

**FOR IMMEDIATE RELEASE  
(PROVISIONAL TRANSLATION)**

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**Consolidated financial results for the third quarter ended December 31, 2003**

Tokyo, Japan - February 13, 2004 – THK CO., LTD. (Akihiro Teramachi, President and CEO; Tokyo Stock Exchange 6481) reported its consolidated results in Japanese GAAP for the third quarter ended December 31, 2003.

Net sales for the nine month period ended December 31, 2003 are 85,933 million yen. Solid sales growth in the domestic machine tools and general machinery sectors including chip moulder machine and injection molding machine were mainly responsible for driving revenue. Increased third quarter sales in the electronic sector were also evident. Outside Japan sales growth in Asian market remained consistently solid due to LCD related manufactures demands. Sales in Europe and the United States are showing gradual improvement.

Consolidated financial highlights (unaudited)

|  | (Millions of yen)                   |                                   |
|--|-------------------------------------|-----------------------------------|
|  | Nine months ended December 31, 2003 | For the year ended March 31, 2003 |
| <b>1. Consolidated results of operations</b> |                                     |                                   |
| Net sales                                    | 85,933                              | 94,599                            |
| Operating income                             | 11,473                              | 4,893                             |
| Ordinary income                              | 11,263                              | 4,827                             |
| Net income                                   | 6,067                               | 1,891                             |
| Net income per share - EPS (yen)             | 51.35                               | 15.65                             |

|  | As of December 31, 2003 | As of March 31, 2003 |
|--|-------------------------|----------------------|
| <b>2. Consolidated financial positions</b> |                         |                      |
| Total assets                               | 183,398                 | 193,197              |
| Total shareholders' equity                 | 106,255                 | 102,478              |
| Total shareholders' equity ratio (%)       | 57.9%                   | 53.0%                |
| Book value per share (yen)                 | 900.34                  | 860.80               |

|   | Nine months ended December 31, 2003 | For the year ended March 31, 2003 |
|---|-------------------------------------|-----------------------------------|
| <b>3. Consolidated statements of cash flows</b>     |                                     |                                   |
| Net cash provided by operating activities           | 11,961                              | 16,012                            |
| Net cash used in investing activities               | (3,654)                             | (3,909)                           |
| Net cash provided by (used in) financing activities | (26,945)                            | 5,423                             |
| Cash and cash equivalents at end of period          | 53,638                              | 72,533                            |

**Notes to the financial information:**

There was no change of accounting policy during the reporting period: from April 1 to December 31, 2003.

The Company applied the simplified methods to the following points for this reporting:

- 1) calculating the income and business taxes
- 2) calculating and recognizing some allowance items

No comparisons with the third quarter results of the previous year are available.

Scope of consolidation:

The number of consolidated companies: 14

The number of equity method applied affiliated companies: 2

Change in the scope of consolidation: 1 additional consolidated subsidiary and 1 additional equity method applied company: The investment in SAMICK LMS CO., LTD. has been accounted for by the equity method and the account of THK FRANCE S.A.S. has been included in the scope of consolidation from the beginning of the nine month period ended December 31, 2003.

All figures in these statements which are less than 1 million yen have been rounded down.

This is summarized and translated information that the Company posted to the Tokyo Stock Exchange in accordance with their rules that governs the disclosure of financial information. The Company makes available free of charge on the website its financial information. These information translated in English language will be disclosed as soon as reasonably practicable after disclosing materials in Japanese language. In the event of any deviations to these translated materials due to a different language translation, the Japanese language should prevail in all respects.

## Supplementary information

The following tables show financial information for the nine months ended December 31, 2003 which are announced by the Company.  
Note that figures are in accordance with Japanese GAAP and unaudited.

