



INTERIM FINANCIAL RESULTS BRIEFING

November 14th 2011

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

1st Half of Fiscal Year ending March 2012

Net sales increased by 12.0% from the previous year to 103.2 billion yen

- While in Japan demand related to electronics and other industries showed signs of weakness into the latter part of the fiscal 2011 first half, we achieved a steady sales growth for the first half under review on the back of strong demand during the former part of the period
- As machinery demand continued to grow in emerging countries, having spillover effects not only on China and Taiwan but also on Europe and the U.S., we attained increased sales in different regions around the world in a steady manner

Operating Income increased by 30.3% from the previous year to 12.4 billion yen

- Volume effect due to increased sales
- Promotion P25 Project
- Negative impact by appreciation of the yen
- Fixed costs increased due to higher capacity utilization

Both net sales and operating income were roughly in line

- Both net sales and operating income were roughly in line with the forecast announced in May 2011 to net sales 103.0 billion yen and operating income of 12.5 billion yen
- Foreign exchange loss amounted to 3.7 billion yen due to the yen's appreciation in the latter part of the period, resulting in ordinary income and net income falling short of the original plan levels, respectively

Consolidated Subsidiaries Added

(1) NIPPON SLIDE CO., LTD.

Location: Tokyo, Japan

Business: Products and supplies slide rails



(2) THK RHYTHM CHANGZHOU CO., LTD.

Location: Changzhou, China

Business: Products automotive parts



(2) THK MANUFACTURING OF VIETNAM CO., LTD

Location: Bac Ninh, Vietnam

Business: Products slide rails



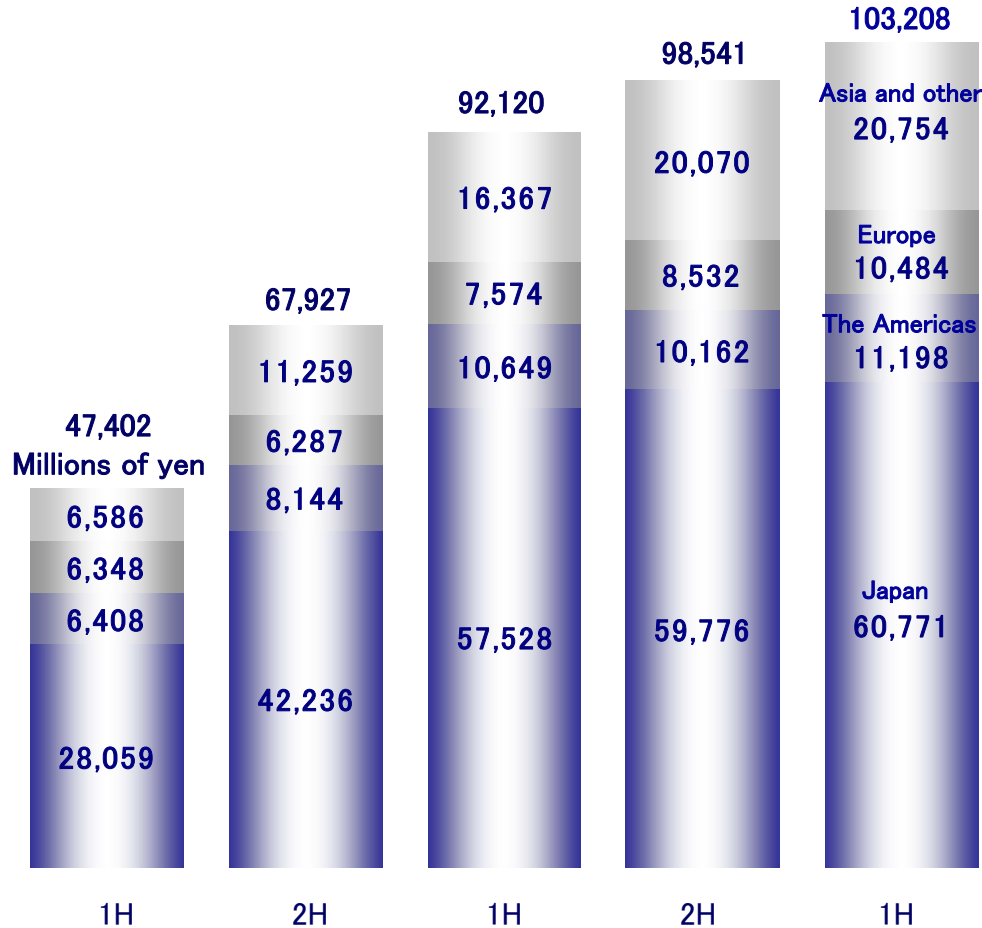
(4) THK RHYTHM MALAYSIA Sdn. Bhd.

Location: Penang, Malaysia

Business: Products automotive parts



Trend in Net Sales



Asia and other (Up 26.8%)		
South Korea	Down	4.5 %
Taiwan	Up	35.8 %
China (Industrial Equipment)	Up	43.3 %

Europe (Up 38.4%)		
Machine tools	Up	88.0 %
General machinery	Up	45.7 %
Electronics	Up	23.6 %

The Americas (Up 5.2%)		
Machine tools	Up	21.8 %
General machinery	Up	0.4 %
Electronics	Up	13.7 %

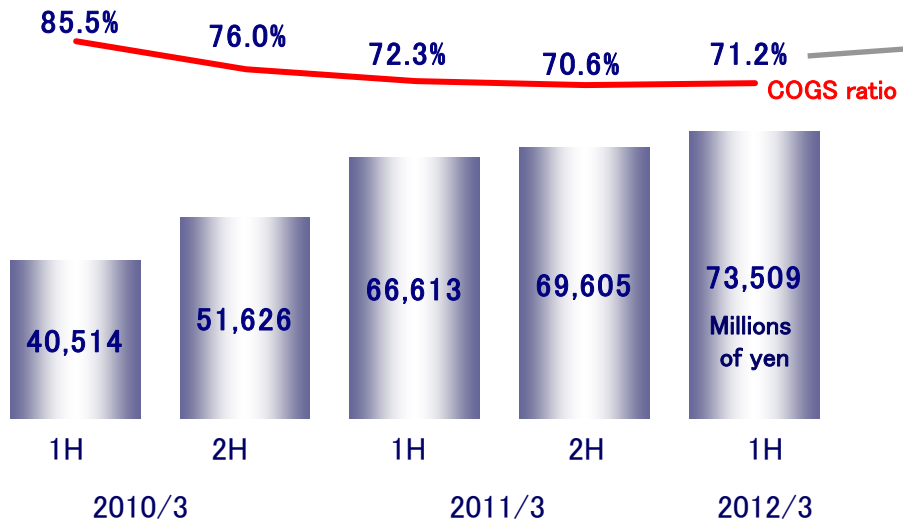
Japan (Up 5.6%)		
Machine tools	Up	41.2 %
General machinery	Up	1.9 %
Electronics	Down	6.9 %

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

Exchange rate	2010/3		2011/3		2012/3
1US\$	95.48	91.69	91.37	84.26	82.05
1EUR	127.21	133.21	121.32	111.46	114.99

