November 17, 2005

Consolidated Financial Review for the Six Months Ended September 30, 2005

Company Name:	THK CO., LTD.
Head Office:	Tokyo, Japan (Tel: +81-3-5434-0300)
URL:	http://www.thk.com
Stock exchange listing:	Tokyo Stock Exchange 1st Section
Code number:	6481
President and CEO:	Akihiro Teramachi
Director/General Manager of Corporate Strategy Department:	Kotaro Yoshihara
Date of the board meeting:	November 17, 2005
Application of U.S. GAAP:	None

1. Consolidated Financial Highlights (Unaudited)
Note: All figures are rounded down to nearest million yen.

(1) Operating results

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months Ended Sep.30, 2005	75,331	(2.0)	12,860	(16.1)	13,972	(15.5)
Six Months Ended Sep.30, 2004	76,868	37.5	15,329	137.8	16,542	171.7
Year Ended Mar.31, 2005	147,158		25,974		27,646	

	Net income		Net income per share	Fully diluted net income per share
	Millions of yen	%	Yen	Yen
Six months Ended Sep.30, 2005	8,010	(22.9)	66.81	59.94
Six Months Ended Sep.30, 2004	10,388	248.9	87.88	78.62
Year Ended Mar.31, 2005	17,348		145.31	130.05

Notes:
1. Profit/loss on equity method: Six Months end Sep.30, 2005: 217million yen
   Six Months end Sep.30, 2004: 284million yen
   Year ended Mar.31, 2005: 433million yen
2. Average number of shares of common stock (consolidated) issued:
   Six Months ended Sep.30, 2005: 119,892,029shares.
   Six Months ended Sep.30, 2004: 118,212,020shares.
   Year ended Mar.31, 2005: 118,701,382shares.
3. Change of accounting policy: Yes
4. Percentages for net sales, operating income, ordinary and net income indicated changes from the previous term.

THK
The Mark of Linear Motion

(2) Financial position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Six months Ended Sep.30, 2005	225,651	145,671	64.6	1,156.78
Six months Ended Sep.30, 2004	205,848	118,190	57.4	999.83
Year ended Mar.31, 2004	220,007	127,649	58.0	1,067.42

Note: Number of shares of common stock (consolidated) issued as of
Six months ended Sep.30, 2005: 125,927,973 shares
Six months ended Sep.30, 2004: 118,210,676 shares
Year ended Mar.31, 2005: 119,493,725 shares

(3)Consolidated cash flow position

	Cash flow from operating activities	Cash flow from Investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Six months Ended Sep.30, 2005	8,236	(5,851)	(467)	78,439
Six months Ended Sep.30, 2004	8,028	(3,000)	(890)	61,429
Year ended Mar.31, 2005	22,378	(7,171)	(1,821)	75,987

(4)Scope of consolidation and application of equity method
Consolidated subsidiaries: 20 companies
Unconsolidated subsidiaries using the equity method: 0 company
Affiliates using the equity method: 1 company

(5)Changes in scope of consolidation and application of equity method
Consolidated companies: Additions: 2 companies Deletion: 0 company
Companies using the equity method: Additions: 0 company Deletion: 0 company

2. Corporate estimates for the year ending March 31, 2006(April 1, 05 ~ March 31, 06)

	Net sales	Operating income	Ordinary income	Net income
Year ending Mar.31, 2006	Millions of yen 155,000	Millions of yen 25,400	Millions of yen 27,100	Millions of yen 16,000

For reference: Estimate of net income per share for the year ending March 31, 2006: 127.06 Yen
(By forecast average number of shares of common stock year of period)

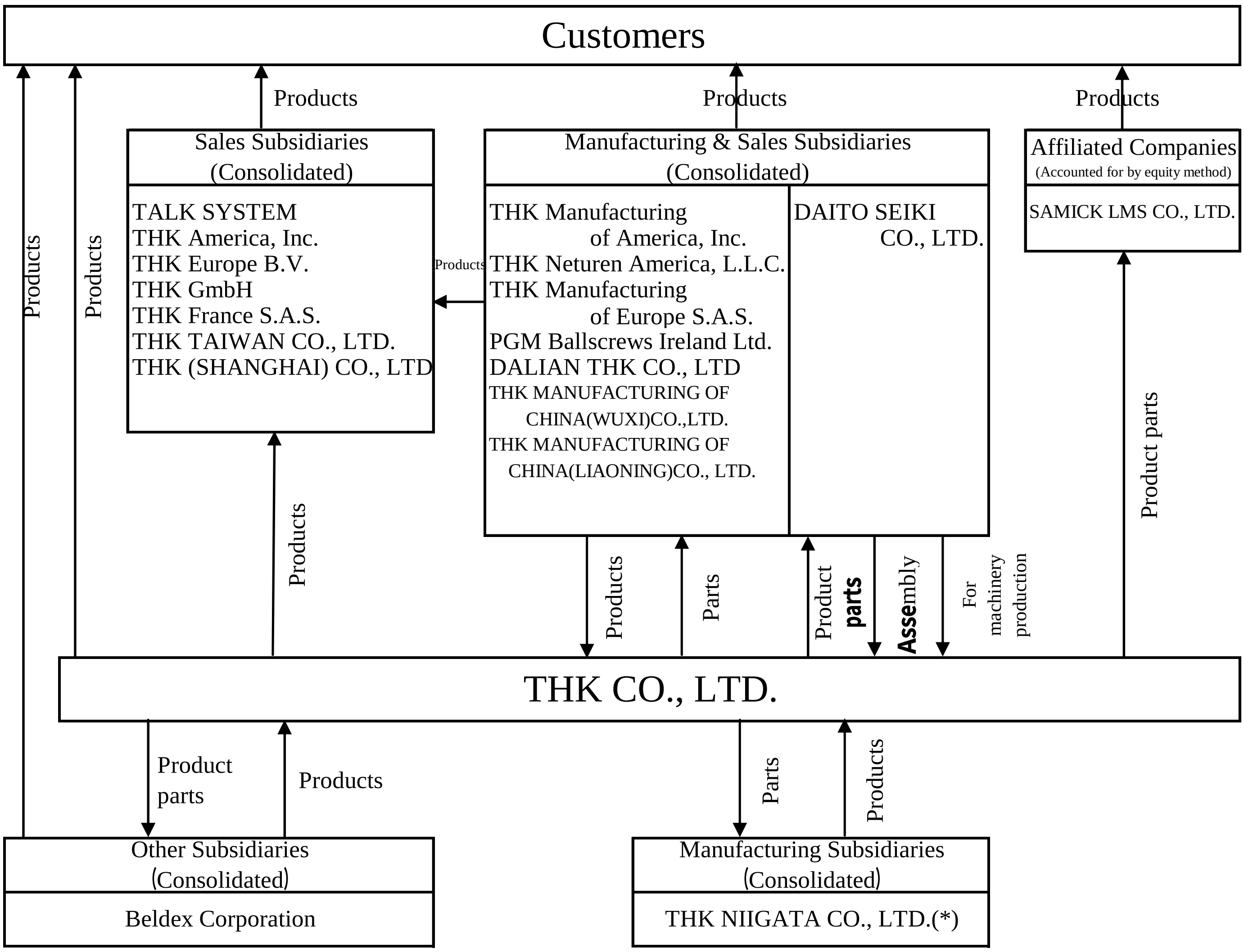
Status of the Corporate Group

The company's business group consists of twenty-five subsidiaries and three affiliated companies, which engage in the manufacture and distribution of the subcomponents of equipment and machinery, centering on linear motion systems, ball screws, and spherical joints.

These products are manufactured by the company itself, as well as by THK NIIGATA CO., LTD., and DAITO SEIKI CO., LTD., in Japan, and by THK Manufacturing of America, Inc., THK Neturen America, L.L.C., THK Manufacturing of Europe S.A.S., PGM Ballscrews Ireland Ltd., DALIAN THK CO., LTD., THK MANUFACUTURING OF CHINA (WUXI) CO., LTD., and SAMICK LMS CO., LTD in foreign countries.

The company sells these products through its own distribution channels TALK SYSTEM CO., LTD. in Japan, and using its own sales channels, THK America, Inc., THK Europe B.V., THK GmbH, THK France S.A.S., THK TAIWAN CO., LTD, THK (SHANGHAI) CO., LTD. and SAMICK LMS CO., LTD., in foreign countries.

A diagram of the main THK Group companies is as follows:



Management Philosophy

(1)Basic Management Philosophy

The company is a creativity and development-oriented enterprise that is well known as a world-leading maker of the Linear Motion Guide, and whose innovative technologies contribute to society. Supported by untiring research-and-development efforts, such contributions are the company's operating base.

The company has constantly worked toward technological innovation (it holds 994 domestic and 1,070 overseas patents and patents pending), and will continue to keep its basic posture as a creativity and development-oriented enterprise. Based on providing innovative products to the world and generating new trends to contribute to the creation of an affluent society, the company aims to expand its business base and to eventually increase its enterprise value by aggressively cultivating new markets and areas, helped by its technologies and products.

(2)Basic Profit Sharing Policies

The company's basic profit-sharing policy is to continue to pay stable dividends to its shareholders. The company believes that it is also important to appropriate earnings that correspond to actual earnings results, in an attempt to enhance its retained earnings and financial strength.

The company will effectively use its retained earnings to reinvest in production equipment and facilities, and in information systems, responding to the future needs of R&D activities and of the globalization of its industry.

(3)Consideration and Policies on Deduction of Investment Units

The company changed the number of shares constituting one trade unit from 1000 to 100, in accordance with a resolution adopted at the regular shareholders meeting held in June 1991.

The company will continue to make effort to implement flexible policy as needed, toward expanding the shareholder base and enhancing the market liquidity of its stocks.

(4)Targeted Management Indexes

To maximize shareholders' interest, the company considers return-on-equity to be the most important management index; it has set a goal of 10-percent ROE. The company places the greatest emphasis on profitability, to improve ROE, and therefore has also targeted a 20-percent operating profit ratio.

(5)Medium-term Management Strategy

The company's unique Linear Motion Guide technology is an unrivaled new mechanism. This product has received much recognition and a high share in the Japanese market. There is greater potential overseas demand for Linear Motion Guide, due to their lower rate of use than in Japan.

The company will aggressively cultivate overseas markets by supplying high-quality products, centering on Linear Motion Guide. To this end, it will strengthen its overseas sales system and focus on establishing a global manufacturing structure that can rapidly respond to local demand, based on the concept that production should be conducted as near as possible to the market of final demand. In this way, it aims to increase its overseas sales ratio to 50 percent (from the current 29.9 percent) over the long-term.

The company will make great efforts to expand its business by increasing it presence in global markets, and by cultivating new products, and will aggressively pursue improved profitability and financial strength. In this way, it will attempt to increase the enterprise's value.

(6)Issues to Be Acted Upon

The company produces and distributes subcomponents for equipment and machinery, including the Linear Motion Guide, ball screws, and other items. The main users of these products are manufacturers of industrial machinery, such as machine tools and semiconductor manufacturing devices. The company's earnings results are significantly influenced by trends in its clients' industries private sector capital investment and production.

To mitigate fluctuations of business results, the company plans to expand its user base by accelerating overseas development and new business areas.

The company's overseas marketing regions are Europe, America, and Asia. To choose the best production spots, the company will expand its sales by reinforcing its cost competency, and by making appeals for its high-level technologies to users by increasing production nearer to their locations.

The company will also work toward gaining new business areas and markets, including electromechanics, housing, and automobile industries.

(7)Basic Policy of Corporate Governance

To maximize shareholders' interest, the company aims for fair management by enhancing transparency to shareholders. The Board of Directors is composed of 16 members, none of whom are from outside the company. To segregate the management monitoring function from the business execution function, as is required of the Board of Directors, and to make the Board of Directors more efficient, the company has established as a supreme decision-making body a management meeting consisting mainly of executive directors.

This management meeting invites certain responsible directors, as needed, to collect necessary information from them, and solicits objective opinions from such third parties as lawyers and accountants as well. Opinions of the meeting are put together after discussion. Based on such information and opinions, the meeting's members exchange views and assemble proposals for the Board of Directors to discuss and to make final decisions for the company.

The company has also established the Internal Audit Office, to monitor the correctness of daily operations, and the appropriateness and efficiency of the management of the company and its affiliates at home and abroad. It is also working to strengthen the supervisory functions of the Corporate Auditors Meeting, which is composed of four auditors. The auditors of all group companies in Japan hold regular meetings to exchange information on auditing practices.

The company will continue considering important the study of the pros and cons of introducing a committee system into its management structure, but will continue reforming the management structure and system within the current framework of the Board of Directors and Corporate Auditors Meeting.

The company will continue to work to demonstrate complete compliance with laws, rules, and regulations, and to increase accountability to respond to the trust of shareholders and investors.

