



# FINANCIAL RESULTS BRIEFING FOR FISCAL 2007

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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.

# Financial Highlights

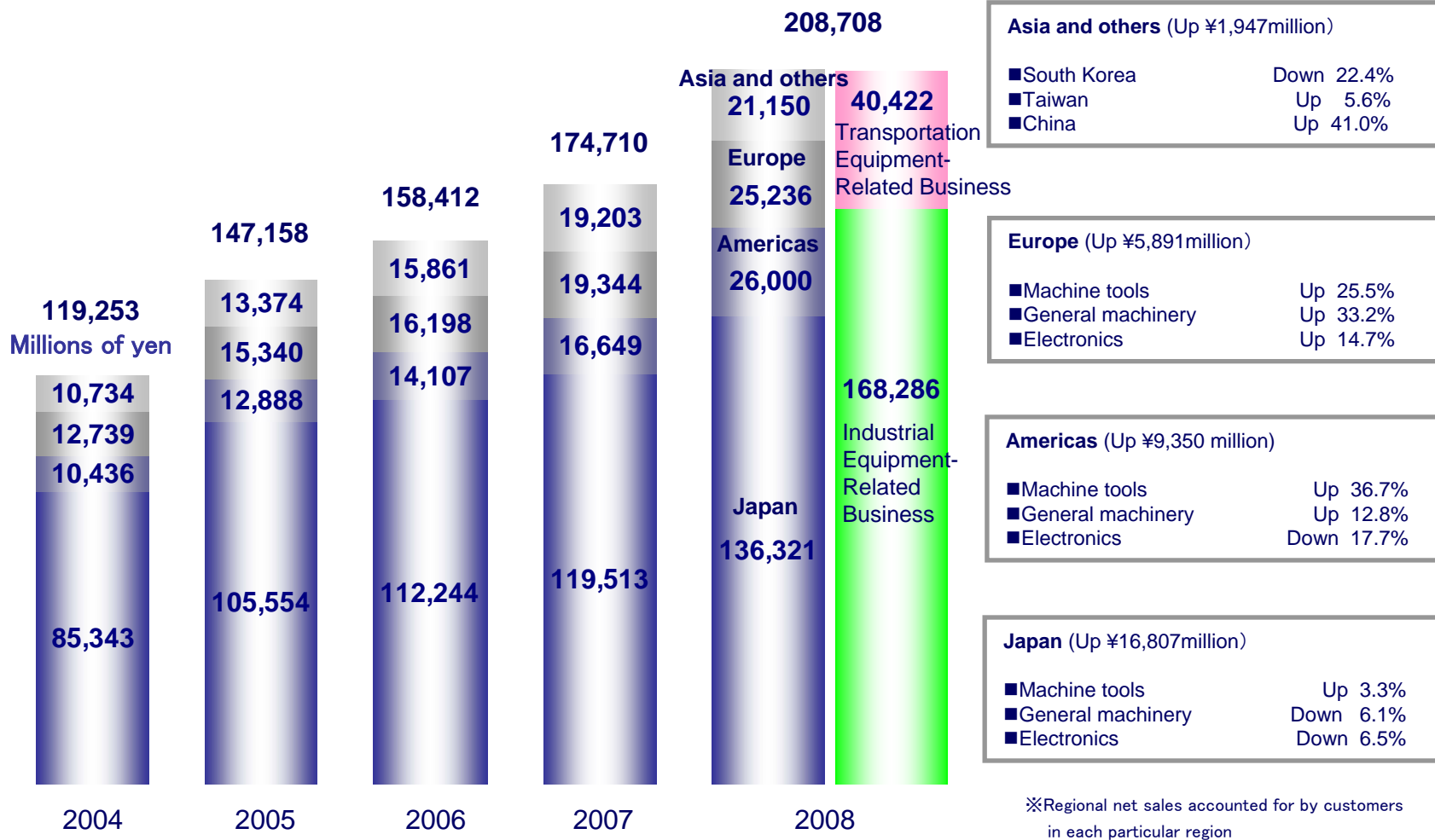
Net sales grew by 19.5% compared to the previous period to 208,708 million yen, breaking the 200,000 million yen barrier for the first time.

- **The delay in the recovery of domestic electronics-oriented sales was longer than expected and the weak nature of the recovery itself resulted in reduced revenues. However, the purchase of Rhythm Corp., in addition to an increase in sales of machine tools, contributed to a net increase in domestic net sales.**
- **Overseas, revenues increased due to the purchase of Rhythm Corp. and increases in sales of machine tools and general machinery.**
- **Rhythm North America had an irregular nine-month fiscal year as a result of changing the end of their accounting period from March to December. Accordingly, approximately 3,000 million yen in net sales was not reported in the fiscal period ending March 2008 .**

Operating income fell by 15.3% compared to the previous period to 26,900 million yen.

