

Security Code 6481
June 1, 2009

To Shareholders

11-6, Nishi Gotanda 3-chome, Shinagawa-ku, Tokyo, Japan
THK CO., LTD.
Representative Director and President: Akihiro Teramachi

Notice of Convocation of the 39th Ordinary General Shareholders Meeting

Dear Shareholders:

We are writing to inform you that the 39th Ordinary General Shareholders Meeting of THK CO., LTD. (the “Company”) will be held as outlined below, and we cordially request your attendance.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via an electromagnetic method (the Internet).

To exercise your voting rights in writing, please review the reference documents for the Ordinary General Shareholders Meeting attached to this letter, indicate your vote of assent or dissent for each proposal on the enclosed voting sheet and return the sheet so that it will reach us by 5:30 p.m. Japan local time on Friday, June 19, 2009.

To exercise your voting rights via an electromagnetic method (the Internet), please review the reference documents for the Ordinary General Shareholders Meeting, read the section titled “Procedure for Exercising Voting Rights via the Internet” as well shown on page 59 and exercise your voting rights accordingly.

Nominal shareholders such as custodian banks (including standing proxies) may use the electronic voting platform for institutional investors operated by ICJ Co., Ltd., as another electromagnetic method for exercising voting rights at the General Shareholders Meeting of the Company, provided that the shareholder has already subscribed to use of the platform.

The date, time, place and agenda of the Ordinary General Shareholders Meeting are shown on page 2. If attending the meeting, please submit the enclosed voting sheet to the reception desk on arrival at the meeting.

Corrections to the reference documents for the Ordinary General Shareholders Meeting, the business report, the financial statements and the consolidated financial statements, if any, will be posted on our company’s Web site (<http://www.thk.com/us/ir/shareholder/meeting.html>).

- 1. Date and Time:** Saturday, June 20, 2009, 10 a.m.
2. Place 10-30 Takanawa 4-chome, Minato-ku, Tokyo
Shinagawa Prince Hotel, Annex Tower, 5th floor
“Prince Hall”

3. Agenda

Reports:

1. Business reports, consolidated financial statements, and the results of the audits of the consolidated financial statements by the accounting auditor and the Board of Auditors for the 39th Term (April 1, 2008 to March 31, 2009)
2. Report of financial statements for the 39th Term (April 1, 2008 to March 31, 2009)

Resolutions:

- Proposal 1:** Surplus Appropriation
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Appointment of Sixteen (16) Directors
Proposal 4: Appointment of One (1) Auditor

(Submitted Documents)

Business Report

(From April 1, 2008 to March 31, 2009)

1. Present Status of the Corporate Group

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

1. Business Progress and Results

Economic Environment

In the consolidated fiscal year under review, the increasingly conspicuous deceleration of the world economy due to financial concerns triggered by the U.S. subprime loan issue at the beginning of the year worsened toward the end of the year. During the second half of the year, the collapse of major U.S. financial institutions redoubled financial concerns and affected the core of the world economy. In Japan, export and capital investments that had been favorable started a decline and the economy slowed. Overseas, not only advanced countries but also emerging countries such as China, which had previously shown favorable progress, suffered a deceleration of their economies.

Overall Summary of Sales

Under such circumstances, the Group continued to strive to alleviate its business risks such as changes in the operating environment by expanding business areas through “global expansion” and “expansion to new fields” and to reinforce its systems to stabilize and then expand business performance longer term.

However, demand declined due to changes in the external environment that were worse than expected. As a result, sales revenue for the consolidated fiscal year under review decreased ¥29,439 million, or 14.1%, year over year to ¥179,269 million.

In Japan, during the first half of the year under review, although corporate capital investments and manufacturing activities declined, we strived to increase transactions with existing clients and attract new clients. As a result, the general machinery and flat-panel-related businesses progressed favorably. However, during the second half, demand plunged and sales revenue for the year under review declined ¥26,755 million, or 19.6%, to ¥109,566 million.

In the United States, although the manufacturing division and the marketing division collaborated and strived to expand businesses with existing clients and attract new clients, the electronics and automobile segments needed adjustments and demand generally declined sharply toward the end of the fiscal year. In addition, yen appreciation continued throughout the second half, resulting in a decrease in sales revenue of ¥2,734 million, or 10.5%, to ¥23,266 million.

In Europe, as a result of integrated efforts by the manufacturing division and the marketing division, we increased transactions of transport equipment parts.

However, demand plunged toward the end of the year in mechanical tools, general machinery and electronics, and yen appreciation continued. As a result, sales revenue declined ¥320 million, or 1.3%, to ¥24,915 million.

In Asia and other areas, mechanical tools in China and Taiwan as well as the flat-panel-related businesses progressed favorably during the first half. In the second half, demand declined rapidly in each area. The Group's sales revenue in Asia and other areas increased ¥370 million, or 1.8% year over year to ¥21,520 million.

Overall Summary of Income

The Group continued efforts to improve productivity by bettering raw material turnover and shortening manufacturing lead time and cut costs by reviewing operating hours and other measures. However, sales revenue declined due to a rise in raw materials costs and a rapid change in the external environment toward the end of the fiscal year, resulting in a 5.6-percentage-point rise in the cost-to-sales ratio from the previous consolidated fiscal year to 73.0%.

Selling, general and administrative expenses ("SG&A expenses") decreased ¥1,297 million year over year due to declines in labor and logistics costs. Labor cost was cut by reducing compensation to officers and adjustments in working hours. Logistics cost decreased as sales revenue declined. Despite a decrease in SG&A expenses, because of the decline in sales revenue the ratio of SG&A expenses to sales rose 2.5 percentage points to 22.2%.

As a result, operating income decreased ¥18,414 million, or 68.4%, to ¥8,523 million and the operating margin deteriorated 8.1 percentage points to 4.8%.

Non-operating income was ¥2,754 million, consisting mainly of interest income, dividends and amortization of negative goodwill. Non-operating expenses were ¥2,948 million due to an exchange loss. Consequently, a non-operating loss of ¥193 million was recorded and ordinary income decreased ¥18,697 million, or 69.2%, from the previous consolidated fiscal year to ¥8,329 million.

An extraordinary loss of ¥2,045 million was recorded mainly due to an impairment loss on tangible fixed assets and a valuation loss on investment securities.

Due to these factors and the partial reversal of deferred tax assets, net income decreased 17,119 million, or 93.4%, to ¥1,204 million.

Segment Breakdown

Industrial Equipment-Related Business

In Japan, during the first half of the fiscal year under review, corporate capital investments and manufacturing activities decreased, while the Company strove to increase transactions with existing customers and attract new customers. As a result, the general machinery and flat-panel-related businesses progressed favorably. However, in the second half, overall demand declined rapidly. Shifting to overseas performance, in the United States, the general machinery and electronics-related businesses generally needed adjustments throughout the fiscal year. In Europe, during the first half, against the backdrop of high demand for machinery, the mechanical tools and general machinery-related businesses progressed favorably. In Asia and other areas, in the first half, mainly the mechanical tools business in China and Taiwan and the flat-panel-related

business in South Korea were favorable. However, during the second half, demand plunged in each area overseas.

As a result, sales revenue for the consolidated fiscal year under review decreased ¥23,950 million to ¥144,336 million and operating income declined ¥16,348 million to ¥19,934 million.

Transportation Equipment–Related Business

During the first half, automobile production volume increased favorably in Japan and Europe, whereas it was sluggish in the United States. During the second half, each area experienced sluggish business. In such a difficult business environment, the Group continued to strive to increase transactions with existing customers and attract new customers. However, despite such efforts, sales revenue decreased ¥5,489 million year over year to ¥34,932 million. Although we continued to reduce costs, a plunge in demand and the amortization of goodwill led to an operating loss of ¥4,526 million.

Overall Summary of Research and Development

To further reinforce the Caged Ball LM Guide series, the Group developed the ultra-high strength/ultra-low waving guide “SPR/SPRS models.” By increasing the number of ball rows on our major products from a four-row groove to an eight-row groove, the load resistance was greatly enhanced. In addition, an application was enabled for use with ultra-high precision machines that require nano-level precision.

Concerning actuators, THK developed the “LM Actuator TY model” and the “Super FA HS series.” The “LM Actuator TY model” contains a Caged Ball LM Guide and a belt drive to achieve high performance of 3.4m/sec. and a long stroke to a maximum of 4,700 mm. The “Super FA HS series” is a system solution to draw out the maximum performance of actuators by combining the newly developed high-performance controller and THK’s ample variety of actuators. In the linear motor actuator GLM series, in addition to the existing GLM10 and 20, we newly developed the GLM15 and 25, thereby reinforcing the lineup. Because the GLM series is compatible with the safety standard CE marking required in Europe and the UL standard required in the United States, we intend to increasingly adopt the series in overseas markets.

As products that can endure use in a special environment, THK developed the “Oil-Free LM Guide,” the “Middle/low vacuum LM Guide” and the “High vacuum non-magnetic stage.” The “Oil-Free LM Guide” is for use in a high vacuum environment where oil cannot be used ($\sim 10^{-6}$ [Pa]); the “Middle/low vacuum LM Guide” is for use in a wide range of environments from atmospheric pressure to vacuum (10^{-3} [Pa]); and the “High vacuum non-magnetic stage” is part of the manufacturing process of electronics parts and FPDs that averts ferrous and other magnetic substances. These products contribute to further expansion of the use of LM Guides.

In the consumer product segment, the Group launched the “Utility Slide UGR model,” which provides the best fit for the linear guide parts of residential and office equipment. This model is a new type linear motion guide device with

which the Group aims to explore new markets in the consumer product segment using the Group's long-nurtured technology for LM Guides.

Overall Summary of the Production Systems

To manufacture high-precision LM Guides, the Group added a technical plant at the Yamaguchi Plant. To accurately address customer orders that require high precision up to nanometers, the Group strictly controls temperatures and vibration, thereby producing higher-precision LM Guides. By manufacturing at a dedicated plant, it has become possible to address customer requests more flexibly both in delivery time and quality.

Term-end Dividends

With respect to the current term's term-end dividend, the Group intends to make an ordinary term-end dividend per share of ¥8 to maintain stable distribution of profits to shareholders. Together with the interim dividend (¥12 per share), the annual dividends for the current year will be ¥20 per share.

2. Status of Capital Investments

Total capital investments in the consolidated fiscal year under review amounted to ¥15,294 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 production site is as follows:

Production Sites (Domestic Plants)	THK CO., LTD.	(Millions of Yen)
	Yamaguchi Plant	3,635
	Yamagata Plant	832
	Mie Plant	654
	Gifu Plant	639
	RHYTHM CORPORATION	1,369
Production Sites (Overseas Plants)	THK MANUFACTURING OF CHINA (LIAONING) CO., LTD. (China)	1,551
	THK Manufacturing of Europe S.A.S. (France)	1,322
	DALIAN THK CO., LTD. (China)	753
	THK MANUFACTURING OF CHINA (WUXI) CO., LTD. (China)	564
	THK Manufacturing of America, Inc. (United States)	542

3. Status of Funding

The source of funding for the consolidated fiscal year under review was ¥20,000 million from Long-term loans payable.

For effective funding of operating capital, the Group has specified credit lines totaling ¥15,000 million with its main correspondent financial institutions.

