

Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 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 COO
Contact	Kenji Nakane, Director and CFO
Date of the ordinary general meeting of shareholders	March 15, 2025
Scheduled date of commencing dividend payments	March 17, 2025
Date of filing the Securities Report (Japanese version only)	March 17, 2025

1. Consolidated Operating Results and Financial Position as of and for the Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results

Year Ended December 31	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)		Total Comprehensive Income (Millions of Yen)	
2024	¥352,759	0.2%	¥17,349	(26.8)%	¥18,782	(25.7)%	¥10,439	(43.3)%	¥35,212	(1.4)%
2023	351,939	(10.6)	23,707	(31.2)	25,289	(29.0)	18,398	(13.2)	35,697	(15.7)

Year Ended December 31	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)	Profit Ratio to Equity Attributable to Owners of the Parent	Profit Before Tax Ratio to Total Assets	Operating Margin
2024	¥85.17	—	2.8%	3.3%	4.9%
2023	150.08	—	5.3	4.5	6.7

(For Reference) Share of profit in investments accounted for using the equity method:

Year ended December 31, 2024	¥55 million
Year ended December 31, 2023	40 million

(2) Consolidated Financial Position

As of December 31	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	Equity Attributable to Owners of the Parent per Share (Yen)
2024	¥567,418	¥389,795	¥383,645	67.6%	¥3,157.34
2023	556,351	362,898	357,264	64.2	2,914.23

(3) Consolidated Cash Flows

Year Ended December 31	Net Cash Flows from Operating Activities (Millions of Yen)	Net Cash Flows from Investing Activities (Millions of Yen)	Net Cash Flows from Financing Activities (Millions of Yen)	Cash and Cash Equivalents at the End of Year (Millions of Yen)
2024	¥28,412	¥(34,223)	¥(22,652)	¥138,293
2023	39,332	(27,094)	(24,266)	156,486

2. Dividends

	Dividend Per Share (Yen)				
	First Quarter end	Second Quarter end	Third Quarter end	Year/Period end	Total
Year ended December 31, 2023	¥—	¥30.00	¥—	¥16.00	¥46.00
Year ended December 31, 2024	—	18.00	—	128.50	146.50
Year ending December 31, 2025 (Projected)	—	—	—	—	—
	Total Amount of Dividends for the Year/Period (Millions of Yen)	Payout Ratio (Consolidated)		Cash Dividends / Equity Attributable to Owners of the Parent (Consolidated)	
Year ended December 31, 2023	¥5,639	30.7%		1.6%	
Year ended December 31, 2024	17,821	172.0		4.8	
Year ending December 31, 2025 (Projected)	n/a	—		n/a	

THK's basic dividend policy is to set its DOE (dividend on equity ratio) at 8%. The amounts of dividends for the year ending December 31, 2025 are planned to be determined in accordance with this policy and will be announced as soon as they are determined.

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)
Six-month period ending June 30, 2025	¥173,300	(3.6)%	¥7,000	(16.7)%	¥7,600	(24.6)%	¥5,000	(30.7)%	¥41.15
Year ending December 31, 2025	363,500	3.0	23,500	35.5	24,500	30.4	18,000	72.4	148.14

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:	December 31, 2024	129,856,903
	December 31, 2023	129,856,903
b. Treasury stock as of:	December 31, 2024	8,347,674
	December 31, 2023	7,263,677
c. Average number of common stock for the year ended:	December 31, 2024	122,577,759
	December 31, 2023	122,589,728

For Reference: Outline of Non-consolidated Financial Statements under Japanese GAAP

1. Non-Consolidated Operating Results and Financial Position as of and for the Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Operating Results

Year Ended (Millions of Yen)	Revenue		Operating Income		Ordinary Income		Net Income	
December 31, 2024	¥144,737	0.4 %	¥4,121	(42.3) %	¥18,020	13.3 %	¥15,495	18.9 %
December 31, 2023	144,227	(27.0)	7,138	(72.2)	15,905	(54.7)	13,037	113.9

Year Ended (Yen)	Net Income Per Share-Basic	Net Income Per Share-Diluted
December 31, 2024	¥126.41	¥ —
December 31, 2023	106.35	—

(2) Financial Position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Net Worth Ratio (%)	Net Assets Per Share (Yen)
As of December 31, 2024	¥365,869	¥240,909	65.8 %	¥1,982.59
As of December 31, 2023	370,882	233,497	63.0	1,904.60

(Note) Net worth ratio is defined as net worth divided by total assets. Net worth consists of shareholders' equity and adjustment/valuation items in net assets.

