



FINANCIAL RESULTS BRIEFING FOR FISCAL 2009

May 14th 2010

THK CO., LTD.
President & CEO
AKIHIRO TERAMACHI

This presentation material contains forward looking statements that reflect the Company's business plans, performance projections, and strategic forecasts. Such statements are based on information currently available to the Company. However, changes in the operating environment may cause actual results and achievements to differ from those anticipated in this corporate presentation material. Also, please let you know that this presentation material includes reference information that are not exactly accounts indication matters.

1. Financial Results

Fiscal Year ending March 2010

Net sales declined by 35.7% from the previous year to 115.3 billion yen

- Although demand picked up in Japan in the electronics sector, the extent of downturn in the first half of the year was so great that the Company ultimately posted a decrease in revenues.
- Overseas, despite demand starting to bounce back mainly in the Asian region, including China and Taiwan, the extent of downturn in the first half of the year was so great that the Company ultimately posted a decrease in revenues.
- Although revenues decreased considerably compared to the previous year, as a result of steadily increasing sales amid recovering demand, the Company was able to post net sales, exceeding the plan, announced in the 3rd quarter, by 1.8 billion yen.

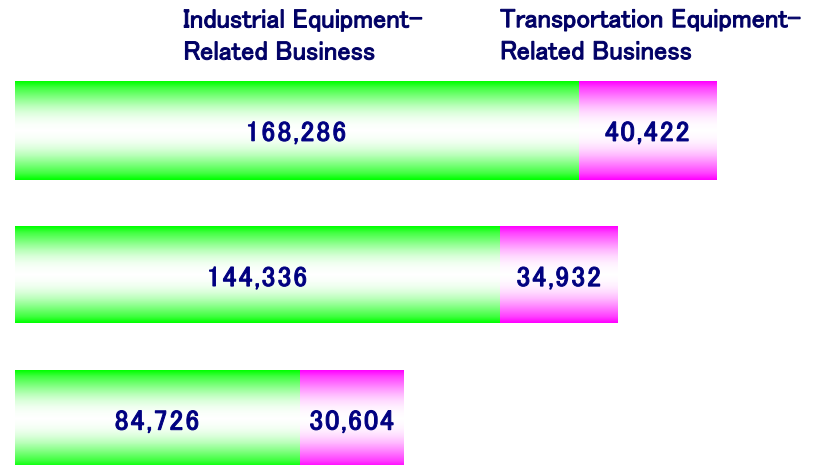
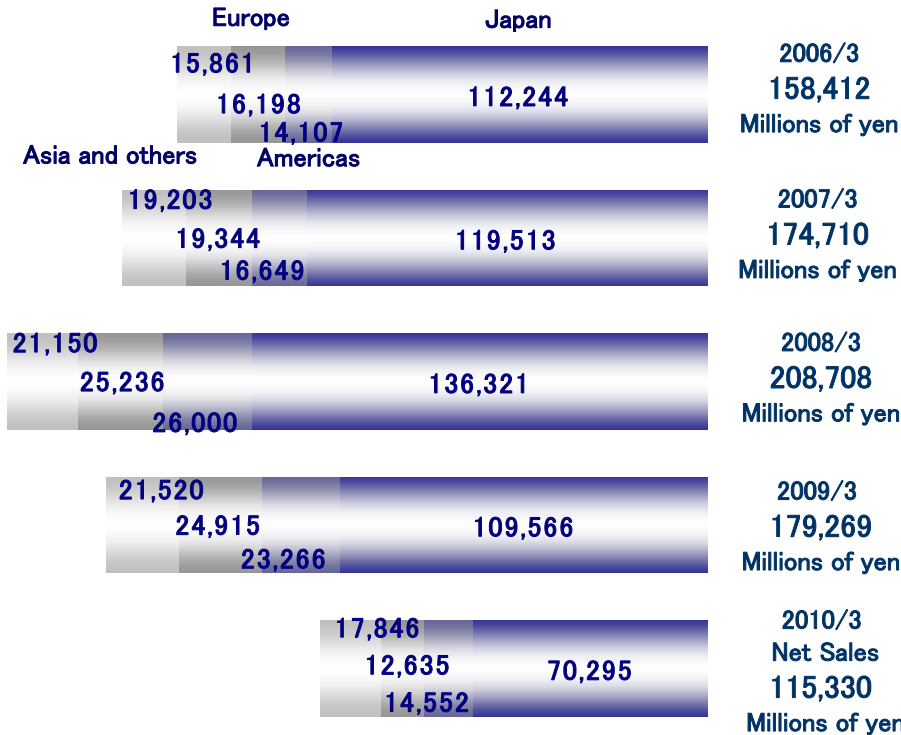
Operating loss of 9.5 billion yen was posted

- Loss was recorded due to the quantitative effects accompanying the decrease in net sales.
- Fixed charges decreased through various cost-control measures.
- The Company was able to scale down operating loss by 2.5 billion yen, compared to the 12.0 billion yen, forecasted in the 3rd quarter, as a result of net sales exceeding plans and through thorough implementation of cost-control measures.

Net loss of 14.3 billion yen was posted

- This was due to the extraordinary loss posted as a result of the amortization of goodwill, which, in turn, was due to the drastic changes to the initial profit plan, necessitated by the effects of the financial crisis.

Trend in Net Sales



Asia and others (Down 17.1%)

- South Korea Up 10.1%
- Taiwan Down 61.2%
- China (Industrial Equipment) Down 11.3%

Europe (Down 49.3%)

- Machine tools Down 62.5%
- General machinery Down 55.8%
- Electronics Down 56.2%

Americas (Down 37.5%)

- Machine tools Down 67.7%
- General machinery Down 36.2%
- Electronics Down 31.9%

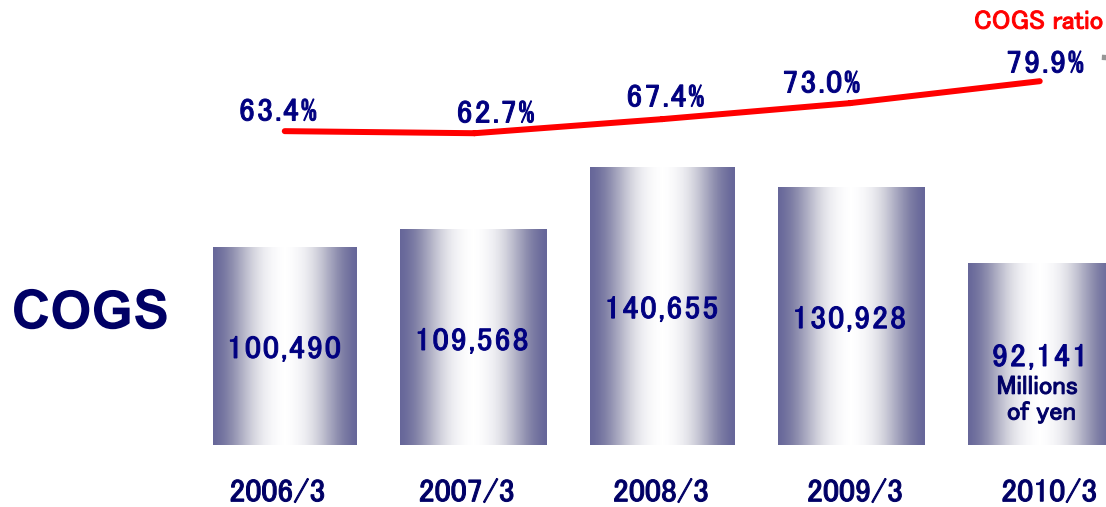
Japan (Down Δ35.8%)

- Machine tools Down 53.4%
- General machinery Down 44.9%
- Electronics Down 38.3%

※Geographic sales is based on where our customers are located.

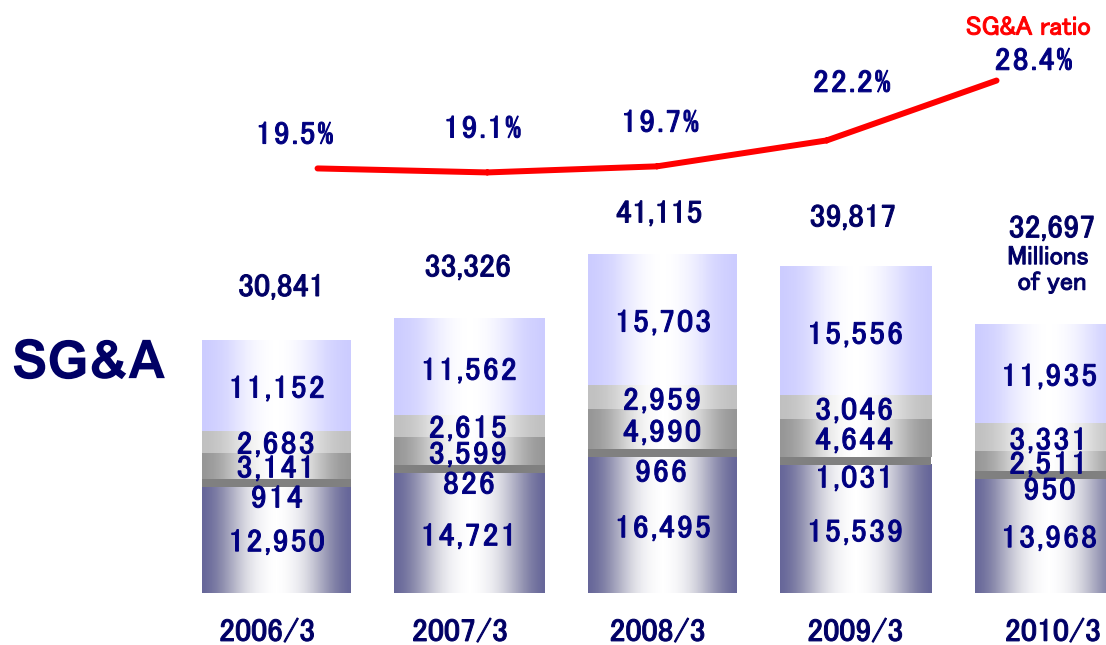
Exchange rate	2006/3	2007/3	2008/3	2009/3	2010/3
1US\$	110.21	116.38	117.84	103.46	93.58
1EUR	136.92	146.14	161.24	152.44	130.21

Trends in Sales-Cost Ratio and SG&A



Sales-cost ratio increased by 6.9points Y/Y

- THK unconsolidated: Up 4.2 points Y/Y
 - Sales decline
 - Decrease in fixed cost
- Consolidated Subsidiaries
 - Sales decline
 - Decrease in fixed cost



