November 13, 2026

Consolidated Financial Results for the Nine Months Ended September 30, 2026 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 starting date of dividend payment	N/A

1. Consolidated operating results and financial position as of and for the nine months ended September 30, 2026 (January 1, 2026 to September 30, 2026)

(1) Consolidated Operating Results

Nine Months Ended September 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)	
2026	¥235,939	34.5%	¥37,741	286.6%	¥37,775	267.6%	¥47,028	738.2%	¥46,935	793.2%	¥35,753	—%
2025	175,480	—	9,761	—	10,277	—	5,610	(40.8)	5,254	(42.8)	(1,715)	—

Nine Months Ended September 30	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
2026	¥418.87	—
2025	46.38	—

Note: Effective from the fourth quarter period of the previous fiscal year, the automotive & transportation business has been classified as a discontinued operation. Therefore, revenue, operating income, and profit before tax in the table above represent amounts from continuing operations and exclude amounts from the discontinued operation, whereas profit and profit attributable to owners of the parent are presented at the total amount of the continuing operations and discontinued operation. Since the comparative prior-year figures are retroactively reclassified in the same manner, the year-on-year percentage changes of revenue, operating income, and profit before tax are not presented.

(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
September 30, 2026	¥487,363	¥270,631	¥270,631	55.5%
December 31, 2025	472,992	265,749	261,333	55.3

2. Dividends

	Dividend Per Share (Yen)				
	First Quarter end	Second Quarter end	Third Quarter end	Year/Period end	Total
Year ended December 31, 2025 (Actual)	¥—	¥123.00	¥—	¥123.00	¥246.00
Year ending December 31, 2026 (Actual)	—	96.00	—	N/A	N/A
Year ending December 31, 2026 (Projected)	N/A	N/A	N/A	99.00	195.00

(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, 2026 will be paid based on this policy.

3. Forecasts for the year ending December 31, 2026 (January 1, 2026 to December 31, 2026)

	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, 2026	¥320,000	33.1%	¥52,000	260.2%	¥51,800	229.0%	¥58,800	—%	¥524.66

(Note) Changes from forecasts most recently announced: Yes

Effective from the fourth quarter period of the previous fiscal year, the automotive & transportation business has been classified as a discontinued operation. Therefore, revenue, operating income, and profit before tax in the table above represent amounts from continuing operations and exclude amounts from the discontinued operation, whereas profit attributable to owners of the parent is presented at the total amount of the continuing operations and discontinued operation. The year-on-year percentage changes for the year ending December 31, 2026 are calculated based on the previous-year operating results after classification to the continuing operations.

Other Financial Information

(1) Significant change in scope of consolidation:

11 subsidiaries excluded from the scope of consolidation:

THK RHYTHM AUTOMOTIVE CANADA LIMITED;
THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION;
THK RHYTHM MEXICANA, S.A. DE C.V.; and eight other subsidiaries

(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:	September 30, 2026	119,099,803
		December 31, 2025	119,099,803
b.	Treasury stock as of:	September 30, 2026	7,027,344
		December 31, 2025	7,080,022
c.	Average number of common stock for the nine months ended:	September 30, 2026	112,051,895
		September 30, 2025	113,289,111

Management's Discussion and Analysis

1. Outline of operating results

(1) Operating results (from January 1, 2026 to September 30, 2026)

For the nine months ended September 30, 2026, 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 the U.S. tariff policy.

THK has established "Early Realization of ROE Over 10%" as its new management policy and announced its management indicator targets and measures to achieve them at the announcement of financial results in February 2025. In addition to the "structural reform" in the industrial machinery business and the "selection and concentration" in the automotive & transportation business, the new management policy places greater emphasis on controlling shareholders' equity, which is the denominator of ROE.

