

[Translation for Reference and Convenience Purposes Only]

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 54th Ordinary General Meeting of Shareholders of THK CO., LTD. The Company provides this translation for reference and convenience purposes only. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

To Our Shareholders:



Akihiro Teramachi
Representative Director, Chairman and CEO

Takashi Teramachi
Representative Director, President and COO

THK CO., LTD.

Dear Shareholders:

We would like to take this opportunity to express our deep gratitude for your support.

It gives us great pleasure to inform you that the 54th Ordinary General Meeting of Shareholders of THK CO., LTD. (the “Company”), will be held as outlined below.

With a view toward materializing medium to long-term growth and enhanced corporate value, the THK Group has set the “Manufacturing and Innovative Services Company” as its vision and aiming to expand its business areas by pursuing growth strategies such as “Full-Scale Globalization,” “Development of New Business Areas,” and “Change in Business Style.”

In terms of products in the industrial machinery business, the Company is actively developing and launching new products that support automation and robotization for manufacturing sites and the consumer segment, as demand for its products and services is expected to grow over the medium to long term. In terms of services, the Company, in order to promote DX, is further promoting Omni THK, introducing various ICT tools and systems, and fostering digital human resources essential for such introduction. In addition, the Company has also expanded the service coverage for the customer OEE (overall equipment effectiveness) Optimization System, “OMNIedge.”

In the automotive & transportation business, the Company is working on further improving the profitability of existing products and accelerating the development and sales of new automotive products in view of the transition to electric vehicles and

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autonomous driving of vehicles in order to achieve profitable growth after returning to profitability.

We will strive to meet the expectations of our shareholders by continuing to push forward with these initiatives and further strengthening sustainability and ESG, which are the prerequisites thereof, to contribute to the realization of a sustainable society, and drive growth, and improve corporate value further.

We look forward to your continuous support and encouragement in the coming years.

Management Philosophy

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

In accordance with the management philosophy and from the perspective of maximizing corporate value, the Company aims to enhance the THK Group's long-term corporate value by continuously growing through appropriate cooperation with all stakeholders, including our shareholders.

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Securities Code 6481
Date of dispatch: February 29, 2024
Date of initiating measures for providing
information in electronic format: February 21, 2024

To Shareholders

12-10, Shibaura 2-chome, Minato-ku, Tokyo, Japan
THK CO., LTD.
Representative Director and President: Takashi Teramachi

Notice of Convocation of the 54th Ordinary General Meeting of Shareholders

We would like to express our appreciation for your loyal patronage.

We are writing to inform you that the 54th Ordinary General Meeting of Shareholders of THK CO., LTD. (the “Company”) will be held as outlined below.

When convening this General Meeting of Shareholders, the Company took measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items subject to measures for electronic provision) in electronic format, and posted such information on the following websites on the Internet; so please access any of the websites and check the information.

[The Company’s website]

<https://www.thk.com/jp/ja/ir/stock/meeting/> (in Japanese only)

[Tokyo Stock Exchange’s website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese only)

(To check the information, please access the above website of Tokyo Stock Exchange, enter “THK” in the “Issue name (company name)” box or the Company’s security code “6481” in the “Code” box, click the “Search” button, click the “Basic information” button, select the “Documents for public inspection/PR information” tab, and click the button under “Filed information available for public inspection,” “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting.”)

If you do not attend the meeting, you are entitled to exercise your voting rights via the Internet or in writing (by mail), so please review the reference documents for the Ordinary General Meeting of Shareholders, refer to “Guidance on the Exercise of Voting Rights” and exercise your voting rights by no later than 17:30 Japan time on Friday, March 15, 2024.

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1. Date and Time: Saturday, March 16, 2024, 13:30 (Reception desk: open at 12:30)

2. Place 10-30, Takanawa 4-chome, Minato-ku, Tokyo
Shinagawa Prince Hotel, Annex Tower 5th Floor (Prince Hall)

3. Agenda

Reports:

1. Business report, consolidated financial statements, and the results of the audits of the consolidated financial statements by the accounting auditor and the Audit and Supervisory Committee for the 54th Term (January 1, 2023 to December 31, 2023)
2. Report of non-consolidated financial statements for the 54th Term (January 1, 2023 to December 31, 2023)

Resolutions:

Proposal 1: Surplus Appropriation

Proposal 2: Partial Amendments to the Articles of Incorporation

Proposal 3: Appointment of Nine (9) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal 4: Appointment of Three (3) Directors who are Audit and Supervisory Committee Members

Proposal 5: Appointment of One (1) Substitute Director who is an Audit and Supervisory Committee Member

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4. Convocation Decisions (Guidance on the Exercise of Voting Rights)

- (1) If voting rights are exercised in writing (by mail), when the voting form does not show any consent/dissent concerning a proposal, the vote shall be counted as affirmative.
- (2) In the event that voting rights are exercised multiple times via the Internet, the most recent vote shall prevail.
- (3) In the event that voting rights are exercised both via the Internet and in writing (by mail), the vote via the Internet shall prevail, regardless of the date and time of arrival.
- (4) When you exercise voting rights by proxy, the proxy must be another shareholder of the Company holding voting rights as provided under the Company's Articles of Incorporation. There shall be one proxy.

- ⊙ If attending the meeting, please submit the voting sheet sent out with this convocation notice to the reception desk on arrival. Please bring this convocation notice with you.
- ⊙ If corrections to the items subject to measures for electronic provision may be made, a notice of the corrections as well as the details of the items before and after the corrections will be posted on the above websites on the Internet.
- ⊙ In accordance with the amended Companies Act, shareholders shall confirm the items subject to measures for electronic provision by accessing any of the previously mentioned websites as a general rule. The Company shall send written documents only to shareholders who have requested the delivery of written documents by the reference date, but for this General Meeting of Shareholders, the Company shall send written documents including items subject to measures for electronic provision to all shareholders regardless of whether or not delivery of written documents has been requested.

Among items subject to measures for electronic provision are to be taken, the following items are not included in the documents to be delivered in accordance with provisions of laws and regulations and Article 16 of the Company's Articles of Incorporation.

- (1) Systems to ensure the adequacy of operations and the status of operation of such systems
- (2) Consolidated statements of changes in equity
- (3) Notes to the consolidated financial statements
- (4) Statement of changes in shareholders' equity
- (5) Notes to the non-consolidated financial statements

Therefore, the business report, consolidated financial statements and non-consolidated financial statements presented in this document are some of the documents subject to audit by the Audit and Supervisory Committee and the Accounting Auditor.

- ⊙ A video of a portion of the General Meeting of Shareholders will be uploaded to the Company's website after the conclusion of the General Meeting of Shareholders. (<https://www.thk.com/jp/ja/ir/stock/meeting/>) (in Japanese only)

Guidance on the Exercise of Voting Rights

- **Attending the Meeting**
Please submit the voting sheet sent out with this convocation notice to the reception desk on arrival at the meeting. Please bring this convocation notice with you.
- **Exercising Voting Rights in Writing**
Please indicate your consent/dissent concerning each proposal shown on the voting sheet sent out with this convocation notice, and return it to us by no later than **17:30 on Friday, March 15 (Japan Time), 2024.**
- **Exercising Voting Rights via the Internet, etc.**
Please access the voting website (<https://evote.tr.mufg.jp/>) (in Japanese only) and indicate your consent/dissent concerning each proposal by no later than **17:30 on Friday, March 15 (Japan Time), 2024.**
Please refer to “Guidance on the Exercise of Voting Rights via the Internet, etc.” described on the next page.

To institutional investors,
To exercise voting rights with regard to the proposals made at the Ordinary General Meeting of Shareholders of the Company, other than the above method to exercise voting rights using the Internet, institutional investors may use the “Voting Rights Electronic Exercise Platform” operated by ICJ Co., Ltd., provided that the shareholder has already subscribed to use of the platform.

THK Group Products Exhibition

On the meeting date, the current condition of the Company will be introduced on monitors, and after the conclusion of the General Meeting of Shareholders, “THK Group Products Exhibition” will be held next to the meeting venue.

Please take this opportunity to gain a deeper understanding of the THK Group.

- Only shareholders who attend the General Meeting of Shareholders’ will be admitted to the Exhibition venue. Please be reminded that your companions are not allowed to enter there.
- The game at the Exhibition venue may only be played one time per shareholder.



Conceptual image of the Exhibition venue

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Guidance on the Exercise of Voting Rights via the Internet, etc.

You are requested to exercise your voting rights via the Internet by accessing the voting website using your smartphone, PC, other device, and following the guidance shown on your screen.

Deadline for exercising your voting rights: 17:30 on Friday, March 15, 2024.

How to exercise your voting rights by scanning the QR code using a smartphone

By scanning the “QR code for login,” you can log in without entering a “login ID” and “temporary password.”

“QR code” is a registered trademark of DENSO WAVE INCORPORATED.

1. Scan the QR code
Scan the “QR code for login” provided on the right-hand side of the duplicate of your voting form sent out with this convocation notice, using your smartphone.
2. Choose the method of exercising your voting rights
Choose the method of exercising your voting rights, on the screen displayed to allow you to choose the method of indicating your consent/dissent concerning each proposal.
3. Choose consent/dissent for each proposal
Choose consent/dissent for each proposal, in accordance with the guidance on the screen.

Complete the exercise in accordance with the guidance shown on the screen.

How to exercise your voting rights by entering a login ID and temporary password

1. Access the voting website
Click on the “Next” button.
Voting website: <https://evote.tr.mufg.jp/> (in Japanese only)
2. Enter the “login ID” and “temporary password” shown on your voting sheet
Click on the “Login” button.

Thereafter enter your consent/dissent in accordance with the guidance shown on the screen.

- In the event that voting rights are exercised both by mail and via the Internet, the vote via the Internet shall prevail.
- In the event that voting rights are exercised multiple times via the Internet, the most recent vote shall prevail.
- Some Internet environments, some services or some models of the device that you are using may not enable access to the website.
- Any fees that arise from accessing the site for the exercise of voting rights (e.g., dial-up connection charges, telecommunication charges) shall be borne by the shareholder.

For Questions Regarding How to Operate the Voting Website
Mitsubishi UFJ Trust & Banking Corporation Securities Agent Division Tel.: 0120-173-027 (Toll-free, hours of operation: 9:00–21:00 Japan time)

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Reference Documents for the Ordinary General Meeting of Shareholders

Proposal 1: Surplus Appropriation

In light of consolidated business performance in the fiscal year under review (54th term), we would like to pay the following term-end dividend for the 54th term and make the following other surplus appropriation, having given comprehensive consideration to the Company's business performance, the Group's business environment, internal reserves to prepare for future business development, consecutive dividends policy, and other factors.

1. Matters Related to Term-end Dividends

For the term-end dividend for the 54th term, we would like to pay out ¥16 per share of common stock.

As a result, annual dividend for the 54th term, including the interim dividend of ¥30, will be ¥46 per share.

(1) Type of Property for Dividends

Cash

(2) Allotment of Property for Dividends

¥16 per share of common stock for a total of ¥1,961,561,728

(3) Effective Date of Distribution of Surplus

Effective date to be March 18, 2024

2. Matters Related to Other Surplus Appropriation

(1) Account item and amount of increase in surplus

General reserve ¥5,000,000,000

(2) Account item and amount of decrease in surplus

Profit surplus carried forward ¥5,000,000,000

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Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendments

The Company proposes the amendments be made to the Article 14 (Convocation), Article 15 (Chairperson), and 31 (Convenor and Chairperson of Meetings of the Board of Directors) of the current Articles of Incorporation, to enable timely and appropriate responses to the increasingly challenging management environment going forward and enhance the effectiveness of the Board of Directors' functions.

2. Details for the Amendments

The proposed amendments are as follows.

(The proposed amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 3 General Meeting of Shareholders (Convocation) Article 14.</p> <p>1. The Company's Ordinary General Meeting of Shareholders shall be convened within three (3) months from January 1 of every year, and an Extraordinary General Meeting of Shareholders shall be convened as necessary.</p> <p>2. Unless otherwise provided for in the laws and regulations, by resolution of the Board of Directors, the Company's General Meeting of Shareholders shall be convened by the <u>Director and President</u>. If the <u>Director and President</u> is incapacitated, another Director, designated according to an order determined <u>in advance by the Board of Directors</u>, shall convene the meetings.</p> <p>(Chairperson) Article 15.</p> <p>At General Meetings of Shareholders, the <u>Director and President</u> shall be the Chairperson. If the <u>Director and President</u> is incapacitated, another Director, who is designated according to an order determined <u>in advance by the Board of Directors</u>, shall act as Chairperson.</p>	<p>Chapter 3 General Meeting of Shareholders (Convocation) Article 14.</p> <p>1. The Company's Ordinary General Meeting of Shareholders shall be convened within three (3) months from January 1 of every year, and an Extraordinary General Meeting of Shareholders shall be convened as necessary.</p> <p>2. Unless otherwise provided for in the laws and regulations, the Company's General Meeting of Shareholders shall be convened by a <u>Representative Director determined in advance</u> by resolution of the Board of Directors. If the <u>said Director</u> is incapacitated, another Director, designated according to an order determined <u>in advance by resolution of the Board of Directors</u>, shall convene the meetings.</p> <p>(Chairperson) Article 15.</p> <p>At General Meetings of Shareholders, the <u>Representative Director who convened the General Meeting of Shareholders</u> shall be the Chairperson. If the <u>said Director</u> is incapacitated, another Director, who is designated according to an order determined <u>in advance by resolution of the Board of Directors</u>, shall convene the meetings.</p>

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Current Articles of Incorporation	Proposed Amendments
<p>Chapter 4 Directors and Board of Directors, etc. (Convenor and Chairperson of Meetings of the Board of Directors) Article 31.</p> <p>Unless otherwise provided for in the laws and regulations, the <u>Director and President</u> shall convene and be the Chairperson of meetings of the Board of Directors. If the <u>Director and President</u> is incapacitated, another Director, who is designated according to an order determined <u>in advance by the Board of Directors</u>, shall convene and be the Chairperson of the meetings.</p>	<p>Chapter 4 Directors and Board of Directors, etc. (Convenor and Chairperson of Meetings of the Board of Directors) Article 31.</p> <p>Unless otherwise provided for in the laws and regulations, a <u>Director determined in advance by resolution of the Board of Directors</u> shall convene and be the Chairperson of meetings of the Board of Directors. If the <u>said Director</u> is incapacitated, another Director, who is designated according to an order determined <u>in advance by resolution of the Board of Directors</u>, shall convene and be the Chairperson of the meetings.</p>

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Proposal 3: Appointment of Nine (9) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The tenure of all nine (9) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the close of this Ordinary General Meeting of Shareholders. The Company hereby proposes a total of nine (9) Directors (excluding Directors who are Audit and Supervisory Committee Members), including two (2) Outside Directors.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

Candidate No.	Name (Age)			Current Position and Duties in the Company
1	Reappointment Male	Akihiro Teramachi	(72)	Representative Director, Chairman and CEO
2	Reappointment Male	Takashi Teramachi	(45)	Representative Director, President and COO Senior General Manager of Industrial Machinery Headquarters
3	Reappointment Male	Hiroshi Imano	(70)	Director and Executive Vice President
4	Reappointment Male	Toshihiro Teramachi	(65)	Director, Executive Vice President and CIO
5	Reappointment Male	Nobuyuki Maki	(63)	Director and Senior Managing Executive Officer Senior General Manager of Automotive & Transportation Headquarters
6	Reappointment Male	Junji Shimomaki	(70)	Director and Managing Executive Officer General Manager of Industrial Machinery Headquarters Senior General Manager of Sales Division, Industrial Machinery Headquarters
7	Reappointment Male	Kenji Nakane	(53)	Director and CFO Executive Officer General Manager of Finance & Accounting Department, Corporate Strategy Headquarters General Manager of Indirect Material Procurement Department, Corporate Strategy Headquarters
8	Reappointment Candidate for Outside Director Candidate for Independent Officer Male	Masaaki Kainosho	(73)	Outside Director
9	Reappointment Candidate for Outside Director Candidate for Independent Officer Female	Junko Kai	(56)	Outside Director

Note: The age is as of this Ordinary General Meeting of Shareholders.

