Supplementary Materials For Financial Results For 1st Half of Fiscal 2026

August 5th 2026

THK CO.,LTD.

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.

Ⅰ. Financial Results for 1st Half of Fiscal 2026

Financial Highlights

Consolidated Revenue （Continuing Operations）

- **¥151.0 billion (+32.4% 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, in the industrial machinery business, orders remained strong and revenue increased due to expanded capital investment, primarily in the semiconductor industry, driven by demand for AI.

Consolidated Operating Income （Continuing Operations）

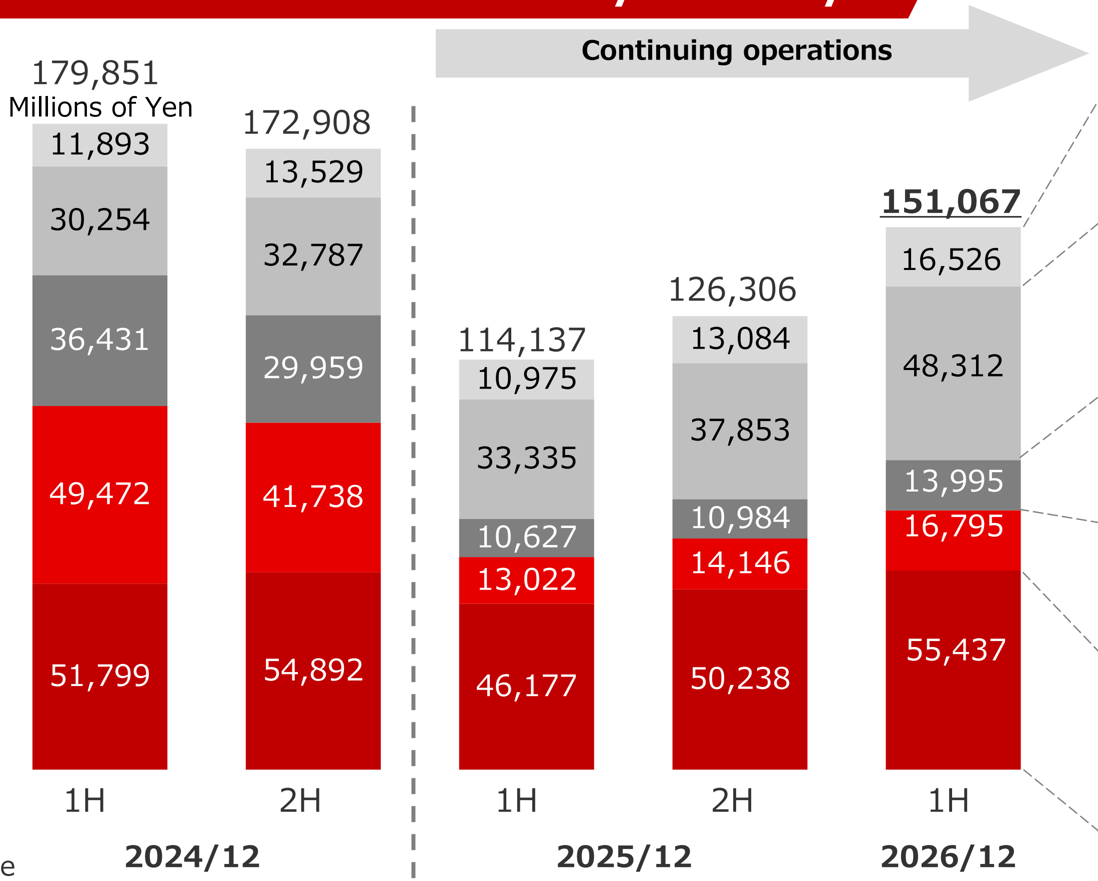
- **¥22.4 billion （+268.9% YoY）**
  - The industrial machinery business was affected by negative factors such as inflation, rising U.S. import tariffs, and one-time expenses of ¥700 million associated with the implementation of the Next Career Support Program. However, the volume effect of the increased revenue and the benefits of structural reforms offset the negative factors, resulting in higher operating income.

Key Point

- **Revenue and operating income exceeded the revised plan set in May 2026 by ¥13.0 billion and ¥7.0 billion, respectively.**
- **THK recorded a gain on transfer of business of ¥16.4 billion, which is mainly attributable to a reversal of the foreign currency translation adjustment resulting from the transfer of the automotive & transportation business.**

Trend in Net Sales

Regional Sales and Growth Rates by Industry



Exchange rate	2024/12 1H	2024/12 2H	2025/12 1H	2025/12 2H	2026/12 1H
1US$	152.21	150.74	148.41	150.82	158.09
1EUR	164.51	163.12	162.14	175.86	184.46
1CNY	21.09	20.99	20.46	21.17	23.04

Asia and other
- Taiwan +26.4%
- Singapore +106.7%
- India +24.3%

Y/Y +50.6%

China
- Machine tools +18.3%
- General Machinery +14.1%
- Electronics +61.7%

Y/Y +44.9%

Europe
- Machine tools +42.2%
- General Machinery +6.7%
- Electronics +56.6%

Y/Y +31.7%

The Americas
- Machine tools +21.5%
- General Machinery +28.4%
- Electronics +35.9%