4. Status of Transfer of Business, Absorption-Type Corporate Spin-Off or Incorporation-Type Corporate Spin-Off

None applicable

5. Status of Acquisition of Businesses of Other Companies

None applicable

6. Status of Succession of Rights and Obligations Pertinent to Businesses of Other Companies Resulting from Absorption-Type Corporate Spin-Off or Incorporation-Type Corporate Spin-Off

None applicable

7. Status of Acquisition or Disposition of Shares or Other Equity or Subscription Warrants, etc., in Other Companies

None applicable

(2) Assets and Profit/Loss in the Preceding Three (3) Fiscal Years

1. Assets and Profit/Loss of the Group

Millions of Yen				
Item	36th Term (Term Ended March 2006)	37th Term (Term Ended March 2007)	38th Term (Term Ended March 2008)	39th Term (Term Ended March 2009; Current Consolidated Fiscal Year)
Sales Revenue	158,412	174,710	208,708	179,269
Ordinary Income	29,606	34,955	27,026	8,329
Current Net Income	18,584	21,038	18,323	1,204
Current Net Income per Share (Yen)	148.42	158.36	139.53	9.36
Total Assets	244,384	263,280	264,229	240,350
Shareholders' Equity	168,272	189,039	192,953	177,712
Shareholders' Equity per Share (Yen)	1,266.39	1,407.84	1,484.78	1,372.69

2. Assets and Profit/Loss of the Company

Millions of Yen				
Item	36th Term (Term Ended March 2006)	37th Term (Term Ended March 2007)	38th Term (Term Ended March 2008)	39th Term (Term Ended March 2009; Current Consolidated Fiscal Year)
Sales Revenue	130,767	143,870	141,275	112,519
Ordinary Income	25,563	30,642	24,988	7,447
Current Net Income	16,264	17,993	18,819	3,261
Current Net Income per Share (Yen)	129.78	135.45	143.31	25.36
Total Assets	225,568	237,209	226,072	222,076
Shareholders' Equity	160,061	174,245	177,582	176,677
Shareholders' Equity per Share (Yen)	1,204.66	1,310.26	1,380.78	1,373.77

Notes:

1. Current net income per share is calculated based on the average number of outstanding shares of the term. Shareholders' equity per share is calculated based on the number of outstanding shares at the term end. In calculating current net income per share and shareholders' equity per share, the number of shares of treasury stock is deducted from the number of outstanding shares of the term and the number of outstanding shares at the term end, respectively.
2. From the 37th term onward, the Group has adopted the "Accounting Standards for Presentation of Net Assets in the Balance Sheet" (Accounting

Standards Board of Japan Statement No. 5, December 9, 2005) and the “Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet” (ASBJ Guidance No. 8, December 9, 2005).

(3) Status of Major Subsidiaries

1. Status of Major Subsidiaries

Name of Company	Capital Stock	Percentage of Voting Rights Held by the Company	Description of Main Business Operations
DAITO SEIKI CO., LTD.	¥100 million	100%	Manufacture and sales of mechanical element devices and parts
TALK SYSTEM CORPORATION	¥400 million	99.00	Sales of mechanical element parts, etc.
RHYTHM CORPORATION	¥490 million	100	Manufacturing and sales of transport equipment parts
THK Holdings of America, L.L.C.	US\$120,000,000	100	Holding and controlling company in North America
THK America, Inc.	US\$20,100,000	100 (100)	Sales of the Company’s products in North America
THK Manufacturing of America, Inc.	US\$75,000,000	100 (100)	Manufacture of mechanical parts in North America
Rhythm North America Corporation	US\$66,000	100 (100)	Manufacturing and sales of transport equipment parts in North America
THK Europe B.V.	60,153,000 Euro	100	Holding and controlling company in Europe
THK GmbH	102,000 Euro	100 (100)	Sales of the Company’s products in Germany and nearby areas
THK Manufacturing of Europe S.A.S.	72,040,000 Euro	100 (100)	Manufacture of mechanical parts in Europe
THK (CHINA) CO., LTD.	1,206,521,000 Yuan	100	Holding and controlling company in China and sales of mechanical parts
DALIAN THK CO., LTD.	181,147,000 Yuan	70.00 (25.00)	Manufacturing and sales of mechanical parts in China
THK MANUFACTURING OF CHINA (WUXI) CO., LTD.	484,333,000 Yuan	100 (100)	Manufacturing and sales of mechanical parts in China
THK MANUFACTURING OF CHINA (LIAONING) CO., LTD.	620,142,000 Yuan	100 (100)	Manufacturing and sale of mechanical parts in China

Note: Figures in parentheses in the “Percentage of Voting Rights Held by the Company” indicate indirect ownership.

2. Status of Major Affiliated Companies

Name of Company	Capital Stock	Percentage of Voting Rights Held by the Company	Principal Business
SAMICK THK CO., LTD.	10,500 million Won	33.82%	Manufacturing and sale of mechanical parts in South Korea

3. Changes in the Group

- A. RHYTHM CORPORATION conducted a capital reduction in March 2009, resulting in its capital stock of ¥490 million.
- B. THK Holdings of America, L.L.C., conducted a capital increase in March 2009, resulting in its capital stock of US\$120 million.
- C. THK Manufacturing of Europe S.A.S. conducted a capital increase in December 2008, resulting in its capital stock of 72,040,000 euro.
- D. THK (CHINA) CO., LTD., conducted a capital increase in April 2008, resulting in its capital stock of 1,206,521,000 yuan.
- E. THK MANUFACTURING OF CHINA (LIAONING) CO., LTD. (China), conducted a capital increase in April 2008, resulting in its capital stock of 620,142,000 yuan.

(4) Future Tasks

With the deterioration of the actual economy triggered by the U.S. financial crisis having cast ripple effects not only in the United States, Europe and Japan but also in China and other emerging countries, extreme concerns are looming over the current global economy. In such circumstances, the Group's performance may be affected by trends relative to capital investment in makers of mechanical tools and semiconductor manufacturing devices. To alleviate such business risks, the Group aims to expand business areas by global expansion and exploring new fields, while reinforcing its management foundation to further enhance earning capabilities even in the current environment.

In all aspects, the Group will continue to make its best possible efforts to meet the expectations of its shareholders. Your continuing support and guidance are highly appreciated.

(5) Description of Main Business Operations (As of March 31, 2009)

The Group's business is divided into Industrial Equipment-related Business and Transportation Equipment-related Business.

The Industrial Equipment-related Business includes the development, designing, manufacturing and sales of parts related to mechanical devices, consisting mainly of linear motion systems and special bearings. Linear motion systems enabled "rolling" in linear motion parts in a mechanical device, which reduced friction to about 2% compared to a "sliding" motion. This feature enabled mechanical devices with higher speed, higher precision and enhanced energy saving, thereby contributing to the development of industry and the preservation of the ecosystem.

The Transportation Equipment-related Business includes the development, designing, manufacturing and sales of products such as steering and suspension parts used in transportation equipment including vehicles and motorcycles. In addition to high-strength ball joints, the company's main product, the Group's product line now includes aluminum links, which combine the ball joint and aluminum suspension links for metric use. These products are sold to domestic and foreign makers, contributing to the improved safety and comfort of transportation equipment.

(6) Major Offices and Plants (As of March 31, 2009)

THK CO., LTD.	11-6, Nishi-Gotanda 3-chome, Shinagawa-ku, Tokyo, Japan
Production Sites (Domestic Plants)	Kofu (Chuo-shi, Yamanashi), Gifu (Fuwa-gun, Gifu), Mie (Matsusaka-shi, Mie), Yamaguchi (Sanyo Onoda-shi, Yamaguchi), Yamagata (Higashine-shi, Yamagata), DAITO SEIKI CO., LTD. (Sunto-gun, Shizuoka; Kurokawa-gun, Miyagi), THK NIIGATA CO., LTD. (Agano-shi, Niigata), RHYTHM CORPORATION (Hamamatsu-shi, Shizuoka) Rhythm Kyushu Co., Ltd. (Nakatsu-shi, Oita)
Production Sites (Overseas Plants)	THK Manufacturing of America, Inc. (United States) Rhythm North America Corporation (United States) THK Manufacturing of Europe S.A.S. (France) DALIAN THK CO., LTD. (China) THK MANUFACTURING OF CHINA (WUXI) CO., LTD. (China) THK MANUFACTURING OF CHINA (LIAONING) CO., LTD. (China) RHYTHM GUANGZHOU CORPORATION (China)
Sales Offices (Domestic)	THK CO., LTD.: 28 offices in 20 areas nationwide TALK SYSTEM CORPORATION: 18 offices in 15 areas 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)

(7) Status of Employees (As of March 31, 2009)

1. Employees of the Group

Business Segment	Number of Employees	Change from the Previous Consolidated Fiscal Year-End
Industrial Equipment-related Business	6,067	+267
Transportation Equipment-related Business	1,080	+68
Entire Company (Common)	119	+7
Total	7,266	+342

Notes:

1. The number of employees is the number of staff members in service (excluding employees dispatched from the Group to a company outside of the Group and including employees of a company outside of the Group dispatched to the Group).
2. The “Entire Company (Common)” represents employees of the management sections of the headquarters of the Company, such as the General Affairs Sections.

2. Status of Employees of the Company

Number of Employees	Change from the Previous Fiscal Year	Average Age	Average Years of Service
3,210 employees	+135	36.2	13.4

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

(8) Status of Significant Borrowings (As of March 31, 2009)

(Millions of Yen)

Lender	Amount of Borrowing
Mizuho Corporate Bank, Ltd.	8,600
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,000
Mitsubishi UFJ Trust and Banking Corporation	3,200
Sumitomo Mitsui Banking Corporation	1,600
The Sumitomo Trust and Banking Co., Ltd.	800
THE YAMAGUCHI BANK, Ltd.	700
Resona Bank	600
The Yamanashi Chuo Bank, Ltd.	500

(9) Other Significant Matters Related to the Current Status of the Group

None applicable

2. Current Status of the Company

(1) Stocks (As of March 31, 2009)

1. Total authorized shares: 465,877,700
2. Total outstanding shares (including 5,249,330 shares in treasury stock): 133,856,903
3. Number of shareholders: 25,969
4. Major shareholders (Top 10):

Shareholder	Investments in the Company	
	Number of Shares Held (Thousand Shares)	Capital Investment Ratio (%)
State Street Bank and Trust Company	18,189	14.15
Chase Manhattan Bank 385036	6,641	5.16
Akihiro Teramachi	5,842	4.54
Japan Trustee Services Bank, Limited, Trust Account	5,572	4.33
Japan Trustee Services Bank, Limited, Trust Account 4G	5,419	4.21
The Master Trust Bank of Japan, Ltd., Trust Account	4,832	3.76
State Street Bank and Trust Company 505224	3,667	2.85
Japan Trustee Services Bank, Limited, Trust Account 4	2,155	1.67
Mizuho Corporate Bank, Limited	2,123	1.65
Nippon Life Insurance Company	1,580	1.23

Note: The capital investment ratio is calculated by excluding treasury stock (5,249,000 shares).

(2) Subscription Warrants

1. Subscription Warrants Held by Officers of the Company as Compensation for Duties Performed (As of March 31, 2009):

None applicable

2. Subscription Warrants Granted to Employees and Others During the Fiscal Year under Review as Compensation for Duties Performed:

None applicable

3. Other Significant Matters Related to Subscription Warrants (As of March 31, 2009):

None applicable

(3) Status of Corporate Officers

1. Directors and Auditors (As of March 31, 2009)

Position in the Company	Name	Duties or Status of Representation of Other Companies, etc.
Representative Director and President	Akihiro Teramachi	
Senior Managing Director	Masamichi Ishii	
Managing Director	Takeki Shirai	
Managing Director	Toshihiro Teramachi	
Director	Junichi Kuwabara	Representative Director and President of THK Holdings of America, L.L.C. Representative Director and President of THK America, Inc.
Director	Takashi Okubo	President of THK (CHINA) CO., LTD. President of THK MANUFACTURING OF CHINA (LIAONING) CO., LTD.
Director	Tetsuya Hayashida	Representative Director and President of THK Europe B.V. Representative Director and President of THK GmbH Representative Director and President of PGM Ballscrews Ireland, Ltd.
Director	Hideyuki Kiuchi	General Manager of Corporate Strategy Office
Director	Masato Sawada	General Manager of FAI
Director	Hiroshi Funahashi	Senior General Manager of Engineering Headquarters
Director	Hirohisa Murase	Senior General Manager of Sales Headquarters
Director	Isamu Hatanaka	Senior General Manager of Production Headquarters
Director	Junichi Sakai	General Manager of Quality Assurance General Manager of Technology Information Center
Director	Yuichi Ishikawa	Senior General Manager of Sales Support Headquarters
Director	Hiroshi Imano	Representative Director and President of THK Manufacturing of Europe S.A.S.
Director	Hidekazu Michioka	General Manager of Sales Headquarters
Standing Auditor	Yoshimi Sato	
Standing Auditor	Kazunori Igarashi	
Auditor	Shizuo Watanabe	
Auditor	Masatake Yone	Esq., Partner of Mori Hamada & Matsumoto, a law firm

Notes:

1. Directors Kotaro Yoshihara and Shigeru Wakao, as well as Auditor Yoshito Nagafuchi, retired at the closing of the 38th Ordinary General Shareholders Meeting held on June 21, 2008.
2. Directors Yuichi Ishikawa and Hiroshi Imano, as well as Auditor Yoshimi Sato, were newly selected at the 38th Ordinary General Shareholders Meeting held on June 21, 2008, and assumed office.
3. Auditors Shizuo Watanabe and Masatake Yone are outside auditors.
4. Significant concurrent positions held by officers in the fiscal year under review are as follows:
Akihiro Teramachi, representative director, serves concurrently as Representative Director of RHYTHM CORPORATION, FTC Co., Ltd., and PGM Ballscrews Ireland Ltd.
5. Shizuo Watanabe, auditor, is a certified tax accountant with a substantial level of expertise in tax accounting.
6. Masatake Yone, auditor, is an attorney knowledgeable in corporate laws and regulations and qualified to supervise corporate management.