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Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
1	<p>[Reappointment] [Male]</p> <p>Akihiro Teramachi (April 5, 1951)</p> <p>Service years as Director: 42 years</p> <p>Attendance at the Board of Directors meetings: 100% (16 of 16 meetings)</p>	<p>Oct. 1975 Joined the Company Mar. 1982 Director, General Manager of Administration Division Jun. 1987 Managing Director and Senior General Manager of Control Division Jun. 1994 Director and Executive Vice President May 1995 Representative Director and President of DAITO SEIKI CO., LTD. (currently THK INTECHS CO., LTD.) Jan. 1997 Representative Director and President of the Company Jan. 2024 Representative Director and Chairman (current position)</p> <p><Significant positions concurrently held> Chairman of JAPAN MACHINE ACCESSORY ASSOCIATION (General Incorporated Association)</p>	4,362
<p>[Rationale for Appointment as a Candidate for Director] With regard to the rationale for the appointment of Akihiro Teramachi as a candidate for Director, Mr. Teramachi has shown leadership as a top manager responsible for the supervision and control of the Company and the entire Group operating in Japan and overseas, and based on his considerable experience and actual performance, we judged Mr. Teramachi to be a human resource who can supervise and control the entire Group appropriately, especially in our efforts for global business development and development into new fields, as well as change in business style, to improve the corporate value of the THK Group.</p> <p>Note: There is no special interest relationship between Akihiro Teramachi and the Company.</p>			

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Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
2	<p>[Reappointment] [Male]</p> <p>Takashi Teramachi (November 17, 1978)</p> <p>Service years as Director: 9 years and 9 months</p> <p>Attendance at the Board of Directors meetings: 100% (16 of 16 meetings)</p>	<p>Apr. 2003 Joined Sumitomo Corporation Nov. 2013 Joined the Company Jan. 2014 General Manager of IMT Division Jun. 2014 Director Executive Officer Deputy General Manager of IMT Division Representative Director and President of THK INTECHS CO., LTD. Jun. 2016 Senior Managing Executive Officer Senior General Manager of Industrial Machinery Headquarters (current position) Jun. 2024 Representative Director and President (current position)</p>	4,794
	<p>[Rationale for Appointment as a Candidate for Director]</p> <p>With regard to the rationale for the appointment of Takashi Teramachi as a candidate for Director, based on his considerable experience as a person responsible for supervising and overseeing the industrial machinery related business and Group companies, he has been demonstrating leadership as the Company's Representative Director and President since January 2024 and executing his duties. We therefore judged Mr. Teramachi to be a human resource who can appropriately supervise and control the entire Group and the businesses that he is in charge of, especially in our efforts for global business development and development into new fields, as well as change in business style, to improve the corporate value of the THK Group.</p> <p>Note: There is no special interest relationship between Takashi Teramachi and the Company.</p>		

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Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
3	[Reappointment] [Male] Hiroshi Imano (January 31, 1954) Service years as Director: 15 years and 9 months Attendance at the Board of Directors meetings: 100% (16 of 16 meetings)	Apr. 1977 Joined the Industrial Bank of Japan (currently Mizuho Bank, Ltd.) Apr. 2004 Joined the Company May 2004 President of THK MANUFACTURING OF CHINA (WUXI) CO., LTD. Oct. 2007 General Manager of Production Division of the Company Dec. 2007 Representative Director and President of THK Manufacturing of Europe S.A.S. Jun. 2008 Director of the Company Jun. 2010 Managing Director Jun. 2012 Director and Executive Vice President (current position)	6,342
	<p>[Rationale for Appointment as a Candidate for Director] With regard to the rationale for the appointment of Hiroshi Imano as a candidate for Director, Mr. Imano has supervised and controlled the Company and the entire Group operating in Japan and overseas, and based on his considerable experience and actual performance, we judged Mr. Imano to be a human resource who can supervise and control the entire Group appropriately, especially in our efforts for global business development and development into new fields, as well as change in business style, to improve the corporate value of the THK Group.</p> <p>Note: There is no special interest relationship between Hiroshi Imano and the Company.</p>		
4	[Reappointment] [Male] Toshihiro Teramachi (November 18, 1958) Service years as Director: 25 years and 9 months Attendance at the Board of Directors meetings: 100% (16 of 16 meetings)	Dec. 1988 Joined the Company Jun. 1989 Director, Manager of UK Branch of THK Europe GmbH (currently THK GmbH) Aug. 1992 Director and Executive Vice President of PGM Ballscrews Ireland Ltd. (currently THK Manufacturing of Ireland Ltd.) Feb. 1993 Representative Director and President of THK GmbH May 1993 Representative Director and President of THK Europe B.V. Jun. 1998 Director of the Company Jun. 2005 Managing Director Jun. 2012 Director and Executive Vice President (current position)	102,814
	<p>[Rationale for Appointment as a Candidate for Director] With regard to the rationale for the appointment of Toshihiro Teramachi as a candidate for Director, Mr. Teramachi has supervised and controlled the Company and the entire Group operating in Japan and overseas, and based on his considerable experience and actual performance, we judged Mr. Teramachi to be a human resource who can supervise and control the entire Group appropriately, especially in our efforts for global business development and development into new fields, as well as change in business style, to improve the corporate value of the THK Group.</p> <p>Note: There is no special interest relationship between Toshihiro Teramachi and the Company.</p>		

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Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
5	<p>[Reappointment] [Male]</p> <p>Nobuyuki Maki (May 12, 1960)</p> <p>Service years as Director: 8 years and 9 months</p> <p>Attendance at the Board of Directors meetings: 100% (16 of 16 meetings)</p>	<p>Apr. 1983 Joined the Company</p> <p>Jul. 1992 Manager of Chicago Branch of THK America, Inc.</p> <p>Jan. 2003 Representative Director and President of THK Manufacturing of America, Inc.</p> <p>Oct. 2007 Manager of Yamaguchi Plant of the Company</p> <p>Jun. 2010 Director Senior General Manager of Production Division</p> <p>Jun. 2014 Managing Executive Officer (Retired as Director following the introduction of the Executive Officer System)</p> <p>Apr. 2015 Senior General Manager of Sales Support Division</p> <p>May 2015 General Manager of L&S Business Integration Division</p> <p>Jun. 2015 Director (current position)</p> <p>Nov. 2015 Managing Executive Officer Senior General Manager of Automotive & Transportation Business Unit</p> <p>Jun. 2016 Senior Managing Executive Officer (current position) Senior General Manager of Automotive & Transportation Headquarters (current position)</p>	6,849
<p>[Rationale for Appointment as a Candidate for Director]</p> <p>With regard to the rationale for the appointment of Nobuyuki Maki as a candidate for Director, based on his considerable experience and actual performance as a person responsible for supervising and controlling the automotive & transportation business and a person responsible for controlling the production of the Company and the entire Group operating in Japan and overseas and the domestic and overseas sales operations of the THK Group, we judged Mr. Maki to be a human resource who can appropriately supervise and control the entire Group and the businesses that he is in charge of, especially in our efforts for global business development and development into new fields, as well as change in business style, to improve the corporate value of the THK Group.</p> <p>Note: There is no special interest relationship between Nobuyuki Maki and the Company.</p>			

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Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
6	<p>[Reappointment] [Male]</p> <p>Junji Shimomaki (October 6, 1953)</p> <p>Service years as Director: 7 years and 9 months</p> <p>Attendance at the Board of Directors meetings: 100% (16 of 16 meetings)</p>	<p>Apr. 1976 Joined the Company</p> <p>Jul. 1992 Manager of Tokyo Branch</p> <p>Feb. 2003 General Manager of East Japan Sales Region I</p> <p>Jun. 2004 General Manager of East Japan Sales Region II</p> <p>Jun. 2009 Director Senior General Manager of Sales Division</p> <p>Oct. 2011 General Manager of ACE Division</p> <p>Jun. 2014 Managing Executive Officer (current position) (Retired as Director following the introduction of the Executive Officer System)</p> <p>Jun. 2016 Director (current position) General Manager of Industrial Machinery Headquarters (current position) Senior General Manager of Sales Division, Industrial Machinery Headquarters (current position)</p>	10,949
<p>[Rationale for Appointment as a Candidate for Director]</p> <p>With regard to the rationale for the appointment of Junji Shimomaki as a candidate for Director, based on his considerable experience and actual performance as a person responsible for supervising and controlling the industrial machinery business and a person responsible for controlling the sales operations of the Company and the entire Group operating in Japan and overseas, we judged Mr. Shimomaki to be a human resource who can appropriately supervise and control the entire Group and the businesses he is in charge of, especially in our efforts for global business development and development into new fields, as well as change in business style, to improve the corporate value of the THK Group.</p> <p>Note: There is no special interest relationship between Junji Shimomaki and the Company.</p>			

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Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
7	<p>[Reappointment] [Male]</p> <p>Kenji Nakane (July 10, 1970)</p> <p>Service years as Director: 1 year</p> <p>Attendance at the Board of Directors meetings: 100% (13 of 13 meetings)</p>	<p>Apr. 1993 Joined the Company</p> <p>Jun. 2009 Manager of Finance & Accounting Department, Corporate Strategy Division</p> <p>Jul. 2016 General Manager of Finance & Accounting Department, Corporate Strategy Headquarters (current position)</p> <p>Apr. 2017 Executive Officer (current position)</p> <p>Nov. 2022 General Manager of Indirect Material Procurement Department, Corporate Strategy Headquarters (current position)</p> <p>Mar. 2023 Director (current position)</p>	8,602
<p>[Rationale for Appointment as a Candidate for Director]</p> <p>With regard to the rationale for the appointment of Kenji Nakane as a candidate for Director, based on his considerable experience and actual performance as a person responsible for the field of finance and accounting, we judged Mr. Nakane to be a human resource who can appropriately supervise and control the entire Group and the businesses he is in charge of, especially in our efforts for global business development and development into new fields, as well as change in business style, to improve the corporate value of the THK Group.</p> <p>Note: There is no special interest relationship between Kenji Nakane and the Company.</p>			

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Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
8	<p>[Reappointment] [Outside Director] [Independent] [Male]</p> <p>Masaaki Kainosho (January 21, 1951)</p> <p>Service years as Outside Director: 11 years and 9 months</p> <p>Attendance at the Board of Directors meetings: 100% (16 of 16 meetings)</p>	<p>Apr. 1976 Joined Mitsui Bank (currently Sumitomo Mitsui Banking Corporation)</p> <p>May 1996 Joined SAP Japan Co., Ltd.</p> <p>Sep. 1999 Joined Japan Business Create Co., Ltd.</p> <p>Jan. 2005 Representative Director of K-BRAIN CO., LTD. (currently KAINOSHO CO., LTD.) (current position)</p> <p>Apr. 2011 Professor of Otsuma Women's University Junior College Division</p> <p>Jun. 2012 Outside Director of the Company (current position)</p> <p><Significant positions concurrently held> Representative Director of KAINOSHO CO., LTD.</p>	4,700
<p>[Rationale for Appointment as a Candidate for Outside Director and Overview of Expected Roles]</p> <p>The rationale for the appointment of Masaaki Kainosho as a candidate for Outside Director is that we expect that he will help ensure the objectivity, neutrality and legality of the Company's management as the THK Group undertakes full-scale globalization and development of new business areas, as well as change in business style, to enhance the corporate value of the THK Group on the basis of his abundant experience and accomplishments, and insights gained as the manager of a management consulting company and as a university professor knowledgeable about business administration.</p> <p>Although Mr. Kainosho held a position at Mitsui Bank, from April 1976 to April 1996, which was a previous entity of Sumitomo Mitsui Banking Corporation, currently a lender to the Company, he consistently belonged to an IT system-related unit and the Company did not have any transactional relationship with Mitsui Bank at that time. Therefore, we have determined that Mr. Kainosho can maintain his independence and perform his duties appropriately as Outside Director of the Company.</p> <p>Notes:</p> <ol style="list-style-type: none"> 1. There is no special interest relationship between Masaaki Kainosho and the Company. 2. Masaaki Kainosho is a candidate for Outside Director. 3. Under the provisions of Article 427, Paragraph 1, of the Companies Act, the Company has entered into an agreement with Masaaki Kainosho to limit his indemnity liability under Article 423, Paragraph 1, thereof. The limitation of liability under the agreement is either the higher of ¥10 million or the minimum liability limit stipulated in Article 425, Paragraph 1, of the Companies Act. If Mr. Kainosho is reelected, the Company intends to continue the limited liability agreement with him as an Outside Director. 4. The Company registered Masaaki Kainosho as an independent officer in accordance with the regulations of the Tokyo Stock Exchange. If Mr. Kainosho is reelected, the Company intends to continue to register him as an independent officer. 			

[Translation for Reference and Convenience Purposes Only]

Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
9	<p>[Reappointment] [Outside Director] [Independent] [Female]</p> <p>Junko Kai (September 29, 1967)</p> <p>Service years as Outside Director: 2 years</p> <p>Attendance at the Board of Directors meetings: 100% (16 of 16 meetings)</p>	<p>Apr. 1992 Registered at the Daini Tokyo Bar Association</p> <p>Dec. 2002 Partner of Hamani Takahashi Kai Law Office (current position)</p> <p>Jun. 2006 Member of the Daini Tokyo Bar Association's discipline enforcement committee</p> <p>Mar. 2007 Instructor for defense in criminal cases, the Legal Training and Research Institute</p> <p>Apr. 2010 Conciliation Commissioner, of Tokyo Family Court</p> <p>Jul. 2010 Reserve member of Disciplinary Committee, The Japanese Institute of Certified Public Accountants</p> <p>Oct. 2010 Examiner for the national bar examination (Code of Criminal Procedure)</p> <p>Examiner for the preliminary national bar examination (Code of Criminal Procedure)</p> <p>Jun. 2014 Member of the Ministry of Health, Labour and Welfare's Committee for Public Procurement for Special Pension Accounts (current position)</p> <p>Oct. 2015 Special Member of Ministry of Land, Infrastructure, Transport and Tourism's Chuo Construction Disturbance Inspection Meeting (current position)</p> <p>Feb. 2016 Member of the Daini Tokyo Bar Association's disciplinary committee</p> <p>Jun. 2019 Outside Director of NARITA INTERNATIONAL AIRPORT CORPORATION (current position)</p> <p>Jun. 2021 Member of the Daini Tokyo Bar Association's discipline enforcement committee</p> <p>Jun. 2021 Outside Audit & Supervisory Board Member of JSR Corporation (current position)</p> <p>Mar. 2022 Outside Director of the Company (current position)</p> <p><Significant positions concurrently held> Partner of Hamani Takahashi Kai Law Office Outside Director of NARITA INTERNATIONAL AIRPORT CORPORATION Outside Audit & Supervisory Board Member of JSR Corporation</p>	—
<p>[Rationale for Appointment as a Candidate for Outside Director and Overview of Expected Roles]</p> <p>The rationale for the appointment of Junko Kai as a candidate for Outside Director is that although she has no experience of being directly involved in corporate management in the past, we expect that she will help ensure the objectivity, neutrality and appropriateness of the Company's management as the THK Group undertakes full-scale globalization and development of new business areas, as well as change in business style, to enhance the corporate value of the Group on the basis of her abundant experience and accomplishments, and insights as a legal expert who is a lawyer.</p> <p>Notes:</p> <ol style="list-style-type: none"> 1. There is no special interest relationship between Junko Kai and the Company. 2. Junko Kai is a candidate for Outside Director. 3. Under the provisions of Article 427, Paragraph 1, of the Companies Act, the Company has entered into an agreement with Junko Kai to limit her indemnity liability under Article 423, Paragraph 1, thereof. The limitation of liability under the agreement is either the higher of ¥10 million or the minimum liability limit stipulated in Article 425, Paragraph 1, of the Companies Act. If Ms. Kai is reelected, the Company intends to continue the limited liability agreement with her as an Outside Director. 			