Business Performance and Financial Standings

1. Business Performance

(1)Summary of Business Performance for the Current Consolidated Interim Fiscal Term

Net sales for the current consolidated interim fiscal term were ¥75,331 million, marking a decrease of ¥1,537 million (2.0 percent) since the same period of last year. Our sales to makers of machine tools have been firm, as there was increased demand for such items due to active equipment investment by automobile industry. Sales to makers of electronics-related products, mainly of semiconductors and liquid crystal manufacturing devices, which have been undergoing economic adjustments since the second half of last year, showed a stronger recovery in this interim fiscal term, although their performance did not surpass that of last year. Sales for the current consolidated interim fiscal term therefore decreased compared with the previous consolidated interim fiscal term, but exceeded the target of ¥73 billion set at the beginning of the current fiscal term.

The sales-cost ratio improved by 0.4 percent, to 63.2 percent, from the same period of last year. We have worked to lower costs by increasing productivity, but variable costs ratio increased due to higher materials costs and to lower capacity utilization associated with lower sales. A reorganization of products was also conducted, to achieve increased productivity at domestic plants, which was a one-time cost. The cost ratio increased due to an increase in production costs associated with the construction of a new building at the Gifu plant, as a part of production system improvements for expansion into new business areas.

Sales and general administrative expenses increased by ¥1,564 million, to ¥14,854 million, since the same period last year, due to increases of consolidated subsidiaries in the current consolidated interim term.

As a result, operating income marked ¥12,860 million, down ¥2,468 million (16.1 percent), and ordinary income was ¥13,972 million, down ¥2,569 million (15.5 percent).

Interim net income was ¥8,010 million, down ¥2,378 million (22.9 percent), because an asset-impairment accounting method was applied for fixed assets in the current consolidated interim accounting period and an impairment loss was recorded as a special loss.

Summary of Consolidated Business Performance (Millions of Yen)

	Six months ended Sep 30, 2004			Six months ended Sep 30, 2005		
	Amount	%	Inc/Dec (%) from 2003 (interim)	Amount	%	Inc/Dec (%) from 2004 (interim)
Net sales	76,868	100.0	37.5	75,331	100.0	(2.0)
Operating income	15,329	19.9	137.8	12,860	17.1	(16.1)
Ordinary income	16,542	21.5	171.7	13,972	18.6	(15.5)
Net income	10,388	13.5	248.9	8,010	10.6	(22.9)

Reference: Summary of Non-consolidated Business Performance (Millions of Yen)

	Six months ended Sep 30, 2004			Six months ended Sep 30, 2005		
	Amount	%	Inc/Dec (%) from 2003 (interim)	Amount	%	Inc/Dec (%) from 2004 (interim)
Net sales	63,770	100.0	42.0	61,905	100.0	(2.9)
Operating income	13,684	21.5	97.2	10,891	17.6	(20.4)
Ordinary income	14,747	23.1	115.8	11,561	18.7	(21.6)
Net income	8,885	13.9	133.8	6,642	10.7	(25.2)

(2)Segment Information for the Current Consolidated Interim Fiscal Term

Segment information by location is as follows.

Japan: Sales to makers of machine tools and industrial machinery have been good, due to the sustained good performance of machine tool industry brought on by active equipment investments by the automobile industry. Sales to makers of electronics products have gradually decreased in the first and second halves of last fiscal year, and showed strong recovery in this term, but were down from last fiscal year. As a result, net sales amounted to ¥67,137 million, a decrease of ¥2,094 million (3.0 percent) since the previous interim consolidated fiscal year. Operating income was ¥11,516 million, a decrease of ¥2,848 million.

North America: Sales to makers of transportation equipment and machine tools remained firm. Net sales increased by ¥306 million (5.0 percent) over the previous interim consolidated fiscal Year, to ¥6,436 million. Operating income was ¥625 million, down ¥68 million (9.8 percent).

Europe: Sales to machine tool and general machinery makers continued to be strong. Net sales increased by ¥463 million (5.7 percent) over the previous interim consolidated fiscal year, to ¥8,531 million. Operating income was ¥497 million, an increase of ¥50 million (11.3 percent).

Asia and Other Regions: The Chinese economy continued high growth, and sales to machine tool and general machinery makers remained strong. Net sales were ¥3,254 million, an increase of ¥167 million (97.6 percent) from the previous interim consolidated fiscal year. Operating income increased by ¥156 million (518.6 percent), to ¥186 million.

(3)Profit-sharing for the Six Months Ended September 30, 2005

The company decided to pay an interim fiscal year-end dividend of ¥10 per share.

2. Financial Standings

(1)Analysis of Balance Sheets of the Consolidated Interim Fiscal Term

Total assets as of the end of the current consolidated interim fiscal term were ¥225,651 million, up ¥19,803 million from the previous consolidated interim fiscal term-end. Major factors were an increase of fixed assets, caused by the addition of consolidated subsidiaries, in addition to an increase in cash and deposits, due to an expansion of free cash flow to ¥2,385 million.

Liabilities decreased by ¥8,378 million, to ¥78,871 million, from the previous consolidated interim fiscal term-end, due to a decrease in warrant bonds through the exercise of stock acquisition rights.

Shareholders equity rose by ¥27,480 million from the previous consolidated interim fiscal term-end, to ¥145,671 million. Major factors were an increase in shareholders equity and capital surplus through the issuance of new shares, due to the exercise of stock acquisition rights, and an increase in capital surplus and retained earnings through the acquisition of DAITO SEIKI CO., LTD., via a share-for-share exchange in the second half of the previous consolidated interim fiscal term.

(New consolidated subsidiaries)

DAITO SEIKI CO., LTD., THK (SHANGHAI) CO., LTD., DALIAN THK CO., LTD., THK MANUFACTURING OF CHINA (WUXI) CO., LTD., THK MANUFACTURING OF CHINA (LIAONING) CO., LTD., THK (CHINA) CO., LTD., and Beldex KOREA Corporation.

(2)Analysis of Cash Flow Statements

Cash Flows from Operating Activities:

Cash flows from operating activities show an inflow position of ¥8,236 million (in the same period of last year this was ¥8,028 million), due to net interim income before income taxes and other taxes of ¥13,106 million, depreciation costs of ¥3,050 million, payment of corporate taxes of ¥6,743 million, and other reasons.

Cash Flows from Investment Activities:

Cash flows from investment activities show an outflow position of ¥5,851 million (in the same period of last year this was ¥3,000 million), due to payments for the acquisition of fixed assets and other items.

Cash Flows from Financing Activities:

Cash flows from financing activities show an outflow position of ¥467 million (in the same period of last year this was ¥890 million), due to dividend payments and other reasons.

The total outstanding balance of cash and cash equivalents therefore increased to ¥78,439 million as of the current consolidated interim year-end, an increase of ¥2,452 million over the previous consolidated fiscal year-end.

(3)Analysis of Cash Flow Indices

	FY2003 (interim)	FY 2004	FY2004 (interim)	FY 2005	FY2005 (interim)
Equity ratio (%)	59.2	57.1	57.4	58.0	64.6
Equity ratio on mark-to-market basis (%)	127.5	127.1	106.4	117.6	158.0
Debt redemption years (years)	6.4	2.4	4.7	1.7	3.5
Interest coverage ratio (multiples)	21.2	31.9	99.4	137.6	98.5

Equity Ratio: Shareholders equity as of fiscal year-end / Total assets as of fiscal year-end

Equity Ratio on a Mark-to-market Basis: Market capitalization of stocks as of fiscal year-end / Total assets as of fiscal year-end

Debt Redemption Years: Interest-bearing debts as of fiscal year-end / Net cash flows provided by operating activities

Interest Coverage Ratio: Net cash flows provided by operating activities / interest payable

- These are all calculated using consolidated financial data.
- Market capitalization of stocks is calculated by multiplying the total number of stocks issued, by a closing stock price as of fiscal year-end.
- Corporate bonds with non-interest-bearing warrants are included in interest-bearing debts.

3.Earnings Projections

(1)General Earnings Projections for the Fiscal Year Ending March 31, 2006

The operating environment of this corporate group is solid, based on active equipment investment demand, despite concerns about rising oil and materials prices. Sales to machine-tool and general industrial machinery makers remain strong, and demand from electronics makers (such as semiconductors and liquid crystal manufacturing devices) is showing a recovery, and so we revised our annual sales projection upward from the original projection of ¥148 billion, to ¥155 billion.

Our earnings projection for the fiscal year ending March 31, 2006, is as follows.

Consolidated Earnings Projections for the Fiscal Year Ending March 31, 2006(Millions of Yen)

	Consolidated			Non-consolidated		
	Amount	%	Inc/Dec from Fiscal 2005 (%)	Amount	%	Inc/Dec from Fiscal 2005 (%)
Net sales	155,000	100.0	5.3	127,000	100.0	5.3
Operating income	25,400	16.4	(2.2)	22,000	17.3	(4.2)
Ordinary income	27,100	17.5	(1.9)	22,800	18.0	(5.2)
Net income	16,000	10.3	(7.7)	13,300	10.5	(8.3)

Annual average foreign exchange rate of ¥109.60 per US$1 and ¥136.50 per €1 is used to calculate earnings projections for the fiscal year ending March 31, 2006.

(2)Dividends Projection for the Full Fiscal Year Ending March 31, 2006

The company plans to pay ¥20 per share (interim dividends of ¥10), an increase of ¥2 over the previous year. The payment of fiscal year-end dividends will be made after a resolution by the general shareholders meeting scheduled for July 2006.

4.Business Risks

The following are risks and uncertainties that may affect the business performance and financial conditions of this corporate group.

(1) Dependency on the LM System
Our main business is the manufacture and sale of the LM System, centered on the LM Guide (liner motion guide). We rely on sales of the LM System for a majority of our total sales, which is expected to continue for the foreseeable future. If our products lose their position as primary machinery parts, however, due to unexpected technological innovations, the business performance and financial conditions of this corporate group may be adversely affected.

(2) Impact from changes in the manufacturing trends of certain industries.
This corporate group manufactures and sells such vital machinery components as the LM Guide and ball screws, used primarily by such industrial machine makers as general machinery and semiconductor manufacturing equipment. We are making efforts to increase such users by expanding overseas and into new fields, nonetheless we are affected by trends in the general machinery and semiconductor manufacturing equipment industries that support our performance base.
The future performance and financial conditions of this corporate group may be adversely affected by a decrease in the manufacturing level of particular industries, but we believe that such trends will not in same direction on a global basis, and will be dependent on the economic conditions of individual counties.

(3) Expansion of our overseas business
Our group maintains sales and manufacturing facilities in the North America, Europe, Asia, and elsewhere, and so the performance and financial conditions of this corporate group may be adversely affected by economic downturns in the countries where we operate, and by subsequent decreases in demand for our products, or by unexpected regulatory changes in those countries.

(4) Fluctuations of Foreign Exchange Rates
This corporate group conducts some business in foreign currencies, and is trying to hedge exchange risks through forward exchange contracts and other means, but performance and financial conditions may be adversely affected by large, unexpected fluctuations of exchange rates.

