



INTERIM FINANCIAL RESULTS BRIEFING

2005.11.18

THK CO., LTD.
President & CEO
AKIHIRO TERAMACHI

This presentation material contains forward looking statements that reflect the Company's business plans, performance projections, and strategic forecasts. Such statements are based on information currently available to the Company. However, changes in the operating environment may cause actual results and achievements to differ from those anticipated in this corporate presentation material.

Financial Results Highlight



- In the first half of the period ending March 2006, net sales totaled ¥75,331 million, a reduction of ¥1,537 million (2.0%) over the first half of the previous term. Although revenue decreased when compared to the first half of the previous term, it was the 2nd highest revenue level in our history.
Operating income was ¥12,860 million, a reduction of ¥2,468 million (16.1%) over the first half of the previous term.
- In addition to a large 63.9% increase in machine tools bound for the Americas over the first half of the previous term, the results of a bullish trend in general machinery caused net sales to increase by 5.0%, or ¥6,466 million, over the first half of the previous term.
- Despite the lack of growth in electronics in Europe, machine tools and general machinery transitioned well and net sales increased by 6.1% to ¥8,451 million. Additionally, fixed production costs increased due to an increase in facilities and employees in European subsidiaries, a measure taken in order to strengthen the local production system. However, the operating profit margin increased over the first half of the previous term as a result of more favorable SG&A expenses.
- As for Asia, in order to strengthen management and domestic sales strength in China, for which growth is expected in the future, increase the speed with which decisions are made and improve effectiveness through the unified management of redundant functions among independent companies, we established THK (China) Co., Ltd. in September 2005 as a unifying company in China.

Consolidated Subsidiaries and Affiliated Companies



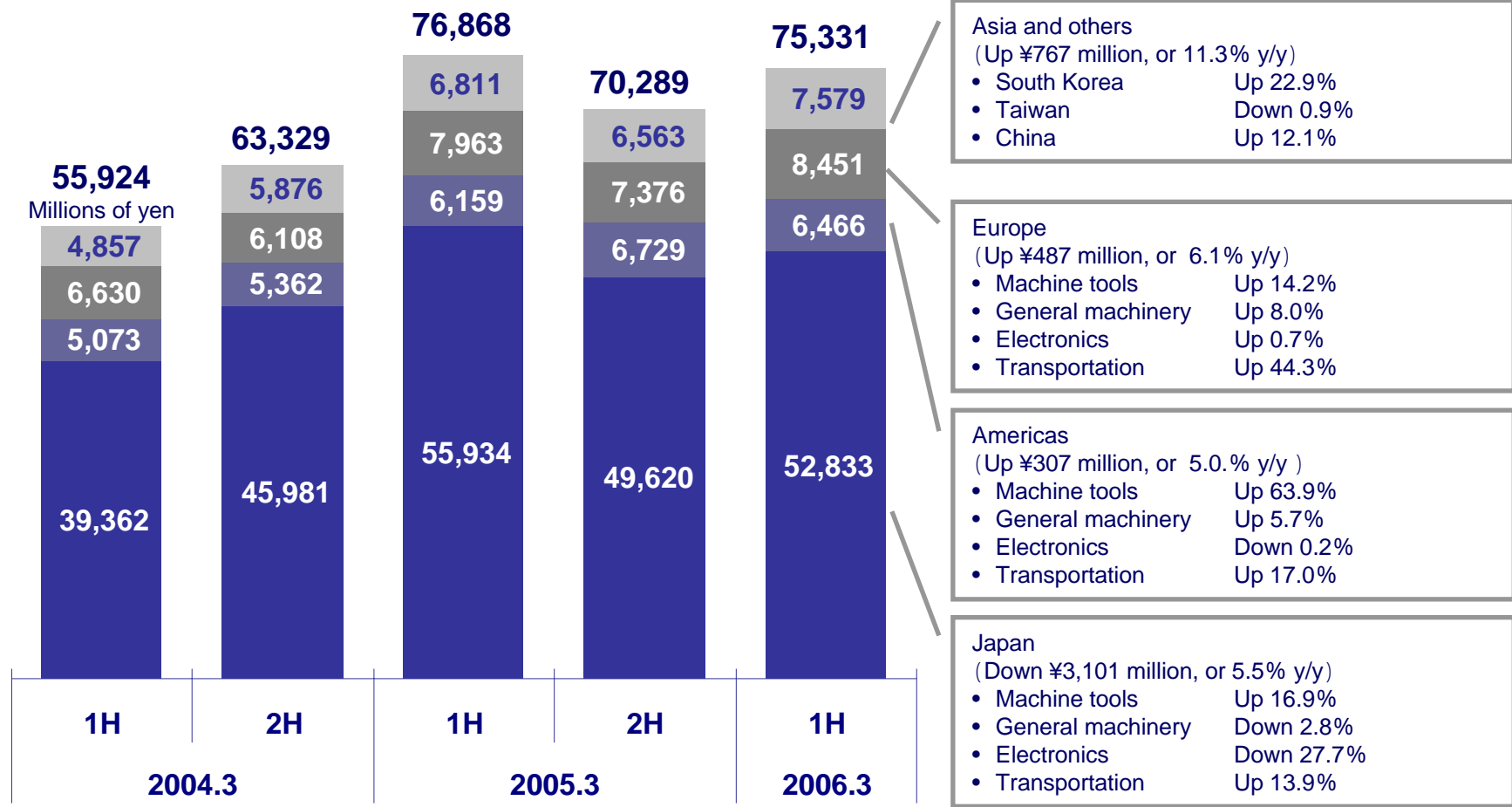
Change in consolidated subsidiaries from previous period