[Translation for Reference and Convenience Purposes Only]

Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
		4. The Company registered Junko Kai as an independent officer in accordance with the regulations of the Tokyo Stock Exchange. If Ms. Kai is reelected, the Company intends to continue to register her as an independent officer.	

- Notes:
1. The summary of the Audit and Supervisory Committee's opinion regarding the appointment of Directors and remuneration, etc. is as follows.
 The Nomination Advisory Committee deliberated each candidate's qualifications as a Director by examining their knowledge, experience, and ability, etc. One Audit and Supervisory Committee Member participated in deliberations as a member of the Nomination Advisory Committee. The Audit and Supervisory Committee had a discussion based on the deliberation results of the Nomination Advisory Committee. As a result, we have determined that the nomination procedure was carried out properly and each candidate is qualified to be a Director of the Company.
 The Audit and Supervisory Committee deliberated over remuneration for Directors based on the deliberation results of the Remuneration Advisory Committee, in which one Audit and Supervisory Committee Member participates in deliberations, as was the case with the deliberations by the Nomination Advisory Committee. As a result, we have determined that remuneration is appropriate considering that the decision procedure was carried out properly in accordance with the remuneration system.
 2. The Company has entered into a liability insurance contract with an insurance company for directors and officers, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with the Directors as the insured, and plans to renew the contract with the same terms in July 2024. If the election of candidates is approved and adopted with this proposal, each candidate will be insured under the said contract.

[Translation for Reference and Convenience Purposes Only]

Proposal 4: Appointment of Three (3) Directors who are Audit and Supervisory Committee Members

The tenure of all three (3) Directors who are Audit and Supervisory Committee Members will expire at the close of this Ordinary General Meeting of Shareholders. The Company hereby proposes a total of three (3) Directors who are Audit and Supervisory Committee Members.

The Company has obtained the consent of the Audit and Supervisory Committee to this proposal.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
1	<p>[Reappointment] [Outside Director] [Independent] [Male]</p> <p>Masakatsu Hioki (July 30, 1950)</p> <p>Service years as Outside Director: 9 years and 9 months</p> <p>Service years as Director who is an Audit and Supervisory Committee Member: 7 years and 9 months</p> <p>Attendance at the Board of Directors meetings: 100% (16 of 16 meetings)</p> <p>Attendance at the Audit and Supervisory Committee meetings: 100% (13 of 13 meetings)</p>	<p>Apr. 1975 Joined Komatsu Ltd.</p> <p>Apr. 2004 Executive Officer of Komatsu Ltd.</p> <p>Apr. 2008 Senior Executive Officer of Komatsu Ltd.</p> <p>Jul. 2012 Advisor of Komatsu Ltd.</p> <p>Jun. 2014 Outside Director of the Company</p> <p>Nov. 2014 Outside Director of SUKIYA Co., Ltd. (current position)</p> <p>Apr. 2015 Visiting Professor of Ritsumeikan University Graduate School</p> <p>May 2016 Outside Director of ZUIKO CO., LTD.</p> <p>Jun. 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p> <p>May 2023 Outside Director (Audit and Supervisory Committee Member) of ZUIKO CO., LTD. (current position)</p> <p><Significant positions concurrently held></p> <p>Outside Director of SUKIYA Co., Ltd.</p> <p>Outside Director (Audit and Supervisory Committee Member) of ZUIKO CO., LTD.</p>	2,400
<p>[Rationale for Appointment as a Candidate for Outside Director who is an Audit and Supervisory Committee Member and Overview of Expected Roles]</p> <p>The rationale for the appointment of Masakatsu Hioki as a candidate for Outside Director who is an Audit and Supervisory Committee Member is that we expect that he will help ensure the objectivity, neutrality and legality of the Company's management as the THK Group undertakes full-scale globalization and development of new business areas, as well as change in business style, to enhance the corporate value of the Group on the basis of his abundant experience, accomplishments, and insights mainly as a person responsible for personnel and general affairs in the management division of a global enterprise and a manufacturer.</p> <p>Mr. Hioki is a former employee of Komatsu Ltd., and the Company has business transactions with Komatsu Ltd. involving sales, etc. of the Company's products. However, the amount of</p>			

[Translation for Reference and Convenience Purposes Only]

Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
		<p>such transactions accounts for less than 1% of the Company's and Komatsu's sales revenue in the current consolidated fiscal year. Therefore, we have determined that Mr. Hioki can maintain his independence and perform his duties appropriately as Outside Director of the Company.</p> <p>Notes:</p> <ol style="list-style-type: none"> 1. There is no special interest relationship between Masakatsu Hioki and the Company. 2. Masakatsu Hioki is a candidate for Outside Director. 3. Under the provisions of Article 427, Paragraph 1, of the Companies Act, the Company has entered into an agreement with Masakatsu Hioki to limit his indemnity liability under Article 423, Paragraph 1, thereof. The limitation of liability under the agreement is either the higher of ¥10 million or the minimum liability limit stipulated in Article 425, Paragraph 1, of the Companies Act. If Mr. Hioki is reelected, the Company intends to continue the limited liability agreement with him as an Outside Director. 4. The Company registered Masakatsu Hioki as an independent officer in accordance with the regulations of the Tokyo Stock Exchange. If Mr. Hioki is reelected, the Company intends to continue to register him as an independent officer. 	

[Translation for Reference and Convenience Purposes Only]

Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
	<p>[Reappointment] [Outside Director] [Independent] [Male]</p> <p>Tomitoshi Omura (August 3, 1954)</p> <p>Service years as Outside Director: 7 years and 9 months</p> <p>Service years as Director who is an Audit and Supervisory Committee Member: 7 years and 9 months</p> <p>Attendance at the Board of Directors meetings: 100% (16 of 16 meetings)</p> <p>Attendance at the Audit and Supervisory Committee meetings: 100% (13 of 13 meetings)</p>	<p>Oct. 1976 Registered as Assistant CPA Oct. 1977 Joined Fuji Accounting Office Oct. 1980 Joined Asahi & Co. (currently KPMG AZSA LLC.) Mar. 1982 Registered as Certified Public Accountant Dec. 1989 Managing Director of Omura Accounting Office (current position) Jun. 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (current position) <Significant positions concurrently held> Managing Director of Omura Accounting Office</p>	<p>3,000</p>
2	<p>[Rationale for Appointment as a Candidate for Outside Director who is an Audit and Supervisory Committee Member and Overview of Expected Roles]</p> <p>The rationale for the appointment of Tomitoshi Omura as a candidate for Outside Director who is an Audit and Supervisory Committee Member is that we expect that he will help ensure the objectivity, neutrality and legality of the Company's management as the THK Group undertakes full-scale globalization and development of new business areas, as well as change in business style, to enhance the corporate value of the Group on the basis of his abundant experience, accomplishments, and insights as an accounting expert who has knowledge in corporate accounting gained over many years as a certified public accountant.</p> <p>Although Mr. Omura has no experience of being directly involved in corporate management in the past, we have determined that he can perform his duties appropriately as Outside Director of the Company for the reasons above.</p> <p>Notes:</p> <ol style="list-style-type: none"> 1. There is no special interest relationship between Tomitoshi Omura and the Company. 2. Tomitoshi Omura is a candidate for Outside Director. 3. Under the provisions of Article 427, Paragraph 1, of the Companies Act, the Company has entered into an agreement with Tomitoshi Omura to limit his indemnity liability under Article 423, Paragraph 1, thereof. The limitation of liability under the agreement is either the higher of ¥10 million or the minimum liability limit stipulated in Article 425, Paragraph 1, of the Companies Act. If Mr. Omura is reelected, the Company intends to continue the limited liability agreement with him as an Outside Director. 4. The Company registered Tomitoshi Omura as an independent officer in accordance with the regulations of the Tokyo Stock Exchange. If Mr. Omura is reelected, the Company intends to continue to register him as an independent officer. 		

[Translation for Reference and Convenience Purposes Only]

Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
3	<p>[Reappointment] [Outside Director] [Independent] [Male]</p> <p>Yoshiki Ueda (March 10, 1953)</p> <p>Service years as Outside Director: 7 years and 9 months</p> <p>Service years as Director who is an Audit and Supervisory Committee Member: 7 years and 9 months</p> <p>Attendance at the Board of Directors meetings: 100% (16 of 16 meetings)</p> <p>Attendance at the Audit and Supervisory Committee meetings: 100% (13 of 13 meetings)</p>	<p>Apr. 1976 Joined Mitsubishi Corporation</p> <p>Apr. 2007 Deputy General Manager of Kansai Branch of Mitsubishi Corporation</p> <p>Apr. 2008 Executive of Mitsubishi Corporation</p> <p>Jun. 2010 President & CEO of Mitsubishi Corporation Technos</p> <p>Jun. 2011 Chairman of Japan Machine Tool Distributors Association</p> <p>Jun. 2015 Advisor of Mitsubishi Corporation Technos</p> <p>Jun. 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p> <p>Jun. 2016 Outside Director of SINTOKOGIO, LTD.</p> <p>Nov. 2016 Corporate Advisor to Makino Milling Machine Co., Ltd.</p> <p>Dec. 2016 Visiting Professor of National University Corporation Shizuoka University</p> <p>Jun. 2017 Outside Director, Representative Director & Chairman of SINTOKOGIO, LTD. (current position)</p> <p>Jun. 2018 External Director, Representative Director & Vice-Chairman of Makino Milling Machine Co., Ltd.</p> <p>Jun. 2020 External Director, Representative Director & Chairman of Makino Milling Machine Co., Ltd.</p> <p><Significant positions concurrently held></p> <p>Outside Director, Representative Director & Chairman of SINTOKOGIO, LTD.</p>	3,000
<p>[Rationale for Appointment as a Candidate for Outside Director who is an Audit and Supervisory Committee Member and Overview of Expected Roles]</p> <p>The rationale for the appointment of Yoshiki Ueda as a candidate for Outside Director who is an Audit and Supervisory Committee Member is that we expect that he will help ensure the objectivity, neutrality and legality of the Company's management as the THK Group undertakes full-scale globalization and development of new business areas, as well as change in business style, to enhance the corporate value of the Group on the basis of his abundant experience, actual performance and insights, given that he has experience gained from years of involvement in the field of machinery-related business in a global company and is highly adept also in corporate management.</p> <p>Mr. Ueda is currently an Outside Director of SINTOKOGIO, LTD. The Company also has business transactions with SINTOKOGIO, LTD. involving purchases, etc. of the said company's products, but the amount of such transactions accounts for less than 1% of the Company's and SINTOKOGIO's sales revenue in the current consolidated fiscal year. Therefore, we have determined that Mr. Ueda can maintain his independence and perform his duties appropriately as Outside Director of the Company.</p> <p>Notes:</p> <ol style="list-style-type: none"> 1. There is no special interest relationship between Yoshiki Ueda and the Company. 2. Yoshiki Ueda is a candidate for Outside Director. 3. Under the provisions of Article 427, Paragraph 1, of the Companies Act, the Company has entered into an agreement with Yoshiki Ueda to limit his indemnity liability under Article 423, Paragraph 1, thereof. The limitation of liability under the agreement is either the higher of ¥10 million or the minimum liability limit stipulated in Article 425, Paragraph 1, of the 			

[Translation for Reference and Convenience Purposes Only]

Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
		<p>Companies Act. If Mr. Ueda is reelected, the Company intends to continue the limited liability agreement with him as an Outside Director.</p> <p>4. The Company registered Yoshiaki Ueda as an independent officer in accordance with the regulations of the Tokyo Stock Exchange. If Mr. Ueda is reelected, the Company intends to continue to register him as an independent officer.</p>	

(Note) The Company has entered into a liability insurance contract with an insurance company for directors and officers, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with the Directors as the insured, and plans to renew the contract with the same terms in July 2024. If the election of candidates is approved and adopted with this proposal, each candidate will be insured under the said contract.

[Translation for Reference and Convenience Purposes Only]

<Reference>

Primary expertise and experience of candidates for Directors are as follows:

Composition of the Board of Directors (Skill Matrix)

	Corporate management	Finance/ Accounting	Governance/ Risk management	Global business	Sales/ Marketing	DX/IT	Development/ Technology/ Manufacture
Akihiro Teramachi	●		●	●	●	●	●
Takashi Teramachi	●				●	●	●
Hiroshi Imano	●	●	●	●			●
Toshihiro Teramachi	●			●	●	●	
Nobuyuki Maki	●			●	●		●
Junji Shimomaki				●	●		
Kenji Nakane		●				●	
Masaaki Kainosho	●		●		●	●	
Junko Kai			●				
Masakatsu Hioki			●	●			
Tomitoshi Omura		●	●				
Yoshiki Ueda	●		●	●	●		

[Translation for Reference and Convenience Purposes Only]

Proposal 5: Appointment of One (1) Substitute Director who is an Audit and Supervisory Committee Member

As the effective tenure of Tetsuro Toriumi, who was appointed as a substitute Director who is an Audit and Supervisory Committee Member at the 52nd Ordinary General Meeting of Shareholders held on March 19, 2022, expires at the beginning of this Ordinary General Meeting of Shareholders, the Company hereby proposes the appointment of one (1) substitute Director who is an Audit and Supervisory Committee Member to prepare for the contingency in which the Company does not have the number of Directors who are Audit and Supervisory Committee Members required by laws and regulations.

The Company has obtained the consent of the Audit and Supervisory Committee to this proposal.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
<p>[Outside Director] [Independent] [Male]</p> <p>Hidetaka Miyake (April 15, 1972)</p>	<p>Apr. 2000 Joined Public Prosecutors Office of Ministry of Justice as a Public Prosecutor</p> <p>Jun. 2004 Registered as an attorney at law Joined Ashurst LLP, Tokyo Office (currently Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo)</p> <p>Jan. 2010 Joined the Securities and Exchange Surveillance Commission, Financial Services Agency</p> <p>Jul. 2013 Joined Ernst & Young ShinNihon LLC</p> <p>Apr. 2017 Joined Anderson Mori & Tomotsune LPC (currently Anderson Mori & Tomotsune)</p> <p>Jan. 2020 Partner of Anderson Mori & Tomotsune (current position)</p> <p>Apr. 2023 Chairperson of Complaint Review Committee of the Internal Reporting System, Japan Post Holdings Co., Ltd. (current position)</p> <p>Jun. 2023 Outside Auditor of Mitsui-Soko Holdings Co., Ltd. (current position)</p> <p><Significant positions concurrently held></p> <p>Partner of Anderson Mori & Tomotsune Chairperson of Complaint Review Committee of the Internal Reporting System, Japan Post Holdings Co., Ltd. Outside Auditor of Mitsui-Soko Holdings Co., Ltd.</p>	<p>—</p>
<p>[Rationale for Appointment as a Candidate for Substitute Outside Director who is an Audit and Supervisory Committee Member and Overview of Expected Roles]</p> <p>The rationale for the appointment of Hidetaka Miyake as a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member is that we expect that he will help ensure the objectivity, neutrality and legality of the Company’s management as the THK Group undertakes full-scale globalization and development of new business areas, as well as change in business style, to enhance the corporate value of the Group on the basis of his knowledge of the law cultivated as an attorney, as well as his abundant experience and accomplishments gained at the Public Prosecutors Office and audit firms.</p>		

[Translation for Reference and Convenience Purposes Only]

Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
<p>Although Mr. Miyake has no experience of being directly involved in corporate management in the past, we have determined that he can perform his duties appropriately as Outside Director of the Company for the reasons above.</p> <p>Notes:</p> <ol style="list-style-type: none"> 1. There is no special interest relationship between Hidetaka Miyake and the Company. 2. Hidetaka Miyake is a candidate for Outside Director. 3. If Hidetaka Miyake assumes office as an Outside Director, under the provisions of Article 427, Paragraph 1, of the Companies Act, the Company intends to enter into an agreement with Mr. Miyake to limit his indemnity liability under Article 423, Paragraph 1, thereof. The limitation of liability under the agreement is either the higher of ¥10 million or the minimum liability limit stipulated in Article 425, Paragraph 1, of the Companies Act. 4. If Hidetaka Miyake assumes office as an Outside Director, the Company intends to register him as an independent officer in accordance with the regulations of the Tokyo Stock Exchange. 5. The Company has entered into a liability insurance contract with an insurance company for directors and officers, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with the Directors as the insured, and plans to renew the contract with the same terms in July 2024. If Hidetaka Miyake assumes office as an Outside Director, he will be insured under the said contract. 		