Trends in COGS and SG&A

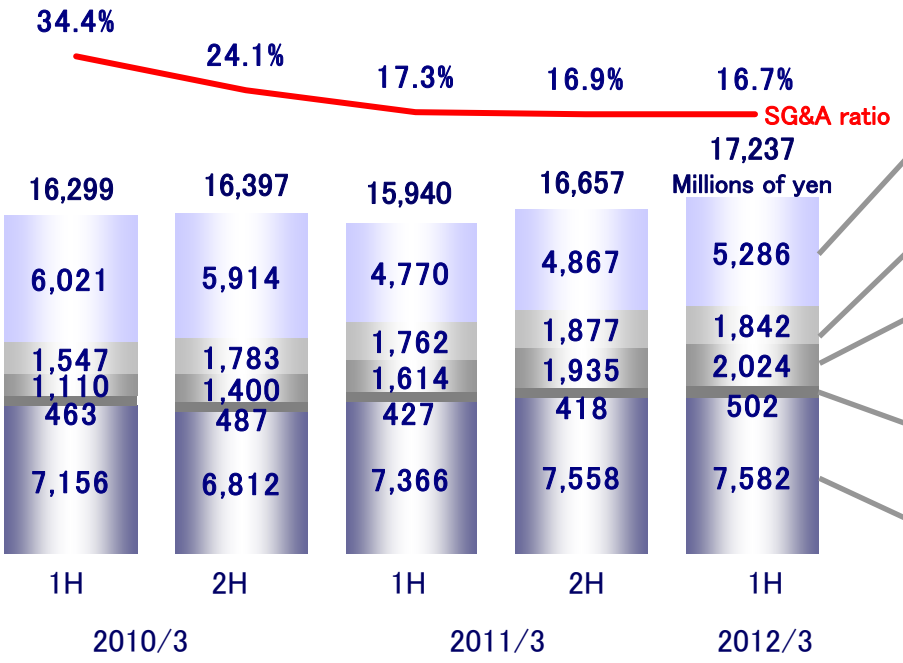
COGS



Sales-cost ratio decreased by 1.1points Y/Y

■ Volume effect due to increased sales

SG&A



Other (Up ¥ 516 million, or 10.8% Y/Y)

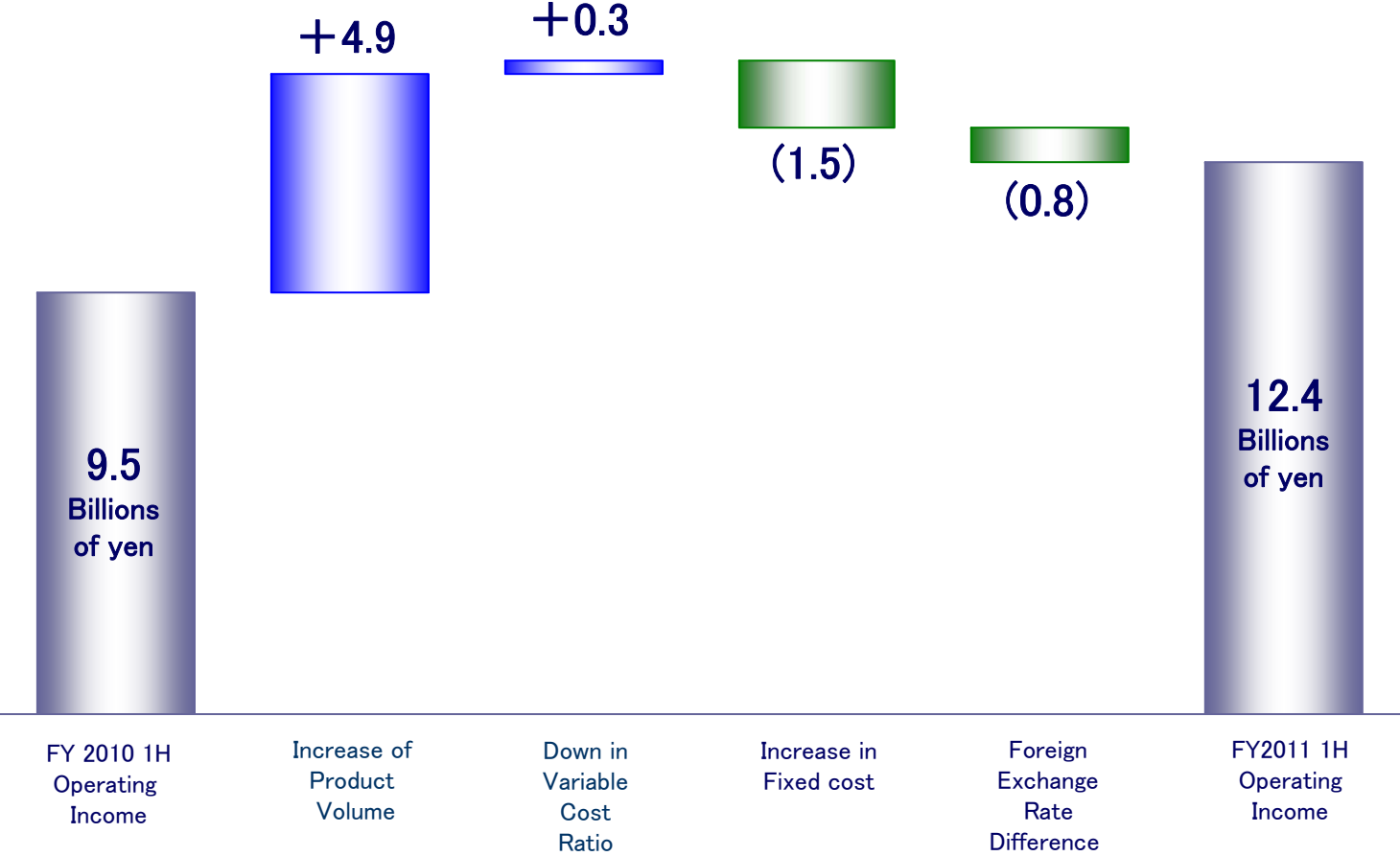
R&D (Up ¥ 80 million, or 4.6% Y/Y)

Sales & Distribution Costs (Up ¥ 409 million, or 25.4% Y/Y)
 ■ Increase in distribution costs by increase of net sales

Depreciation and Amortization (Up ¥ 74 million, or 17.5% Y/Y)

Personnel Costs (Up ¥ 215 million, or 2.9% Y/Y)