Other
(Down ¥ 3,620 million, or 23.2% Y/Y)
 ■Reduction of travel expenses and advertisement cost

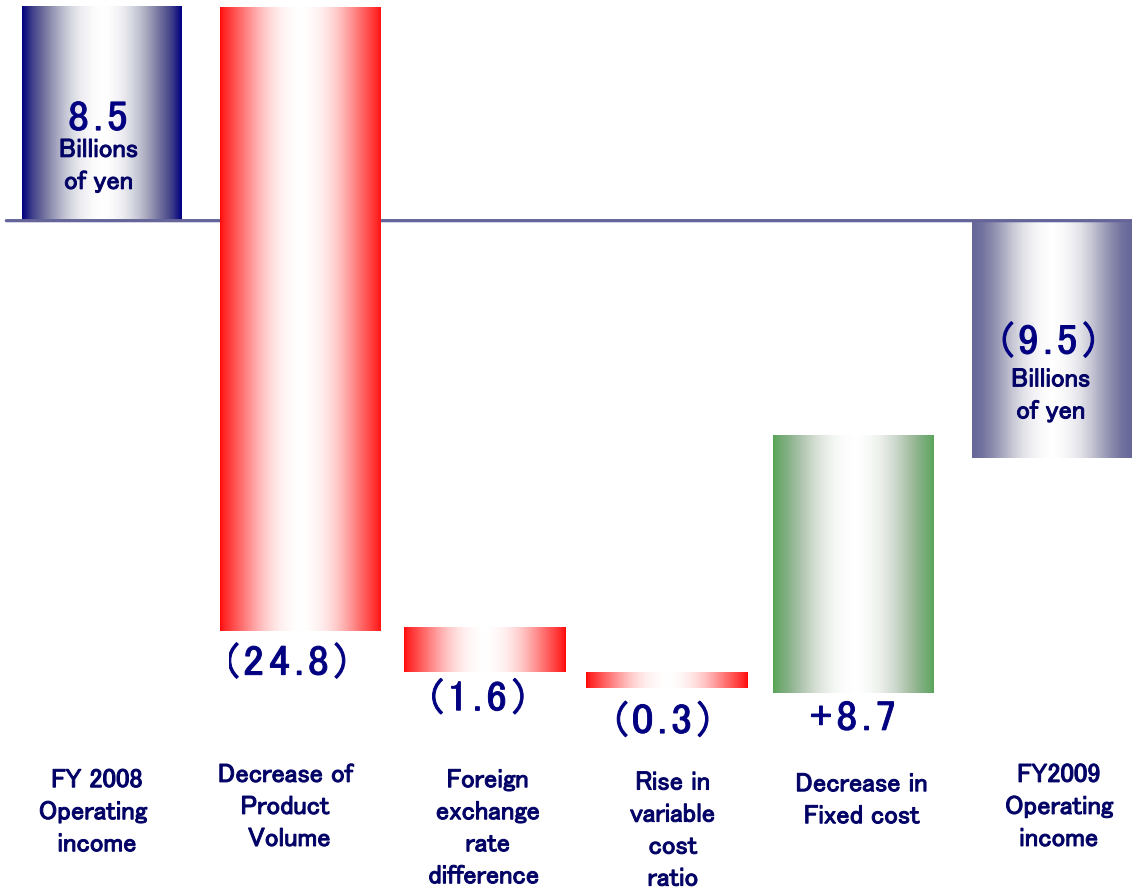
R&D
(Up ¥ 285 million, or 9.4% Y/Y)

Sales & Distribution Costs
(Down ¥ 2,132 million, or 45.9% Y/Y)
 ■Decrease in distribution cost by sales decline

Depreciation and Amortization
(Down ¥ 80 million, or 7.8% Y/Y)

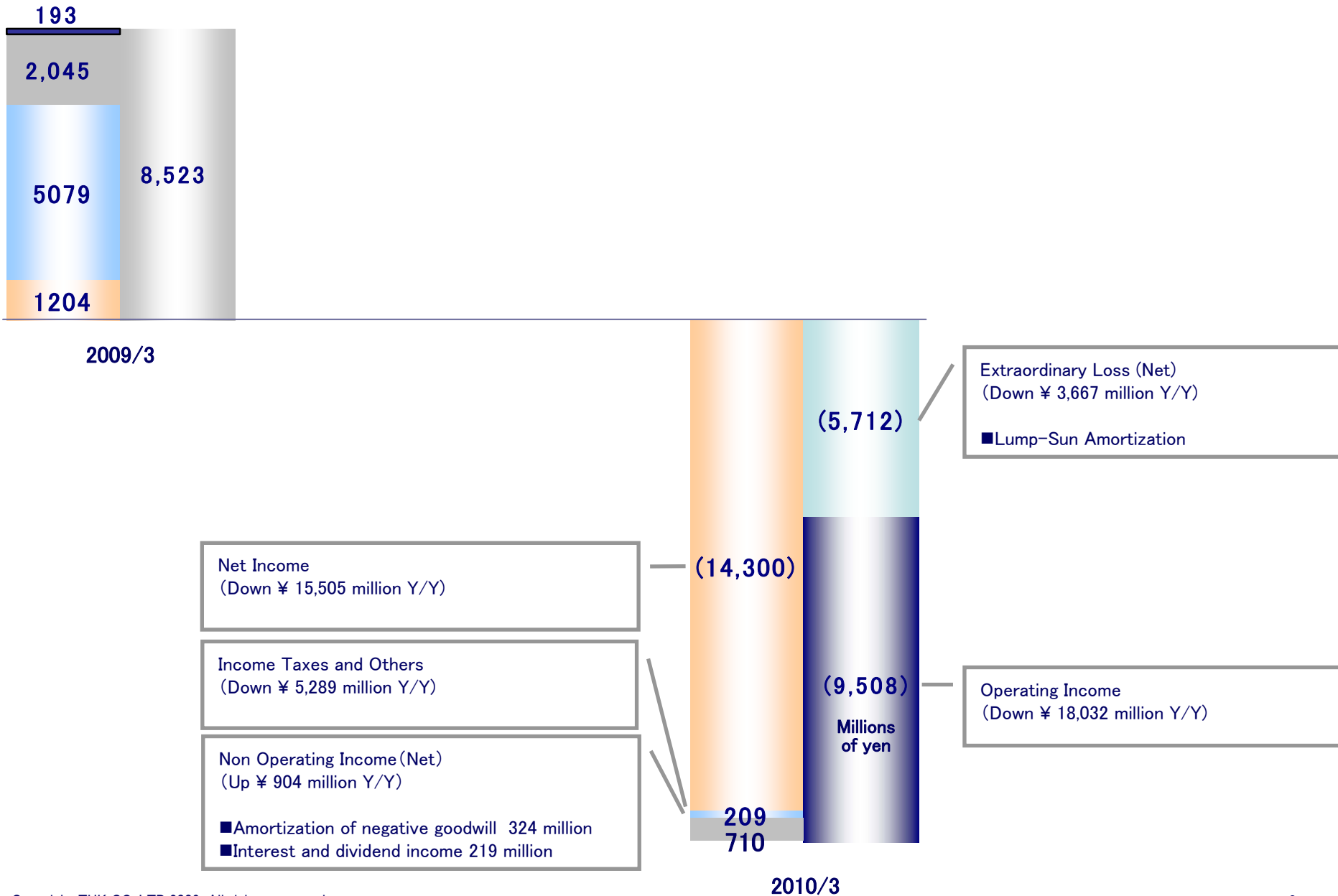
Personnel Costs
(Down ¥ 1,570 million, or 10.1% Y/Y)
 ■Reduction of director salaries, review the hours of operation and other costs

Operating Income - Cause of Change -

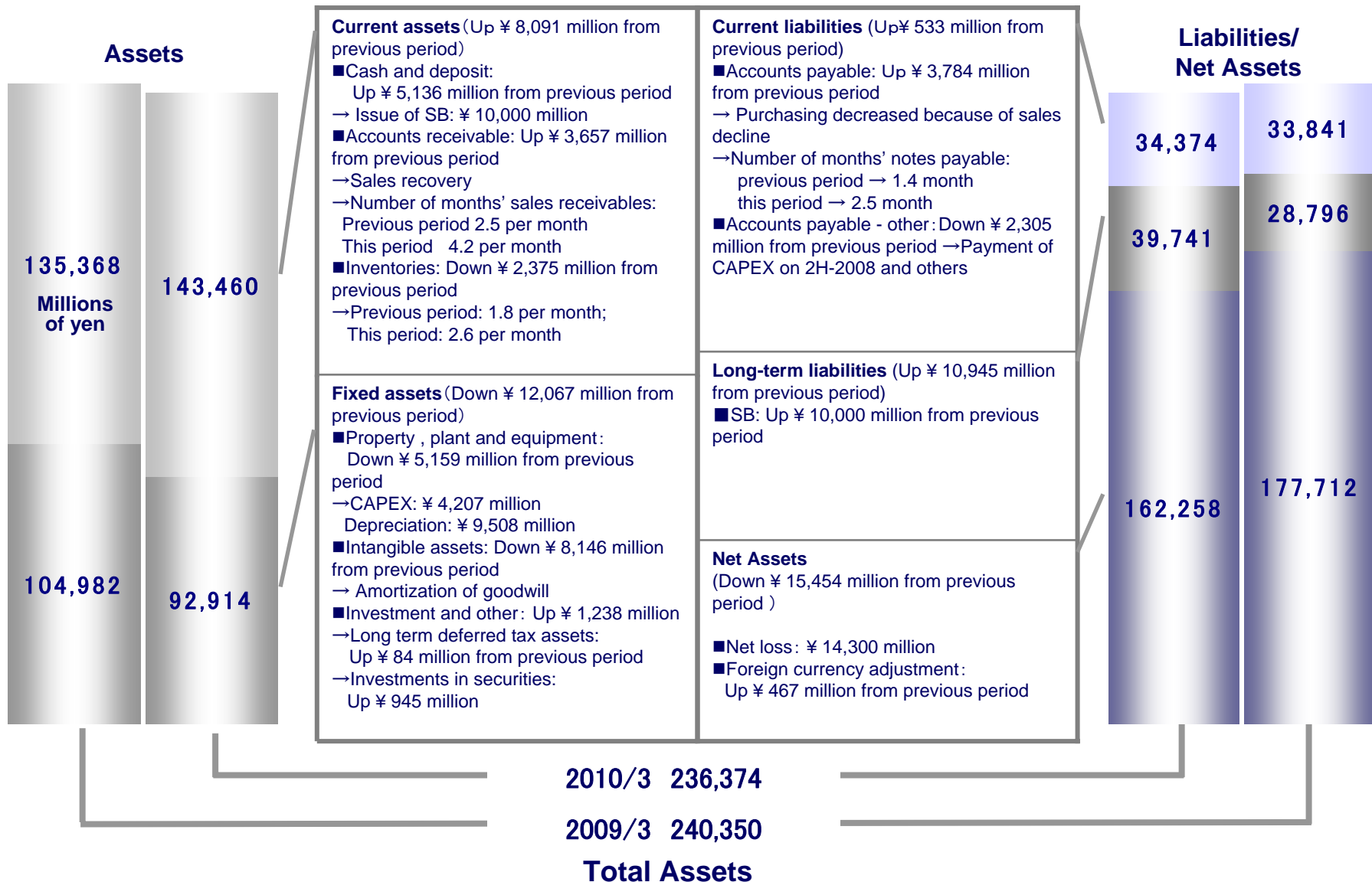


Operating income by geographical segment	Operating income by business segment
Japan (1,476) million (Down ¥ 15,128 million from previous period)	Transportation Equipment-Related Business (4,309) million (Down ¥ 216million from previous period)
America (364) million (Down ¥ 1,717million from previous period)	
Europe (1,576) million (Down ¥ 2,625million from previous period)	Industrial Equipment-Related Business 481million (Down ¥ 19,452million from previous period)
Asia and Others (531) million (Down ¥ 853million from previous period)	
Deletion or Company Total (5,559) million (Up ¥ 2,292million from previous period)	Deletion or Company Total (5,680) million (Up ¥ 1,204million from previous period)

