



# INTERIM FINANCIAL RESULTS BRIEFING

November 13<sup>th</sup> 2008

THK CO., LTD.  
President & CEO  
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This presentation material contains forward looking statements that reflect the Company's business plans, performance projections, and strategic forecasts. Such statements are based on information currently available to the Company. However, changes in the operating environment may cause actual results and achievements to differ from those anticipated in this corporate presentation material. Also, please let you know that this presentation material includes reference information that are not exactly accounts indication matters.

# Financial Statements

1st Half of Fiscal Year ending 2009 March

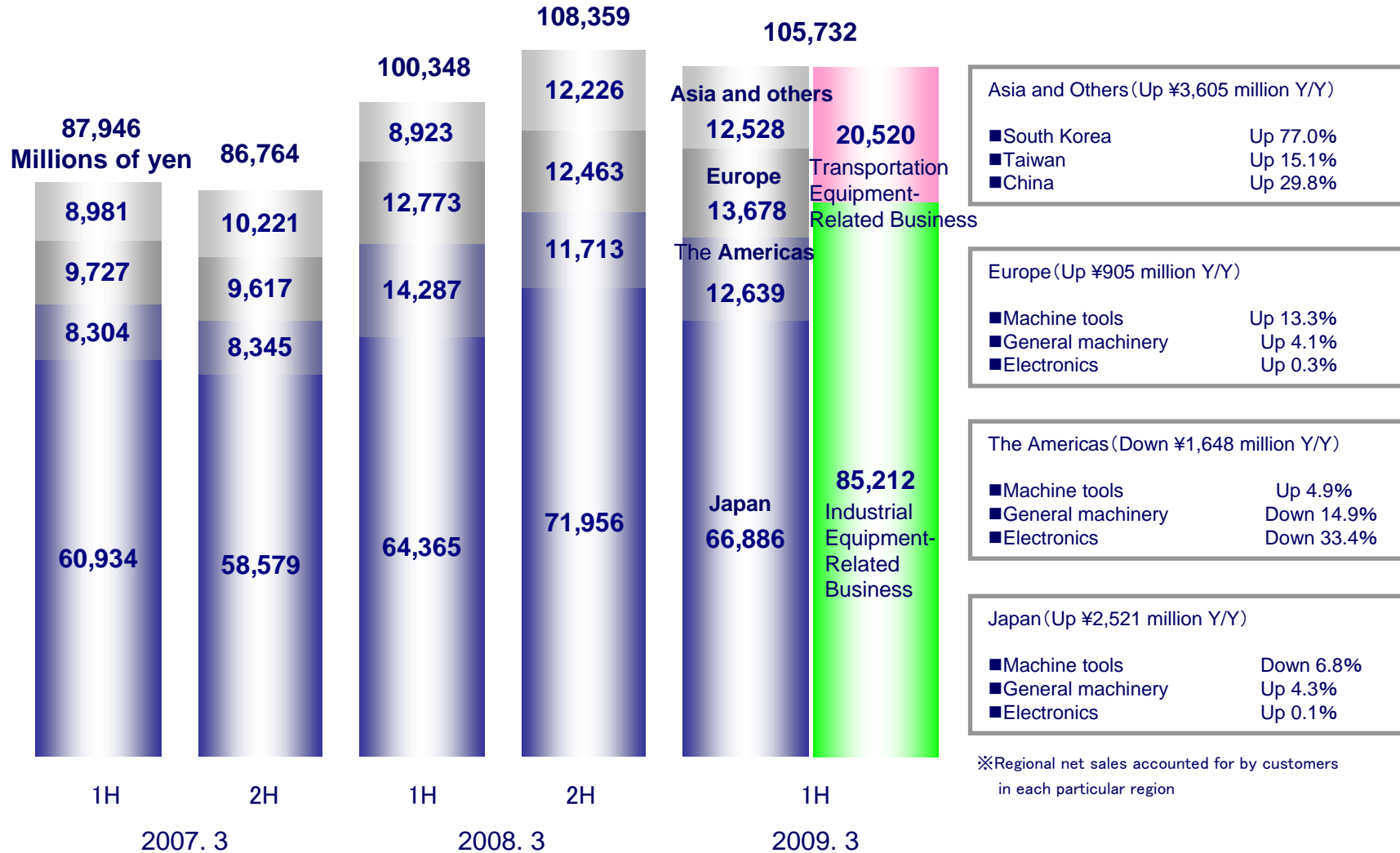
**Net sales increased by 5.4%, compared to the same period in the previous year, to ¥105.7 billion.**