Consolidated Balance Sheets

(Millions of yen)

Account Items	As of Sep. 30, 2004		As of Sep. 30, 2005		As of Mar. 31, 2005	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets :						
Cash on hand and in banks	60,959		78,203		75,842	
Notes and accounts receivable-trade	55,485		53,063		49,604	
Short-term investments in securities	290		236		144	
Inventories	22,899		23,887		24,208	
Deferred tax assets	2,853		2,902		3,040	
Short-term loans	193		106		102	
Other	2,232		1,496		1,495	
Less: Allowance for doubtful debts	(270)		(190)		(253)	
Total current assets	144,643	70.3	159,706	70.8	154,185	70.1
Fixed assets :						
Tangible fixed assets ※1 ※2						
Buildings and structures	14,515		18,113		18,799	
Machinery, equipment and vehicles	15,723		20,492		18,220	
Land	10,165		9,854		11,446	
Construction in progress	1,947		1,934		3,299	
Other	1,581		1,795		1,728	
Total tangible fixed assets	43,934	21.3	52,190	23.1	53,494	24.3
Intangible fixed assets	1,245	0.6	1,211	0.5	1,239	0.6
Investments and other						
Long-term investments in securities	8,488		7,658		6,668	
Deferred tax assets	1,350		1,152		1,095	
Other	6,610		4,146		3,748	
Less: Allowance for doubtful debts	(424)		(415)		(424)	
Total investments and others	16,024	7.8	12,542	5.6	11,088	5.0
Total fixed assets	61,204	29.7	65,944	29.2	65,822	29.9
Total assets	205,848	100.0	225,651	100.0	220,007	100.0

(Millions of yen)

Account Items	As of Sep. 30, 2004		As of Sep. 30, 2005		As of Mar. 31 , 2005	
	Amount	%	Amount	%	Amount	%
Liabilities						
Current liabilities :						
Notes and accounts payable – trade	29,106		27,289		25,391	
Current portion of long-term debt	—		186		186	
Accrued income taxes	5,873		5,246		6,685	
Accrued for bonuses	1,839		2,091		2,094	
Other	9,127		9,348		11,999	
Total current liabilities	45,947	22.3	44,162	19.5	46,356	21.1
Long-term liabilities :						
Bonds	15,000		15,000		15,000	
Bonds with stock acquisition rights	23,000		13,040		23,000	
Long-term debt	—		256		350	
Allowance for retirement and severance benefits	1,688		2,212		2,106	
Allowance for directors' and auditors' retirement benefits	1,345		—		—	
Consolidation adjusting account	—		2,592		2,916	
Other	269		1,607		1,671	
Total long-term liabilities	41,303	20.1	34,709	15.4	45,045	20.5
Total liabilities	87,250	42.4	78,871	34.9	91,402	41.6
Minority interests						
Minority interests	407	0.2	1,108	0.5	955	0.4
Shareholders' equity						
Common stock	23,106	11.2	28,086	12.4	23,106	10.5
Capital surplus	30,962	15.0	37,822	16.8	32,651	14.8
Earned surplus	65,288	31.7	77,776	34.5	71,130	32.3
Valuation adjustment for marketable securities	631	0.3	1,455	0.6	1,041	0.5
Foreign currency translation adjustments	(468)	(0.2)	566	0.3	327	0.2
Treasury stock	(1,329)	(0.6)	(36)	(0.0	(607)	(0.3)
Total shareholders' equity	118,190	57.4	145,671	64.6	127,649	58.0
Total liabilities, minority interests, and shareholders' equity	205,848	100.0	225,651	100.0	220,007	100.0

Consolidated Statements of Income

(Millions of yen)

Account Items	Six Months ended Sep. 30, 2004		Six Months ended Sep. 30, 2005		Year ended March 31, 2005	
	Amount	%	Amount	%	Amount	%
Net sales	76,868	100.0	75,331	100.0	147,158	100.0
Cost of sales	48,249	62.8	47,615	63.2	93,551	63.6
Gross profit	28,619	37.2	27,715	36.8	53,606	36.4
Sales, general and administrative expenses	13,290	17.3	14,854	19.7	27,632	18.7
Packaging and transportation	1,111		1,363		2,447	
Advertising and promotions	343		432		785	
Salaries and allowances	4,138		4,226		9,278	
Provision for employee bonuses	679		772		731	
Retirement expenses	82		114		172	
Provision for directors’ bonuses	29		—		29	
Rental expenses	864		1,067		1,803	
Depreciation and amortization	346		429		740	
Research and development	1,287		1,352		2,685	
Other	4,408		5,095		8,959	
Operating income	15,329	19.9	12,860	17.1	25,974	17.7
Non-operating income	1,381	1.8	1,304	1.7	2,054	1.4
Interest income	117		129		228	
Dividend income	20		27		52	
Foreign exchange gain	516		266		362	
Equity in earnings of unconsolidated subsidiaries and affiliates	—		324		324	
Rental income	284		217		433	
Amortization of consolidation adjusting account	93		95		168	
Others	349		243		484	
Non-operating expenses	168	0.2	192	0.2	381	0.3
Interest expenses	80		83		162	
Foreign exchange loss	46		43		88	
Others	41		65		131	
Ordinary income	16,542	21.5	13,972	18.6	27,646	18.8

(Millions of yen)

Account Items	Six Months ended Sep. 30, 2004		Six Months ended Sep. 30, 2005		Year ended March 31, 2005	
	Amount	%	Amount	%	Amount	%
Extraordinary income	22	0.0	399	0.5	226	0.1
Reversal of allowance for doubtful debts	22		379		177	
Reversal of allowance for directors' retirement benefits	—		20		1	
Reversal of allowance for directors' retirement benefits	—		—		47	
Extraordinary loss	591	0.7	1,265	1.7	1,028	0.7
Loss on sales of property, plant and equipment	46		94		378	
Loss on liquidation of subsidiary company	545		—		649	
Loss on arrangement of subsidiary company	—		1,142		—	
Others	—		28		—	
Net income before taxes and minority interests	15,973	20.8	13,106	17.4	26,845	18.2
Income taxes – current	5,605	7.3	5,185	6.8	9,510	6.4
Income taxes – deferred	(54)	(0.1)	(195)	(0.2)	(67)	(0.0)
Minority interest in income of consolidated subsidiaries	32	0.0	106	0.2	54	0.0
Net income	10,388	13.5	8,010	10.6	17,348	11.8

Consolidated Statements of Retained Earnings

(Millions of Yen)

Account Items	1H/FY2004 Apr-Sep 2004 Amount		1H/FY2005 Apr-Sep 2005 Amount		FY2004 Mar. 31 , 2005 Amount	
Capital Surplus						
Capital surplus at the beginning of the period		30,962		32,651		30,962
Increase in capital surplus						
Gain on disposition of treasury stocks	—		191		688	
Increase in capital surplus due to an increase in the number of consolidated subsidiaries	—		—		1,000	
Issuance of new stocks by the exercise of stock acquisition rights	—	—	4,980	5,171	—	1,689
Capital surplus at the end of the period		30,962		37,822		32,651
Retained earnings						
Retained earnings at the beginning of the period		55,836		71,130		55,836
Increase in retained earnings						
Net income	10,388	10,388	8,010	8,010	17,348	17,348
Decrease in retained earnings						
Dividends	887		1,254		1,772	
Bonuses to directors	50		110		50	
Decrease in retained earnings due to an increase in the number of consolidated subsidiaries	—	937	—	1,364	232	2,054
Retained earnings at the end of the period		65,288		77,776		71,130

Consolidated Statements of Cash Flows

(Millions of yen)

	1H/FY2004 Apr-Sep 2004	1H/FY2005 Apr-Sep 2005	FY2004 Mar 31 , 2005
Cash flows from operating activities：			
Income before income tax and minority interests	15,973	13,106	26,845
Depreciation and amortization	2,719	3,050	5,657
Loss on impairment of fixed assets	―	1,142	―
Loss on sales or disposal of property, plant and equipment	23	(285)	200
Loss on arrangement of subsidiary company	545	―	649
Increase (decrease) in provisions	445	35	(716)
Interest and dividend income	(138)	(157)	(281)
Interest expenses	80	83	162
Foreign exchange gain (loss)	(296)	(160)	(167)
Equity in earnings of unconsolidated subsidiaries and affiliates	(284)	(217)	(433)
Amortization of consolidating adjustments	―	(324)	(324)
Decrease (increase) in notes and accounts receivable	(9,231)	(3,407)	(3,202)
Decrease (increase) in inventories	181	371	14
Increase (decrease) in notes and accounts payable	4,921	1,915	3,098
Other	(657)	(342)	227
Subtotal	14,281	14,812	31,729
Interest and dividend income received	200	255	339
Interest expenses paid	(80)	(86)	(191)
Income taxes paid or reclaimed.	(6,373)	(6,743)	(9,499)
Net cash provided by operating activities	8,028	8,236	22,378
Cash flows from investing activities :			
Increase in time deposits due over three months	30	―	30
Payments for purchases of property, plant and equipment	(2,663)	(6,989)	(6,963)
Proceeds from sales of property, plant and equipment	93	1,133	215
Payments for purchases of long-term investment securities	(466)	(6)	(475)
Proceeds from sales of long-term investment securities	2	35	3
Increase in loans	(400)	(31)	(400)
Collection of loans	403	6	418
Net cash provided by investing activities	(3,000)	(5,851)	(7,171)
Cash flows from financing activities :			
Repayment of long-term debt	―	(97)	(36)
Cash dividends	(885)	(1,253)	(1,771)
Proceeds from sales of treasury stock	―	898	―
Purchase of treasury stock	(5)	(7)	(14)
Other	0	(8)	0
Net cash provided by financing activities	(890)	(467)	(1,821)
Effect of exchange rate change on cash and cash equivalents	74	534	(41)
Net increase in cash and cash equivalents	4,212	2,452	13,343
Cash and cash equivalents at the beginning of the period	57,037	75,987	57,037
Increase in cash and cash equivalents due to initial inclusion of consolidated subsidiary	―	―	5,622
Decrease in cash and cash equivalents due to exclusion of consolidated subsidiary	―	―	(15)
Cash and cash equivalents at the end of the period	61,249	78,439	75,987

Basis for Preparing Interim Consolidated Financial Statements

Item	Previous Interim Consolidated Fiscal Year (4/1/04~9/30/04)	Current Interim Consolidated Fiscal Year (4/1/05~9/30/05)	Previous Consolidated Fiscal Year (4/1/04~3/31/05)
1 Scope of Consolidation	(1) Number of consolidated subsidiaries: 14 Names of main consolidated subsidiaries TALK SYSTEM CO., LTD. THK America, Inc. THK Manufacturing of America, Inc. THK Europe B.V. THK GmbH THK Manufacturing of Europe S.A.S.	(1) Number of consolidated subsidiaries: 20 Names of main consolidated subsidiaries DAITO SEIKI CO., LTD. TALK SYSTEM CO., LTD. THK America, Inc. THK Manufacturing of America, Inc. THK Europe B.V. THK GmbH THK Manufacturing of Europe S.A.S. Newly established THK (CHINA) CO., LTD. and Beldex KOREA Corporation are included in consolidated subsidiaries effective from the current interim fiscal year.	(1) Number of consolidated subsidiaries: 18 Names of main consolidated subsidiaries DAITO SEIKI CO., LTD. TALK SYSTEM CO., LTD. THK America, Inc. THK Manufacturing of America, Inc. THK Europe B.V. THK GmbH THK Manufacturing of Europe S.A.S. DAITO SEIKI CO., LTD., which had been a subsidiary accounted for using equity method, became a wholly owned subsidiary through a stock swap on November 1, 2004, and therefore is included in consolidated subsidiaries effective from this consolidated fiscal year. THK (SHANGHAI) Co., LTD, DALIAN THK CO., LTD., and THK MANUFACTURING OF CHINA (LIAONING) CO., LTD., which had been unconsolidated subsidiaries, are included in consolidated subsidiaries effective from this fiscal year as their significance increased. THK MANUFACTURING OF (WUXI) CO., LTD. was established in March 2005, and therefore it is also included in consolidated subsidiaries. PGM Ballscrews Ltd., which had been a consolidated subsidiary, started its liquidation procedures and there was no more a parent-subsidiary relationship with THK, and therefore it is excluded from consolidated subsidiaries in this consolidated fiscal year, but its statement of income immediately before the start of liquidation process alone is included in the consolidated statement of income.

Item	Previous Interim Consolidated Fiscal Year (4/1/04~9/30/04)	Current Interim Consolidated Fiscal Year (4/1/05~9/30/05)	Previous Consolidated Fiscal Year (4/1/04~3/31/05)
	(2) Names of main unconsolidated subsidiaries Main unconsolidated subsidiaries are DALIAN THK CO., LTD. and Nippon Slide CO., LTD. (Reason for excluding from the consolidation) The unconsolidated subsidiaries are small, and their total assets, sales, net interim income/loss (corresponding to equity portion) have no material effect on interim consolidated financial statements.	(2) Name of main unconsolidated subsidiaries A main unconsolidated subsidiary is Nippon Slide CO., LTD. (Reason for excluding from the consolidation) The unconsolidated subsidiaries are small, and their total assets, sales, net interim income/loss (corresponding to equity portion) have no material effect on interim consolidated financial statements.	(2) Name of main unconsolidated subsidiaries A main unconsolidated subsidiary is Nippon Slide CO., LTD. (Reason for excluding from the consolidation) The unconsolidated subsidiaries are small, and their total assets, sales, net interim income/loss (corresponding to equity portion) have no material effect on consolidated financial statements.
2 Use of the Equity Method	(1) Number of affiliated companies accounted for using the equity method: 2 Names of the companies: DAITO SEIKI CO., LTD. SAMICK LMS CO., LTD. (2) Names of main unconsolidated subsidiaries and affiliated companies not accounted for using the equity method DALIAN THL CO., LTD. Nippon Slide CO., LTD. (Reasons not being accounted for using the equity method) Net income/loss (corresponding to equity portion) and retained earnings (corresponding to equity portion) of unconsolidated subsidiaries and affiliated companies not accounted for using the equity method have no material impact on the interim consolidated financial statements and they are of no significance as a whole.	(1) Number of affiliated companies accounted for using the equity method: 1 Name of the company: SAMICK LMS CO., LTD. (2) Names of main unconsolidated subsidiaries and affiliated companies not accounted for using the equity method Nippon Slide CO., LTD. (Reasons not being accounted for using the equity method) Net income/loss (corresponding to equity portion) and retained earnings (corresponding to equity portion) of unconsolidated subsidiaries and affiliated companies not accounted for using the equity method have no material impact on the interim consolidated financial statements and they are of no significance as a whole.	(1) Number of affiliated companies accounted for using the equity method: 1Name of the company: SAMICK LMS CO., LTD. DAITO SEIKI CO., LTD. became a wholly owned subsidiary of THK, and therefore it is excluded from a company accounted for using the equity method. (2) Names of main unconsolidated subsidiaries and affiliated companies not accounted for using the equity method Nippon Slide CO., LTD. (Reasons not being accounted for using the equity method) Net income/loss (corresponding to equity portion) and retained earnings (corresponding to equity portion) of unconsolidated subsidiaries and affiliated companies not accounted for using the equity method have no material impact on the interim consolidated financial statements and they are of no significance as a whole.