Operating Income - Cause of Change -



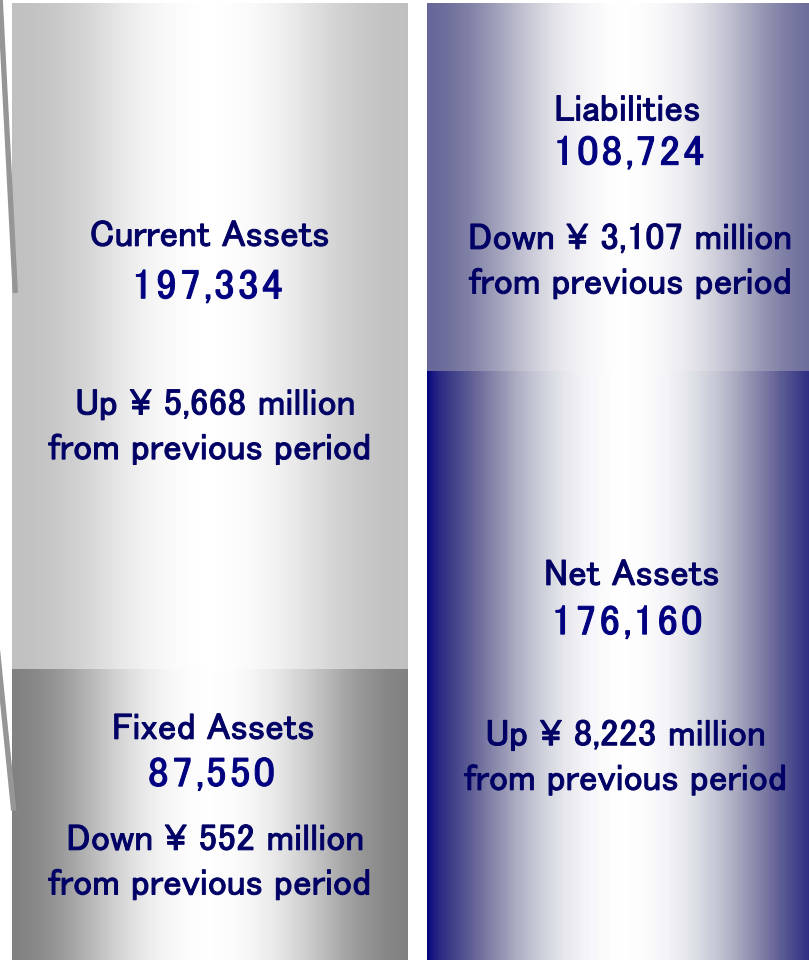
Operating income by segment	
Japan	10,613 million
The Americas	727 million
Europe	(354) million
China	1,730 million
Other	330 million
Adjustments	(587) million

Trends in Assets, Liabilities and Net Assets

- Cash and Cash in Account: Up ¥ 1,252 million from previous period
- Cash Flows from Operating Activities: ¥ 5,881 million
- Cash Flows from Investing Activities: ¥ (3,458) million
- Cash Flows from Financing Activities: ¥ (1,754) million
- Foreign Currency Translation Adjustments on Cash and Cash Equivalents : ¥ 314 million
- Newly consolidated subsidiaries : ¥ 270 million
- Accounts Receivable: Up ¥ 4,133 million from previous period
- Increase of net sales
- Number of months' sales receivables: Previous period 3.6 month This period 3.5 month
- Inventories: Up ¥ 501 million from previous period
- Number of months' sales in inventory: Previous period: 1.7 month This period: 1.6 month

- Property, Plant and Equipment: Up ¥ 2,632 million from previous period
- CAPEX: ¥ 6,251 million
- Depreciation: ¥ 5,011 million
- Intangible Assets: Up ¥ 896 million from previous period
- Investment and Other: Down ¥ 4,081 million from previous period
- Decrease in insurance funds

Total Assets 284,884
millions of yen
(Up ¥ 5,115 million
from previous period)



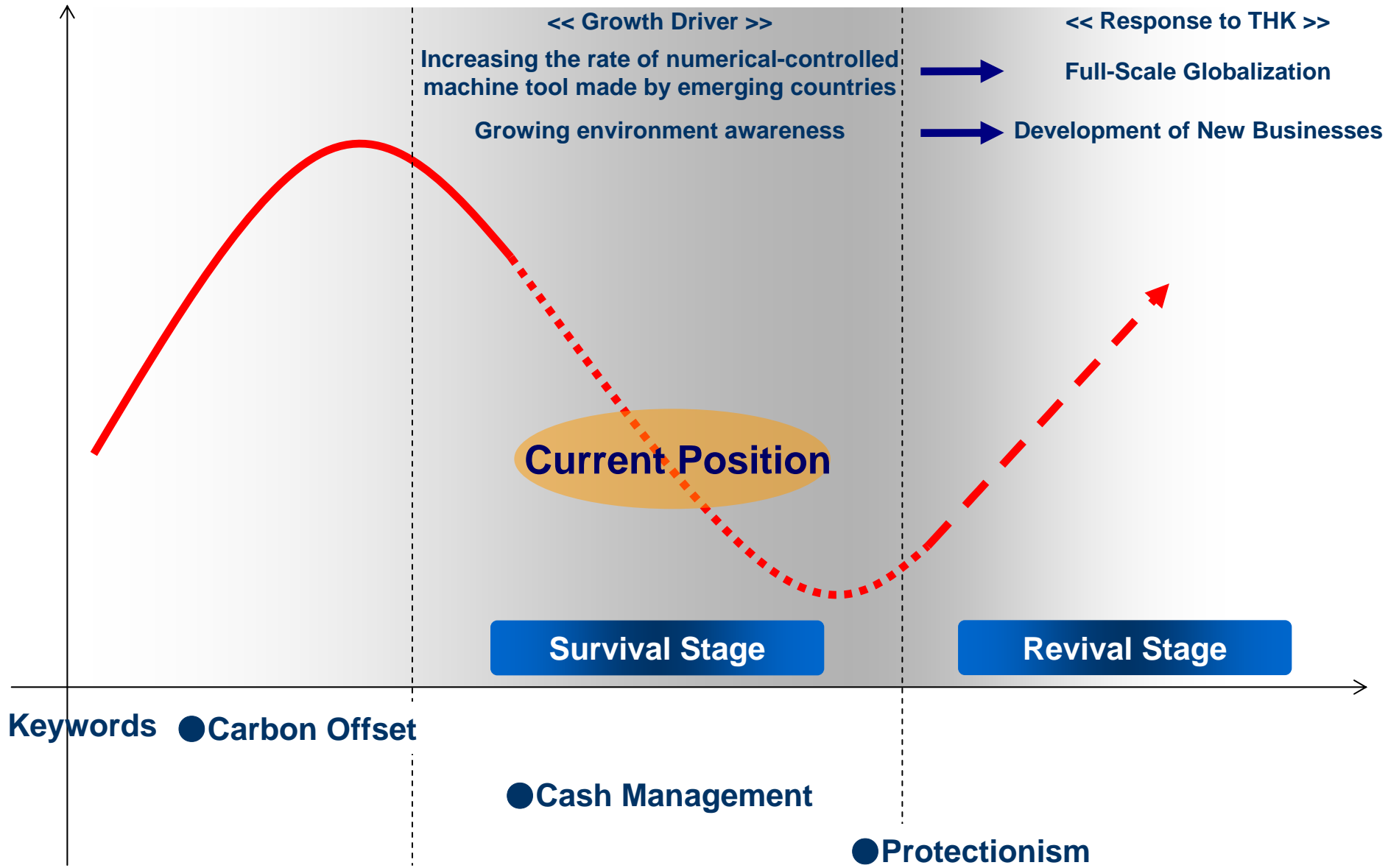
- Current Liabilities: Down ¥ 1,657 million from previous period
- Accounts Payable: Up ¥ 2,574 million from previous period
- Purchasing increase because of sales increase
- Number of months' notes payable: Previous period: 2.0 month This period: 2.0 month
- Income Taxes Payable: Down ¥ 3,685 million from previous period
- Long-term Liabilities: Down ¥ 1,450 million from previous period
- Decrease in reserve for employees' retirement benefits