Increased:

THK(CHINA) CO., LTD (China)
Beldex Korea Corporation (South Korea)

Company	Location	Percentage of ownership voting rights	
TALK SYSTEM CORPORATION	Tokyo	98.90	
Beldex Corporation	Tokyo	94.73	
THK NIIGATA CO.,LTD	Niigata	70.00	
DAITO SEIKI CO.,LTD	Tokyo	100.00	
THK Holdings of America, L.L.C.	America	100.00	
THK America, Inc.	America	100.00	
THK Manufacturing of America, Inc	America	100.00	
THK Neturen America, L.L.C.	America	50.00	
THK Europe B.V.	Netherlands	100.00	
THK GmbH	Germany	100.00	
THK FRANCE S.A.S.	France	100.00	
THK Manufacturing of Europe S.A.S.	France	100.00	
PGM Ballscrews Ireland Ltd.	Ireland	98.97	
THK TAIWAN CO.,LTD	Taiwan	94.99	
DALIAN THK CO.,LTD	China	70.00	
THK (SHANGHAI) CO.,LTD	China	100.00	
THK MANUFACTURING OF CHINA (WUXI) CO., LTD.	China	100.00	
THK MANUFACTURING OF CHINA (LIAONING) CO., LTD.	China	100.00	
THK (CHINA) CO., LTD	China	100.00	September, 2005 Consolidated subsidiary
Beldex Korea Corporation	South Korea	100.00	September, 2005 Consolidated Subsidiary
SAMIC LMS CO.,LTD	South Korea	33.34	Affiliated company

