

October 23, 2017

Company Name	THK CO., LTD.
Code number	6481, Section 1 of Tokyo Stock Exchange
Representative	Akihiro Teramachi, President and CEO
Contact	Kenji Nakane, Executive Officer, General Manager of Finance and Accounting Department, Corporate Strategy Headquarters (Tel: +81-3-5730-3911)

**Notice regarding Transfer of Shares of a Subsidiary and Related  
Extraordinary Gain (Non-consolidated Basis)**

THK CO., LTD. (hereinafter, the "Company") hereby announces that the Company decided to transfer all shares of its subsidiary THK RHYTHM CO., LTD. (hereinafter, "RHYTHM") to TRA Holdings, CO., LTD. (hereinafter, "TRA") following the resolution of the Board of Directors meeting held on October 23, 2017. The Company expects to record a related extraordinary gain on a non-consolidated basis.

1. Reasons of the Transfer of Shares

On October 5, 2017, the Company established TRA in charge of comprehensive management of the THK Group's expanding transportation equipment business to improve the value of the aforementioned business and reinforce the THK Group's management. In relation to the establishment, the Company decided to transfer all of its holdings of shares of RHYTHM, who engages in the Group's transportation equipment business, to TRA.

## 2. Outline of the Subsidiary Subject to Transfers of Shares

(1)	Name	THK RHYTHM CO., LTD.		
(2)	Head office	283-3, Gokyucho, Minami-ku, Hamamatsu-city, Shizuoka, Japan		
(3)	Representative	Mr. Akira Furihata, President & CEO		
(4)	Business	Sales and manufacturing of parts for automotive equipment and other transportation equipment		
(5)	Paid-in capital	JPY 490 million		
(6)	Date of establishment	December 20, 1961		
(7)	Major shareholder and shareholding ratio	The Company 100%		
(8)	Relationship between RHYTHM and the Company	Capital relationship	The Company holds 100% of the outstanding shares of RHYTHM.	
		Personnel relationship	(1) Three directors of the Company concurrently serve as directors of RHYTHM. (2) 20 employees from the Company have been sent on loan to RHYTHM.	
		Business relationship	There is no trade relationship between the Company and RHYTHM. The Company and RHYTHM have entered loan agreements.	
(9)	Operating results and financial position of RHYTHM for the recent three years			
(Millions of yen)				
	As of or for the year ended March 31	2015	2016	2017
	Net assets	9,478	9,910	10,514
	Total assets	22,280	22,673	23,521
	Net assets per share (Yen)	1,934,405.90	2,022,556.59	2,145,781.72
	Net sales	28,399	27,775	28,013
	Operating income	1,179	535	860
	Ordinary income	1,366	533	832
	Net income	2,244	379	603
	Net income per share	457,962.96	77,355.51	123,225.12
	Dividends per share (Yen)	—	—	—

### 3. Outline of Transferee of the Shares

(1)	Name	TRA Holdings, CO., LTD.
(2)	Head office	2-12-10, Shibaura, Minato-ku, Tokyo
(3)	Representative	Mr. Akihiro Teramachi, President and CEO
(4)	Business	Management of the transportation equipment business and related operations
(5)	Paid-in capital	JPY 30 million (as of October 23, 2017)
(6)	Date of establishment	October 5, 2017
(7)	Major shareholder and shareholding ratio	The Company 100%

### 4. Number of Shares to Be Transferred, Transfer Price, and Status of Shares Held Before and After the Transfer

(1)	Number of shares held before the transfer	4,900 shares (100%)
(2)	Number of shares to be transferred	4,900 shares
(3)	Transfer price	Ordinary shares of RHYTHM    ¥9,900 million Advisory fees (approximate)    ¥2 million Total (approximate)                ¥9,902 million
(4)	Number of shares held after the transfer	No shares (0%)

### 5. Schedule

(1)	Date of resolution of the Board of Directors	October 23, 2017
(2)	Date of signing of the share transfer agreement	October 27, 2017 (scheduled)
(3)	Date of execution of the share transfer	November 14, 2017 (scheduled)

### 6. Recognizing an Extraordinary Gain on a Non-consolidated Basis

The Company expects to record ¥9,899 million of an extraordinary gain as gain on sale of shares of a subsidiary for the fiscal year ending December 31, 2017 on a non-consolidated basis.

### 7. Outlook

The impact on the forecasted operating results of the Company for the year ending December 31, 2017 is currently under the close examination. If a necessity of revising the forecasts arises, it will be disclosed immediately.