2. Total Compensations Paid to Directors and Auditors

Classification	Directors		Auditors		Total	
	Persons Receiving Payment	Amount of Payment	Persons Receiving Payment	Amount of Payment	Persons Receiving Payment	Amount of Payment
Compensations Pursuant to the Articles of Incorporation or Resolutions of the General Shareholders Meeting (Outside officers' figures shown in parentheses)	Persons	Millions of Yen	Persons	Millions of Yen	Persons	Millions of Yen
	18 (—)	329 (—)	5 (2)	49 (16)	23 (2)	378 (16)

Notes:

1. Pursuant to resolutions of the General Shareholders Meeting, the maximum compensation for a Director is ¥100 million a month, not including the salary of employees who concurrently serve as directors (Resolution of the Ordinary General Shareholders Meeting of June 2004).
2. Pursuant to resolutions of the General Shareholders Meeting, the maximum compensation for an Auditor is ¥10 million a month (Resolution of the Ordinary General Shareholders Meeting of June 2004).
3. In addition to the amounts shown above, employees who concurrently serve as directors receive the equivalent of ¥101 million in employee salary.
4. In addition to the amounts shown above, there are accrued payable balances of retirement allowances to 7 Directors pursuant to resolutions of the General Shareholders Meeting in the amounts of ¥909 million.
5. There are sixteen (16) directors and four (4) auditors (two (2) of whom are outside auditors) as of the end of the current fiscal year. These figures differ from the number of directors and the number of auditors indicated in the table above, which includes two (2) directors and one (1) auditor who retired at the 38th Ordinary General Shareholders Meeting held on June 21,

(4) Status of Accounting Auditor

1. Name: Grant Thornton Taiyo ASG

Note: As of July 15, 2008, Taiyo ASG Accounting Corporation became Grant Thornton Taiyo ASG due to a shift to a limited liability audit corporation.

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

(Millions of Yen)

	Payment
1. Amount of compensation as the accounting auditor for the current fiscal year	89
2. Total sum of monies or money equivalent to be paid by the Company and its subsidiaries to the accounting auditor	111

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

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

Of the Company's important consolidated subsidiaries, THK Holdings of America, L.L.C., THK America, Inc., THK Manufacturing of America, Inc., Rhythm North America Corporation, THK Europe B.V., THK GmbH, THK Manufacturing of Europe S.A.S., THK (CHINA) CO., LTD., DALIAN THK CO., LTD., THK MANUFACTURING OF CHINA (WUXI) CO., LTD. (China), and THK MANUFACTURING OF CHINA (LIAONING) CO., LTD. (China), were audited by certified accountants other than the Company's accounting auditor, Grant Thornton Taiyo ASG.

4. Description of Non-Audit Activities

None applicable

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

The Company shall dismiss an accounting auditor under unanimous consent of all Auditors in a Board of Auditors meeting when the accounting auditor is applicable to conditions set forth in Article 340, Paragraph 1, of the Companies Act.

In addition, in case the Board of Auditors determines that it is difficult for the accounting auditor to perform accounting duties, the Board of Auditors will propose dismissal or non-reappointment of the accounting auditor as an agenda item at the General Shareholders Meeting. When the accounting auditor is dismissed based on a legally defined basis for dismissal, an Auditor selected by the Board of Auditors will report the decision for dismissal and the basis thereof at the first General Shareholders Meeting after the dismissal.

(5) Systems to Ensure the Adequacy of Operations

The following is an overview of decisions concerning the systems to ensure compliance with applicable laws and regulations and the Company's Articles of Incorporation in Directors' business executions and other systems to ensure adequacy in the Company's business operations:

1. Systems to Ensure Compliance of Applicable Laws and Regulations and the Company's Articles of Incorporations in Business Executions by Directors and Employees

The "THK Basic Policy" was established to ensure that officers and employees comply with applicable laws and regulations and perform their duties under sound social norms. The Representative Director and President shall disseminate the principles of the policy among officers and employees and ensure that all business activities comply with relevant laws and regulations. To ensure thorough implementation of the policy, the Company shall establish the Compliance Committee, chaired by the Representative Director and President, as well as a subordinate organization that consists of the heads of each business division. The Compliance Committee shall include outside experts as members and strive to improve companywide compliance system and identify problems. The "THK Helpline" will be established and operated as a measure for employees to directly report legally questionable conduct and provide related information anonymously to outside experts.

2. Issues Regarding Storage and Management of Matters Related to Directors' Execution of Duties

In accordance with the Document Control Procedure, matters related to Directors' execution of duties shall be recorded and stored in documents or magnetic media (hereinafter "Documents"). Directors and Auditors may view these Documents at any time under the Document Control Procedure.

3. Regulations and Other Systems Concerning Management of Loss Risks

Each responsible section shall establish rules/guidelines, conduct education/training and prepare/distribute manuals to address the risks related to compliance, environment, disasters, quality, information security, export management and new types of flu. Companywide risk monitoring and measures shall be implemented by the Risk Management Office. When a new risk emerges, the Board of Directors shall promptly assign a Director to address the risk.

4. Systems to Ensure Efficient Execution of Directors' Duties

The Board of Directors shall set companywide goals to be shared by Directors and employees, disseminate the targets throughout the Company and establish medium-term management goals covering three (3) fiscal years. To achieve said goals, the Directors in charge of each section shall establish a business execution structure with specific measures and the allocation of authority. The Board of Directors shall establish a system that achieves efficient companywide operation through monthly and quarterly reviews of the progress in pursuit of the goals by using IT and by implementing necessary improvements.

5. Systems to Ensure Adequacy of Operations of the Corporate Group Consisting of the Company and Its Subsidiaries

To establish internal control within the Company and each member company of the Group, the Company shall assign sections in charge of internal control at each member company of the Group and establish a system that ensures effective discussion of internal control of the Company and member companies of the Group, information sharing, communication of instructions and requests, and so forth. The Company's directors and the President of each member company of the Group shall bear the authority and responsibility to execute the proper establishment and operation of the internal control that ensures the adequacy of operations in each section. The Company's section in charge of internal audits shall conduct internal audits at the Company and each member company of the Group and shall report the results to the Board of Directors and the aforementioned sections in charge of internal control of each Group company. After receiving the results of these internal audits, the relevant sections shall provide each member company with guidance on improvement measures, support on execution of the measures and advice. To ensure the reliability of financial reports, the Company shall formulate the "internal control regulations" for Group companies, thereby reinforcing and managing the relevant control system.

6. In the Event the Board of Auditors Requests Assistance from Employees, the Structure for Said Employees and Issues Pertaining to the Independence of Those Employees from Directors

Auditors may instruct necessary issues to staff members of the Internal Audit Office. A staff member that receives an order from an Auditor with respect to audit operations shall not be governed by any supervision or order from a Director or the head of the Internal Audit Office.

7. Systems for Directors and Employees to Report to the Board of Auditors; Other Reporting to the Board of Auditors

Directors or employees shall establish a system to promptly report legal issues, issues with significant impact on the Company and the Group, the status of internal audits, the status of reports received by the THK Helpline and the content thereof to the Board of Auditors. Details concerning those who report, the recipients of the reports and the timing of the reports shall be determined through due consultation between the Directors and the Board of Auditors. However, employees may report directly to the Auditors when the issue in question might result in a material loss to the Company or upon finding a significant violation of laws or regulations.

8. Other Systems to Ensure the Effective Execution of Audits by the Board of Auditors

The Board of Auditors shall hold regular meetings attended by the President and Representative Director, the Senior Managing Directors and the Managing Directors to exchange opinions.

(6) Basic Policies on Control of the Company

Based on its management philosophy of “providing innovative products to the world and staying abreast of new trends to contribute to the creation of an affluent society,” THK has formulated the “THK Basic Policy” consisting of three policies: 1) Creation of Value and Contribution to the Society, 2) Customer-Oriented Mind-Set and 3) Legal Compliance. The Basic Policy serves as the fundamental ethics that supersede all internal regulations and codes of conduct.

Under this Policy, THK engages in business operations in order to create values beneficial to society by utilizing various management resources. In other words, THK aims to expand corporate value through creative product development and exclusive production technology as a creative and developmental corporation while conducting fair and safe business operations; building strong relationships with customers, shareholders and local communities; and fulfilling its responsibility as a member of society through environmental conservation and prompt information disclosure. THK believes that it cannot raise its corporate value and the common interests of shareholders without fulfilling its social responsibility.

At the same time, THK aims to gain customers’ trust by thinking from their perspective, always treating them with integrity, and offering the best products and services. THK believes that such efforts help us earn the trust of shareholders and other stakeholders, resulting in an appropriate gain of profits. Earning trust thereby earning profits is the way to achieve the sustainability of THK. We direct profits earned in this way to new investments and the creation of new products and services, thereby, we believe, earning further trust from customers.

THK has so far earned the trust of customers and of various kinds of stakeholders, including shareholders, through offering creative ingenious technologies and customer-oriented products and services based on the aforementioned beliefs.

Accordingly, THK is fully convinced that it can achieve the common interests of shareholders, that is, to enhance corporate value and further growth, only by further refining its originality and offering even higher-quality and customer-oriented products and services.

From such perspectives, THK’s growth and rise in corporate value cannot be achieved without the support of shareholders that share the same beliefs—the same ideas that have supported the past growth of the Company and improvement of THK’s corporate value—regardless of the size of their stakes. If shareholders with such perspectives increase, that will help further improve THK’s corporate value and leverage its growth. Accordingly, THK intends to strive to gain their lasting support and understanding.

With regard to specific measures to address any party that might emerge to attempt a large-scale acquisition of the Company’s stocks solely for their own profit, ignoring the sacrifice of other shareholders, not considering the growth of THK’s corporate value and conflicting with the basic beliefs described above, the Company will continue careful consideration. When a clear plan and specifics to address such events is ready, we will present it to the shareholders and ask their opinion.

