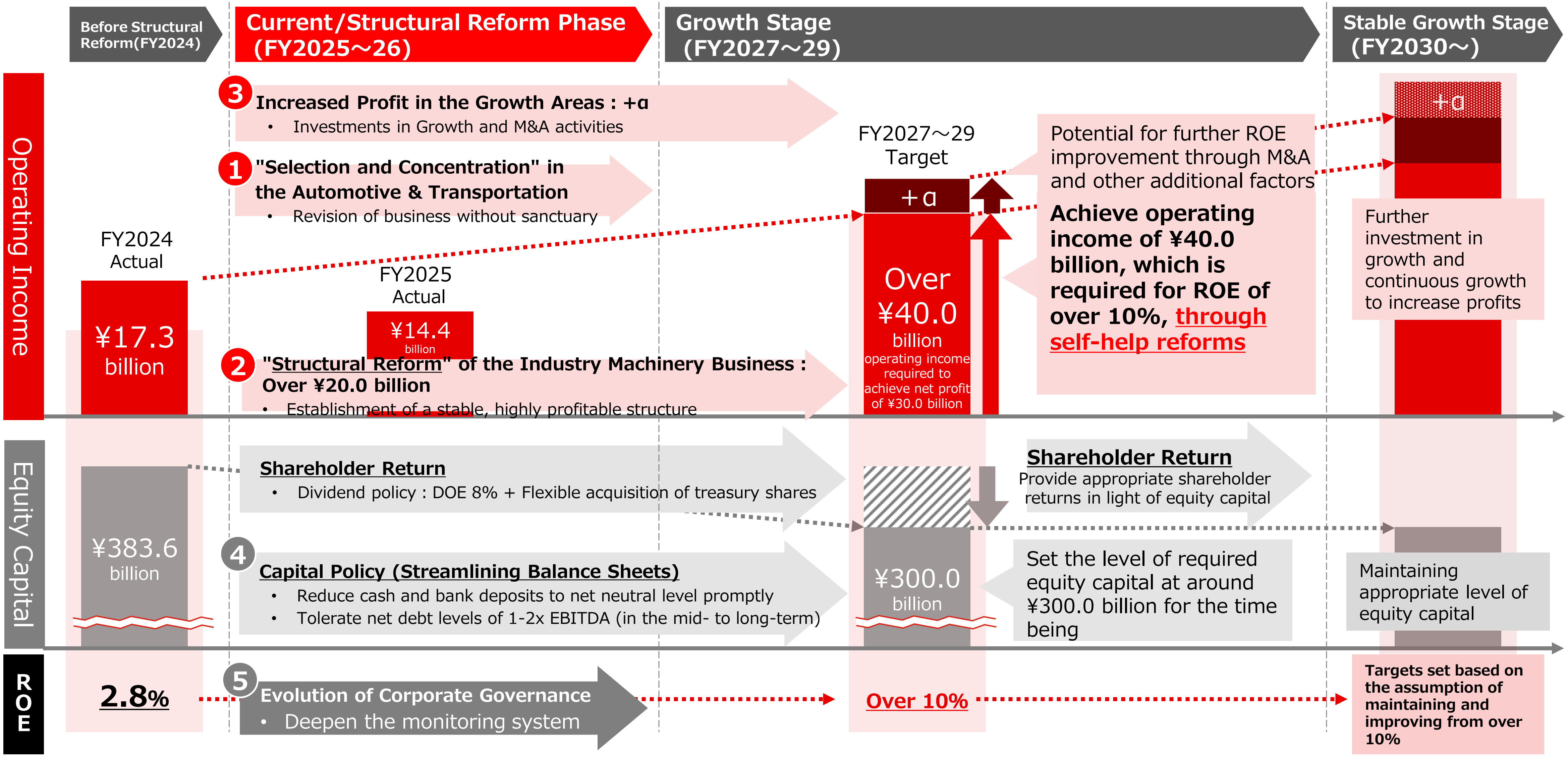
Path to "ROE of Over 10%"



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❶ "Selection and Concentration" in the Automotive & Transportation Business

Completed "Selection and Concentration" by proceeding in stages based on the policy of "Without ruling out any options or possibilities"

Background to Date

Operating Loss

- 2017
- 2018
- 2019 / 2020: Recovery plans initiated; Impairment losses recorded
- 2021
- 2022: Impairment losses recorded

Turnaround

- 2023
- **2024**: **"Selection and concentration" announced**

Structural Reform

- **2025**: **"Selection and concentration" executed**
- **2026**: **"Selection and concentration" completed**

Implementation details

Structural Reform without Sanctuary

Completed "Selection and Concentration" with the decision to transfer the automotive & transportation business

The circumstances leading to the implementation

- THK has concluded that transferring the business was the best option after thoroughly examining the anticipated cost of capital and the return on invested capital (ROIC).
- THK has entered into a transfer agreement for all the automotive & transportation business, including TRA Holdings, CO., LTD., which has THK RHYTHM CO., LTD. as its group company.

