



# FINANCIAL RESULTS BRIEFING FOR FISCAL 2006

May 18, 2007

THK CO., LTD.  
President & CEO  
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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.

- In the period ending March 2007, net sales grew by ¥16,298 million (10.3%) compared to the previous period to ¥174,710 million. Operating income grew by ¥4,735 million (17.5%) to ¥31,815 million during the same period. Net sales and operating income have exceeded those of the previous year for three consecutive years, setting a new THK record.
- In the Americas, as a result of developing new customers and expanding business with existing customers amid an external environment that is transitioning well, THK was able to extend net sales of machine tools, general machinery and electronics. As a result, net sales grew by 18.0% compared to the previous period to ¥16,525 million, while operating income shrank by 71.5% compared to the previous period to ¥372 million. This reduction was due to a transfer pricing adjustment based on an agreement between Japanese and US tax authorities.
- As in the Americas, the external environment in Europe also transitioned well. Manufacture and sales were unified and strengthened, and net sales of machine tools, electronics and transportation equipment grew overall but primarily around general machinery. As a result, net sales grew by 19.7% compared to the previous period to ¥19,515 million and operating income ended at ¥814 million.
- In Asia, THK WUXI's 2<sup>nd</sup> plant and THK LIAONING began production in China, where future growth is anticipated. Additionally, THK LM SYSTEM was established in Singapore in December 2006 to construct customer development and sales structures in every ASEAN country.

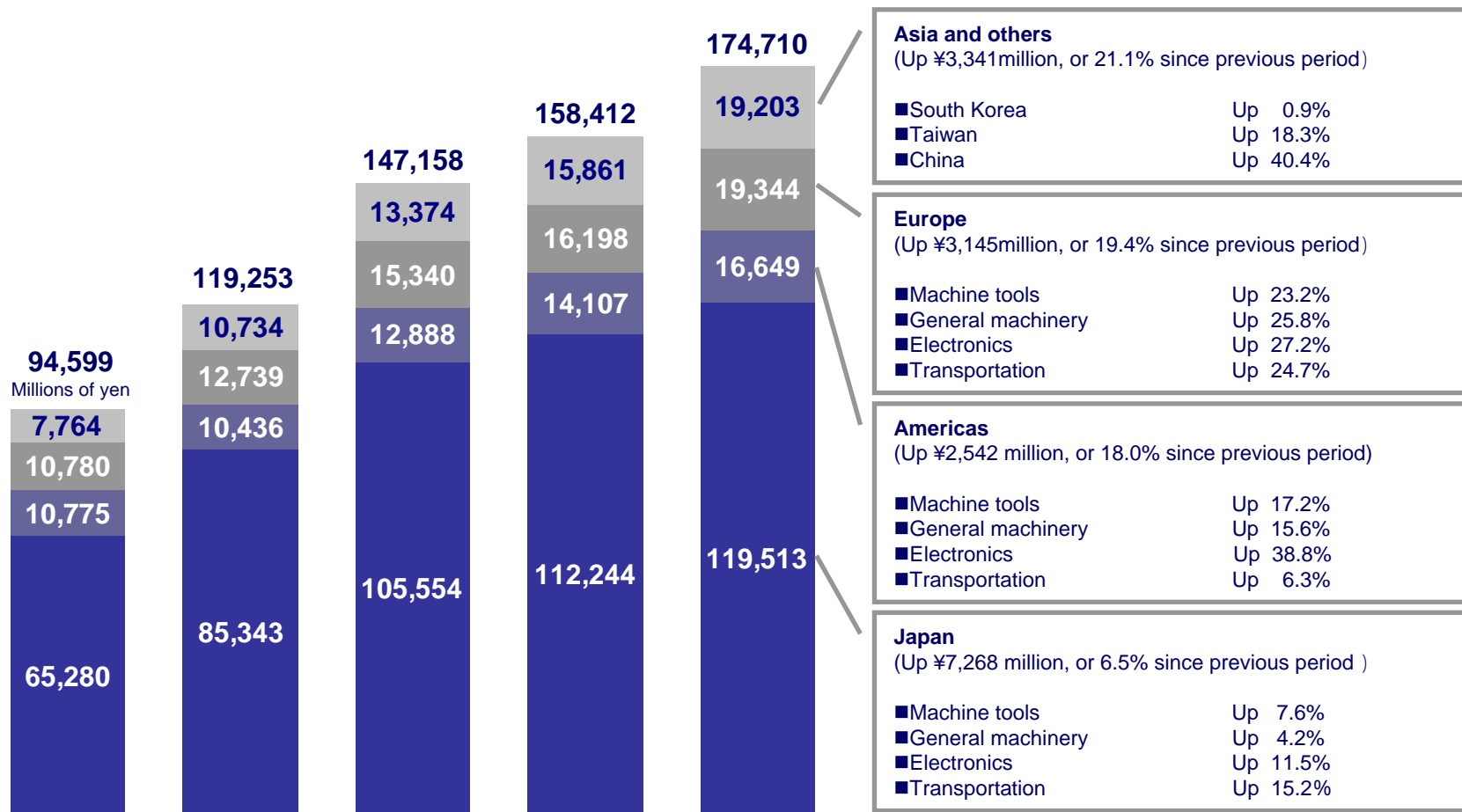
# Consolidated Subsidiaries and Affiliated Companies