Y/Y +29.0%

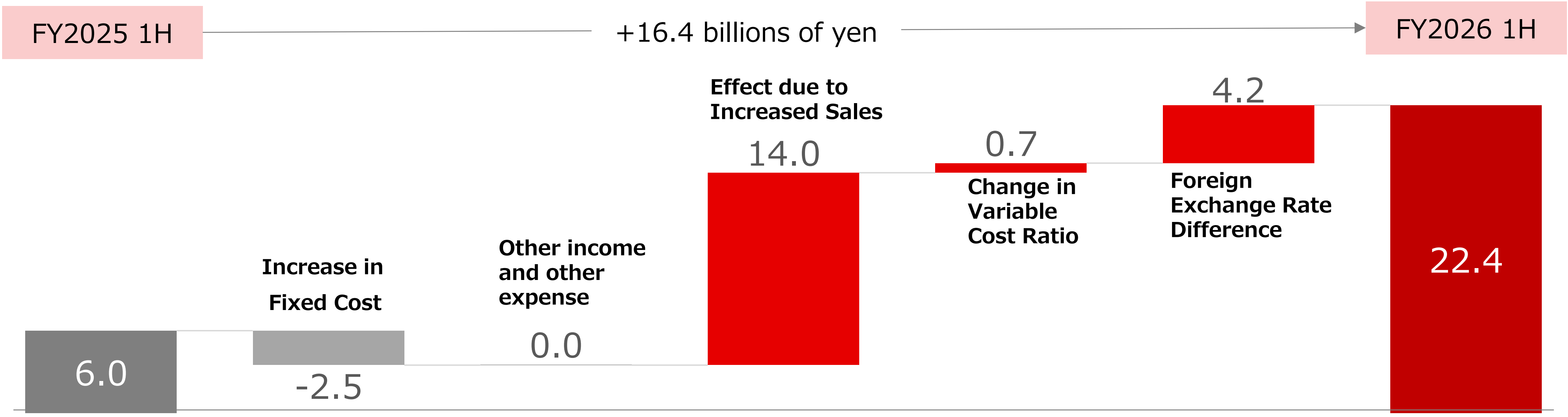
Japan
- Machine tools +33.6%
- General Machinery +7.8%
- Electronics +36.2%

Y/Y +20.1%

*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 June.

(Ref.) Operating Income – Change Factors –

Industrial Machinery



Billions of yen	FY2025 1H	FY2025 2H	FY2026 1H
Revenue	114.1	126.3	151.0
Operating Income	6.0	8.3	22.4

Assets, Liabilities and Equity

Changes in Balance Sheet

Millions of yen

■ **Cash and Cash in Account**	**Up 6,916**
□ Cash Flows from Operating Activities	18,868
□ Cash Flows from Investing Activities	(23,660)
□ Cash Flows from Financing Activities	(3,461)
□ Foreign Currency Translation Adjustments on Cash and Cash Equivalents	4,644
■ **Trade and other receivables**	**Up 10,707**
■ **Inventories**	**Up 5,275**
■ **Assets held for sale**	**Down 36,126**

■ **Property, Plant and Equipment**	**Up 1,193**
■ **Goodwill and intangible assets**	**Up 839**
■ **Other financial assets**	**Up 13,119**

Total Assets
480,597 millions of yen
Up ¥7,605 million from previous period

Current assets
277,673
Down ¥6,694 million from previous period

Non-current assets
202,923
Up ¥14,299 million from previous period

Liabilities
204,600
Down ¥2,641 million from previous period

Equity
275,996
Up ¥10,247 million from previous period

■ **Current liabilities**	**Up 6,100**
□ Trade and other payables	Up 3,824
□ Bonds and borrowings	Up 26,800
□ Liabilities directly associated with assets held for sale	Down 28,377
■ **Non-current liabilities**	**Down 8,742**

■ **Profit Attributable to Owners of the Parent**	**33,744**
■ **Dividends Paid**	**13,759**
■ **Other components of equity associated with a disposal group held for sale**	**Down 14,142**

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

Establishment of New PMVV Statement

Refreshing our Mission and Values to drive sustainable corporate value enhancement

Mission

Innovate the *monozukuri*[1] world with Mechatroedge "rolling and connecting technology"[2]

Purpose

Providing innovative products to the world and generating new trends to contribute to the creation of an affluent society

Vision

Manufacturing and innovative services company[3]

Values

Courage

Continue to grow by taking the initiative and embracing change.

Communication

Generate new value through mutual understanding and collaboration.

Integrity

Honor the trust placed in us by engaging honestly with the facts in the *gemba*.

Gemba = Anywhere in our work where we create value

[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.

THK

Path to "ROE of Over 10%"

Before Structural Reform(FY2024)

Current/Structural Reform Phase (FY2025～26)

Growth Stage (FY2027～29)

Stable Growth Stage (FY2030～)

Operating Income

FY2024 Actual
¥17.3 billion

FY2025 Actual
¥14.4 billion

3 **Increased Profit in the Growth Areas : +α**
- Investments in Growth and M&A activities

1 **"Selection and Concentration" in the Automotive & Transportation**
- Revision of business without sanctuary

2 **"Structural Reform" of the Industry Machinery Business : Over ¥20.0 billion**
- Establishment of a stable, highly profitable structure

FY2027～29 Target
+α
Over ¥40.0 billion
operating income required to achieve net profit of ¥30.0 billion

Potential for further ROE improvement through M&A and other additional factors

Achieve operating income of ¥40.0 billion, which is required for ROE of over 10%, through self-help reforms

+α

Further investment in growth and continuous growth to increase profits

Equity Capital

¥383.6 billion

Shareholder Return
- Dividend policy : DOE 8% + Flexible acquisition of treasury shares

4 **Capital Policy (Streamlining Balance Sheets)**
- Reduce cash and bank deposits to net neutral level promptly
- Tolerate net debt levels of 1-2x EBITDA (in the mid- to long-term)

¥300.0 billion

Shareholder Return
Provide appropriate shareholder returns in light of equity capital

Set the level of required equity capital at around ¥300.0 billion for the time being

Maintaining appropriate level of equity capital

ROE

2.8%

5 **Evolution of Corporate Governance**
- Deepen the monitoring system

Over 10%

Targets set based on the assumption of maintaining and improving from over 10%

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

Turnaround

Structural Reform

2017	
2018	
2019	
2020	Recovery plans initiated
2020	Impairment losses recorded
2021	
2022	Impairment losses recorded
2023	
2024	**"Selection and concentration" announced**
2025	**"Selection and concentration" executed**
2026	**"Selection and concentration" completed**