[Translation for Reference and Convenience Purposes Only]

(Reference) The Company's Standards for Independence of Outside Directors

The Company formulated its Standards for Independence of Outside Directors as follows. Any person who falls under any of the following items is judged not to be "independent."

1. Not currently a business operator of the Group but was a business operator of the Company within 10 years before the assumption of current office (provided, however, with regard to a person who was a non-Executive Director, Auditor or Accounting Advisor sometime within 10 years before the assumption of office, within 10 years before assuming such office)
2. Entity for which the Company is a major client or its business operator
3. The Company's major client or its business operator
4. Consultant, Certified Public Accountant or other accounting expert or a legal expert such as a lawyer who is receiving from the Company a large amount of money or other assets other than officer's remuneration (if the recipient of such money or asset is an organization such as a corporation, a person who belongs to such an organization)
5. Person who falls under 2, 3 or 4 above in the past one year
6. Spouse or a relative within the second degree of kinship of the following persons (excluding those who are not important)
 - (a) Person who falls under 2 through 5 above
 - (b) A business operator of the Group
 - (c) Person who falls under (b) above in the past one year
7. The Company's shareholder who holds 10% or more of the current total voting rights of the Company (if the shareholder is an organization such as a corporation, a business operator of the organization)

Notes:

A "business operator" refers to a person who executes business duties as prescribed in Article 2, Paragraph 3, Item 6, of the Regulation for Enforcement of the Companies Act, including Executive Directors, Executive Officers, Managers and other employees but excluding non-Executive Directors and Auditors.

The Company's concept of "major" and "importance":

A person or an organization such as a corporation that gives significant influence on the Company's decision making as well as stakeholders including shareholders, or a business operator who belongs to such an organization.

Specifically, the Company's client with which the transaction amount with the Company accounts for a significant part of the Company's sales revenue and the Group's management (Directors and Executive Officers, etc.) are considered to be major and/or important.

Business Report

(From January 1, 2023 to December 31, 2023)

1. Present Status of the Corporate Group

(1) Review of Business Performance in the Current Fiscal Year

1. Business Progress and Results

Economic Environment

In this fiscal year, while the trend toward normalization of economic activities from the COVID-19 pandemic continued in various regions, 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, rising inflation, financial instability triggered by the failure of some financial institutions in the U.S., and China's sluggish economy shaken by real estate recession.

Overall Summary of Revenue

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, while demand for the products of the industrial machinery business was generally weak, THK successfully recorded revenue in the first half of the year from the order backlog which had remained at a high level; however, demand did not show a recovery in the latter half of the year. On the other hand, in the automotive & transportation business, revenue headed for recovery along with the recovery of automobile production and sales as the COVID-19 pandemic subsided and the parts supply shortages were moderated. As a result, consolidated revenue amounted to ¥351,939 million, down ¥41,747 million, or 10.6%, compared to the figure a year earlier.

[Translation for Reference and Convenience Purposes Only]

Overall Summary of Income

On the cost front, the THK Group continued to implement various activities to improve its productivity. The cost to revenue ratio, however, rose 3.5% from a year earlier to 76.8% due to the large decrease in revenue.

Selling, general and administrative expenses amounted to ¥58,958 million, down ¥32 million, or 0.1%, compared to the figure a year earlier. The ratio to revenue rose by 1.8% from a year earlier to 16.8% despite the THK Group's endeavors to improve operating efficiency.

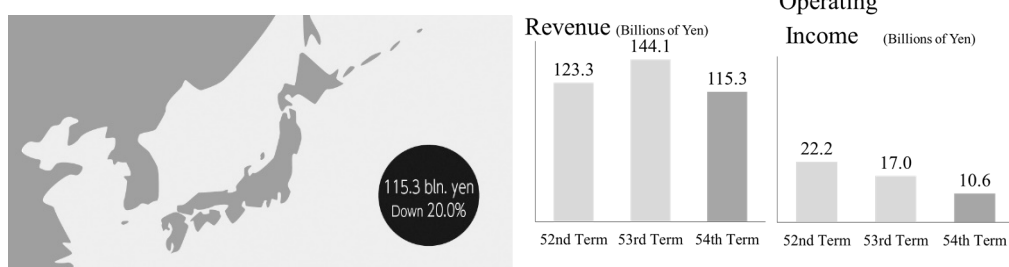
As a result, operating income amounted to ¥23,707 million, down ¥10,752 million, or 31.2%, compared to the figure a year earlier. Operating income margin dropped by 2.1% from a year earlier to 6.7%.

Finance income and finance costs were ¥2,446 million and 864 million, respectively.

As a result, income before tax amounted to ¥25,289 million, down ¥10,307 million, or 29.0%, compared to the figure a year earlier. Profit attributable to owners of the parent amounted to ¥18,398 million, down ¥2,799 million, or 13.2%, compared to the figure a year earlier.

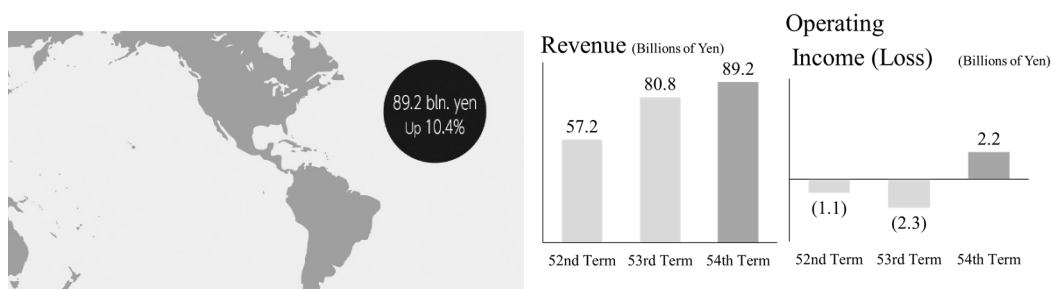
Segment Breakdown

Japan



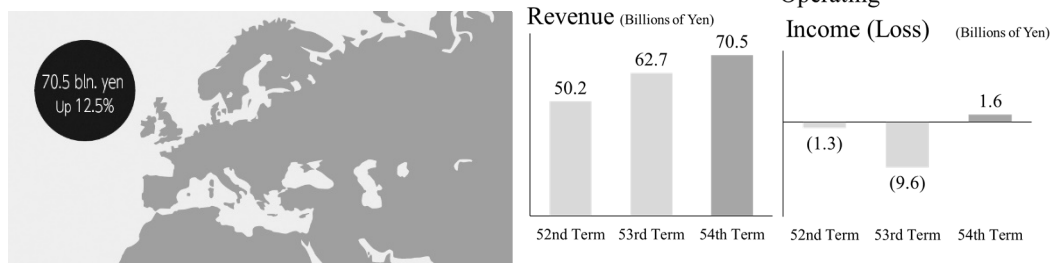
In the industrial machinery business in Japan, THK successfully recorded revenue from the order backlog, which had remained at a high level; however, demand was generally weak. As a result, revenue amounted to ¥115,357 million, down ¥28,832 million, or 20.0%, compared to the figure a year earlier. The THK Group recorded operating income (segment income) of ¥10,619 million, down ¥6,394 million, or 37.6%, compared to the figure a year earlier due mainly to the decrease in revenue.

The Americas



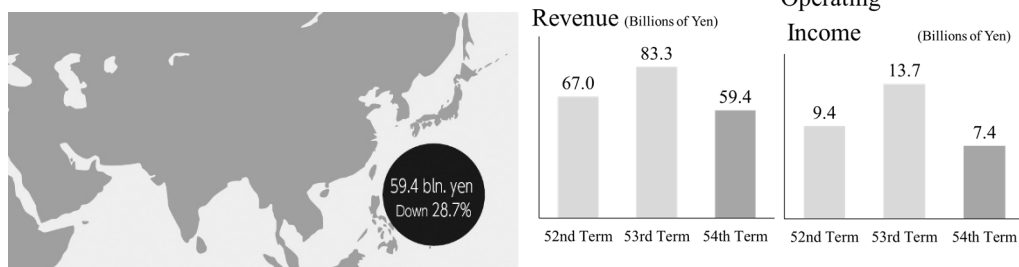
In the industrial machinery business in the Americas, although demand was decreasing particularly in electronics products, THK successfully recorded revenue from the order backlog, which had remained at a high level. In the automotive & transportation business, revenue headed for recovery as compared to a year earlier. As a result, along with the depreciation of yen as compared to a year earlier, revenue amounted to ¥89,225 million, up ¥8,370 million, or 10.4%, compared to the figure a year earlier. The THK Group recorded operating income (segment income) of ¥2,219 million, up ¥4,571 million compared to the figure a year earlier (operating loss of ¥2,351 million), due mainly to the increase in revenue.

Europe



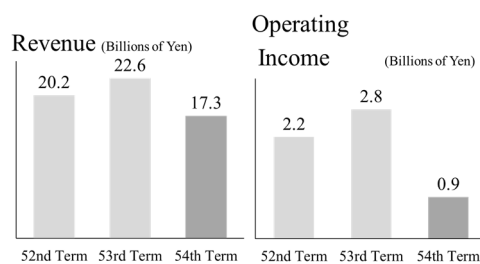
In the industrial machinery business in Europe, although demand was decreasing in general, THK successfully recorded revenue from the order backlog, which had remained at a high level. In the automotive & transportation business, revenue headed for recovery as compared to a year earlier. As a result, along with the depreciation of yen as compared to a year earlier, revenue amounted to ¥70,548 million, up ¥7,832 million, or 12.5%, compared to the figure a year earlier. The THK Group recorded operating income (segment income) of ¥1,680 million, up ¥11,365 million compared to the figure a year earlier (operating loss of ¥9,684 million), due mainly to the increase in revenue.

China



In the industrial machinery business in China, while demand was decreasing in general, revenue amounted to ¥59,410 million, down ¥23,901 million, or 28.7%, compared to the figure a year earlier. Operating income (segment income) amounted to ¥7,486 million, down ¥6,286 million, or 45.6%, compared to the figure a year earlier due mainly to the decrease in revenue.

Other Areas



In other countries and regions, the THK Group continued to expand and deepen transactions with existing customers and to cultivate new customers while demand for THK Group's products was widely expanded in India and the ASEAN countries. However, due to the impact of decrease in demand in China in some regions, revenue amounted to ¥17,397 million, down ¥5,216 million, or 23.1%, compared to the figure a year earlier. Operating income (segment income) amounted to ¥981 million, down ¥1,879 million or 65.7%, compared to the figure a year earlier due mainly to the decrease in revenue.

[Translation for Reference and Convenience Purposes Only]

Overall Summary of Research and Development

The THK Group is actively engaged in R&D activities, conducted primarily at its Head Office and the Technology Center (Tokyo) as an R&D base, to develop core linear motion systems and other products by applying the core technologies and know-how in linear motion systems, including mechatronics such as Precision XY Stage and Linear motor actuators, and products in fields close to consumer goods such as automobiles, seismic isolation and damping systems, medical equipment, aircraft, renewable energy, and robotics.

Turning to activities outside Japan, we established the R&D Center in China, the Company's R&D facility. We also established the R&D Division of THK RHYTHM AUTOMOTIVE in Germany, and the THK Group is working to establish an R&D framework for product development at optimal locations covering the Americas, Europe, and Asia to enable development of products that more accurately meet diverse needs of global customers.

In the industrial machinery business, THK developed the Miniature Model AHR Guide for bonders. THK will continue to contribute to the demand for high-performance in semiconductor manufacturing equipment. We expanded the lineup of the Model VRG, which has a cage alignment system using a rack and pinion, and launched the center rail type Model VRG-W into the market. We will make proposals for areas requiring light and smooth operations. In addition, with the compatible LM Guide Model HDR, which is easy to use in a wide range of markets, we have added a model that can supply grease from six directions to our lineup. We also developed the Wheel Guide Model CWG that enable free path design. We propose transport systems that realize customer route requirements by combining straight and curved paths.

THK developed its first reducer, the Model AMG. This reducer adopts a precession motion mechanism to achieve high load capacity with a compact form. In cross roller rings, we launched the high-speed roller ring Model RT into the market. Achieving a Dpw N value of 300,000, it meets the high-speed requirements of machine tools. Other than that, we developed the utility slide Model AWG as a product best suited for the consumer segment. We will explore markets in new fields such as logistics and railroads.

In the robotics realm, we added the Model SG-BM1T, a powered-up version of the transfer robot SIGNAS using a new guidance method with twice the towing capacity of the existing model. Moreover, we added the Model PPR-LR3-LF1 dedicated to position control to our lineup of the Model PPR, specialized for the pick and place process of electronic components.

In seismic isolation, we developed the Seismic Isolation Table Model VIT, for cultural asset display cases. Installing the table directly underneath glass display cases protects historically important cultural assets inside from earthquake damage.

In IoT-related fields, for the OMNIedge IoT service, which enables predictive failure detection in facilities of manufacturing industry customers, THK added predictive failure detection for rotating components, such as pump and fans, to the lineup in February 2022, in addition to that for linear motion products such as the LM Guide and ball screws. Moreover, in November of the same year, THK also added "Tool Monitoring AI Solution," which can be used for detecting defective machine tools, to our solution lineup as the third solution.

[Translation for Reference and Convenience Purposes Only]

In the automotive & transportation business, THK launched aluminum products which were manufactured by a new method to meet the needs for reducing the weight of automobiles with the transition to electric vehicles and strived to expand sales. In North America, having succeeded in internalizing aluminum forging technology, THK has been serving not only U.S. customers but also Japanese manufacturers who require local sources of procurement.

In addition to the linkage and suspension (L&S) business, the THK Group has developed and is mass-producing ball screw products for “CASE” automobiles as a second pillar for our business. We have been selling these products as automatic braking components, and also expanding sales for next-generation suspensions.

Furthermore, we will aim to expand sales into new fields such as eAxle and ball screws for new brake systems.

In such a situation, THK exhibited the world’s first fully functional EV prototype LSR-05 at the Japan Mobility Show 2023. As advanced technologies for EVs, we developed six items: stealth seat-slide system Model SLES with an LM Guide installed on the seat and the connector on the floor, the inner rotor-type variable magnetic flux in-wheel motor Model enemo, active level control suspension Model ALCS that enable vehicle height adjustments and stability control according to the roughness of the road, MR fluid active damper tube Model MRDT that control the damping power of the suspension electronically to absorb vibrations, contactless power supply Model CLPS, and electric service brake Model ESB that control four brakes independently through bi-wiring (electric control).

In addition to continuing to promote the development of next-generation products aimed at a true market that anticipates needs, of which customers themselves are not yet aware, five or ten years into the future, we will strive to expand our product lineup to meet current customer needs.

[Translation for Reference and Convenience Purposes Only]

Overall Summary of the Operation and Production Systems

In our four key geographical regions of Japan, the Americas, Europe and Asia, the THK Group is pursuing the establishment of a “unified producer-retailer system at the locations closer to centers of demand,” in which products will be produced and sold locally. In addition, we are making various efforts to expand sales to wide-ranging customers who actually use machinery equipment, in addition to machinery equipment manufacturers.