Change in consolidated subsidiaries from previous period

Increased:  
THK LM SYSTEM Pte. Ltd. (Singapore)

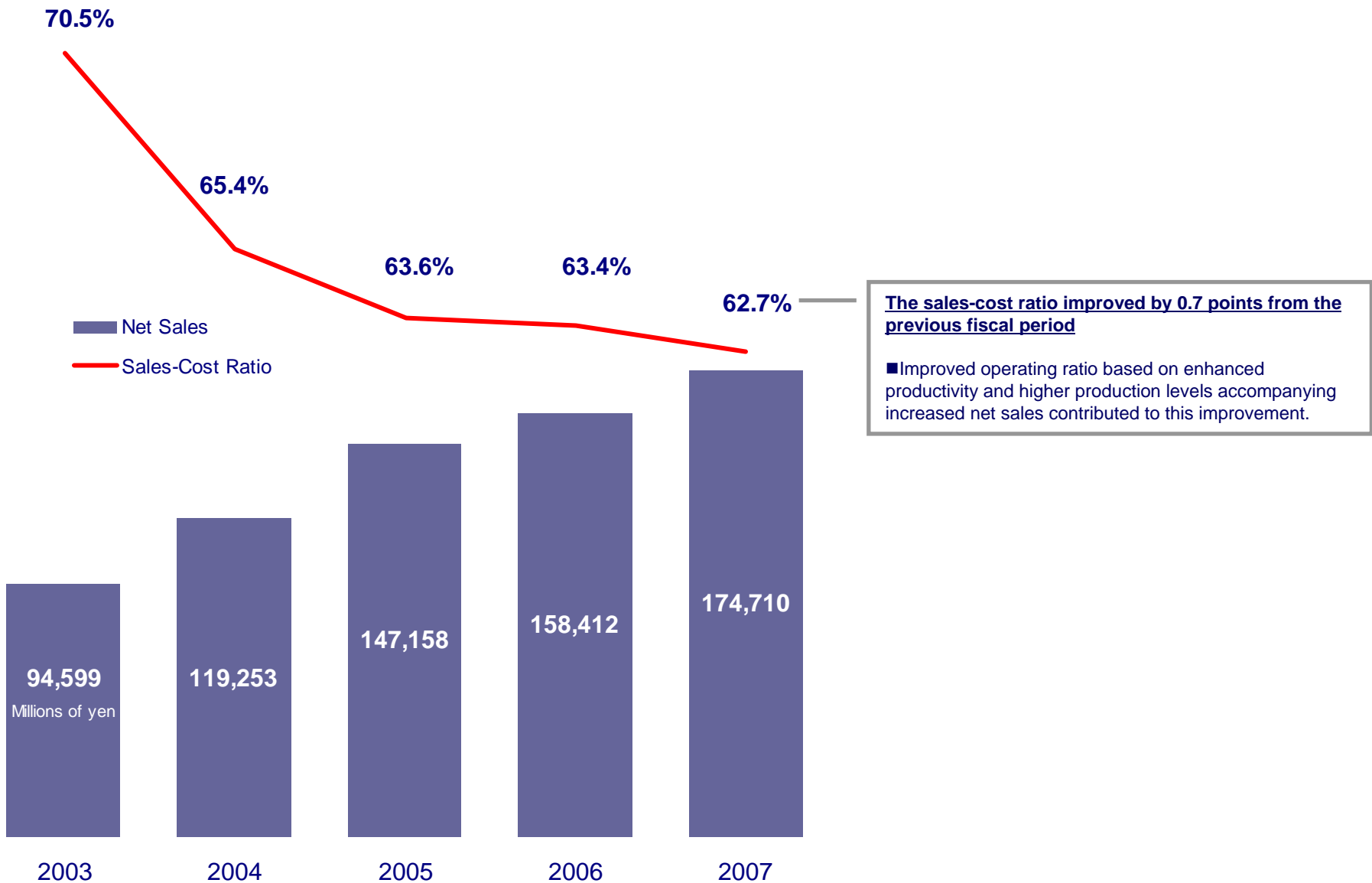
Company	Location	Percentage of ownership voting rights	
TALK SYSTEM CORPORATION	Tokyo	98.90	
Beldex Corporation	Tokyo	94.73	
THK NIIGATA CO.,LTD	Niigata	70.00	
DAITO SEIKI CO.,LTD	Tokyo	100.00	
THK Holdings of America, L.L.C.	America	100.00	
THK America, Inc.	America	100.00	
THK Manufacturing of America, Inc	America	100.00	
THK Neturen America, L.L.C.	America	50.00	
THK Europe B.V.	Netherlands	100.00	
THK GmbH	Germany	100.00	
THK FRANCE S.A.S.	France	100.00	
THK Manufacturing of Europe S.A.S.	France	100.00	
PGM Ballscrews Ireland Ltd.	Ireland	98.97	
THK TAIWAN CO.,LTD	Taiwan	94.99	
DALIAN THK CO.,LTD	China	70.00	
THK (SHANGHAI) CO.LTD	China	100.00	
THK MANUFACTURING OF CHINA (WUXI) CO., LTD.	China	100.00	
THK MANUFACTURING OF CHINA (LIAONING) CO., LTD.	China	100.00	
THK (CHINA) CO., LTD	China	100.00	
Beldex Korea Corporation	South Korea	100.00	
THK LM SYSTEM Pte. Ltd.	Singapore	100.00	December, 2006 consolidated subsidiary
SAMICK THK CO., LTD*	South Korea	33.34	Equity investee