CONSOLIDATED BALANCE SHEET

(As of March 31, 2009)

(Millions of Yen)

Assets		Liabilities	
Current Assets	135,368	Current Liabilities	33,841
Cash and deposits	64,130	Notes and accounts payable	20,423
Notes and accounts receivable	36,808	Accrued corporate tax, etc.	363
Merchandise and finished goods	12,510	Reserve for bonuses	1,716
Work in process	4,421	Other	11,337
Raw materials and supplies	10,204	Long-Term Liabilities	28,796
Deferred tax assets	2,738	Long-term loans payable	20,000
Short-term loans	2,049	Reserve for employees' retirement benefits	4,322
Accrued receivables	1,848	Reserve for officers' retirement benefits	125
Other	889	Product warranty allowance	118
Allowance for bad debts	(233)	Negative goodwill	324
Fixed Assets	104,982	Long-term deferred tax liabilities	2,809
Tangible fixed assets	85,001	Other	1,096
Buildings and structures	27,377	Total Liabilities	62,637
Machinery and transportation equipment	37,578		
Land	12,962	Net Assets	
Construction in progress	3,974	Shareholder's Equity	182,595
Other	3,109	Capital stock	34,606
Intangible fixed assets	9,410	Capital surplus	44,342
Goodwill	8,269	Profit surplus	114,998
Other	1,140	Treasury stock	(11,351)
Investments and other assets	10,570	Valuation/conversion difference, etc.	(6,061)
Investment securities	4,280	Net unrealized gain on available-for-sale securities	144
Deferred tax assets	1,635	Foreign exchange conversion loss adjustment account	(6,205)
Insurance reserve	3,221	Minority interest	1,179
Other	1,860	Total Net Assets	177,712
Allowance for bad debts	(427)	Total Liabilities and Net Assets	240,350
Total Assets	240,350		

CONSOLIDATED STATEMENT OF INCOME

(From April 1, 2008, to March 31, 2009)

(Millions of Yen)

Accounting Item	Amount	
Sales Revenue		179,269
Cost of sales		130,928
Gross profit		48,340
Selling, general, and administrative expenses		39,817
Operating Income		8,523
Non-Operating Income		
Interest received	494	
Dividends received	64	
Amortization of negative goodwill	1,063	
Rental income	254	
Miscellaneous income	878	2,754
Non-Operating Expenses		
Interest expenses	118	
Foreign exchange translation loss	2,431	
Miscellaneous loss	397	2,948
Ordinary Income		8,329
Extraordinary Income		
Gain on sale of fixed assets	68	
Other	4	72
Extraordinary Loss		
Loss on disposition and sale of fixed assets	233	
Impairment loss	933	
Loss on valuation of investment securities	757	
Loss on sale of investment securities	21	
Other	171	2,118
Income before Income Taxes		6,284
Income taxes—current	3,805	
Income taxes—deferred	1,123	4,928
Minority interest		151
Net Income		1,204

Statement of Changes in Consolidated Shareholders' Equity

(From April 1, 2008, to March 31, 2009)

(Millions of Yen)

	Shareholders' Equity					Valuation/Conversion Difference			Minority interest	Total net assets
	Capital Stock	Capital Surplus	Profit Surplus	Treasury Stock	Total Shareholders' Equity	Net unrealized gain on available-for-sale securities	Foreign exchange conversion loss adjustment account	Total valuation/conversion difference etc.		
Balance as of March 31, 2008	34,606	44,343	117,578	(11,347)	185,181	469	5,302	5,772	1,999	192,953
Changes in the consolidated accounting year										
Dividends from surplus			(3,858)		(3,858)					(3,858)
Current net income			1,204		1,204					1,204
Acquisition of treasury stock				(6)	(6)					(6)
Disposition of treasury stock		(0)		2	1					1
Other			73		73					73
Changes in the item other than shareholders' equity during the consolidated accounting year (net amount)						(325)	(11,508)	(11,833)	(820)	(12,654)
Total change in the consolidated accounting year	—	(0)	(2,580)	(4)	(2,585)	(325)	(11,508)	(11,833)	(820)	(15,240)
Balance as of March 31, 2009	34,606	44,342	114,998	(11,351)	182,595	144	(6,205)	(6,061)	1,179	177,712

Notes to the Consolidated Financial Statements

1. Important Matters for the Preparation of the Consolidated Financial Statements

(Matters Related to the Scope of Consolidation)

(1) Matters Related to the Scope of Consolidation

1. Consolidated Subsidiaries

Number of consolidated subsidiaries 29 companies

Names of major consolidated subsidiaries The consolidated subsidiaries are shown in “1. Current Status of the Corporate Group, (3) Status of Major Subsidiaries.”

2. Non-Consolidated Subsidiaries

Names of major non-consolidated subsidiaries Nippon Slide Co., Ltd.

Reasons for exclusion from the scope of consolidation All of the Company’s non-consolidated subsidiaries are small enterprises, and their total shareholders’ equity, sales revenues, profit/loss for the term (amount corresponding to the stake) and profit surplus (amount corresponding to the stake) do not have any material impact on the consolidated financial statements.

(2) Matters Related to the Application of the Equity Method

1. Affiliated Companies Subject to the Application of the Equity Method

Number of affiliated companies subject to the application of the equity method 1 company

Names of major companies SAMICK THK CO., LTD.

2. Non-Consolidated Subsidiaries and Affiliated Companies Not Subject to Application of the Equity Method

Names of major companies Nippon Slide Co., Ltd.

Reasons for non-application of the equity method All of the Company’s non-consolidated subsidiaries and affiliated companies that are not subject to the application of the equity method are small enterprises, and their total shareholders’ equity, sales revenues, profit/loss for the term (amount corresponding to the stake) and profit surplus (amount corresponding to the stake) do not have any material impact on the consolidated financial statements or any importance in the overall group’s perspectives.

(3) Matters Related to Fiscal Year of Consolidated Subsidiaries

Of the consolidated subsidiaries, 19 overseas consolidated subsidiaries close their accounts on December 31, and 10 in Japan close their accounts on March 31.

When preparing the consolidated financial statements, financial statements as of December 31 are used for overseas consolidated subsidiaries, and adjustments are made for significant transactions occurring up to the consolidated account closing day.

(Matters Related to Accounting Policies)

(1) Valuation Basis and Method for Securities

Other securities

Securities with fair market value	Fair market value method based on the market value as of the last day of the consolidated fiscal year (Unrealized gains and losses are reported, net of applicable taxes, in a separate component of net assets. The cost of securities sold is determined by the moving-average method.)
Securities without fair market value	Stated at cost determined by the moving-average method

(2) Valuation Basis and Method for Derivative Transactions

Transactions with fair market value	Fair market value method based on the market value as of the last day of the consolidated fiscal year
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(3) Valuation Basis and Method for Inventories

1. Merchandise and finished goods	Stated at cost by the gross average method, in principle. (Amounts in the balance sheets were calculated by writing down the book value with regard to the inventories for which profitability was clearly declining.)
2. Work in process	Stated at cost by the gross average method, in principle. (Amounts in the balance sheets were calculated by writing down the book value with regard to the inventories for which profitability was clearly declining.)
3. Raw materials and supplies	Stated at cost by the gross average method, in principle. (Amounts in the balance sheets were calculated by writing down the book value with regard to the inventories for which profitability was clearly declining.)

(5) Accounting Standards for Important Reserves

1. Allowance for bad debts To prepare for losses from bad debts, the Company and domestic consolidated subsidiaries provide the allowance for doubtful accounts at an amount of possible losses from uncollectible trade receivables based on the actual rate of losses from bad debt for ordinary receivables, and on the estimated recoverability for specific doubtful receivables. Overseas consolidated subsidiaries provide estimated amounts on the estimated recoverability for specific doubtful receivables.
2. Reserve for bonuses The reserve for bonuses is provided at an amount as a defrayment for the consolidated fiscal year under review based on the estimated total amount of employees' bonuses.
3. Reserve for bonuses to officers The reserve for bonuses to officers is provided at an estimated amount to accrue for the consolidated fiscal year under review.
4. Reserve for employees' retirement benefits The reserve for employees' retirement benefits is provided at an amount recognized to have accrued as of the balance-sheet date based on the projected retirement benefit obligation and fair value of pension plan assets at the end of the consolidated fiscal year under review.
The actuarial gain or loss is amortized by the straight-line method over the average remaining service years (5–18 years) for employees at the time of recognition from the following year of recognition.
5. Reserve for officers' retirement benefits To allocate retirement compensation for officers of RHYTHM CORPORATION, the reserve for retirement benefits to officers is provided at an amount that would be required to be paid in accordance with the Company's internal rules if all eligible Officers resign their positions as of the balance-sheet date.
6. Reserve for product warranty To prepare for expenses to address product-related complaints at RHYTHM CORPORATION, a reserve for product warranty has been provided based on the results of the previous year.

(6) Important Hedge Accounting

- | | |
|---|--|
| 1. Method of hedge accounting | For currency swaps, the appropriation treatment is applied to the swaps that satisfy the requirements of such appropriation treatment. For interest rate swaps, the preferential treatment is applied to the swaps that satisfy the requirements of such preferential treatment. |
| 2. Hedging instruments and hedged items | |
| Currency swap transactions | Foreign currency denominated monetary claims |
| Interest rate swap transactions | Interest on borrowings |
| 3. Hedge policy | Currency swap transactions are intended to stabilize cash flow pertinent to the recovery of principal and interest on loans. Interest swap transactions are intended to stabilize cash flow pertinent to interest payments on borrowings. |
| 4. Evaluation method for hedge validity | Evaluation of the validity of currency swap transactions is omitted because the significant terms of the relevant transactions and those as to the hedged assets are the same, and it is predicted that any fluctuations in the market prices and cash flow will be offset at the beginning of hedging and will continue to be so afterward.
Evaluation of the validity of interest swap transactions is omitted because they satisfy the requirements of the preferential treatment. |

(7) Matters Related to the Valuation of Assets and Liabilities of Consolidated Subsidiaries

The valuation of assets and liabilities of consolidated subsidiaries is processed according to the fair market value method.

(8) Matters Related to the Amortization of Goodwill and Negative Goodwill

Goodwill is equally amortized over 5–10 years. Negative goodwill is amortized in a straight line method over 5 years.

(9) Method of Accounting Processing of Consumption Tax

Accounting of the consumption tax and local consumption taxes is processed according to the net-of-tax method.

(Change of accounting policies)

(1) Adoption of the Accounting Standard for the Evaluation of Inventories

Adopting the Accounting Standard for the Evaluation of Inventories (ASBJ Statement No. 9 (July 5, 2006)) from the fiscal year under review, we have changed the evaluation method from the cost method to a new standard through which we evaluate inventories at cost (writing down the book value due to a decline in profitability).

As a result, compared with application of the previous method, gross profit, operating income, ordinary income and income before income taxes for the consolidated fiscal year under review decreased ¥698 million each.

(2) Adoption of the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

Adopting the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ PITF No. 18 issued by the ASBJ on May 17, 2006) from the fiscal year under review, we have made necessary adjustments for the consolidated financial statements.

The impact of this change on the financial statements for the consolidated fiscal year under review was immaterial.

In accordance with the addition of ¥73 million to the profit surplus at the beginning of the year, the profit surplus increased by the same amount.

(3) Adoption of the Accounting Standard for Lease Transactions

Adopting the Accounting Standard for Lease Transactions (ASBJ Statement No. 13 (June 17, 1993) with final revision made on March 30, 2007) and the

Implementation Guidance on the Accounting Standard for Lease Transactions (ASBJ Guidance No. 16 (January 18, 1994) with final revision made on March 30, 2007), we changed the accounting standard for finance leases other than those that are deemed to transfer the ownership of the lease properties to lessees that had previously been accounted for by a method similar to the procedures used for ordinary operating leases. With the new standard, we account for those leases by a method similar to the procedures used for ordinary sales/purchase transactions.

Of finance leases other than those that are deemed to transfer the ownership of the lease properties to lessees, as to those for which leasing took effect before the year of implementation of the new accounting standard, we continue to use a method similar to the procedures used for ordinary operating leases.

The impact of this change on the financial statements for the consolidated fiscal year under review was immaterial.

2. Notes to the Consolidated Balance Sheet

(1) Accumulated depreciation of fixed tangible assets ¥113,924 million

(2) Investment securities (stocks) of non-consolidated subsidiaries and affiliated companies ¥2,731 million

(3) Contingent liability

The Company provides a liability guarantee on the purchase liability of the following company:

Nippon Slide Co., Ltd. ¥69 million

(Change in the presentation method)

The account item “Inventories” for the previous consolidated fiscal year has been newly itemized as “Merchandise and finished goods,” “Work in process” and “Raw materials and supplies.” “Merchandise and finished goods,” “Work in process” and “Raw materials and supplies” for the previous consolidated fiscal year was ¥13,310 million, ¥5,842 million and ¥10,162 million, respectively.

3. Notes to the Consolidated Financial Statements

Impairment Loss

Impairment loss is stated for the following asset groups in the consolidated fiscal year under review.

Use	Type	Location	Amount (Millions of Yen)
Assets for business use	Buildings, machinery, equipment and others	WUXI, Jiāngsū, China	933

Breakdown of Impairment Loss by Asset Type

Type	Amount (Millions of Yen)
Buildings	250
Machinery, equipment and vehicles	654
Tools and supplies	23
Others (Tangible fixed assets)	5
Total	933

The Group classifies business assets for each plant. The assets in the Head Office and the marketing sections are classified as shared assets.

Idle assets and rental assets are classified by deeming each property as one unit.

With regard to the above assets for business use, although we are expanding manufacturing capacity looking to the future prospects of the Chinese market, according to the results of a careful evaluation of the future recoverability relative to investment amounts, impairment was predicted. Therefore, according to International Accounting Standard 36 (IAS 36), “Impairment of Assets,” book values were reduced to the recoverable value, and the resulting difference was stated as an impairment loss under the extraordinary loss.