Net worth	As of December 31, 2024:	¥240,909 million
	As of December 31, 2023:	233,497 million

2. Non-Consolidated Forecasts for the Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

	Revenue (Millions of Yen)		Operating Income (loss) (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)		Net Income per Share(Yen)
Six-month period ending June 30, 2025	¥70,000	3.5%	¥(700)	— %	¥32,500	254.1%	¥32,200	289.9%	¥264.99
Year ending December 31, 2025	150,000	3.6	2,800	(32.1)	36,600	103.1	35,800	131.0	294.62

Management's Discussion and Analysis

1. Outline of operating results

(1) Operating results (from January 1, 2024 to December 31, 2024)

In this fiscal year, the outlook of 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 China's sluggish economy shaken by real estate recession.

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, demand for products of the industrial machinery business headed for a moderate recovery trend; however, revenue decreased as compared to the figure a year earlier, when the order backlog was at a high level, particularly in the first half of the fiscal year. In the automotive & transportation business, the first half of the year was generally strong due to the easing of automobile parts supply shortages, but automobile production continued to decline in the second half of the year. On the other hand, the yen weakened compared to the previous year. As a result, consolidated revenue amounted to ¥352,759 million, up ¥820 million, or 0.2%, compared to the figure a year earlier.

On the cost front, the cost to revenue ratio was 76.8%, the same as in the previous year.

Selling, general and administrative (SGA) expenses amounted to ¥64,639 million, up ¥5,680 million, or 9.6%, compared to the figure a year earlier. The ratio to revenue rose by 1.5% from a year earlier to 18.3% despite the THK Group's endeavors to improve operating efficiency.

As a result, operating income amounted to ¥17,349 million, down ¥6,358 million, or 26.8%, compared to the figure a year earlier. Operating income margin dropped by 1.8% from a year earlier to 4.9%.

Finance income and finance costs were ¥3,116 million and ¥1,683 million, respectively.

As a result, income before tax amounted to ¥18,782 million, down ¥6,506 million, or 25.7%, compared to the figure a year earlier. Profit attributable to owners of the parent amounted to ¥10,439 million, down ¥7,959 million, or 43.3%, compared to the figure a year earlier.

(2) Operating results by segment

(Japan)

In Japan, revenue amounted to ¥112,905 million, down ¥2,451 million, or 2.1%, compared to the figure a year earlier, when the order backlog of the industrial machinery business was at a high level. Segment income (operating income) amounted to ¥7,845 million, down ¥2,773 million, or 26.1%, compared to the figure a year earlier due mainly to the decrease in revenue.

(The Americas)

In the Americas, revenue amounted to ¥91,756 million, up ¥2,530 million, or 2.8%, compared to the figure a year earlier due mainly to the weaker yen. Segment income (operating income) amounted to ¥2,408 million, up ¥188 million, or 8.5%, compared to the figure a year earlier due mainly to the increase in revenue.

(Europe)

In Europe, revenue amounted to ¥67,599 million, down ¥2,948 million, or 4.2%, compared to the figure a year earlier due mainly to weak demand in the industrial machinery business and the impact of a decline in automobile production in the automotive & transportation business. Segment income (operating income) dropped by ¥2,087 million, and consequently turned to ¥407 million of segment loss (operating loss).

(China)

In China, revenue amounted to ¥62,525 million, up ¥3,115 million, or 5.2%, compared to the figure a year earlier due mainly to the weaker yen. Segment income (operating income) amounted to ¥7,202 million, down ¥284 million, or 3.8%, compared to the figure a year earlier.

(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 ¥17,972 million, up ¥574 million, or 3.3%, compared to the figure a year earlier due mainly to the weaker yen. Segment income (operating income) amounted to ¥746 million, down ¥235 million or 24.0%, compared to the figure a year earlier.