In light of these circumstances, for the automotive & transportation business, THK conducted a thorough examination of the expected cost of capital and return on invested capital (ROIC) at present and in the future as well. As a result, THK has determined that transferring the automotive & transportation business is the most appropriate option. Consequently, on February 2, 2026, THK decided to transfer the automotive & transportation business to AP87 Co., Ltd., a special purpose company indirectly funded by investment funds serviced by Advantage Partners, Inc. and entered into a basic agreement concerning transfer of shares and assignment of receivables of subsidiaries engaging in the automotive & transportation business. Since the requirements of classification of assets as held for sale in accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" have been met, the automotive & transportation business has been classified as a discontinued operation since the fourth quarter period of the previous fiscal year, and the related consolidated financial statements and notes thereto for the corresponding period of the previous year have been reclassified to align with the current year presentation. Subsequently on June 1, 2026, THK completed the transfer of shares and assignment of receivables of subsidiaries engaging in the automotive & transportation business.

In the industrial machinery business, the continuing operations of THK, orders remained strong mainly owing to the expansion of capital investments primarily in semiconductor-related products due to the increased demand for AI. As a result, along with the weaker yen as compared to that a year earlier, revenue amounted to ¥235,939 million, up ¥60,459 million, or 34.5%, compared to the figure a year earlier.

Costs were impacted by expenses associated with structural reforms of the industrial machinery business under the new management policy and the effects of U.S. tariffs. However, the cost to revenue ratio decreased by 5.0% from a year earlier to 65.4%, due to the increased revenue and the effect of the structural reforms.

Selling, general and administrative expenses amounted to ¥43,934 million, up ¥3,212 million, or 7.9%, compared to the figure a year earlier. However, the ratio to revenue was 18.6%, down 4.6% from a year earlier.

In addition, the THK Group recorded ¥740 million of costs associated with implementing the Next Career Support Program announced on February 12, 2026.

As a result, operating income amounted to ¥37,741 million, up ¥27,979 million, or 286.6%, compared to the figure a year earlier. Operating income margin rose by 10.4% from a year earlier to 16.0%.

Finance income and finance costs were ¥1,042 million and ¥1,007 million, respectively. As a result, income before tax amounted to ¥37,775 million, up ¥27,498 million, or 267.6%, compared to the figure a year earlier.

In addition, THK recorded a gain on transfer of business which is mainly attributable to a reclassification of the cumulative translation difference for foreign operations resulting from the transfer of the automotive & transportation business of ¥16,436 million. As a result, profit attributable to owners of the parent (a total of continuing operations and discontinued operation) amounted to ¥46,935 million, up ¥41,680 million, or 793.2%, compared to the figure a year earlier.

(2) Operating results by segment

Note that the following revenue and segment income by geographical segment are presented before reclassification to discontinued operation.

(Japan)

In Japan, revenue amounted to ¥95,602 million, up ¥15,185 million, or 18.9%, compared to the figure a year earlier due mainly to the recovery of demand for electronics-related products and machine tools in the industrial machinery business, the continuing operations of the THK Group. Segment income (operating income) amounted to ¥33,799 million, up ¥31,149 million, compared to the figure a year earlier (¥2,649 million), due mainly to the increased revenue and a gain on transfer of business which is mainly attributable to a reclassification of the cumulative translation difference for foreign operations resulting from the transfer of the automotive & transportation business of ¥16,436 million.

(The Americas)

In the Americas, while demand for electronics-related products recovered in the industrial machinery business, the continuing operations of the THK Group, revenue decreased due to the completion of the transfer of the automotive & transportation business, the discontinued operation. As a result, revenue amounted to ¥55,572 million, down ¥10,904 million, or 16.4%, compared to the figure a year earlier. Segment income (operating income) amounted to ¥1,287 million, up ¥87 million, or 7.3%, compared to the figure a year earlier.

(Europe)

In Europe, while demand started to recover overall in the industrial machinery business, the continuing operations of the THK Group, revenue decreased due to the completion of the transfer of the automotive & transportation business, the discontinued operation. As a result, revenue amounted to ¥40,820 million, down ¥9,320 million, or 18.6%, compared to the figure a year earlier. Segment income (operating income) amounted to ¥216 million, an improvement of ¥1,802 million, compared to a loss of ¥1,586 million a year earlier.