Implementation details

Structural Reform without Sanctuary

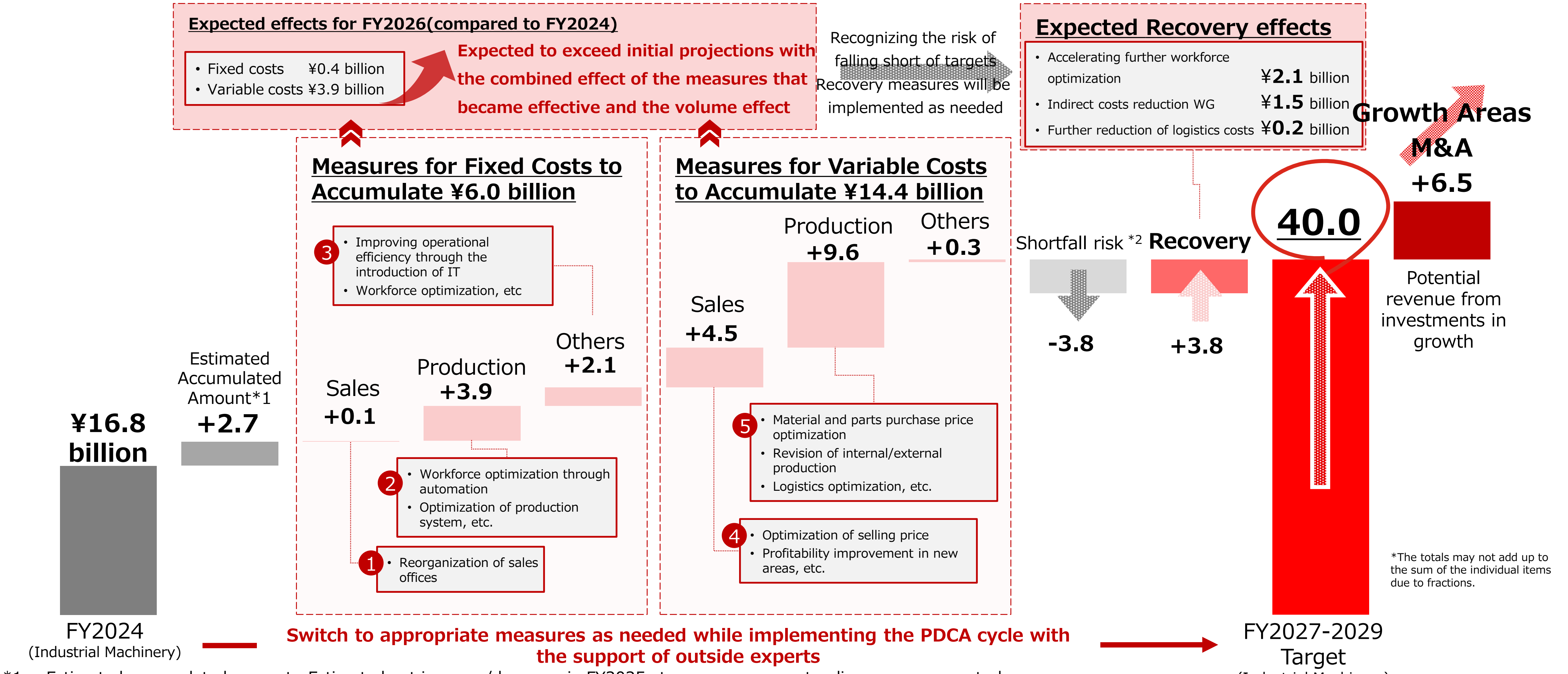
Completed "Selection and Concentration" by transferring the automotive & transportation business (Completed on June 1, 2026)

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.

❷ "Structural Reform" of the Industry Machinery Business

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

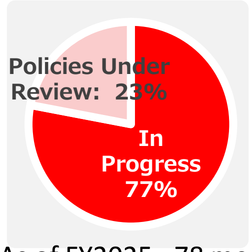


*1 :Estimated accumulated amount : Estimated net increase/decrease in FY2025 at new management policy announcement plus FY2026-2029 assuming 2% growth in sales and slightly more than 4% increase in labor/personnel costs per year

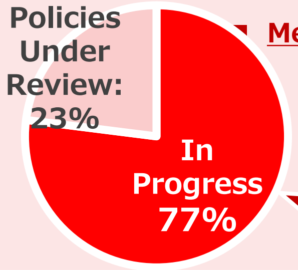
*2 :Excluding the temporary negative factors and the negative impact of volume effects in FY2025

❷ "Structural Reform" of the Industry Machinery Business

Steadily implement existing measures and introduce additional new measures to further accelerate the structural reform



As of FY2025 : 78 measures



As of 1st half of FY2026 : 88 measures

Measures Identified and Implemented for the structural reform (Total: 88)

- **Reduction effects accumulated** with the existing measures steadily implemented
- **Additional measures implemented by 11%** in 1st half of FY2026
  - Scheduled to be implemented in phases starting FY2026 (including an increase in bulk order for parts and the expansion of duty-free zones)

~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)
	2 Production	✓ Reviewed production items and optimal production locations across all global sites	✓ Continue the measures and implement initiatives in sequence	+3.9	(14)
	3 Others	✓ Formulated personnel optimization plan	✓ Streamline staffing and restrain personnel increases through the implementation of established measures	+2.1	(4)
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	(6)
	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)
	6 Others	✓ Strengthened collaboration with group companies and expanded revenue in new fields	✓ Continue the implementation of FY2025	+0.3	(4)

❸ Profit Increase in Growth Area: Growth Strategy

Mission

Innovate the monozukuri world with "rolling and connecting technology"