- **In Japan, although net sales of machine tool were more modest than same period in the previous year, THK was able to extend domestic sales because of the swell of liquid crystal related business.**
- **Net sales in the Americas fell affected by external environment; e.g., strong yen against the dollar. However, foreign sales increased since sales in Europe and Asia increased because of a high demand of machinery.**

**Operating income fell by 14.6%, compared to the same period in the previous year, to ¥11.8 billion.**

- **Variable cost ratio increased affected by the rise of raw material costs.**
- **There were increases in fixed costs; e.g., labor costs, depreciation, etc.**
- **There were increases in SG&A; e.g., distribution costs, personnel costs, etc.**
- **In Europe, THK has received about ¥0.9 billion as a return profit of import tariff in the same period in the previous year.**

# Trend in Net Sales



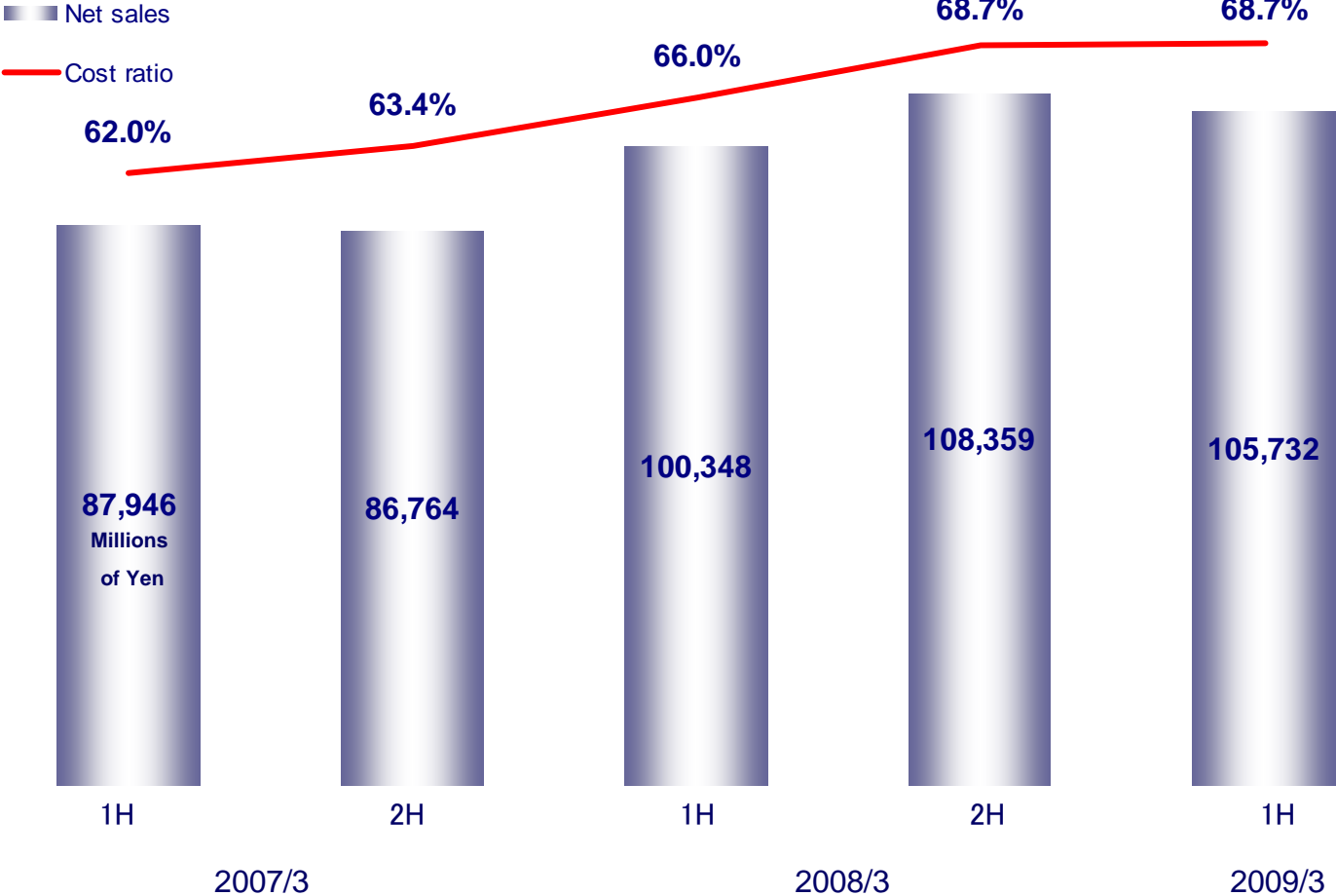
※Regional net sales accounted for by customers in each particular region

|       |        |        |        |        |        |
|-------|--------|--------|--------|--------|--------|
| 1US\$ | 115.72 | 117.04 | 120.16 | 115.53 | 104.92 |
| 1EUR  | 142.23 | 150.05 | 159.61 | 162.87 | 160.54 |