### 1. Consolidated balance sheets

|  | (Millions of yen)                      |                  |                                      |                  |
|--|--|------------------|--------------------------------------|------------------|
|  | Nine months ended<br>December 31, 2003 | Composition<br>% | For the year ended<br>March 31, 2003 | Composition<br>% |
| <b>Assets</b>  |  |                  |                                      |                  |
| <b>Current assets</b>  | <b>123,690</b>                         | <b>67.4</b>      | <b>135,613</b>                       | <b>70.2</b>      |
| Cash and bank deposits   | 53,387                                 |                  | 66,459                               |                  |
| Accounts and notes receivables - trade                                 | 42,800                                 |                  | 35,063                               |                  |
| Short-term investments in securities                                   | 280                                    |                  | 7,003                                |                  |
| Inventories  | 23,084                                 |                  | 23,747                               |                  |
| Other current assets   | 4,137                                  |                  | 3,339                                |                  |
| <b>Fixed assets</b>  | <b>59,707</b>                          | <b>32.6</b>      | <b>57,583</b>                        | <b>29.8</b>      |
| Property, plant and equipment  | 42,695                                 | 23.3             | 42,390                               | 21.9             |
| Intangible fixed assets  | 1,579                                  | 0.9              | 1,925                                | 1.0              |
| Other fixed assets   | 15,432                                 | 8.4              | 13,266                               | 6.9              |
| <b>Deferred assets</b>   | <b>-</b>                               | <b>-</b>         | <b>0</b>                             | <b>0.0</b>       |
| <b>Total assets</b>  | <b>183,398</b>                         | <b>100.0</b>     | <b>193,197</b>                       | <b>100.0</b>     |
| <b>Liabilities</b>   |  |                  |                                      |                  |
| <b>Current liabilities</b>   | <b>35,625</b>                          | <b>19.4</b>      | <b>48,149</b>                        | <b>24.9</b>      |
| Accounts and notes payables - trade                                    | 22,946                                 |                  | 16,960                               |                  |
| Short-term bank loans  | 200                                    |                  | 5,712                                |                  |
| Current portion of long-term debt                                      | -                                      |                  | 17,348                               |                  |
| Other current liabilities  | 12,479                                 |                  | 8,127                                |                  |
| <b>Long-term liabilities</b>   | <b>41,172</b>                          | <b>22.5</b>      | <b>42,259</b>                        | <b>21.9</b>      |
| Bonds  | 38,000                                 |                  | 38,000                               |                  |
| Other long-term liabilities  | 3,172                                  |                  | 4,259                                |                  |
| <b>Total liabilities</b>   | <b>76,798</b>                          | <b>41.9</b>      | <b>90,409</b>                        | <b>46.8</b>      |
| <b>Minority interest</b>   | <b>345</b>                             | <b>0.2</b>       | <b>309</b>                           | <b>0.2</b>       |
| Common stock   | 23,106                                 | 12.6             | 23,106                               | 12.0             |
| Additional paid-in capital   | 30,962                                 | 16.8             | 30,962                               | 16.0             |
| Retained earnings  | 53,320                                 | 29.0             | 48,686                               | 25.2             |
| Net unrealized gain on other securities                                | 464                                    | 0.3              | (355)                                | (0.2)            |
| Foreign currency translation adjustments                               | (47)                                   | (0.0)            | 481                                  | 0.2              |
| Treasury stock   | (1,551)                                | (0.8)            | (403)                                | (0.2)            |
| <b>Total shareholders' equity</b>                                      | <b>106,255</b>                         | <b>57.9</b>      | <b>102,478</b>                       | <b>53.0</b>      |
| <b>Total liabilities, minority interest &amp; shareholders' equity</b> | <b>183,398</b>                         | <b>100.0</b>     | <b>193,197</b>                       | <b>100.0</b>     |

## 2. Consolidated statements of income

|   | (Millions of yen)                      |                   |                                      |                   |
|---|--|-------------------|--------------------------------------|-------------------|
|   | Nine months ended<br>December 31, 2003 | % to<br>net sales | For the year ended<br>March 31, 2003 | % to<br>net sales |
| <b>Net sales</b>  | <b>85,933</b>                          | <b>100.0</b>      | <b>94,599</b>                        | <b>100.0</b>      |
| Cost of sales   | 56,129                                 | 65.3              | 66,646                               | 70.5              |
| <b>Gross profit</b>   | <b>29,804</b>                          | <b>34.7</b>       | <b>27,953</b>                        | <b>29.5</b>       |
| Selling, general and administrative expenses                    | 18,331                                 | 21.4              | 23,060                               | 24.3              |
| <b>Operating income</b>   | <b>11,473</b>                          | <b>13.3</b>       | <b>4,893</b>                         | <b>5.2</b>        |
| Non-operating income  | 679                                    | 0.8               | 1,226                                | 1.3               |
| Interest and dividend income                                    | 98                                     |                   | 218                                  |                   |
| Other   | 580                                    |                   | 1,007                                |                   |
| Non-operating expenses  | 889                                    | 1.0               | 1,291                                | 1.4               |
| Interest expenses   | 384                                    |                   | 888                                  |                   |
| Other   | 504                                    |                   | 403                                  |                   |
| <b>Ordinary income</b>  | <b>11,263</b>                          | <b>13.1</b>       | <b>4,827</b>                         | <b>5.1</b>        |
| Extraordinary income  | 64                                     | 0.0               | 56                                   | 0.0               |
| Extraordinary loss  | 270                                    | 0.3               | 1,287                                | 1.3               |
| <b>Income before income taxes and minority interest</b>         | <b>11,057</b>                          | <b>12.8</b>       | <b>3,596</b>                         | <b>3.8</b>        |
| Income Taxes  | 4,953                                  | 5.8               | 1,773                                | 1.8               |
| Minority interest in (income)/loss of consolidated subsidiaries | 36                                     | 0.0               | (68)                                 | (0.0)             |
| <b>Net income</b>   | <b>6,067</b>                           | <b>7.0</b>        | <b>1,891</b>                         | <b>2.0</b>        |