(China)

In China, while demand was strong overall in the industrial machinery business, the continuing operations of the THK Group, revenue amounted to ¥78,712 million, up ¥22,948 million, or 41.2%, compared to the figure a year earlier. Segment income (operating income) amounted to ¥14,424 million, up ¥7,657 million, or 113.2%, compared to the figure a year earlier due to the increased revenue.

(Other)

In other countries and regions, the industrial machinery business, the continuing operations of 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 ¥20,616 million, up ¥5,187 million, or 33.6%, compared to the figure a year earlier. Segment income (operating income) amounted to ¥3,548 million, up ¥2,738 million or 338.1%, compared to the figure a year earlier.

2. Financial position (as of September 30, 2026)

Total assets stood at ¥487,363 million, ¥14,371 million up from the previous fiscal year-end, due mainly to a combined effect of decrease in (1) property, plant and equipment by ¥3,206 million and (2) assets held for sale by ¥36,126 million resulting from the completion of the transfer of the automotive & transportation business, and increase in (1) cash and cash equivalents by ¥8,316 million, (2) trade and other receivables by ¥12,439 million, (3) inventories by ¥9,142 million, and (4) goodwill and intangible assets by ¥1,291 million.

Total liabilities stood at ¥216,731 million, ¥9,488 million up from the previous fiscal year-end, due mainly to a combined effect of decrease in liabilities directly associated with assets held for sale by ¥28,377 million resulting from the completion of the transfer of the automotive & transportation business, and increase in (1) bonds and borrowings by ¥26,622 million and (2) trade and other payables by ¥5,913 million.

Total equity stood at ¥270,631 million, ¥4,882 million up from the previous fiscal year-end, due mainly to a combined effect of decrease in (1) capital surplus by ¥1,015 million and (2) non-controlling interests by ¥4,416 million, and (3) other components of equity associated with a disposal group held for sale by ¥14,142 million resulting from the completion of the transfer of the automotive & transportation business, and increase in (1) retained earnings by ¥22,043 million and (2) other components of equity by ¥2,245 million.

3. Forecast for the fiscal year ending December 31, 2026

For details of the financial forecasts for the year ending December 31, 2026, please refer to “Notice Regarding the Revision of Financial Forecasts” announced today, November 13, 2026.

Consolidated Financial Statements

Consolidated Statements of Financial Position

(Millions of Yen)

	As of December 31, 2025	As of September 30, 2026
Assets:		
Current assets:		
Cash and cash equivalents	¥110,008	¥118,325
Trade and other receivables	63,528	75,968
Inventories	65,177	74,319
Other financial assets	2,001	2,520
Other current assets	7,526	15,673
Subtotal	248,241	286,807
Assets held for sale	36,126	—
Total current assets	284,367	286,807
Non-current assets:		
Property, plant and equipment	162,901	159,695
Goodwill and intangible assets	3,197	4,488
Investments accounted for using the equity method	5,347	5,601
Other financial assets	10,880	24,896
Deferred tax assets	6,005	5,575
Retirement benefit asset	129	116
Other non-current assets	162	182
Total non-current assets	188,624	200,556
Total assets	472,992	487,363

(Millions of Yen)