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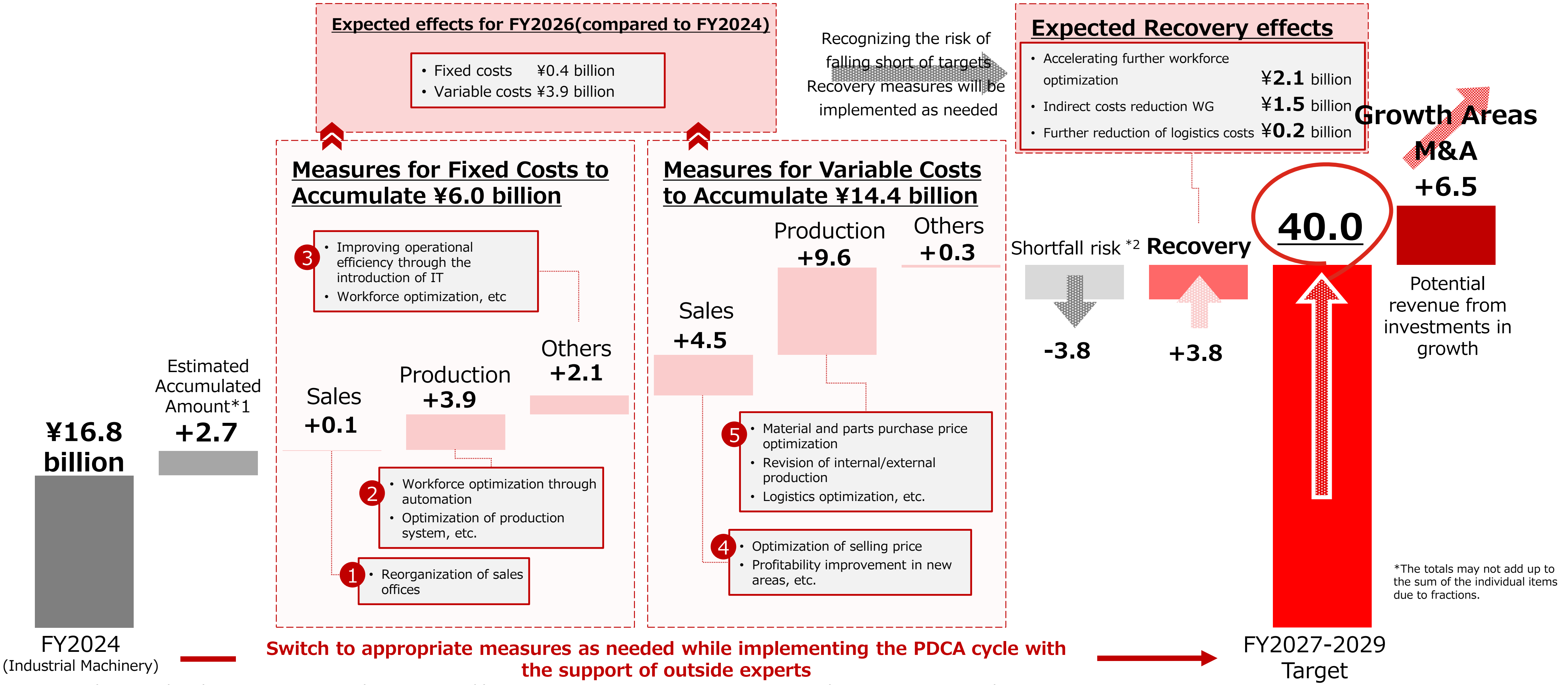
2 "Structural Reform" of the Industry Machinery Business

Advancing each initiative while incorporating recovery measures to build a high-profit structure



*1 :Estimated accumulated amount : Estimated net increase/decrease in FY2025 at new management policy announcement plus FY2026-2029 assuming 2% growth in sales and slightly more than 4% increase in labor/personnel costs per year

*2 :Excluding the temporary negative factors and the negative impact of volume effects in FY2025

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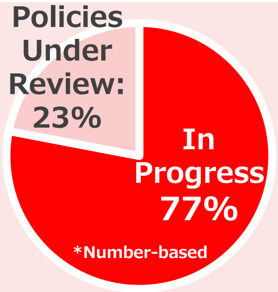
2 "Structural Reform" of the Industry Machinery Business

While Confirming the Effectiveness of the Measures, THK Has Decided to Implement Additional Ones in 2026 to Further Accelerate Structural Reforms

Progress and Initiatives Achieved by the End of FY2025



■ **Measures Identified and Implemented (Total: 78)**

- **Reduction effects steadily accumulated** through the implementation of the measures
- **Some policies are under review**

Further measures are needed to accelerate structural reforms

Planned Initiatives for FY2026

Recovery Measures (Starting FY2026)

- ✓ **Thorough implementation of existing initiatives and enhanced monitoring**
- ✓ **Additional initiatives (logistics department optimization, expansion of company-wide measures, etc.)**

~FY2029

Estimated Impact

+Over ¥20.0 billion

		Progress and Initiatives Achieved by the End of FY2025	Planned Initiatives for FY2026	Estimated Impact	Number of Measures
Fixed costs	1 Sales	✓ Initiated in sequence	✓ Continue the implementation of FY2025	+0.1	(1)
Fixed costs	2 Production	✓ Reviewed production items and optimal production locations across all global sites	✓ Continue the measures and implement initiatives in sequence	+3.9	(10)
Fixed costs	3 Others	✓ Formulated personnel optimization plan	✓ Streamline staffing and restrain personnel increases through the implementation of established measures	+2.1	(2)
Variable costs	4 Sales	✓ Implemented appropriate adjustments to sales prices based on market conditions and cost trends	✓ Expand the regional coverage and target markets and implement appropriate pricing to ensure sustainable profitability	+4.5	(4)
Variable costs	5 Production	✓ Planned centralized ordering of components, review of in-house vs. outsourced production, reevaluation of processing steps, and reduction of logistics costs. Improved monitoring function for existing measures while ensuring thorough implementation and deepening their effectiveness	✓ Implement fundamental review of production processes and operational workflows, and further cost reduction of materials used	+9.6	(59)
Variable costs	6 Others	✓ Strengthened collaboration with group companies and expanded revenue in new fields	✓ Continue the implementation of FY2025	+0.3	(2)

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2 "Structural Reform" of the Industry Machinery Business

Continuously implement initiatives that prioritize employee fulfillment and maximize human capital

Human Capital Initiatives

By FY2025

PMVV
- Refreshing the Mission and Values to drive sustainable corporate value enhancement

Compensation System
- Revision of the Director Compensation System
- Granting of shares to employee stock ownership plan members
- Revision of Performance-Linked Bonus Fund

Personnel System
- Enhancing performance evaluation feedback
- Enhancing the transparency of the evaluation process

To be a company in which those who work hard are rewarded more

FY2026 and beyond

PMVV
- PMVV awareness and empathy campaigns

Compensation System
- Transitioning to a new employee compensation system that emphasizes striking a balance

Personnel System
- Revision of the personnel evaluation system
- Clarification of career paths
- Implementing measures to assess and improve employee satisfaction through engagement surveys
- Enhancing employee skills through implementation of talent management