## 3. Consolidated statements of retained earnings

|  | (Millions of yen)                   |                                   |
|--|-------------------------------------|-----------------------------------|
|  | Nine months ended December 31, 2003 | For the year ended March 31, 2003 |
| <b>Additional paid-in capital</b>  |                                     |                                   |
| At beginning of period   | 30,962                              | 30,962                            |
| At end of period   | 30,962                              | 30,962                            |
| <b>Retained earnings</b>   |                                     |                                   |
| At beginning of period   | 48,686                              | 48,585                            |
| Net income   | 6,067                               | 1,891                             |
| Increase from investment in an affiliate<br>newly accounted for by the equity method | 378                                 | -                                 |
| Cash dividends   | (1,782)                             | (1,790)                           |
| Director's bonuses   | (30)                                | -                                 |
| At end of period   | 53,320                              | 48,686                            |

#### 4. Consolidated statements of cash flows

|   | Nine months ended December 31, 2003 | (Millions of yen)<br>For the year ended March 31, 2003 |
|---|-------------------------------------|--|
| <b>Operating activities:</b>  |                                     |  |
| Income before income taxes and minority interest                    | 11,057                              | 3,596  |
| Depreciation and amortization                                       | 4,084                               | 6,163  |
| Increase/(decrease) in accounts and notes receivable                | (7,802)                             | (10,253)   |
| Increase/(decrease) in inventories                                  | 435                                 | 2,502  |
| Increase/(decrease) in accounts and notes payable                   | 6,062                               | 5,220  |
| Other   | (1,876)                             | 8,782  |
| <b>Net cash provided by operating activities</b>                    | <b>11,961</b>                       | <b>16,012</b>  |
| <b>Investing activities:</b>  |                                     |  |
| Payments for purchase of investments in securities or fixed assets  | (3,802)                             | (5,968)  |
| Proceeded from sales of investments in securities or fixed assets   | 1,223                               | 1,580  |
| Other   | (1,075)                             | 477  |
| <b>Net cash used in investing activities</b>                        | <b>(3,654)</b>                      | <b>(3,909)</b>   |
| <b>Financing activities:</b>  |                                     |  |
| Increase/(decrease) in short-term bank loans                        | (3,310)                             | (2,887)  |
| Increase/(decrease) in long-term debt                               | (20,741)                            | 10,118   |
| Other   | (2,893)                             | (1,807)  |
| <b>Net cash provided by (used in) financing activities</b>          | <b>(26,945)</b>                     | <b>5,423</b>   |
| <b>Effect of exchange rate changes on cash and cash equivalents</b> | <b>(256)</b>                        | <b>0</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>         | <b>(18,895)</b>                     | <b>17,526</b>  |
| <b>Cash and cash equivalents at beginning of period</b>             | <b>72,533</b>                       | <b>55,007</b>  |
| <b>Cash and cash equivalents at end of period</b>                   | <b>53,638</b>                       | <b>72,533</b>  |

#### 5. Forecasted results for the fiscal year ending March 31, 2004

##### Consolidated (group)

|   | (Millions of yen)<br>For the year ending March 31, 2004 |
|---|---|
| Net sales                                   | 116,000   |
| Operating income                            | 14,400  |
| Ordinary income                             | 13,700  |
| Net income                                  | 7,100   |
| Forecasted net income per share - EPS (yen) | 59.85   |

##### Stand-alone (parent)

|   | (Millions of yen)<br>For the year ending March 31, 2004 |
|---|---|
| Net sales                                   | 95,000  |
| Operating income                            | 15,500  |
| Ordinary income                             | 15,000  |
| Net income                                  | 8,300   |
| Forecasted net income per share - EPS (yen) | 69.81   |

The Company has not changed the forecasted figures which were announced on November 19, 2003.

#### Notice regarding forward looking statements

This release contains forward looking statements based on the management's assumptions, estimates, and projections at the time of release. The Company cautions readers that actual results may differ materially from those forecasted or implied in forward-looking statements made by or on behalf of the Company due to a variety of important factors, such as, but are not limited to the risks and uncertainty associated with world wide economy, competitive activity, and currency fluctuation.