Item	Previous Interim Consolidated Fiscal Year (4/1/04~9/30/04)	Current Interim Consolidated Fiscal Year (4/1/05~9/30/05)	Previous Consolidated Fiscal Year (4/1/04~3/31/05)
3 Interim Fiscal Years (Fiscal Years) of consolidated subsidiaries	Of consolidated subsidiaries, the following subsidiaries' interim fiscal year ends on June 30: THK Holdings of America, L.L.C.; THK America, Inc.; THK Manufacturing of America, Inc.; THK Neturen America, L.L.C.; THK Europe B.V.; THK GmbH; THK France S.A.S.; THK Manufacturing of Europe S.A.S.; PGM Ballscrews Ltd.; PGM Ballscrews Ireland Ltd.; THK TAIWAN CO., LTD. In preparing interim consolidated financial statements, subsidiaries' interim financial statements as of their interim settlement date are adopted, but adjustment has been made for significant transactions between subsidiaries' interim fiscal year-ends and consolidated interim fiscal year-end (September 30).	Of consolidated subsidiaries, the following subsidiaries' interim fiscal year ends on June 30: THK Holdings of America, L.L.C.; THK America, Inc.; THK Manufacturing of America, Inc.; THK Neturen America, L.L.C.; THK Europe B.V.; THK GmbH; THK France S.A.S.; THK Manufacturing of Europe S.A.S.; PGM Ballscrews Ireland Ltd.; THK TAIWAN CO., LTD.; Beldex KOREA Corporation; THK (SHANGHAI) CO., LTD.; DALIAN THK CO., LTD.; THK MANUFACTURING OF (WUXI) CO., LTD.; THK MANUFACTURING OF (LIAONING) CO., LTD.; THK (CHINA) CO., LTD. In preparing interim consolidated financial statements, subsidiaries' interim financial statements as of their interim settlement date are adopted, but adjustment has been made for significant transactions between subsidiaries' interim fiscal year-ends and consolidated interim fiscal year-end (September 30).	Of consolidated subsidiaries, the following subsidiaries' interim fiscal year ends on December 31: THK Holdings of America, L.L.C.; THK America, Inc.; THK Manufacturing of America, Inc.; THK Neturen America, L.L.C.; THK Europe B.V.; THK GmbH; THK France S.A.S.; THK Manufacturing of Europe S.A.S.; PGM Ballscrews Ireland Ltd.; THK TAIWAN CO., LTD.; THK THK (SHANGHAI) CO., LTD.; DALIAN THK CO., LTD.; THK MANUFACTURING OF (WUXI) CO., LTD.; THK MANUFACTURING OF (LIAONING) CO., LTD. In preparing interim consolidated financial statements, subsidiaries' interim financial statements as of December 31 are adopted, but adjustment has been made for significant transactions between subsidiaries' interim fiscal year-ends and consolidated fiscal year-end (March 31).

Item	Previous Interim Consolidated Fiscal Year (4/1/04~9/30/04)	Current Interim Consolidated Fiscal Year (4/1/05~9/30/05)	Previous Consolidated Fiscal Year (4/1/04~3/31/05)
4 Accounting Standards	(1) Evaluation standards and methods for significant assets i. Securities Other securities Marketable securities: Stated at market value at the interim fiscal year-end (valuation gains and losses are included in shareholders' equity, net of taxes, and costs of sales are calculated using the moving-average method) Non-marketable securities: Stated at costs determined using the moving-average method	(1) Evaluation standards and methods for significant assets i. Securities Same as left For amounts invested to investment business limited partnerships and partnerships similar to them (those deemed to be securities by Article 2, paragraph 2 of Securities and Exchange Law), net equity equivalent amount calculated based on the latest financial statements available as of settlement report date prescribed in a contract of partnership is stated. (Amendment of statement method) The "Law Amending a Part of Securities and Exchange Law" (Law No. 97, 2004) was promulgated on June 9, 2004 and it became effective on December 1, 2004, and "Practical Guideline for Financial Products Accounting" (Accounting System Council Report No.14) was also revised on February 15, 2005. Due to these changes, the company amended effective from the current interim consolidated fiscal year its method of stating amounts investing to investment business limited partnerships or partnerships similar to them (those deemed to be securities by Article 2, paragraph 2 of Securities and Exchange Law) to include in investment securities. Such amounts included in investment securities as of the end of the current interim consolidated fiscal year are ¥112 million.	(1) Evaluation standards and methods for significant assets i. Securities Other securities Marketable securities: Stated at market value at the fiscal year-end (valuation gains and losses are included in shareholders' equity, net of taxes, and costs of sales are calculated using the moving-average method) Non-marketable securities: Stated at costs determined using the moving-average method For amounts invested to investment business limited partnerships and partnerships similar to them (those deemed to be securities by Article 2, paragraph 2 of Securities and Exchange Law), net equity equivalent amount calculated based on the latest financial statements available as of settlement report date prescribed in a contract of partnership is stated. (Amendment of statement method) The "Law Amending a Part of Securities and Exchange Law" (Law No. 97, 2004) was promulgated on June 9, 2004 and it became effective on December 1, 2004, and "Practical Guideline for Financial Products Accounting" (Accounting System Council Report No.14) was also revised on February 15, 2005. Due to these changes, the company amended effective from this consolidated fiscal year its method of stating amounts investing to investment business limited partnerships or partnerships similar to them (those deemed to be securities by Article 2, paragraph 2 of Securities and Exchange Law) to include in investment securities. Such mounts included in investment securities as of the end of this consolidated fiscal year are ¥128 million.

Item	Previous Interim Consolidated Fiscal Year (4/1/04~9/30/04)	Current Interim Consolidated Fiscal Year (4/1/05~9/30/05)	Previous Consolidated Fiscal Year (4/1/04~3/31/05)
	ii. Inventories THK, TALK SYSTEM CO., LTD., THK NIIGATA CO., LTD., and THK Manufacturing of Europe S.A.S. stated their inventories mainly using the gross average cost method, THK America, Inc., THK Manufacturing of America, Inc., THK Neturen America, L.L.C., PGM Ballscrews Ltd., and PGM Ballscrews Ireland Ltd. stated their inventories at lower of cost or market using the first-in-first-out method, THK Europe B.V., THK GmbH, THK France S.A.S. and THK TAIWAN CO., LTD., at lower of cost or market using the moving average method, and Beldex Corporation stated mainly at cost using the actual cost method.	ii. Inventories THK, TALK SYSTEM CO., LTD., THK NIIGATA CO., and THK Manufacturing of Europe S.A.S. stated their inventories mainly using the gross average cost method, THK America, Inc., THK Manufacturing of America, Inc., THK Neturen America, L.L.C., and PGM Ballscrews Ireland Ltd., THK (SHANGHAI) CO., LTD, and THK TAIWAN CO., LTD. stated their inventories at lower of cost or market using the first-in-first-out method, THK Europe B.V., THK GmbH, THK France S.A.S., DALIAN THK CO., LTD., and THK MANUFACTURING (WUXI) CO., LTD., at lower of cost or market using the moving average method, and DAITO SEIKI CO., LTD. and Beldex Corporation stated mainly at cost using the actual cost method. (Change in Accounting Treatment) Although THK TAIWAN CO., LTD had stated its inventories accounted at lower cost or market using the moving average method so far, it has applied first-in-first–out lower or market method effective from the current interim fiscal year. This change was made for the purpose of properly grasping cost of sales by sales units and improving the periodic accounting of profit and loss, taking the occasion of having introduced a sale/distribution system and accounting system as a part of implementing a program to achieve more speedy and efficient clerical works. The impact of this change on the current interim financial statements was minor. Statement of the amount in the segment information affected by this change is omitted since its impact is minor.	ii. Inventories THK, TALK SYSTEM CO., LTD., THK NIIGATA CO., and THK Manufacturing of Europe S.A.S. stated their inventories mainly using the gross average cost method, THK America, Inc., THK Manufacturing of America, Inc., THK Neturen America, L.L.C., and PGM Ballscrews Ireland Ltd., and THK (SHANGHAI) CO., LTD., stated their inventories at lower of cost or market using the first-in-first-out method, THK Europe B.V., THK GmbH, THK France S.A.S., THK TAIWAN CO., LTD., DALIAN THK CO., LTD., and THK MANUFACTURING (WUXI) CO., LTD., at lower of cost or market using the moving average method, and Daito Seiki Co., Ltd. and Beldex Corporation stated mainly at cost using the actual cost method.

Item	Previous Interim Consolidated Fiscal Year (4/1/04~9/30/04)	Current Interim Consolidated Fiscal Year (4/1/05~9/30/05)	Previous Consolidated Fiscal Year (4/1/04~3/31/05)
	(2) Method of depreciation and amortization i. Tangible fixed assets The tangible fixed assets of the company and its domestic subsidiaries are depreciated using the declining-balance method, and those of overseas consolidated subsidiaries are depreciated using either the straight-line method or the accelerated depreciation method, depending on their local accounting standards. The amount of depreciation for buildings (excluding fixtures to buildings) acquired on and after April 1, 1998, by the company and its domestic subsidiaries is estimated using the straight-line method. The useful lives of main properties are as follows: Buildings and structure 5-50 years Machinery, equipment, and vehicle 4-10 years ii. Intangible fixed assets The straight-line method is used by the company and its domestic consolidated subsidiaries. Software costs for their internal use are amortized using the straight-line method over their estimated useful lives (5 years). The intangible fixed assets of overseas consolidated subsidiaries are amortized using the straight-line method, based on their local accounting standards.	(2) Method of depreciation and amortization i. Tangible fixed assets Same as left ii. Intangible fixed assets Same as left	(2) Method of depreciation and amortization i. Tangible fixed assets Same as left ii. Intangible fixed assets Same as left

Item	Previous Interim Consolidated Fiscal Year (4/1/04~9/30/04)	Current Interim Consolidated Fiscal Year (4/1/05~9/30/05)	Previous Consolidated Fiscal Year (4/1/04~3/31/05)
	(3) Accounting standards for major allowance i. Allowance for doubtful accounts To prepare for possible losses caused by irrecoverable money claims at the fiscal year-end, the company and its domestic subsidiaries provide allowances as follows: For general credit claims, allowance is provided for the amount calculated based on the past credit loss experience, and for specifically doubtful credit claims, allowance is provided for the estimated uncollectible amount based on the collectibility assessment for individual credit claims. Overseas consolidated subsidiaries provide allowances for the amounts they deem necessary, considering the collectibility of specific doubtful credit claims. ii. Allowance for bonuses Allowance for employee bonuses is provided in provisions for payment of bonuses to employees in the amount of estimated bonuses, which are attributable to this interim consolidated fiscal year. iii. Allowance for retirement and severance benefits Allowance for employee retirement benefits is provided in provision for payment of retirement benefits to employees in the amount deemed accrued at the end of this interim consolidated fiscal year, based on the projected retirement benefit obligation and fair value of pension assets at the consolidated fiscal year end. The unrecognized net actuarial difference is amortized using the straight-line method over a number of years (usually 10 years) within the employees' average remaining employment period, commencing from the next consolidated fiscal year in which they arise (stated as either income or expense in the statement of income).	(3) Accounting standards for major allowance i. Allowance for doubtful accounts Same as left ii. Allowance for bonuses Same as left iii. Allowance for retirement and severance benefits Allowance for employee retirement benefits is provided in provision for payment of retirement benefits to employees in the amount deemed accrued at the end of the current interim consolidated fiscal year, based on the projected retirement benefit obligation and fair value of pension assets at the consolidated fiscal year end. The unrecognized net actuarial difference is amortized using the straight-line method over a number of years (usually 10 years) within the employees' average remaining employment period, commencing from the next consolidated fiscal year in which they arise (stated as either income or expense in the statement of income).	(3) Accounting standards for major allowance i. Allowance for doubtful accounts Same as left ii. Allowance for bonuses Allowance for employee bonuses is provided in provisions for payment of bonuses to employees in the amount of estimated bonuses, which are attributable to this consolidated fiscal year. iii. Allowance for retirement and severance benefits Allowance for employee retirement benefits is provided in provision for payment of retirement benefits to employees in the amount deemed accrued at the end of this consolidated fiscal year, based on the projected retirement benefit obligation and fair value of pension assets at the consolidated fiscal year end. The unrecognized net actuarial difference is amortized using the straight-line method over a number of years (usually 10 years) within the employees' average remaining employment period, commencing from the next consolidated fiscal year in which they arise (stated as either income or expense in the statement of income).