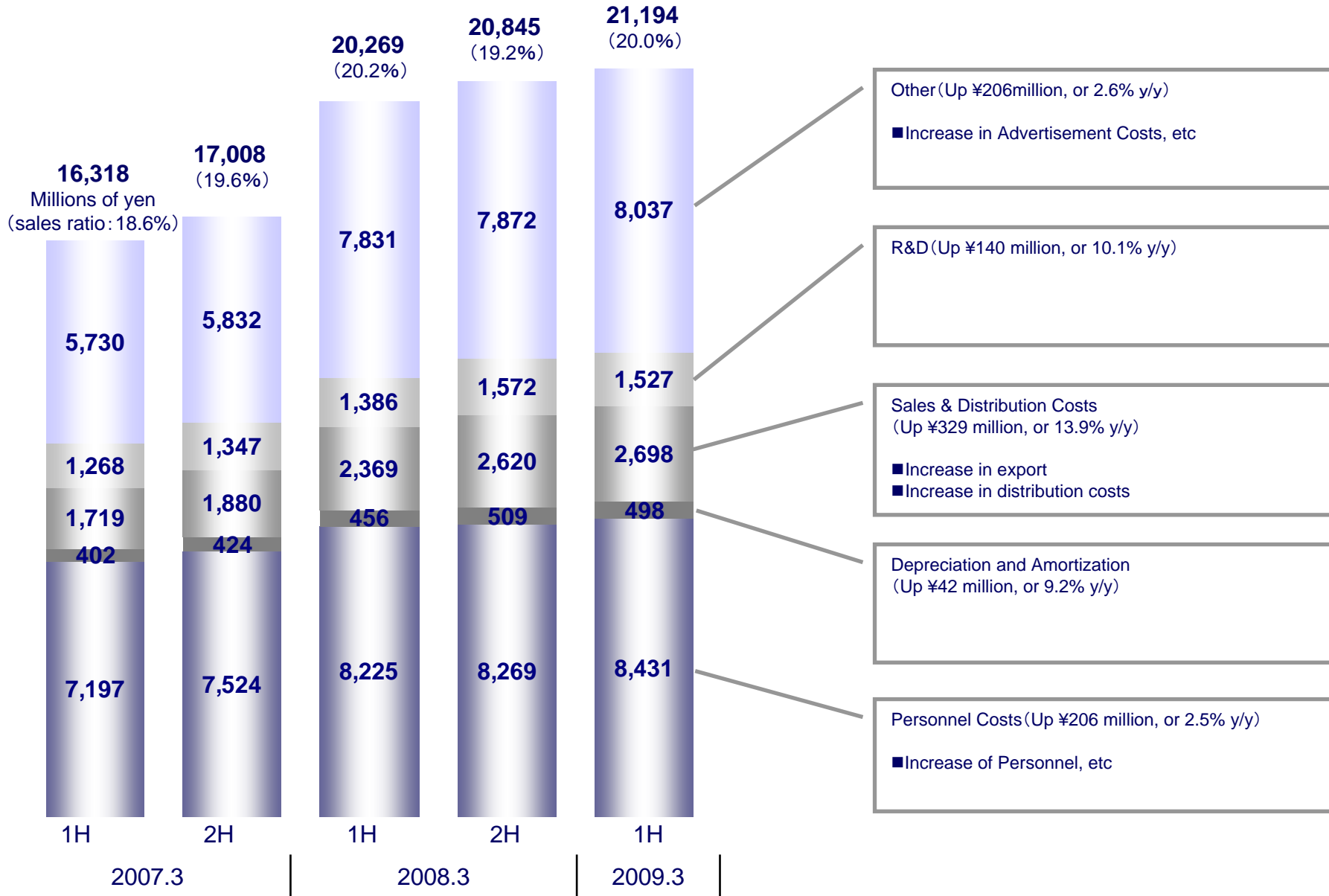
# Trends in Cost Ratio and Net Sales

Cost Ratio increased 2.7 points y/y.