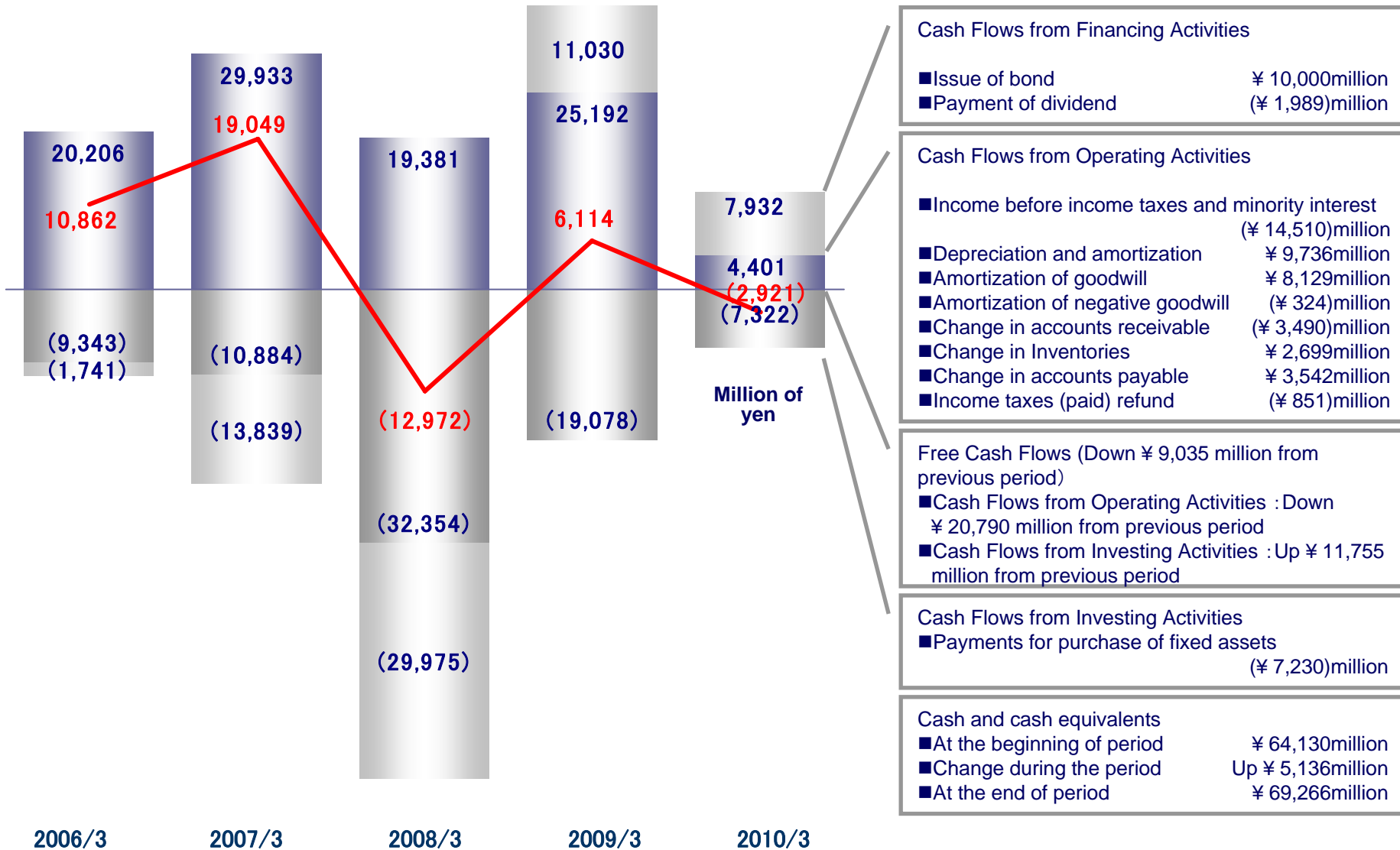
Trends in Net Income



Trends in Assets, Liabilities and Net Assets



Cash Flow Trend

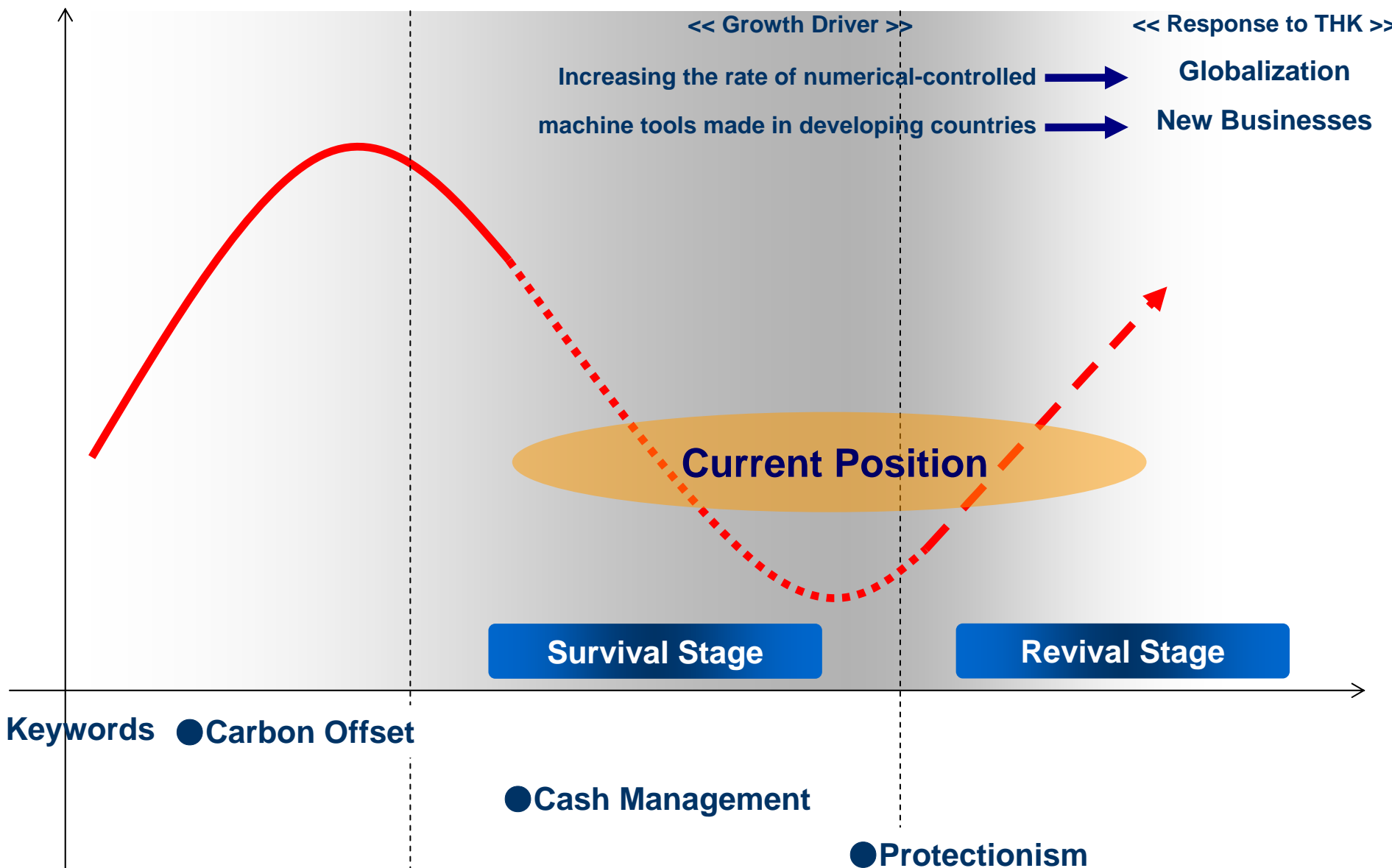


2. Management Strategy Forward

2-1. Current Management Environment

Current Management Environment

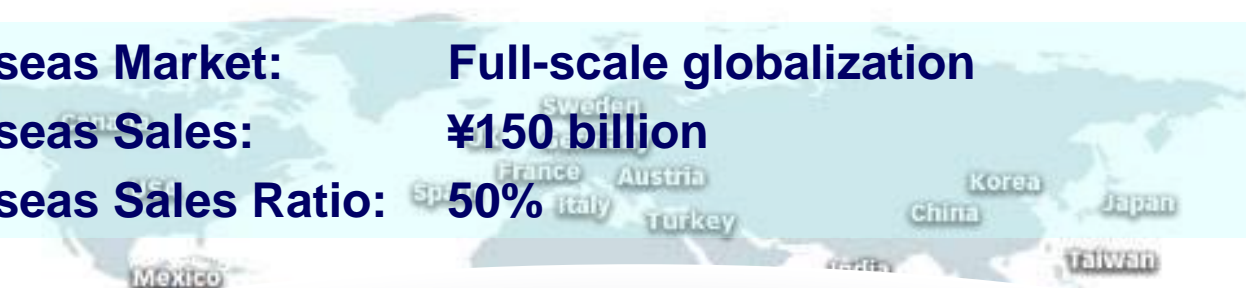
Demand expands in a mid/long term. But a careful steer is necessary for the short term.