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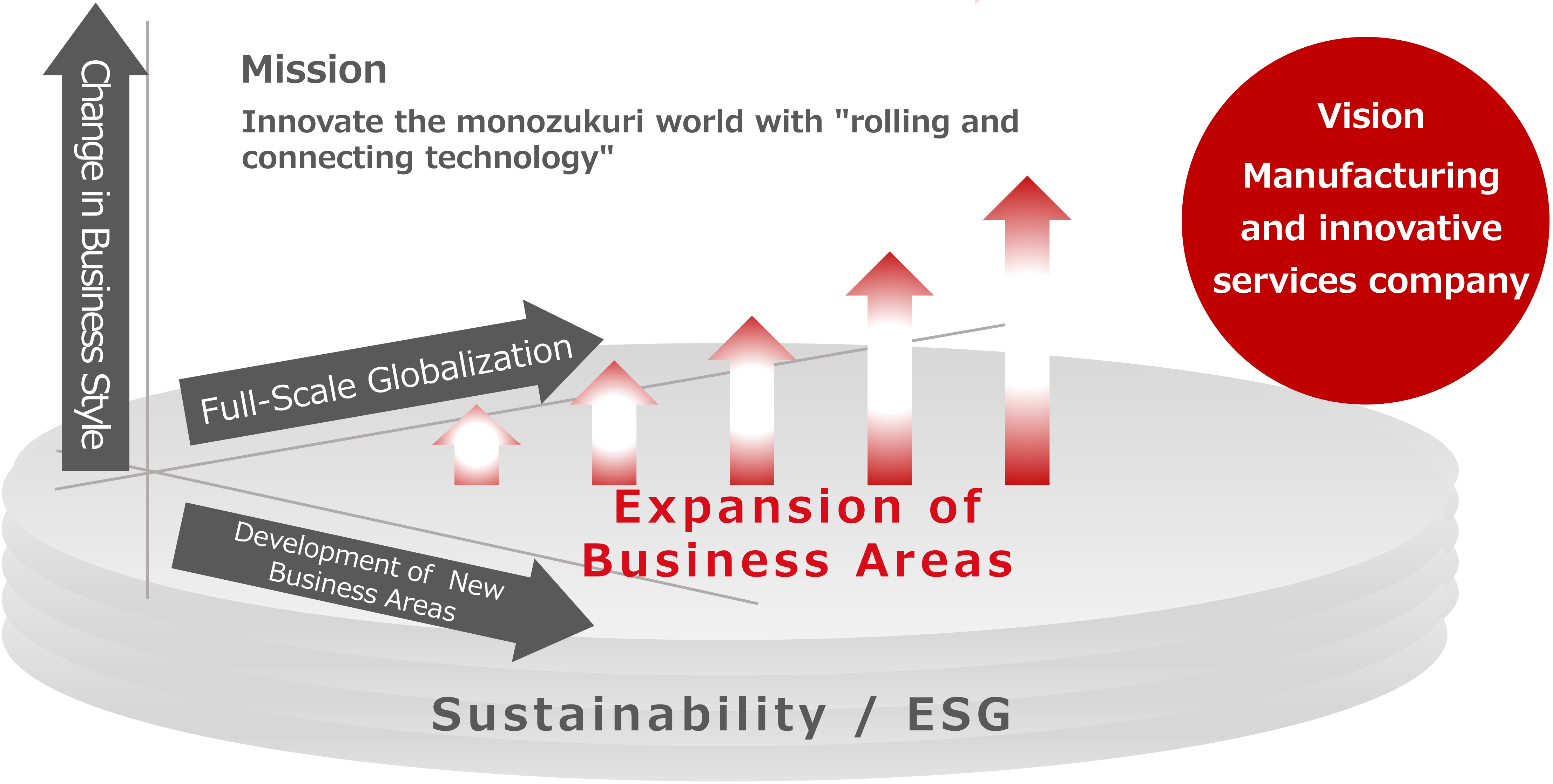
❸ Profit Increase in Growth Area: Growth Strategy



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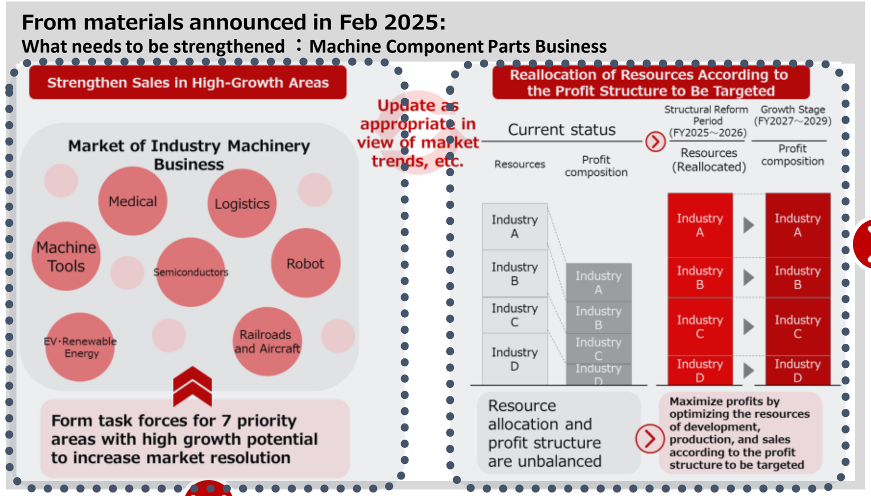
3 Profit Increase in Growth Area: Machine Component Parts Business

Established a system capable of responding swiftly to customer needs to further accelerate the cycle of "sell, create, and manufacture"



Pursuing agile team composition

Strengthening Task Forces

1. Strengthen and deepen task forces in seven key areas
2. Hosting glocal exchange meetings
   » **Enables detailed responses tailored to the needs of each industry and region**

Realize development based on needs-driven planning through organizational reforms

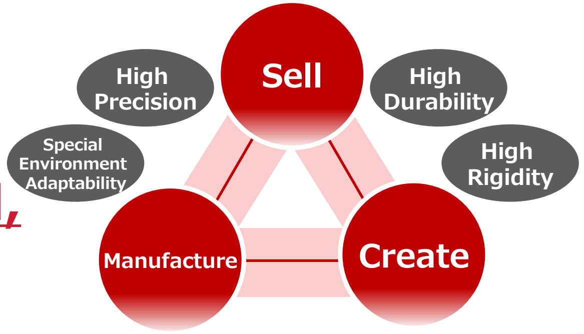
Identifying needs

- Identifying customer needs in cutting-edge global fields and establishing mechanisms to incorporate them
  » **The number of planning and development projects is expected to increase significantly**