# Trend in Net Sales

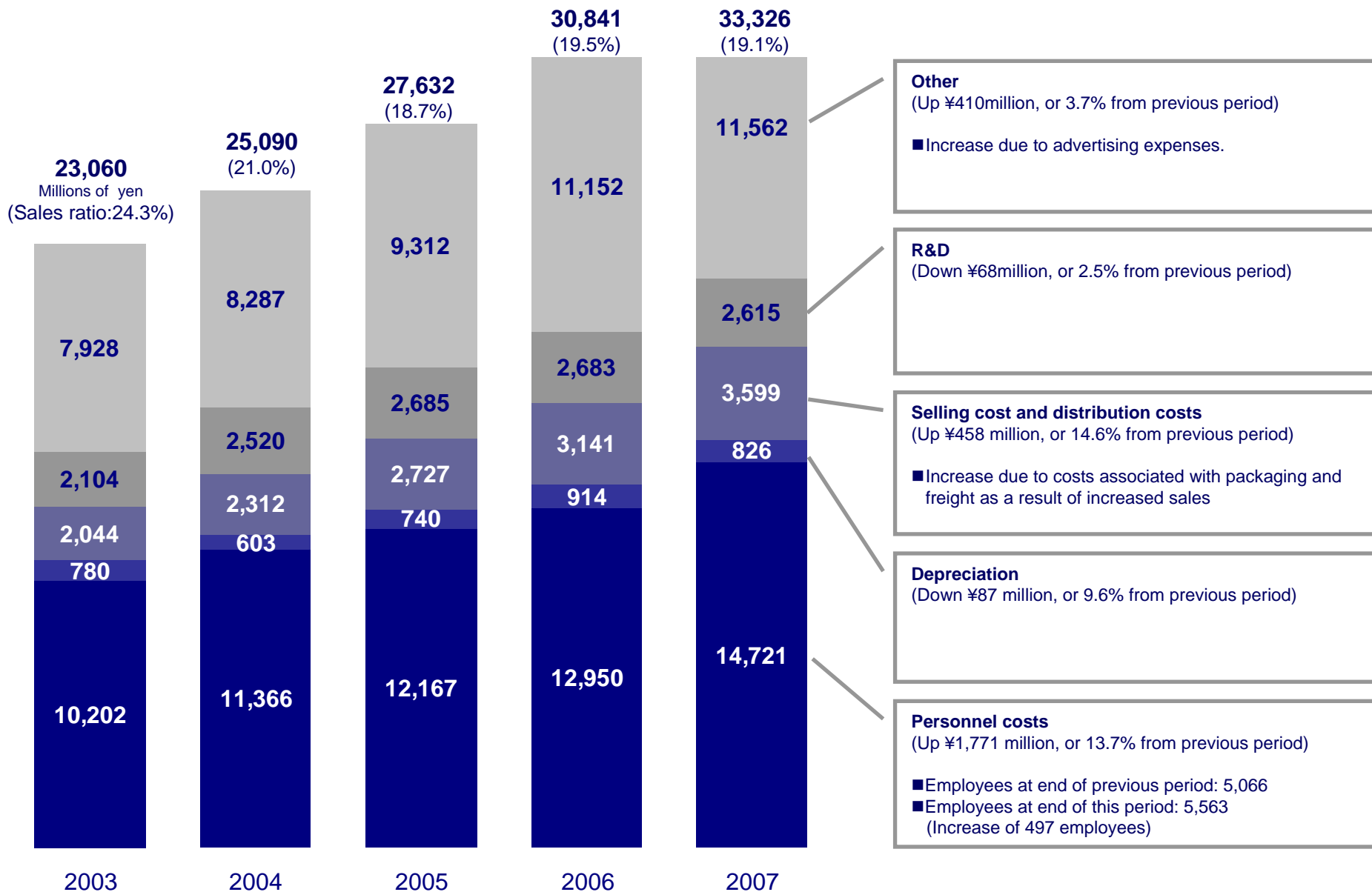


Exchange rate	2003	2004	2005	2006	2007
1US\$	¥125.34	115.99	108.23	110.21	116.38
1EUR	¥118.14	131.02	134.47	136.92	146.14