- **THK's unconsolidated domestic net sales fell.**
- **Depreciation expenses grew due to capital investments made to prepare for future growth.**
- **The cost of materials ratio increased due to increases in the price of materials.**
- **Amortization of goodwill accompanied the purchase of Rhythm Corp.**

# Trend in Net Sales



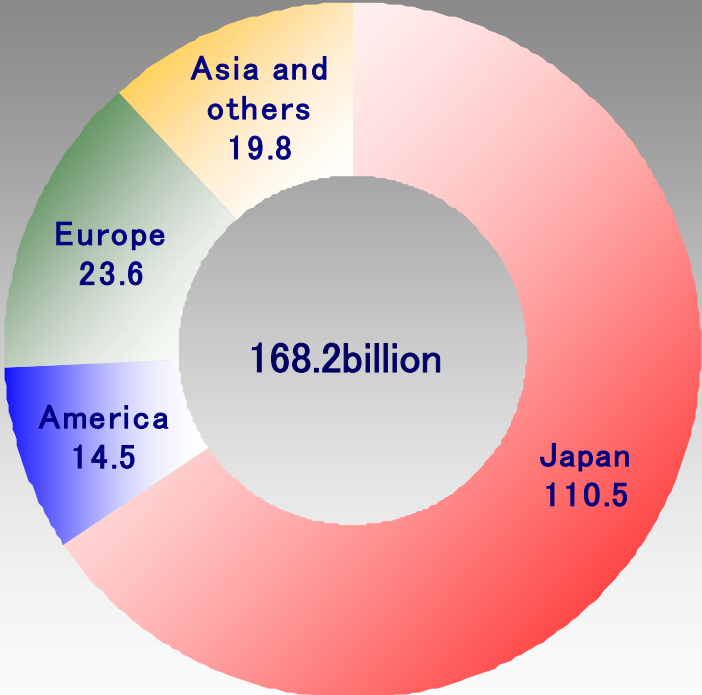
※Regional net sales accounted for by customers in each particular region

1US\$	115.99	108.23	110.21	116.38	117.84
1EUR	131.02	134.47	136.92	146.14	161.24

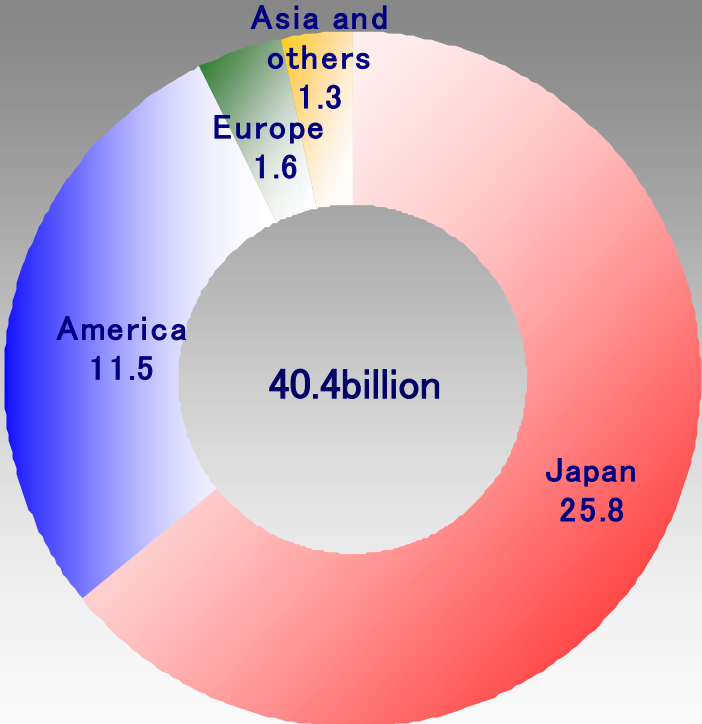
Exchange rate (translation of foreign F/Ss)