Vision

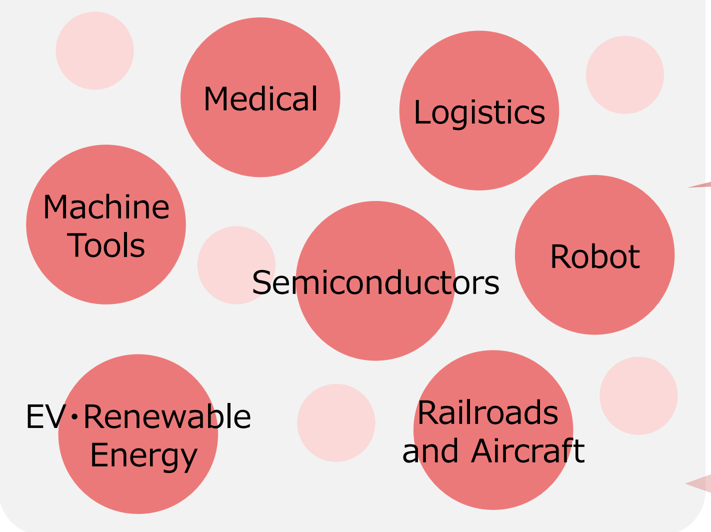
Manufacturing and innovative services company

❸ Profit Increase in Growth Area: Machine Component Parts Business

Establish a virtuous cycle of product launches for expanding top-line growth and improving profitability by accelerating the business cycle after identifying needs

Deploy task forces in the seven key areas where high growth is expected

[Target markets]



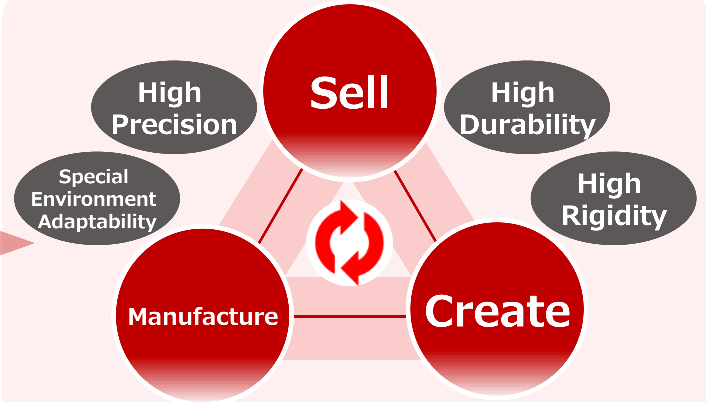
Significant increase in the number of needs identified

- In the 1st half of FY 2026, the number of needs identified was approximately 2.6 times the cumulative total for FY 2020–2024

Significant increase in the number of new products and services

- The number of new product releases in FY2026 is expected to increase to approximately 2.7 times the previous year

Develop and launch new products and services that meet customer needs



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

Give smart subsystems to the world with actuator technology x sensing technology x control 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**

■ **Support 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

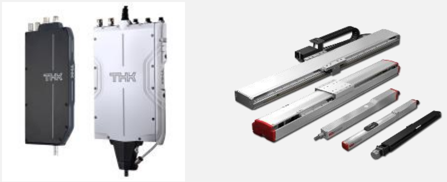
Maximization of Added Values

Mechatronics Modules Lineup

Process Automation

Versatile Transport System VTS

Actuators for Automation



Process-Optimizing Robot PPR series

Electric Actuator

Transportation Between Processes

Autonomous transfer robot SIGNAS

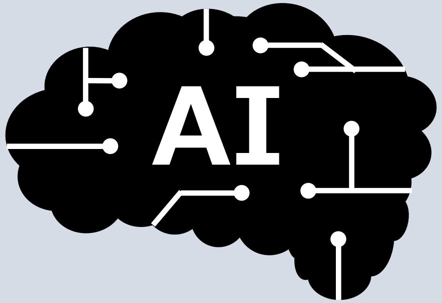
IoT Solution (OMNIedge) Lineup

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

- **Monitoring AI Solution for Cutting Tools**
- **Skill Management AI Solution**
- **Maintenance Integrated Management System**
- **GX Solution**
  ※ **Visualizing Factory-Wide Energy Use**

❸ Profit Increase in Growth Area: THK's Technology That Supports Physical AI

Support physical AI with THK's smart subsystem powered by actuator technology x sensing technology x control technology



Instructions

Data

Data

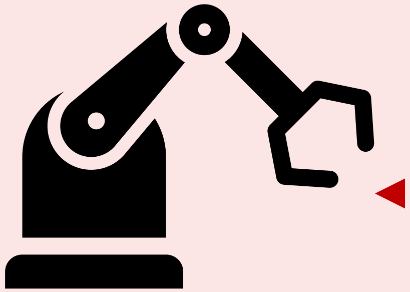
Optimal Solution

Simulation

Virtual Space (Digital Twin)

Case study: Supporting Sony Group's cutting-edge research and development to enable robots to play table tennis at a level on par with humans

THK provided the Linear Motor XY Axis Unit



Achieve precise movements exactly as directed by the AI

- Machine component parts with minimal quality variation, precise operation, and high durability

Provide data that corrects the gap between simulations in the real world and virtual spaces

- Actuator technology x sensing technology x control technology

Real Space

3 Profit Increase in Growth Area: Strengthening Global Production Capacity

Has decided to strengthen its production capacity for the growing customer demand anticipated in the mid- to long term (Construction of THK DALIAN Plant—2nd phase)

THK DALIAN（CHINA）

New plant extension
To be completed in Dec. 2027

Target products : Ball Screw
Floor space : About 27,000 ㎡

- ✓ **Carry out necessary investments with discipline**
- ✓ **Continue pursuing the company-wide structural reform**

5 Strengthening Corporate Governance

Plan to continue strengthening measures and make revisions to the code to pursue more substantive governance

Major trend in corporate governance

Establishing the format	Enhancing independence and transparency		Pursuing substantiality	
2015	2018	2021	2025	2026