2-2. Strategy of THK

Globalization

Overseas Market: Full-scale globalization
Overseas Sales: ¥150 billion
Overseas Sales Ratio: 50%



Expansion of Business Areas

Consolidated Net Sales: ¥300 million

Operating Margin: 20%
ROA: 15%

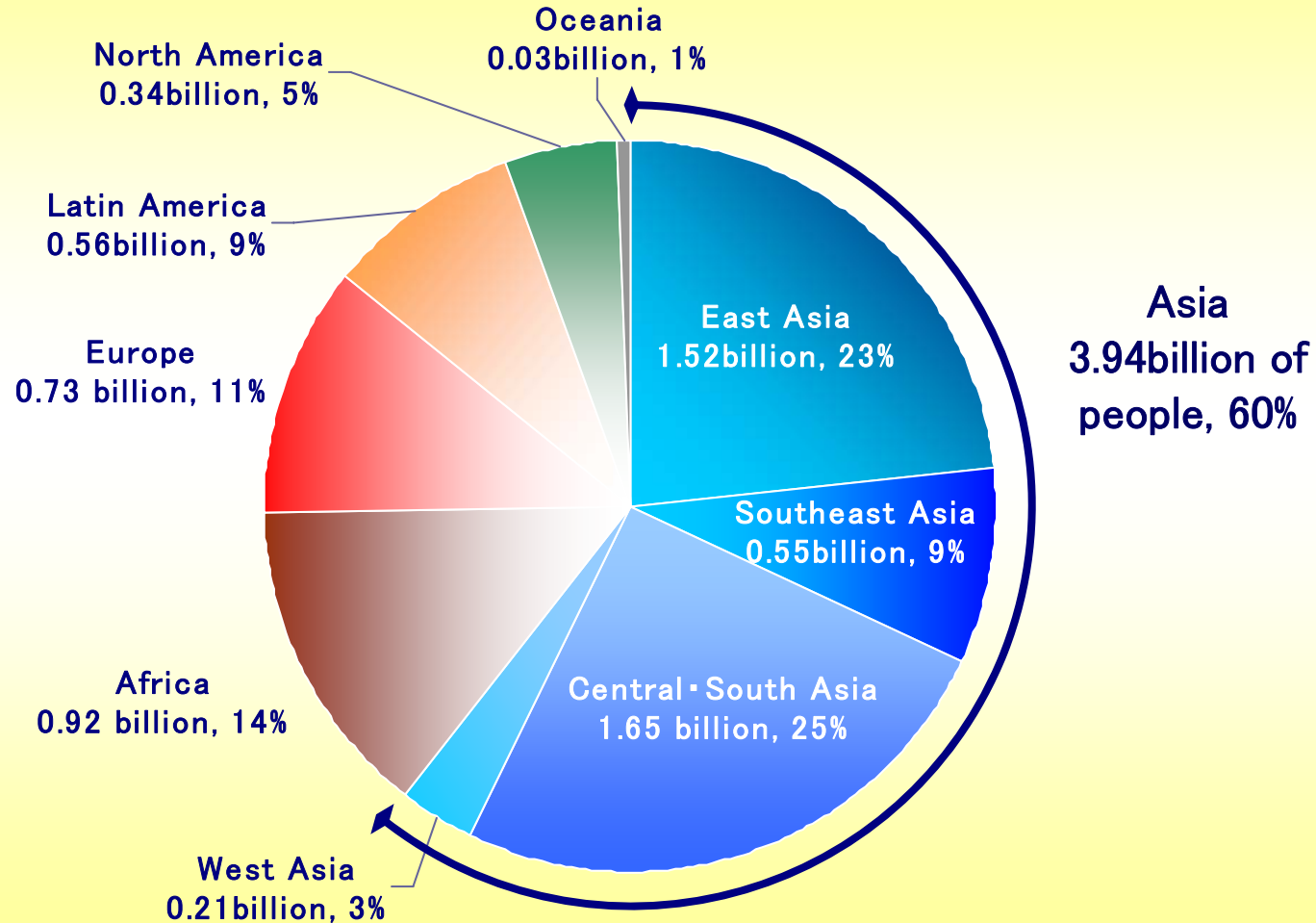
**Domestic Market: Full-scale operation
in the consumer products area**
Domestic Sales: ¥150 million



New Businesses

2-3. Globalization

World Population in 2005 “6.5 billion” breakdown by region

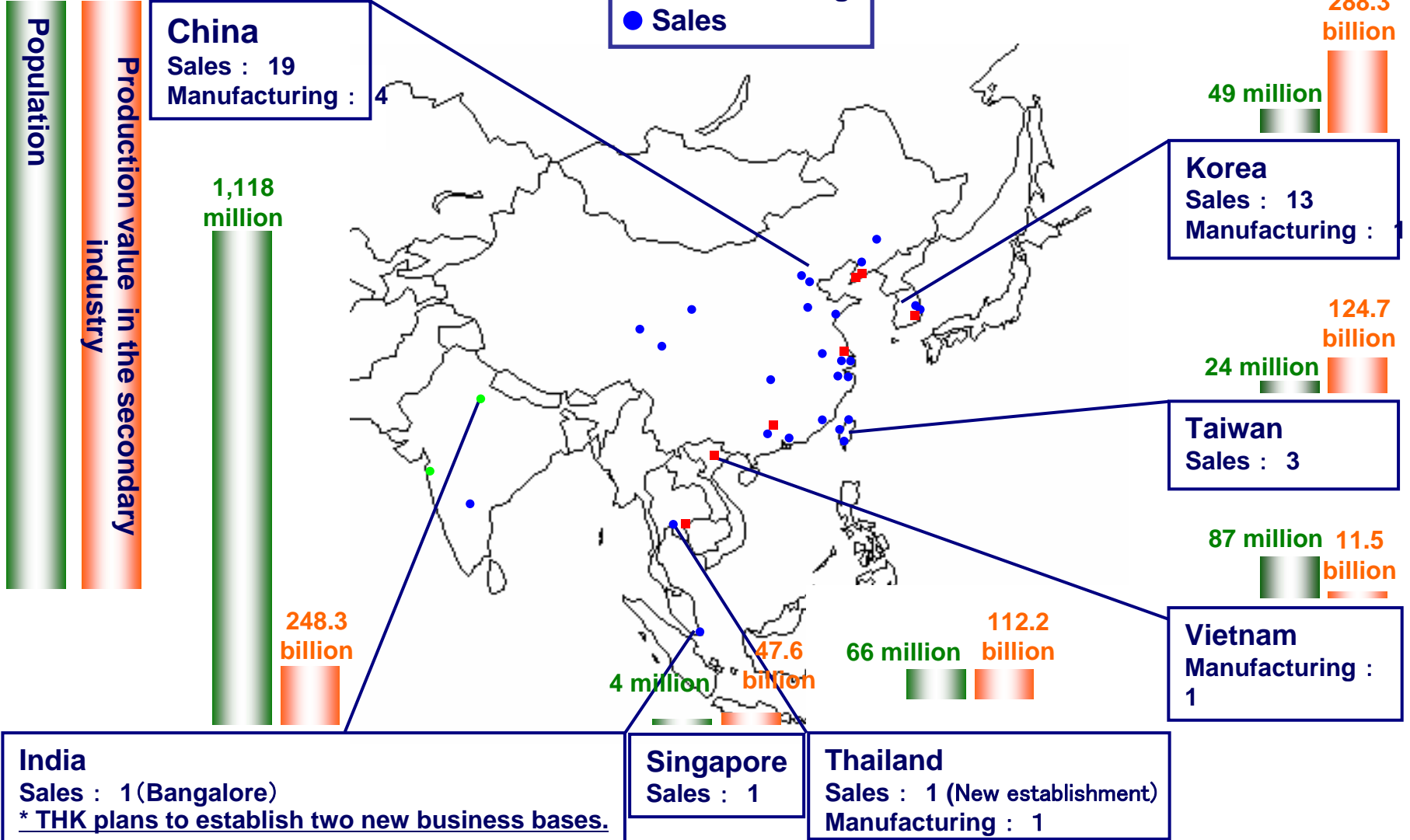


(Referred United Nations)