The recoverable values of said assets were measured in use value, using a discount rate of 10%.

4. Notes to the Statement of Change in Consolidated Shareholders' Equity

(1) Matters Related to Outstanding Shares

Type of Stock	End of the Previous Consolidated Fiscal Year	Increase	Decrease	End of the Consolidated Fiscal Year under Review
Common stock (shares)	133,856,903	—	—	133,856,903

(2) Matters Related to Dividends

1. Dividend payments

Resolution	Type of Stock	Total Dividend (Millions of Yen)	Dividend per Share (Yen)	Reference Date	Effective Date
Ordinary General Shareholders Meeting, Jun. 21, 2008	Common stock	2,315	18	March 31, 2008	June 23, 2008
Board of Directors Meeting, Nov. 12, 2008	Common stock	1,543	12	Sept. 30, 2008	Dec. 8, 2008

2. Dividend for which the reference date falls in the current consolidated fiscal year with an effective date falling in the next consolidated fiscal year

The following will be submitted for a vote at the 39th term's Ordinary General Shareholders Meeting on June 20, 2009.

Vote	Type of Stock	Resource of the Dividend	Total Dividend (Millions of Yen)	Dividend per Share (Yen)	Reference Date	Effective Date
Ordinary General Shareholders Meeting, June 20, 2009	Common stock	Profit surplus	1,028	8	March 31, 2009	June 22, 2009

5. Notes to per Share Information

(1) Shareholders' equity per share	¥1,372.69
(2) Current net income per share	¥9.36

6. Notes to Significant Subsequent Events

None applicable

7. Other Notes

Amounts less than ¥1 million of the indicated amounts are truncated.

Balance Sheet
(As of March 31, 2009)

(Millions of Yen)

Assets		Liabilities	
Current Assets	108,911	Current Liabilities	21,951
Cash and deposits	47,441	Notes payable	873
Notes receivable	11,138	Accounts payable	10,986
Accounts receivable	16,468	Accrued payables	3,726
Merchandise and finished goods	5,378	Accrued expenses	4,584
Work in process	2,280	Accrued corporate tax, etc.	271
Raw materials and supplies	5,138	Advances	68
Prepaid expenses	374	Deposits received	85
Deferred tax assets	1,768	Reserve for bonuses	1,299
Short-term loans	17,413	Facility-related notes payable	26
Accrued receivables	1,182	Other	28
Others	340	Long-Term Liabilities	23,446
Allowance for bad debts	(16)	Long-term loans payable	20,000
		Reserve for employees' retirement benefits	2,487
		Other	958
Fixed Assets	113,165	Total Liabilities	45,398
Tangible fixed assets	40,771	Net Assets	
Buildings	13,234	Shareholders' Equity	176,526
Structures	577	Capital stock	34,606
Machinery and equipment	16,225	Capital surplus	47,471
Automobiles and transportation equipment	37	Capital reserve	47,471
Tools and supplies	1,257	Other capital surplus	(0)
Land	7,853	Profit surplus	105,794
Lease properties	54	Legal retained earnings	1,958
Construction in progress	1,532	Other profit surplus	103,836
Intangible fixed assets	527	Special depreciation reserve	277
Patents	19	Reserves for advanced depreciation of land	14
Goodwill	163	Dividend reserve	3,000
Software	306	General reserve	96,000
Others	38	Profit surplus carried forward	4,544
Investments and other assets	71,865	Treasury stock	(11,345)
Investment securities	1,533	Valuation/Conversion Difference	150
Affiliates' stocks	32,758	Net unrealized gain on available-for-sale securities	150
Investment in affiliated companies	30,954	Total Net Assets	176,677
Long-term loans	1,683	Total Liabilities and Net Assets	222,076
Insurance reserve	3,157		
Deferred tax assets	1,073		
Others	1,044		
Allowance for bad debts	(338)		
Total Assets	222,076		

STATEMENT OF INCOME
(From April 1, 2008, to March 31, 2009)

(Millions of Yen)

Accounting Item	Amount	
Sales Revenue		112,519
Cost of sales		84,109
Gross profit		28,410
Selling, general, and administrative expenses		20,267
Operating Income		8,142
Non-Operating Income		
Interest received	457	
Dividends received	152	
Rental income	358	
Miscellaneous income	571	1,540
Non-Operating Expenses		
Interest expenses	63	
Interest on corporate bonds	42	
Foreign exchange translation loss	1,946	
Miscellaneous loss	182	2,234
Ordinary Income		7,447
Extraordinary Income		
Gain on sale of fixed assets	49	49
Extraordinary Loss		
Loss on disposition and sale of fixed assets	129	
Loss on sale of investment securities	21	
Loss on valuation of investment securities	757	
Other	38	946
Income before Income Taxes		6,550
Income taxes—current	2,657	
Income taxes—deferred	631	3,288
Net Income		3,261

Statement of Changes in Shareholders' Equity

(From April 1, 2008, to March 31, 2009)

(Millions of Yen)

	Shareholders' Equity										
	Capital Stock	Capital Surplus			Legal retained earnings	Profit Surplus					Total profit surplus
		Capital reserve	Other capital surplus	Total capital surplus		Other profit surplus					
					Special depreciation reserve	Reserve for advanced depreciation on land	Dividend reserve	General reserve	Profit surplus carried forward		
Balance as of March 31, 2008	34,606	47,471	0	47,472	1,958	288	14	2,500	83,000	18,629	106,391
Change in the consolidated fiscal year											
Dividends from surplus										(3,858)	(3,858)
Addition to the special depreciation reserves						49				(49)	
Reimbursement from the special depreciation reserves						(61)				61	
Addition to the dividend reserves								500		(500)	
Addition to the general reserve									13,000	(13,000)	
Current net income										3,261	3,261
Acquisition of treasury stock											
Disposition of treasury stock				(0)							
Changes in items other than shareholders' equity during the fiscal year (net amount)				(0)							
Total changes in the consolidated fiscal year	—	—	(0)	(0)	—	(11)	—	500	13,000	(14,085)	(596)
Balance as of March 31, 2009	34,606	47,471	(0)	47,471	1,958	277	14	3,000	96,000	4,544	105,794

	Shareholders' Equity		Valuation/conversion difference, etc.		Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gain on available-for-sale securities	Total valuation/conversion difference, etc.	
Balance as of March 31, 2008	(11,341)	177,128	454	454	177,582
Changes in the consolidated fiscal year					
Dividends from surplus		(3,858)			(3,858)
Addition to the special depreciation reserve					
Reimbursement from the special depreciation reserves					
Addition to the dividend reserves					
Addition to the general reserve					
Current net income		3,261			3,261
Acquisition of treasury stock	(6)	(6)			(6)
Disposition of treasury stock	2	1			1
Changes in items other than shareholders' equity during the consolidated fiscal year (net amount)			(303)	(303)	(303)
Total changes in the consolidated fiscal year	(4)	(601)	(303)	(303)	(905)
Balance as of March 31, 2009	(11,345)	176,526	150	150	176,677

Notes to the Non-Consolidated Financial Statements

1. Important Matters for the Preparation of the Non-Consolidated Financial Statements

(1) Valuation Basis and Method for Securities

1. Other securities

Securities with fair market value	Fair market value method based on the market value, etc., as of the last day of the consolidated fiscal year (Unrealized gains and losses are reported, net of applicable taxes, in a separate component of net assets. The cost of securities sold is determined by the moving-average method.)
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Securities without fair market value	Moving average cost method
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2. Affiliates' stocks	Moving average cost method
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(2) Valuation Basis and Method for Inventories

1. Merchandise and finished goods	Merchandise is stated by the first-in, first-out cost method. (Amounts in the balance sheets were calculated by writing down the book value with regard to the merchandise for which profitability was clearly declining.) Finished goods were stated by the gross average cost method. (Amounts in the balance sheets were calculated by writing down the book value with regard to the finished goods for which profitability was clearly declining.)
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2. Work in process	Work in process was stated by the gross average cost method. (Amounts in the balance sheets were calculated by writing down the book value with regard to the finished goods for which profitability was clearly declining.)
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3. Raw materials and supplies	Raw materials were stated by the gross average cost method. (Amounts in the balance sheets were calculated by writing down the book value with regard to the finished goods for which profitability was clearly declining.) Supplies were stated by the last purchase price method. (Amounts in the balance sheets were calculated by writing down the book value with regard to the finished goods for which profitability was clearly declining.)
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- (3) Depreciation Method for Important Depreciable Assets
1. Tangible fixed assets (Other than lease properties) Straight-line method
However, the Company adopts the straight-line method for buildings acquired on or after April 1, 1998 (excluding attached facilities).
 2. Intangible fixed assets (Other than lease properties) Straight-line method
However, capitalized software for internal use is amortized by the straight-line method over the estimated internal useful life (5 years).
Also, goodwill is equally amortized over 10 years.
 3. Lease properties Lease properties related to finance leases other than those that are deemed to transfer the ownership of the leased assets to the lessees are depreciated assuming the lease period as the useful life and no residual value.
 4. Long-term prepaid expenses Straight-line method
- (4) Accounting Standards for Important Reserves
1. Allowance for bad debts To prepare for losses from bad debts, the Company provides the allowance for doubtful accounts at an amount of possible losses from uncollectible trade receivables based on the actual rate of losses from bad debt for ordinary receivables, and on the estimated recoverability for specific doubtful receivables.
 2. Reserve for bonuses The reserve for bonuses is provided at an amount as a defrayment for the fiscal year under review based on the estimated total amount of employees' bonuses.
 3. Reserve for bonuses to officers The reserve for bonuses to officers is provided at an estimated amount to accrue for the fiscal year under review.
 4. Reserve for employees' retirement benefits The reserve for employees' retirement benefits is provided at an amount recognized to have accrued as of the balance-sheet date based on the projected retirement benefit obligation and fair value of pension plan assets at the end of the fiscal year under review.
The actuarial gain or loss is amortized by the straight-line method over the average remaining service years (10 years) for employees at the time of recognition from the following year of recognition.

(5) Important Hedge Accounting

- | | |
|---|--|
| 1. Method of hedge accounting | For currency swaps, the appropriation treatment is applied to the swaps that satisfy the requirements of such appropriation treatment. For interest rate swaps, the preferential treatment is applied to the swaps that satisfy the requirements of such preferential treatment. |
| 2. Hedge techniques and subjects | |
| Currency swap transactions | Foreign currency denominated monetary claims
Interest on borrowings |
| Interest swap transactions | |
| 3. Hedge policy | Currency swap transactions are intended to stabilize cash flow pertinent to the recovery of principal and interest on loans. Interest swap transactions are intended to stabilize cash flow pertinent to interest payments on borrowings. |
| 4. Evaluation method for hedge validity | Evaluation of the validity of currency swap transactions is omitted because the significant terms of the relevant transactions and those as to the hedged assets are the same, and it is predicted that any fluctuations in the market prices and cash flow will be offset at the beginning of hedging and will continue to be so afterward.
Evaluation of the validity of interest swap transactions is omitted because they satisfy the requirements of the preferential treatment. |

(6) Method of Accounting Processing of Consumption Tax

Transactions subject to the consumption tax and any local consumption tax are recorded at amounts exclusive of the consumption taxes.

(Changes in accounting treatment)

(1) Adoption of the Accounting Standard for the Evaluation of Inventories
Adopting the Accounting Standard for the Evaluation of Inventories (ASBJ Statement No. 9 (July 5, 2006)) from the fiscal year under review, we have changed the evaluation method from the cost method to a new standard through which we evaluate inventories at cost (writing down the book value due to a decline in profitability).
As a result, compared with application of the previous method, gross profit, operating income, ordinary income and income before income taxes for the fiscal year under review decreased ¥563 million each.

(2) Adoption of the Accounting Standard for Lease Transactions
Adopting the Accounting Standard for Lease Transactions (ASBJ Statement No. 13 (June 17, 1993) with final revision made on March 30, 2007) and the Implementation Guidance on the Accounting Standard for Lease Transactions (ASBJ Guidance No. 16 (January 18, 1994) with final revision made on March 30, 2007), we changed the

accounting standard for finance leases other than those that are deemed to transfer the ownership of the lease properties to lessees that had previously been accounted for by a method similar to the procedures used for ordinary operating leases. With the new standard, we account for those leases by a method similar to the procedures used for ordinary sales/purchase transactions.