Establishment of the Corporate Governance Code ("CGC")
- Outlines basic principles, such as ensuring shareholders' rights and equality, and request compliance and explanation as a listed company

CGC Revision (First and second)
- Request for substantive corporate management and Board operations
  - ✓ Increased proportion of outside directors, disclosure of directors' skills, establishment of the Nomination and Compensation Committees

CG guidance for strengthening "Earning Power"
- Highlighted the importance of executing growth investments, building a value creation narrative, and engaging in dialogue with shareholders and investors

CGC Revision (Third)
- **Toward a code that requests pursuing substantiation**
  - ✓ Thorough explanations, accountability and verification regarding the allocation of management resources, strengthening the functions of the Board Secretariat, and others

Transition of corporate governance structure and reforms

- Transition to a company with Audit & Supervisory Committee
- Establishment of the Nomination Advisory Committee and the Compensation Advisory Committee

- Review of systems (director skill matrix, executive compensation and performance evaluation systems, and others)
- Announcement of a CEO succession plan policy

- Implementation of third-party evaluation of the effectiveness of the Board of Directors
- Outside directors appointed as chairpersons of the Nomination Advisory Committee and the Compensation Advisory Committee

Measures for further substantiality

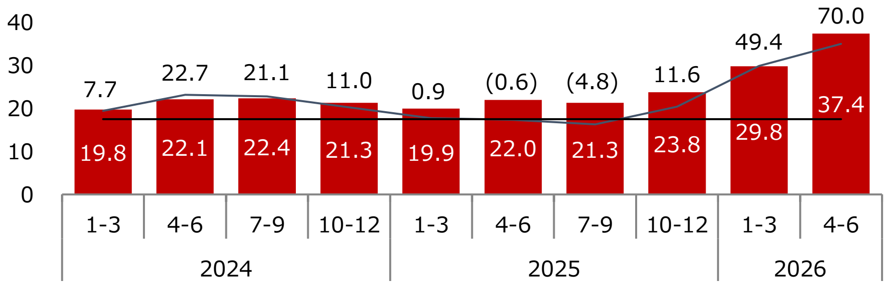
- Continuation and further development of governance enhancement measures implemented by 2025
- Response to the CGC revisions
  - ✓ Strengthening the functions of the Board of Directors Secretariat already started
  - ✓ Review and revise compliance/explanation procedures, and incorporate changes

Ⅲ. Financial Forecast for Fiscal 2026

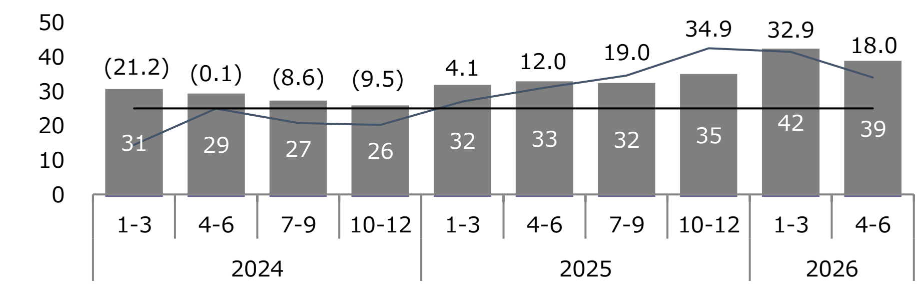
Orders Received by Region

Industrial Machinery

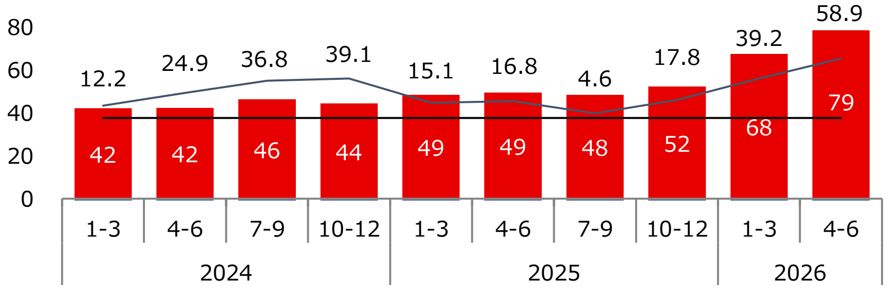
THK Japan*1,2



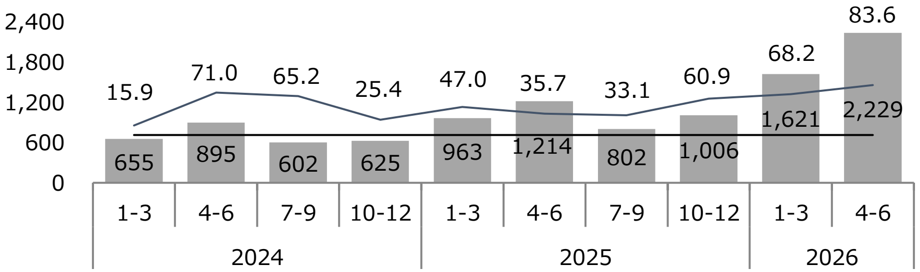
THK Europe*2



THK America, Inc.*2

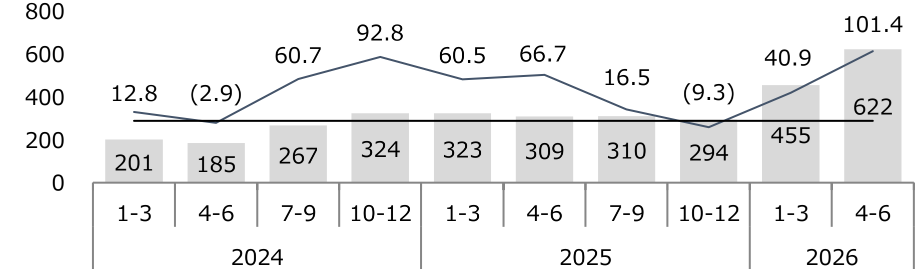


THK (CHINA) CO., LTD. + THK (SHANGHAI)*2



*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

THK TAIWAN*2



Financial Forecast (Consolidated)