In terms of sales activities, the THK Group has expanded sales by actively developing and launching new products that support automation and robotization for manufacturing sites, the consumer segment, and more, while maximizing the value offered to customers by utilizing digital technology, such as the IoT and AI.

For the customer OEE Optimization System, “OMNIedge,” we have launched new functions and services such as the AI diagnostic service “ADV,” the “Centralized Maintenance Management Tool” that supports the comprehensive management and operation of maintenance activities, and the “Skill Management AI Solution” that integrates equipment maintenance data and human resource skill data aggregated in OMNIedge to support the optimal assignment of human resources handling production facilities, strategic human resource development based on data, and formulation of facility maintenance plans. In this way, we are pushing ahead faster with new initiatives amid the rapid progress of digital technology.

In terms of production, anticipating growth of medium- to long-term demand on the back of the expansion of semiconductor-related investments and the progress in automation and robotization in the industrial machinery business, THK MANUFACTURING OF CHINA (LIAONING) CO., LTD.’s new, expanded plant started operations in April 2023 in China. Furthermore, based on the assumption that subsequent demand peaks will be at an unprecedentedly high level, we are considering capacity enhancement, including new plant construction involving land acquisition, and pushing forward with thorough automation within plants to improve productivity per person.

Term-end Dividends

Not only its basic policy which is to provide shareholders with stable and continuous dividends, THK also places priority on providing shareholders with proactive distribution of profit befitting operating results, simultaneously strengthening its financial soundness by securing internal reserve. According to this policy, THK sets its payout ratio on a consolidated basis at 30% and a minimum dividend for a fiscal year at ¥15 per share (¥7.5 per share for both interim dividend and term-end dividend). THK plans to make effective use of internal reserve by investing it to research and development activities, production facilities, and IT systems, to respond globalization.

Based on this policy, THK has decided to pay the term-end dividend of ¥16 per share, considering the operating results for the year ended December 31, 2023. As a result, cash dividends applicable for the year ended December 31, 2023 will be ¥46 per share, including the interim dividends of ¥30 per share.

[Translation for Reference and Convenience Purposes Only]

2. Status of Capital Investments

Total capital investments in the consolidated fiscal year under review amounted to ¥30,153 million, consisting mostly of investments in buildings and processing facilities that were made to reinforce production facilities and improve product quality. The main investment amount at each base is as follows:

Domestic Operational Bases	THK CO., LTD.	(Millions of Yen)
	Production Division	2,905
	Yamaguchi Plant	2,349
	Yamagata Plant	1,883
	THK INTECHS CO., LTD.	995
Overseas Operational Bases	THK MANUFACTURING OF CHINA (LIAONING) CO., LTD.	3,964
	THK India Pvt. Ltd.	2,484
	THK MANUFACTURING OF CHINA (WUXI) CO., LTD.	1,955
	THK Manufacturing of America, Inc.	1,936
	THK MANUFACTURING OF VIETNAM CO., LTD.	1,005

3. Status of Funding

During the consolidated fiscal year under review, the Group raised funds of ¥10,000 million through the issuance of straight bonds.

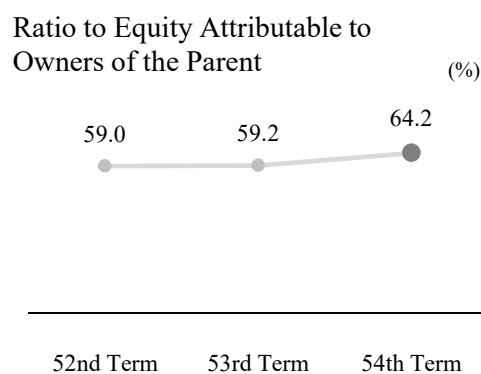
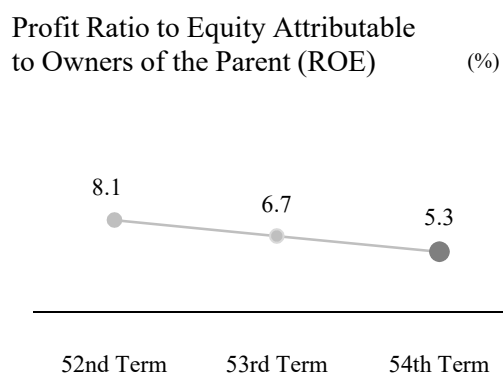
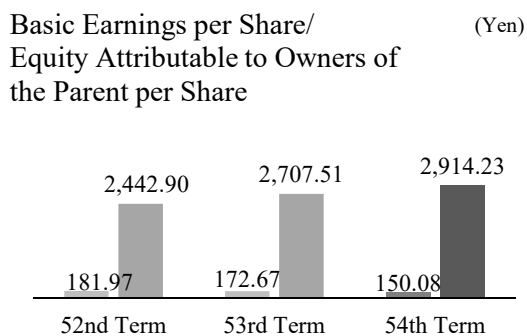
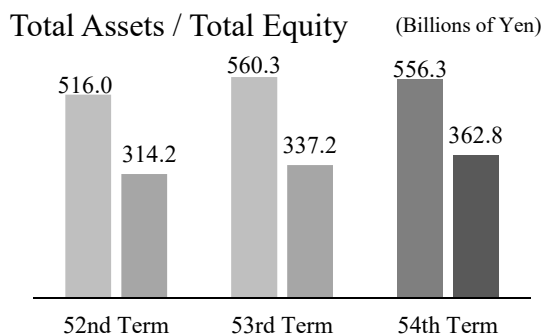
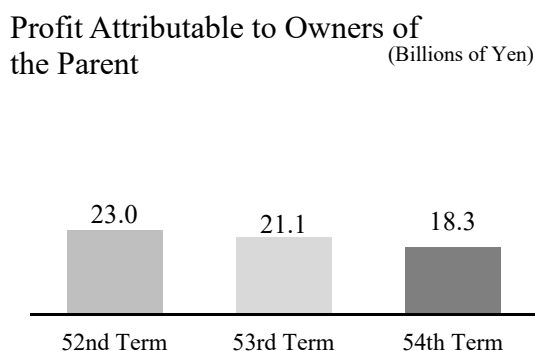
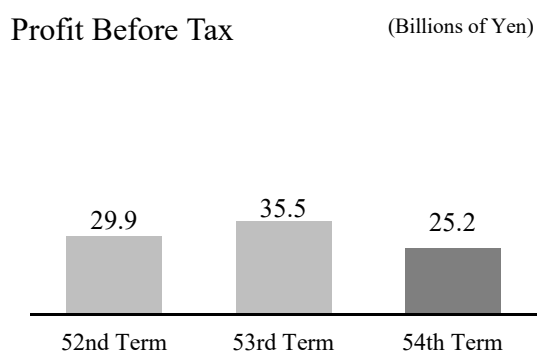
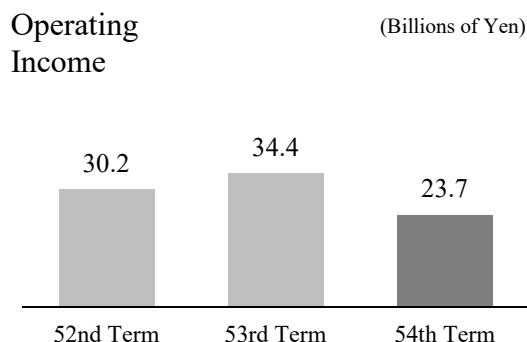
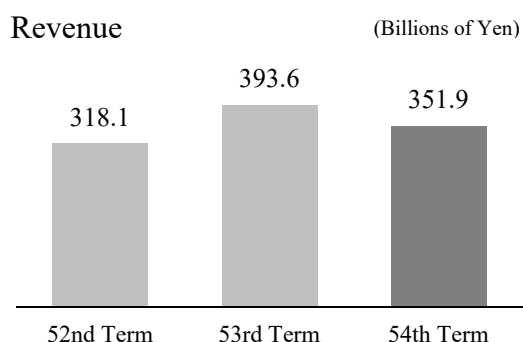
Company	Description	Date of issuance	Total amount of issuance (Millions of Yen)	Rate (%)	Due date
THK CO., LTD.	The Twentieth Series of THK CO., LTD. Unsecured Straight Bonds (with limited inter-bond pari passu clause)	Dec. 8, 2023	10,000	0.674	Dec. 8, 2028

For effective funding of operating capital, the Group has concluded Specified Commitment Line Contract totaling ¥30,000 million with its main correspondent financial institutions.

[Translation for Reference and Convenience Purposes Only]

(2) Assets and Profit/Loss

Assets and Profit/Loss of the Group



[Translation for Reference and Convenience Purposes Only]

1. Assets and Profit/Loss of the Group (Consolidated)
International Financial Reporting Standards (IFRS)

Millions of Yen				
Item	51st Term (Term Ended December 2020)	52nd Term (Term Ended December 2021)	53rd Term (Term Ended December 2022)	54th Term (Term Ended December 2023; Current Consolidated Fiscal Year)
Revenue	218,998	318,188	393,687	351,939
Operating Income (Loss)	(8,499)	30,268	34,460	23,707
Profit (Loss) Before Tax	(9,725)	29,984	35,596	25,289
Profit (Loss) Attributable to Owners of the Parent	(9,992)	23,007	21,198	18,398
Total Assets	460,173	516,086	560,304	556,351
Total Equity	275,148	314,289	337,281	362,898
Basic Earnings (Loss) per Share (Yen)	(78.95)	181.97	172.67	150.08
Equity Attributable to Owners of the Parent per Share (Yen)	2,105.54	2,442.90	2,707.51	2,914.23
Profit Ratio to Equity Attributable to Owners of the Parent (%)	(3.7)	8.1	6.7	5.3
Ratio of Equity Attributable to Owners of the Parent (%)	57.9	59.0	59.2	64.2

Note: Starting from the 51st Term, International Financial Reporting Standards (IFRS) have been applied for the preparation of consolidated financial statements.

2. Profit/Loss of the Company (Non-consolidated)

Millions of Yen				
Item	51st Term (Term Ended December 2020)	52nd Term (Term Ended December 2021)	53rd Term (Term Ended December 2022)	54th Term (Term Ended December 2023; Current Fiscal Year)
Revenue	102,866	167,583	197,624	144,227
Operating Income	365	16,718	25,722	7,138
Ordinary Income	2,118	21,914	35,105	15,905
Net income (Loss)	(13,183)	18,348	6,094	13,037

(3) Description of Main Business Operations (As of December 31, 2023)

The THK Group supplies the world with vital machinery components that convert “sliding” motion into “rolling” motion, thereby enabling motion parts to move in a “lighter” and “more accurately” in linear motions. Since its establishment in 1971, the Company has been contributing to the development of industry with respect to indispensable component parts, underpinned by its management philosophy of “providing innovative products to the world and generating new trends to contribute to the creation of an affluent society.” This has involved serving as a company focused on creation and development in supplying machine components that include THK’s LM Guide, while also achieving improvements in terms of high precision, high rigidity, high speed, and energy saving with respect to various machines and equipment such as machine tools and semiconductor manufacturing equipment. In recent years, the THK Group’s products have come to be used across an increasingly extensive range of applications beyond the field of industrial machinery. For instance, in addition to fields close to consumer goods such as automobiles, medical equipment, aircraft, and service robotics, our products are also finding uses in applications aimed at mitigating risk of natural disasters and climate change, including applications in seismic isolation and damping systems, as well as renewable energy. As such, we will accordingly contribute to society through our primary operations serving as an essential business as our many customers worldwide turn to us for product supply, while concurrently striving to increase our corporate value as we engage in initiatives that help give rise to a sustainable society in the midst of global warming and other changes in the global environment.

(4) Future Tasks

The THK Group will endeavor to expand its fields of business based on the pillars of its growth strategy focusing on: “Full-Scale Globalization” aiming to expand its geographic business areas, “Development of New Business Areas” aiming to expand applications of its products, and “Change in Business Style” aiming to thoroughly apply Artificial Intelligence (AI), the IoT, robotics, and other technologies.

Under the “Full-Scale Globalization” objective, we have been building a “unified producer-retailer system at the locations closer to centers of demand” whereby products will be produced and sold locally in our four key geographic regions of Japan, the Americas, Europe and Asia. Meanwhile, we believe there is still plenty of latent demand for linear motion products overseas. This is because linear motion products, including the THK Group’s LM Guide, maintain high levels of familiarity and a high market share in Japan yet overseas have achieved low rates of market penetration relative to that of Japan. As such, we have been working to expand our sales network and to strengthen production structure in recent years, particularly in China and other emerging markets poised for growing demand over the medium to long term. Moreover, we will derive further growth from efforts that involve enhancing our sales network in a bid to steadily tap demand even in developed countries as the user base continues to expand.

For “Development of New Business Areas,” we believe that while the main customers of our LM guides and other product groups are now capital goods manufacturers, the adoption of THK Group’s products is expanding to the fields of applications aimed at mitigating the risk of natural disasters and climate change, such as seismic isolation and damping systems, and renewable energy, in addition to the fields

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close to consumer goods such as automobiles, medical equipment, aircraft, and service robotics. We have pinpointed substantial demand in areas close at hand beyond the industrial realm, and accordingly aim to tap such demand through efforts that involve accelerating our pace of expansion into new fields of business by launching new products that apply our core linear motion system technologies developed thus far.

Under the “Change in Business Style” objective, we will strive to transform our business approach and framework through painstaking efforts in every aspect of operations encompassing areas that include sales, production, and development with respect to new technologies such as AI, IoT, and robotics, amid a scenario of digital technologies undergoing rapid development. As we promote DX, we will furthermore take a multifaceted approach to expanding our business areas by creating new forms of customer experience, through initiatives that include our Omni THK platform for communicating with customers and our customer OEE Optimization System, “OMNIedge.”

Along with these initiatives, we will raise our corporate value by vigorously pressing ahead with improving profitability and strengthening our financial position.

[Translation for Reference and Convenience Purposes Only]

(5) Status of Major Subsidiaries (as of December 31, 2023)

1. Status of Major Subsidiaries

Name of Company	Capital Stock	Percentage of Voting Rights Held by the Company	Description of Main Business Operations
THK INTECHS CO., LTD.	¥100 million	100%	Manufacturing of mechanical element devices and vital machinery components
TALK SYSTEM CO.,LTD.	¥400 million	99.00	Sales of vital machinery components, etc.
TRA Holdings CO., LTD.	¥100 million	100	Holding and controlling company of transport equipment business
THK RHYTHM CO., LTD.	¥490 million	100 (100)	Manufacturing and sales of transport equipment parts
THK America, Inc.	USD 20,100 thousand	100	Sales of the Company's products in North America
THK Manufacturing of America, Inc.	USD 75,000 thousand	100 (100)	Manufacturing of vital machinery components and transport equipment parts in North America
THK RHYTHM NORTH AMERICA CO.,LTD.	USD 66 thousand	100 (100)	Manufacturing and sales of transport equipment parts in North America
THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION	USD 70,000 thousand	100	Manufacturing and sales of transport equipment parts in North America
THK RHYTHM AUTOMOTIVE CANADA LIMITED	CAD 150,000 thousand	100	Manufacturing and sales of transport equipment parts in North America
THK Europe B.V.	EUR 90,000 thousand	100	Holding and controlling company in Europe
THK GmbH	EUR 1,000 thousand	100 (100)	Sales of the Company's products in Europe
THK Manufacturing of Europe S.A.S.	EUR 72,040 thousand	100 (100)	Manufacturing of vital machinery components in Europe
THK RHYTHM AUTOMOTIVE GmbH	EUR 1,000 thousand	100	Manufacturing and sales of transport equipment parts in Europe
THK RHYTHM AUTOMOTIVE CZECH a.s.	CZK 335,479 thousand	100	Manufacturing and sales of transport equipment parts in Europe
THK CAPITAL UNLIMITED COMPANY	USD 250,000 thousand	100	In-group financing and fund management for THK's group companies in the Americas
THK FINANCE UNLIMITED COMPANY	EUR 50,000 thousand	100	In-group financing and fund management for THK's group companies in Europe

[Translation for Reference and Convenience Purposes Only]

Name of Company	Capital Stock	Percentage of Voting Rights Held by the Company	Description of Main Business Operations
THK (CHINA) CO., LTD.	CNY 2,296,109 thousand	100	Holding and controlling company in China and sales of vital machinery components
DALIAN THK CO., LTD.	CNY 420,997 thousand	70.00 (25.00)	Manufacturing and sales of vital machinery components in China
THK MANUFACTURING OF CHINA (WUXI) CO., LTD.	CNY 806,494 thousand	100 (100)	Manufacturing of vital machinery components in China
THK MANUFACTURING OF CHINA (LIAONING) CO., LTD.	CNY 848,827 thousand	100 (100)	Manufacturing of vital machinery components in China
THK RHYTHM GUANGZHOU CO., LTD.	CNY 91,498 thousand	100 (100)	Manufacturing and sales of transport equipment parts in China
THK RHYTHM CHANGZHOU CO., LTD.	CNY 237,265 thousand	100 (83.33)	Manufacturing and sales of transport equipment parts in China
THK RHYTHM (THAILAND) CO., LTD.	THB 350,000 thousand	100 (100)	Manufacturing and sales of transport equipment parts in other Asian countries
THK India Pvt. Ltd.	INR 8,000,000 thousand	100 (0.02)	Manufacturing and sales of vital machinery components in India

- Notes: 1. Figures in parentheses in the “Percentage of Voting Rights Held by the Company” indicate indirect ownership.
2. THK India Pvt. Ltd. conducted a capital increase in March 2023, bringing its capital stock amount to INR 8,000,000 thousand.
3. THK America, Inc. merged with and absorbed THK Holdings of America, L.L.C. in July 2023.