- Net Income: ¥ 6,111 million
- Foreign Currency Translation Adjustment: Up ¥ 2,917 million from previous period

2. Current Management Environment and Our Strategy

Current Management Environment

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



Globalization
Full-Scale

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

Expansion of Business Areas

Consolidated Net Sales: ¥300 billion

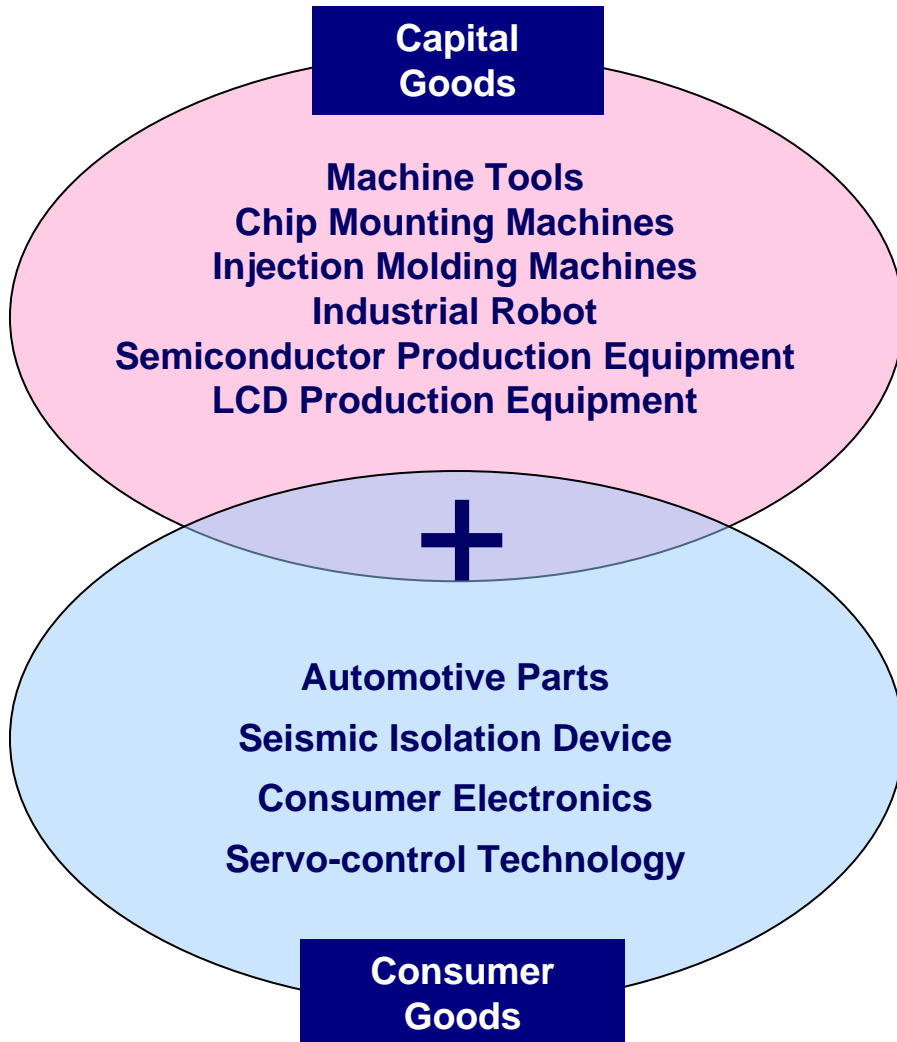
Operating Margin: 20%
ROA: 15%

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

**Development of
New Businesses**

3. Development of New Businesses

Expansion from Capital Goods into Consumer Goods



Expand consumer goods considering environmental protection

FAI Division (Future Automotive Industry)

- Develops and supplies key automotive components that enhance automobile safety
- Other transportation equipment-related businesses



ACE Division (Amenity Creation Engineering)

- Develops and supplies seismic isolation devices and damping systems that help ensure housing safety
- Support the home automation



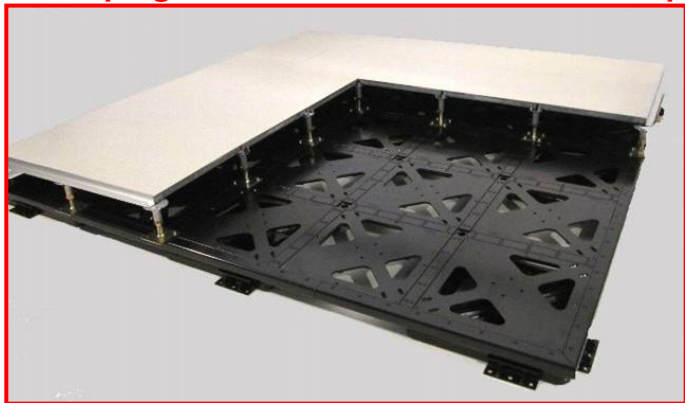
IMT Division (Innovated Mechatronics Technology)

- Supplies unit products customized to each customer's needs
- Develops and supplies electric actuator series that address customers' general-purpose needs
- Developing next-generation robot-related products that are projected to expand in that future