Shortening the development period

1. Redesign of development item review and prioritization methods
   » **Toward building a profitable product portfolio**
2. Set a target to reduce development time by one-third by enhancing the prototype machining (productization)
   » **In 2026, THK plans to launch more than twice as many products as the previous year**
3. Regularization of development theme review meetings
   » **Responding swiftly to customer feedback and concerns (Over 30 times the average number of cases over the past five years)**

Drive top-line growth and improve profitability by accelerating the cycle of "sell, create, and manufacture"



❸ Profit Increase in Growth Area: Growth of FA Solution Business

Committed to contributing to "Innovation in manufacturing," achieving sustainable growth even in this age of cutting-edge technology

Expected Market

Addresses the needs of a wider range of machine users in addition machine builders

Machine users (Production technologies・Sier)

Machine builders

■ Provide high value-added products and solution services by combining three elements

■ Lead physical AI for factory automation and advanced manufacturing

- 1.Machine Component Parts (Mechanical) — ・LM Guide etc.
- 2. Mechatronics Modules — ・Actuators ・Modules
- 3. IoT・AI — ・OMNIedge

Maximization of Added Values

Mechatronics Modules Lineup

Process Automation

Versatile Transport System VTS

Actuators for Automation

NEW Process-Optimizing Robot PPR series

Electric Actuator

Transportation Between Processes

Autonomous transfer robot SIGNAS

IoT Solution (OMNIedge) Lineup

- ■ Condition Monitoring AI Solution
  - ✓Linear Motion Components
  - ✓Rotary Components

- ■ Monitoring AI Solution for Cutting Tools
- ■ Skill Management AI Solution
- ■ Maintenance Integrated Management System

NEW GX Solution
※ Visualizing Factory-Wide Energy Use

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Actions Addressed for the Creation of Sustainable Corporate Value

Steadily implementing initiatives such as establishing a governance framework that serves as the foundation for enhancing corporate value

Basic Policies	Implementation Status for FY2025		
Strengthening Corporate Governance	PMVV	✓ **Reviewed for clarifying and sharing values** (penetration strategies will be implemented in the future)	p.8
	Composition of Board of Directors	✓ **Increased the proportion of outside directors and female directors** to enhance oversight functions and ensure diversity	p.18
	Evaluation of Effectiveness of Board of Directors	✓ Commissioned a third-party organization and **verified the results of governance improvements** (disclosed along with identified challenges and initiatives)	
	Director Compensation System	✓ Designing a new system (adding "performance commitment" to KPIs, increasing the proportion of performance- and ROE-linked compensation and stock-based compensation and so on)	
	Skill Matrix	✓ **Reviewed aiming for the sustained enhancement of corporate value**	p.19
Reinforcement of Business Base	Succession Plans	✓ **Announced specific policies** (Corporate governance report)	
	Human Capital	✓ Disclosed "Human Capital," "Training Systems and Results," and "Talent Management" (in integrated reports and others) ✓ Establishment of an educational framework and disclosure of digital talent training results	
Investments in the Future (Preparation)	Sustainability	✓ Disclosed the status of Scope 1-2 TCFD, environmental policies, and, CO2 reduction initiatives (in integrated reports and others) ✓ Actively considering expanding the scope of future disclosures	

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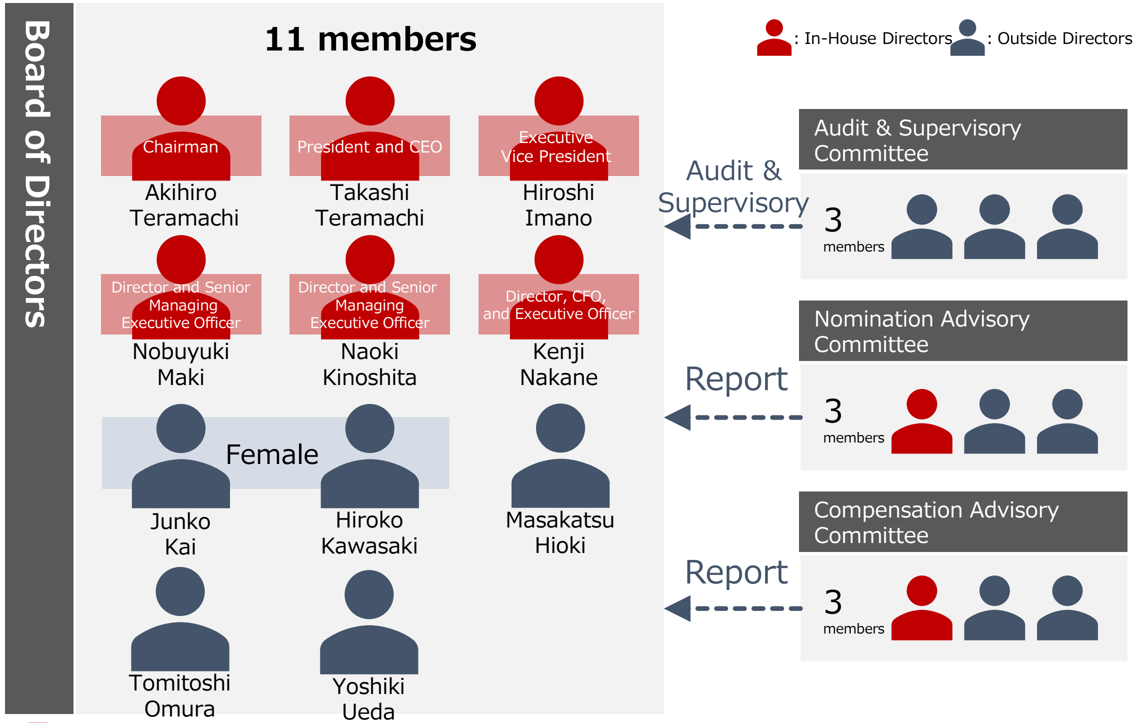
Corporate Governance Structure and Composition of Committees

The proportion of outside directors and female directors increased for the advanced governance. Each committee is also composed primarily of outside directors.