# Sales by Industry Segment

## Industrial Equipment-Related Business Segment



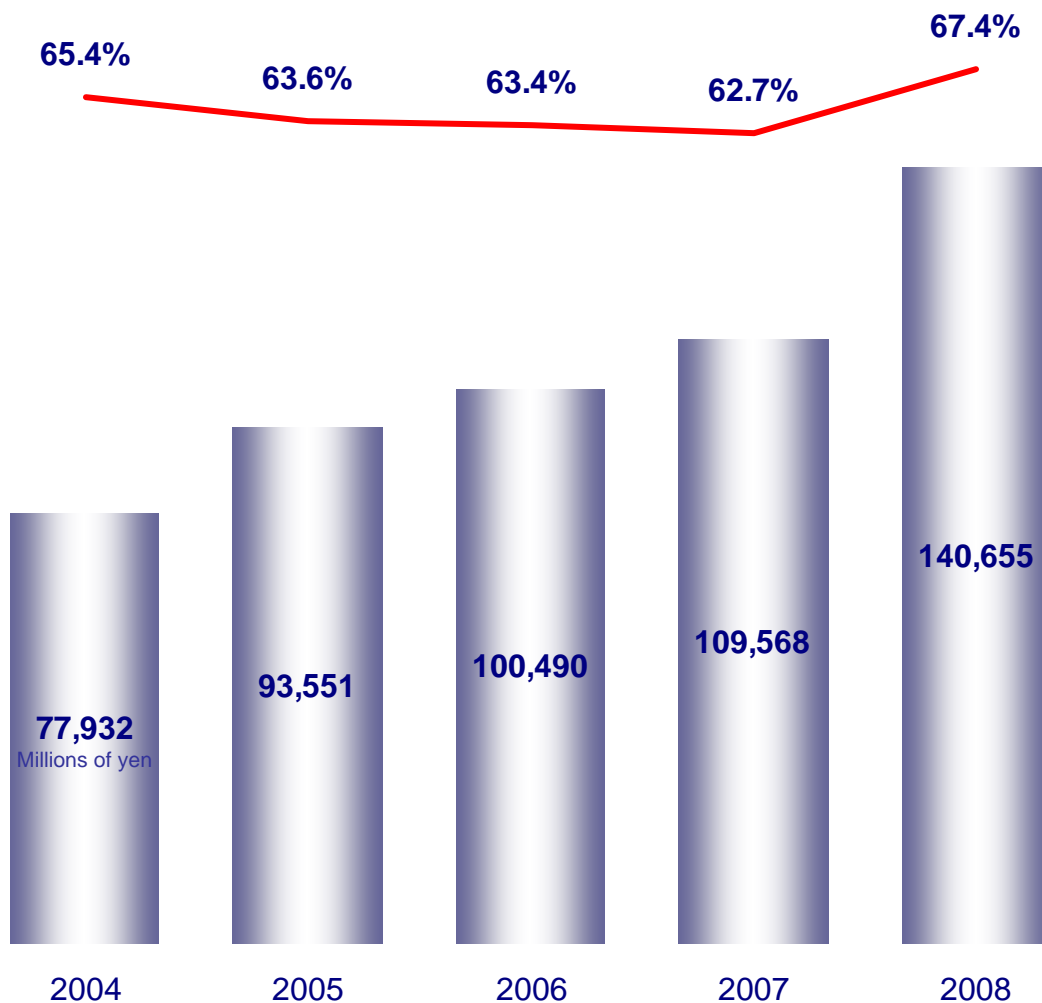
## Transportation Equipment-Related Business Segment



# Trend in Cost of Sales

■ Cost of Sales

— Sales-Cost Ratio



The sales-cost ratio rose by 4.7 points compared to the previous period.