New Seismic Isolation Platforms Table TGS

Damping function added to conventional products

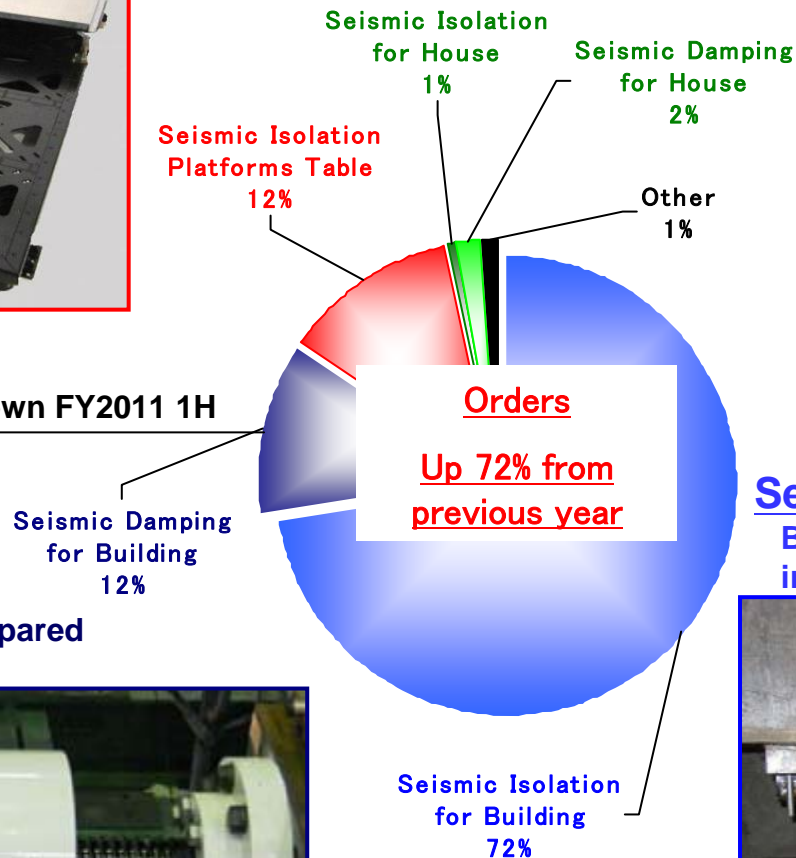


Seismic Isolation and Damping for House

Being adopted by a steadily increasing number of buildings



ACE Division Orders User Breakdown FY2011 1H



New Vibration Damper

Higher damping performance compared with previous products



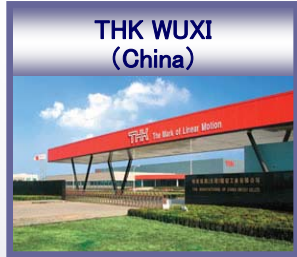
Seismic Isolation Systems

Being adopted by a steadily increasing number of buildings



Development of IMT Division

Actuator production
launched in FY2011



Promotion
Overseas Production
Lineup expansion

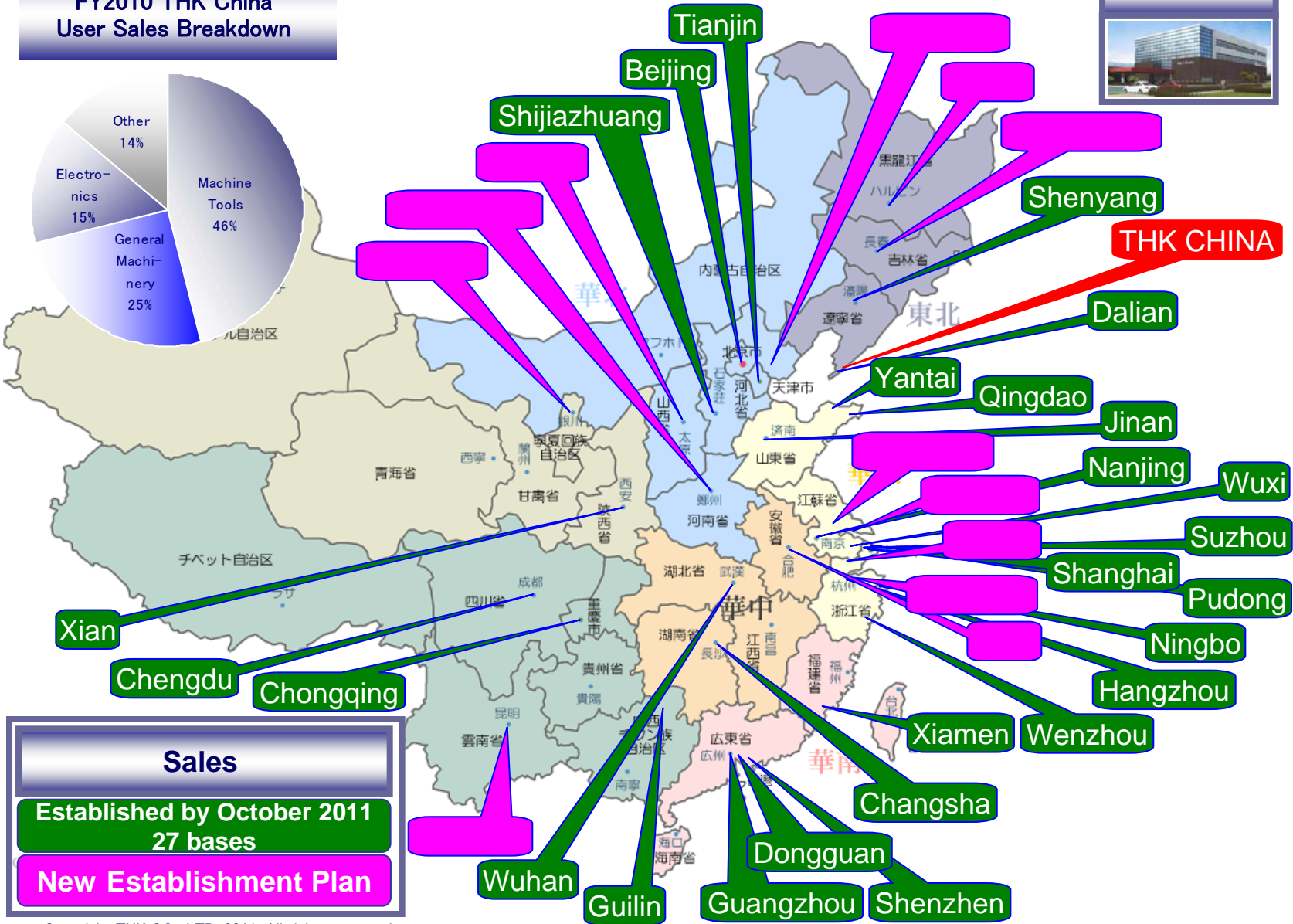
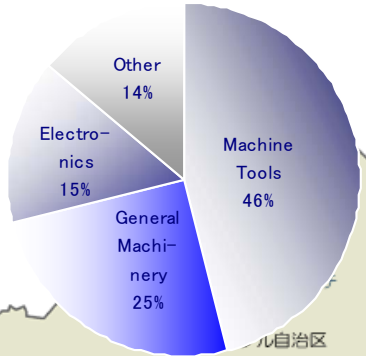


On production
in FY2010

4. Full-Scale Globalization

Sales, Manufacturing and Development Network in China

FY2010 THK China User Sales Breakdown



Enhancement of the Global Manufacturing Structure

THK Manufacturing of Europe (FRA)



THK Manufacturing of Ireland (IRL)



THK MANUFACTURING OF VIETNAM (VNM)



THK RHYTHM THAILAND (THA)



THK RHYTHM MALAYSIA (MYS)



DALIAN THK (CHN)



THK MANUFACTURING OF CHINA (WUXI) (CHN)



THK MANUFACTURING OF CHINA (LIAONING) (CHN)



THK RHYTHM GUANGZHOU (CHN)



THK Manufacturing of America (USA)



THK RHYTHM NORTH AMERICA (USA)



SAMICK THK (KOR)



SAMICK THK (DALSEONG) (KOR)



THK RHYTHM CHANGZHOU (CHN)



5. About THK's BCP

Post-March 11 Earthquake Actions (1)