Trends in Net Sales

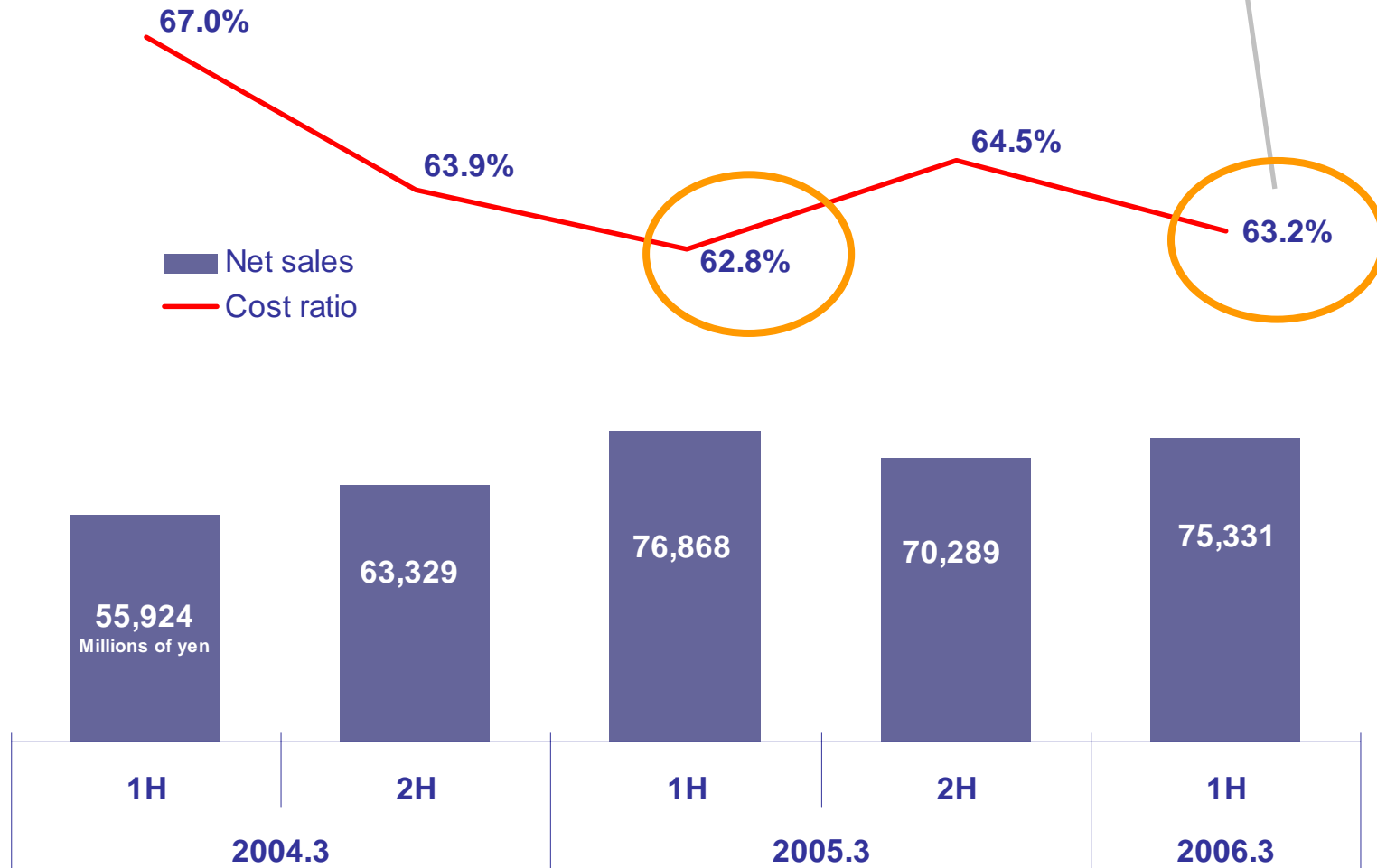


Exchange rate

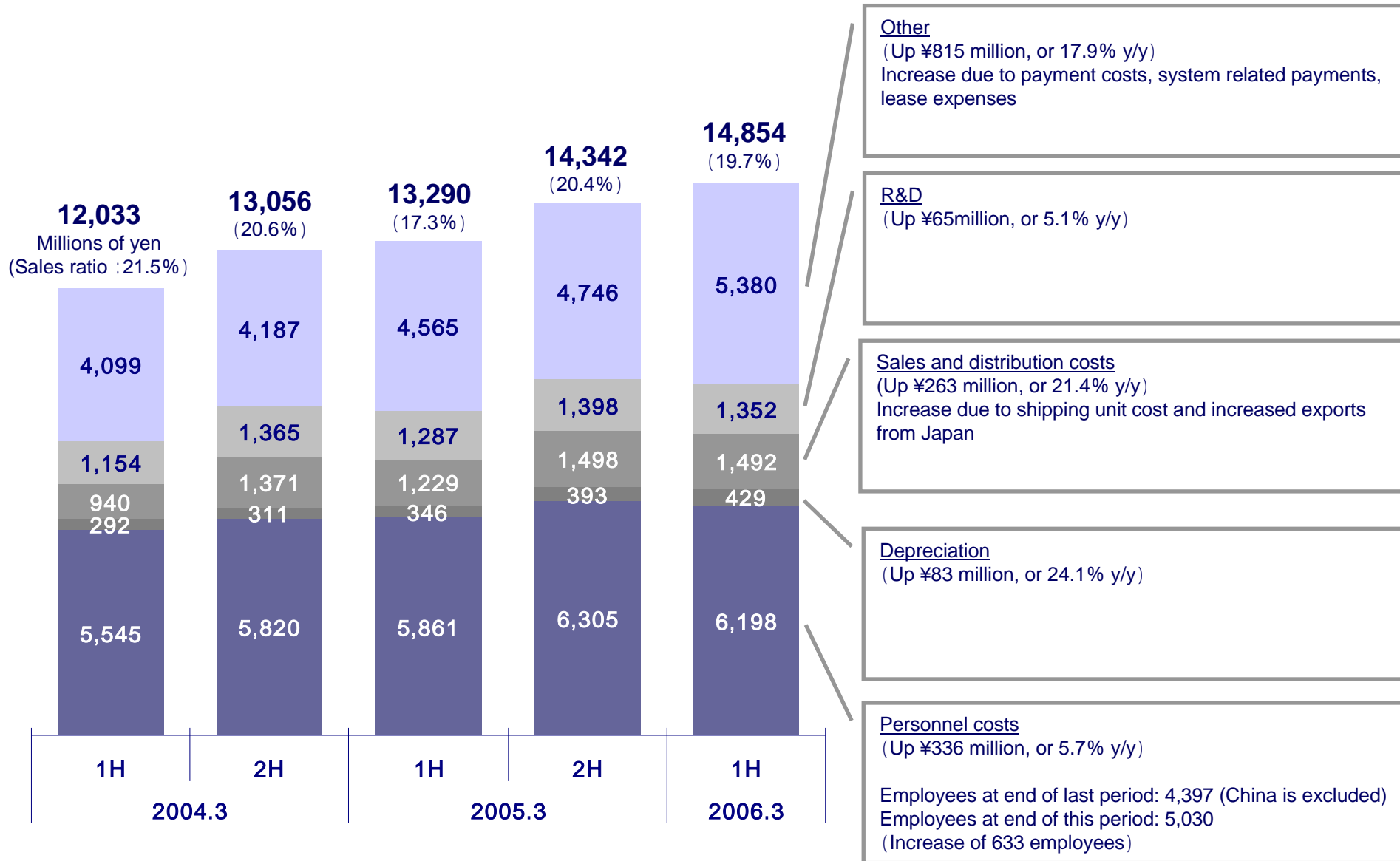
1US\$	¥118.71	113.26	108.51	107.96	106.10
1EUR	¥131.19	130.85	133.17	135.76	136.26