Corporate Governance Structure



■ **Board of Directors Data (FY2025)**

				FY2024
Number of Meetings	16 times per year	Ratio of Independent Outside Directors	45.5% (5 out of 11)	« 41.7%
Director Attendance Rate	100% (All)	Ratio of Female Directors	18.1% (2 out of 11)	« 8.3%

Composition of Committees

Current Chairman C Member M Number of meetings attended/held ※FY2025 record

	Name	Audit & Supervisory Committee	Nomination Advisory Committee	Compensation Advisory Committee
In-House Directors	Takashi Teramachi		M 5/5	M 2/2
Outside Directors	Masakatsu Hioki	C 13/13	C 5/5	
	Tomitoshi Omura	M 13/13		
	Yoshiki Ueda	M 13/13		C 2/2
	Junko Kai			M 1/1
	Hiroko Kawasaki		M 4/4	
	Ratio of Outside Directors	100%	66.7%	66.7%

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New Skills Required of Directors to Promote the Sustainable Growth of Corporate Value

Eight Skills Required of Directors Selected from the Perspective of Management Policy and Sustainable Corporate Value Enhancement

#	Skills	Reasons for Selection
1	Corporate Management	To achieve THK's management policy (Early Realization of ROE of Over 10%) amid drastic changes in the business environment, while accurately identifying megatrends and achieving sustainable growth and medium-to-long-term enhancement of corporate value, extensive management experience (including sales and marketing) is essential.
2	Global Business	To accelerate global expansion, knowledge and experience regarding regions for business expansion and the industries (including sales and marketing) are essential for providing products and services tailored to regional and market characteristics.
3	Corporate Finance	To implement capital-efficient management aiming to achieve THK's management policy (Early Realization of ROE of Over 10%), knowledge and experience in finance, accounting, and corporate finance are essential for executing disciplined growth investments, appropriate funding, shareholder returns, and other balance sheet management activities.
4	Development, Production, and Innovation	To develop original products and services, and continuously create unique production technologies as a creative development company, knowledge and experience in development, production, and innovation are essential.
5	IT and Digital Technologies	To achieve operational efficiency through strengthening the IT environment and advancing DX, and to create new value by driving innovation in its business, knowledge and experience in IT and digital technologies are essential.
6	Human Resources, Talent Management, Corporate Culture	Under the philosophy of "thoroughly strengthen what needs to be strengthened and courageously change what needs to be changed," to foster a corporate culture that encourages new challenges while passing down traditions to the next generation, and to establish an environment where diverse talents can thrive, knowledge and experience in human resources, talent management, and corporate culture are essential.
7	Legal, Risk, and Governance	To actively pursue global expansion and entry into new fields, knowledge and experience in legal affairs, risk, and governance are essential for strengthening legal compliance and corporate governance, which are the foundation of corporate activities, and implementing proactive risk management.
8	Sustainability	To address environmental and social issues while achieving both enhanced corporate value and the creation of a sustainable and prosperous society throughout all corporate activities, knowledge and experience in sustainability are essential.

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Ⅲ. Financial Forecast for Fiscal 2026

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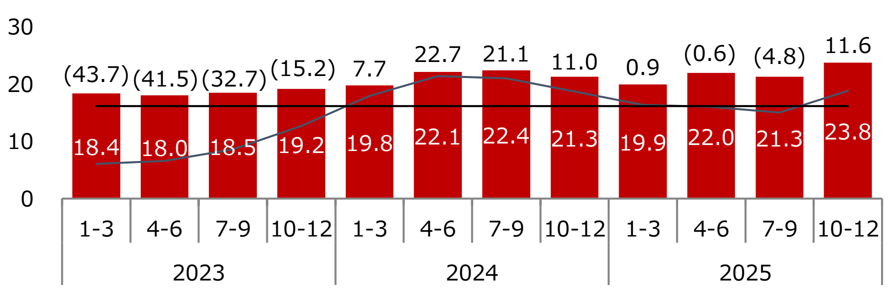
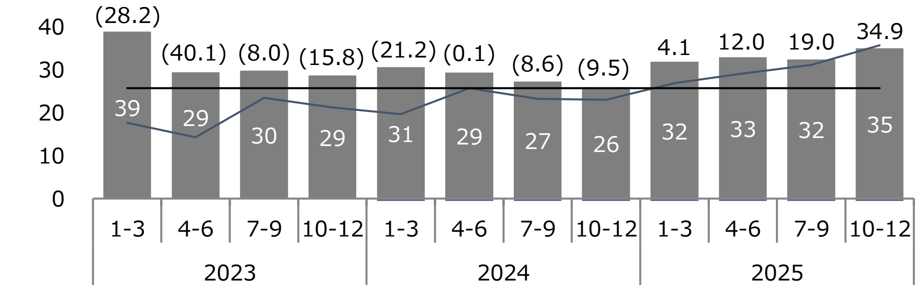
Orders Received by Region