Consolidated

(Millions of Yen)

	2026/12				2025/12
	FY Revised Aug. Forecast	FY Revised May Forecast	FY Feb. Forecast	1H Results	Results
Revenue	310,000	276,000	260,000	151,067	240,444
Y/Y	+28.9%	+14.8%	+8.1%	+32.4%	+7.9%
Operating Income	48,000	31,000	26,000	22,483	14,436
Y/Y	+232.5%	+114.7%	+80.1%	+268.9%	-9.3%
Income before income taxes	47,100	29,800	26,500	22,092	15,746
Y/Y	+199.1%	+89.2%	+68.3%	+221.7%	-11.9%
Profit Attributable to Owners of the Parent	54,800	22,700	21,500	33,744	-69,891
Y/Y	-	-	-	+805.3%	-

Financial Forecast (Unconsolidated)

Unconsolidated

(Millions of Yen)

	2026/12				2025/12
	FY Revised Aug. Forecast	FY Revised May Forecast	FY Feb. Forecast	1H Results	Results
Net Sales	192,000	164,000	158,000	88,665	145,070
Y/Y	*+32.3%*	*+13.0%*	*+8.9%*	*+30.5%*	*+0.2%*
Japan	108,000	95,700	95,000	49,954	86,032
Y/Y	*+25.5%*	*+11.2%*	*+10.4%*	*+20.7%*	*-2.7%*
Operating Income	16,200	7,400	7,100	7,883	4,235
Y/Y	*+282.5%*	*+74.7%*	*+67.6%*	-	*+2.8%*
Ordinary Income	22,400	12,600	14,900	13,799	45,103
Y/Y	*-50.3%*	*-72.1%*	*-67.0%*	*-58.2%*	*+150.3%*
Net Income	26,100	11,100	13,400	17,766	*-24,701*
Y/Y	-	-	-	*-45.4%*	-

(Ref.) Supplement to FY2026 revised full-year forecast (Y/Y)

Exchange Rate Impact on Revenue: Approx. +13.4 billion yen

Billions of yen	FY25	FY26 (E)	Increase in Revenue and Operating Income
Revenue	240.4	310.0	+69.6
Operating Income	14.4	48.0	**+33.6**

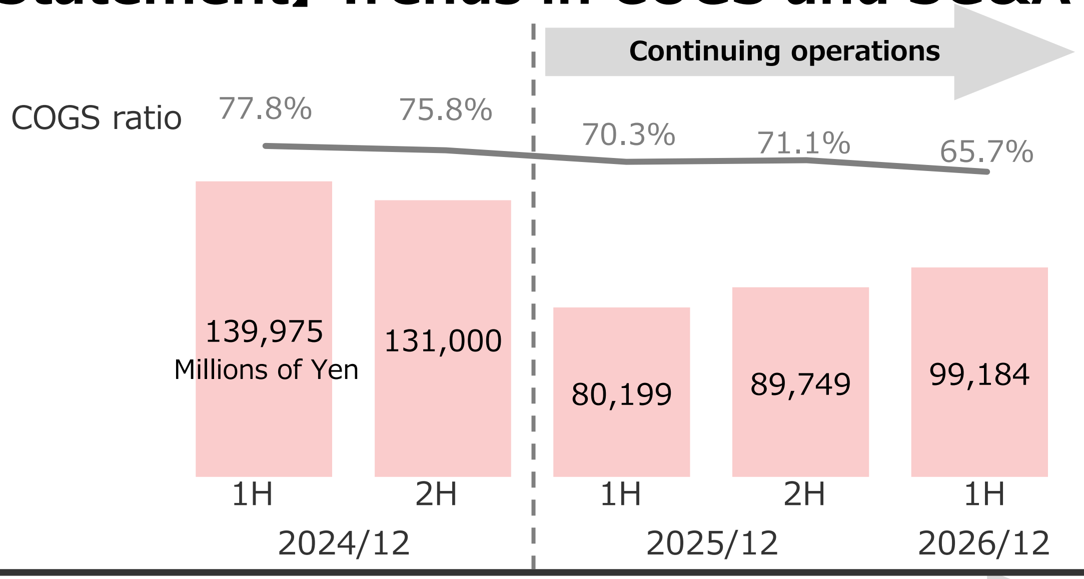
Key Point: Increase in profit mainly due to the quantity effect associated with higher revenue

Major Special Factors Included in the Profit Increase Amount

✓ **Elimination of unrealized profit**	**+1.0**
✓ **Impact of exchange rates**	**+6.6**
✓ **Resolution of equity-method investment losses (FY25)**	**+1.6**
✓ **Resolution of prior year financial statement adjustments (FY25) for the subsidiary in India**	**+0.3**