Trends in Cost Ratio and Net Sales

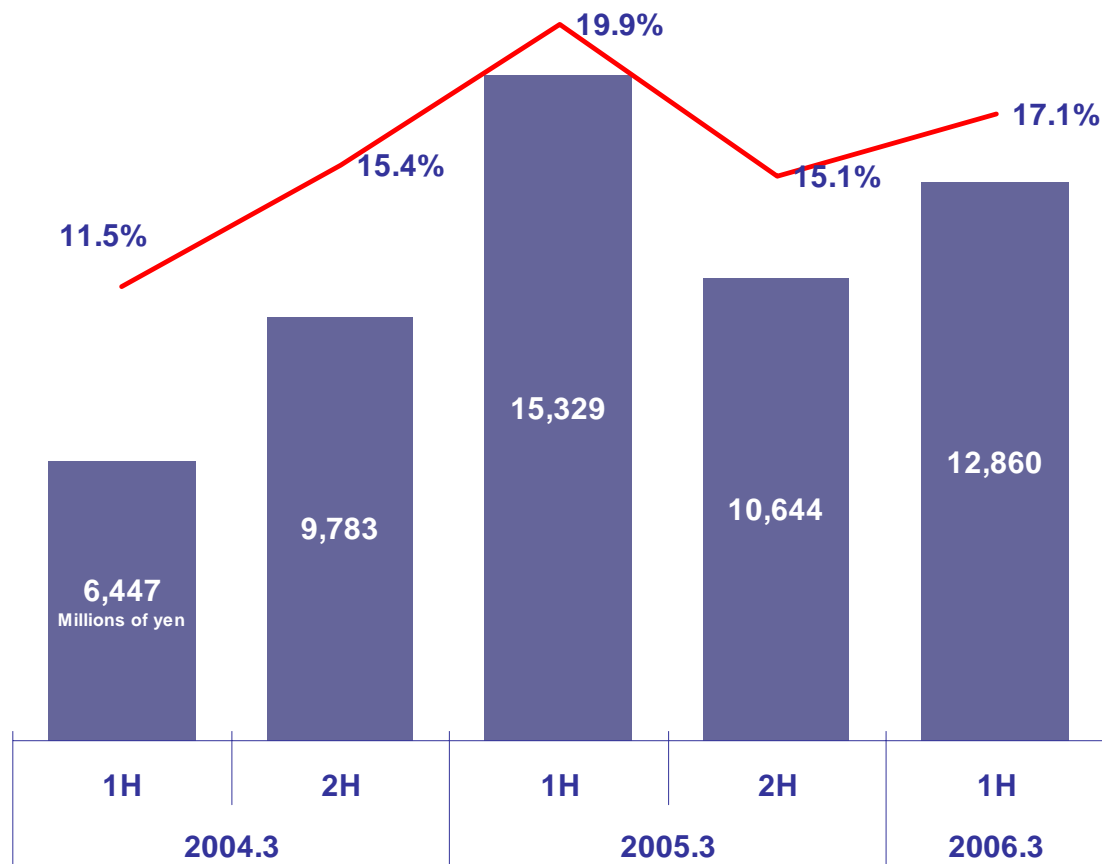
The sales-cost ratio worsened by 0.4 points y/y.
Attendant upon the decrease of net sales, degree of operation decreased. Variable expenses increased due to a rise in the cost of materials.



