August 8, 2008

Consolidated Financial Results for the First Quarter Ended June 30, 2008

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-First Section
Code number	:	6481
Representative	:	Akihiro Teramachi, President and CEO
Contact	:	Hideyuki Kiuchi, Director and General Manger of Corporate Strategy Department
Scheduled date of filing quarterly report (Japanese version only)		August 13, 2008

1. Consolidated Operating Results and Financial Position as of and for the three months ended June 30, 2008 (April 1, 2008 to June 30, 2008)

(1) Consolidated Operating Results

First Quarter Ended June 30 (Millions of Yen)	Net Sales		Operating Income		Ordinary Income		Net Income	
2008	¥53,064	－%	¥6,671	－ %	¥8,477	－ %	¥4,842	－ %
2007	49,700	11.4	7,837	(13.6)	9,256	(3.6)	5,578	(1.9)

First Quarter Ended June 30 (Yen)	Net Income Per Share-Basic	Net Income Per Share-Diluted
2008	¥37.65	¥ －
2007	41.98	41.70

(Note) Fluctuation percentage for the current first quarter period is not presented because quarterly accounting standards, as defined and published by the Accounting Standards Board of Japan, are applied for the first time from the current fiscal year. For details, please refer to “5. Accounting Changes”.

(2) Consolidated Financial Position

As of June 30	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio (%)	Net Assets Per Share (Yen)
2008	¥263,563	¥190,063	71.4 %	1,462.90
2007	264,229	192,953	72.3	1,484.78

(Note) Stockholders’ equity *As of June 30, 2008:* *¥188,138 million*
As of March 31, 2008: *190,953 million*

2. Dividends

	Dividend Per Share (Yen)				
	First Quarter End as of June 30	Second Quarter End as of September 30	Third Quarter End as of December 31	Year end	Total
2008 (Actual)	—	18.00	—	18.00	36.00
2009 (Actual)	—	n/a	n/a	n/a	n/a
2009 (Projected)	n/a	18.00	—	18.00	36.00

(Note) Change in dividend projection: none

3. Forecasts for the year ending March 31, 2009 (April 1, 2008 to March 31, 2009)

	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Net Income per Share （Yen）
Six months ending September 30, 2008					
(amount)	¥110,000	¥15,000	¥15,900	¥9,000	¥69.98
(percentage)	－%	－%	－%	－%	n/a
Year ending March 31, 2009					
(amount)	¥225,000	¥30,500	¥32,100	¥18,500	¥143.85
(percentage)	7.8%	13.2%	18.8%	1.0%	n/a

(Note 1) The above forecasts are based upon the information currently available at the time of the announcement of this report. Actual performance may differ from the estimates due to various unforeseen factors.

(Note 2) Fluctuation percentage for the forecasts for the six months period is not presented because quarterly accounting standards, as defined and published by the Accounting Standards Board of Japan, are applied for the first time from the current fiscal year. For details, please refer to "5. Accounting Changes".

4. Other Financial Information

(1) Significant change in scope of consolidation: None

(2) Simplified or particular accounting treatment for quarterly financial statements:

a. Determination of allowance for bad debts
-As no significant change is noted, allowance for bad debts is determined based on the credit loss percentage as of the previous year-end.

b. Measurement of inventories
-Physical count of inventories for quarterly-end does not cover all of inventories, however, inventories are stated by amount reasonably calculated based on the physical count performed at the previous year-end.

c. Depreciation expense
-Depreciation expense is determined based on an allocation of projected amount of depreciation to each quarter, considering estimated acquisition, sale and disposal during the fiscal year.

d. Income tax payable and deferred tax assets/liabilities
-In determination of income taxes payable, taxable or deductible items to be incorporated in calculation are limited to that material.
-As no significant change is noted, deferred taxes are determined based on the forecast and tax planning prepared as of the previous year-end.

e. Tax expense
-Certain consolidated subsidiaries calculate their income tax based on the estimated effective tax rate.