2. Financial position (as of December 31, 2024)

Total assets stood at ¥567,418 million, ¥11,066 million up from the previous fiscal year-end, due mainly to a combined effect of decrease in cash and cash equivalents by ¥18,193 million and increase in (1) trade and other receivables by ¥2,852 million, (2) inventories by ¥9,199 million, and (3) property, plant and equipment by ¥17,226 million.

Total liabilities stood at ¥177,623 million, ¥15,830 million down from the previous fiscal year-end, due mainly to a combined effect of increase in income taxes payable by ¥2,163 million and decrease in (1) trade and other payables by ¥6,840 million, and (2) bonds and borrowings by ¥12,248 million.

Total equity stood at ¥389,795 million, ¥26,896 million up from the previous fiscal year-end, due mainly to a combined effect of decrease owing to purchase of treasury stock by ¥3,973 million and increase in (1) retained earnings by ¥7,197 million and (2) other components of equity by ¥23,138 million.

For reference: Cash Flow Indices (Consolidated)

	Year ended December 31				
	2020	2021	2022	2023	2024
Ratio of equity attributable to shareholders of the parent (%)	57.9	59.0	59.2	64.2	67.6
Ratio of equity attributable to shareholders of the parent at market value (%)	96.9	69.8	58.3	64.5	84.2
Interest-bearing Debt /Operating Cash Flow (years)	4.5	7.2	3.5	3.0	3.7
Operating Cash Flow /Interest Paid (times)	68.8	48.6	109.0	97.6	62.8

3. Outlook

Considering the latest demand situation in the industrial machinery business and the future outlook, THK expects ¥363,500 million of revenue for the year ending December 31, 2025. In terms of profitability, based on the expected increase in revenue and other factors, THK expects ¥23,500 million of operating income, ¥24,500 million of profit before tax, and ¥18,000 million of Profit attributable to owners of the parent.

Year ending December 31, 2025 (Consolidated)

	Millions of Yen	Component Ratio	Percentage Change
Revenue	¥363,500	100.0%	3.0%
Operating income	23,500	6.5	35.5
Profit before tax	24,500	6.7	30.4
Profit attributable to owners of the parent	18,000	5.0	72.4

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

U.S. dollar 1=¥145.00 Euro 1=¥155.00

4. Basic policies regarding distribution of profits and dividends

On November 12, 2024, THK announced "Notice Regarding Decision of Basic Policy (Early Realization of ROE of Over 10%) for Revision of the Current "Management Targets for FY2026 (Five-Year Plan)."

Under this policy, for the purpose of improving capital efficiency, THK has set the required level of equity capital and its dividend policy to maintain a dividend on equity (DOE) ratio of 8% with the aim of more actively returning profits to shareholders until THK achieves "Early Realization of ROE of Over 10%."

Since the new dividend policy became effective as of the third quarter period of the year ended December 31, 2024, the year-end dividend therefor has been ¥128.5 per share, calculated based on a DOE of 4%, which is for the half of the fiscal year. As a result, cash dividends applicable for the year ended December 31, 2024 will be ¥146.5 per share, including the interim dividends of ¥18.0 per share.

THK will continue to strive for stable shareholder returns by raising ROE above the cost of equity even after achieving "Early Realization of ROE of Over 10%."

Consolidated Financial Statements

Consolidated Statements of Financial Position

(Millions of Yen)

	As of December 31, 2023	As of December 31, 2024
Assets:		
Current assets:		
Cash and cash equivalents	¥156,486	¥138,293
Trade and other receivables	78,621	81,474
Inventories	82,460	91,660
Other financial assets	504	2,002
Other current assets	15,388	13,375
Total current assets	<u>333,462</u>	<u>326,804</u>
Non-current assets:		
Property, plant and equipment	186,556	203,783
Goodwill and intangible assets	9,492	9,207
Investments accounted for using the equity method	6,960	6,709
Other financial assets	10,724	11,152
Deferred tax assets	5,891	5,142
Retirement benefit asset	3,182	4,243
Other non-current assets	80	374
Total non-current assets	<u>222,889</u>	<u>240,613</u>
Total assets	<u><u>556,351</u></u>	<u><u>567,418</u></u>