Business deployment in Asia

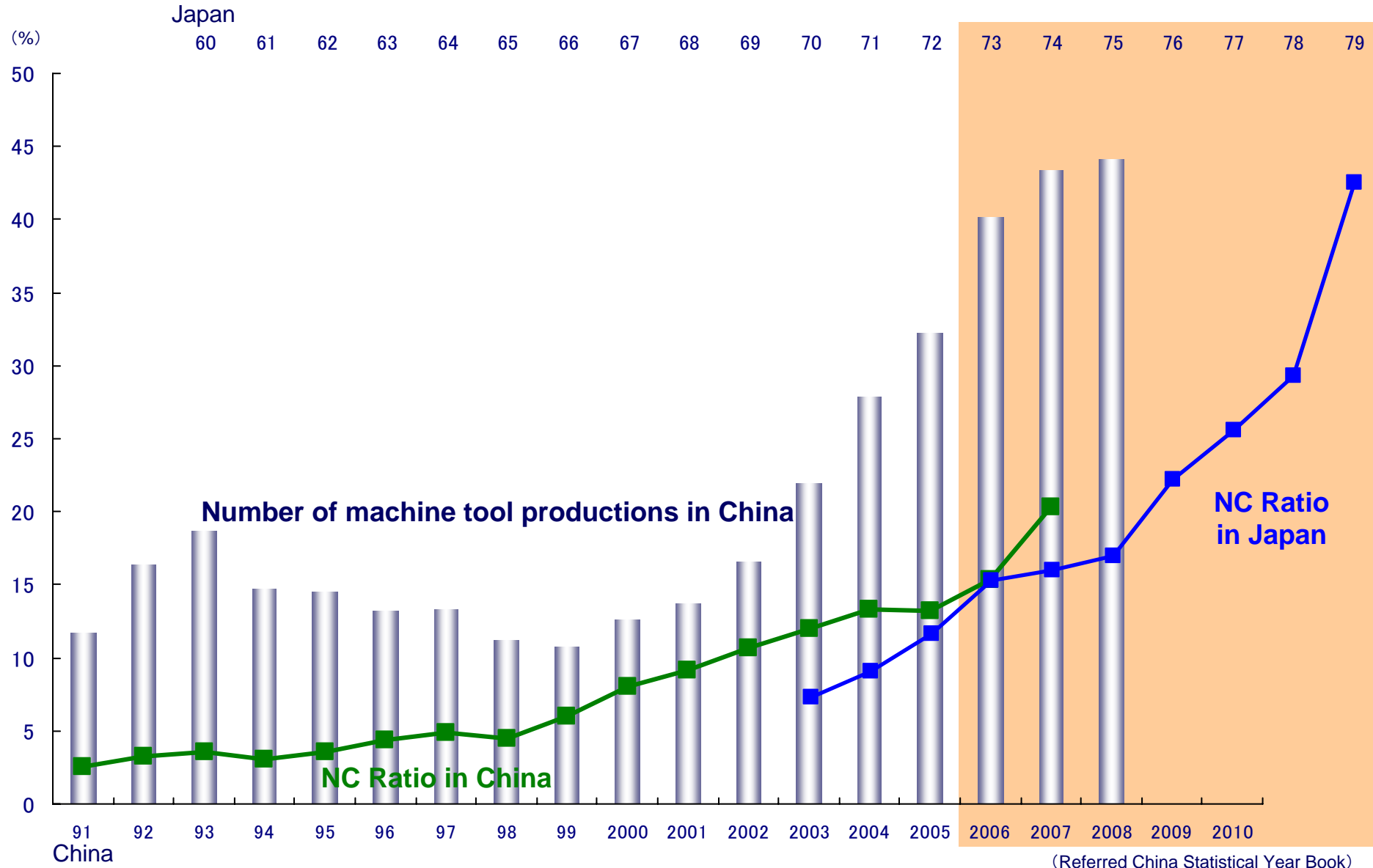
1,328 millions of people

2,103.5 billions of dollars



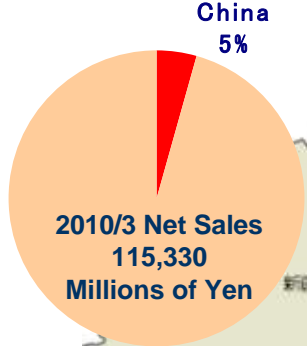
(Developed by THK based on materials published by JETRO and Bloomberg)