Item	Previous Interim Consolidated Fiscal Year (4/1/04~9/30/04)	Current Interim Consolidated Fiscal Year (4/1/05~9/30/05)	Previous Consolidated Fiscal Year (4/1/04~3/31/05)
	iv. Allowance for directors' and auditors' retirement benefit Allowance is provided for the amount that the company would have to pay at the end of the interim fiscal year, which is estimated in accordance with internal regulations. The system for paying these retirement benefits, however, was abolished in June 2004, so the outstanding balance of this allowance represents an estimated amount for payment to the directors and auditors currently holding offices under the previous system.	iv. Allowance for directors' and auditors' retirement benefit ――――	iv. Allowance for directors' and auditors' retirement benefit Although an allowance had been provided for the amount that the company would have to pay at the end of the fiscal year, which is estimated in accordance with internal regulations, the system to pay retirement benefits to directors and auditors was abolished effective as of June 26, 2004 when a regular shareholders' meeting was held. In this consolidated fiscal year, a difference in the amount of ¥47 million between the benefit amount actually paid and the outstanding balance of this allowance as of the abolishment date was included in a "reversal of allowance for directors' retirement benefit" of extraordinary income and a ¥981million, the unpaid defined benefits, was stated in "Other" of long-term liabilities account.
	(4) Accounting for major lease transactions Finance lease transactions, excluding those in which the ownership of the leased properties is transferred to the lessee, are accounted for in the same manner as operating leases.	(4) Accounting for major lease transactions Same as left	(4) Accounting for major lease transactions Same as left
	(5) Hedge accounting i. Method of hedge accounting Currency swap transactions meet the requirement of allocation treatment, and are accounted for accordingly.	(5) Hedge accounting i. Method of hedge accounting Exchange contract transactions and currency swap transactions meet the requirement of allocation treatment, and are accounted for accordingly. Interest swap transactions meet the requirement of special treatment, and are accounted for accordingly.	(5) Hedge accounting Same as left

Item	Previous Interim Consolidated Fiscal Year (4/1/04~9/30/04)	Current Interim Consolidated Fiscal Year (4/1/05~9/30/05)	Previous Consolidated Fiscal Year (4/1/04~3/31/05)
	ii. Hedging instruments and hedged items Currency swap transactions …Foreign currency denominated money claims	ii. Hedging instruments and hedged items Exchange contract transactions …Foreign currency denominated money claims Currency swap transactions …Foreign currency denominated money claims Interest swap transactions …Interest fluctuation of money borrowed	ii. Hedging instruments and hedged items Same as left
	iii. Hedging policy The company uses currency related hedge accounting for the purpose of fixing cash flows related to the collection of principal and interest on loans.	iii. Hedging policy The company uses exchange contract transactions and currency swap transactions for the purpose of hedging exchange rate fluctuation risks and fixing cash flows related to the payment of foreign currency denominated money liabilities or the collection of principal and interest on loans. The company uses interest related hedge accounting for the purpose of hedging risks for interest rate fluctuation for borrowings.	iii. Hedging policy Same as left
	iv. Assessment method for the effectiveness of hedges The company omits the assessment of the effectiveness of hedges for currency swap transactions, because the significant terms and conditions for such transactions and for hedged assets are identical, and are assumed beforehand to offset exchange rate fluctuations or cash flow fluctuations continuously from the time hedging is initiated.	iv. Assessment method for the effectiveness of hedges The company omits the assessment of the effectiveness of hedges for exchange contract transactions and currency swap transactions, because the significant terms and conditions for such transactions and for hedged assets/liabilities are identical, and are assumed beforehand to offset exchange rate fluctuations or cash flow fluctuations continuously from the time hedging is initiated. The company also omits the assessment of the effectiveness for interest swap transactions, because they meet the requirement of special treatment.	iv. Assessment method for the effectiveness of hedges Same as left

Item	Previous Interim Consolidated Fiscal Year (4/1/04~9/30/04)	Current Interim Consolidated Fiscal Year (4/1/05~9/30/05)	Previous Consolidated Fiscal Year (4/1/04~3/31/05)
	(6) Other significant items to prepare interim consolidated financial statements i. Consumption taxes Consumption taxes and local consumption taxes are excluded from the transaction amounts. ii. Treatment of reserves Taxes payable and corporate tax adjustment for the current interim consolidated fiscal year are calculated under the premise that entries of provisions and reversals will be made to and from reserve accounts for special depreciation in accordance with profit appropriation scheduled for the current fiscal year.	(6) Other significant items to prepare interim consolidated financial statements i. Consumption taxes Same as left ii. Treatment of reserves Same as left	(6) Other significant items to prepare consolidated financial statements i. Consumption taxes Same as left ii. ————
5 Scope of funds stated in the interim consolidated statements of cash flows (the consolidated statements of cash flows)	The funds (cash and cash equivalents) stated in the interim consolidated statements of cash flows are composed of cash on hand, bank deposits that can be withdrawn on demand, and short-term investments with original maturities of up to three months that are exposed to minor value fluctuation risk.	Same as left	The funds (cash and cash equivalents) stated in the consolidated statements of cash flows are composed of cash on hand, bank deposits that can be withdrawn on demand, and short-term investments with original maturities of up to three months that are exposed to minor value fluctuation risk.

Change in Accounting Treatment

Previous Interim Consolidated Fiscal Year (4/1/04~9/30/04)	Current Interim Consolidated Fiscal Year (4/1/05~9/30/05)	Previous Consolidated Fiscal Year (4/1/04~3/31/05)
—————	(Fixed asset impairment accounting standard) Effective this interim fiscal year, the company has adopted “Accounting Standard Concerning Fixed Asset Impairment” (Statement of Position Concerning Establishment of Fixed Asset Impairment Accounting Standard) (Business Accounting Council; August 9, 2002) and “Application Guideline for Fixed Asset Impairment Accounting Standard” (Business Accounting Standard Board, Business Accounting Standard Application Guideline No. 6, October 31, 2003). As a result, interim income before tax adjustment decreased ¥1,142 million. The amount of accumulated impairment loss was directly deducted from each asset in accordance with the amended interim financial statements regulation.	—————

Change in the Method of Statement

Previous Interim Consolidated Fiscal Year (4/1/04~9/30/04)	Current Interim Consolidated Fiscal Year (4/1/05~9/30/05)
(Interim Consolidated Statement of Income) “Commissions paid” which were included in “Sundry loss” in non-operating expenses accounted for the previous interim consolidated statement of income (¥20 million for the previous interim consolidated fiscal year) exceeded 10/100 of total non-operating expenses, therefore it is stated separately effective from the current interim consolidated fiscal year.	—————

Additional Information

Previous Interim Consolidated Fiscal Year (4/1/04~9/30/04)	Current Interim Consolidated Fiscal Year (4/1/05~9/30/05)	Previous Consolidated Fiscal Year (4/1/04~3/31/05)
With the enactment of the “Revision of the Local Tax Law” (Law No.9, 2003) on March 31, 2003, external standard taxation system has been introduced effective the fiscal year beginning April 1, 2004. Due to this change, effective this interim consolidated fiscal year, the company included the enterprise taxes computed based on “amount of value-added” and “amount of capital” in “Selling and General Administrative Expenses” on the interim consolidated statement of income pursuant to “Practical Treatment for Presentation of External Standards Taxation portion of Enterprise Taxes in the Statement of Income” (Business Accounting Standards Board, Practical Report of Practical Issues No.12 dated February 13, 2004). As a result, selling and general administrative expenses increased ¥158 million and operating income, ordinary income and pretax interim income decreased ¥158 million.	—————	With the enactment of the “Revision of the Local Tax Law” (Law No.9, 2003) on March 31, 2003, external standard taxation system has been introduced effective the fiscal year beginning April 1, 2004. Due to this change, effective this consolidated fiscal year, the company included the enterprise taxes computed based on “amount of value-added” and “amount of capital” in “Selling and General Administrative Expenses” on the consolidated statement of income pursuant to “Practical Treatment for Presentation of External Standards Taxation portion of Enterprise Taxes in the Statement of Income” (Business Accounting Standards Board, Practical Report of Practical Issues No.12 dated February 13, 2004). As a result, selling and general administrative expenses increased ¥305 million and operating income, ordinary income and pretax income decreased ¥305 million.

Notes

(Interim Consolidated Balance Sheet)

<table>
<tr><th>As of September 30,2004</th><th>As of September 30,2005</th><th>As of March 31,2005</th></tr>
<tr><td>1 Debt guarantees for companies other than consolidated subsidiaries are as follows:
(Millions of Yen)
<table><tr><th>Debtor</th><th>Amount</th><th>Guarantee</th></tr><tr><td>Debt guarantee
DALIAN THK CO., LTD.</td><td>214</td><td>Guarantee for borrowing from financial institutions</td></tr><tr><td>Total</td><td>214</td><td>—</td></tr></table></td><td>1 ―――――</td><td>1 ―――――</td></tr>
<tr><td>*2 ―――――</td><td>*2 Assets pledged and liabilities related to such pledged assets are as follows:
(Millions of Yen)
Mishima and Sendai Plant foundation collateral
Buildings and fixture 986
Machinery and equipment 179
Land 240
Total 1,406
Liabilities covered by the pledge is long-term borrowing for ¥212 million (current portion thereof is ¥72 million)</td><td>*2 Assets pledged and liabilities related to such pledged assets are as follows:
(Millions of Yen)
Mishima and Sendai Plant foundation collateral
Buildings and fixture 1,016
Machinery and equipment 182
Land 240
Total 1,438
Liabilities covered by the pledge is long-term borrowing for ¥248 million (current portion thereof is ¥72 million)</td></tr>
<tr><td>*3 Accumulated depreciation on tangible fixed assets totaled ¥69,861 million.</td><td>*3 Accumulated depreciation on tangible fixed assets totaled ¥76,215 million.</td><td>*3 Accumulated depreciation on tangible fixed assets totaled ¥74,687 million.</td></tr>
<tr><td>*4 Amount stated in relation to companies accounted for using equity method was ¥1 million.</td><td>*4 Amount stated in relation to companies accounted for using equity method was ¥4 million.</td><td>*4 Amount stated in relation to companies accounted for using equity method was ¥3 million.</td></tr>
<tr><td>5 THK group (the company and its consolidated subsidiaries) signed a special credit facility agreement with main banks to effectively raise working funds.
(Millions of Yen)
Special Credit limit under the contract 14,000
Balance of borrowings —
Available line of credit 14,000</td><td>5 THK group (the company and its consolidated subsidiaries) signed a special credit facility agreement with main banks to effectively raise working funds.
(Millions of Yen)
Special Credit limit under the contract 14,000
Balance of borrowings —
Available line of credit 14,000</td><td>5 THK group (the company and its consolidated subsidiaries) signed a special credit facility agreement with main banks to effectively raise working funds.
(Millions of Yen)
Special Credit limit under the contract 14,000
Balance of borrowings —
Available line of credit 14,000</td></tr>
</table>

(Interim Consolidated Statement of Income)

<table>
<tr><th>Six months ended Sep.30,2004</th><th>Six months ended Sep.30,2005</th><th>Year ended March 31,2005</th></tr>
<tr><td>*1 Main gains on sale of fixed assets are as follows:
(Millions of Yen)
Machinery, equipment and vehicles 22
Others 0
Total 22</td><td>*1 Main gains on sale of fixed assets are as follows:
(Millions of Yen)
Buildings and fixture 48
Machinery, equipment and vehicles 14
Land 314
Others 1
Total 379</td><td>*1 Main gains on sale of fixed assets are as follows:
(Millions of Yen)
Buildings and fixture 57
Machinery, equipment and vehicles 118
Others 1
Total 177</td></tr>
<tr><td>*2 Main losses on retirement and sale of fixed assets are as follows:
(Millions of Yen)
Buildings and fixture 28
Machinery, equipment and vehicles 14
Others 3
Total 46</td><td>*2 Main losses on retirement and sale of fixed assets are as follows:
(Millions of Yen)
Buildings and fixture 51
Machinery, equipment and vehicles 20
Others 21
Total 94</td><td>*2 Main losses on retirement and sale of fixed assets are as follows:
(Millions of Yen)
Buildings and fixture 75
Machinery, equipment and vehicles 100
Other (tangible fixed assets) 20
Intangible fixed assets 181
Total 378</td></tr>
<tr><td>*3 —————</td><td>*2 During the current interim consolidated fiscal year, impairment losses were recognized for the following asset groups
(Millions of Yen)
<table><tr><th>Use</th><th>Kind</th><th>Location</th><th>Amount</th></tr><tr><td>Unused</td><td>Land</td><td>Ikoma-shi, Nara Pref.</td><td>590</td></tr><tr><td>Unused</td><td>Land & Lease right</td><td>Shinagawa-ku, Tokyo</td><td>245</td></tr><tr><td>Unused</td><td>Land</td><td>Sanyo Onoda-shi, Yamaguchi Pref.</td><td>96</td></tr><tr><td>Unused</td><td>Land, Bldgs & Others</td><td>Other nine properties</td><td>211</td></tr><tr><td colspan="3">Total</td><td>1,142</td></tr></table>
THK group conducts grouping for business properties by plants and treats headquarters and operating assets as a property for common use. The group also groups unused assets and leased assets into one unit by each property. Of unused properties, for those of which market prices are falling, their book values were reduced to the amount collectible and the company recognizes such reduced amount as impairment loss of “ extraordinary loss ” . The amount collectible is determined as a net sale price which was calculated by appraisal value provided mainly by a real-estate appraiser.</td><td>*3 —————</td></tr>
</table>