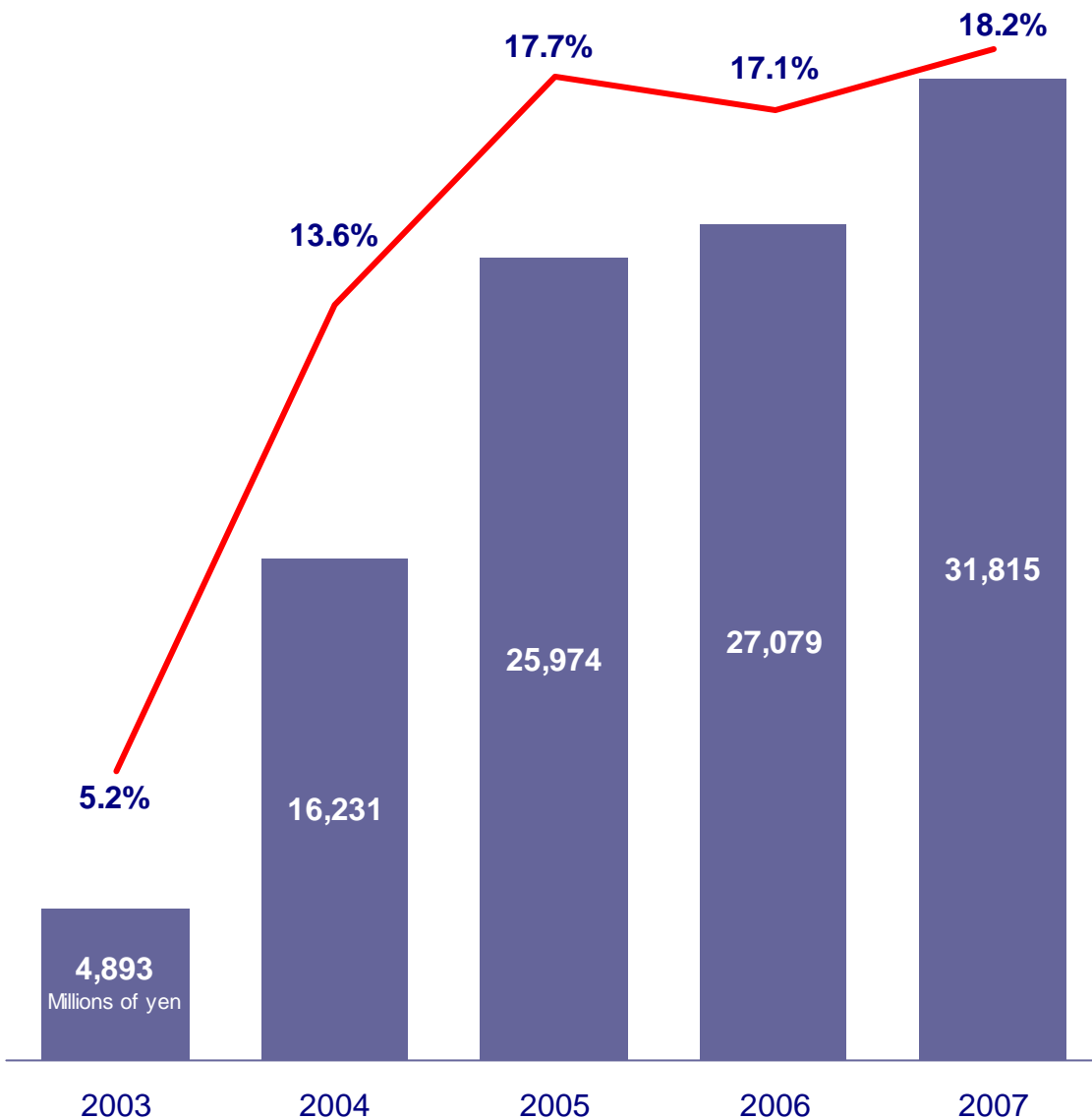
# Trend in Cost Ratio and Net Sales



# Trends in SG&A



# Operating Profit and Operating Profit Margin



## Operating profit by location

**Japan**  
(Up ¥4,892 million from previous period)

2006	¥25,276 million
2007	¥30,169 million