	As of December 31, 2025	As of September 30, 2026
Liabilities and equity:		
Liabilities:		
Current liabilities:		
Trade and other payables	¥18,585	¥24,499
Bonds and borrowings	33,205	80,002
Other financial liabilities	2,884	4,246
Provisions	99	2,172
Income taxes payable	3,057	2,945
Other current liabilities	14,157	15,069
Subtotal	71,990	128,935
Liabilities directly associated with assets held for sale	28,377	—
Total current liabilities	100,368	128,935
Non-current liabilities:		
Bonds and borrowings	90,000	69,826
Other financial liabilities	6,621	7,330
Retirement benefit liabilities	1,408	1,431
Provisions	65	65
Deferred tax liabilities	6,174	6,562
Other non-current liabilities	2,605	2,580
Total non-current liabilities	106,874	87,795
Total Liabilities	207,242	216,731
Equity		
Common stock	34,606	34,606
Capital surplus	39,580	38,564
Retained earnings	128,734	150,777
Treasury stock	(22,445)	(22,277)
Other components of equity	66,715	68,960
Other components of equity associated with a disposal group held for sale	14,142	—
Total equity attributable to owners of the parent	261,333	270,631
Non-controlling interests	4,416	—
Total Equity	265,749	270,631
Total liabilities and equity	472,992	487,363

Consolidated Statements of Profit or Loss

(Millions of Yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Continuing operations		
Revenue	¥175,480	¥235,939
Cost of sales	123,605	154,288
Gross profit	51,875	81,651
Selling, general and administrative expenses	40,722	43,934
Other income	1,052	1,540
Other expenses	982	1,432
Share of loss in investments accounted for using the equity method	(1,461)	(83)
Operating income	9,761	37,741
Finance income	2,333	1,042
Finance costs	1,818	1,007
Profit before tax	10,277	37,775
Income tax expense	4,363	6,498
Profit from continuing operations	5,913	31,277
Discontinued operation		
Profit (loss) from discontinued operation	(302)	15,750
Profit	5,610	47,028
Profit attributable to:		
Owners of the parent	5,254	46,935
Non-controlling interests	355	92
Profit	5,610	47,028
Earnings (loss) per share:		
Basic earnings (loss) per share (yen):		
Continuing operations	49.07	278.31
Discontinued operation	(2.69)	140.56
Basic earnings per share	46.38	418.87
Diluted earnings per share (yen):		
Continuing operations	—	—
Discontinued operation	—	—
Diluted earnings per share	—	—

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Profit	¥5,610	¥47,028
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	515	1,428
Remeasurements of defined benefit plans	(434)	(459)
Share of other comprehensive income of associates accounted for using the equity method	6	18
Total of items that will not be reclassified to profit or loss	87	987
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(7,305)	(12,632)
Share of other comprehensive income (loss) of associates accounted for using the equity method	(109)	369
Total of items that may be reclassified to profit or loss	(7,414)	(12,262)
Other comprehensive income (loss), net of tax	(7,326)	(11,274)
Comprehensive income (loss)	(1,715)	35,753
Comprehensive income (loss) attributable to:		
Owners of the parent	(1,835)	35,543
Non-controlling interests	119	210
Comprehensive income	(1,715)	35,753

Consolidated Statements of Changes in Equity

(Millions of Yen)

Nine Months Ended September 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	—	—	5,254	—	—
Other comprehensive income (loss)	—	—	—	—	(7,178)
Total comprehensive income	—	—	5,254	—	(7,178)
Purchase of treasury stock	—	(369)	—	(35,984)	—
Disposal of treasury stock	—	87	—	527	—
Cancellation of treasury stock		(117)	(33,999)	34,117	—
Dividends	—	—	(29,393)	—	—
Changes in ownership interests in subsidiaries without losing control	—	(140)	—	—	55
Transfer from other components of equity to retained earnings	—	—	(398)	—	—
Other	—	—	—	—	—
Total transactions with owners	—	(540)	(63,792)	(1,339)	55
Ending balance	34,606	39,580	202,101	(22,443)	60,797

	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	¥1,464	¥—	¥69,384	¥383,645	¥6,149	¥389,795
Profit	—	—	—	5,254	355	5,610
Other comprehensive income (loss)	526	(438)	(7,090)	(7,090)	(236)	(7,326)
Total comprehensive income	526	(438)	(7,090)	(1,835)	119	(1,715)
Purchase of treasury stock	—	—	—	(36,354)	—	(36,354)
Disposal of treasury stock	—	—	—	615	—	615
Cancellation of treasury stock	—	—	—	—	—	—
Dividends	—	—	—	(29,393)	—	(29,393)
Changes in ownership interests in subsidiaries without losing control	—	—	55	(84)	(119)	(204)
Transfer from other components of equity to retained earnings	(39)	438	398	—	—	—
Other	—	—	—	—	(2,186)	(2,186)
Total transactions with owners	(39)	438	454	(65,217)	(2,305)	(67,523)
Ending balance	1,951	—	62,748	316,592	3,963	320,556