Trends in SG&A



Operating Profit and Operating Profit Margin



Operating profit by location (margin)

Japan
(Down ¥2,848 million y/y)

2005.3 1H	¥14,364million (20.7%)
2006.3 1H	¥11,516million (17.2%)

Americas
(Down ¥68 million y/y)

2005.3 1H	¥694million (11.3%)
2006.3 1H	¥625million (9.7%)

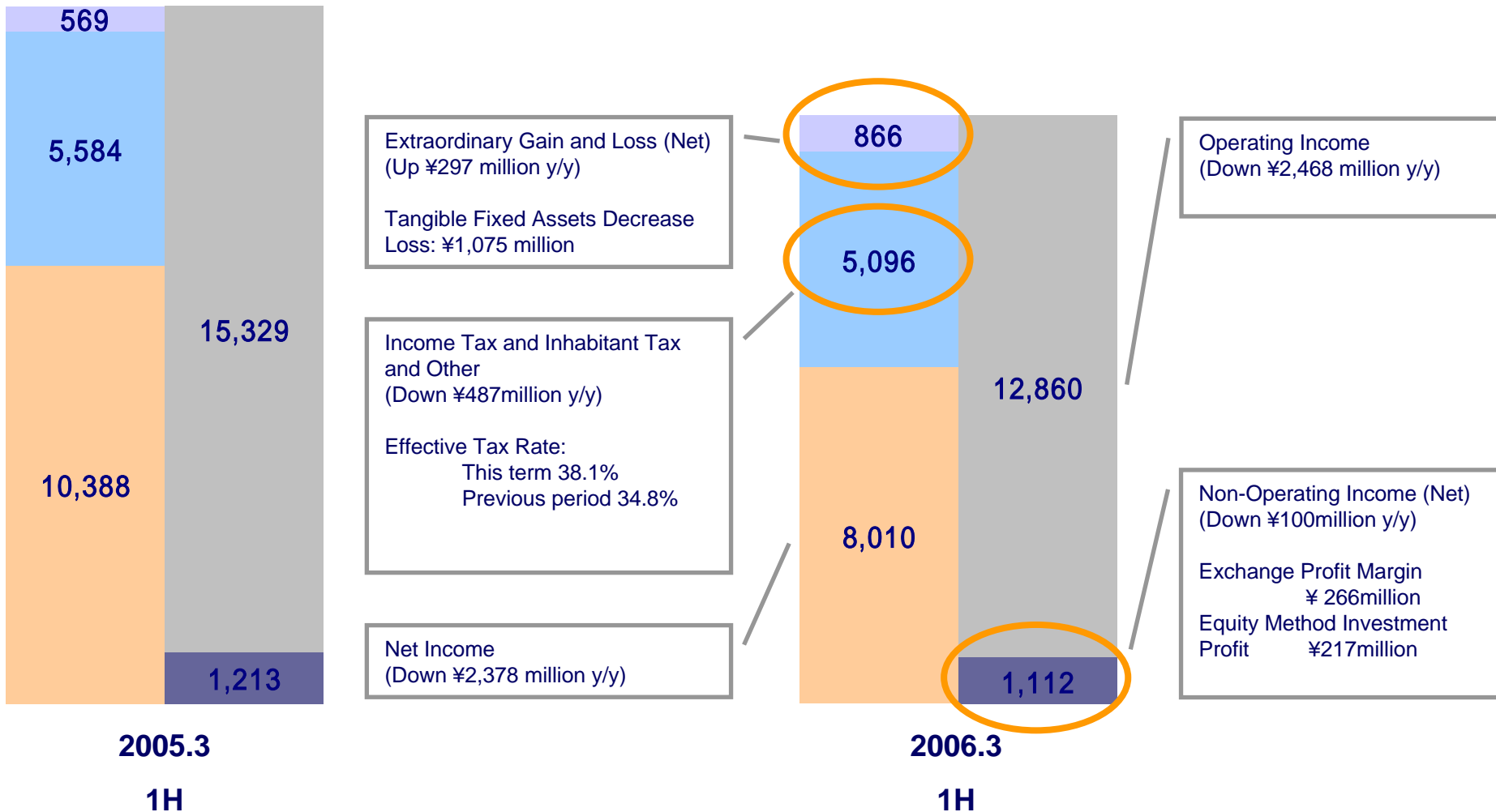
Europe
(Up ¥50 million y/y)