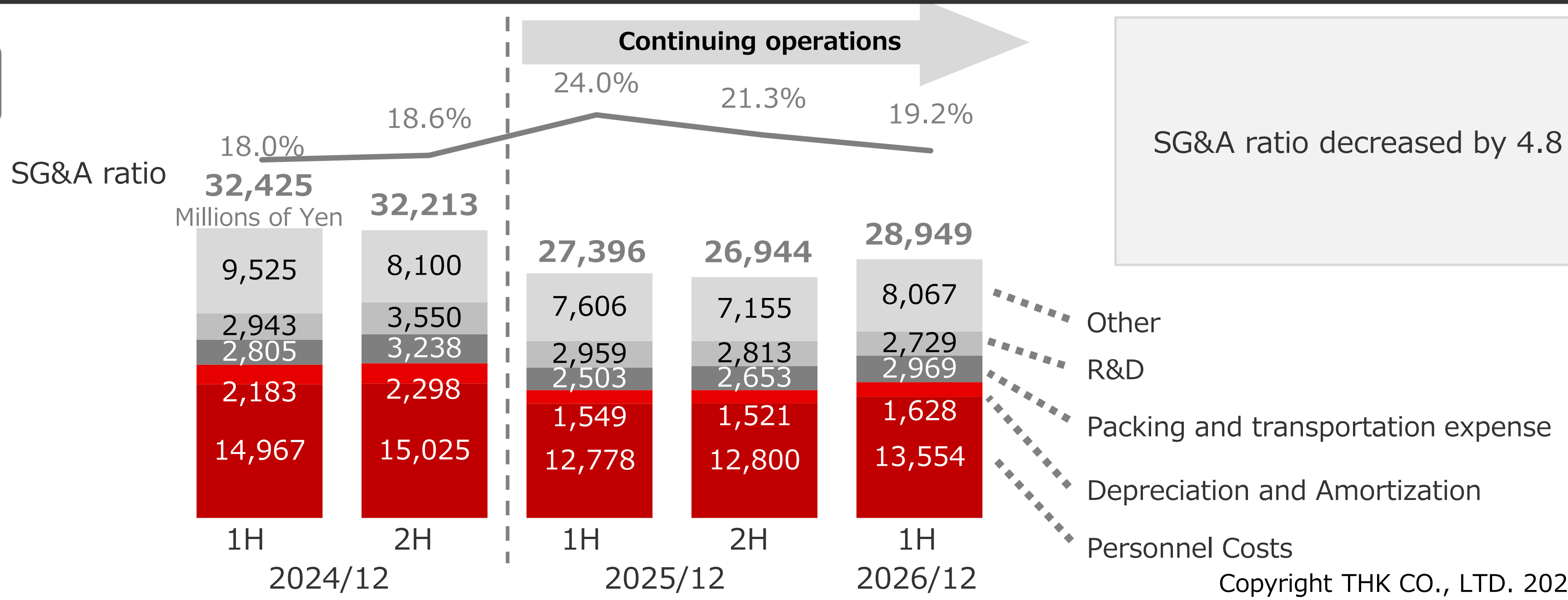
【Support Statement】 Trends in COGS and SG&A

COGS



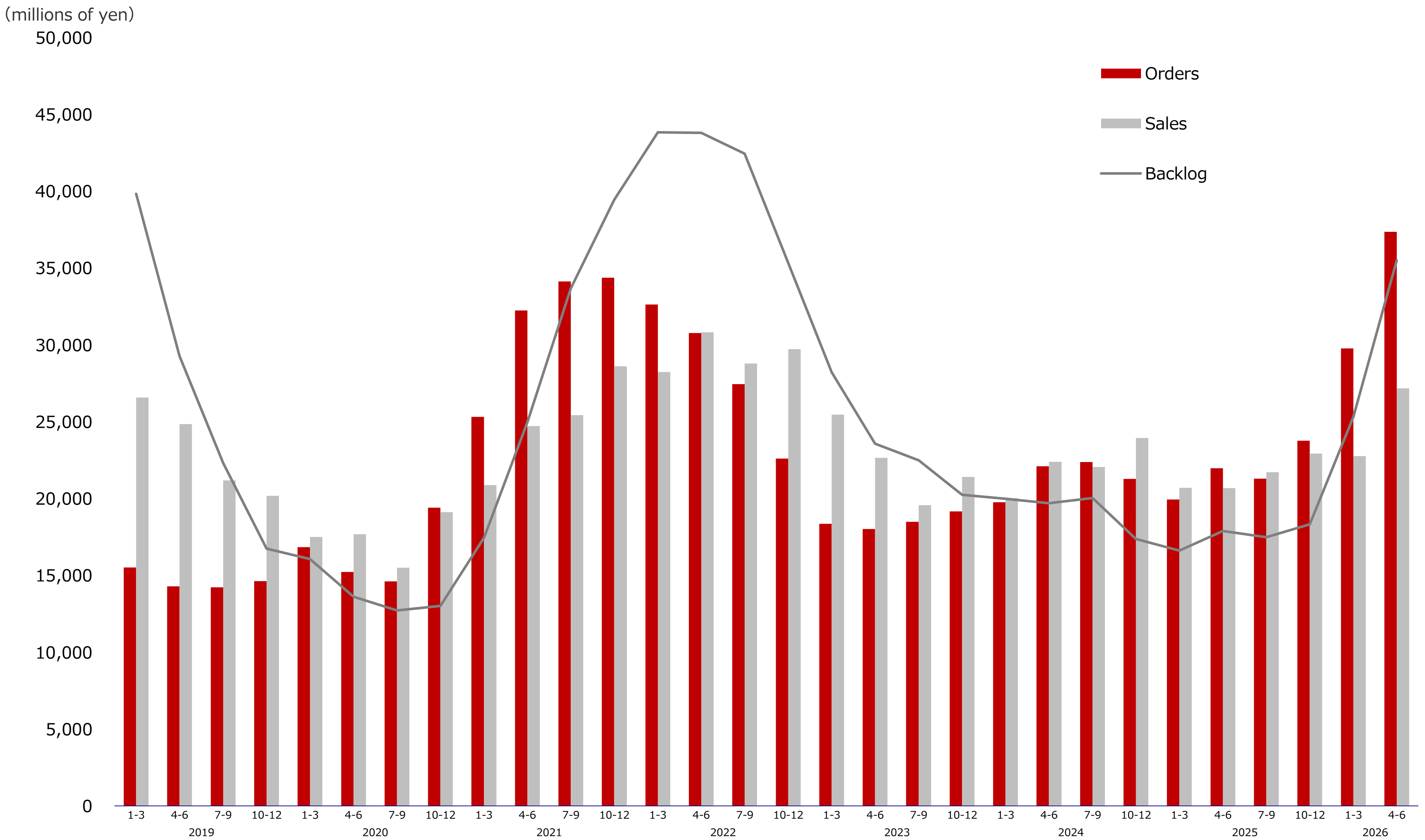
Sales-cost ratio decreased by 4.6 points Y/Y