(3) Changes in accounting policy/treatment/presentation manner due to:

a.	Changes in accounting standard	Please refer to “5. Accounting Changes”
b.	Other changes	Please refer to “5. Accounting Changes”

(4) Number of shares

			(shares)
a.	Common stock issued as of:	June 30, 2008	133,856,903
		March 31, 2008	133,856,903
b.	Treasury stock as of:	June 30, 2008	5,249,924
		March 31, 2008	5,249,554
c.	Average number of common stock for the three months ended:	June 30, 2008	128,607,186
		June 30, 2007	132,985,524

5. Accounting Changes

(1) On March 14, 2007, the Accounting Standards Board of Japan (hereinafter the “ASBJ”) published a new accounting standard for quarterly financial reporting and its implementation guidance. In addition, on August 7, 2008, Financial Services Agency of Japan announced new regulations to revise the existing “Rules of Consolidated Quarterly Financial Statements”, with early adoption permitted. THK CO., LTD. (hereinafter the “Company”) adopted these new accounting standards as of April 1, 2008. The accompanying consolidated financial statements are prepared in accordance with the revised “Rules of Consolidated Quarterly Financial Statements”.

(2) Prior to April 1, 2008, inventories had been stated at cost, determined principally by the average cost method. On July 5, 2006, the ASBJ issued ASBJ Statement No.9, ”Accounting Standard for Measurement of Inventories”, which is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted. This standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses.

The Company adopted the new accounting standard for measurement of inventories as of April 1, 2008. The effect of adopting this accounting standard was to decrease gross profit, ordinary income, and income before income taxes and minority interests for the first quarter ended June 30, 2008 by ¥ 307 million.

(3) On March 30, 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the existing accounting standard for lease transactions issued on June 17, 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted.

Under the existing accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized. However, other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions be capitalized recognizing lease assets and lease obligations in the balance sheet.

The Company adopted this revised accounting standard as of April 1, 2008. This accounting change did not have any effect on the accompanying consolidated statements of income. Depreciation of lease assets of the Company is computed by the straight-line method over the leasing period with no residual value.

(4) Prior to April 1, 2008, under Japanese accounting standards, a company could use the financial statements of its foreign subsidiaries which had been prepared in accordance with generally accepted accounting principles in their respective jurisdictions for its consolidation process unless they were clearly unreasonable. On May 17, 2006, the ASBJ issued ASBJ Practical Issues Task Force No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements." The new standard prescribes: (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese accounting standards unless they are not material;

(a) Amortization of goodwill

(b) Actuarial gains and losses of defined benefit plans recognized outside profit or loss

(c) Capitalization of intangible assets arising from development phases

(d) Fair value measurement of investment properties, and the revaluation model for property, plant and equipment, and intangible assets

(e) Retrospective application when accounting policies are changed

(f) Accounting for net income attributable to a minority interest

The new task force is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted. The Company adopted the new accounting standard as of April 1, 2008. This accounting change did not have material effect on the accompanying consolidated statements of income. However, ¥73 million was added up to the beginning balance of retained earnings as of April 1, 2008 due to effect of this accounting change.

6. Other Information

All the figures in this report except per share information are rounded down to the nearest million.

This information is summarized and translated from the original Japanese version submitted to the Tokyo Securities Exchange in accordance with its disclosure rules and presentation manners, which are different from those applied in the annual reports of the Company due to reclassification and rearrangement made therein. This English translation is intended solely for the convenience of readers outside Japan, and not intended in any way to substitute or replace the original Japanese version. If there is any discrepancy between the original Japanese version and this translation, the original Japanese version supersedes all information in this translation. All the figures in this report are unaudited.

Management’s Discussion and analysis

1. Operating results (From April 1, 2008 to June 30, 2008)

During the first quarter of this fiscal year, the mood of slowdown has spread in the world economy due to weak corporate profit imposed by the sharp hikes in oil and raw material price, and to unstable financial market caused by the subprime loan problem. In Japan, exports and capital investments that had contributed to the economic recovery have turned and remained weak. Looking at the overseas economy, U.S. economy has faced concern about entering a recession phase, as well as UK and the euro zone economy that have shown an economic downswing, however, growth in the new emerging economy such as Eastern Europe and China has remained strong.