2. Status of Major Affiliated Companies

Name of Company	Capital Stock	Percentage of Voting Rights Held by the Company	Description of Main Business Operations
SAMICK THK CO., LTD.	KRW 10,500 million	33.82%	Manufacturing and sale of vital machinery components in South Korea

[Translation for Reference and Convenience Purposes Only]

(6) Major Offices and Plants (as of December 31, 2023)

Head Office	12-10, Shibaura 2-chome, Minato-ku, Tokyo, Japan
Production Sites (Domestic Plants)	Kofu Plant (Chuo-shi, Yamanashi), Gifu Plant (Fuwa-gun, Gifu) Mie Plant (Matsusaka-shi, Mie), Yamaguchi Plant (Sanyo Onoda-shi, Yamaguchi) Yamagata Plant (Higashine-shi, Yamagata) THK INTECHS CO., LTD. (Sunto-gun, Shizuoka; Kurokawa-gun, Miyagi) THK NIIGATA CO., LTD. (Agano-shi, Niigata) THK RHYTHM CO., LTD. (Hamamatsu-shi, Shizuoka; Nakatsu-shi, Oita)
Production Sites (Overseas Plants)	THK Manufacturing of America, Inc. (United States) THK RHYTHM NORTH AMERICA CO., LTD. (United States) THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION (United States) THK RHYTHM AUTOMOTIVE CANADA LIMITED (Canada) THK RHYTHM MEXICANA, S.A. DE C.V. (Mexico) THK Manufacturing of Ireland Ltd. (Ireland) THK Manufacturing of Europe S.A.S. (France) THK RHYTHM AUTOMOTIVE GmbH (Germany) THK RHYTHM AUTOMOTIVE CZECH a.s. (Czech) DALIAN THK CO., LTD. (China) THK MANUFACTURING OF CHINA (WUXI) CO., LTD. (China) THK MANUFACTURING OF CHINA (LIAONING) CO., LTD. (China) THK MANUFACTURING OF CHINA (CHANGZHOU) CO., LTD. (China) THK RHYTHM GUANGZHOU CO., LTD. (China) THK RHYTHM CHANGZHOU CO., LTD. (China) THK RHYTHM (THAILAND) CO., LTD. (Thailand) THK MANUFACTURING OF VIETNAM CO., LTD. (Vietnam) THK India Pvt. Ltd. (India)
Sales Offices (Domestic)	THK CO., LTD.: 29 offices in nationwide TALK SYSTEM CO.,LTD.: 20 offices in nationwide
Sales Offices (Overseas)	THK America, Inc. (United States) THK GmbH (Germany) THK (CHINA) CO., LTD. (China) THK TAIWAN CO., LTD. (Taiwan) THK LM SYSTEM Pte. Ltd. (Singapore)
Research Sites (Domestic)	Head Office (Minato-ku, Tokyo) Technology Center (Ota-ku, Tokyo)
Research Sites (Overseas)	THK (CHINA) CO., LTD. R&D Center (China) THK RHYTHM AUTOMOTIVE GmbH (Germany)

[Translation for Reference and Convenience Purposes Only]

(7) Status of Employees (As of December 31, 2023)

1. Employees of the Group

Business Segment	Number of Employees	Change from the Previous Consolidated Fiscal Year-End
Japan	5,652	+ 21
Americas	1,931	+ 23
Europe	1,798	- 26
China	3,091	- 68
Other	888	- 92
Total	13,360	- 142

Note: The number of employees is the number of staff members in service (excluding employees transferred from the Group to a company outside of the Group and including employees of a company outside of the Group transferred to the Group).

2. Status of Employees of the Company

Number of Employees	Change from the Previous Fiscal Year	Average Age	Average Years of Service
4,068 employees	+ 10	40.8	18.4

Note: The number of employees is the number of staff members in service (excluding employees transferred from the Company to outside of the Group and including the Company's employees on loan from a different company).

(8) Status of Significant Borrowings (As of December 31, 2023)

(Millions of Yen)

Lender	Amount of Borrowing
Mizuho Bank, Ltd.	11,533
MUFG Bank, Ltd.	9,166
Sumitomo Mitsui Banking Corporation	2,255
Mizuho Trust & Banking Co., Ltd.	1,000
Sumitomo Mitsui Trust Bank, Limited	800
THE YAMAGUCHI BANK, Ltd.	700
Resona Bank, Limited.	600
The Yamanashi Chuo Bank, Ltd.	500

[Translation for Reference and Convenience Purposes Only]

2. Current Status of the Company

(1) Status of Stocks (As of December 31, 2023)

1. Total number of authorized shares: 465,877,700
2. Total number of outstanding shares (incl. 7,260,295 of treasury shares) 129,856,903
3. Number of shareholders: 18,170
4. Major shareholders (top 10):

Shareholder	Number of Shares Held (Thousand Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd., Trust Account	19,789	16.14
Custody Bank of Japan, Ltd., Trust Account	14,679	11.97
TERAMACHI CORPORATION	6,014	4.90
SSBTC CLIENT OMNIBUS ACCOUNT	3,943	3.21
JP MORGAN CHASE BANK 385632	3,230	2.63
JPMorgan Securities Japan Co., Ltd.	2,932	2.39
BBH (LUX) FOR FIDELITY FUNDS- GLOBAL TECHNOLOGY POOL	2,570	2.09
STATE STREET BANK AND TRUST COMPANY 505225	2,003	1.63
JP MORGAN CHASE BANK 385781	1,895	1.54
STATE STREET BANK AND TRUST COMPANY 505001	1,838	1.49

Notes: 1. The treasury shares held by the Company, which is 7,260,295 shares in total, are excluded from the above-mentioned Shareholders.

2. Shareholding ratio is calculated by excluding treasury stock.

5. Status of shares delivered to the Company's Officers in consideration for execution of their duties during the current fiscal year

	Type and number of Shares	Number of eligible persons
Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	Common stock of the Company 6,650 shares	7 persons

Note: The details of the Company's share-based remuneration are described in "6. Policies, etc. for determining the details of the remuneration of individual Directors" on page 57.

[Translation for Reference and Convenience Purposes Only]

(2) Status of Corporate Officers

1. Status of Directors (As of December 31, 2023)

Position in the Company	Name	Duties or Significant Positions Concurrently Held
Representative Director and President	Akihiro Teramachi	CEO Chairman of JAPAN MACHINE ACCESSORY ASSOCIATION (General Incorporated Association)
Director and Executive Vice President	Toshihiro Teramachi	CIO
Director and Executive Vice President	Hiroshi Imano	
Director	Takashi Teramachi	Senior Managing Executive Officer Senior General Manager of Industrial Machinery Headquarters
Director	Nobuyuki Maki	Senior Managing Executive Officer Senior General Manager of Automotive & Transportation Headquarters
Director	Junji Shimomaki	Managing Executive Officer General Manager of Industrial Machinery Headquarters Senior General Manager of Sales Division, Industrial Machinery Headquarters
Director	Kenji Nakane	CFO Executive Officer General Manager of Finance & Accounting Department, Corporate Strategy Headquarters General Manager of Indirect Material Procurement Department, Corporate Strategy Headquarters
Director	Masaaki Kainosho	Representative Director of KAINOSHO CO., LTD.
Director	Junko Kai	Partner of Hamani Takahashi Kai Law Office Outside Director of NARITA INTERNATIONAL AIRPORT CORPORATION Outside Audit & Supervisory Board Member of JSR Corporation
Director (Audit and Supervisory Committee Member)	Masakatsu Hioki	Outside Director of SUKIYA Co., Ltd. Outside Director of ZUIKO CO., LTD. (Audit and Supervisory Committee Member)

[Translation for Reference and Convenience Purposes Only]

Position in the Company	Name	Duties or Significant Positions Concurrently Held
Director (Audit and Supervisory Committee Member)	Tomitoshi Omura	Registered as Certified Public Accountant Managing Director of Omura Accounting Office
Director (Audit and Supervisory Committee Member)	Yoshiki Ueda	Outside Director, Representative Director & Chairman of SINTOKOGIO, LTD.

- Notes: 1. On January 1, 2024, Akihiro Teramachi was appointed Representative Director, Chairman and CEO, and Takashi Teramachi was appointed Representative Director, President and COO.
2. Directors Masaaki Kainosho and Junko Kai, and Directors (Audit and Supervisory Committee Members) Masakatsu Hioki, Tomitoshi Omura and Yoshiki Ueda are Outside Directors.
3. The Company registered Directors Masaaki Kainosho and Junko Kai, and Directors (Audit and Supervisory Committee Members) Masakatsu Hioki, Tomitoshi Omura and Yoshiki Ueda, as independent officers, as stipulated under the guidelines of the Tokyo Stock Exchange.
4. Director (Audit and Supervisory Committee Member) Tomitoshi Omura is a certified public accountant and has a substantial level of expertise in finance and accounting.
5. THK established the Audit and Supervisory Committee Secretariat to support the execution of duties by the Audit and Supervisory Committee, and assigns a dedicated employee. Audit and Supervisory Committee Members and the Audit and Supervisory Committee Secretariat collect and share information by attending important meetings, etc., and they work in close cooperation with internal control departments responsible for the internal control system and implement measures to facilitate access to information under the control of each department. By taking such measures, Audit and Supervisory Committee Members and the Audit and Supervisory Committee Secretariat conduct an organizational audit by utilizing the internal control system to ensure the effectiveness of audits. Accordingly, THK does not appoint full-time Audit and Supervisory Committee Members.

[Translation for Reference and Convenience Purposes Only]

<Reference>

The Company introduced the Executive Officer System. The Executive Officers excluding those concurrently serving as Directors are as follows:

(As of December 31, 2023)

Position in the Company	Name	Duties
Managing Executive Officer	Takashi Okubo	Appointive Officer to President in Charge of China
Managing Executive Officer	Masaki Sugita	General Manager of Service Robot Division, Industrial Machinery Headquarters
Managing Executive Officer	Tetsuya Hayashida	Special Appointive Officer to President
Managing Executive Officer	Naoki Kinoshita	Executive Vice Chairman of THK (CHINA) CO., LTD. President of THK (CHINA) CO., LTD.
Managing Executive Officer	Takanobu Hoshino	General Manager of IMT Division, Industrial Machinery Headquarters Director and Executive Vice Chairman of THK INTECHS CO., LTD.
Managing Executive Officer	Akihiko Kambe	Senior General Manager of Production Division, Industrial Machinery Headquarters
Managing Executive Officer	Kaoru Hoshide	Senior General Manager of Engineering Division, Industrial Machinery Headquarters
Managing Executive Officer	Masato Sawada	General Manager of Automotive & Transportation Headquarters Director and Executive Vice Chairman of THK RHYTHM CO., LTD.
Managing Executive Officer	Toshiki Matsuda	Representative Director and President of THK Europe B.V. Representative Director and President of THK GmbH Representative Director and President of THK France S.A.S. Representative Director and President of THK Manufacturing of Europe S.A.S.
Managing Executive Officer	Nobufumi Sato	Representative Director and President of THK America, Inc.
Executive Officer	Yukio Yamada	General Manager of Sales Division, Industrial Machinery Headquarters General Manager of International Sales Division, Sales Division, Industrial Machinery Headquarters

[Translation for Reference and Convenience Purposes Only]

Position in the Company	Name	Duties
Executive Officer	Takehiro Nakanishi	Deputy Senior General Manager of Production Division, Industrial Machinery Headquarters General Manager of Production Engineering Department, Production Division, Industrial Machinery Headquarters General Manager of Global Procurement Department, Production Division, Industrial Machinery Headquarters
Executive Officer	Masaki Kimura	General Manager of The President's Office General Manager of Corporate Planning Department, Corporate Strategy Headquarters
Executive Officer	Takuya Sakamoto	Senior General Manager of IOT Innovation Division
Executive Officer	Katsuya Iida	Head of Product Planning Department, Industrial Machinery Headquarters Head of Engineering and Development Department, Engineering Division, Industrial Machinery Headquarters Head of Engineering Department, THK (CHINA) CO., LTD.
Executive Officer	Toshihiro Takahashi	President of THK NIIGATA CO., LTD.
Executive Officer	Akira Furihata	Representative Director and President of THK RHYTHM CO., LTD.
Executive Officer	Katsumi Fujita	Head of Human Resources & General Affairs Department, Corporate Strategy Headquarters

2. Description of Limited Liability Agreement

Pursuant to the provision of Article 427, Paragraph 1, of the Companies Act, the Company and each Outside Director entered into an agreement that limits the indemnity liability under Article 423, Paragraph 1 of the said Act.

Under this agreement, the limitation of liability for an Outside Director is the higher of ¥10 million or the minimum liability limit set forth in Article 425, Paragraph 1, of the Companies Act on condition that the Outside Director fulfills due diligence and there is no gross negligence or no knowledge of it of the Outside Director with regard to the execution of duties that caused such liability.

3. Description of Directors and Officers Liability Insurance Contracts

The Company has entered into a liability insurance contract with an insurance company for directors and officers, as stipulated in Article 430-3, Paragraph 1 of the Companies

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Act, with officers and executive officers, etc. of the Company and its subsidiaries as the insured, and plans to renew the said contract in July 2024.

(i) Summary of insurance incidents subject to coverage

The insurance covers damages that may occur due to an insured director or officer being held liable for the execution of his/her duties or being subject to a claim related to the pursuit of such liability.

(ii) Insurance fee

Insurance fees are paid in full by the Company.