(Millions of Yen)

Nine Months Ended September 30, 2026	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	¥39,580	¥128,734	¥(22,445)	¥64,449
Profit	—	—	46,935	—	—
Other comprehensive income	—	—	—	—	1,762
Total comprehensive income	—	—	46,935	—	1,762
Purchase of treasury stock	—	—	—	(2)	—
Disposal of treasury stock	—	87	—	171	—
Dividends	—	—	(24,538)	—	—
Changes in ownership interests in subsidiaries without losing control	—	(1,103)	—	—	(858)
Transfer from other components of equity to retained earnings	—	—	(353)	—	—
Other	—	(0)	(0)	—	—
Total transactions with owners	—	(1,015)	(24,891)	168	(858)
Ending balance	34,606	38,564	150,777	(22,277)	65,353

	Equity attributable to owners of the parent						
	Other components of equity						
	Financial assets measured at fair value through other comprehensive income	Remeasure-ments of defined benefit plans	Subtotal	Other components of equity associated with a disposal group held for sale	Total	Non-controlling interests	Total equity
Beginning balance	¥2,265	¥—	¥66,715	¥14,142	¥261,333	¥4,416	¥265,749
Profit	—	—	—	—	46,935	92	47,028
Other comprehensive income	1,427	(439)	2,750	(14,142)	(11,392)	117	(11,274)
Total comprehensive income	1,427	(439)	2,750	(14,142)	35,543	210	35,753
Purchase of treasury stock	—	—	—	—	(2)	—	(2)
Disposal of treasury stock	—	—	—	—	259	—	259
Dividends	—	—	—	—	(24,538)	—	(24,538)
Changes in ownership interests in subsidiaries without losing control	—	—	(858)	—	(1,962)	(4,625)	(6,587)
Transfer from other components of equity to retained earnings	(86)	439	353	—	—	—	—
Other	—	—	—	—	(0)	(1)	(1)
Total transactions with owners	(86)	439	(505)	—	(26,244)	(4,626)	(30,870)
Ending balance	3,606	—	68,960	—	270,631	—	270,631

Consolidated Statements of Cash Flows

(Millions of Yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Cash flows from operating activities:		
Profit before tax	¥10,277	¥37,775
Profit (loss) from discontinued operation	(388)	15,836
Depreciation and amortization	18,138	16,845
Gain on transfer of business	—	(16,436)
Change in retirement benefit assets or liabilities	(661)	(697)
Finance income	(902)	(1,621)
Finance costs	1,657	1,007
Share of loss of investments accounted for using the equity method	1,461	83
(Increase) decrease in trade and other receivables	(2,501)	(16,022)
(Increase) decrease in inventories	2,234	(9,198)
Increase (decrease) in trade and other payables	2,472	8,090
Other	749	1,634
Subtotal	32,536	37,297
Interest and dividends received	1,253	836
Interest paid	(522)	(952)
Income taxes paid	(4,621)	(7,924)
Net cash provided by (used in) operating activities	28,646	29,257
Cash flows from investing activities:		
Purchase of property, plant and equipment	(12,685)	(11,403)
Proceeds from sales of property, plant and equipment	114	645
Purchase of other financial assets	(187)	(1,649)
Proceeds from sales of other financial assets	86	159
Payments for transfer of the automotive & transportation business	—	(13,898)
Other	(763)	(1,992)
Net cash provided by (used in) investing activities	(13,435)	(28,138)
Cash flows from financing activities:		
Net increase in commercial paper	—	10,000
Repayments of long-term borrowings	(2,185)	(2,185)
Proceeds from short-term borrowings	20,000	30,000
Proceeds from issuance of bonds	30,000	—
Payments for redemption of bonds	(20,000)	(10,000)
Purchase of treasury stock	(36,517)	(2)
Dividends paid	(29,302)	(24,463)
Dividends paid to non-controlling interests	(2,192)	(1)
Payments for a capital reduction to non-controlling interests	—	(6,563)
Repayments of lease liabilities	(1,542)	(1,443)
Other	340	—
Net cash provided by (used in) financing activities	(41,398)	(4,659)
Effects of exchange rate changes on cash and cash equivalents	(4,448)	1,331
Net increase (decrease) in cash and cash equivalents	(30,636)	(2,209)
Cash and cash equivalents at the beginning of the period	138,293	120,534
Cash and cash equivalents at the end of the period	107,656	118,325