**Americas**  
(Down ¥932 million from previous period)

2006	¥1,304 million
2007	¥372 million

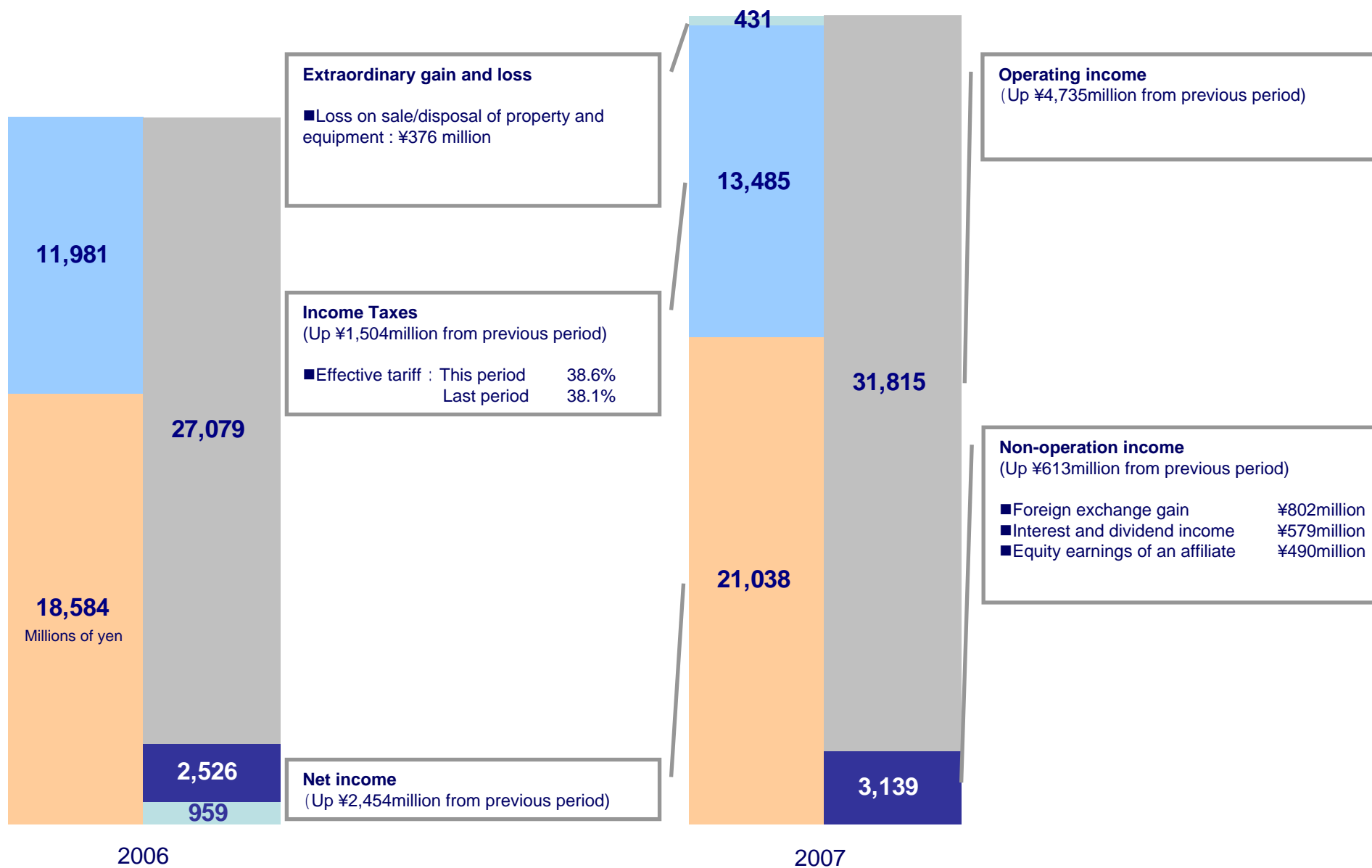
**Europe**

2006	¥(55) million
2007	¥814 million

**Asia and other**  
(Up ¥390 million from previous period)

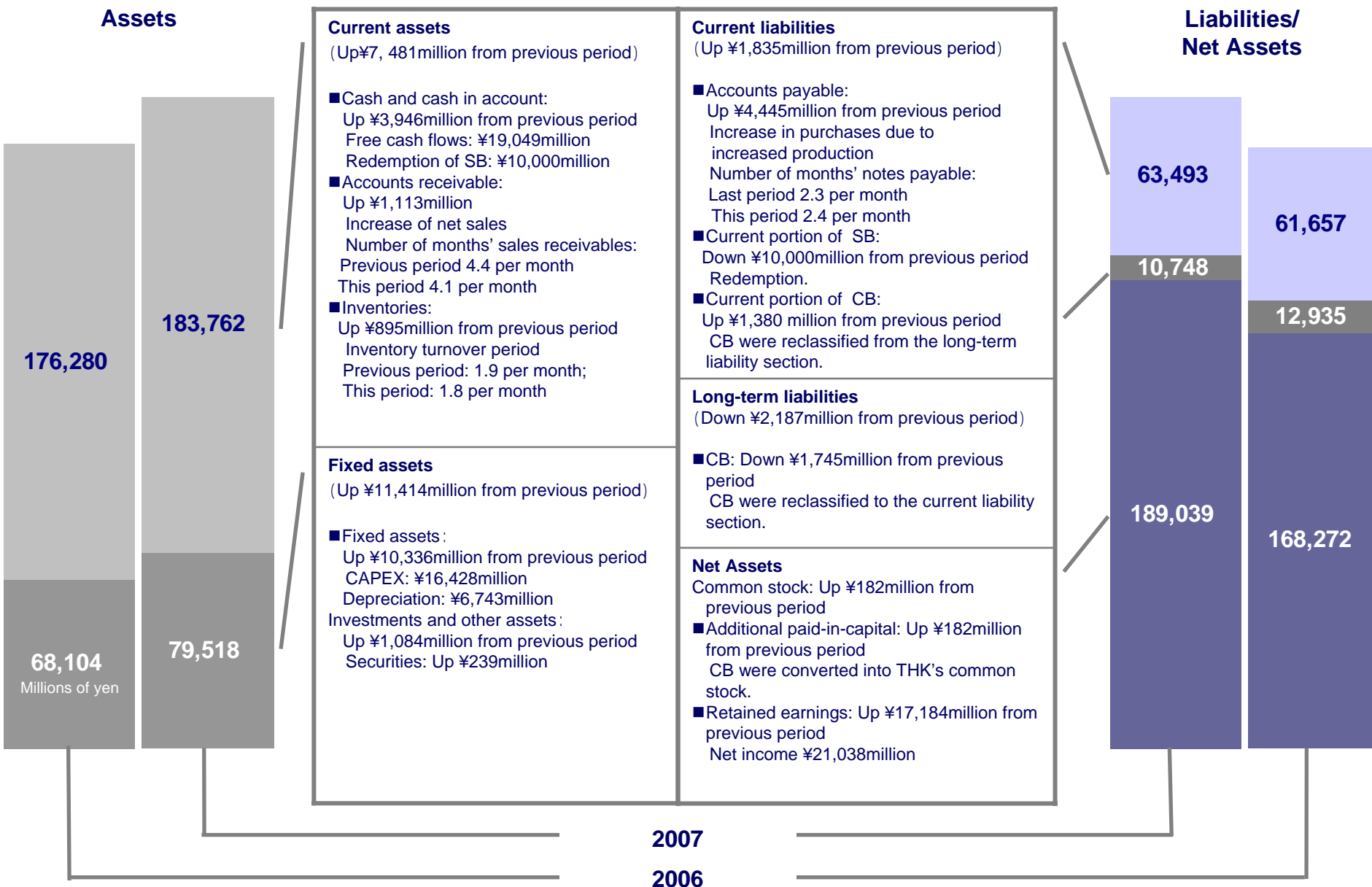