4. Remuneration for Directors

Classification	Amount of Remuneration (Millions of Yen)	Total Amount of Remuneration by Type (Millions of yen)			Persons Receiving Remuneration (Persons)
		Basic Remuneration	Performance-based Remuneration	Non-monetary Remuneration	
Directors (excluding Audit and Supervisory Committee Members) (Outside Directors)	563 (31)	424 (31)	120 (-)	19 (-)	10 (2)
Directors (Audit and Supervisory Committee Members) (Outside Directors)	56 (56)	56 (56)	- (-)	- (-)	3 (3)
Total (Outside Directors)	620 (88)	480 (88)	120 (-)	19 (-)	13 (5)

- Notes: 1. Pursuant to resolutions of the General Meeting of Shareholders, the maximum fixed remuneration for a Director (excluding Audit and Supervisory Committee Members) is ¥1,200 million per year (including ¥120 million or less a year for Outside Directors), not including the salary of employees who concurrently serve as Directors (Resolution of the Ordinary General Meeting of Shareholders in March 2022). At the conclusion of this General Meeting of Shareholders, the number of eligible Directors (excluding Audit and Supervisory Committee Members) is nine (9), including two (2) Outside Directors.
2. Pursuant to resolutions of the General Meeting of Shareholders, the maximum remuneration for a Director (Audit and Supervisory Committee Member) is ¥10 million a month (Resolution of the Ordinary General Meeting of Shareholders in June 2016). At the conclusion of this General Meeting of Shareholders, the number of eligible Directors (Audit and Supervisory Committee Members) is three (3), including three (3) Outside Directors.
3. Profit attributable to owners of the parent is used as the performance indicator for performance-based remuneration for Directors (excluding Outside Directors) pursuant to resolutions of the General Meeting of Shareholders, and profit attributable to owners of the parent was ¥18,398 million for the fiscal year under review. The maximum amount of performance-based remuneration is, in accordance with the viewpoint of providing an incentive

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to grow significantly as a global company, the sum of the amount obtained by multiplying profit attributable to owners of the parent for the fiscal year associated with the payment of the remuneration by 3% and the amount obtained by multiplying the average profit attributable to owners of the parent for the latest four fiscal years, which include the subject fiscal year, by 3% (Resolution of the Ordinary General Meeting of Shareholders in June 2016). At the conclusion of this General Meeting of Shareholders, the number of eligible Directors is seven (7), excluding Outside Directors. In addition, the changes in profit attributable to owners of the parent are shown in “1. Assets and Profit/Loss of the Group (Consolidated), International Financial Reporting Standards (IFRS)” on page 41.

4. Restricted stock remuneration for Directors (excluding Directors who are Outside Directors and Audit and Supervisory Committee Members) pursuant to resolutions of the General Meeting of Shareholders is no more than ¥1,200 million per year including the fixed remuneration (of which the amount for Outside Directors shall be no more than ¥120 million per year) and no more than 270,000 shares of common stock (Resolution of the Ordinary General Meeting of Shareholders in March 2022). At the conclusion of this General Meeting of Shareholders, the number of eligible Directors is seven (7), excluding Outside Directors.
5. There were nine (9) Directors (excluding Audit and Supervisory Committee Members) (of which two (2) were Outside Directors) and three (3) Directors (Audit and Supervisory Committee Members) (of which three (3) were Outside Directors) at the end of the fiscal year under review.

[Translation for Reference and Convenience Purposes Only]

5. Matters Related to Outside Officers

A. Status of important concurrent services in other corporations, etc. and relationships between the Company and other such corporations, etc.

- Director Masaaki Kainosho is the Representative Director of KAINOSHO CO., LTD. There is no special relationship between the Company and the relevant company.
- Director Junko Kai is a partner of Hamani Takahashi Kai Law Office, an Outside Director of NARITA INTERNATIONAL AIRPORT CORPORATION, and an Outside Audit & Supervisory Board Member of JSR Corporation. There is no special relationship between the Company and the relevant office or companies.
- Director Masakatsu Hioki (Audit and Supervisory Committee Member) is an Outside Director of SUKIYA CO., LTD. and an Outside Director of ZUIKO CO., LTD. (Audit and Supervisory Committee Member). There is no special relationship between the Company and the relevant companies.
- Director Tomitoshi Omura (Audit and Supervisory Committee Member) is the Managing Director of Omura Accounting Office. There is no special relationship between the Company and the relevant office.
- Director Yoshiki Ueda (Audit and Supervisory Committee Member) is an Outside Director, Representative Director & Chairman of SINTOKOGIO, LTD. The Company has business transactions with the relevant company involving purchase, etc. of its products, but the amount of such transactions accounts for less than 1% of the Company's and SINTOKOGIO's sales revenue in the current consolidated fiscal year.

B. Status of major business activities in the current fiscal year

Title	Name	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee meetings	Presentations at the Board of Directors meetings and the Audit and Supervisory Committee meetings as well as summary of duties performed in relation to the roles expected from Outside Director
Outside Director	Masaaki Kainosho	100% (16 of 16 meetings)	—	Mr. Kainosho made comments at meetings of the Board of Directors based on his abundant experience, broad knowledge and insight as the manager of a management consulting firm and as a university professor highly adept in management. In addition, he supervised the Company's management from an objective and neutral standpoint in order to improve the corporate value of the THK Group and fulfilled his expected roles.

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Title	Name	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee meetings	Presentations at the Board of Directors meetings and the Audit and Supervisory Committee meetings as well as summary of duties performed in relation to the roles expected from Outside Director
Outside Director	Junko Kai	100% (16 of 16 meetings)	—	Ms. Kai made comments at meetings of the Board of Directors based on her abundant experience, broad knowledge and insight as a legal expert who is an attorney. In addition, she supervised the Company's management from an objective and neutral standpoint in order to improve the corporate value of the THK Group and fulfilled her expected roles.
Outside Director (Audit and Supervisory Committee Member)	Masakatsu Hioki	100% (16 of 16 meetings)	100% (13 of 13 meetings)	Mr. Hioki made comments at meetings of the Board of Directors and meetings of the Audit and Supervisory Committee based on his abundant experience, broad knowledge and insight mainly as a person responsible for personnel and general affairs in the management division of a global enterprise and a manufacturer. In addition, he supervised the Company's management from an objective and neutral standpoint in order to improve the corporate value of the THK Group and fulfilled his expected roles.

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Title	Name	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee meetings	Presentations at the Board of Directors meetings and the Audit and Supervisory Committee meetings as well as summary of duties performed in relation to the roles expected from Outside Director
Outside Director (Audit and Supervisory Committee Member)	Tomitoshi Omura	100% (16 of 16 meetings)	100% (13 of 13 meetings)	Mr. Omura made comments at meetings of the Board of Directors and meetings of the Audit and Supervisory Committee based on his abundant experience, broad knowledge and insight as a certified public accountant highly adept in corporate accounting. In addition, he supervised the Company's management from an objective and neutral standpoint in order to improve the corporate value of the THK Group and fulfilled his expected roles.
Outside Director (Audit and Supervisory Committee Member)	Yoshiki Ueda	100% (16 of 16 meetings)	100% (13 of 13 meetings)	Mr. Ueda made comments at meetings of the Board of Directors and meetings of the Audit and Supervisory Committee based on his abundant experience gained from his involvement in the field of machinery-related business in a global company, as well as broad knowledge and insight in corporate management. In addition, he supervised the Company's management from an objective and neutral standpoint in order to improve the corporate value of the THK Group and fulfilled his expected roles.

6. Policies, etc. for determining the details of the remuneration of individual Directors
At the Board of Directors meeting held on March 19, 2022, the Company resolved to adopt the policies for determining the details of the remuneration of individual Directors.

The Company's policies (as of December 31, 2023) for determining the details of the remuneration of individual Directors are as follows.

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[Basic policy]

The basic policy is to have a remuneration structure linked to the interest of shareholders so that it works as a sustainable incentive to improve corporate value, and appropriate levels of remuneration shall be ensured in light of their relevant duties in determining remuneration for individual Directors (excluding Directors who are Audit and Supervisory Committee Members). Specifically, the remuneration of an Executive Director of the Company shall mainly consist of fixed remuneration determined according to the Director's job roles and responsibilities, as well as restricted stock remuneration with the aim of granting a medium-term incentive and performance-based remuneration based on the annual and medium-term performance. Fixed remuneration only shall be paid to an Outside Director who is in charge of the monitoring function in light of his/her duties. Fixed remuneration and performance-based remuneration shall be monetary remuneration, and restricted stock remuneration shall be monetary remuneration claims for granting Restricted Stocks.

[Fixed remuneration]

Fixed remuneration shall be determined based on operating performance during the previous fiscal year, and the total amount of fixed remuneration of Directors during the current fiscal year shall not exceed ¥1,200 million per year. Each Director shall be individually evaluated based on his/her job responsibilities and track record according to the degree of his/her contribution so far as well as expected degree of contribution, etc., and the total amount of remuneration determined as stated above shall be allocated to each Director in accordance with such evaluation. Fixed remuneration for Outside Directors shall not exceed ¥120 million per year and be determined in light of the level of remuneration paid by companies similar to the Company in size and those belonging to related industry sectors/business types.

[Performance-based remuneration]

Performance-based remuneration shall be determined based on the evaluation of job responsibilities and the degree of contribution of each Director during a relevant fiscal year. Its amount shall not exceed an amount as calculated by adding an amount calculated by multiplying the average amount of profit attributable to owners of the parent over the most recent four (4) fiscal years including the relevant fiscal year by 3%, to an amount calculated by multiplying the amount of profit attributable to owners of the parent for the fiscal year by 3%, in order to even out changes in the demand and supply trend of the Company's business. This remuneration shall not be paid to Outside Directors.

[Restricted stock remuneration]

As restricted stock remuneration, common stock of the Company that are subject to restrictions including a prohibition on transfers until certain circumstances arise and acquisition of these shares by the Company without contribution in the event that certain circumstances arise shall be allotted to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) in order to provide them an incentive to sustainably increase the Company's corporate value and to share interests between shareholders and them. In addition, in accordance with the resolution of its Board of Directors, the total amount shall be allotted to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)

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as no more than ¥1,200 million per year including the fixed remuneration (of which the amount for Outside Directors shall be no more than ¥120 million per year) and no more than 270,000 shares of common stock.

[Policy for determining ratio]

In regard to the ratio between the amount of fixed remuneration and that of performance-based remuneration for an Executive Director, fixed remuneration shall also be reviewed each fiscal year based on the intent of clarifying the Company's operating performance and an individual role's responsibilities for the results and operating performance. With the amount of fixed remuneration determined accordingly, operating performance during the fiscal year and that over the most recent four (4) fiscal years as well as the degree of contribution by the entire management shall be taken into consideration to determine the ratio. In determining the ratio, the Remuneration Advisory Committee shall be consulted on an original proposal and its recommendation shall be respected.

The number of shares to be granted to an eligible Director as restricted stock remuneration shall be calculated so that the value of the shares is equivalent to about 5% of the total amount of fixed remuneration paid to the Director as of the initial date of introduction. On the basis of the above ratio as of the initial date of introduction, such ratio shall be adjusted to a proper provision ratio according to future changes in the business environment in order to encourage willingness to contribute to a sustainable increase in the Company's corporate value, share the benefits and risks of stock price fluctuations with shareholders, and contribute to improving its share value and corporate value.

[Policy for determining the timing of and conditions for the payment of remuneration to Directors]

With regards to the timing and conditions of the payment of remuneration to Directors, fixed remuneration shall be calculated for each calendar month and paid monthly, and performance-based remuneration shall be paid once a year in April; any change to this shall be subject to a resolution by the Board of Directors. With regards to the timing and conditions of the granting (payment) of restricted stock remuneration to eligible Directors, it shall be paid once a year in April under the Allotment Agreement concluded between the Company and each eligible Director.

[Matters relating to the delegation of the determination of remuneration of individual Directors to Directors]

With regards to the amount of remuneration of individual Directors (excluding Directors who are Audit and Supervisory Committee Members) (for Restricted Stocks, the number of shares to be granted to each Director), the determination for Director and Executive Vice Presidents, etc. who are responsible for the operation of the entire Company without specific line responsibilities shall be delegated to the Director and President, and that for other Directors who are in charge of specific business lines/fields shall be delegated jointly to the Director and President and two (2) Director and Executive Vice Presidents. The authorities to be delegated in each case shall be to determine the amount of fixed remuneration of each Director as well as the evaluation and allocation of performance-based remuneration based on operating performance of

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the business line that each Director is in charge of, and the number of Restricted Stocks to be granted to each Director.

The Board of Directors shall obtain a recommendation on the policies for determining the total amounts of fixed remuneration and performance-based remuneration (for Restricted Stocks, the total number of shares to be granted) as well as allocating to individual Directors from the Remuneration Advisory Committee to ensure such authorities are exercised properly by the above delegates. The above delegates shall respect the details of such recommendation to determine individual amounts of remuneration, independently or after discussions. The Remuneration Advisory Committee is comprised of four (4) persons of the Director and President, one (1) Executive Vice President, an Outside Director, as well as an Outside Director who is an Audit and Supervisory Committee Member.

The Board of Directors has delegated the authority to determine the amount of fixed remuneration of each Director, the evaluation and allocation of performance-based remuneration based on operating performance of the business line that each Director, excluding Outside Directors, is in charge of, as well as the number of restricted stocks granted to each Director, excluding Outside Directors, to Akihiro Teramachi, Representative Director, President and CEO, Toshihiro Teramachi, Director, Executive Vice President and CIO, and Hiroshi Imano, Director and Executive Vice President. The reason for the delegation is that the Company determined that they are appropriate for evaluating the business that each Director is in charge of, while taking into account company-wide operating performance, etc.

In addition, the Board of Directors has judged that the remuneration for individual Directors for the fiscal year under review is in line with the policies for determining the remuneration because the determination of the details of the remuneration and the details of the determined remuneration were consistent with the policies and because the report from the Remuneration Advisory Committee was respected.

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(3) Status of Accounting Auditor

1. Name: Grant Thornton Taiyo LLC

2. Amount of Remuneration of the Accounting Auditor Pertinent to the Fiscal Year under Review:

	(Millions of Yen)
	Amount of Remuneration
1. Amount of remuneration as the accounting auditor for the current fiscal year	110
2. Total sum of monies or money equivalent to be paid by the Company and its subsidiaries to the accounting auditor	111

Notes: 1. In line with the “Practical Guidelines on the Alliance with Accounting Auditors” announced by the Japan Audit & Supervisory Board Members Association, the Audit and Supervisory Committee of the Company checked and verified the Accounting Auditors’ actual performance by audit item in the accounting audit plan for the previous fiscal year and hours spent for auditing each tier, the transition in the amounts of remuneration paid to the Accounting Auditors and the status of execution of duties by the Accounting Auditors. Based on such verification, the board inspected the Accounting Auditors’ accounting audit plan for the current fiscal year and the adequacy of the amounts of remuneration. As a result, the Audit and Supervisory Committee gave consent under Article 399, Paragraphs 1 and 3, of the Companies Act.

2. Under the audit agreement between the Company and the accounting auditor, the Company does not classify the amount of auditing remuneration for the audit set forth in the Companies Act and the audit set forth in the Financial Instruments and Exchange Act. Therefore, the amount shown in 1. above includes auditing remuneration under the Financial Instruments and Exchange Act.

3. Matters Related to the Audit of the Financial Statements of Important Consolidated Subsidiaries

Of the Company’s important subsidiaries, 20 subsidiaries including THK America, Inc. were audited by certified public accountants or audit firms other than the Company’s Accounting Auditor, Grant Thornton Taiyo LLC.

4. Description of Non-Audit Activities

The Company entrusts the Accounting Auditor with preparation of letters to the leading underwriting firm in the bond issuance, which are services other than those provided for in Article 2, Paragraph 1, of the Certified Public Accountants Act (non-auditing services), and pays the Accounting Auditor for such advisory services.

5. Policy for Determining Dismissal and Non-Reappointment of Accounting Auditors

The Audit and Supervisory Committee, if it considers it necessary, such as in the case where the performance of the accounting auditor’s duties is hindered, decides the details

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of the proposal for the dismissal or non-reappointment of the accounting auditor to be presented to the General Meeting of Shareholders.

In addition, if it is considered that the accounting auditor comes under any of the items of Article 340, Paragraph 1, of the Companies Act, the accounting auditor will be dismissed with the consent of all Audit and Supervisory Committee Members. In this case, the Audit and Supervisory Committee Member selected by the Audit and Supervisory Committee will report the dismissal of the accounting auditor and the reason for such dismissal at the first General Meeting of Shareholders held after such dismissal.