Industrial Machinery

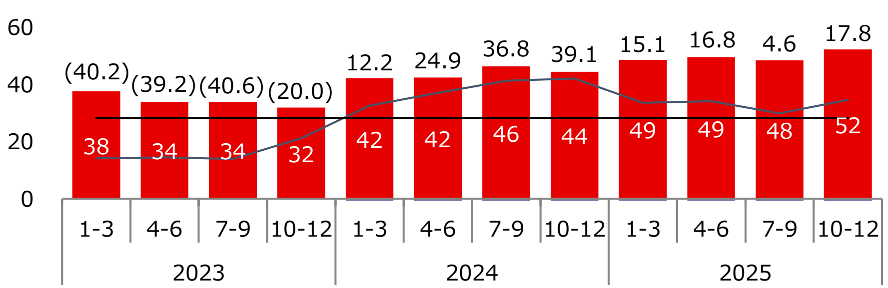
THK Japan*1,2



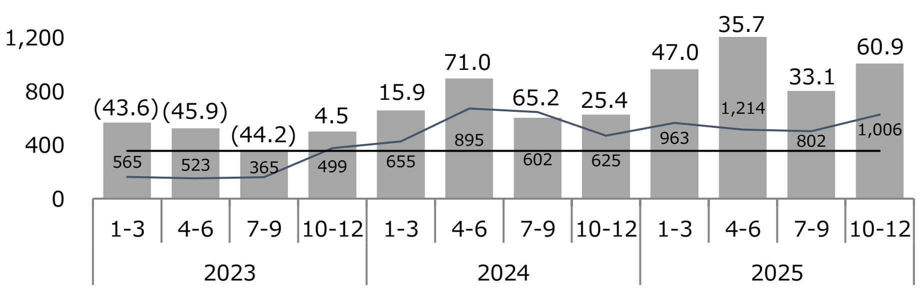
THK Europe*2



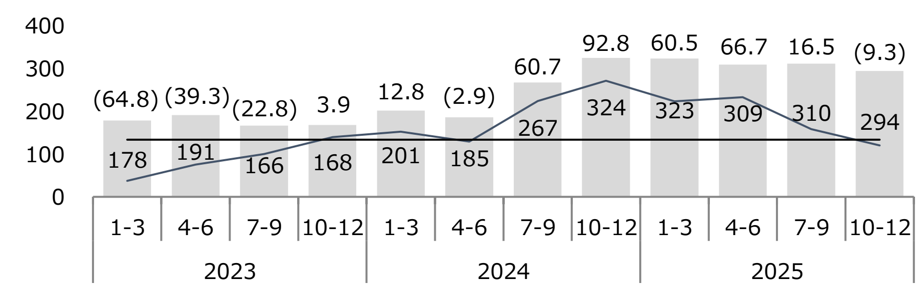
THK America, Inc.*2



THK (CHINA) CO., LTD. + THK (SHANGHAI)*2



THK TAIWAN*2



*1 : exclude export
*2 : % Change,
THK Japan: Billions of YEN
THK America, Inc. Millions of USD
THK Europe Millions of EUR
THK (CHINA) CO., LTD. + THK (SHANGHAI) Millions of RMB
THK TAIWAN Millions of NTD

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Financial Forecast (Consolidated)

Consolidated

(Millions of Yen)

	2026/12 (Forecast)	2025/12	2024/12
Revenue	260,000	240,444	222,737
Y/Y	+8.1%	+7.9%	-
Operating Income	26,000	14,436	15,923
Y/Y	+80.1%	-9.3%	-
Income before income taxes	26,500	15,746	17,870
Y/Y	+68.3%	-11.9%	-
Profit Attributable to Owners of the Parent	21,500	-69,891	10,439
Y/Y	-	-	-
ROE	8.2%	-21.7%	2.8%

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Financial Forecast (Unconsolidated)

Unconsolidated

(Millions of Yen)

		2026/12 (Forecast)	2025/12	2024/12
Net Sales		158,000	145,070	144,737
	Y/Y	*+8.9%*	*+0.2%*	*+0.4%*
Japan		95,000	86,032	88,405
	Y/Y	*+10.4%*	*-2.7%*	*-0.8%*
Operating Income		7,100	4,235	4,121
	Y/Y	*+67.6%*	*+2.8%*	*-42.3%*
Ordinary Income		14,900	45,103	18,020
	Y/Y	*-67.0%*	*+150.3%*	*+13.3%*
Net Income		13,400	*-24,701*	15,495
	Y/Y	-	-	*+18.9%*

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(Ref.) Supplement to FY2026 Plan (Y/Y)

Exchange Rate Impact on Revenue: Approx. +3.0 billion yen

Billions of yen	FY25	FY26 (E)	Increase in Revenue and Operating Income
Revenue	240.4	260.0	+19.6
Operating Income	14.4	26.0	**+11.6**

Key Point: Increase in profit mainly due to the quantity effect associated with higher revenue

Major Special Factors Included in the Profit Increase Amount

✓ **Elimination of unrealized profit**	**+0.6**
✓ **Impact of exchange rates**	**+1.5**
✓ **Resolution of equity-method investment losses (FY25)**	**+1.6**
✓ **Resolution of prior year financial statement adjustments (FY25) for the subsidiary in India**	**+0.3**

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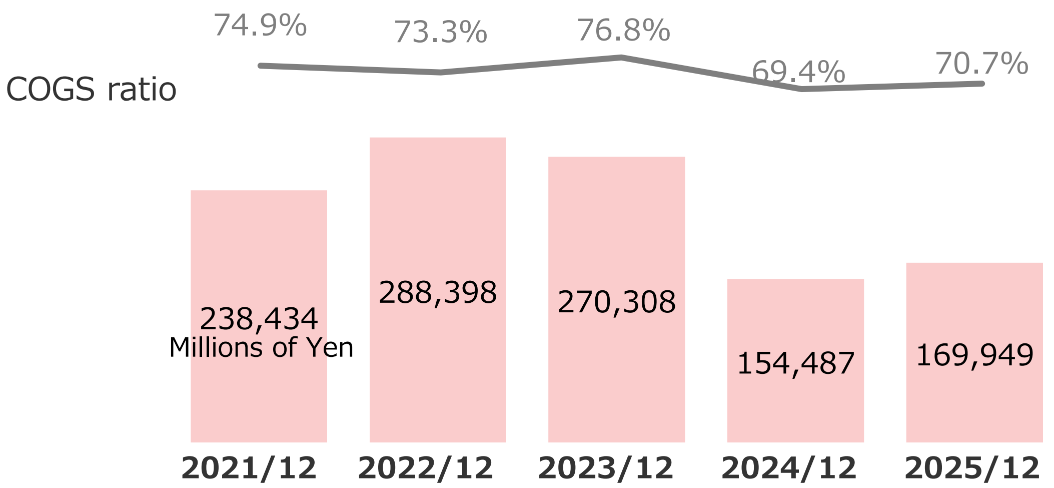
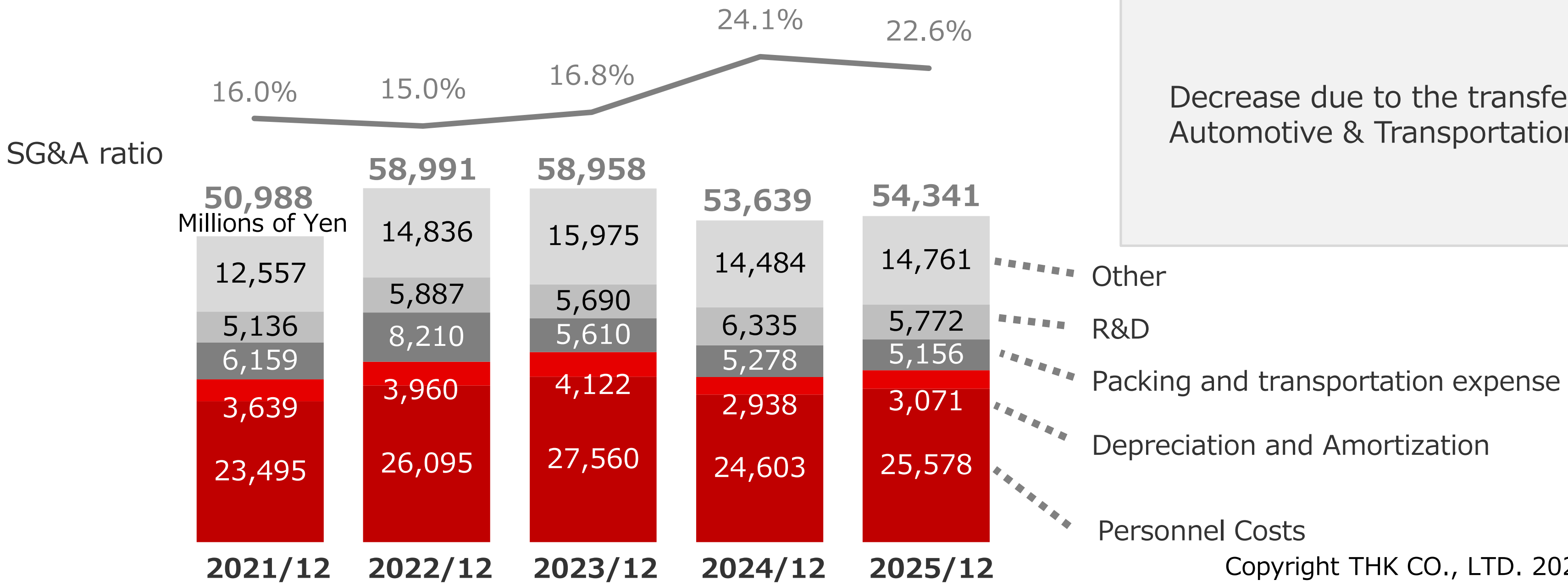
【Support Statement】 Trends in COGS and SG&A