Trends in the Number of Machine Tool Productions in China and the NC Ratio

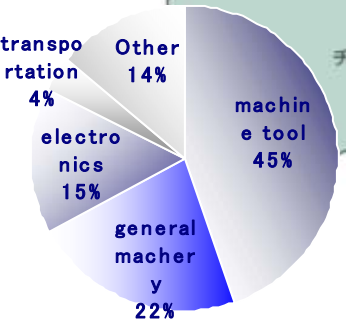


Expansion of Sales Network in China

Sales in China / Consolidated Sales

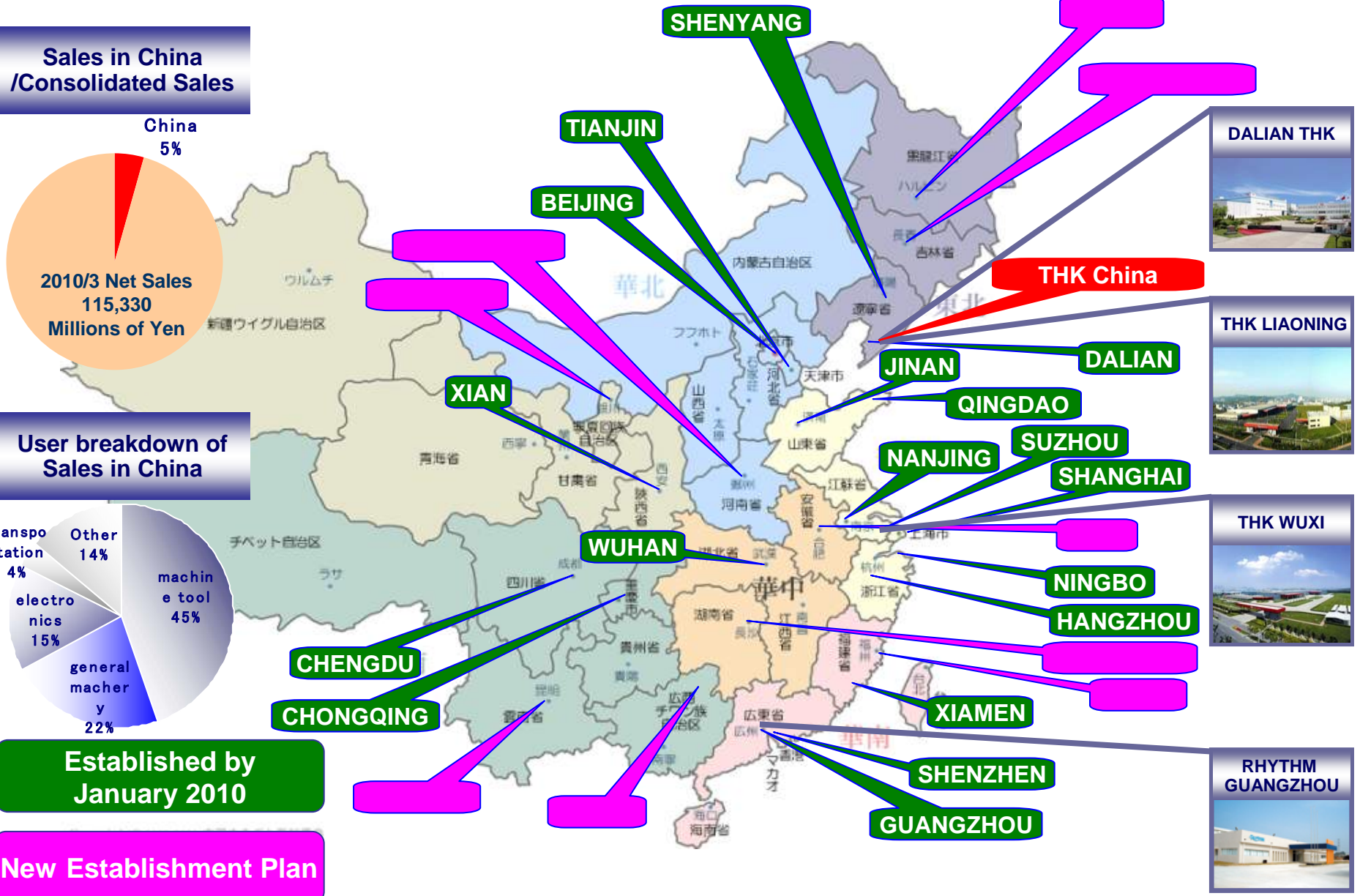


User breakdown of Sales in China

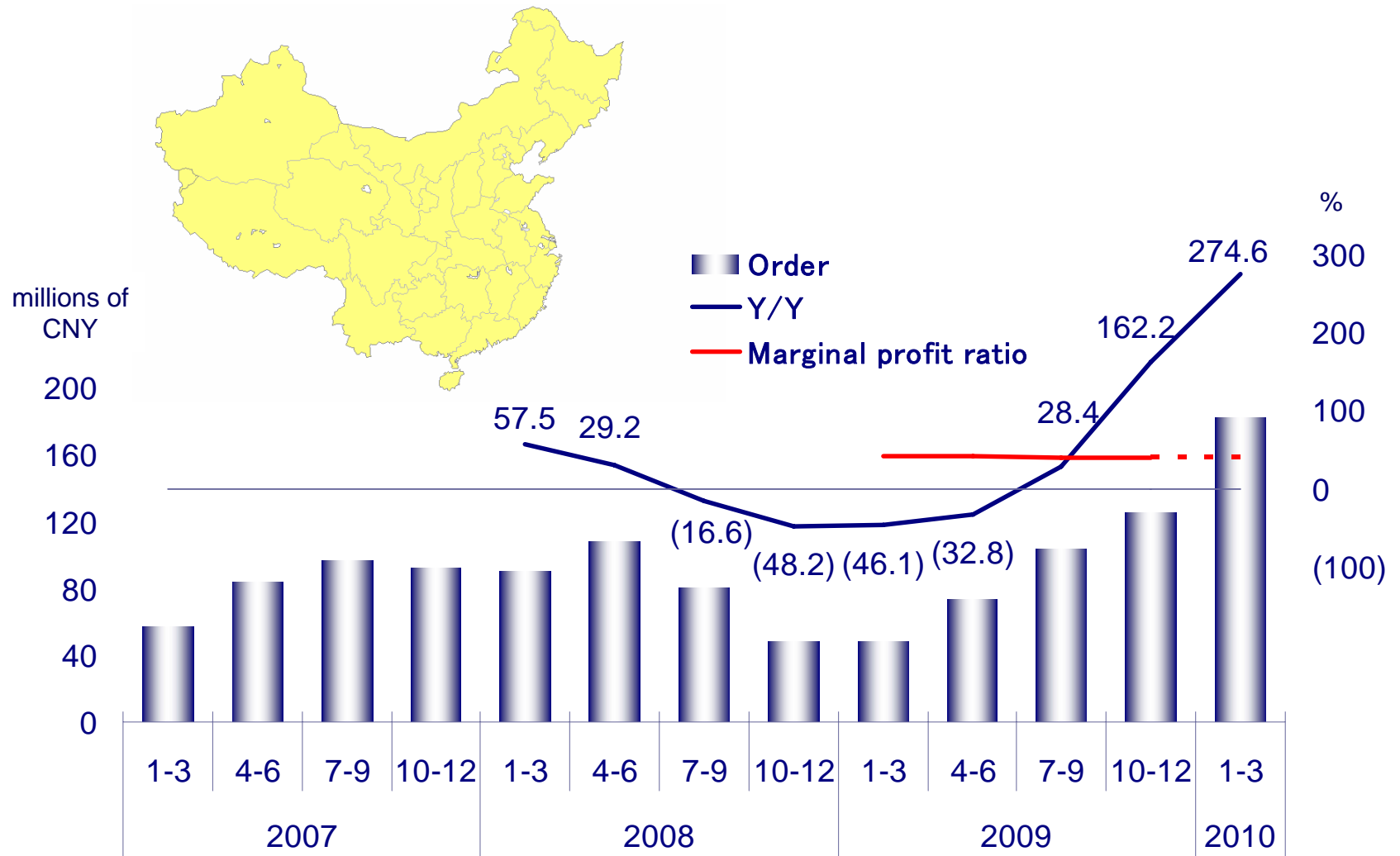


Established by January 2010

New Establishment Plan



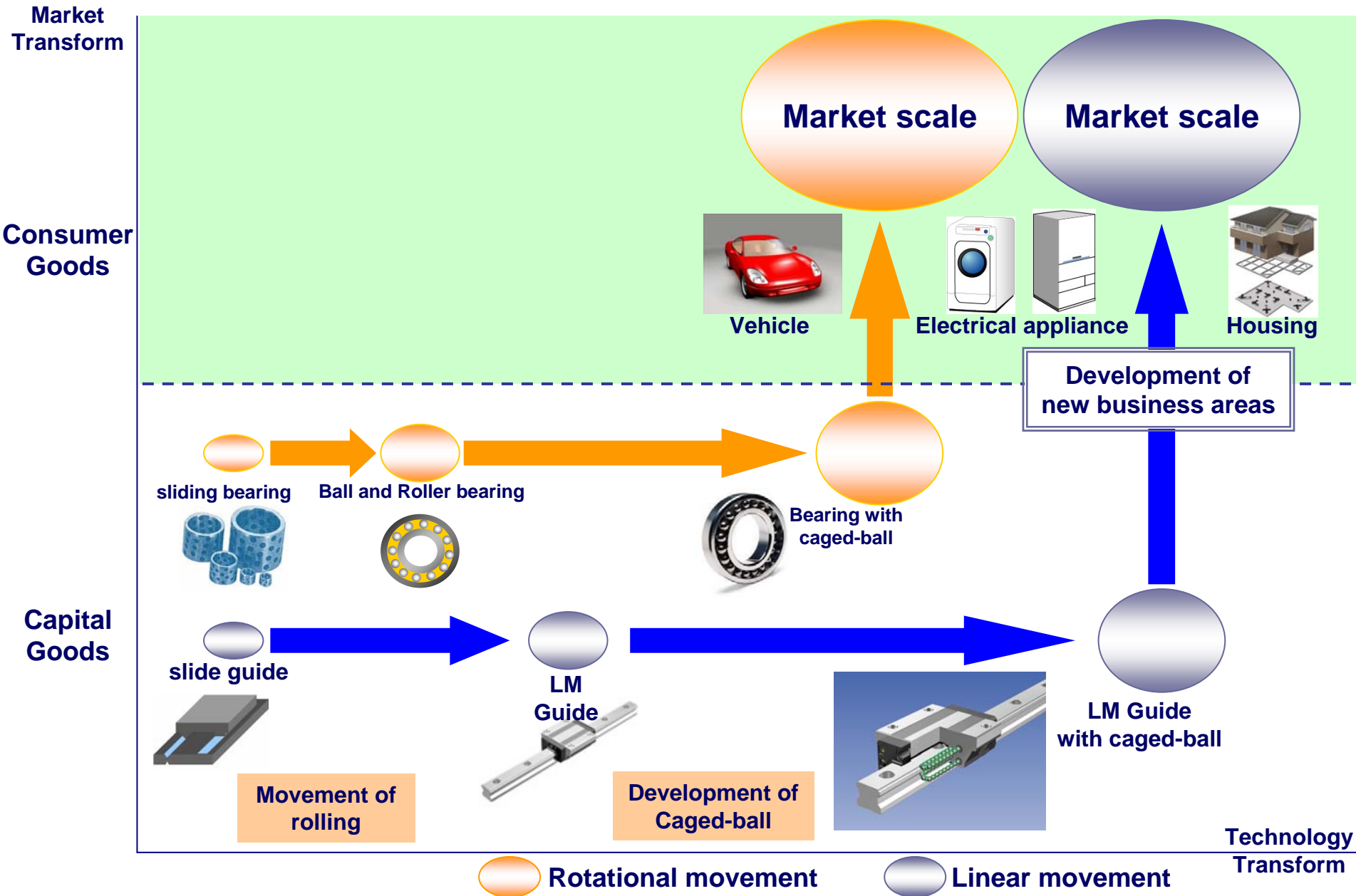
Order of Our Chinese Business



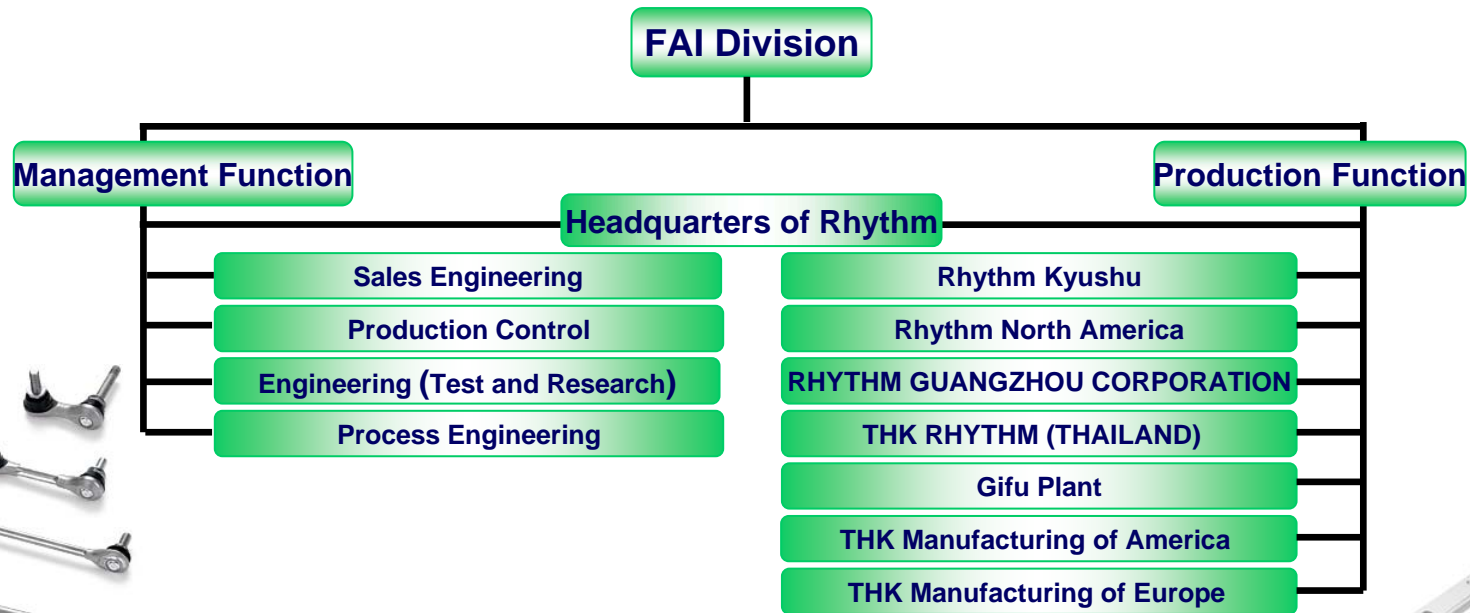
※Order is based on the achievement of THK China (Sales Subsidiary)

2-4. New Businesses

Point of "Development of New Business Areas"



Development of FAI Division



Global Sales Network of THK Group

THK Engineering and Development Department

Expansion of the Sales of Ball Joint parts
Expansion of Application of Linear Motion Systems in Vehicles

Global Sales and Production Network THK + Rhythm

Europe
 FAI Manufacturing : 1
 THK Sales : 11

Japan
 FAI Manufacturing : 4
 THK Sales : 50



TME



Rhythm Kyushu



Gifu Plant



Rhythm Gokyu Plant



Rhythm Inasa Plant



TRTC



RGC

North America
 FAI Manufacturing : 2
 THK Sales : 7



TMA



RNA

■ THK/Rhythm Manufacturing
 ● THK/Rhythm Sales

Asia
 FAI Manufacturing : 2
 THK Sales : 38

Synergy of THK (FAI division) and Rhythm

Management

The main body of the FAI Division has been consolidated and established at the Headquarters of Rhythm Corporation (in Hamamatsu)
⇒A system that enables the acceleration of expansion of types of vehicles, to which our products are applicable, has been established.

Headquarters of Rhythm
(Hamamatsu)



Sales

Recommendation of Rhythm products, taking advantage of the THK sales network
⇒Delivery of Rhythm products to two new customer companies in Europe has been decided.



Production

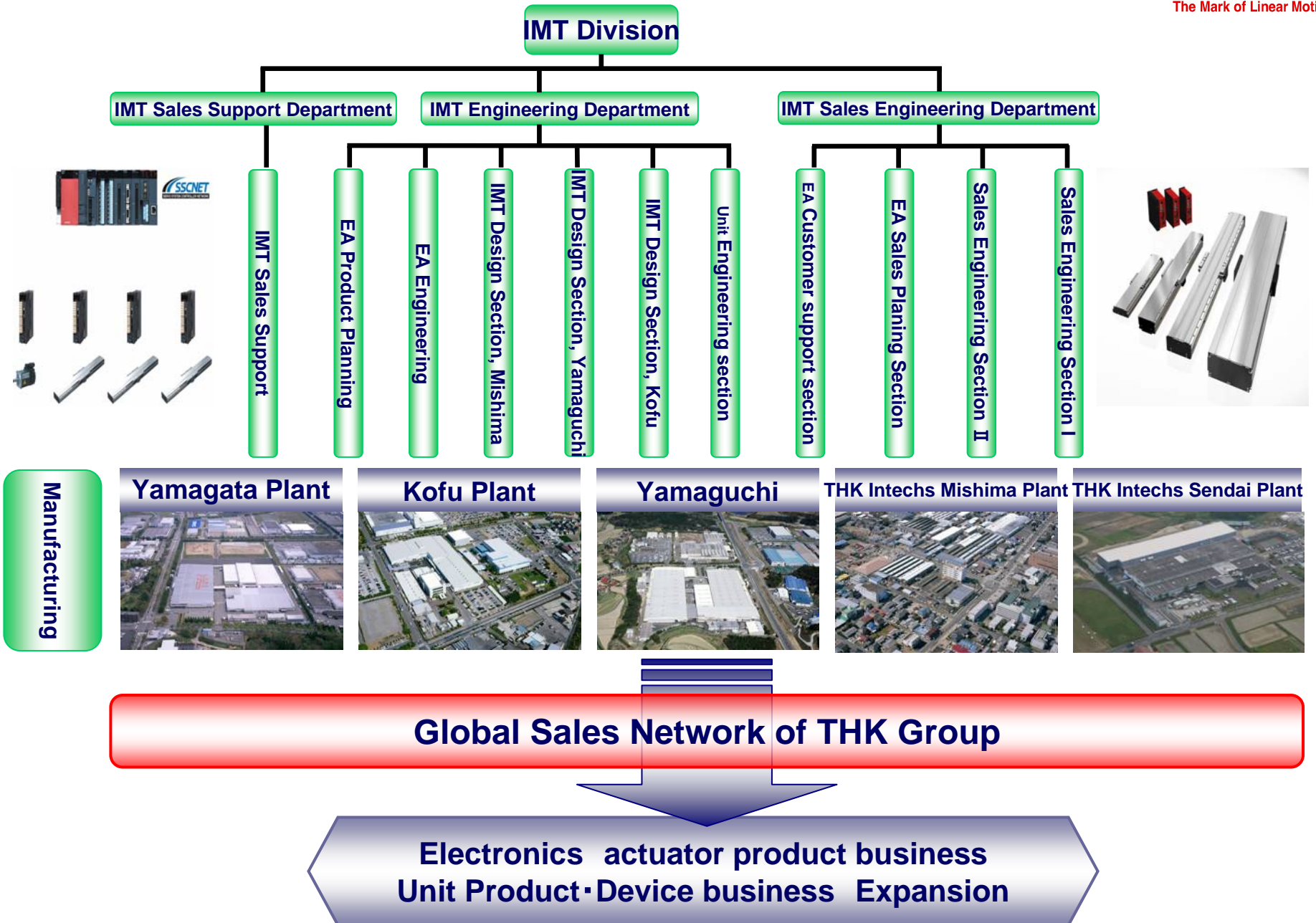
Production of link balls, which used to be a product of THK, has started in the Headquarters of Rhythm Corporation (Hamamatsu) and in Rhythm Guangzhou Corporation.