(Interim Consolidated Statement of Cash Flows)

1H/FY2004 Apr-Sep 2004	1H/FY2005 Apr-Sep 2005	FY2004 Mar 31 , 2005
1 The relationship of the cash and due from banks outstanding at the end of this interim fiscal year and cash and cash equivalents stated in the interim consolidated balance sheet is as follows: (Millions of Yen) Cash and deposits 60,959 Securities 290 Cash and cash equivalents 61,249	1 The relationship of the cash and due from banks outstanding at the end of this interim fiscal year and cash and cash equivalents stated in the interim consolidated balance sheet is as follows: (Millions of Yen) Cash and deposits 78,203 Securities 236 Cash and cash equivalents 78,439	1 The relationship of the cash and due from banks outstanding at the end of this fiscal year and cash and cash equivalents stated in the consolidated balance sheet is as follows: (Millions of Yen) Cash and deposits 75,842 Securities 144 Cash and cash equivalents 75,987

(Lease transactions)

Report of lease transactions is omitted, because it is disclosed via EDINET.

(Securities)

1 Marketable securities

(Millions of Yen)

Classification	Six months ended Sep.30,2004			Six months ended Sep.30,2005			Year ended March 31,2005		
	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference
Other securities									
Equities	2,384	3,406	1,022	2,416	4,834	2,417	2,393	4,124	1,730
Others	7	8	1	3	4	1	7	8	1
Total	2,391	3,415	1,023	2,419	4,838	2,418	2,400	4,132	1,731

Note: In addition to the above, difference between acquisition costs and market values in equity portion in investment business partnerships are included in “Valuation adjustment for other securities” on the balance sheets. Such differences, net of tax effect amount, are ¥38 million for the previous interim fiscal year, ¥27 million for the current interim fiscal year, and ¥24 million for the previous fiscal year.

Regarding impairment of securities stated in the table above, when an issue’s market value falls by 50 percent or more lower than its acquisition cost, the company makes it a rule to write them down. For each security whose value is 30 percent or more, but less than 50 percent lower than acquisition cost, the company judges whether to write it down by assessing its issuer’s financial conditions as of its latest fiscal year-end, and its earnings results for the last two fiscal years, and by comparing each issue’s acquisition cost with its average month-end closing price for the last 24 months.

2 Non-marketable securities

(Millions of Yen)

Breakdown	As of September 30,2004	As of September 30,2005	As of March 31,2005
	Book value	Book value	Book value
Other securities			
Unlisted equities (Excluding OTC equities)	157	563	585
Unlisted foreign bonds	290	236	144

(Derivatives Transactions)

Status of contract amounts, market values and valuation gains/losses

THK group has no applicable items as it adopts hedge accounting practices for derivatives transactions.

(Segment Information)

Business Segment Information

Net sales and operating income of machinery subcomponent departments exceed 90 percent of the consolidated net sales of all segments, and of the total operating income of segments that generated operating income, and so segment information by business category is omitted.

Geographic Segment Information

For the six months ended September 30, 2004 (Millions of Yen)

	Japan	America	Europe	Asia and others	Total	(Elimination)	Consolidated
Net Sales:							
To customers	61,133	6,105	7,982	1,646	**76,868**	—	**76,868**
Inter-segment	8,097	23	85	—	**8,206**	(8,206)	—
Total:	**69,231**	**6,129**	**8,068**	**1,646**	**85,075**	**(8,206)**	**76,868**
Operating expenses	54,866	5,434	7,621	1,616	**69,539**	(8,000)	**61,539**
Operating Income:	**14,364**	**694**	**446**	**30**	**15,535**	**(206)**	**15,329**

For the six months ended September 30, 2005 (Millions of Yen)

	Japan	America	Europe	Asia and others	Total	(Elimination)	Consolidated
Net Sales:							
To customers	57,752	6,416	8,490	2,672	**75,331**	—	**75,331**
Inter-segment	9,384	19	41	582	**10,028**	(10,028)	—
Total:	**67,137**	**6,436**	**8,531**	**3,254**	**85,359**	**(10,028)**	**75,331**
Operating expenses	55,620	5,810	8,034	3,067	**72,533**	(10,062)	**62,470**
Operating Income:	**11,516**	**625**	**497**	**186**	**12,826**	**34**	**12,860**

For the year ended March 31, 2005 (Millions of Yen)

	Japan	America	Europe	Asia and others	Total	(Elimination)	Consolidated
Net Sales:							
To customers	115,700	12,818	15,370	3,268	**147,158**	—	**147,158**
Inter-segment	15,680	34	133	—	**15,847**	(15,847)	—
Total:	**131,380**	**12,853**	**15,503**	**3,268**	**163,006**	**(15,847)**	**147,158**
Operating expenses	107,871	11,724	14,977	3,118	**137,692**	(16,508)	**121,184**
Operating Income:	**23,508**	**1,128**	**526**	**150**	**25,313**	**660**	**25,974**

Note:

- Classification of countries and regions is based on geographical proximity.
- Main countries and areas belonging to each classification are as follows.

  America: United States of America and other countries

Europe: Germany, UK, Netherlands, and other countries

Asia and others: China, South Korea, Taiwan and other countries

Overseas Sales

For the six months ended September 30, 2004 (Millions of Yen)

	America	Europe	Asia and others	Total
Overseas sales	6,159	7,963	6,811	**20,934**
Consolidated net sales	—	—	—	**76,868**
Overseas sales as a percentage of consolidated net sales	8.0%	10.3%	8.9%	**27.2%**

For the six months ended September 30, 2005 (Millions of Yen)

	America	Europe	Asia and others	Total
Overseas sales	6,466	8,451	7,579	**22,498**
Consolidated net sales	—	—	—	**75,331**
Overseas sales as a percentage of consolidated net sales	8.6%	11.2%	10.1%	**29.9**%

For the year ended March 31, 2005 (Millions of Yen)

	America	Europe	Asia and others	Total
Overseas sales	12,888	15,340	13,374	**41,603**
Consolidated net sales	—	—	—	**147,158**
Overseas sales as a percentage of consolidated net sales	8.8%	10.4%	9.1%	**28.3**%

Note:

- Classification of countries and regions is based on geographical proximity.
- Main countries and areas belonging to each classification are as follows.

  America: United States of America and other countries

  Europe: Germany, UK, Netherlands, and other countries

  Asia and others: China, South Korea, Taiwan and other countries
- Overseas sales are sales booked in foreign countries or in regions other than Japan, by the company and its consolidated subsidiaries.

(Significant subsequent events)

Previous interim fiscal year (April 1, 2004 ~ September 30, 2004)

A board of directors meeting held on July 26, 2004 resolved that the company makes DAITO SEIKI CO., LTD. its wholly owned subsidiary through stock swap. It entered into a stock-swap agreement with DAITO SEIKI CO., LTD. on the same day, and completed the stock swap on November 1, 2004.

The approval for such agreement by the board of directors has been omitted in accordance with Article 358, paragraph 1 of the Commercial Code, while this stock swap was approved by an extraordinary shareholders meeting of DAITO SEIKI CO., LTD., held on September 24, 2004.

The purposes and summary of this stock swap are as follows:

(1) Name, etc. of counter party company of the stock swap

Name	DAITO SEIKI CO., LTD.
Address of head office	Shinagawa-ku, Tokyo
Name of representative	Yuichi Ishikawa, Representative Director and President
Capital	¥4,255 million
Line of businesses	Manufacture and sale of machinery component devices

(2) Purpose of the stock swap

To avoid duplication of manufacture and sale of machinery component devices, and to improve business performance by implementing prompt decision making management and flexible business reconstruction.

(3) Stock swap ratio

To one share of DAITO SEIKI CO., LTD., two-tenth (0.2) of THK common stock will be allocated and delivered. No allocation of THK stocks will be allocated to 3,890,000 shares of DAITO SEIKI owned by THK.

(4) The number of new shares scheduled to be issued by the stock swap

One million (1,000,000) shares of treasury stocks are allocated and delivered, and 554,508 shares of new stock will be issued.

(5) Initial date of dividend payment

Starting date of computing profit dividends for newly issued stocks by this stock swap will be October 1, 2004.

(6) Cash-out payment for stock swap

There is no cash-out payment for this stock swap

(7) Assets and liabilities of DAITO SEIKI CO., LTD. (as of March 31, 2004) (Millions of Yen)

Current assets	9,403	Current liabilities	2,308
Fixed assets	2,424	Fixed liabilities	695
Total assets	11,827	Total liabilities	3,004
		Shareholders' equity	8,823
		Total liabilities and shareholders' equity	11,827

The current interim fiscal year (April 1, 2005 ~ September 30, 2005)

There is no subsequent event.

The previous fiscal year (April 1, 2004 ~ March 31, 2005)

There is no subsequent event.

THK
The Mark of Linear Motion

November 17, 2005

Non-Consolidated Financial Review for the Six Months Ended September 30, 2005

Company Name:	THK CO., LTD.
Head Office:	Tokyo, Japan (Tel: +81-3-5434-0300)
URL:	http://www.thk.com.
Stock exchange listing:	Tokyo Stock Exchange 1st Section
Code number:	6481
President and CEO:	Akihiro Teramachi
Director/General Manager of Corporate Strategy Department:	Kotaro Yoshihara
Date of the board meeting:	November 17, 2005
Interim cash dividends:	Yes
Date of interim dividend payment:	December 5, 2005
Adoption of Unit stock system:	Yes (1unit 100 shares)

1. Consolidated Financial Highlights (Unaudited)
Note: All figures are rounded down to the nearest million yen.

(1) Operating results

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months Ended Sep.30, 2005	61,905	(2.9)	10,891	(20.4)	11,561	(21.6)
Six Months Ended Sep.30, 2004	63,770	42.0	13,684	97.2	14,747	115.8
Year Ended Mar.31, 2005	120,541		22,973		24,069	

	Net income		Net income per share
	Millions of yen	%	Yen
Six months Ended Sep.30, 2005	6,642	(25.2)	55.32
Six Months Ended Sep.30, 2004	8,885	133.8	75.08
Year Ended Mar.31, 2005	14,510		121.16

Notes:
1. Change of accounting policy: Yes
2. Average number of shares of common stock issued (non-consolidated)
   Six Months ended Sep.30, 2005: 120,078,071 shares.
   Six Months ended Sep.30, 2004: 118,345,420shares.
   Year ended Mar.31, 2005: 118,939,392 shares.
3. Regarding net sales, operating income, ordinary income and net income, percent indications show percentage changes from the same period of the previous year.

The Mark of Linear Motion

(2) Cash dividends

	Annual Dividends per share	
	Interim	Full year
	Yen	Yen
Six months Ended Sep.30, 2005	10.00	−
Six months Ended Sep.30, 2004	7.50	−
Year Ended Mar.31, 2005	−	18.00

(3) Financial position

	Total assets	Total shareholders' equity	Equity ratio	Shareholder's equity per share
	Millions of yen	Millions of yen	%	Yen
Six months Ended Sep.30, 2005	209,934	140,526	67.0	1,115.92
Six months Ended Sep.30, 2004	195,663	113,615	58.1	960.04
Year Ended Mar.31, 2005	205,668	124,877	60.7	1,040.73

Notes:

1. Net number of shares issued and outstanding at the end of the fiscal year (non-consolidated)
   Six months ended Sep.30, 2005: 125,927,973 shares
   Six months ended Sep.30, 2004: 118,344,076 shares.
   Year ended Mar.31, 2005: 119,894,551 shares.
2. The number of treasury stock as of :
   Six months ended Sep.30, 2005: 25,914 shares.
   Six months ended Sep.30, 2004: 1,018,942 shares.
   Year ended Mar.31, 2005: 22,975 shares.