2005.3 1H	¥446million (5.5%)
2006.3 1H	¥497million (5.8%)

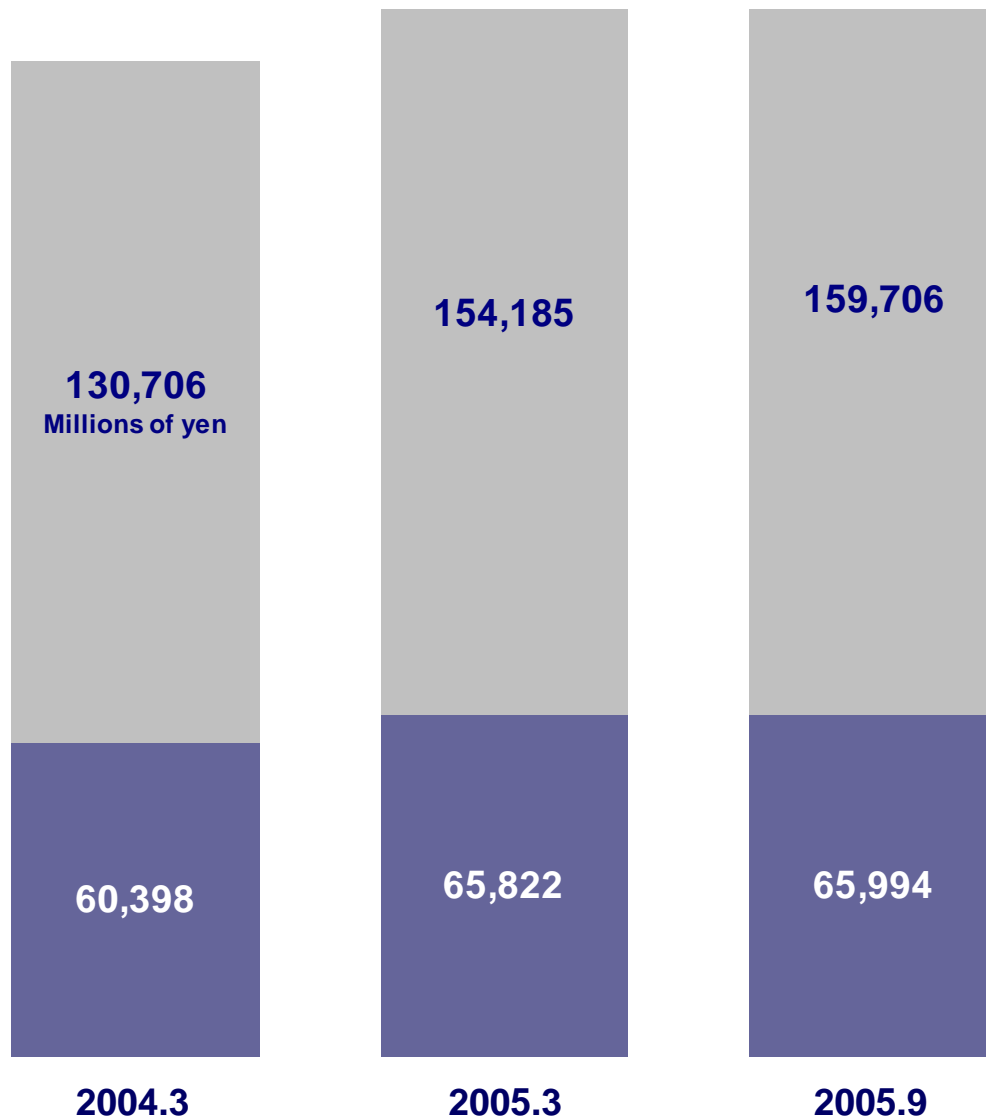
Taiwan
(Up ¥156 million y/y)

2005.3 1H	¥30million (1.8%)
2006.3 1H	¥186million (5.7%)

Trend in Net Income



Asset Trends



Current assets

(Up ¥5,521 million from previous period)