Decrease due to the transfer of the Automotive & Transportation business

SG&A



Decrease due to the transfer of the Automotive & Transportation business

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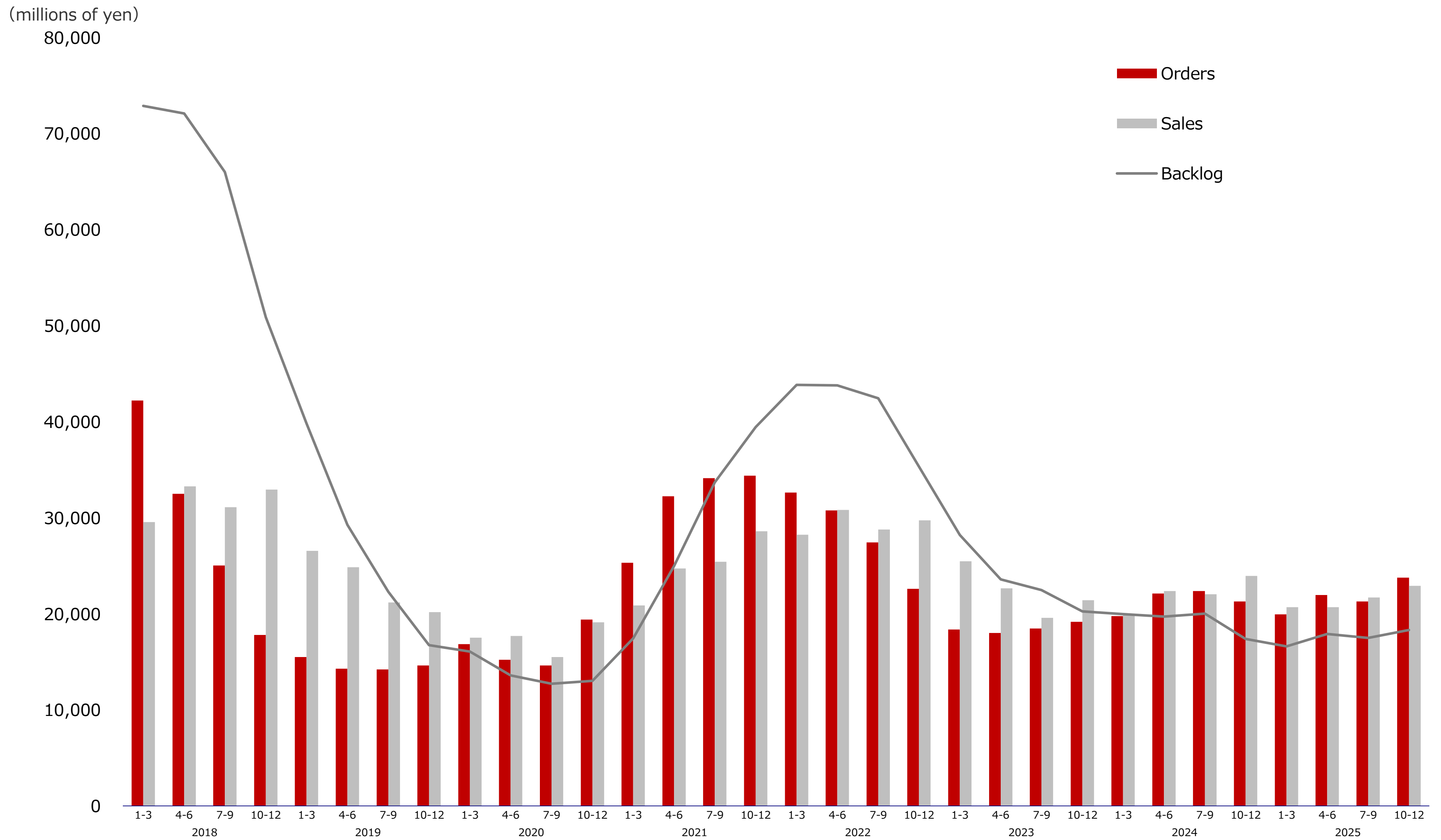
【Support Statement】－ Trends in Orders, Sales and Backlog(Japan – Unconsolidated) –