6. Suspension of Operations Currently Imposed on the Accounting Auditor
Summary of disciplinary action announced by the Financial Services Agency as of December 26, 2023

A. Target of disciplinary action

Grant Thornton Taiyo LLC

B. Contents of disciplinary action

- Suspension of operations related to the conclusion of new contracts for a period of three months (from January 1, 2024 to March 31, 2024, excluding the period renewal of audit agreements and the conclusion of new agreements associated with the listing of companies with whom an audit agreement already exists)
- Business improvement order (improvements to business management system)
- Prohibition of the partner materially responsible for the action that resulted in the disciplinary action from involving in a part of the audit activities (examination of audit activities) for a period of three months (from January 1, 2024 to March 31, 2024)

C. Reason for disciplinary action

Two certified public accountants, who are partners of the said audit firm, neglected to exercise considerable care when auditing another client's correction report, etc. and certified that financial documents that contained material misstatements contained no material misstatements.

(4) Basic Policies on Control of the Company

Based on the management philosophy common throughout the THK Group of "providing innovative products to the world and generating new trends to contribute to the creation of an affluent society," the Group will enhance transparency of its management for all stakeholders, including our shareholders, from the viewpoint of "maximizing corporate value" in conducting appropriate and efficient management. By doing so, the Group will take initiatives with the aim of enhancing the THK Group's medium to long term corporate value by continuously growing through appropriate cooperation with stakeholders.

The Company's basic policy regarding takeover defense measures calls for not introducing such measures. When a party attempts a large-scale acquisition of the Company's stocks and the Company's stocks are targeted for a tender offer, the Company will clearly explain the stance of its Board of Directors and counterproposal, if any. At the same time, the Company will not take any measures to unreasonably

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interfere with shareholders' right to relinquish the stocks upon accepting the tender offer.

In addition, when such large-scale acquisition is deemed to be an act taken by an inappropriate party, the Company will form a "Countermeasure Headquarters" to carefully examine the purpose of acquisition by the acquirer and the details of the proposal, among other things, in light of the common interest of shareholders and other considerations, with the intention of determining and implementing concrete action.

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Consolidated Statements of Financial Position

(As of December 31, 2023)

(Millions of Yen)

Assets		Liabilities	
Current assets	333,462	Current liabilities	73,643
Cash and cash equivalents	156,486	Trade and other payables	40,881
Trade and other receivables	78,621	Bonds and borrowings	13,123
Inventories	82,460	Other financial liabilities	4,352
Other financial assets	504	Provisions	114
Other current assets	15,388	Income taxes payable	849
Non-current assets	222,889	Other current liabilities	14,320
Property, plant and equipment	186,556	Non-current liabilities	119,810
Goodwill and intangible assets	9,492	Bonds and borrowings	95,639
Investments accounted for using the equity method	6,960	Other financial liabilities	8,491
Other financial assets	10,724	Net defined benefit liabilities	6,278
Deferred tax assets	5,891	Provisions	171
Net defined benefit asset	3,182	Deferred tax liabilities	6,488
Other non-current assets	80	Other non-current liabilities	2,740
		Total liabilities	193,453
		Equity	
		Total equity attributable to owners of the parent	357,264
		Common stock	34,606
		Capital surplus	40,102
		Retained earnings	253,440
		Treasury stock	(17,130)
		Other components of equity	46,245
		Non-controlling interests	5,633
		Total Equity	362,898
Total assets	556,351	Total liabilities and equity	556,351

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Consolidated Statements of Profit or Loss

(From January 1, 2023 to December 31, 2023)

(Millions of Yen)

Accounting Item	Amount
Revenue	351,939
Cost of sales	270,308
Gross profit	81,630
Selling, general and administrative expenses	58,958
Other income	2,318
Other expenses	1,322
Share of profit in investments accounted for using the equity method	40
Operating income	23,707
Financial income	2,446
Financial costs	864
Profit before tax	25,289
Income tax expense	6,550
Profit for the year	18,738
Attributable to	
Owners of the parent	18,398
Non-controlling interests	339
Total	18,738

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Balance Sheet
(As of December 31, 2023)

(Millions of Yen)

Assets		Liabilities	
Current Assets	136,502	Current Liabilities	41,870
Cash and deposits	52,651	Accounts payable	5,603
Notes receivable	494	Electronically recorded obligations—operating	8,775
Electronically recorded monetary claims—operating	16,116	Short-term loans payable	3,341
Accounts receivable	23,457	Current portion of bonds payable	10,000
Merchandise and finished goods	13,590	Current portion of long-term loans payable	2,185
Work in process	5,281	Lease obligations	244
Raw materials and supplies	9,569	Accrued payables	5,822
Prepaid expenses	1,086	Accrued expenses	3,239
Short-term loans	5,205	Income taxes payable	81
Accrued receivables	6,785	Contract liabilities	2
Other	2,265	Deposits received	271
Allowance for bad debts	(3)	Reserve for bonuses	2,275
Fixed Assets	234,380	Other	28
Tangible fixed assets	65,100	Long-Term Liabilities	95,515
Buildings	13,144	Bonds payable	70,000
Structures	686	Long-term loans payable	24,370
Machinery and equipment	36,502	Lease obligations	385
Automobiles and transportation equipment	27	Other	759
Tools and supplies	1,039	Total Liabilities	137,385
Land	6,899	Net Assets	
Lease properties	563	Shareholders' Equity	231,795
Construction in progress	6,236	Common stock	34,606
Intangible fixed assets	2,000	Capital surplus	47,484
Software	1,341	Capital reserve	47,471
Other	659	Other capital surplus	12
Investments and other assets	167,279	Profit surplus	166,829
Investment securities	4,987	Legal retained earnings	1,958
Affiliates' stocks	111,352	Other profit surplus	164,871
Investment in affiliated companies	41,332	Reserve for advanced depreciation of land	15
Long-term loans	7,000	Dividend reserve	2,000
Insurance reserve	1,141	General reserve	152,000
Prepaid pension costs	50	Profit surplus carried forward	10,855
Deferred tax assets	609	Treasury stock	(17,125)
Other	843	Valuation/Conversion Difference	1,701
Allowance for bad debts	(36)	Net unrealized gain on available-for-sale securities	1,701
		Total Net Assets	233,497
Total Assets	370,882	Total Liabilities and Net Assets	370,882

[Translation for Reference and Convenience Purposes Only]

Statement of Income

(From January 1, 2023 to December 31, 2023)

(Millions of Yen)

Accounting Item	Amount	
Revenue		144,227
Cost of Sales		107,186
Gross Profit		37,040
Selling, general, and administrative expenses		29,902
Operating Income		7,138
Non-Operating Income		
Interest received	152	
Dividends received	6,962	
Foreign exchange profit	489	
Rent income	438	
Royalty income	942	
Miscellaneous income	548	9,534
Non-Operating Expenses		
Interest expenses	255	
Interest on corporate bonds	219	
Bond issuance cost	59	
Rent expenses	65	
Loss on investments in investment partnerships	77	
Miscellaneous loss	89	766
Ordinary Income		15,905
Extraordinary Income		
Gain on sale of fixed assets	16	
Gain on sales of investment securities	414	
Employment adjustment subsidy	37	468
Extraordinary Loss		
Loss on disposition and sale of fixed assets	176	
Other	0	176
Net Income before Income Taxes		16,196
Income taxes-current	2,488	
Income taxes-deferred	670	3,159
Net Income		13,037

[Translation for Reference and Convenience Purposes Only]

Accounting Audit Report on the Consolidated Financial Statements

AUDIT REPORT BY INDEPENDENT AUDITOR

February 14, 2024

To the Board of Directors of THK CO., LTD.

Grant Thornton Taiyo LLC
Tokyo office

Designated Executive Employee Certified Public Accountant	Tatsuya Arai (Seal)
Designated Executive Employee Certified Public Accountant	Kenichi Nakamura (Seal)
Designated Executive Employee Certified Public Accountant	Motoki Ishikawa (Seal)

Audit Opinion

In accordance with the provisions of Article 444, Paragraph 4, of the Companies Act, we audited the consolidated financial statements of THK CO., LTD. (the “Company”), consisting of the consolidated statements of financial position, consolidated statements of profit or loss, consolidated statements of changes in equity and notes to the consolidated financial statements covering the consolidated fiscal year from January 1, 2023 to December 31, 2023.

In our opinion, the consolidated financial statements referred to above conform to the accounting standard omitting certain disclosure items required by designated international accounting standards in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, and present fairly, in all material respects, the financial position and results of operations of the Group, which consisted of the Company and its consolidated subsidiaries, applicable to the fiscal year ended December 31, 2023.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, the Audit and Supervisory Committee is responsible for overseeing the

[Translation for Reference and Convenience Purposes Only]

Directors' performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our audit opinion on the consolidated financial statements does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the consolidated financial statements is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the consolidated financial statements or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements conform to the accounting standard omitting certain disclosure items required by designated international accounting standards in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting: this includes the maintenance and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern, and, where necessary, disclosing matters related to going concern conform to the accounting standard omitting certain disclosure items required by designated international accounting standards in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements within the maintenance and operation of the financial reporting process.

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated financial statements.

[Translation for Reference and Convenience Purposes Only]

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider, in making those risk assessments, internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes thereto conform to the accounting standard omitting certain disclosure items required by designated international accounting standards in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting prescribing preparation, as well as evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly represent the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements in Japan regarding independence that are

[Translation for Reference and Convenience Purposes Only]

relevant to our audit of the financial statements, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

Our firm and the designated engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed in accordance with the Certified Public Accountants Act.

[Translation for Reference and Convenience Purposes Only]

Accounting Audit Report on the Non-Consolidated Financial Statements

AUDIT REPORT BY INDEPENDENT AUDITOR

February 14, 2024

To the Board of Directors of THK CO., LTD.

Grant Thornton Taiyo LLC
Tokyo office

Designated Executive Employee Certified Public Accountant	Tatsuya Arai (Seal)
Designated Executive Employee Certified Public Accountant	Kenichi Nakamura (Seal)
Designated Executive Employee Certified Public Accountant	Motoki Ishikawa (Seal)

Audit Opinion

In accordance with the provisions of Article 436, Paragraph 2, No. 1, of the Companies Act, we audited the non-consolidated financial statements of THK CO., LTD. (the “Company”), consisting of the balance sheet, statement of income, statement of changes in shareholders’ equity, notes to the non-consolidated financial statements and supplementary schedules (collectively, “non-consolidated financial statements, etc.”) covering the 54th fiscal year from January 1, 2023 to December 31, 2023.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended December 31, 2023, in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, the Audit and Supervisory Committee is responsible for overseeing the Directors’ performance of duties within the maintenance and operation of the reporting process for the other information.

[Translation for Reference and Convenience Purposes Only]

The scope of our audit opinion on the non-consolidated financial statements, etc. does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the non-consolidated financial statements, etc. is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the non-consolidated financial statements, etc. or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

Responsibilities of Management and the Audit and Supervisory Committee for the Non-consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

[Translation for Reference and Convenience Purposes Only]

- Consider, in making those risk assessments, internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements, etc. is not expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly represent the underlying transactions and accounting events.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

Our firm and the designated engagement partners have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act.

Audit Report by the Audit and Supervisory Committee

AUDIT REPORT

We, the Audit and Supervisory Committee (the “Committee”), audited the execution of duties of the Directors during the Company’s 54th fiscal year starting from January 1, 2023, and ended on December 31, 2023. The auditing method and details of audits are as described below.

1. Auditing Method and Content of Audits Performed

Regarding the content of the resolution of the Board of Directors relating to matters stipulated in Article 399-13, Paragraph 1, No. 1-B and C of the Companies Act of Japan and the system developed pursuant to such resolution (internal control system), the Committee utilized remote means such as web conference systems, received reports from Directors, Executive Officers, and employees concerning the status of the establishment and operation of such system, sought explanation as necessary, and expressed opinions. In addition, we carried out audits according to the following method:

- 1) The Committee, working in coordination with the Company’s Internal Audit Division and departments in charge of internal control in accordance with the Audit and Supervisory Committee’s Auditing Standards specified by the Committee and following the auditing policy and allocation of tasks, attended important meetings, received reports from Directors, Executive Officers, and employees concerning matters relating to the execution of their duties, sought explanation as necessary, inspected important decision-making documents, etc., and investigated the status of operations and assets at the Company’s Head Office and principal offices. As for subsidiaries of the Company, the Committee communicated and exchanged information with directors and audit and supervisory board members, etc. of subsidiaries, and received reports on business from subsidiaries as necessary. Also, the Committee held its meetings on a monthly basis and deliberated on matters for resolution and sought to share information. Furthermore, the Committee held a meeting separately from the Committee meeting once a month to complement the Committee meeting, and conducted information sharing, exchange of opinions, and deliberations on various matters, as well as seeking to collect information. The Committee also delivered opinions to the Directors on the results of its audit activities as necessary.
- 2) For the basic policy of the Regulation for Enforcement of the Companies Act, Article 118, No. 3-A, as described in the Business Report, the Committee examined the contents of the policy based on the status of deliberations at the Board of Directors meetings, etc.
- 3) The Committee monitored and inspected whether the independent auditors maintained their independence and appropriateness in their implementation of audits, received reports from accounting auditors concerning their execution of duties and requested explanations when necessary. Furthermore, we received the notice stating to the effect that the “System to Ensure Appropriate Execution of

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Duties” (various provisions stated in Article 131 of the Regulation on Corporate Accounting) is prepared in accordance with the “Quality Control Standards Concerning Audits” (Business Accounting Deliberation Council) and requested explanations when necessary. We immediately received a report from the accounting auditor regarding the disciplinary action taken against the accounting auditor by the Financial Services Agency as of December 26, 2023, and also received an explanation of the “business improvement plan” that the accounting auditor submitted to the FSA as of January 31, 2024.

In accordance with the approach explained above, we reviewed the business reports and supplementary schedules thereof, the financial statements (balance sheet, statement of income, statement of changes in shareholders’ equity and notes to the financial statements) and the supplementary schedules thereof, as well as the consolidated financial statements (consolidated statements of financial position, consolidated statements of profit or loss, consolidated statements of changes in equity and notes to the consolidated financial statements) for the fiscal year under review.

2. Results of the Audit

(1) Audit Results for the Business Report, etc.

- 1) We are of the opinion that the content of business reports and supplementary schedules comply with laws and regulations and the Articles of Incorporation and fairly reflect the state of the Company.
- 2) We determined no improper acts or material breaches of laws and regulations or the Articles of Incorporation in the execution of duties by Directors.
- 3) We are of the opinion that the content of the Board of Directors resolutions pertaining to the Internal Control System is appropriate. In addition, we did not identify anything that requires comment with regard to execution of duties by Directors concerning said Internal Control System.
- 4) We are of the opinion that the Company’s basic policy regarding persons who control decision making on the Company’s financial and business policies, as described in the Business Report, is appropriate.

(2) Audit Results for the Financial Statements and Supplementary Schedules

We are of the opinion that the audit methods and results of Grant Thornton Taiyo LLC are appropriate.

(3) Audit Results for the Consolidated Financial Statements

We are of the opinion that the audit methods and results of Grant Thornton Taiyo LLC are appropriate.

February 14, 2024

The Audit and Supervisory Committee of THK CO., LTD.
Audit and Supervisory Committee Member Masakatsu Hioki
Audit and Supervisory Committee Member Tomitoshi Omura
Audit and Supervisory Committee Member Yoshiki Ueda

Note: The Audit and Supervisory Committee Members Masakatsu Hioki, Tomitoshi Omura, and Yoshiki Ueda are Outside Directors provided for in Article 2, No. 15, and Article 331, Paragraph 6, of the Companies Act of Japan.