Under these circumstances, the THK group has made efforts to strengthen its structure to be able to expand its business performance stably on a long-term basis, while mitigating business risks such as external environment changes by enlarging its business areas under the policies of “Full-scale Globalization” and “development into new business areas”. As a result, net sales for this first quarter stood at ¥53,064 million, an increase of ¥3,363 million or 6.8% as compared to the first quarter of the previous fiscal year.

Despite the weak capital investments as discussed above, net sales in Japan increased due primary to favorable sales of products designed for flat panel displays.

In the Americas, while electronics industries have been in an adjustment phase, the sales and production divisions made efforts in an integrated manner to cultivate new customers as well as to expand transactions with existing customers. Although the region succeeded in increasing sales of machine tool and other products, however, net sales finally decreased due primary to the effect of weak dollar and strong yen.

In Europe, while strong demand for machinery continues in East Europe, similar to the North America region, sales and production divisions made efforts to develop business activities in a concerted manner, and as a result, they succeeded in overall increase in net sales, especially of productions for machine tools.

In Asia and other area, while machine tool production continues to increase in China, our group companies made aggressive efforts to develop business activities such as enhancing sales channels, and as a result, they succeeded to significantly increase net sales especially of productions for machine tools. In Taiwan, while exports of local machine tool manufacturers are expanding, our group companies made efforts to increase transactions with existing customers, and as a result, they succeeded to increase net sales especially of productions for machine tools. Finally, net sales in Asia and other area also increased due to the reasons above.

On the cost front, the THK group made continuous efforts to improve its productivity by increasing the yield percentage of raw materials and reduction of production lead-time. The cost to sales ratio, however, rose 3.8% from the previous first quarter period to 67.6% due to higher raw material price and to increasing fixed costs such as labor costs, depreciation and amortization expense in line with larger production capacity. Selling and general administrative expenses went up ¥396 million (3.9%) from the previous first quarter period to ¥10,538 million, due to an increase in net sales and freight expenses, however, the ratio to sales improved to 19.9%, 0.5% less than the previous first quarter period. As a result, operating income decreased ¥1,166 million (14.9%) to ¥6,671 million and its ratio to net sales dropped 3.2% from the previous first quarter period to 12.6%. Net non-operating income stood at ¥1,805 million which consisted mainly of foreign exchange gain. As a result, ordinary income and net income for the first quarter period were ¥8,477 million and ¥4,842 million, respectively, decreased by ¥779 million (8.4%) and ¥735 million (13.2%), respectively, from the previous first quarter period.

2. Financial position (As of June 30, 2008)

Total assets stood at ¥263,563 million, ¥665 million less than the previous fiscal year-end, due to combined effect of (1) increase in cash and bank deposits, (2) decrease in property, plant and equipment, and (3) decrease in goodwill amortized due to passage of time.

Total liabilities stood at ¥73,500 million, ¥2,223 million more than the previous fiscal year-end, due mainly to increase in income taxes payable.

Although retained earnings increased by net income earned in this first quarter, net assets stood at ¥190,063 million, ¥2,889 million less than the previous fiscal year-end, due mainly to decrease in foreign currency translation adjustments.