Of finance leases other than those that are deemed to transfer the ownership of the lease properties to lessees, as to those for which leasing took effect before the year of implementation of the new accounting standard, we continue to use a method similar to the procedures used for ordinary operating leases.

The impact of this change on the financial statements for the fiscal year under review was immaterial.

2. Notes to the Balance Sheet

(1) Accumulated depreciation of fixed tangible assets:	¥73,184 million
(2) Amount of accelerated depreciation with national subsidy:	¥150 million
(3) Monetary claims/liabilities pertinent to affiliated companies:	
Short-term monetary claims:	¥23,199 million
Short-term monetary liabilities:	¥1,622 million
Long-term monetary claims:	¥1,468 million
(4) Monetary liabilities to Directors and Auditors:	¥909 million

(5) Contingent liability

The Company provides a liability guarantee on rent liability for the following company:

THK GmbH	¥43 million
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The Company provides a liability guarantee on purchase liability for the following companies:

TALK SYSTEM CORPORATION	¥1,736 million
DAITO SEIKI CO., LTD.	¥586 million
RHYTHM CORPORATION	¥409 million
THK NIIGATA CO., LTD.	¥322 million
Beldex Corporation	¥144 million
Nippon Slide Co., Ltd.	¥69 million

(Change of the presentation method)

The accounting items “Merchandise,” “Finished goods,” “Raw materials,” “Work in process” and “Supplies” for the previous fiscal year have been presented as “Merchandise and finished goods,” “Work in process” and “Raw materials and supplies” for the fiscal year under review.

3. Notes to the Statement of Income

Volume of transactions with affiliates:

Sales revenue	¥31,061 million
Purchases	¥15,370 million
Other marketing transactions	¥506 million
Non-marketing transactions	¥2,430 million

4. Notes to the Statement of Changes in Shareholders' Equity

Current Fiscal Year (From April 1, 2008, to March 31, 2009)

Matters Related to Treasury Stock

Type of Stock	End of the Previous Consolidated Fiscal Year	Increase	Decrease	End of the Current Consolidated Fiscal Year
Common stock (shares)	5,246,172	4,258	1,100	5,249,330

(Summary of Reasons for Changes)

Breakdown of the increases

Increase ascribed to buy-back of shares below a lot unit: 4,258 shares

Breakdown of the decreases

Decreases due to purchase requests on shares below a lot unit: 1,100 shares

5. Notes to Tax-Effect Accounting

(1) Breakdown of deferred tax assets and deferred tax liabilities according to the main cause of occurrence

(Deferred tax assets)

Reserve for employees' retirement benefits ¥1,012 million

Loss on valuation of affiliate stocks ¥953 million

Inventory valuation loss ¥645 million

Reserve for bonuses ¥528 million

Accrued expenses ¥440 million

Accrued retirement compensation for officers ¥369 million

Impairment loss ¥340 million

Software ¥287 million

Excess of depreciation and amortization ¥229 million

Allowance on bad debt ¥136 million

Accrued business tax ¥75 million

Others ¥393 million

Subtotal of deferred tax assets ¥5,414 million

Valuation reserves ¥(1,760) million

Total deferred tax assets ¥3,654 million

(Deferred tax liabilities)

Insurance reserve ¥(517) million

Special depreciation reserve ¥(190) million

Net unrealized gain on available-for-sale securities ¥(79) million

Others ¥(24) million

Total deferred tax liabilities ¥(812) million

Net deferred tax assets 2,841 million

(2) Breakdown of main items that served as the cause of a significance difference between the legal effective tax rate and the corporate tax ratio after application of tax effect accounting

Legal effective tax rate	40.7%
(Adjustments)	
Items permanently not included as a deductible, such as entertainment costs	0.8%
Items permanently not included as revenue, such as dividend received	(0.2)%
Equal installments of resident tax	0.8%
Deductions pertinent to the total test and research expenses	(3.6)%
Difference from the effective tax rate	(0.4)%
Valuation reserves	12.4%
Others	(0.3)%
Corporate tax ratio after application of tax effect accounting	<u>50.2%</u>

6. Notes to the Fixed Assets under Lease Transactions

(1) Amount equivalent to the acquisition cost at the last day of the current fiscal year:

¥2,824 million

(2) Amounts equivalent to accumulated depreciation and the term-end balance as of the last day of the current fiscal year

Amount equivalent to accumulated depreciation: ¥2,482 million

Amount equivalent to the term-end balance: ¥341 million

(3) Amount equivalent to the unearned lease fee as of the last day of the current fiscal year:

¥341 million

7. Notes to the Transactions with Special Interest Parties

(1) Parent company and major corporate shareholders:

None applicable

(2) Officers and major individual shareholders:

None applicable

(3) Subsidiaries, etc.

Category	Company or Personal Name	Address	Capital Stock or Capitalization	Description of Business or Occupation	Ownership of Voting Rights	Description of Relationship		Description of Transactions	Transaction amount (Millions of Yen)	Accounting Item	Term-End Balance (Millions of Yen)
						Concurrent Service as an Officer	Business Relationship				
Subsidiary	TALK SYSTEM CORPORATION	Adachi-ku Tokyo	¥400 million	Mechanical element parts business Industrial and Transportation equipment-related businesses	Direct 99%	2 persons	Purchase of the Company's products	Loans Collection of loan receivables	6,832 7,439	Short-term loans	392
	THK GmbH	Ratingen, Germany	102,000 Euro	Mechanical element parts business Industrial and Transportation equipment-related businesses	Indirect 100%	3 persons	Purchase of the Company's products	Sales of the Company's products	8,905	Accounts receivable	2,049
	THK Manufacturing of Europe S.A.S.	Ensisheim, France	72,040,000 Euro	Mechanical element parts business Industrial and Transportation equipment-related businesses	Indirect 100%	5 persons	Manufacturing of the Company's products	Loans Collection of loan receivables	7,599 11,504	Short-term loans	—
	RHYTHM CORPORATION	Hamamatsu-shi, Shizuoka	¥490 million	Transportation equipment-related business	Direct 100%	3 persons	Collaboration with the Company's business	Loans Collection of loan receivables	1,495 4,439	Short-term loans	11,056

Transaction terms and the policy on determining transaction terms

Notes: 1. Interest rates for loans to TALK SYSTEM CORPORATION are rationally determined by taking into account the market interest rates.

2. Sales prices of our company's products for sale to THK GmbH are determined through due consultation between the two companies and in consideration of market prices.

3. Interest rates for loans to THK Manufacturing of Europe S.A.S. are rationally determined by taking into account the market interest rates.

4. Interest rates for loans to RHYTHM CORPORATION are rationally determined by taking into account the market interest rates.

(4) Affiliated companies sharing the same parent company:

None applicable

(Additional information)

Since the consolidated fiscal year under review, we have adopted the Accounting Standard for Disclosure of Related Parties (ASBJ Statement No. 11 (October 17, 2006)) and the Implementation Guidance on the Accounting Standard for Disclosure of Related Parties (ASBJ Guidance No. 13).

8. Notes to per Share Information

(1) Net assets per share	¥1,373.77
(2) Current net income per share	¥25.36

9. Notes to Significant Subsequent Event

None applicable

10. Other Notes

Amounts less than ¥1 million of the indicated amounts are truncated.

Accounting Audit Report on the Consolidated Financial Statements

AUDIT REPORT BY INDEPENDENT AUDITOR

May 14, 2009

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

Grant Thornton Taiyo ASG

Designated	Certified	
Executive	Public	Tsutomu Kawaguchi (Seal)
Employee	Accountant	
Designated	Certified	
Executive	Public	Keita Tajiri (Seal)
Employee	Accountant	

In accordance with the provisions of Article 444, Paragraph 4, of the Companies Act, we audited the consolidated financial statements of THK CO., LTD., consisting of the consolidated balance sheet, consolidated statement of income, statement of changes in consolidated shareholders' equity and notes on the consolidated financial statements covering the consolidated fiscal year from April 1, 2008, to March 31, 2009. The management of the Company is responsible for preparing such financial statements, and it is our responsibility to express our opinions thereon from an independent standpoint.

We performed this audit in compliance with generally accepted fair and reasonable auditing standards in Japan. The auditing standards require us to have reasonable assurance of whether any material misrepresentation exists in the consolidated financial statements. Our audit was made on a test basis and included examination of the presentations in their entirety in the financial statements, including evaluation of the accounting policies and methods of application thereof as employed by management and estimates made by management. We consider that, as a result of our audit, we have obtained a reasonable basis for expressing our opinions.

We are of the opinion that the aforementioned consolidated financial statements fairly present the conditions of the assets, income and loss of the Group consisting of THK CO., LTD., and its consolidated subsidiaries for the fiscal year under review in accordance with generally accepted accounting standards of Japan in all material aspects.

Additional information

As explained in "1. Important Matters for the Preparation of the Consolidated Financial Statements" of the "Notes to the Consolidated Financial Statements," Dentsu has adopted the Accounting Standard for the Evaluation of Inventories for the current consolidated fiscal year, thereby preparing the consolidated financial statements according to the relevant accounting standard.

There is no relation of interests between the Company and the auditing firms stated above or any participating partners thereof, as is required to be stated under the Certified Public Accountant Law.

Accounting Audit Report on the Financial Statements

AUDIT REPORT BY INDEPENDENT AUDITOR

May 14, 2009

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

	Grant Thornton Taiyo ASG	
Designated	Certified	
Executive	Public	Tsutomu Kawaguchi (Seal)
Employee	Accountant	
Designated	Certified	
Executive	Public	Keita Tajiri (Seal)
Employee	Accountant	

In accordance with the provisions of Article 436, Paragraph 2, No. 1, of the Companies Act, we audited the financial statements of THK CO., LTD., consisting of the balance sheet, statement of income, statement of changes in shareholders' equity, notes to the non-consolidated financial statements and supplementary schedules covering the 39th fiscal year from April 1, 2008, to March 31, 2009. The management of the Company is responsible for preparing such financial statements and supplementary schedules, and it is our responsibility to express our opinions thereon from an independent standpoint.

We performed this audit in compliance with generally accepted fair and reasonable auditing standards in Japan. The auditing standards require us to have reasonable assurance of whether any material misrepresentation exists in the financial statements and supplementary schedule. Our audit was made on a test basis and included examination of the presentations in their entirety in the financial statements, including evaluation of the accounting policies and methods of application thereof as employed by management and estimates made by management. We consider that, as a result of our audit, we have obtained a reasonable basis for expressing our opinions.

We are of the opinion that the aforementioned financial statements and supplementary schedules fairly present the conditions of the assets, income and loss of the fiscal year under review in accordance with generally accepted accounting standards of Japan in all material aspects.

Additional information

As explained in "1. Important Matters for the Preparation of the Non-Consolidated Financial Statements" of the "Notes to the Non-Consolidated Financial Statements," Dentsu has adopted the Accounting Standard for the Evaluation of Inventories for the current fiscal year, thereby preparing the non-consolidated financial statements according to the relevant accounting standard.

There is no relation of interests between the Company and the auditing firms stated above or any participating partners thereof, as is required to be stated under the Certified Public Accountant Law.

Audit Report by the Board of Auditors

AUDIT REPORT

We, the Board of Auditors, submit the following Audit Report based on our deliberation of the Audit Reports prepared by each Auditor with respect to the execution of duties of the Directors during the Company's 39th fiscal year starting on April 1, 2008, and ending on March 31, 2009:

1. Auditing Method and Content of Audits Performed by Auditors and the Board of Auditors

The Board of Auditors determined the auditing policy and allocation of tasks, received reports from each Auditor concerning execution status and results of audits, received reports from Directors and accounting auditors concerning the status of their tax execution, and requested explanations when necessary.