(Millions of Yen)

As of December 31, 2023

As of December 31, 2024

Liabilities and equity:**Liabilities:**

Current liabilities:

Trade and other payables	¥40,881	¥34,040
Bonds and borrowings	13,123	23,371
Other financial liabilities	4,352	4,315
Provisions	114	425
Income taxes payable	849	3,013
Other current liabilities	14,320	15,763
Total current liabilities	73,643	80,929

Non-current liabilities:

Bonds and borrowings	95,639	73,143
Other financial liabilities	8,491	7,891
Retirement benefit liabilities	6,278	5,859
Provisions	171	65
Deferred tax liabilities	6,488	6,827
Other non-current liabilities	2,740	2,906
Total non-current liabilities	119,810	96,693

Total Liabilities

193,453

177,623

Equity

Common stock	34,606	34,606
Capital surplus	40,102	40,120
Retained earnings	253,440	260,638
Treasury stock	(17,130)	(21,104)
Other components of equity	46,245	69,384
Total equity attributable to owners of the parent	357,264	383,645
Non-controlling interests	5,633	6,149
Total Equity	362,898	389,795

Total liabilities and equity

556,351

567,418

Consolidated Statements of Profit or Loss

(Millions of Yen)

	Year Ended December 31, 2023	Year Ended December 31, 2024
Revenue	¥351,939	¥352,759
Cost of sales	270,308	270,975
Gross profit	81,630	81,784
Selling, general and administrative expenses	58,958	64,639
Other income	2,318	2,553
Other expenses	1,322	2,404
Share of profit in investments accounted for using the equity method	40	55
Operating income	23,707	17,349
Financial income	2,446	3,116
Financial costs	864	1,683
Profit before tax	25,289	18,782
Income tax expense	6,550	8,125
Profit	<u>18,738</u>	<u>10,657</u>
Profit attributable to:		
Owners of the parent	18,398	10,439
Non-controlling interests	339	217
Profit	<u>18,738</u>	<u>10,657</u>
Earnings per share:		
Basic earnings per share (yen)	150.08	85.17
Diluted earnings per share (yen)	—	—

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Year Ended December 31, 2023	Year Ended December 31, 2024
Profit	¥18,738	¥10,657
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	532	248
Remeasurements of defined benefit plans	(1,430)	846
Share of other comprehensive income of associates accounted for using the equity method	54	(123)
Total of items that will not be reclassified to profit or loss	(843)	971
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	17,442	23,763
Share of other comprehensive income of investments accounted for using the equity method	360	(179)
Total of items that may be reclassified to profit or loss	17,802	23,583
Other comprehensive income, net of tax	16,959	24,554
Comprehensive income	35,697	35,212
Comprehensive income attributable to:		
Owners of the parent	35,145	34,505
Non-controlling interests	551	706
Comprehensive income	35,697	35,212

Consolidated Statements of Changes in Equity

(Millions of Yen)

Year Ended December 31, 2023	Equity attributable to owners of the parent				Other components of equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Exchange differences on translation of foreign operations
Beginning balance	¥34,606	¥40,094	¥245,941	¥(17,160)	¥27,234
Profit	—	—	18,398	—	—
Other comprehensive income	—	—	—	—	17,590
Total comprehensive income	—	—	18,398	—	17,590
Purchase of treasury stock	—	—	—	(2)	—
Disposal of treasury stock	—	8	—	31	—
Dividends	—	—	(9,807)	—	—
Transfer from other components of equity to retained earnings	—	—	(1,091)	—	—
Other	—	—	—	—	—
Total transactions with owners	—	8	(10,898)	29	—
Ending balance	34,606	40,102	253,440	(17,130)	44,825