- Friday, March 11**
- The Great East Japan Earthquake occurs
 - A temporary task force, headed by Risk Management Division as secretariat, is set up
 - THK starts to check the status of damage incurred by its factories, sales operations and suppliers/customers and to provide information to persons involved and to arrange power generators
-
- Saturday, March 12**
- A formal task force is set up, holding a response meeting twice a day thereafter
 - Establishment of support system/support route and secure of charter truck for implemented for Earthquake-affected factories
 - Earthquake-unaffected factories begin shipments of emergency relief goods to Yamagata plant and THK INTECHS Sendai plant
 - THK completes checking the safety of employees of earthquake-affected factories and sales offices
 - Arrangement of survey meters is commenced
 - The Effects of the Great East Japan Earthquake on THK Production Division (Japanese language version) is presented on the company's official website (update conducted twice a day thereafter)
-
- Sunday, March 13**
- The Effects of the Great East Japan Earthquake on THK Production Division (English language version) is presented on the company's official website (update conducted twice a day thereafter)
 - In response to the earthquake disaster and a nuclear power plant accident, THK issues an evacuation instruction to its employees and their family members as well as to its related company employees and their family members
 - ⇒ To continue operations, Sendai branch staff are assigned to Yamagata plant and Hitachi branch staff to Ueno branch to commence preparing for operations
-
- Monday, March 14**
- Establishment of the flexible attendance and production system to address planned power outages
 - THK instructs the company's offices/factories located north of the Kanto region to offer cooperation to the power saving efforts
 - Head office and Technology Center staff members totaling 80 are transferred to Gifu plant for the purpose of diversifying some of the head office functions
 - Operations are commenced immediately on March 14 before finishing on April 16
 - The task force is held through teleconference between head office and head office Gifu branch office
 - Restoration activities commenced for Yamagata plant, Kofu plant and THK INTCHS Sendai plant
-
- Tuesday, March 15**
- THK begins the installation of survey meters at all THK factories
 - A nuclear radiation level check starts to be conducted thereafter for all goods shipped from the company's individual factories

[Head office Gifu branch office]



THK's non-consolidated production volume in March reached the second-highest level on record

Post-March 11 Earthquake Actions (2)

-
- End-March**
- THK creates spaces also within Nagoya branch for supplementary staff from the head office and the Technology Center to engage in duties
 - A list of documents and files to be carried in an emergency is prepared by those staff members remaining at the head office and Technology Center
 - ⇒ **Completed head office transferred system is established**
 - **Arrangement of backup platform related to IT is completed**
-
- June**
- Daylight Saving Time (work hours: from 7:30 to 16:30) is introduced (implementation period: from June 1 to September 30)
 - Private power generators becomes operational in Yamagata plant (1,000 kW x 2)
 - **The head office servers are transferred to the data center in Mitaka**
 - Increased redundancy of mailing system by clustering
 - ⇒ **All mails are backed up**
-
- August**
- **THK's global backbone servers are transferred, respectively:**
 - Live server: Toyo-cho (building with quake-resistant) ⇒ Mitaka (building with isolation, capable continuous operation even during rotating power outages)
 - Backup server: Osaka (building with quake-resistant) ⇒ Kobe (building with damping system)
 - **Capacity is boosted significantly for both servers**
 - ⇒ **Backup server ability is enhanced more than former live server:**
 - **A backup platform is constructed with regard to head office, Technology Center and sales office servers**
-
- Other Expansion of BCP platform**
- Documents related to BCP is reexamined
 - **Contents of coping with tsunami is added**
 - **Contents of transferring head office functions is added**
 - **Satellite phone is introduced at all domestic offices/factories including group companies**
 - **Use test of equipment for emergency is implemented (power generator, stretcher, portable toilets, etc.)**
-

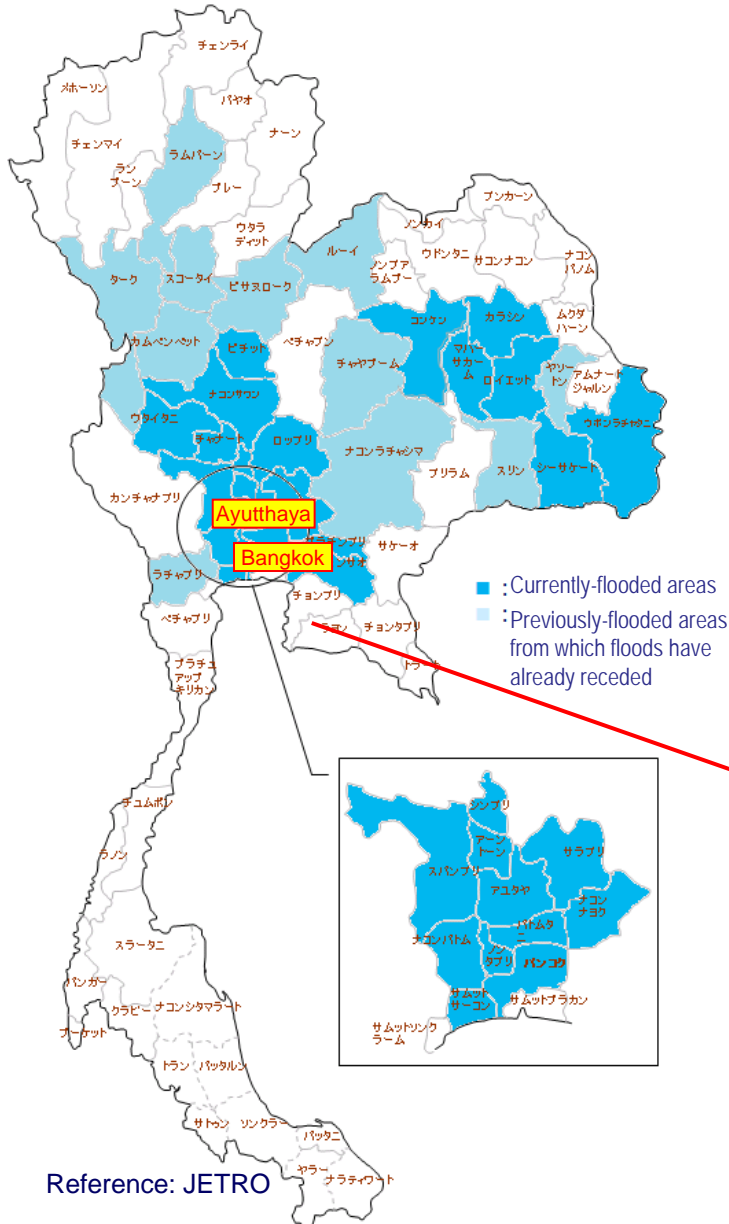
[Preparations for transferring head office functions to Nagoya branch]



[Yamagata plant private power generator building]



No Direct Damage from the Flooding in Thailand



THK RHYTHM (THAILAND) CO., LTD.