Changes in Presentation

On February 2, 2026, THK entered into a basic agreement concerning a business transfer of THK's automotive & transportation business with AP87 Co., Ltd., a special purpose company indirectly funded by investment funds serviced by Advantage Partners, Inc.

Since the requirements of classification of assets as held for sale in accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" have been met, the automotive & transportation business has been classified as a discontinued operation since the fourth quarter period of the previous fiscal year. Consequently, the consolidated statement of profit or loss, the consolidated statement of cash flows, and the related notes to the consolidated financial statements for the nine months period ended September 30, 2025 have been reclassified to align with the presentation of the nine months period ended September 30, 2026.

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 are 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. 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.

On February 2, 2026, THK entered into a basic agreement concerning a business transfer of THK's automotive & transportation business with AP87 Co., Ltd., a special purpose company indirectly funded by investment funds serviced by Advantage Partners, Inc. Since the requirements of classification of assets as held for sale in accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" have been met effective from the fourth quarter period of the previous fiscal year, the amounts of each reportable segment in the following tables are stated at the total amount of the industrial machinery business and the automotive & transportation business, with reconciliation of the automotive & transportation business as a discontinued operation. The segment information for the nine months period ended September 30, 2025 has been reclassified to align with the presentation of the nine months period ended September 30, 2026.

This business transfer was completed on June 1, 2026.

Segment income is computed based on operating income. The reportable segment information is prepared under the same accounting policies as those used in consolidation. Inter-segment sales and transfers are stated at amounts based on their fair market values. All adjustments in the following tables represent intersegment eliminations.

2. Reportable segments

For the nine months ended September 30, 2025 (January 1, 2025 to September 30, 2025)

(Millions of Yen)

	Reportable Segments									
	Japan	The Americas	Europe	China	Other	Total	Adjustments	Consolidated (Before Reclassification to Discontinued Operation)	Reclassification to Discontinued Operation	Consolidated (After Reclassification to Discontinued Operation)
Revenue:										
Revenue from external customers	¥80,416	¥66,477	¥50,140	¥55,763	¥15,429	¥268,227	¥—	¥268,227	¥(92,746)	¥175,480
Inter-segment revenue	46,224	110	871	1,647	3,805	52,659	(52,659)	—	—	—
Total	126,641	66,587	51,012	57,411	19,234	320,887	(52,659)	268,227	(92,746)	175,480
Segment income (loss)	2,649	1,200	(1,586)	6,766	809	9,840	(111)	9,728	33	9,761
Finance income	36,075	222	1,057	253	99	37,708	(35,724)	1,983	349	2,333
Finance costs	1,870	419	181	42	31	2,545	(722)	1,823	(5)	1,818
Profit before tax	36,854	1,002	(709)	6,978	877	45,002	(35,113)	9,889	388	10,277

(Note) All adjustments are intercompany eliminations.