	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	¥1,171	¥—	¥28,406	¥331,887	¥5,393	¥337,281
Profit	—	—	—	18,398	339	18,738
Other comprehensive income	535	(1,379)	16,747	16,747	211	16,959
Total comprehensive income	535	(1,379)	16,747	35,145	551	35,697
Purchase of treasury stock	—	—	—	(2)	—	(2)
Disposal of treasury stock	—	—	—	40	—	40
Dividends	—	—	—	(9,807)	—	(9,807)
Transfer from other components of equity to retained earnings	(287)	1,379	1,091	—	—	—
Other	—	—	—	—	(311)	(311)
Total transactions with owners	(287)	1,379	1,091	(9,769)	(311)	(10,080)
Ending balance	1,419	—	46,245	357,264	5,633	362,898

(Millions of Yen)

Year Ended December 31, 2024	Equity attributable to owners of the parent				Other components of equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Exchange differences on translation of foreign operations
Beginning balance	¥34,606	¥40,102	¥253,440	¥(17,130)	¥44,825
Profit	—	—	10,439	—	—
Other comprehensive income	—	—	—	—	23,094
Total comprehensive income	—	—	10,439	—	23,094
Purchase of treasury stock	—	—	—	(4,020)	—
Disposal of treasury stock	—	17	—	47	—
Dividends	—	—	(4,168)	—	—
Transfer from other components of equity to retained earnings	—	—	926	—	—
Other	—	—	—	—	—
Total transactions with owners	—	17	(3,241)	(3,973)	—
Ending balance	34,606	40,120	260,638	(21,104)	67,919

	Equity attributable to owners of the parent				Other components of equity	
	Financial assets measured at fair value through other 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	—	—	—	10,439	217	10,657
Other comprehensive income	250	721	24,065	24,065	488	24,554
Total comprehensive income	250	721	24,065	34,505	706	35,212
Purchase of treasury stock	—	—	—	(4,020)	—	(4,020)
Disposal of treasury stock	—	—	—	65	—	65
Dividends	—	—	—	(4,168)	—	(4,168)
Transfer from other components of equity to retained earnings	(205)	(721)	(926)	—	—	—
Other	—	—	—	—	(191)	(191)
Total transactions with owners	(205)	(721)	(926)	(8,124)	(191)	(8,315)
Ending balance	1,464	—	69,384	383,645	6,149	389,795

Consolidated Statements of Cash Flows

(Millions of Yen)

	Year Ended December 31, 2023	Year Ended December 31, 2024
Cash flows from operating activities:		
Profit before tax	¥25,289	¥18,782
Depreciation and amortization	21,803	23,981
Change in retirement benefit assets or liabilities	(409)	(857)
Financial income	(2,446)	(3,116)
Financial costs	1,589	763
Share of profit of investments accounted for using the equity method	(40)	(55)
(Increase) decrease in trade and other receivables	22,035	(570)
Increase in inventories	(1,049)	(5,391)
Increase (decrease) in trade and other payables	(13,808)	(6,805)
Other	(1,036)	2,439
Subtotal	51,926	29,170
Interests and dividends received	2,424	2,889
Interests paid	(419)	(473)
Income taxes paid	(14,599)	(3,174)
Net cash provided by (used in) operating activities	39,332	28,412
Cash flows from investing activities:		
Purchase of property, plant and equipment	(27,045)	(29,563)
Proceeds from sales of property, plant and equipment	125	428
Purchase of other financial assets	(366)	(156)
Proceeds from sales of other financial assets	624	394
Payments for transfers of receivables	—	(2,600)
Proceeds from acquisition of a subsidiary	—	13
Other	(433)	(2,740)
Net cash provided by (used in) investing activities	(27,094)	(34,223)
Cash flows from financing activities:		
Repayments of long-term borrowings	(2,185)	(2,185)
Proceeds from issuance of bonds	10,000	—
Payments for redemption of bonds	(20,000)	(10,000)
Purchase of treasury stock	(2)	(4,020)
Dividends paid	(9,795)	(4,167)
Dividends paid to non-controlling interests	(349)	(184)
Repayments of lease liabilities	(1,934)	(2,096)
Net cash provided by (used in) financing activities	(24,266)	(22,652)
Effects of exchange rate changes on cash and cash equivalents	4,680	10,270
Net increase (decrease) in cash and cash equivalents	(7,348)	(18,193)
Cash and cash equivalents at the beginning of the year	163,835	156,486
Cash and cash equivalents at the end of the year	156,486	138,293