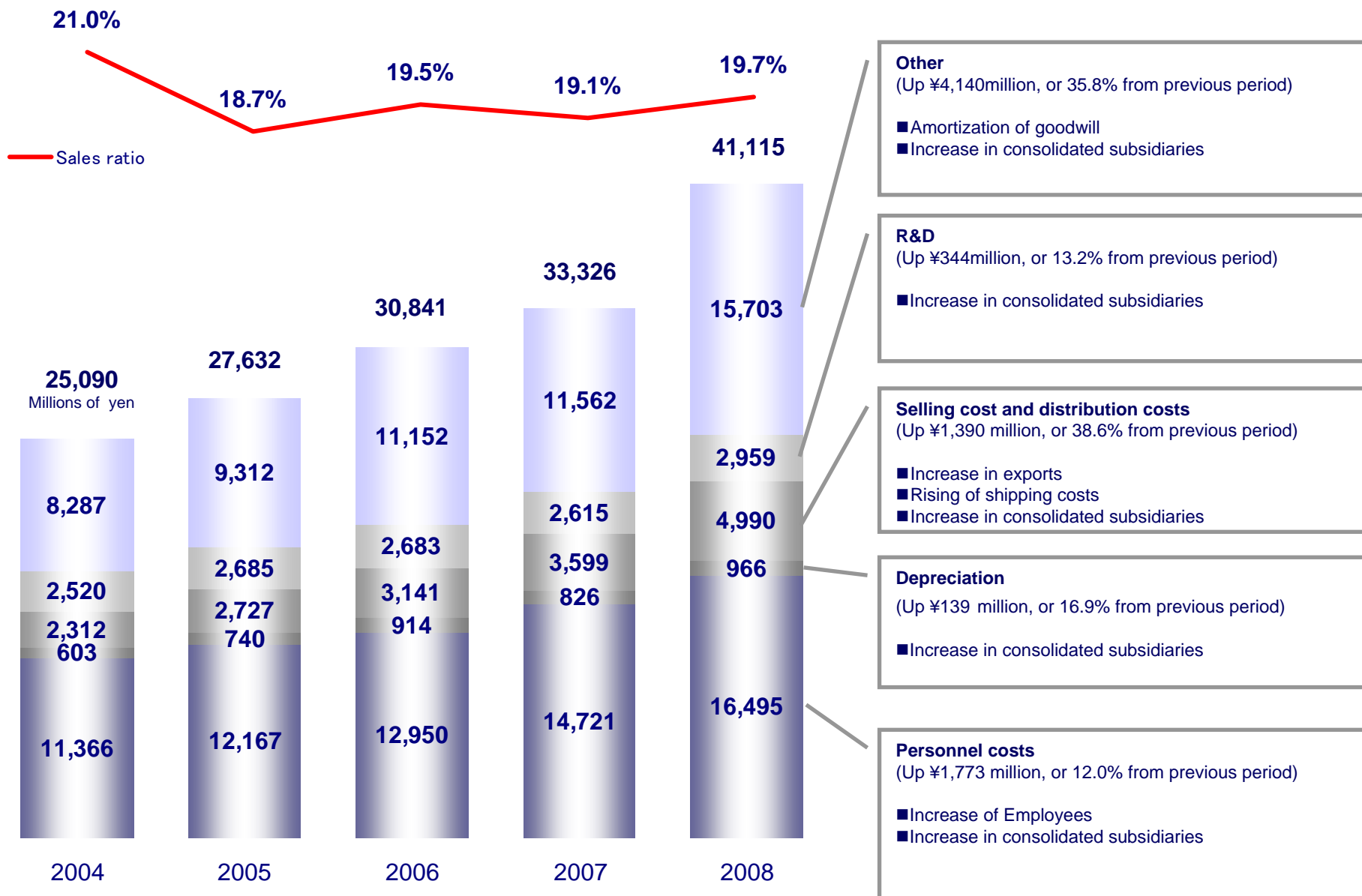
■ Unconsolidated sales-cost ratio rose by 3.3 points compared to the previous period

- Net sales fell.
- Fixed expenses, such as depreciation and labor costs, increased.
- The cost of materials ratio increased.