Technology

Various sectional meetings have been set up to promote technological exchanges.
Development of next-generation ball joints

Development of IMT Division



Emphasis Activity Item in FY2010

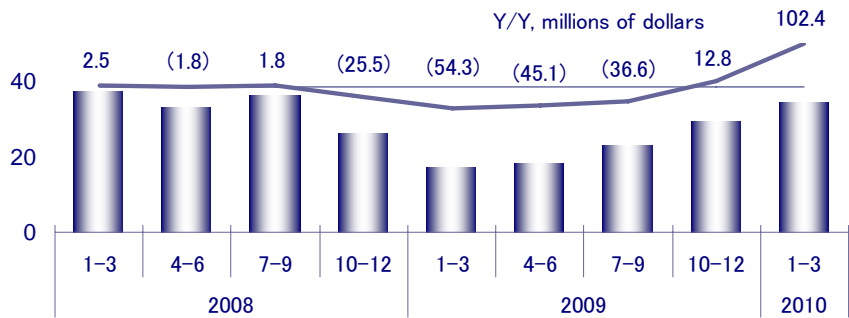
	Development	Procurement	Production	Sales	Services, etc.
Strengthening of cost control					
Promotion of the P25 Project					
Japan	Upgrading and expansion of the actuator product lineup	Promotion of global procurement Review of the balance between in-house production and outsourced production	Improvement of hourly productivity and labor productivity	Increase of sales in new areas of business Restructuring of the sales system	Strengthening of the actuator product business Improvement of the Group's Management Base Promotion of CSR Optimization of logistics
U.S.A.		Promotion of local procurement of components and parts	Increase of locally-produced items Improvement of hourly productivity and labor productivity	Increase of sales in new areas of business Expansion of the sales of unit products Restructuring of sales through agencies	
Europe		Promotion of local procurement of components and parts	Increase of locally-produced items Improvement of hourly productivity and labor productivity	Increase of sales in new areas of business	Establishment of an engineer support call center
Asia and other countries	Setting up of an R&D base in China	Promotion of local procurement of components and parts	Increase of locally-produced items Start of operation of the factory in Vietnam	Upgrading and expansion of the sales bases in China Upgrading and expansion of the sales bases in ASEAN countries	Establishment of an engineer sales division in China
Improvement of the global quality assurance system					

3. Fiscal Year Ending March 2011 Financial Forecast

Orders Received by Region

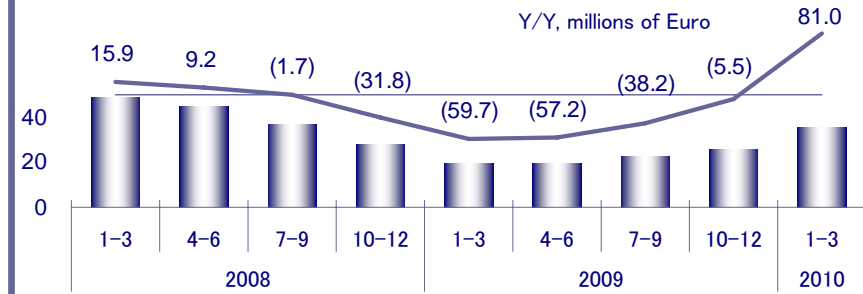
THK Holdings of America, L.L.C.

Y/Y, millions of dollars



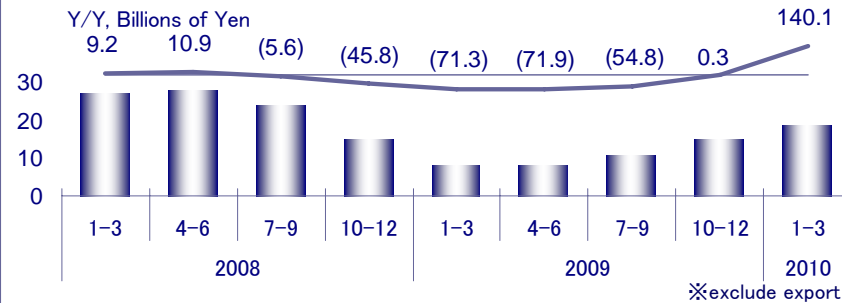
THK Europe B.V.

Y/Y, millions of Euro



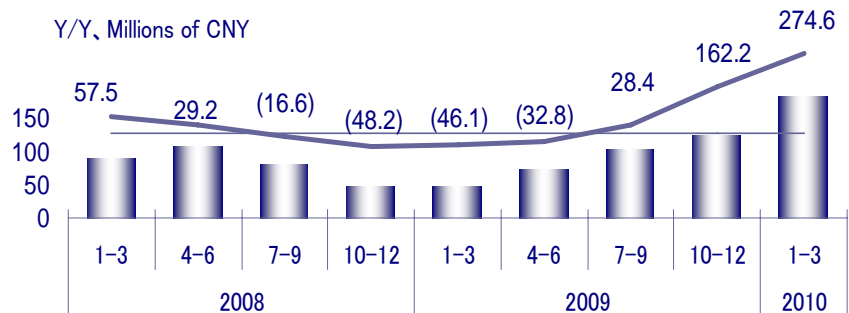
THK (Domestic)

Y/Y, Billions of Yen



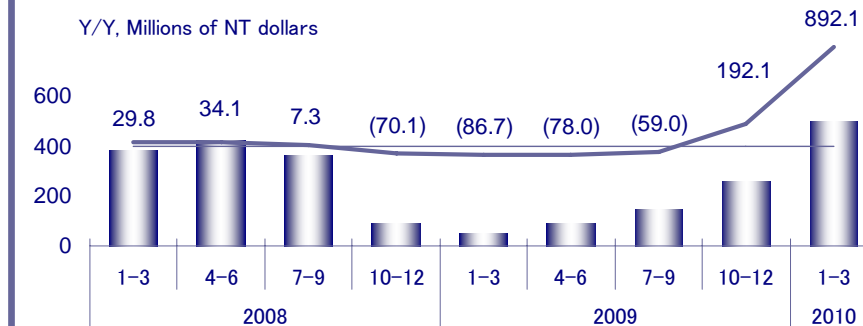
THK (CHINA) CO., LTD.

Y/Y, Millions of CNY



THK TAIWAN CO., LTD.

Y/Y, Millions of NT dollars

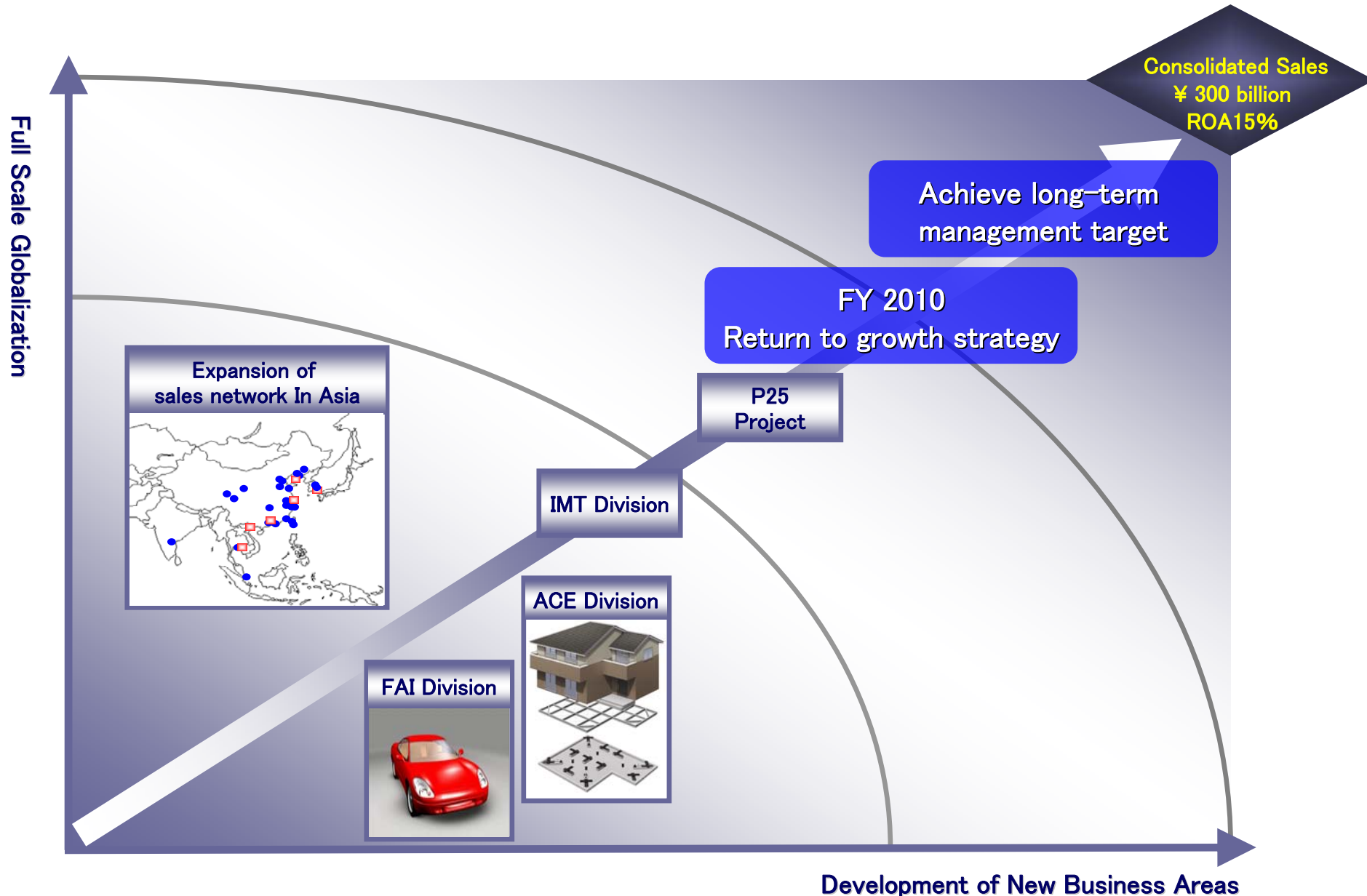


Financial Forecast (Consolidated)