For the nine months ended September 30, 2026 (January 1, 2026 to September 30, 2026)

(Millions of Yen)

	Reportable Segments									
	Japan	The Americas	Europe	China	Other	Total	Adjustments	Consolidated (Before Reclassification to Discontinued Operation)	Reclassification to Discontinued Operation	Consolidated (After Reclassification to Discontinued Operation)
Revenue:										
Revenue from external customers	¥95,602	¥55,572	¥40,820	¥78,712	¥20,616	¥291,324	¥—	¥291,324	¥(55,384)	¥235,939
Inter-segment revenue	59,962	33	315	1,800	5,647	67,760	(67,760)	—	—	—
Total	155,564	55,606	41,135	80,513	26,264	359,085	(67,760)	291,324	(55,384)	235,939
Segment income (loss)	33,799	1,287	216	14,424	3,548	53,275	270	53,545	(15,804)	37,741
Finance income	9,982	305	924	175	111	11,500	(10,425)	1,074	(32)	1,042
Finance costs	1,443	237	443	45	149	2,320	(1,312)	1,007	(0)	1,007
Profit (loss) before tax	42,338	1,355	697	14,553	3,510	62,455	(8,842)	53,612	(15,836)	37,775

(Note) All adjustments are intercompany eliminations.

Assets Held for Sale and Liabilities Directly Associated with Them

Assets classified as assets held for sale and liabilities directly associated with them are as follows:

(Millions of Yen)

	As of December 31, 2025	As of September 30, 2026
Assets held for sale:		
Current assets:		
Cash and cash equivalents	¥10,526	¥—
Trade and other receivables	21,842	—
Inventories	3,757	—
Total	36,126	—
Liabilities directly associated with assets held for sale:		
Trade and other payables	15,501	—
Other financial liabilities	2,299	—
Provisions	31	—
Income taxes payable	120	—
Retirement benefit liabilities	3,785	—
Deferred tax liabilities	2,181	—
Other current liabilities	3,875	—
Other non-current liabilities	580	—
Total	28,377	—

At the Board of Directors meeting held on February 2, 2026, THK decided to conduct a business transfer of its automotive & transportation business to AP87 Co., Ltd. (the “Transferee”), a special purpose company indirectly funded by investment funds serviced by Advantage Partners, Inc. On the same date, THK entered into a basic agreement concerning the business transfer. Since the requirements of classification of assets as held for sale in accordance with IFRS 5, “Non-current Assets Held for Sale and Discontinued Operations” have been met, THK Group’s assets and liabilities related to the automotive & transportation business have been classified as a disposal group held for sale in the fourth quarter period of the previous fiscal year.

The business transfer was executed by transferring all of THK’s holding shares of TRA Holdings, CO., LTD., a subsidiary of THK which has THK RHYTHM CO., LTD. and five other companies as group companies, THK RHYTHM AUTOMOTIVE CANADA LIMITED, THK RHYTHM AUTOMOTIVE CZECH a.s., THK RHYTHM AUTOMOTIVE GmbH, and THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION (collectively, the “Target Subsidiaries”) and all the loans receivable from the Target Subsidiaries to the Transferee. This business transfer was completed on June 1, 2026.

Cash Flow Information

For the nine months ended September 30, 2025 (January 1, 2025 to September 30, 2025)

No items to report.

For the nine months ended September 30, 2026 (January 1, 2026 to September 30, 2026)

(Business transfer of the automotive & transportation business)

(1) Outline of the transaction

At the Board of Directors meeting held on February 2, 2026, THK decided to conduct a business transfer of its automotive & transportation business to AP87 Co., Ltd. (the "Transferee"), a special purpose company indirectly funded by investment funds serviced by Advantage Partners, Inc. On the same date, THK entered into a basic agreement concerning the business transfer. Since the requirements of classification of assets as held for sale in accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" have been met, THK Group's assets and liabilities related to the automotive & transportation business have been classified as a disposal group held for sale in the fourth quarter period of the previous fiscal year.