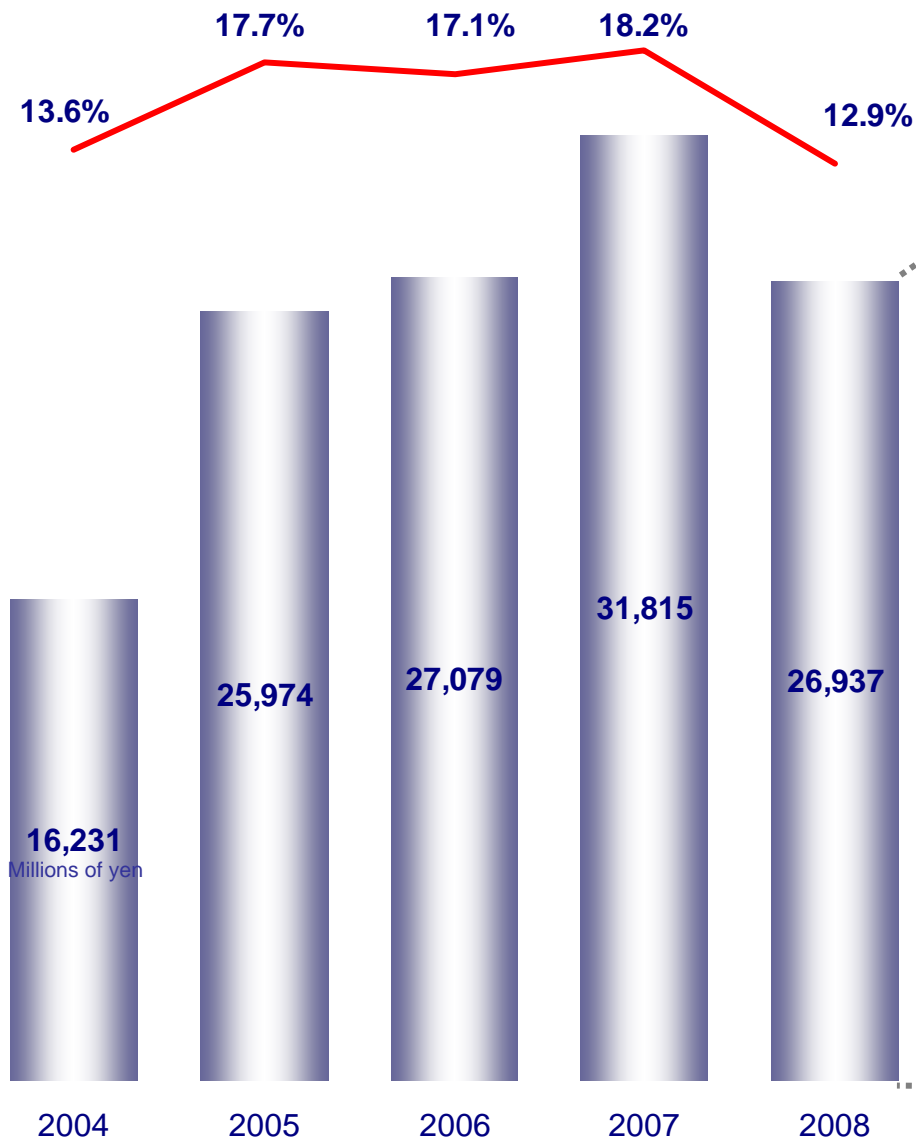
■ Group companies

- Fixed expenses such as depreciation increased due to new domestic plants going online.
- Increase in consolidated subsidiaries

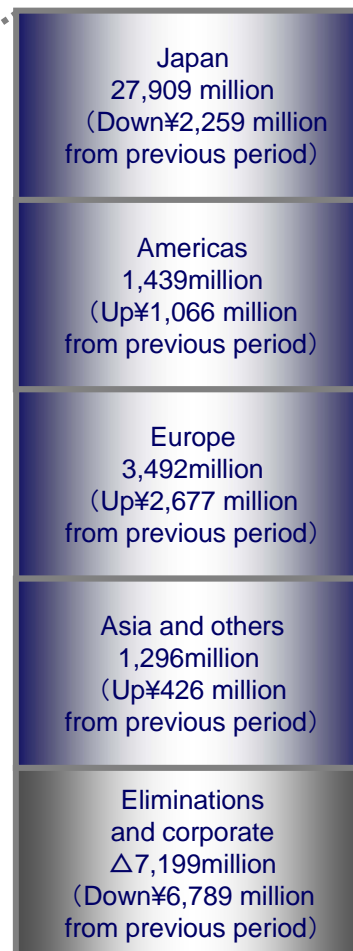
# Trends in SG&A



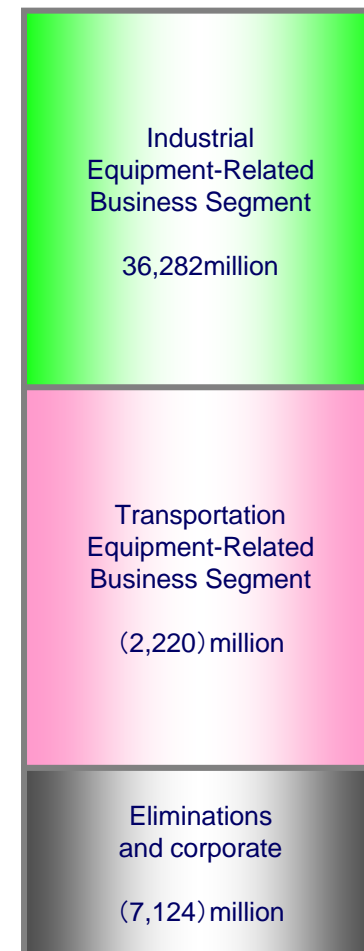
# Operating Profit and Operating Profit Margin