In accordance with the audit policies and task allocations determined by the Board of Auditors, each Auditor communicated with Directors, the Internal Audit Office and other employees to collect information and maintain an appropriate audit environment. In addition, each Auditor attended the Board of Directors meetings and other important meetings to receive reports concerning the status of execution of duties from Directors and employees, request explanations when necessary, peruse important settlement documents, and investigated the business and asset conditions of the Head Office and other major offices. Moreover, as is necessary for the systems to ensure compliance in Directors' execution of duties with laws and regulations and the Company's Articles of Incorporation, and also to ensure adequacy in the Company's other business operations, the Auditors monitored and inspected the systems (Internal Control Systems) established in accordance with the description of the resolution of the Board of Directors concerning the system defined in Paragraphs 1 and 3, Article 100, of the Enforcement Regulation of the Companies Act and said resolution. With respect to subsidiaries, Auditors communicated and exchanged information with the Directors and Auditors of subsidiaries and received reports by subsidiaries concerning their operations when necessary. The Board of Auditors meetings were held on a monthly basis, where results of audits conducted by each Auditor were conveyed to other Auditors to exchange opinions and information sharing. Opinions concerning results of audit activities conducted by Auditors were notified to Directors and the personnel responsible for each department as necessary. Business reports and supplementary schedules for the fiscal year were reviewed in accordance with the above method.

With regard to the accounting audit, Auditors received explanations on the audit plan from the accounting auditor beforehand and discussed it accordingly. The audit results were reported from the accounting auditor. Furthermore, Auditors 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 Duties"

(various provisions stated in Article 131 of the Corporate Accounting Regulations) is prepared in accordance with the “Quality Control Standards Concerning Audits” (Business Accounting Deliberation Council, October 28, 2005) and requested explanations when necessary. In accordance with the approach explained above, we reviewed financial statements for the fiscal year under review (non-consolidated balance sheet, non-consolidated statement of income, statement of changes in shareholders’ equity and notes to the non-consolidated financial statements), the supplementary schedules and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, statement of changes in consolidated shareholders’ equity and notes to the consolidated financial statements).

2. Results of the Audit

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

- (i) 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.
- (ii) We determined no improper acts or material breaches of laws and regulations or the Articles of Incorporation in the execution of duties by Directors.
- (iii) 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.

(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 ASG 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 ASG are appropriate.

May 18, 2009

The Board of Auditors of THK CO., LTD.

Standing Auditor Yoshimi Sato

Standing Auditor Kazunori Igarashi

Outside Auditor Shizuo Watanabe

Outside Auditor Masatake Yone

Reference Documents for the Ordinary General Shareholders Meeting

Proposal 1: Surplus Appropriation

We would like to make the following surplus appropriation:

1. Matters Related to Term-End Dividends

The amount of the term-end dividend is determined with comprehensive consideration of the Company's business performance, the Group's business environment, retained earnings to prepare for future business development, stable dividends policy and other factors.

For the term-end dividend for the 39th term, we would like to pay out ¥8 per share of common stock.

As a result, annual dividend for the term under review, including the interim dividend of ¥12, will be ¥20 per share.

(1) Type of Property for Dividends and Total Amount Thereof
Money

(2) Allotment of Property for Dividends

¥8 per share of common stock for a total of ¥1,028,868,584.

(3) Effective Date of Distribution of Surplus

We would like the effective date to be June 22, 2009

Proposal 2: Partial Amendments to the Articles of Incorporation

The Company proposes the partial amendments to the current Articles of Incorporation as described below.

1. Reasons for amendments

In accordance with the implementation of the Law for Partial Amendments to the Law Concerning Book-Entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement of Trades of Stocks and Other Securities (Law No. 88 of 2004, “Settlement Streamlining Law”), the Company proposes the partial amendments be made to the Articles of Incorporation of the Company described below.

- (1) According to Article 6 of the Supplementary Provisions to the Settlement Streamlining Law, on January 5, 2009, when the Electronic Share Certificate System was implemented, the resolution was deemed to have been made to delete the provisions that assume the issuance of share certificates in the Articles of Incorporation. Accordingly, the Company proposes to delete Article 8 (Issuance of Share Certificates) of the Articles of Incorporation of the Company and all share certificate-related phrases.
- (2) Subsequent to the abolition of the Act on Custody and Transfer of Share Certificates, etc., we propose to delete phrases concerning beneficiary shareholders and the register of beneficiary shareholders in the Articles of Incorporation of the Company.
- (3) Because the register of lost share certificates of the Company must be prepared and kept until one year has elapsed from the following day to the date of implementation of the Settlement Streamlining Law, the Company proposes to establish the necessary supplementary provisions.
- (4) Subsequent to these changes, the Company proposes to make the necessary addition and deletion of provisions and phrases, and other changes as required.

2. Description of the amendments

The proposed amendments are as follows. Provisions of the current Articles of Incorporation without any change are omitted.

(Underlines indicate amendments.)

Current Articles of Incorporation	Proposed amendments
<p><u>(Issuance of share certificates)</u> <u>Article 8.</u> <u>The Company shall issue share certificates representing its issued shares.</u> (Shares less than a full unit) <u>Article 9.</u> <u>One full unit of stock of the Company’s shares shall consist of 100 shares.</u></p>	<p>[To be deleted] (Shares less than a full unit) Article 8. [Same as the current]</p>

Current Articles of Incorporation	Proposed amendments
<p><u>(Non-issuance of shares less than a full unit)</u> <u>Article 10.</u> <u>Despite the provision of Article 8, the Company shall not issue share certificates related to shares less than one full unit of stock of the Company unless otherwise prescribed by the Share Handling Regulations.</u></p> <p>(Rights of a shareholder holding shares not constituting a full unit)</p> <p><u>Article 11.</u> A shareholder (<u>including a beneficial shareholder; hereinafter the same shall apply</u>) holding shares not constituting a full unit may not exercise rights other than the following rights.</p> <ol style="list-style-type: none"> 1. Rights listed in each item of Article 189, Paragraph 2, of the Companies Act 2. Right to make a request based on the provisions of Article 166, Paragraph 1, of the Companies Act 3. Rights to receive allocations of offered shares and offered subscription warrants according to the number of shares held by the shareholder 4. Right to request sale of shares not constituting a full unit <p>(Request the Company to sell shares not constituting a full unit)</p> <p><u>Article 12.</u> A shareholder holding shares not constituting a full unit may request that the Company sell him/her such amount of shares which will, when added together with the shares not constituting a full unit held by him/her, constitute one full unit of stock.</p>	<p>[To be deleted]</p> <p>(Rights of a shareholder holding shares not constituting a full unit)</p> <p><u>Article 9.</u> A shareholder holding shares not constituting a full unit may not exercise rights other than the following rights.</p> <ol style="list-style-type: none"> 1. Rights listed in each item of Article 189, Paragraph 2, of the Companies Act 2. Right to make a request based on the provisions of Article 166, Paragraph 1, of the Companies Act 3. Rights to receive allocations of offered shares and offered subscription warrants according to the number of shares held by the shareholder 4. Right to request sale of shares not constituting a full unit <p>(Request the Company to sell shares not constituting a full unit)</p> <p><u>Article 10.</u> [Same as current]</p>

Current Articles of Incorporation	Proposed amendments
<p>(Share Handling Regulations) Article <u>13</u>. <u>Class of shares issued by the Company and the register of shareholders (including the register of beneficial shareholders, hereinafter the same shall apply), the register of lost share certificates and the registration or record of the register of subscription warrants, as well as the purchase and request for sale of shares not constituting a full unit and other handling of stock and subscription warrants and related handling fees, shall conform to laws and regulations and the Articles of Incorporation, as well as the Share Handling Regulations formulated by the Board of Directors.</u></p> <p>(Transfer agent) Article <u>14</u>. The Company shall appoint a transfer agent in respect of shares. 2. The transfer agent and its handling office shall be decided by a resolution of the Board of Directors and shall be announced by public notice. <u>3. The register of shareholders, the register of lost share certificates and the register of subscription warrants of the Company shall be kept at the handling office of the transfer agent, and the Company shall cause the transfer agent to handle the business pertaining to shares and subscription warrants, such as the registration or record of the register of shareholders, the register of lost share certificates and the register of subscription warrants, as well as the request of purchase and sale of shares not constituting a full unit, etc., and the Company shall not handle the above matters directly.</u></p>	<p>(Share Handling Regulations) Article <u>11</u>. The registration or record of the register of shareholders and the register of subscription warrants, as well as the purchase and request for sale of shares not constituting a full unit and other handling of stock and subscription warrants and related handling fees, shall conform to laws and regulations and the Articles of Incorporation, as well as the Share Handling Regulations formulated by the Board of Directors.</p> <p>(Transfer agent) Article <u>12</u>. The Company shall appoint a transfer agent in respect of shares. 2. The transfer agent and its handling office shall be decided by a resolution of the Board of Directors and shall be announced by public notice. 3. [To be deleted]</p>

Current Articles of Incorporation	Proposed amendments
<p>(Record date) Article <u>15</u>. Shareholders with voting rights registered or recorded in the last register of shareholders as of March 31 of each year shall be eligible to exercise their rights at the Ordinary General Shareholders Meeting for the relevant fiscal year.</p> <p>2. Regardless of the preceding paragraph, if necessary, by resolution of the Board of Directors, shareholders or registered pledgees of shares registered and recorded on the register of shareholders on a certain date shall be determined to be eligible to exercise their voting rights with prior public notice.</p> <p>Articles <u>16</u> – <u>53</u> [Provisions omitted] [New Provisions]</p>	<p>(Record date) Article <u>13</u>. [Same as current]</p> <p>Articles <u>14</u> – <u>51</u> [Same as current] <u>Supplementary Provisions</u></p> <ol style="list-style-type: none"> 1. <u>The register of lost share certificates of the Company shall be maintained at the handling office of the transfer agent, and the business concerning the registration or record of the register of the lost share certificates shall be commissioned to the transfer agent. The Company shall not handle such business.</u> 2. <u>Registration or record in the register of lost share certificates of the Company shall conform to laws and regulations and the Articles of Incorporation, as well as the Share Handling Regulations formulated by the Board of Directors.</u> 3. <u>The Supplementary Provisions of the preceding two paragraphs and this paragraph shall be deleted as of January 6, 2010.</u>

Proposal 3: Appointment of Sixteen (16) Directors

The tenure of all sixteen (16) current Directors will expire at the closing of this Ordinary General Shareholders Meeting, and we hereby propose appointment of the sixteen (16) Directors.

The candidates for Director are as follows:

Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Representation of Other Companies	Number of the Shares of the Company Held
1	Akihiro Teramachi (April 5, 1951)	Oct. 1975 Joined the Company Mar. 1982 Director, General Manager of Administration Jun. 1987 Managing Director and Senior General Manager of Control Jun. 1994 Director and Vice President May 1995 Representative Director and President of DAITO SEIKI CO., LTD. Jan. 1997 Representative Director and President of the Company Director and Chairman of DAITO SEIKI CO., LTD. (Current position)	5,842,500
2	Masamichi Ishii (September 12, 1943)	May 1971 Joined the Company Jun. 1991 Director, Manager of Hachioji Branch Oct. 1991 Director, Manager of Atsugi and Hachioji Branches Jul. 1992 Director, General Manager of East Japan Sales Region II, and Manager of Atsugi Branch of the Company Oct. 1994 Director, General Manager of Sales and East Japan Sales Region II Mar. 2000 Director, Senior General Manager of Sales Jun. 2004 Senior Managing Director (Current position)	62,350
3	Takeki Shirai (October 8, 1942)	Jun. 1971 Joined the Company Oct. 1982 General Manager of Engineering Jun. 1988 Director, General Manager of Engineering Jul. 1992 Director and Senior General Manager of Engineering Jun. 2004 Managing Director (Current position)	59,400
4	Toshihiro Teramachi (November 18, 1958)	Dec. 1988 Joined the Company Jun. 1989 Director, Manager of UK Branch of THK Europe GmbH Aug. 1992 Executive Vice President and Director of PGM Ballscrews 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 (Current position)	300,400
5	Junichi Kuwabara (November 11, 1954)	Apr. 1977 Joined the Company Jul. 1992 Manager of Hachioji Branch Oct. 1994 Senior Manager, Application Engineering, Sales Engineering Oct. 1996 General Manager, Application Engineering, Sales Engineering Feb. 1999 General Manager of FAI Jun. 2002 Director, General Manager of FAI Jan. 2003 Representative Director and President of THK America, Inc. Jun. 2003 Representative Director and President of THK Holdings of America, L.L.C. Representative Director and President of THK America, Inc. (Current position)	4,450

Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Representation of Other Companies	Number of the Shares of the Company Held
6	Takashi Okubo (May 4, 1956)	Apr. 1980 Joined the Company Apr. 1986 Manager of Kofu Branch of the Company Oct. 1996 Manager of Atsugi Branch May 2000 President of DALIAN THK CO., LTD. Jun. 2004 Director of the Company President of DALIAN THK CO., LTD. Jun. 2005 President of THK MANUFACTURING OF CHINA (LIONING) CO., LTD. Sep. 2005 President of THK (CHINA) CO., LTD. THK MANUFACTURING OF CHINA (LIAONING) CO., LTD. (Current position)	2,200
7	Tetsuya Hayashida (May 27, 1961)	May 2000 Transferred from DAITO SEIKI CO., LTD. General Manager of Related Business of the Company Dec. 2000 President of THK Manufacturing of Europe S.A.S. Oct. 2003 President of PGM Ballscrews Ireland, Ltd. May 2004 Resigned from DAITO SEIKI CO., LTD. Joined the Company Jun. 2005 Director Oct. 2005 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. (Current position)	1,500
8	Hideyuki Kiuchi (October 14, 1952)	Apr. 1976 Joined Industrial Bank of Japan Co., Ltd. Jun. 1994 Transferred to Director of the Company Jun. 1998 Resigned as Director Mar. 2003 Resigned from Mizuho Holdings, Inc. Apr. 2003 Joined the Company General Manager of Sales Support Jun. 2004 General Manager of Legal Dec. 2005 General Manager of Legal and Trading Administration Jun. 2006 Director, General Manager of Corporate Strategy (Current position)	800
9	Masato Sawada (December 16, 1961)	Apr. 1984 Joined the Company Mar. 2000 Manager of Toyota Branch Nov. 2002 General Manager of FAI Jun. 2004 Director, General Manager of FAI (Current position)	4,300
10	Isamu Hatanaka (March 1, 1949)	Jan. 1972 Joined the Company Jul. 1992 Deputy Manager of Yamagata Plant Oct. 1997 Manager of Yamagata Plant Mar. 2000 Senior General Manager of Production Jun. 2001 Director and Senior General Manager of Production (Current position)	37,000
11	Junichi Sakai (October 5, 1947)	Jan. 1990 Resigned from NIPPEI TOYAMA CORPORATION Joined the Company Senior Manager of Mechatronics Jul. 1992 General Manager of Mechatronics Oct. 1994 General Manager of Sales Engineering Mar. 2000 General Manager of East Japan Sales Region I Feb. 2003 General Manager of Quality Assurance and of Advanced Technology Information Center Jun. 2004 Director, General Manager of Quality Assurance and Advanced Technology Information Center (Current position)	1,150

Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Representation of Other Companies	Number of the Shares of the Company Held
12	Hirokazu Ishikawa (June 3, 1953)	Apr. 1976 Joined the Company Sep. 1984 Manager of Nagaoka Branch Apr. 1992 General Manager of Ueno Branch Jun. 1998 Representative Director and President of Beldex Corporation Jun. 2003 Representative Director and President of DAITO SEIKI CO., LTD. Jun. 2008 Director and Senior General Manager of Sales Support (Current position)	21,000
13	Hiroshi Imano (January 31, 1954)	Apr. 1977 Joined Industrial Bank of Japan Co., Ltd. Apr. 2002 Transferred to the Company Joint General Manager of Management Strategy Office Mar. 2004 Resigned from Mizuho Corporate Bank Co., Ltd. Apr. 2004 Joined the Company May 2004 President of THK MANUFACTURING OF CHINA (WUXI) CO., LTD. Oct. 2007 General Manager of Production Dec. 2007 General Manager of Production Representative Director and President of THK Manufacturing of Europe S.A.S. Jun. 2008 Director, General Manager of Production Representative Director and President of THK Manufacturing of Europe S.A.S. (Current position)	300
14	Junji Shimomaki (October 6, 1953)	Apr. 1976 Joined the Company Jul. 1992 Manager of the Tokyo Branch Feb. 2003 General Manager of East Japan Sales Region I Jun. 2004 General Manager of East Japan Sales Region II (Current position)	5,000
15	Takanobu Hoshino (October 23, 1960)	Apr. 1983 Joined the Company Jun. 2003 Representative Director and President of Beldex Corporation Jun. 2007 Representative Director and President of Beldex Corporation Representative Director and President of S. Factory CO., LTD. Jun. 2008 Representative Director and President of DAITO SEIKI CO., LTD. Representative Director and President of Beldex Corporation Representative Director and President of S. Factory CO., LTD. (Current position)	2,500
16	Kaoru Hoshide (September 30, 1961)	Apr. 1985 Joined the Company Jan. 2002 General Manager, CAP Project of the Company (Current position)	-

Notes:

1. The information in the brief history, position, assigned tasks and representation of other companies of candidates for Director in the table above is as of May 18, 2009.
2. A candidate for Director, Akihiro Teramachi, serves concurrently as Representative Director of Beldex Corporation, to which the Company sells its merchandise and finished goods, and from which the Company purchases finished goods. The Company also makes loans to Beldex Corporation.
3. A candidate for Director, Akihiro Teramachi, serves concurrently as Representative Director of S. Factory Co., Ltd., from which the Company purchases merchandise.

4. A candidate for Director, Akihiro Teramachi, serves concurrently as Representative Director of PGM Ballscrews Ireland Ltd., to which the Company sells its parts.
5. A candidate for Director, Akihiro Teramachi, serves concurrently as Representative Director of RHYTHM CORPORATION, which has no special interest relationship with the Company.
6. A candidate for Director, Akihiro Teramachi, serves concurrently as Representative Director of THK-SAMICK SLIDE CO., LTD., which has no special interest relationship with the Company.
7. A candidate for Director, Akihiro Teramachi, serves concurrently as Representative Director of FTC Co., Ltd., Limited, which is one of the major shareholders of the Company.
8. A candidate for Director, Tetsuya Hashida, serves concurrently as Representative Director of PGM Ballscrews Ireland Ltd., to which the Company sells its parts.
9. A candidate for Director, Takanobu Hoshino, serves concurrently as Representative Director of DAITO SEIKI CO., LTD., to which the Company sells its merchandise and finished goods, and from which the Company purchases finished goods. The Company also makes loans to DAITO SEIKI CO., LTD.
10. A candidate for Director, Takanobu Hoshino, serves concurrently as Representative Director of Beldex Corporation, to which the Company sells its merchandise and finished goods, and from which the Company purchases finished goods. The Company also makes loans to Beldex Corporation.
11. A candidate for Director, Takanobu Hoshino, serves concurrently as Representative Director of S. Factory CO., LTD., from which the Company purchases merchandise.
12. There is no special interest relationship between the Company and any other candidate for Director.

Proposal 4: Appointment of One (1) Auditor

The tenure of Auditor Shizuo Watanabe will expire at the closing of this Ordinary General Shareholders Meeting, and we hereby propose appointment of the one (1) Auditor. The Board of Auditors has approved this proposal.

The candidate for Auditor is as follows:

Name (Date of Birth)	Brief History, Position, Assigned Tasks and Representation of Other Companies	Number of the Shares of the Company Held
Shizuo Watanabe (March 7, 1934)	Jul. 1991 Director, Toshima Tax Office Jul. 1992 Retired as Director, Toshima Tax Office Sep. 1992 Joined Yaesu Sogo Office Mar. 1995 Auditor of DAITO SEIKI CO., LTD. Jun. 2005 Auditor of the Company Retired as Auditor of DAITO SEIKI CO., LTD. (Current position)	700

Notes:

1. There is no special interest relationship between the candidate for Auditor, Shizuo Watanabe, and the Company.
2. A candidate for Auditor Shizuo Watanabe is a candidate for Outside Auditor.
3. Reason for selection of the candidate for Outside Auditor, the candidate's independence as an Outside Auditor, reason for our judgment of the candidate to be able to appropriately fulfill the duties as an Outside Auditor and the liability limit agreement to be entered into with the Outside Auditor
 - (1) Reason for selection of the candidate for Outside Auditor and the candidate's independence as an Outside Auditor
 - 1) Shizuo Watanabe has ample knowledge on tax accounting that was nurtured during his career as a tax accountant. His knowledge and experience will contribute to reinforcing the audit system of the Company if he is reappointed as the Company's Auditor. Therefore, we propose the reappointment of Shizuo Watanabe as Outside Auditor.
 - 2) Shizuo Watanabe has been the Company's Auditor for four years.
 - (2) Reason for our judgment of the candidate to be able to appropriately fulfill the duties as an Outside Auditor
Although Shizuo Watanabe does not have experience of direct corporate management, he is familiar with corporate tax accounting as a tax accountant and has knowledge and insight sufficient for overseeing corporate management. Therefore, we judge Shizuo Watanabe to be able to appropriately fulfill the duties as an Outside Auditor.
 - (3) Liability limit agreement to be entered into with the Outside Auditor
The outline of the liability limit agreement to be entered into with the Outside Auditor is as follows. The Company has the liability limit agreement with the candidate for Auditor Shizuo Watanabe. If his reappointment is approved, the Company intends to continue this contract.
 - In case he has caused any damage to the Company due to negligence in executing his duties, he shall bear the liability for the damage which is limited to within the sum of the amounts that are the higher of either ¥5

million (¥5,000,000) or the minimum liability amount set forth in Article 425, Paragraph 1, of the Companies Act.

- The above liability limit applies only when the Outside Auditor has acted in good faith and without gross negligence in executing the relevant duties.

<Procedure for Exercising Voting Rights via the Internet>

If exercising voting rights via the Internet, please review the following and exercise your voting rights accordingly.

Shareholders attending the Ordinary General Shareholders Meeting do not need to take any procedures to exercise voting rights by mail (with a voting form) or via the Internet.

1. Web site for the Exercise of Voting Rights
 - (1) Voting rights may be exercised over the Internet via personal computer or mobile phone (i-mode, EZweb or Yahoo! Mobile)* only by accessing the Web site the Company has designated for the exercising of voting rights (<http://www.evote.jp/>). (However, access to the Web site is not available between 2 a.m. and 5 a.m. Japan local time everyday.)
*“i-mode,” “EZweb” and “Yahoo!” are registered trademarks of NTT DoCoMo, Inc., KDDI Corporation and Yahoo! Inc. of the United States, respectively.
 - (2) Depending on the Internet connectivity environment, such as the use of a firewall, antivirus software or a proxy server, some shareholders may not be able to exercise their voting rights via a personal computer.
 - (3) When exercising voting rights using a mobile phone, the device must have either i-mode, EZweb or Yahoo! Mobile service. For security reasons, devices that use encoded transmission (SSL transmission) or that are unable to transmit mobile phone information cannot be used.
 - (4) Exercise of voting rights via the Internet will be available until 5:30 p.m. Japan local time on Friday, June 19, 2009, but please exercise your voting rights ahead of the designated time and contact the help desk with questions, if any.

2. Method of Exercising Voting Rights via the Internet
 - (1) Use the login ID and temporary password that are shown in the voting form on the voting Web site (<http://www.evote.jp/>), and follow the directions on the screen to enter your approval or disapproval of the proposals.
 - (2) To prevent illegal access by persons other than shareholders (impersonation) and to prevent the exercise of voting rights from falsification, shareholders who use the site for the exercise of voting rights should change their temporary password upon entering the site.
 - (3) Each convocation notice for the General Shareholders Meeting will contain a new login ID and temporary password.

3. Handling of Cases Involving the Overlapping Exercise of Voting Rights
 - (1) In the event that voting rights are exercised both by mail and via the Internet, the vote via the Internet shall prevail.
 - (2) In the event that voting rights are exercised multiple times via the Internet, the most recent vote shall prevail. In the event of the overlapping exercise of voting rights via personal computer and mobile phone, the most recent vote shall prevail.

4. Fees Arising from Accessing the Site for the Exercise of Voting Rights

Any fees that arise from accessing the site for the exercise of voting rights (e.g., dial-up connection charges, telephone charges) shall be borne by the shareholder. If using a mobile phone, any necessary packet transmission charges or other costs involved in use of the phone shall be borne by the shareholder.

For Questions Concerning Systems and Other Matters

Mitsubishi UFJ Trust & Banking Co., Ltd.

Securities Agent Division (Help Desk)

Tel.: 0120-173-027 (toll-free)

Hours of Operation: 9 a.m.–9 p.m. Japan local time