2. Projections of Non-Consolidated Results for the Fiscal Year ending March 31, 2005

	Net sales	Operating Income	Ordinary Income	Net income	Annual cash dividends per share	
	Million of yen	Million of yen	Million of yen	Million of yen		Yen
					F.Y. end	
Year ending Mar.31, 2006	127,000	22,000	22,800	13,300	10.00	20.00

For reference: Estimate of net income per share for the year ending March 31, 2005: 105.62 Yen
(By forecast average number of shares of common stock year of period)

*Forward-Looking Statements:
This release contains forward-looking statements that are based on management's estimates, assumptions and projections at the time of release. Some factors, which include, but are not limited to, the risks and uncertainty associated with the worldwide economy, competitive activity and currency fluctuation, could cause actual results to differ materially from expectations.

Note to the Financial Information:
This is summarized and translated financial information that the Company posted to the Tokyo Stock Exchange in accordance with their rules that governs the disclosure of financial information.
The Company maintains an Internet website at www.thk.co.jp. The Company makes available free of charge on the website its financial information in Japanese language. Those information translated in English language will be disclosed as soon as reasonably practicable after disclosing materials in Japanese language.

Non-Consolidated Balance Sheets

(Millions of yen)

Account Items	As of Sep. 30 , 2004		As of Sep. 30 , 2005		As of Mar. 31 , 2005	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets：						
Cash on hand and in banks	52,413		58,311		58,268	
Notes receivable-trade	20,387		18,960		18,181	
Accounts receivable- trade	33,199		31,409		28,598	
Prepaid expenses	14,674		14,209		14,684	
Deferred tax assets	1,714		1,815		1,929	
Short-term loans to related companies	7,389		5,937		6,072	
Other	1,446		1,874		3,206	
Less: Allowance for doubtful debts	(93)		(4)		(40)	
Total current assets	131,132	67.0	132,512	63.1	130,902	63.7
Fixed assets ※1 ※2						
Tangible fixed assets						
Buildings and Structures	8,597		10,381		10,905	
Machinery, equipment, vehicles and other	11,443		12,581		12,473	
Land	9,094		7,774		9,094	
Other	2,736		2,118		1,918	
Total tangible fixed assets	31,871	16.3	32,856	15.7	34,391	16.7
Intangible fixed assets	1,125	0.6	728	0.3	710	0.3
Investments and other						
Long-term investments in securities	3,564		5,075		4,395	
Investments in shares of related companies	12,530		18,656		18,656	
Investments in related companies	7,777		13,962		10,339	
Deferred tax assets	1,307		794		785	
Other	6,731		5,712		5,857	
Less: Allowance for doubtful debts	(376)		(364)		(371)	
Total investments and others	31,534	16.1	43,836	20.9	39,663	19.3
Total fixed assets	64,531	33.0	77,421	36.9	74,765	36.3
Total assets	195,663	100.0	209,934	100.0	205,668	100.0

(Millions of yen)

Account Items	As of Sep. 30, 2004		As of Sep. 30, 2005		As of Mar. 31, 2005	
	Amount	%	Amount	%	Amount	%
Liabilities						
Current liabilities：						
Notes payable - trade	5,859		5,317		5,159	
Accounts payable - trade	20,560		18,848		16,719	
Account payable – other	1,451		1,589		2,612	
Accrued expenses	4,095		5,222		4,710	
Accrued income taxes	5,654		4,713		5,964	
Allowance for bonuses	1,737		1,869		1,866	
Notes payable – equipment and other	1,478		738		2,397	
Other	365		406		804	
Total current liabilities	41,204	21.0	38,705	18.4	40,236	19.6
Long-term liabilities						
Bonds	15,000		15,000		15,000	
Bonds with subscription right	23,000		13,040		23,000	
Allowance for retirement and severance benefits	1,495		1,672		1,569	
Allowance for directors' and auditors' retirement benefits	1,345		—		—	
Other	3		989		984	
Total long-term liabilities	40,843	20.9	30,702	14.6	40,554	19.7
Total liabilities	82,048	41.9	69,408	33.0	80,791	39.3
Shareholders' equity						
Common stock	23,106	11.8	28,086	13.4	23,106	11.2
Capital surplus						
Capital reserve	30,962		40,951		35,971	
Other capital surplus						
Gains on disposal of treasury stocks	—		0		0	
Total capital surplus	30,962	15.9	40,951	19.5	35,971	17.5
Earned surplus						
Earned surplus	1,958		1,958		1,958	
Voluntary reserve	47,661		59,898		47,661	
Unappropriated profit of this term	10,433		8,218		15,170	
Total earned surplus	60,053	30.7	70,075	33.4	64,790	31.5
Valuation gains on marketable securities	630	0.3	1,448	0.7	1,037	0.5
Treasury stocks	(1,137)	(0.6)	(36)	(0.0)	(29)	(0.0)
Total shareholders' equity	113,615	58.1	140,526	67.0	124,877	60.7
Total liabilities and shareholders' equity	195,663	100.0	209,934	100.0	205,668	100.0

Non-Consolidated Statements of Income

(Millions of yen)

Account Items	Six Months ended Sep. 30, 2004		Six Months ended Sep. 30, 2005		Year ended March 31, 2005	
	Amount	%	Amount	%	Amount	%
Net sales	63,770	100.0	61,905	100.0	120,541	100.0
Cost of sales	41,473	65.0	41,738	67.4	80,022	66.4
Gross profit	22,297	35.0	20,166	32.6	40,519	33.6
Sales, general, and administrative expenses	8,612	13.5	9,275	15.0	17,545	14.5
Operating income	13,684	21.5	10,891	17.6	22,973	19.1
Non-operating income	1,219	1.9	827	1.3	1,430	1.2
Interest income	88		104		174	
Dividend income	84		120		116	
Foreign exchange gain	603		251		461	
Other	443		350		677	
Non-operating expenses	156	0.3	157	0.2	334	0.3
Bond interest	80		79		159	
Other	76		78		175	
Ordinary income	14,747	23.1	11,561	18.7	24,069	20.0
Extraordinary income	44	0.1	417	0.6	200	0.1
Gain on sales of fixed assets	18		376		69	
Reversal of allowance for doubtful debts	26		40		82	
Other	—		—		47	
Extraordinary loss	513	0.8	949	1.5	741	0.6
Loss on sales/retirement of fixed assets	40		92		268	
Loss on impairment of fixed assets	—		856		—	
Loss on corporate reorganization of related company Others	473		—		473	
Net income before taxes	14,278	22.4	11,030	17.8	23,528	19.5
Taxes – current	5,253	8.3	4,563	7.3	8,851	7.4
Taxes – deferred	139	0.2	(176)	(0.2)	166	0.1
Net income	8,885	13.9	6,642	10.7	14,510	12.0
Retained earnings brought forward	1,547		1,575		1,547	
Interim dividend	—		—		887	
Unappropriated retained earnings at the end of period	10,433		8,218		15,170	

Basis for Preparing Interim Non-Consolidated Financial Statements

Item	Previous Interim Fiscal Year (4/1/04~9/30/04)	Current Interim Fiscal Year (4/1/05~9/30/05)	Previous Fiscal Year (4/1/04~3/31/05)
1 Evaluation standards and methods of assets	(1) Securities Stocks of subsidiaries and affiliated companies …Stated at costs determined using the moving-average method Other securities Marketable securities …Stated at market value at the interim fiscal year-end (valuation gains and losses are included in shareholders' equity, net of taxes, and costs of sales are calculated using the moving-average method) Non-marketable securities …Stated at costs determined using the moving-average method	(1) Securities Same as left For amounts invested to investment business limited partnerships and partnerships similar to them (those deemed to be securities by Article 2, paragraph 2 of Securities and Exchange Law), net equity equivalent amount calculated based on the latest financial statements available as of settlement report date prescribed in a partnership contract had been stated. (Amendment of statement method) The "Law Amending a Part of Securities and Exchange Law" (Law No. 97, 2004) was promulgated on September 9, 2004 and it became effective on December 1, 2004, and "Practical Guideline for Financial Products Accounting" (Accounting System Council Report No.14) was also revised on February 15, 2005. Due to these changes, the company amended effective from the current interim fiscal year its method of stating amounts invested into investment business limited partnerships or partnerships similar to them (deemed to be securities by Article 2, paragraph 2 of Securities and Exchange Law) to include in investment securities. Such amounts included in investment securities as of the end of the current interim fiscal year totaled ¥112 million.	(1) Securities Stocks of subsidiaries and affiliated companies …Stated at costs determined using the moving-average method Other securities Marketable securities …Stated at market value at this fiscal year-end (valuation gains and losses are included in shareholders' equity, net of taxes, and costs of sales are calculated using the moving- average method) Non-marketable securities …Stated at costs determined using the moving-average method For amounts invested to investment business limited partnerships and partnerships similar to them (those deemed to be securities by Article 2, paragraph 2 of Securities and Exchange Law), net equity equivalent amount calculated based on the latest financial statements available as of settlement report date prescribed in a contract of partnership had been stated. (Amendment of statement method) The "Law Amending a Part of Securities and Exchange Law" (Law No. 97, 2004) was promulgated on September 9, 2004 and it became effective on December 1, 2004, and "Practical Guideline for Financial Products Accounting" (Accounting System Council Report No.14) was also revised on February 15, 2005. Due to these changes, the company amended effective from the fiscal year its method of stating amounts invested into investment business limited partnerships or partnerships similar to them (deemed to be securities by Article 2, paragraph 2 of Securities and Exchange Law) to include in investment securities. Such amounts included in investment securities as of the end of the fiscal year totaled ¥128 million.

Item	Previous Interim Fiscal Year (4/1/04~9/30/04)	Current Interim Fiscal Year (4/1/05~9/30/05)	Previous Fiscal Year (4/1/04~3/31/05)
	(2) Inventories i. Products···gross average cost method ii. Merchandise···First-in-first-out cost method iii. Raw materials···gross average cost method iv. Goods in process···gross average cost method v. Supplies···the-last-purchase-cost method	(2) Inventories Same as left	(2) Inventories Same as left
2 Method of depreciation and amortization of fixed assets	(1) Tangible fixed assets Depreciated using the declining-balance method. Note that the amount of buildings (excluding fixtures to such buildings) acquired on and after April 1, 1998 is estimated using the straight-line method. The useful lives of main properties are as follows: Buildings and structures 5~50 years Machinery and equipment 10 years Vehicles and delivery equipment 4 ~ 6 years Tools/furniture and furnishings 2 ~ 10 years (2) Intangible fixed assets Amortized using the straight-line method Note that software costs for internal use are amortized using the straight-line method over the internally estimated useful lives (5years) (3) Long-term prepaid expenses Amortized using the straight-line method	(1) Tangible fixed assets Same as left (2) Intangible fixed assets Same as left (3) Long-term prepaid expenses Same as left	(1) Tangible fixed assets Same as left (2) Intangible fixed assets Same as left (3) Long-term prepaid expenses Same as left

Item	Previous Interim Fiscal Year (4/1/04~9/30/04)	Current Interim Fiscal Year (4/1/05~9/30/05)	Previous Fiscal Year (4/1/04~3/31/05)
3 Accounting standards for providing allowances	(1) Allowance for doubtful accounts To prepare for possible losses caused by irrecoverable money claims allowances are provided as follows: For general credit claims, allowance is provided for the amount calculated based on the past credit loss experience, and for specifically doubtful credit claims, allowance is provided for the estimated uncollectible amount based on the collectibility assessment for individual credit claims.	(1) Allowance for doubtful accounts Same as left	(1) Allowance for doubtful accounts Same as left
	(2) Allowance for bonuses Allowance for employee bonuses is provided in provisions for payment of bonuses to employees in the amount of estimated bonuses, which are attributable to this interim fiscal year.	(2) Allowance for bonuses Same as left	(2) Allowance for bonuses Allowance for employee bonuses is provided in provisions for payment of bonuses to employees in the amount of estimated bonuses, which are attributable to this fiscal year.
	(3) Allowance for retirement benefits and severance benefits Allowance for retirement benefits and severance benefits is provided in provision for payment of retirement benefits to employees in the amount deemed accrued at the end of this interim fiscal year, based on the projected amounts of retirement benefit obligations and retirement plan assets at this fiscal year end. The unrecognized net actuarial difference is amortized using the straight-line method over a number of years (usually 10 years) within the employees' average remaining employment period, commencing from the next fiscal year in which they arise (stated as either income or expense in the statement of income).	(3) Allowance for retirement benefits and severance benefits Same as left	(3) Allowance for retirement benefits and severance benefits Allowance for retirement benefits and severance benefits is provided in provision for payment of retirement benefits to employees in the amount deemed accrued at the end of this fiscal year, based on the projected amounts of retirement benefit obligations and retirement plan assets at this fiscal year end. The unrecognized net actuarial difference is amortized using the straight-line method over a number of years (usually 10 years) within the employees' average remaining employment period, commencing from the next fiscal year in which they arise (stated as either income or expense in the statement of income).