The business transfer was executed by transferring all of THK's holding shares of TRA Holdings, CO., LTD., a subsidiary of THK which has THK RHYTHM CO., LTD. and five other companies as group companies, THK RHYTHM AUTOMOTIVE CANADA LIMITED, THK RHYTHM AUTOMOTIVE CZECH a.s., THK RHYTHM AUTOMOTIVE GmbH, and THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION (collectively, the "Target Subsidiaries") and all the loans receivable from the Target Subsidiaries to the Transferee. This business transfer was completed on June 1, 2026. As a result, THK lost control of the Target Subsidiaries on the same date.

(2) Assets and liabilities associated with loss of control

	(Millions of Yen)
Current assets	¥41,499
Non-current assets	—
Total assets	41,499
Current liabilities	20,890
Non-current liabilities	7,487
Total liabilities	28,377

(3) Cash flows associated with loss of control

	(Millions of Yen)
Cash and cash equivalents received as a consideration of loss of control	¥2,000
Cash and cash equivalents held by the subsidiaries for which control was lost	(15,898)
Payment for transfer of the Target Subsidiaries (Note)	(13,898)

Note: Payment for transfer of the Target Subsidiaries is included in cash flows from investing activities in the consolidated statement of cash flows.

(4) Profit and loss associated with loss of control

The gain on transfer of business was ¥16,436 million and included in profit (loss) from discontinued operation in the consolidated statement of profit or loss.

Discontinued Operation

(1) Outline of discontinued operation

At the Board of Directors meeting held on February 2, 2026, THK decided to conduct a business transfer of its automotive & transportation business to AP87 Co., Ltd. (the “Transferee”), a special purpose company indirectly funded by investment funds serviced by Advantage Partners, Inc. On the same date, THK entered into a basic agreement concerning the business transfer. Since the requirements of classification of assets as held for sale in accordance with IFRS 5, “Non-current Assets Held for Sale and Discontinued Operations” have been met, THK Group’s assets and liabilities related to the automotive & transportation business have been classified as a disposal group held for sale in the fourth quarter period of the previous fiscal year.

The business transfer was executed by transferring all of THK’s holding shares of TRA Holdings, CO., LTD., a subsidiary of THK which has THK RHYTHM CO., LTD. and five other companies as group companies, THK RHYTHM AUTOMOTIVE CANADA LIMITED, THK RHYTHM AUTOMOTIVE CZECH a.s., THK RHYTHM AUTOMOTIVE GmbH, and THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION (collectively, the “Target Subsidiaries”) and all the loans receivable from the Target Subsidiaries to the Transferee. This business transfer was completed on June 1, 2026.

(2) Profit and loss from the discontinued operation

(Millions of Yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Revenue	¥92,746	¥55,384
Cost of sales	84,609	50,632
Gross profit	8,137	4,751
Selling, general and administrative expenses	8,042	4,727
Other income	371	16,968
Other expenses	500	1,189
Operating income (loss)	(33)	15,804
Finance income	60	32
Finance costs	414	0
Profit (loss) before tax	(388)	15,836
Income tax expense	(85)	86
Profit (loss) from discontinued operation	(302)	15,750

(3) Cash flows from discontinued operation

Cash flows from discontinued operation are as follows:

(Millions of Yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Cash flows from operating activities	¥4,490	¥(878)
Cash flows from investing activities	(2,365)	(13,898)
Cash flows from financing activities	(1,765)	6,251

Note: Cash flows from investing activities include payments for transfer of the automotive & transportation business of ¥13,898 million.

Comprehensive income

Exchange differences on translation of foreign operations of ¥(12,632) million (loss) for the nine months ended September 30, 2026, include a reclassification adjustment to profit or loss of ¥14,811 million (profit) resulting from the completion of the transfer of the automotive & transportation business.

This reclassification adjustment has been included in profit (loss) from discontinued operation in the consolidated statements of profit or loss. The amount of exchange differences on translation of foreign operations other than this reclassification adjustment for the nine months ended September 30, 2026, amounted to ¥2,179 million (profit).

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 is not intended in any way to substitute for 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.