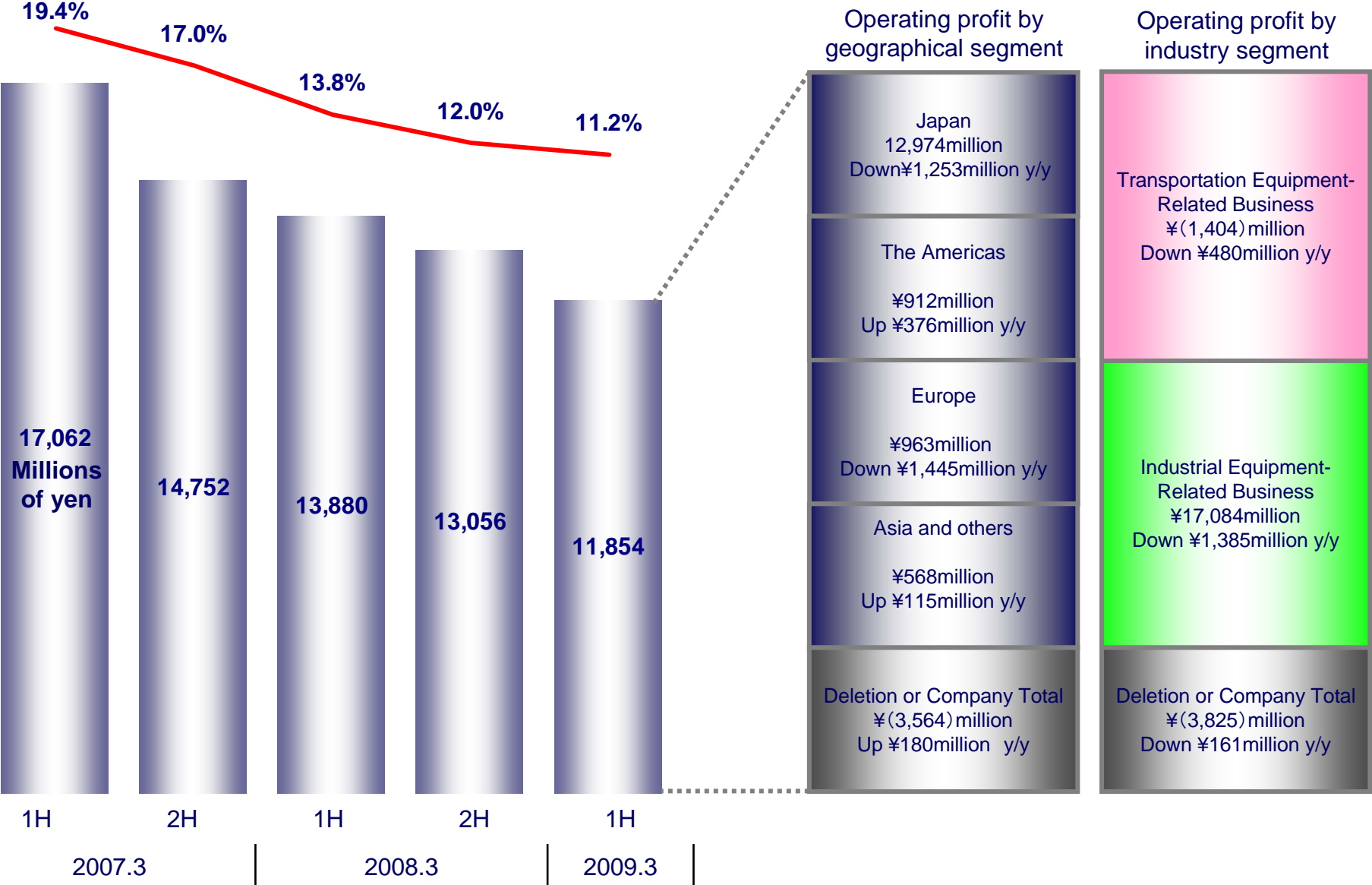
- There were increases in variable cost ratio affected by the rise of raw material costs.
- There were increases in fixed costs; e.g., labor costs, depreciation, etc.