Item	Previous Interim Fiscal Year (4/1/04~9/30/04)	Current Interim Fiscal Year (4/1/05~9/30/05)	Previous Fiscal Year (4/1/04~3/31/05)
	(4) Allowance for directors' and auditors' retirement benefits Allowance is provided for the amount that the company would have to pay at the end of the interim fiscal year, as estimated in accordance with internal regulations. The system for paying these retirement benefits was abolished in June 2004, so the outstanding balance of this allowance represents an estimated amount for payment to directors and auditors currently holding offices under the previous system.	(4) ―――――	(4) Allowance for directors' and auditors' retirement benefits Although an allowance had been provided for the amount that the company would have to pay at the end of the fiscal year, as estimated in accordance with internal regulations, the system to pay retirement benefits to directors and auditors was abolished as of June 26, 2004 when a regular shareholders' meeting was held. A difference in the amount of ¥47 million between the benefit amount actually paid and the outstanding balance of this allowance as of the abolishment date was included in a "reversal of allowance for directors' and auditors' retirement benefits" of extraordinary income and a ¥981million, the unpaid defined benefits, was stated in "Other" of long-term liabilities account.

Item	Previous Interim Fiscal Year (4/1/04~9/30/04)	Current Interim Fiscal Year (4/1/05~9/30/05)	Previous Fiscal Year (4/1/04~3/31/05)
4 Accounting for lease transactions	Excluding those in which the ownership of the leased property is transferred to the lessee, finance lease transactions are accounted for in the same manner as operating leases	Same as left	Same as left
5 Hedge accounting	(1) Method of hedge accounting Currency swap transactions meet the requirement of allocation treatment, and are accounted for accordingly. (2) Hedging instruments and hedged items Currency swap transaction …Foreign currency denominated money claims (3) Hedging policy The company uses currency-related hedge accounting for the purpose of fixing cash flows related to the collection of principal and interest on loans. (4) Assessment method for the effectiveness of hedges The company omits the assessment of the effectiveness of hedges for currency swap transactions, because the significant terms and conditions for such transactions and for hedged assets are identical, and are assumed beforehand to offset exchange rate risks or cash flow fluctuations continuously from the time hedging is initiated.	(1) Method of hedge accounting Same as left (2) Hedging instruments and hedged items Same as left (3) Hedging policy Same as left (4) Assessment method for the effectiveness of hedges Same as left	(1) Method of hedge accounting Same as left (2) Hedging instruments and hedged items Same as left (3) Hedging policy Same as left (4) Assessment method for the effectiveness of hedges Same as left
6 Other significant items to prepare interim financial statements (full year financial statements)	(1) Consumption taxes Consumption taxes are excluded from the transaction amounts. The net amount of suspense paid for consumption taxes on purchases and suspense received for consumption taxes on sales is included under "Other" for current liabilities (2) Treatment of Reserves Taxes payable and corporate tax adjustment for this interim fiscal year are calculated under the premise that entries of provisions and reversals will be made to reserve accounts for special depreciation in accordance with profit appropriation scheduled for this interim fiscal year.	(1) Consumption taxes Same as left (2) Treatment of Reserves Same as left	(1) Consumption taxes Consumption taxes are excluded from the transaction amounts. (2) ―――――

Change in accounting treatment
(Interim Non-consolidated Balance Sheet)

Previous Interim Fiscal Year (4/1/04~9/30/04)	Current Interim Fiscal Year (4/1/05~9/30/05)	Previous Fiscal Year (4/1/04~3/31/05)
—————	(Fixed asset impairment accounting standard) Effective this interim fiscal year, the company adopted “Accounting Standard Concerning Fixed Asset Impairment” (Statement of Position Concerning Establishment of Fixed Asset Impairment Accounting Standard) (Business Accounting Council; August 9, 2002) and “Application Guideline for Fixed Asset Impairment Accounting Standard” (Business Accounting Standard Board, Accounting Standard Application Guideline No. 6, October 31, 2003). As a result, interim income before tax for the current fiscal year decreased ¥856 million. The amount of accumulated impairment loss was directly deducted from each asset in accordance with the amended interim financial statements regulation.	—————

Additional information

Previous Interim Fiscal Year (4/1/04~9/30/04)	Current Interim Fiscal Year (4/1/05~9/30/05)	Previous Fiscal Year (4/1/04~3/31/05)
With the enactment of the “Revision of the Local Tax Law” (Law No.9, 2003) on March 31, 2003, external standard taxation system has been introduced effective the fiscal year beginning April 1, 2004. Due to this change, effective this interim fiscal period, the company included the enterprise taxes computed based on “amount of value-added” and “amount of capital” in “Selling and General Administrative Expenses” pursuant to “Practical Treatment for Presentation of External Standards Taxation Portion of Enterprise Taxes in the Statement of Income” (Business Accounting Standards Board, Practical Report of Practical Issues No.12 dated February 13, 2004). As a result, selling and general administrative expenses increased ¥152 million and operating income, ordinary income and pretax income for this interim fiscal year decreased ¥152 million.	—————	With the enactment of the “Revision of the Local Tax Law” (Law No.9, 2003) on March 31, 2003, external standard taxation system has been introduced effective the fiscal year beginning April 1, 2004. Due to this change, effective this fiscal period, the company included the enterprise taxes computed based on “amount of value-added” and “amount of capital” in “Selling and General Administrative Expenses” on this fiscal year non-consolidated statement of income pursuant to “Practical Treatment for Presentation of External Standards Taxation portion of Enterprise Taxes in the Statement of Income” (Business Accounting Standards Board, Practical Report of Practical Issues No.12 dated February 13, 2004). As a result, selling and general administrative expenses increased ¥288 million and operating income, ordinary income and pretax income for this fiscal year decreased ¥288 million.

Notes
(Balance Sheet of the Interim fiscal year)

As of September 30,2004	As of September 30,2005	As of March 31,2005
*1 Advanced depreciation by national subsidy ¥150 million *2 Accumulated depreciation on tangible fixed assets ¥63,048 million 3 Debt guarantee and acts similar to guarantee are as follows:	*1 Advanced depreciation by national subsidy ¥150 million *2 Accumulated depreciation on tangible fixed assets ¥64,770 million 3 Debt guarantees and acts similar to guarantee are as follows:	*1 Advanced depreciation by national subsidy ¥150 million *2 Accumulated depreciation on tangible fixed assets ¥64,168 million 3 Debt guarantees and acts similar to guarantee are as follows:

As of September 30,2004:

Debtor	Amount	Guarantee
Debt guarantee		
THK Manufacturing of America,Inc.	¥680 million ($6,125 thousand)	Guarantee for lease transaction
TALK SYSTEM CORPORATION	¥837 million	Guarantee for purchase liabilities
DALIAN THK CO., LTD	¥214 million	Guarantee for borrowing from financial institutions
THK TAIWAN CO.,LTD	¥6 million	Guarantee for Forex contract
Total	¥1,737 million	—

As of September 30,2005:

Debtor	Amount	Guarantee
Debt guarantee		
THK Manufacturing of America,Inc.	¥602 million ($5,324 thousand)	Guarantee for lease transaction
DALIAN THK CO., LTD	¥128 million	Guarantee for borrowing from financial institutions
Total	¥730million	—

As of March 31,2005:

Debtor	Amount	Guarantee
Debt guarantee		
THK Manufacturing of America,Inc.	¥653 million ($6,084 thousand)	Guarantee for lease transaction
DALIAN THK CO., LTD	¥171 million	Guarantee for borrowing from financial institutions
Total	¥824 million	—

As of September 30,2004	As of September 30,2005	As of March 31,2005
4 The company signed a special credit facility agreement with main banks to effectively raise working funds.	4 The company signed a special credit facility agreement with main banks to effectively raise working funds.	4 The company signed a special credit facility agreement with main banks to effectively raise working funds.
Special credit limit under the contract ¥14,000 million	Special credit limit under the contract ¥14,000 million	Special credit limit under the contract ¥14,000 million
Balance of borrowings —	Balance of borrowings —	Balance of borrowings —
Available line of credit ¥14,000 million	Available line of credit ¥14,000 million	Available line of credit ¥14,000 million

(Statements of Income for the Interim fiscal year)

<table>
<tr><th>Six months ended Sep.30,2004</th><th>Six months ended Sep.30,2005</th><th>Year ended March 31,2005</th></tr>
<tr>
<td>1 Amount of depreciation
Tangible fixed assets
¥1,783 million
Intangible fixed assets
¥262 million
―――――</td>
<td>1 Amount of depreciation
Tangible fixed assets
¥1,895 million
Intangible fixed assets
¥202 million
*2 During the current interim fiscal year, impairment losses were recognized for the following asset groups
(Millions of Yen)
<table>
<tr><th>Use</th><th>Kind</th><th>Location</th><th>Amount</th></tr>
<tr><td>Unused</td><td>Land</td><td>Ikoma-shi, Nara Pref.</td><td>590</td></tr>
<tr><td>Unused</td><td>Land</td><td>Sanyo Onoda-shi, Yamaguchi Pref.</td><td>96</td></tr>
<tr><td>Unused</td><td>Land, Bldgs</td><td>Other six properties</td><td>170</td></tr>
<tr><td colspan="3">Total</td><td>856</td></tr>
</table>
The company conducts grouping for business properties by plants and treats its head quarter and operating assets as a property for common use. The company also groups unused assets and leased assets into one unit by each property.
Of unused properties, for those of which market prices are decreasing, their book values were reduced to the amount collectible and the company recognizes such reduced amount as impairment loss of “ extraordinary loss ” . The amount collectible was determined as a net sale price which was calculated by appraisal value provided mainly by a real-estate appraiser.</td>
<td>1 Amount of depreciation
Tangible fixed assets
¥3,803 million
Intangible fixed assets
¥523 million
―――――</td>
</tr>
</table>

(Lease transactions)

Report of lease transactions is omitted, because it is disclosed via EDINET.

(Securities)

Marketable stocks of subsidiaries and affiliated companies

1 As of September 30, 2004

(Millions of Yen)

	Book value	Market value	Difference
Stocks of affiliated companies	1,770	3,490	1,719

2 As of September 30, 2005

	Book value	Market value	Difference
Stocks of affiliated companies	1,069	3,055	1,985

3 As of March 31, 2004

	Book value	Market value	Difference
Stocks of affiliated companies	1,069	2,669	1,599

(Increase in the number of stocks issued during the current interim fiscal year)

Type of stock	Issuance of new stocks for stock options exercised for warrant bonds
Number of stocks issued	6,036,361
Issuing price	¥1,650 per share
Amount credited to capital stock	¥825 per share
Total amount credited to capital stock	¥4,979 million

(Significant subsequent events)

Previous interim fiscal year (April 1, 2004 ~ September 30, 2004)

A board of directors meeting held on July 26, 2004 resolved that the company makes DAITO SEIKI CO., LTD. its wholly owned subsidiary through stock swap. It entered into a stock-swap agreement with DAITO SEIKI CO., LTD. on the same day, and completed the stock swap on November 1, 2004.

The approval for such agreement by the board of directors has been omitted in accordance with Article 358, paragraph 1 of the Commercial Code, while this stock swap was approved by an extraordinary shareholders meeting of DAITO SEIKI CO., LTD., held on September 24, 2004.

The purposes and summary of this stock swap are as follows:

(1) Name, etc. of counter party company of the stock swap

Name	DAITO SEIKI CO., LTD.
Address of head office	Shinagawa-ku, Tokyo
Name of representative	Yuichi Ishikawa, Representative Director and President
Capital	¥4,255 million
Line of businesses	Manufacture and sale of machinery component devices

(2) Purpose of the stock swap

To avoid duplication of manufacture and sale of machinery component devices, and to improve business performance by implementing prompt decision making management and flexible business reconstruction.

(3) Stock swap ratio

To one share of DAITO SEIKI CO., LTD., two-tenth (0.2) of THK common stock will be allocated and delivered. No allocation of THK stocks will be allocated to 3,890,000 shares of DAITO SEIKI owned by THK.

(4) The number of new shares scheduled to be issued by the stock swap

One million (1,000,000) shares of treasury stocks are allocated and delivered, and 554,508 shares of new stock will be issued.

(5) Initial date of dividend payment

Starting date of computing profit dividends for newly issued stocks by this stock swap will be October 1, 2004.

(6) Cash-out payment for stock swap

There is no cash-out payment for this stock swap

(7) Assets and liabilities of DAITO SEIKI CO., LTD. (as of March 31, 2004) (Millions of Yen)

Current assets	9,403	Current liabilities	2,308
Fixed assets	2,424	Fixed liabilities	695
Total assets	11,827	Total liabilities	3,004
		Shareholders' equity	8,823
		Total liabilities and shareholders' equity	11,827

The current interim fiscal year (April 1, 2005 ~ September 30, 2005)

There is no subsequent event.

The previous fiscal year (April 1, 2004 ~ March 31, 2005)

There is no subsequent event.