	2018				2019				2020				2021			
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
Orders	42,223	32,488	25,037	17,808	15,514	14,293	14,221	14,626	16,835	15,225	14,617	19,416	25,314	32,243	34,127	34,376
Sales	29,568	33,286	31,114	32,930	26,571	24,851	21,186	20,190	17,511	17,687	15,501	19,118	20,881	24,715	25,427	28,612
Backlog	72,886	72,087	66,010	50,888	39,831	29,273	22,307	16,744	16,067	13,605	12,722	13,020	17,453	24,981	33,681	39,444

	2022				2023				2024				2025			
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
Orders	32,626	30,777	27,446	22,609	18,361	18,018	18,481	19,174	19,768	22,109	22,374	21,289	19,936	21,974	21,294	23,765
Sales	28,236	30,817	28,789	29,729	25,468	22,661	19,577	21,413	20,028	22,387	22,048	23,941	20,703	20,689	21,710	22,928
Backlog	43,835	43,794	42,451	35,331	28,224	23,581	22,484	20,245	19,984	19,706	20,032	17,380	16,613	17,898	17,482	18,319

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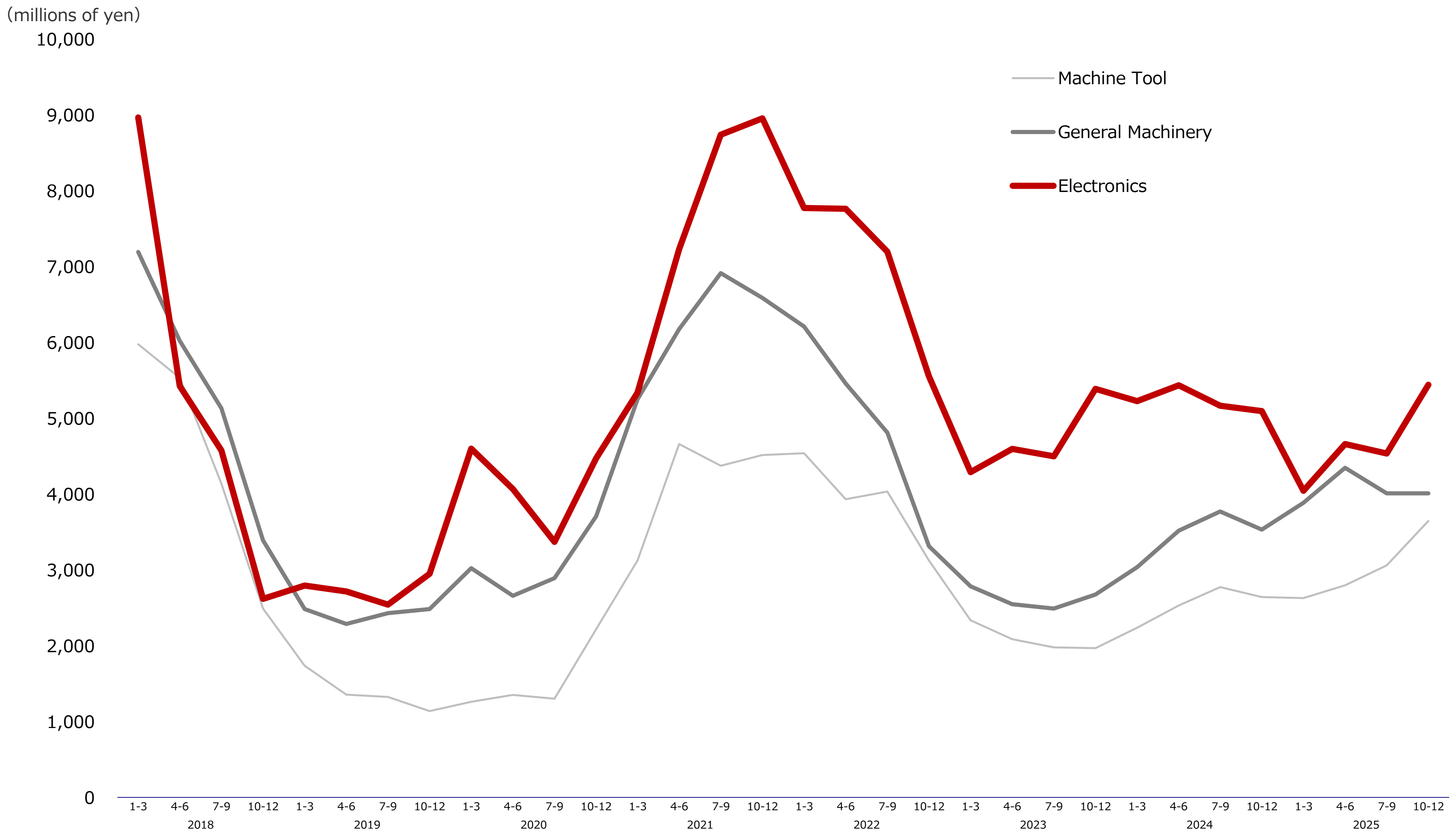
【Support Statement】–Trends in Orders Classified by Industry (Unconsolidated)–



	2018				2019				2020				2021				2022				2023				2024				2025			
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
Machine Tool	5,976	5,534	4,139	2,489	1,737	1,355	1,324	1,138	1,260	1,350	1,301	2,217	3,123	4,659	4,373	4,515	4,539	3,933	4,033	3,125	2,336	2,085	1,977	1,969	2,238	2,532	2,774	2,641	2,627	2,797	3,060	3,646
General Machinery	7,193	6,021	5,130	3,391	2,485	2,287	2,431	2,482	3,024	2,659	2,891	3,706	5,249	6,175	6,915	6,587	6,210	5,458	4,812	3,313	2,783	2,547	2,489	2,675	3,036	3,518	3,769	3,533	3,886	4,347	4,009	4,011
Electronics	8,967	5,425	4,575	2,618	2,793	2,717	2,542	2,950	4,601	4,067	3,369	4,472	5,337	7,230	8,739	8,956	7,773	7,762	7,198	5,553	4,290	4,597	4,497	5,388	5,226	5,436	5,166	5,093	4,043	4,660	4,536	5,441

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