	2011.3 FY (Forecast)	2010.3 FY	2009.3 FY
Net Sales	176,000	115,330	179,269
Y/Y	<i>+52.6%</i>	<i>△35.7%</i>	<i>△14.1%</i>
Operating Income	16,000	△9,508	8,523
Y/Y	–	–	<i>△68.4%</i>
Ordinary Income	16,500	△8,797	8,329
Y/Y	–	–	<i>△69.2%</i>
Net Income	10,200	△14,300	1,204
Y/Y	–	–	<i>△93.4%</i>



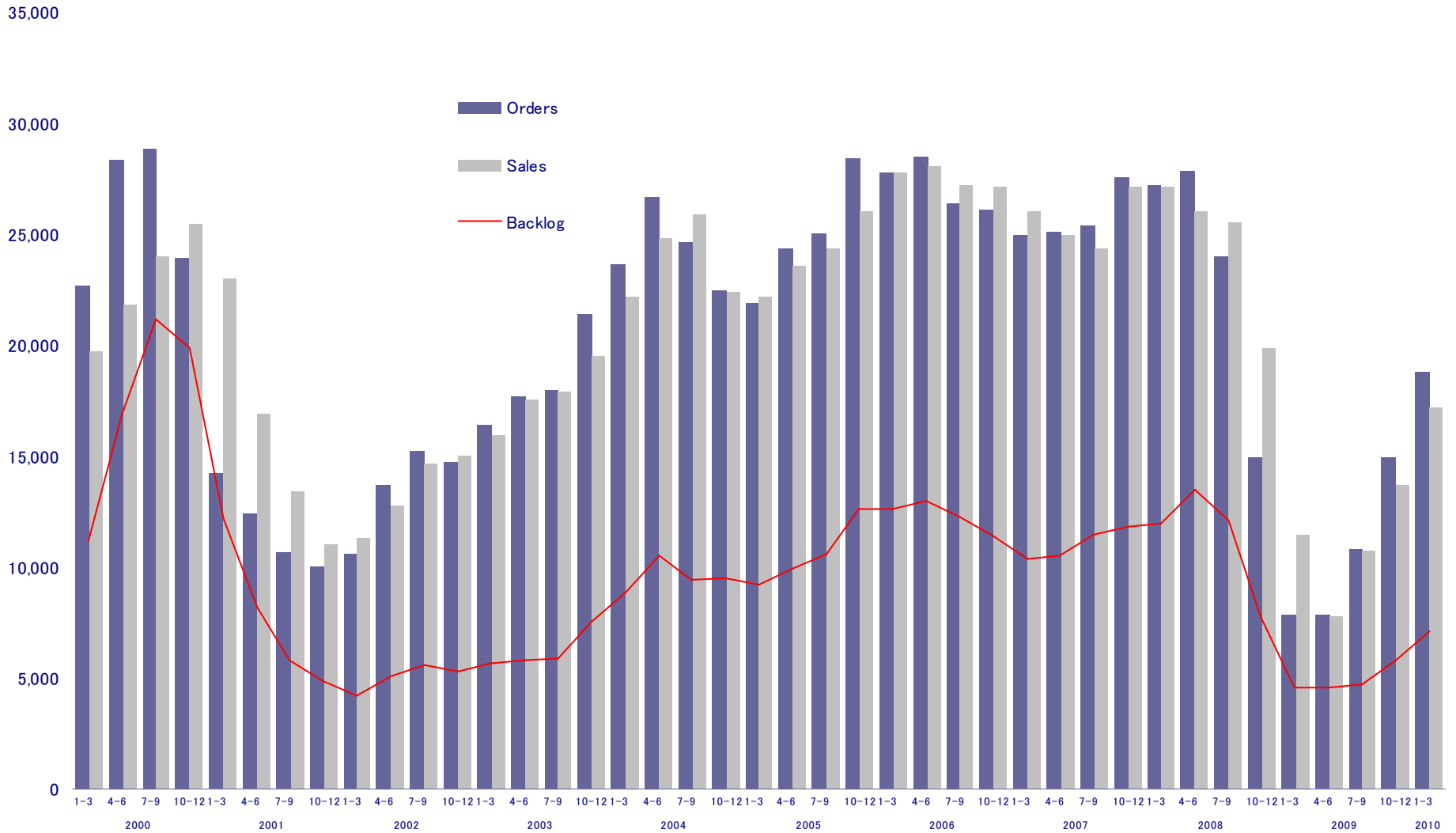
Strategy for Growth of THK



Support Statement –Trends in orders, sales and backlog (domestic·unconsolidated) –



(¥ 1million)

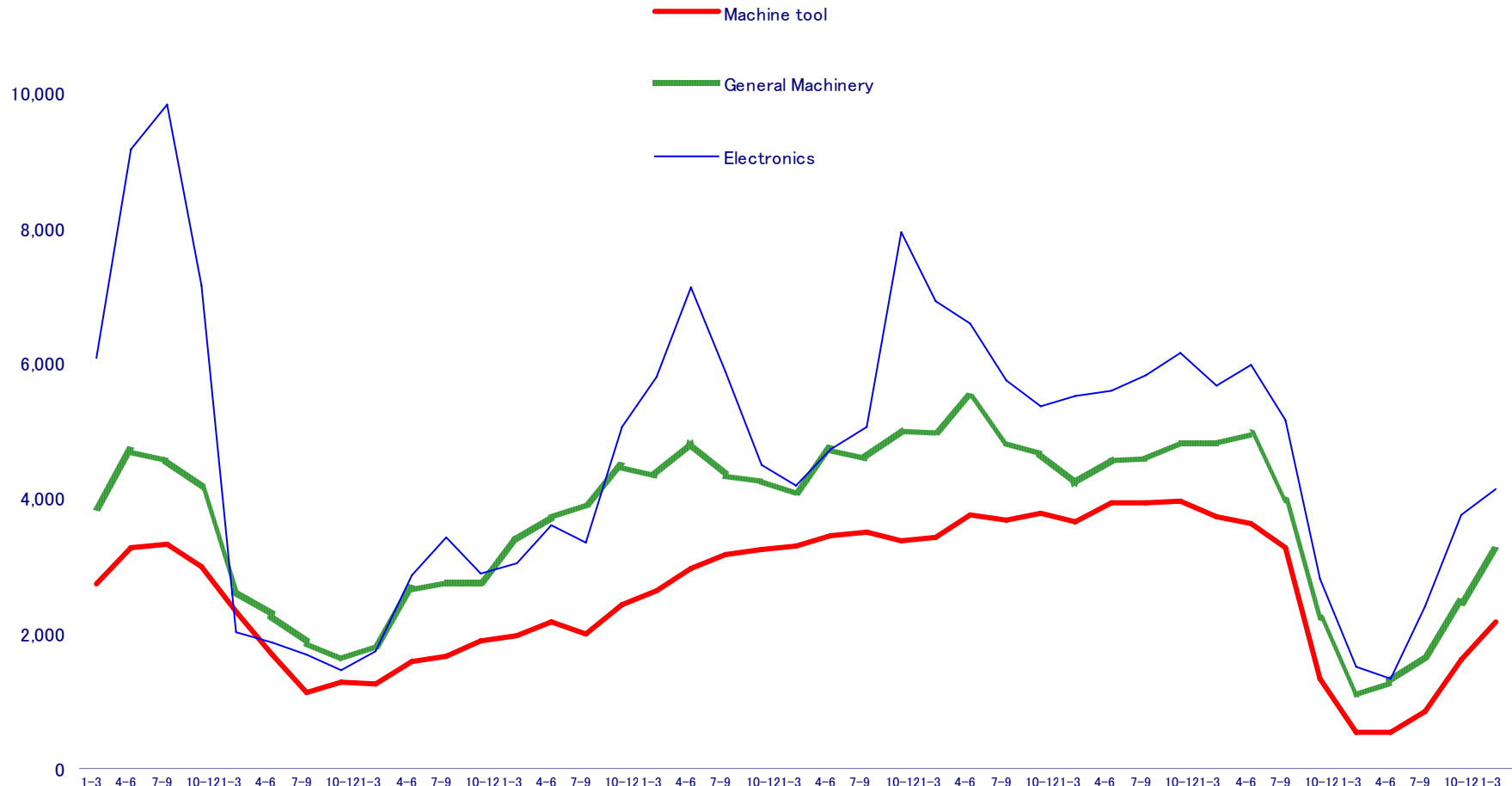


(Millions of yen)

Support Statement -Trends in orders classified by industry (unconsolidated)-

(¥ 1million)

12,000



Machine tool	2,727	3,268	3,330	2,997	2,335	1,674	1,135	1,273	1,263	1,589	1,651	1,892	1,978	2,164	1,994	2,421	2,624	2,956	3,157	3,252	3,304	3,435	3,493	3,376	3,409	3,757	3,685	3,769	3,658	3,926	3,925	3,965	3,727	3,635	3,263	1,319	527	535	846	1,612	2,164
General Machinery	3,868	4,699	4,569	4,150	2,641	2,261	1,872	1,626	1,819	2,655	2,745	2,758	3,377	3,723	3,898	4,461	4,340	4,818	4,353	4,267	4,085	4,735	4,598	4,997	4,970	5,486	4,825	4,664	4,217	4,581	4,603	4,833	4,835	4,942	3,969	2,219	1,091	1,268	1,654	2,445	3,216
Electronics	6,076	9,168	9,827	7,154	2,010	1,876	1,677	1,458	1,725	2,857	3,428	2,893	3,047	3,596	3,346	5,048	5,803	7,113	5,862	4,483	4,198	4,730	5,059	7,947	6,916	6,593	5,745	5,351	5,515	5,600	5,812	6,149	5,657	5,984	5,159	2,809	1,514	1,315	2,406	3,763	4,127

(Millions of yen)