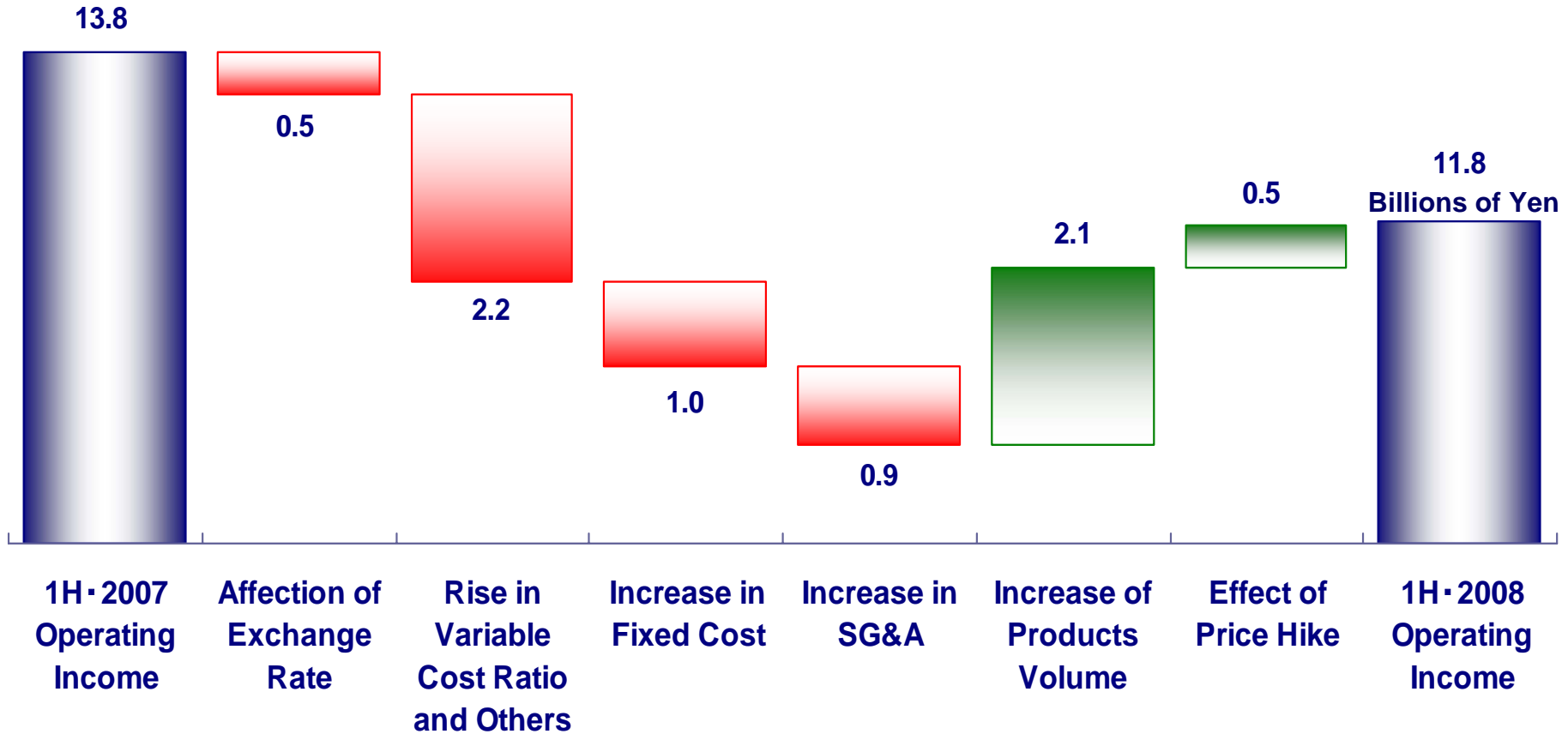
# Trends in SG&A



# Operating Profit and Operating Profit Margin

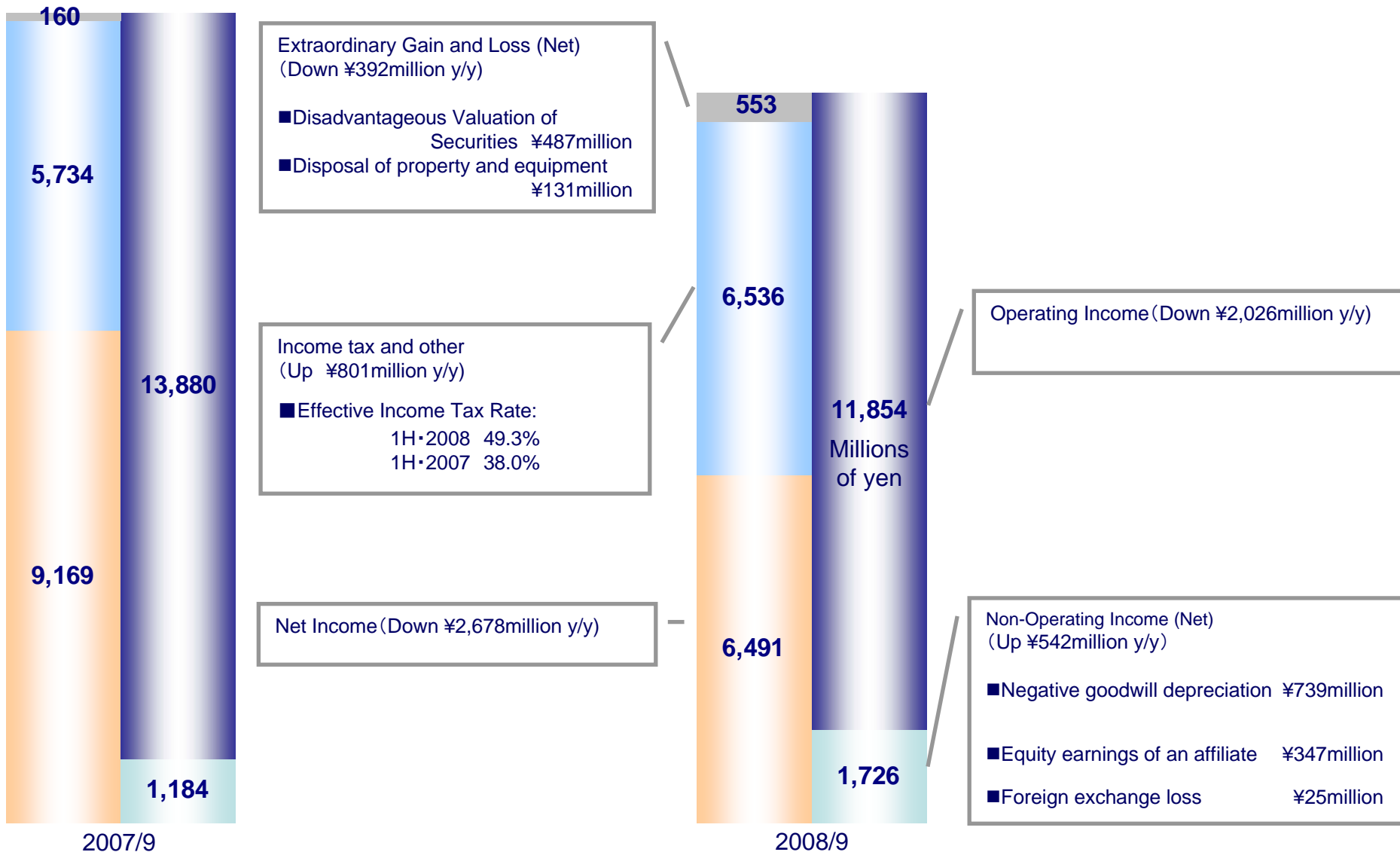


# Operating Income Causes of Change





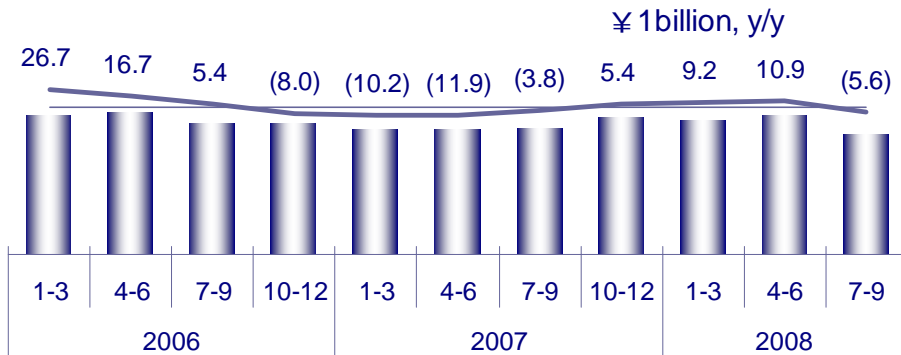
# Trend in Net Income



# Fiscal Year Ending 2009 March Performance Forecast

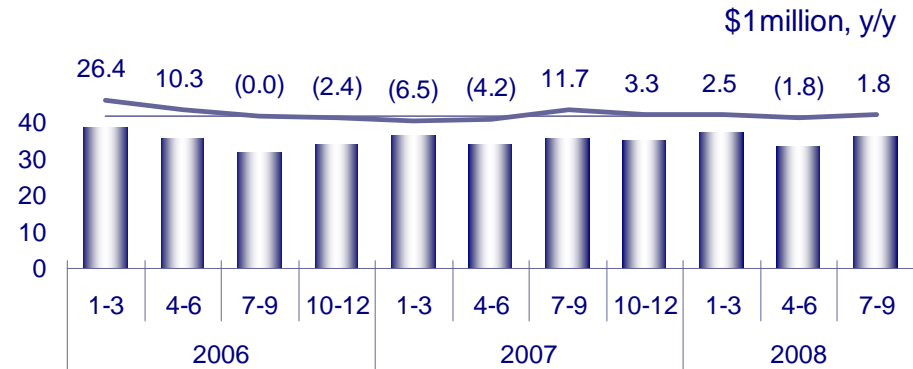
# Geographical Orders Review

## THK (Domestic)

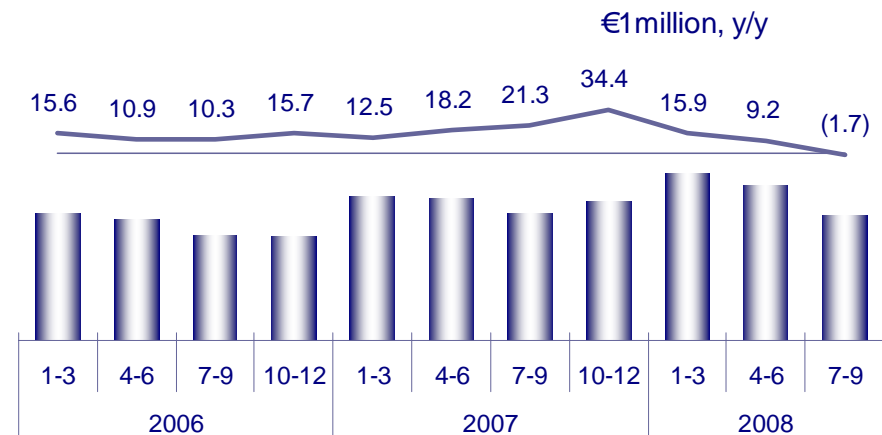


※Except Export

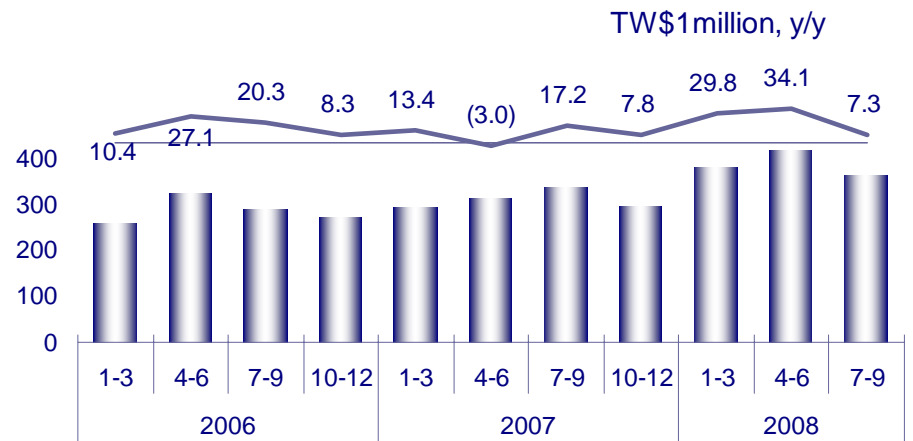
## THK Holdings of America, L.L.C.



## THK Europe B.V.



## THK TAIWAN CO., LTD.



# Profit Forecast Consolidated



|                         | <b>2009/3</b><br>(Revised Nov. Forecast) | <b>2009/3</b><br>(May. Forecast) | <b>2009/03</b><br>1H | <b>2008/03</b><br>Full Year |