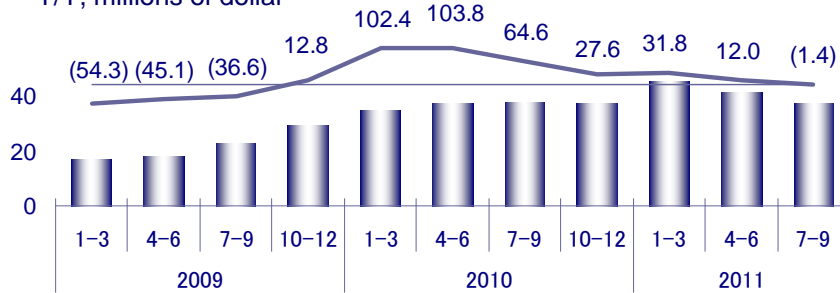
- THK RHYTHM (THAILAND)'s factory buildings located 100 kilometers away from Bangkok, and lying far from the flooded-areas, are currently free from any direct damage from the floods
- Being situated at an altitude over 100 meters above sea level, these buildings are highly unlikely to suffer any direct damage in coming months

6. Fiscal Year Ending March 2012 Financial Forecast

Orders Received by Region

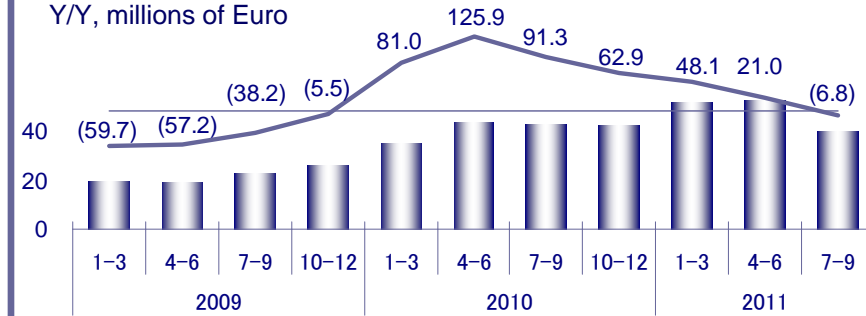
THK Holdings of America, L.L.C.

Y/Y, millions of dollar



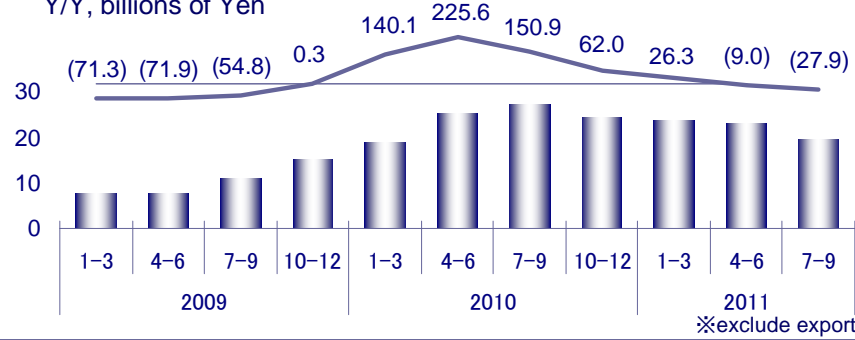
THK Europe B.V.

Y/Y, millions of Euro



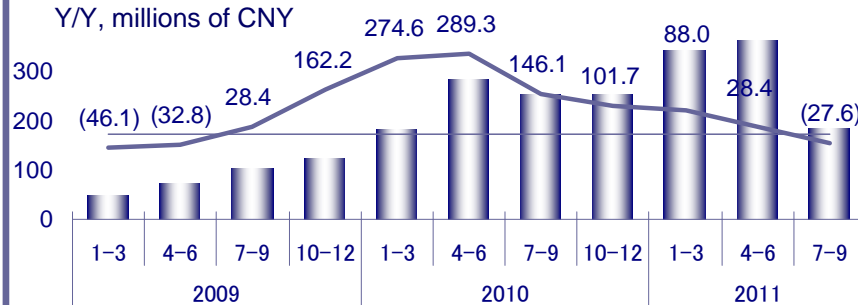
THK (Domestic)

Y/Y, billions of Yen



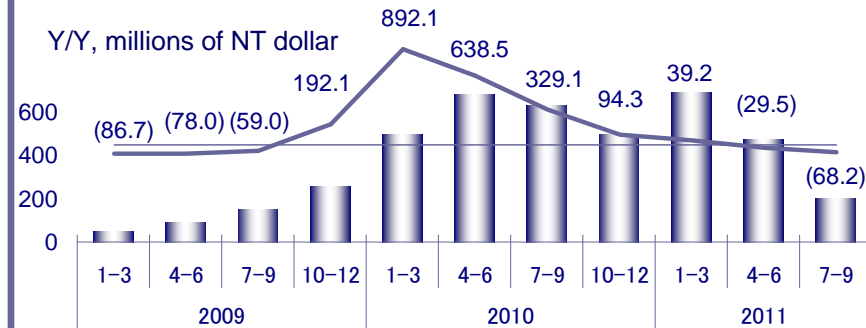
THK (CHINA) CO., LTD.

Y/Y, millions of CNY



THK TAIWAN CO., LTD.

Y/Y, millions of NT dollar



Financial Forecast (Consolidated)



(Millions of yen)

	2012.3 FY		2012.3 1H	2011.3 FY
	(Revised Nov. Forecast)	(May Forecast)	(Result)	(Result)
Net Sales	190,000	215,000	103,208	190,661
Y/Y	-0.3%	+12.8%	+12.0%	+65.3%
Operating Income	18,500	29,000	12,461	21,844
Y/Y	-15.3%	+32.8%	+30.3%	-
Ordinary Income	15,000	29,400	9,454	21,631
Y/Y	-30.7%	+35.9%	+8.0%	-
Net Income	9,500	19,500	6,111	13,959
Y/Y	-31.9%	+39.7%	+7.1%	-

Financial Forecast (Unconsolidated)



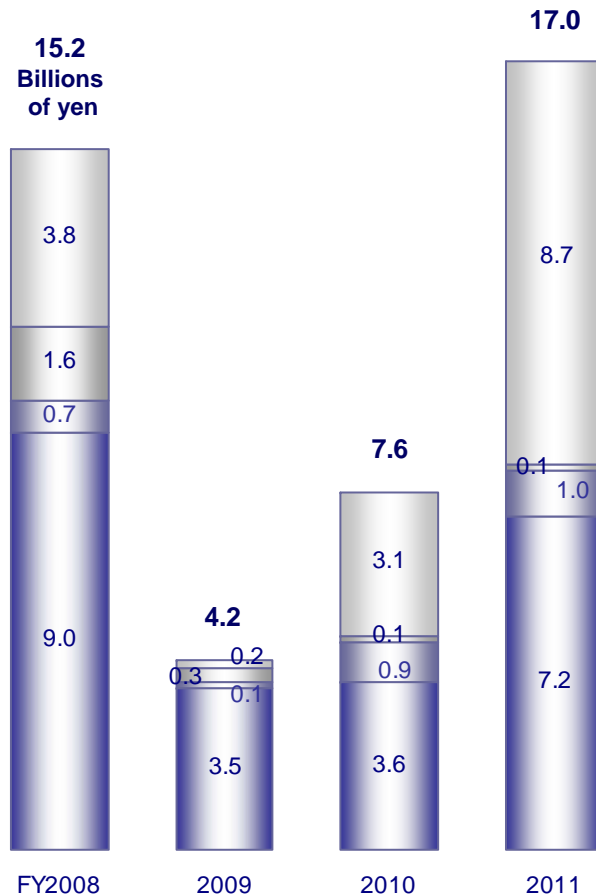
(Millions of yen)