2006	¥480 million
2007	¥870 million

# Trend in Net Income

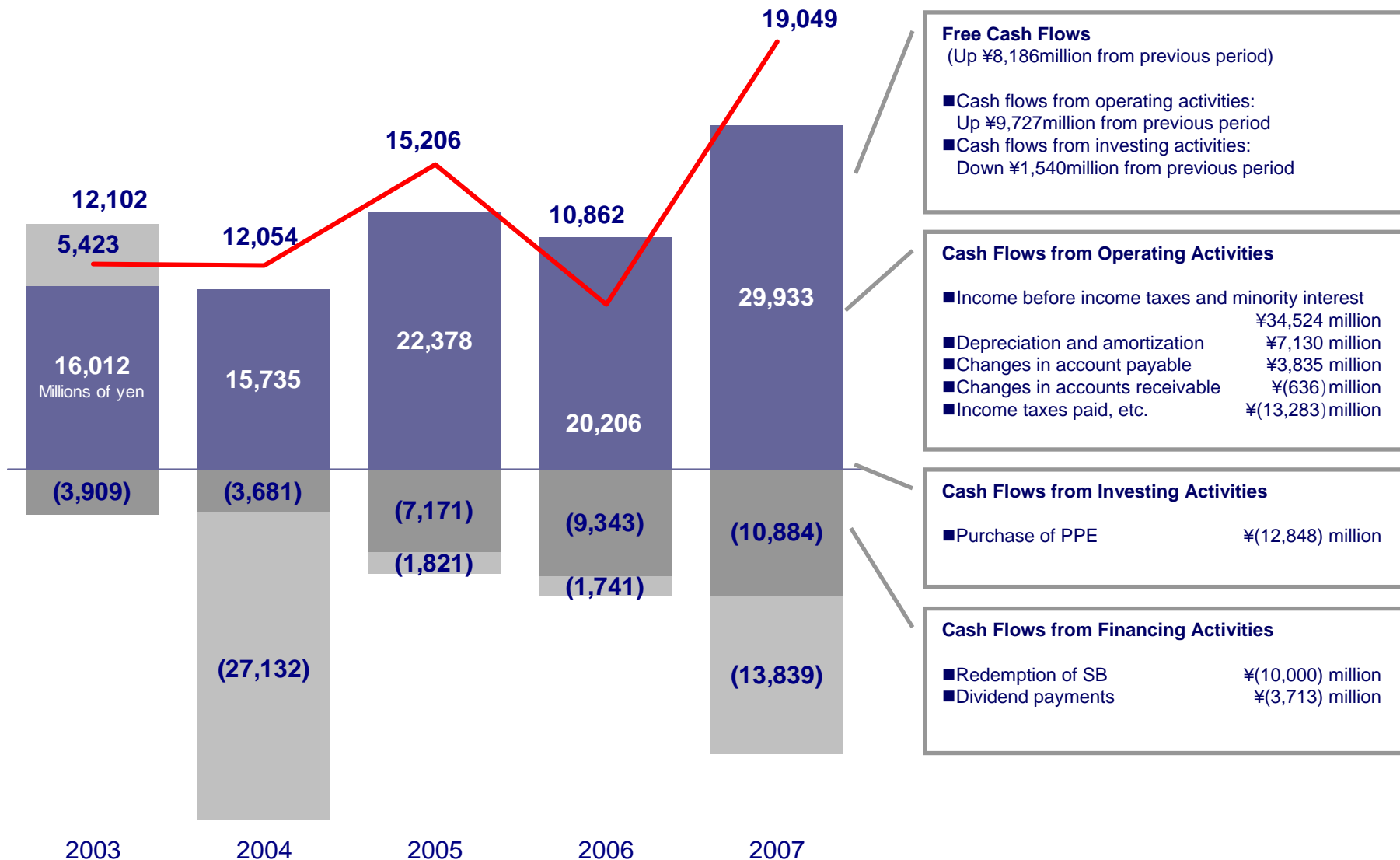




# Trend in Liabilities and Equity and Net Assets



# Cash Flow Trend



	<b>2008</b> (forecast)	<b>2007</b>
<b>Net Sales</b>	<b>185,000</b>	<b>174,710</b>
<i>y/y</i>	<b>+5.9%</b>	<b>+10.3%</b>
<b>Operating Income</b>	<b>34,000</b>	<b>31,815</b>
<i>y/y</i>	<b>+6.9%</b>	<b>+17.5%</b>
<b>Ordinary Income</b>	<b>36,300</b>	<b>34,955</b>
<i>y/y</i>	<b>+3.8%</b>	<b>+18.1%</b>
<b>Net Income</b>	<b>22,400</b>	<b>21,038</b>
<i>y/y</i>	<b>+6.5%</b>	<b>+13.2%</b>