Operating profit by geographical segment



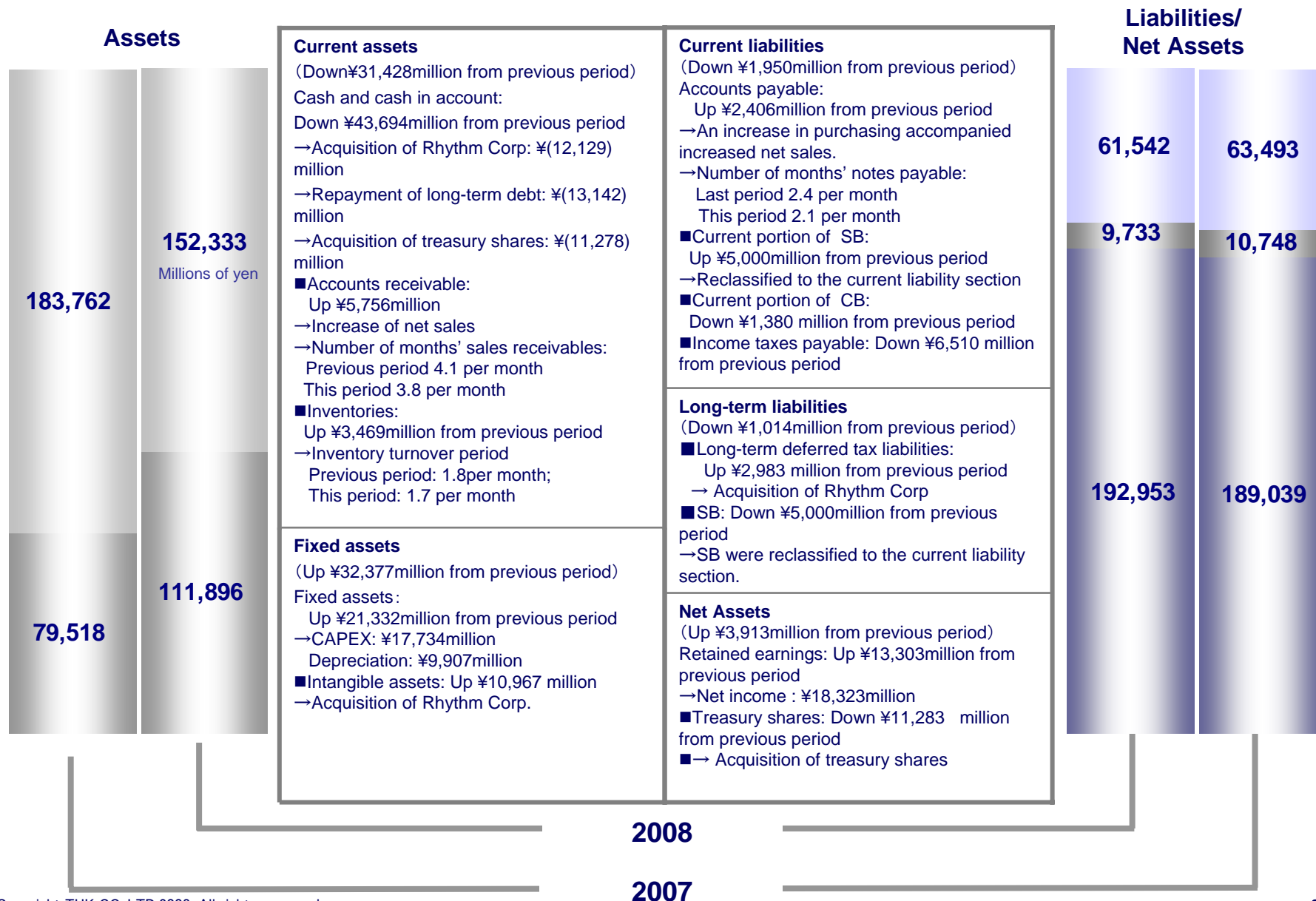
Operating profit by industry segment



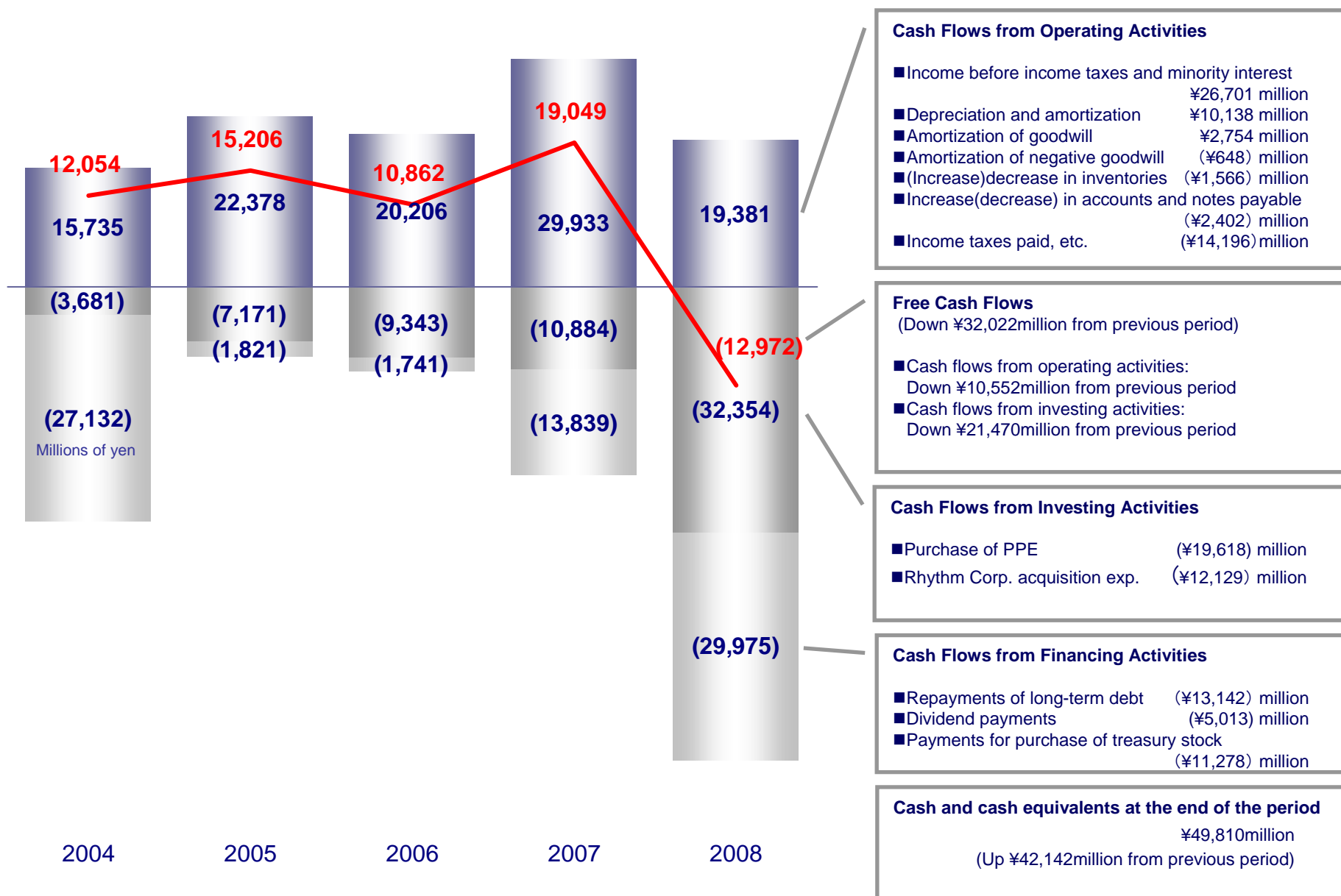




# Trend in Liabilities and Equity and Net Assets



# Cash Flow Trend



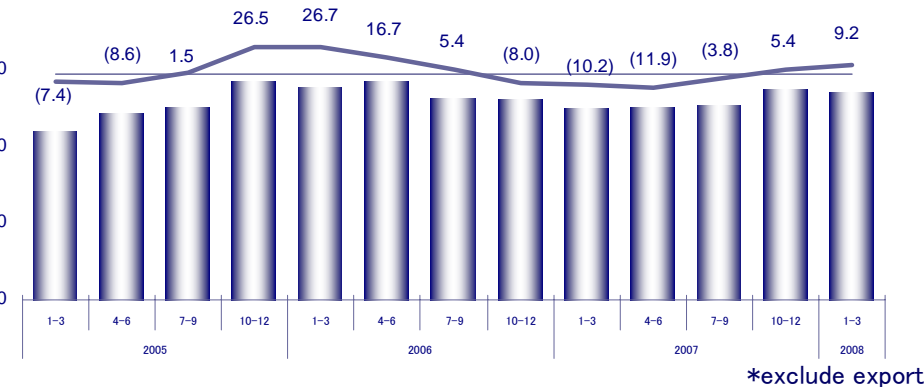


# FINANCIAL FORECAST FOR FISCAL 2008

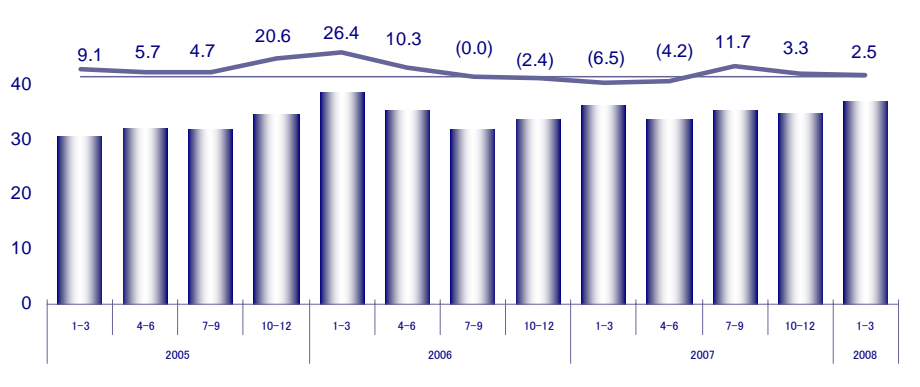
# Orders Received by Region



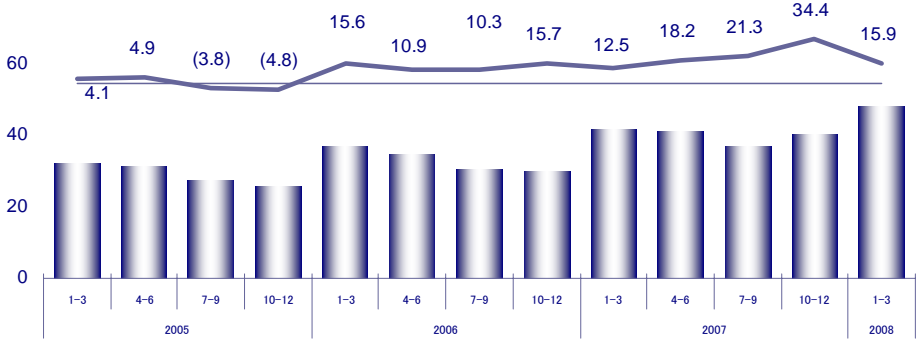
**Japan**  
THK CO., LTD. % Change, Billions of Yen



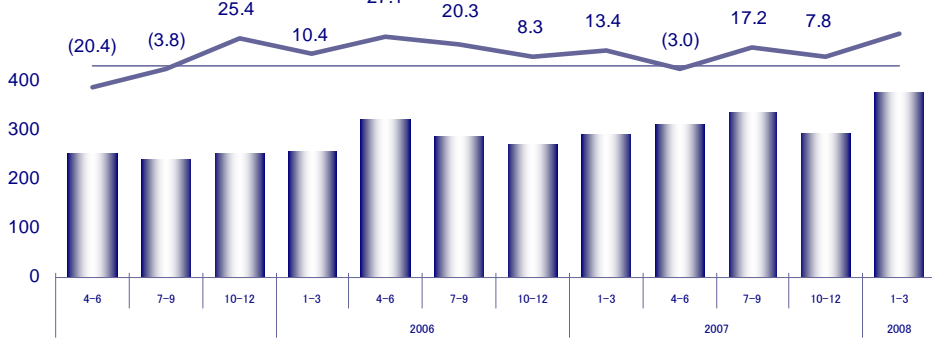