	2012.3 FY		2012.3 1H	2011.3 FY
	(Revised Nov. Forecast)	(May Forecast)	(Result)	(Result)
Net Sales	123,500	144,000	72,589	133,691
Y/Y	-7.6%	+7.7%	+11.8%	+87.6%
Operating Income	13,300	18,800	9,627	17,118
Y/Y	-22.3%	+9.8%	+24.2%	-
Ordinary Income	9,700	18,800	6,138	16,846
Y/Y	-42.4%	+11.6%	-11.5%	-
Net Income	5,700	11,400	3,523	10,683
Y/Y	-46.6%	+6.7%	-19.0%	-

Capital Expenditure and Number of Employees Forecast

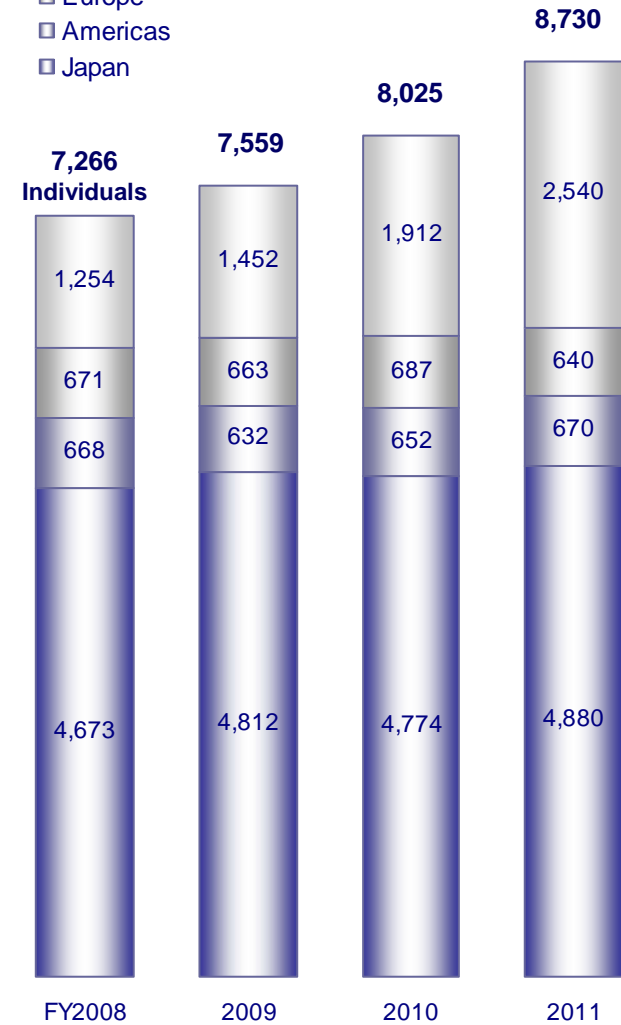
Capital Expenditures

- Asia and Other
- Europe
- Americas
- Japan

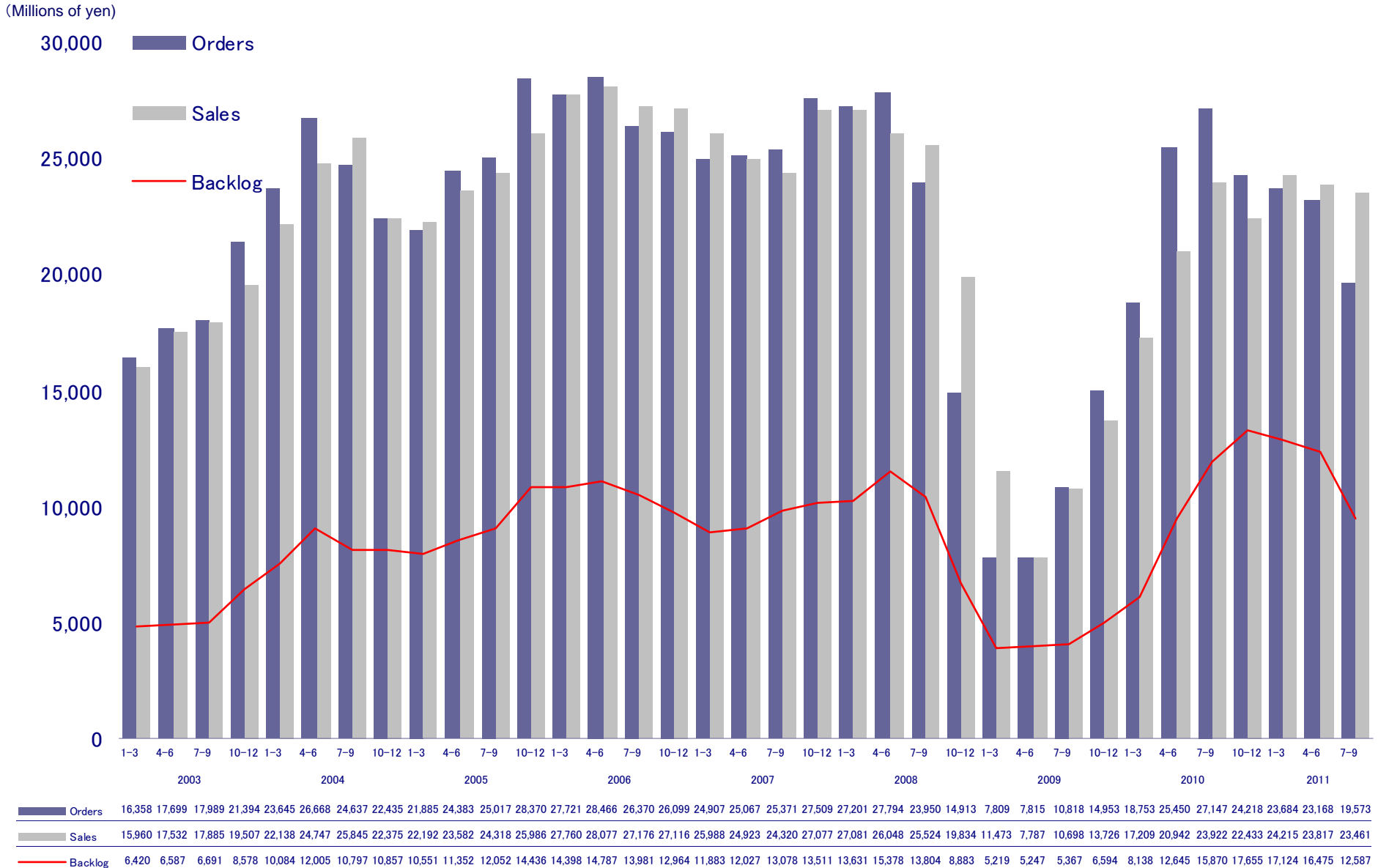


Number of Employees

- Asia and other
- Europe
- Americas
- Japan



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



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

(Millions of yen)