3. Forecast for the fiscal year ending March 31, 2009

No change from the forecasts reported in the announcement dated May 15, 2008.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Yen)

	First Quarter Period End -Current Year As of June 30, 2008	Year End -Previous Year As of March 31, 2008
Assets		
Current Assets:		
Cash and bank deposits	¥51,759	¥48,162
Accounts and notes receivable	64,981	65,353
Short-term investments in securities	127	1,648
Merchandise and finished goods	13,056	13,310
Work in process	6,123	5,842
Raw materials and supplies	10,304	10,162
Other current assets	7,590	8,101
Less: Allowance for bad debts	(224)	(247)
Total current assets	153,719	152,333
Fixed Assets:		
Property, plant and equipment -net:		
Machinery and equipment	36,529	37,970
Other	50,665	50,100
Total property, plant and equipment -net	87,195	88,070
Intangibles		
Goodwill	10,313	10,994
Other	741	818
Total intangibles	11,055	11,813
Investments and Other		
Long-term investments in securities	5,355	5,418
Other	6,601	6,929
Less: Allowance for bad debts	(364)	(336)
Total investments and other	11,593	12,012
Total fixed assets	109,843	111,896
Total assets	263,563	264,229

(Millions of Yen)

	First Quarter Period End -Current Year As of June 30, 2008	Year End -Previous Year As of March 31, 2008
Liabilities		
Current Liabilities:		
Accounts and notes payable	¥37,113	¥37,175
Income taxes payable	4,096	1,494
Accrued bonuses to employees	1,886	2,703
Accrued bonuses to directors and statutory auditors	130	100
Other	21,071	20,069
Total current liabilities	64,298	61,542
Long-term Liabilities:		
Reserve for employees' retirement benefits	4,039	3,995
Reserve for retirement benefits for directors and statutory auditors	120	112
Reserve for product warranty	154	154
Negative goodwill	810	972
Other	4,078	4,499
Total long-term liabilities	9,201	9,733
Total liabilities	73,500	71,276
Net Assets		
Shareholders' Equity:		
Common stock	34,606	34,606
Additional paid-in capital	44,343	44,343
Retained earnings	120,179	117,578
Treasury stock	(11,348)	(11,347)
Total shareholders' equity	187,781	185,181
Valuation and Adjustments:		
Net unrealized gain on other securities	600	469
Foreign currency translation adjustments	(242)	5,302
Total valuation and adjustments	357	5,772
Minority Interest	1,924	1,999
Total net assets	190,063	192,953
Total liabilities and net assets	263,563	264,229

Consolidated Statements of Income

(Millions of Yen)

	First Quarter Period Ended June 30, 2008 (From April 1, 2008 to June 30, 2008)
Net sales	¥53,064
Cost of sales	35,854
Gross profit	17,209
Selling, general and administrative expenses:	
Packaging and freight	1,308
Salaries and wages	2,936
Other	6,292
Total selling, general and administrative expenses	10,538
Operating income	6,671
Non-operating income:	
Interest income	165
Foreign exchange gain	1,369
Amortization of negative goodwill	162
Other	266
Total non-operating income	1,963
Non-operating expenses:	
Interest expenses	17
Equity loss of affiliates	29
Other	110
Total non-operating expenses	157
Ordinary income	8,477
Extraordinary gain:	
Gain on sales of property and equipment	31
Total extraordinary gain	31
Extraordinary losses:	
Loss on sales/disposal property and equipment	60
Total extraordinary losses	60
Income before income tax and minority interests	8,448
Income taxes-current	3,320
Income taxes-deferred	247
Total income taxes	3,568
Minority interest	37
Net income	4,842

Additional notes:

(1) Going concern issues: Not applicable.

(2) Significant change in shareholders' equity: Not applicable.

For reference:

Summary of consolidated statement of income for the first quarter period ended June 30, 2007 is as follows:

(Millions of Yen)

	First Quarter Period Ended June 30, 2007 (From April 1, 2007 to June 30, 2007)	
	(Amount)	(%)
Net sales	¥49,700	100.0
Cost of sales	31,721	63.8
Gross profit	17,979	36.2
Selling, general and administrative expenses	10,141	20.4
Operating income	7,837	15.8
Non-operating income	1,706	3.4
Non-operating expenses	288	0.6
Ordinary income	9,256	18.6
Extraordinary gain	15	0.0
Extraordinary losses	53	0.1
Income before income tax and minority interests	9,219	18.5
Income taxes	3,589	7.2
Minority interest	50	0.1
Net income	5,578	11.2