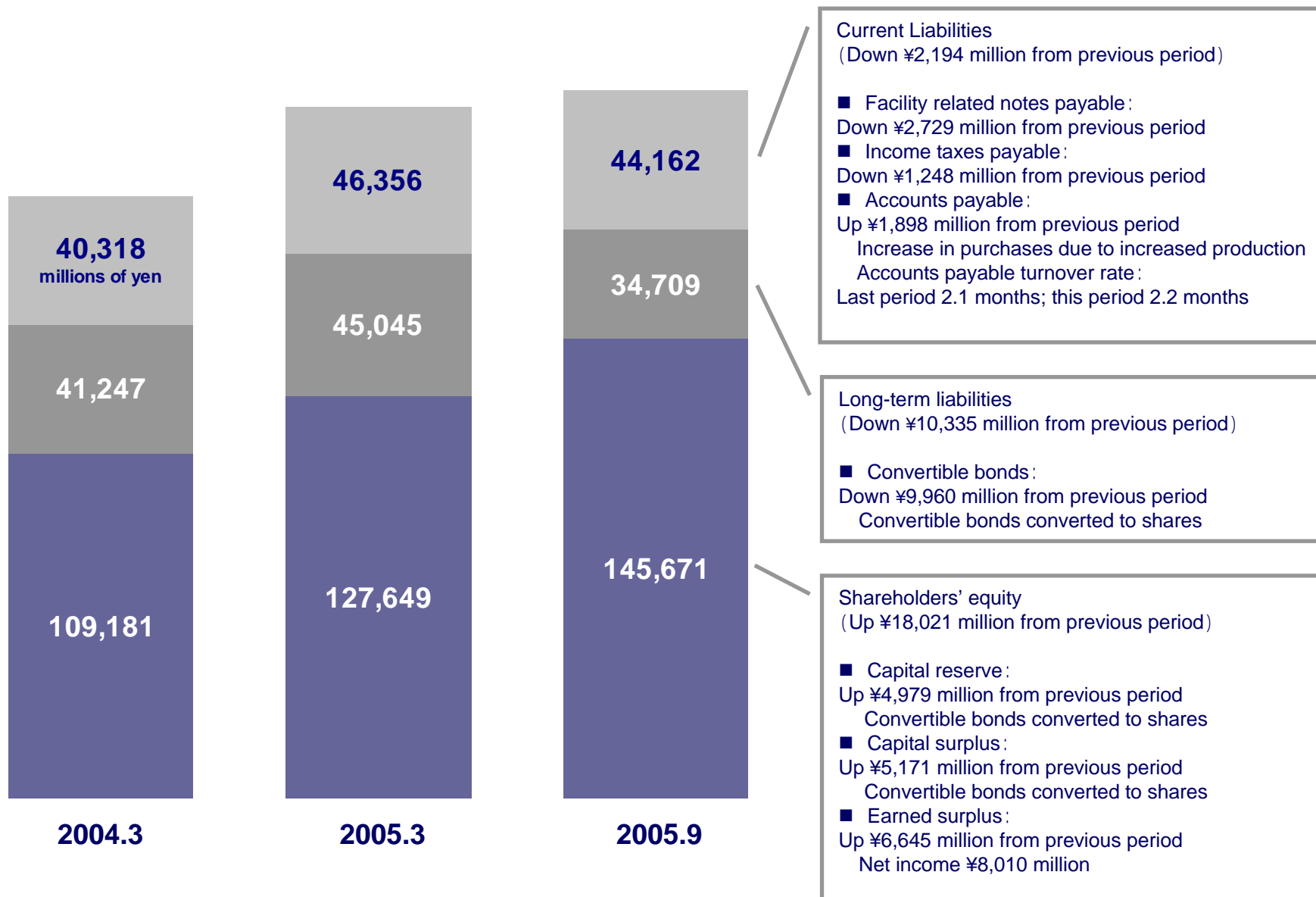
- Cash and cash in account:
Up ¥2,360 million from previous period
Free cash flow ¥2,385 million
- Accounts receivable:
Up ¥3,458 million from previous period
Increase in net sales
Accounts receivables turnover rate:
Last period 4.0 months; this period 4.2 months
- Inventories:
Down ¥320 million from previous period
Inventory turnover rate:
Last period 2.0 months; this period 1.9 months