**Americas**  
THK Holdings of America, L.L.C. % Change, Millions of USD



**Europe**  
THK Europe B.V. % Change, Millions of Euro



**Taiwan**  
THK TAIWAN CO., LTD. % Change, Millions of NTD



# Financial Forecast (Consolidated)

	<b>2009.3</b> <b>(forecast)</b>	<b>2008.3</b>
<b>Net Sales</b>	<b>225,000</b>	<b>208,708</b>
<i>y/y</i>	<b>+7.8%</b>	<b>+19.5%</b>
<b>Operating Income</b>	<b>30,500</b>	<b>26,937</b>
<i>y/y</i>	<b>+13.2%</b>	<b>△15.3%</b>
<b>Ordinary Income</b>	<b>32,100</b>	<b>27,026</b>
<i>y/y</i>	<b>+18.8%</b>	<b>△22.7%</b>
<b>Net Income</b>	<b>18,500</b>	<b>18,323</b>
<i>y/y</i>	<b>+1.0%</b>	<b>△12.9%</b>

# Financial Forecast (Parent)

	2009.3 (forecast)	2008.3
<b>Net Sales</b>	<b>148,000</b>	<b>141,275</b>
<i>y/y</i>	<b>+4.8%</b>	<b>Δ1.8%</b>
<b>Operating Income</b>	<b>25,000</b>	<b>21,925</b>
<i>y/y</i>	<b>+14.0%</b>	<b>Δ23.6%</b>
<b>Ordinary Income</b>	<b>26,400</b>	<b>24,985</b>
<i>y/y</i>	<b>+5.7%</b>	<b>Δ18.5%</b>
<b>Net Income</b>	<b>15,700</b>	<b>18,819</b>
<i>y/y</i>	<b>Δ16.6%</b>	<b>+4.6%</b>