

December 23, 2025

Overview of Results of the Evaluation of the Effectiveness of the Board of Directors

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THK CO., LTD. ("THK") hereby announces the overview of the results of the third-party analysis and evaluation of the effectiveness of the Board of Directors for the fiscal year 2025, conducted in accordance with Chapter 4, Section 2 (4) of the THK Group Corporate Governance Guidelines, established by THK.

Purposes of the third-party evaluation of the effectiveness of the Board of Directors for the fiscal year 2025

For the fiscal year 2024 Board of Directors effectiveness evaluation (the previous fiscal year), the Board of Directors determined that, to further evolve corporate governance toward "Promotion of Management That Emphasizes Profitability and Capital Efficiency," the effectiveness of various initiatives aimed at improving corporate value must be verified from a professional and objective perspective. Consequently, THK commissioned a third-party organization to evaluate the effectiveness of the Board of Directors.

For the fiscal year 2025 as well, THK has commissioned a third-party organization to evaluate the effectiveness of the Board of Directors, recognizing that improving the effectiveness of the Board of Directors remains crucial amid the ongoing promotion of various structural reforms.

1. Overview of the Procedures

- Subject of evaluation: All 11 directors
- Evaluator: A third-party organization
- Evaluation method: Questionnaire and interviews with all directors (approximately an hour)
- Evaluation period: From September to December 2025 (including preparation period)
- Evaluation items:
 - (1) Issues and measures taken in the fiscal year 2024
 - (2) Composition of the Board of Directors
 - (3) Operation of the Board of Directors
 - (4) Agenda and discussions at the Board of Directors meetings
 - (5) Provision of information to outside directors
 - (6) Nomination Advisory Committee and Compensation Advisory

Committee

- (7) Contribution and self-evaluation of directors
- (8) Overall evaluation of the Board of Directors
- (9) Evaluation of individual agenda items

2. Evaluation Process

(1) From September to November 2025: Evaluation and analysis by a third-party organization

- Commissioned to set evaluation items and create a questionnaire to ensure transparency and objectivity of the evaluation
- Analyzed each director's questionnaire responses and conduct individual interviews with all directors based on the analysis (approximately an hour)
- Evaluated effectiveness based on analysis of above results
- Key issues and future course of action were derived along with the results of the evaluation

(2) From November to December 2025: Deliberation by the Board of Directors

- Discussed the evaluation results reported by the third-party organization and future course of action at the Board of Directors meeting held on November 28, 2025
- Resolved the details of the announcement at the Board of Directors' meeting held on December 23, 2025

3. Overview of Evaluation Results and Future Course of Action

THK identified the following challenges and initiatives based on the previous year's evaluation results. These prompted a review of succession plans and the director skill matrix, as well as more active discussions. As a result, THK recognized achievements toward enhancing effectiveness in the effectiveness evaluation for the fiscal year 2025.

- (1) Examine the nature of the Board of Directors and cultivate a common understanding
- (2) Strengthen the monitoring system and accelerate strategic discussions
- (3) Advance the Board of Directors' management and secretariat functions, including agenda setting
- (4) Improve planning and discussion of systematic training programs for executive candidates

On the other hand, as a result of the review aimed at further improvement, THK has reaffirmed key points for enhancing effectiveness, identified the need to continue and deepen initiatives from the previous fiscal year, and confirmed new challenges. Based on these findings, the Board of Directors resolved policies and major

initiatives.

THK will continue discussing to realize the initiatives at future Board of Directors meetings, implement them, and monitor progress to ensure further effectiveness and enhance functionality.

Policies dealing with the issues identified in the evaluation of the effectiveness for the fiscal year 2025

Challenges identified in the previous year	Results of evaluation for FY2025		Key challenges and initiatives for FY2025	
1 ■ Examine the nature of the Board of Directors and cultivate a common understanding	■ Confirm the results of efforts to enhance effectiveness <ul style="list-style-type: none">✓ Review and improvement of succession plans<ul style="list-style-type: none">• Implementation of CEO succession• Establishment of a management talent development system✓ Review of items of director skill matrix ■ On the other hand, THK reaffirmed key issues for enhancing effectiveness and confirmed the need to continue and deepen existing efforts while implementing new measures. <ul style="list-style-type: none">✓ <u>Key items for enhancing effectiveness</u> ■ Room for improvement in efforts to realize the ideal Board of Directors <ul style="list-style-type: none">✓ Cultivate a common mindset and discuss and set the agenda for important issues✓ Board of Directors' secretariat functions	Continue and deepen	1 Clarify the agenda based on the ideal Board of Directors model	■ Discussion of the ideal Board of Directors and clarification of policies for Initiatives ■ Clarification of the Board agenda and discussion of key issues
2 ■ Strengthen the monitoring system and accelerate strategic discussions		Continue and deepen	2 Enhance strategic discussions and accelerate decision-making	■ Revision of the meeting structure to accelerate strategy formulation and decision-making <ul style="list-style-type: none">✓ Implementation of appropriate delegation of authority to the executive department
3 ■ Advance the Board of Directors' management and secretariat functions, including agenda setting		Continue and deepen	3 Advance the operation of the Board of Directors	■ Strengthening the Board of Directors secretariat functions and clarifying its role <ul style="list-style-type: none">✓ Further enhancement of materials and preliminary explanations
4 ■ Improve planning and discussion of systematic training programs for executive candidates	Strong influence	Continue and deepen	4 Implement functional development and information sharing for human capital strategy	■ Strengthening company-wide talent management by the HR department ■ Enhancing the sharing of discussion topics and information with the Board of Directors
		New	5 Strengthen risk management system	■ Strengthening the audit function <ul style="list-style-type: none">✓ Revision and improvement of the three-line model