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 year ended December 31, 2023 (January 1, 2023 to December 31, 2023)

	Japan	The Americas	Europe	China	Other	Total	Adjustments	Consolidated
(Millions of Yen)								
Revenue:								
Revenue from external customers	¥115,357	¥89,225	¥70,548	¥59,410	¥17,397	¥351,939	¥—	¥351,939
Inter-segment revenue	57,812	268	410	4,544	3,749	66,785	(66,785)	—
Total	173,170	89,494	70,958	63,954	21,147	418,724	(66,785)	351,939
Segment income	10,619	2,219	1,680	7,486	981	22,989	718	23,707
Financial income	6,058	1,367	2,034	483	158	10,102	(7,656)	2,446
Financial costs	899	372	1,794	29	61	3,157	(2,292)	864
Profit before tax	15,778	3,215	1,921	7,940	1,078	29,934	(4,644)	25,289
Segment assets	437,859	85,250	118,445	102,325	43,514	787,393	(231,042)	556,351
Other items:								
Depreciation and amortization	8,792	3,862	2,813	4,645	1,369	21,484	(202)	21,281
Investments accounted for using the equity method	6,960	—	—	—	—	6,960	—	6,960
Share of profit in investments accounted for using the equity method	40	—	—	—	—	40	—	40
Capital investments	14,759	2,860	1,872	7,086	3,574	30,153	—	30,153

(Note) All adjustments are intercompany elimination.

For the year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(Millions of Yen)

	Japan	The Americas	Europe	China	Other	Total	Adjustments	Consolidated
Revenue:								
Revenue from external customers	¥112,905	¥91,756	¥67,599	¥62,525	¥17,972	¥352,759	¥—	¥352,759
Inter-segment revenue	60,752	189	813	3,634	4,643	70,034	(70,034)	—
Total	173,658	91,945	68,413	66,160	22,615	422,793	(70,034)	352,759
Segment income (loss)	7,845	2,408	(407)	7,202	746	17,795	(446)	17,349
Financial income	12,210	1,639	2,394	650	169	17,063	(13,947)	3,116
Financial costs	541	709	3,036	46	56	4,390	(2,707)	1,683
Profit (loss) before tax	19,515	3,337	(1,049)	7,805	858	30,468	(11,685)	18,782
Segment assets	428,762	95,393	126,646	106,215	56,432	813,450	(246,032)	567,418
Other items:								
Depreciation and amortization	9,535	4,252	2,995	5,272	1,624	23,681	(193)	23,488
Investments accounted for using the equity method	6,709	—	—	—	—	6,709	—	6,709
Share of profit in investments accounted for using the equity method	55	—	—	—	—	55	—	55
Capital investments	14,879	3,667	1,830	5,742	5,723	31,843	—	31,843

(Note) All adjustments are intercompany elimination.

Per Share Information

	Year Ended December 31, 2023	Year Ended December 31, 2024
Profit attributable to owners of the parent (millions of yen)	¥18,398	¥10,439
Weighted-average number of issued shares (thousands of shares)	122,589	122,577
Basic earnings per share (yen)	150.08	85.17

(Note) THK did not have any shares with potentially-dilutive effects for the years ended December 31, 2023 and 2024.

Subsequent event

No items to report.

Appointment/resignation of directors (Scheduled effective date: March 15, 2025)

1、 Appointment/resignation of representative

Not applicable

2、 Director to be newly nominated

<u>Name</u>	<u>Current position</u>
Naoki Kinoshita	Executive Vice Chairman of THK (CHINA) CO., LTD. President of THK (CHINA) CO., LTD.

3、 Outside Director to be newly nominated

<u>Name</u>
Hiroko Kawasaki

4、 Director to retire

<u>Name</u>	<u>Current position</u>
Toshihiro Teramachi	Executive Vice President and CIO
Junji Shimomaki	Director and Senior Managing Executive Officer Deputy General Manager of Headquarters - Industrial Machinery Responsible for Sales
Masaaki Kainosho	Outside Director

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.