|-------------------------|--|----------------------------------|----------------------|-----------------------------|
| <b>Net Sales</b>        | <b>192,000</b>                           | <b>225,000</b>                   | <b>105,732</b>       | <b>208,708</b>              |
| <i>y/y</i>              | <i>down8.0%</i>                          | <i>up7.8%</i>                    | <i>up5.4%</i>        | <i>up19.5%</i>              |
| <b>Operating Income</b> | <b>13,500</b>                            | <b>30,500</b>                    | <b>11,854</b>        | <b>26,937</b>               |
| <i>y/y</i>              | <i>down49.9%</i>                         | <i>up13.2%</i>                   | <i>down14.6%</i>     | <i>down15.3%</i>            |
| <b>Ordinary Income</b>  | <b>14,500</b>                            | <b>32,100</b>                    | <b>13,581</b>        | <b>27,026</b>               |
| <i>y/y</i>              | <i>down46.3%</i>                         | <i>up18.8%</i>                   | <i>down9.9%</i>      | <i>down22.7%</i>            |
| <b>Net Income</b>       | <b>6,800</b>                             | <b>18,500</b>                    | <b>6,491</b>         | <b>18,323</b>               |
| <i>y/y</i>              | <i>down62.9%</i>                         | <i>up1.0%</i>                    | <i>down29.2%</i>     | <i>down12.9%</i>            |