SG&A



SG&A ratio decreased by 4.8 points Y/Y

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



	2019 1-3	2019 4-6	2019 7-9	2019 10-12	2020 1-3	2020 4-6	2020 7-9	2020 10-12	2021 1-3	2021 4-6	2021 7-9	2021 10-12	2022 1-3	2022 4-6	2022 7-9
Orders	15,514	14,293	14,221	14,626	16,835	15,225	14,617	19,416	25,314	32,243	34,127	34,376	32,626	30,777	27,446
Sales	26,571	24,851	21,186	20,190	17,511	17,687	15,501	19,118	20,881	24,715	25,427	28,612	28,236	30,817	28,789
Backlog	39,831	29,273	22,307	16,744	16,067	13,605	12,722	13,020	17,453	24,981	33,681	39,444	43,835	43,794	42,451

	2022 10-12	2023 1-3	2023 4-6	2023 7-9	2023 10-12	2024 1-3	2024 4-6	2024 7-9	2024 10-12	2025 1-3	2025 4-6	2025 7-9	2025 10-12	2026 1-3	2026 4-6
Orders	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	29,780	37,357
Sales	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	22,773	27,180
Backlog	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	25,325	35,502

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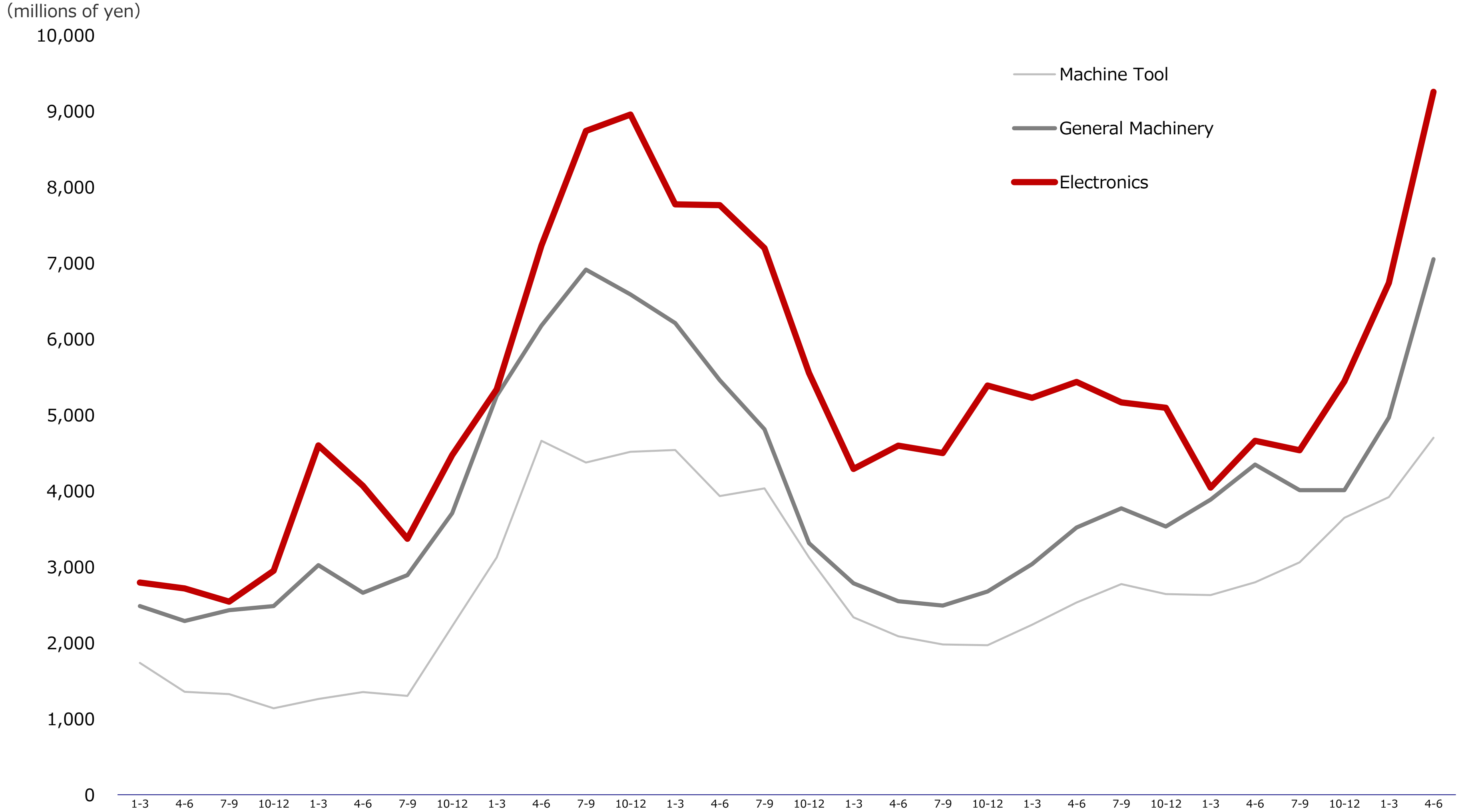
【Support Statement】–Trends in Orders Classified by Industry (Unconsolidated)–



	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
Machine Tool	1,737	1,355	1,324	1,138	1,260	1,350	1,301	2,217	3,123	4,659	4,373	4,515
General Machinery	2,485	2,287	2,431	2,482	3,024	2,659	2,891	3,706	5,249	6,175	6,915	6,587
Electronics	2,793	2,717	2,542	2,950	4,601	4,067	3,369	4,472	5,337	7,230	8,739	8,956

	2022				2023				2024				2025				2026	
	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
Machine Tool	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	3,918	4,700
General Machinery	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	4,968	7,051
Electronics	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	6,740	9,255

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