Fixed assets

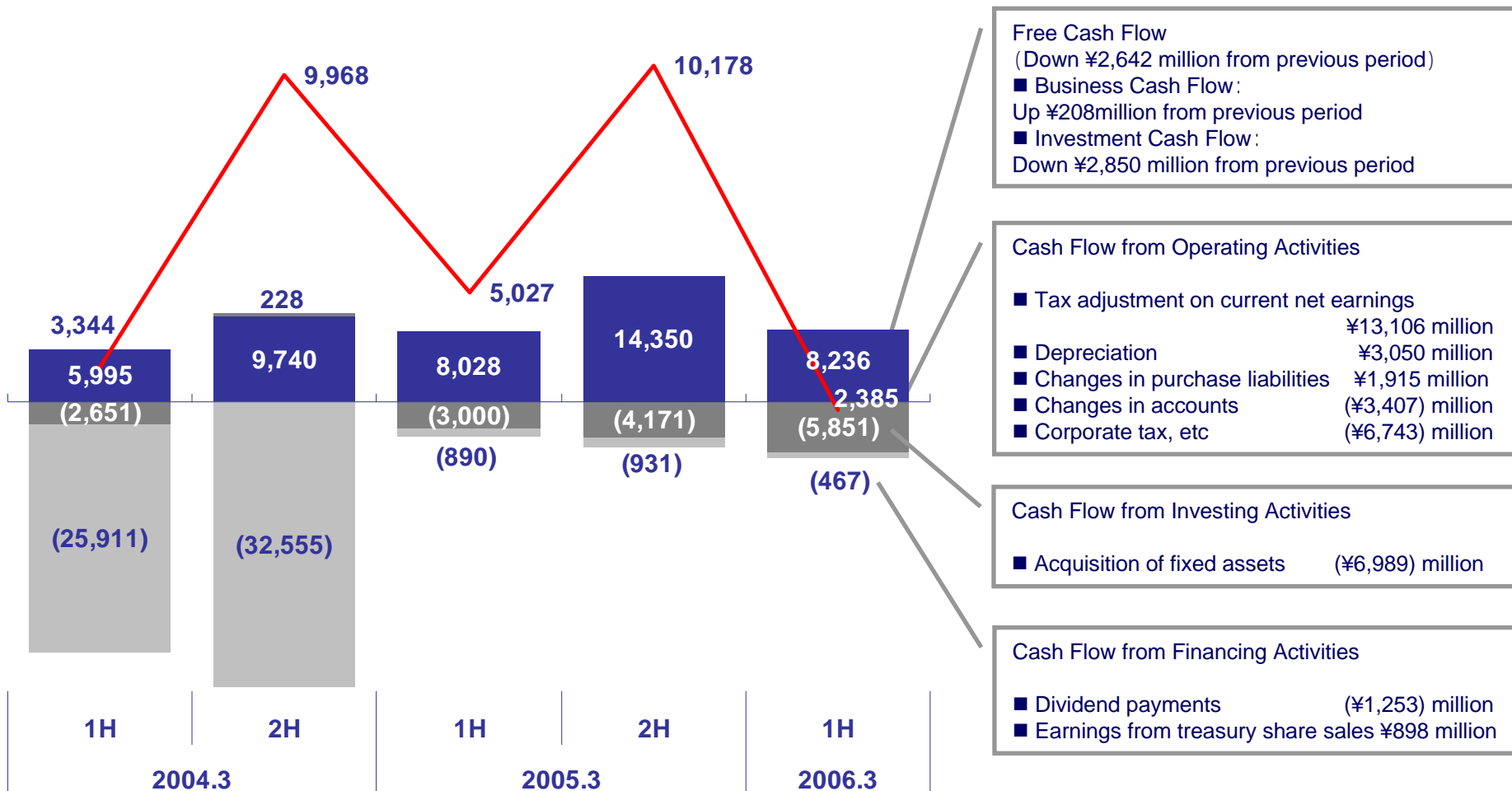
(Up ¥122 million from previous period)

- Tangible Fixed assets:
Down ¥1,304 million from previous period
CAPEX ¥3,531 million; Depreciation ¥2,829 million
Decrease in land Down ¥1,592 million
- Investments and other assets:
Up ¥1,453 million from previous period
Net unrealized gain on securities: ¥990million

Trends in Liabilities and Equity



Cash Flow Trends



Financial Forecast (Consolidated)

	2006.3 (Revised Nov. Forecast)	2006.3 (May Forecast)	2005.3
Net Sales	155,000	148,000	147,158
<i>y/y</i>	+5.3%	+0.6%	+23.4%
Operating Income	25,400	24,500	25,974
<i>y/y</i>	(2.2%)	(5.7%)	+60.0%
Ordinary Income	27,100	25,500	27,646
<i>y/y</i>	(2.0%)	(7.8%)	+74.0%
Net Income	16,000	16,000	17,348
<i>y/y</i>	(7.8%)	(7.8%)	+102.1%