

PRESS RELEASE



July 26, 2004

Company Name:	THK CO., LTD.
Code number:	6481 (First Section of the Tokyo Stock Exchange)
Representative:	Akihiro Teramachi President and CEO
Contact:	Kotaro Yoshihara Director/General Manager Corporate Strategy Department
Phone:	81-3-5434-0300
Company Name:	DAITO SEIKI CO., LTD
Code number:	6221 (Second Section of the Tokyo Stock Exchange)
Representative:	Hirokazu Ishikawa President and CEO
Contact:	Takayuki Aoki General Manager
Phone:	81-3-5434-0531

DAITO SEIKI CO., LTD., Acquired as Wholly Owned Subsidiary via Stock Swap

THK CO., LTD. (THK) and DAITO SEIKI CO., LTD. (DAITO SEIKI) announced today (July 26, 2004) that their respective boards of directors have decided that THK will acquire DAITO SEIKI as a wholly owned subsidiary, via a stock swap, and have entered into a stock swap agreement. The details are as follows.

The stock swap agreement is scheduled to be approved on September 24, 2004, at a DAITO SEIKI extraordinary general shareholders' meeting. The stock swap will officially take place on November 1, 2004. In accordance with article 358 of the Commercial Code (simple stock swap), THK is not required to obtain formal approval for the stock swap from a general shareholders' meeting.

1. Purpose of Acquisition as Wholly Owned Subsidiary via Stock Swap

THK continues to aim for further growth and development of the entire group by organizing and consolidating internal resources, and improving investment efficiency.

DAITO SEIKI's major business activities are the manufacture and sale of machinery component devices and the sale of machinery component parts. Of these, the manufacture of machinery component devices duplicates work already being done by THK's manufacturing division, while the sale of machinery component parts duplicates the work of THK's sales division.

With the aim of improving business performance through quick decision-making and dynamic business restructuring, THK has decided to acquire DAITO SEIKI as a wholly owned subsidiary.

2. Stock Swap Conditions, Etc.

(1) Schedule of Stock Swap

July 26, 2004: Board of directors meeting to approve stock swap agreement

July 26, 2004: Conclusion of stock swap agreement

September 24, 2004 (planned): Extraordinary general shareholders' meeting (DAITO SEIKI) to approve stock swap agreement

October 31, 2004 (planned): Stock certificate submission date (DAITO SEIKI)

November 1, 2004 (planned): Date of stock swap

(2) Stock Swap Ratio

	THK (parent company)	DAITO SEIKI (wholly owned subsidiary)
Stock swap ratio	1	0.20

Note 1: Stock Swap Ratio

The stock of DAITO SEIKI will be reissued as THK stock at a ratio of 0.20 THK shares to 1 DAITO SEIKI share. (However, the 3,890,000 shares of DAITO SEIKI stock presently owned by THK will not be reissued.)

Note 2: Basis for Calculating Stock Swap Ratio

THK has chosen Shinko Securities Co., Ltd., and DAITO SEIKI has chosen Hongo Tsuji Certified Public Accountant's Corporation as designated third parties for the purpose of calculating the stock swap ratio. Based on their calculations, the two parties have agreed to the above ratio.

Note 3: Results of Calculations by Designated Third Parties, Calculation Method, and Basis for Calculation

Shinko Securities Co., Ltd., employed the market price / net asset method, the market stock price average method, and the capitalization method as part of an overall review to calculate their suggested stock swap ratio.

Hongo Tsuji Certified Public Accountant's Corporation employed the market stock price average method and the market price / net asset method as part of an overall review to calculate their suggested stock swap ratio.

Note 4: Number of New Shares to be Issued Following Stock Swap

THK will issue and allocate 554,508 new shares, and allocate 1,000,000 shares of treasury stock at the time of the stock swap.

(3) Stock Swap Subsidy

No stock swap subsidy will be paid.

3. Overview of the Parties in Stock Swap

(as of March 31, 2004)

Company name	THK (parent company)	DAITO SEIKI (wholly owned subsidiary)
Business activities	Manufacture and sale of machinery component parts	Manufacture and sale of machinery component devices Purchase and sale of machinery component parts
Established	April 10, 1971	June 21, 1949
Headquarters address	3-11-6 Nishigotanda, Shinagawa-ku, Tokyo	3-13-2 Nishigotanda, Shinagawa-ku, Tokyo
President / CEO	Akihiro Teramachi	Hirokazu Ishikawa
Capital	¥23,106 million	¥4,255 million
No. of stock issued	119,363 thousand shares	11,662 thousand shares
Shareholders' equity	¥105,760 million	¥8,823 million
Total assets	¥181,983 million	¥11,827 million
Accounting period ended	March 31	March 31
No. of employees	2,825	299
Main clients	Tokyo Electron Limited, Fuji Machine Mfg. Co., Ltd., Fanuc Ltd., Panasonic Factory Solutions Co., Ltd., Disco Corporation	THK CO., LTD. Tohoku Seiko Co., Ltd. Yamazaki Corporation
Principal shareholders and ratio of shares held (current as of March 31, 2004)	Master Trust Bank of Japan, Ltd. (Trust A/C): 11.53% Japan Trustee Services Bank, Ltd. (Trust A/C): 7.65% Akihiro Teramachi: 4.89%	THK CO., LTD.: 33.35% Mizuho Corporate Bank, Ltd.: 4.55% (Standing Proxy: Trust & Custody Services Bank, Ltd.) Sumitomo Mitsui Banking Corporation: 4.15% UFJ Bank Limited: 2.53%
Main banks	Mizuho Corporate Bank, Ltd., Sumitomo Mitsui Banking Corporation, Bank of Tokyo-Mitsubishi, Ltd., Others	Mizuho Corporate Bank, Ltd., Sumitomo Mitsui Banking Corporation, Others
Capital ties between parties to stock swap	Capital ties	THK owns 33.35% of the issued shares of DAITO SEIKI.
	Personnel ties	THK delegates directors and auditors to the board of DAITO SEIKI.
	Business transactions	DAITO SEIKI collaborates with THK on the retrofitting of machine tools, the manufacturing of X-Y table units, and the sale of THK products.

4. Business Performance over Past Three Years of the Parties

(¥ million)

Accounting period ended	THK (parent company)			DAITO SEIKI (wholly owned subsidiary)		
	March 31, 2002	March 31, 2003	March 31, 2004	March 31, 2002	March 31, 2003	March 31, 2004
Net Sales	67,344	75,921	97,740	5,652	6,483	7,565
Operating income or loss	2,584	6,757	16,186	Δ14	50	105
Ordinary income or loss	2,940	7,291	16,099	Δ65	36	107
Net income or loss	387	4,277	8,831	Δ176	6	439
Net income or loss per share (¥)	3.25	35.59	74.18	Δ13.24	0.53	37.28
Annual dividend per share (¥)	15.00	15.00	15.00	3.00	3.00	3.00
Shareholders' equity per share (¥)	808.27	828.36	893.23	715.43	683.31	756.30

5. Status Following Stock Swap

(1) Company Name, Business Activities, Headquarters Address, President / CEO, Capital

The parties have no plans to change any of the particulars listed in section 3, Overview of the Parties in Stock Swap.

(2) Effects on Business Performance

DAITO SEIKI is already an affiliated company of THK accounted for by the equity method.

The upcoming stock swap is expected to have only a slight effect on THK's consolidated business performance.

END