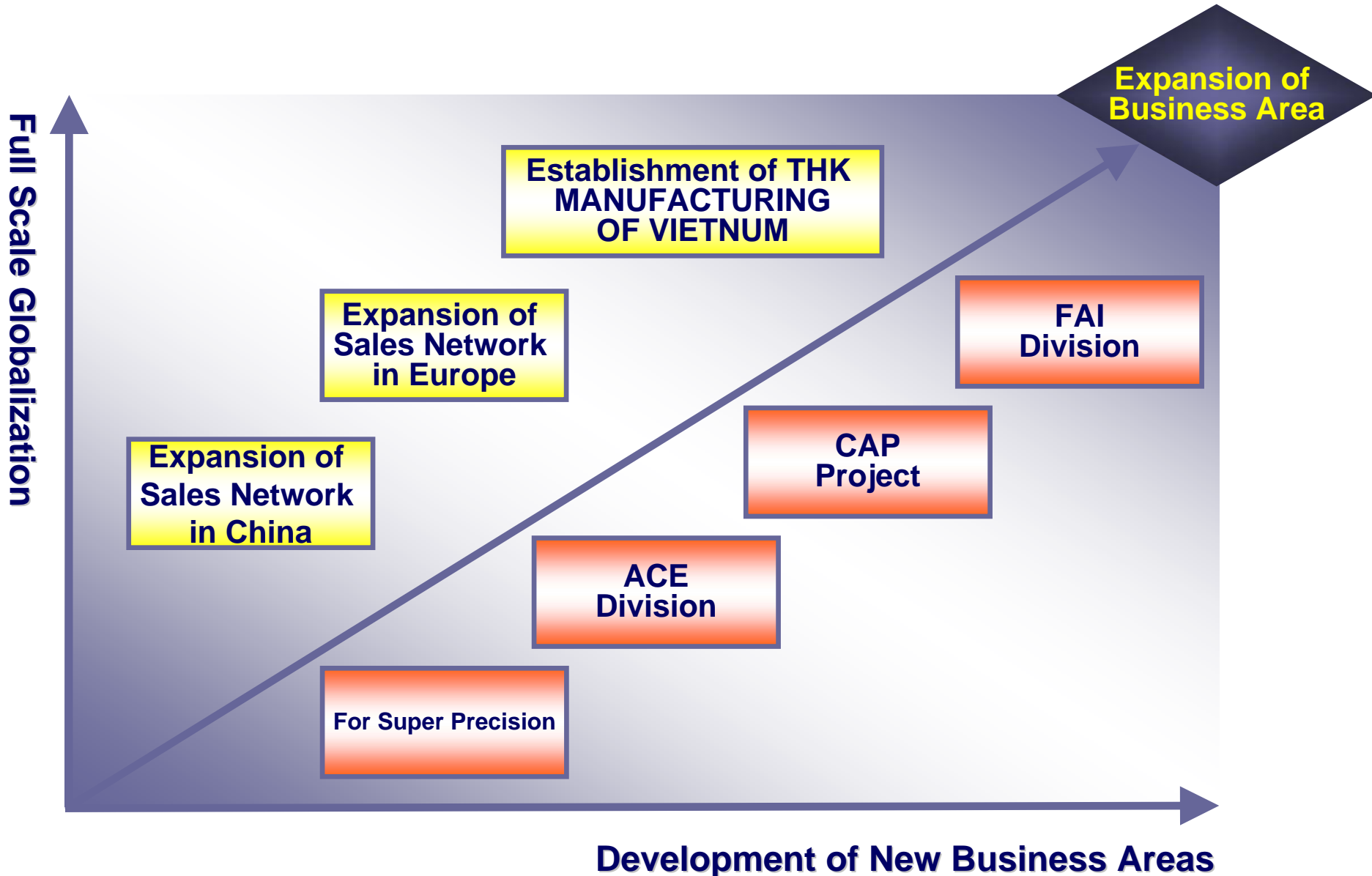
## Fixed cost

- **Control of capital investment by the full use of current capital**
- **Review the hours of operation and the number of labor**
- **Review the system related cost**
- **Review the cost of advertisement**
- **Review other costs**

## Variable cost

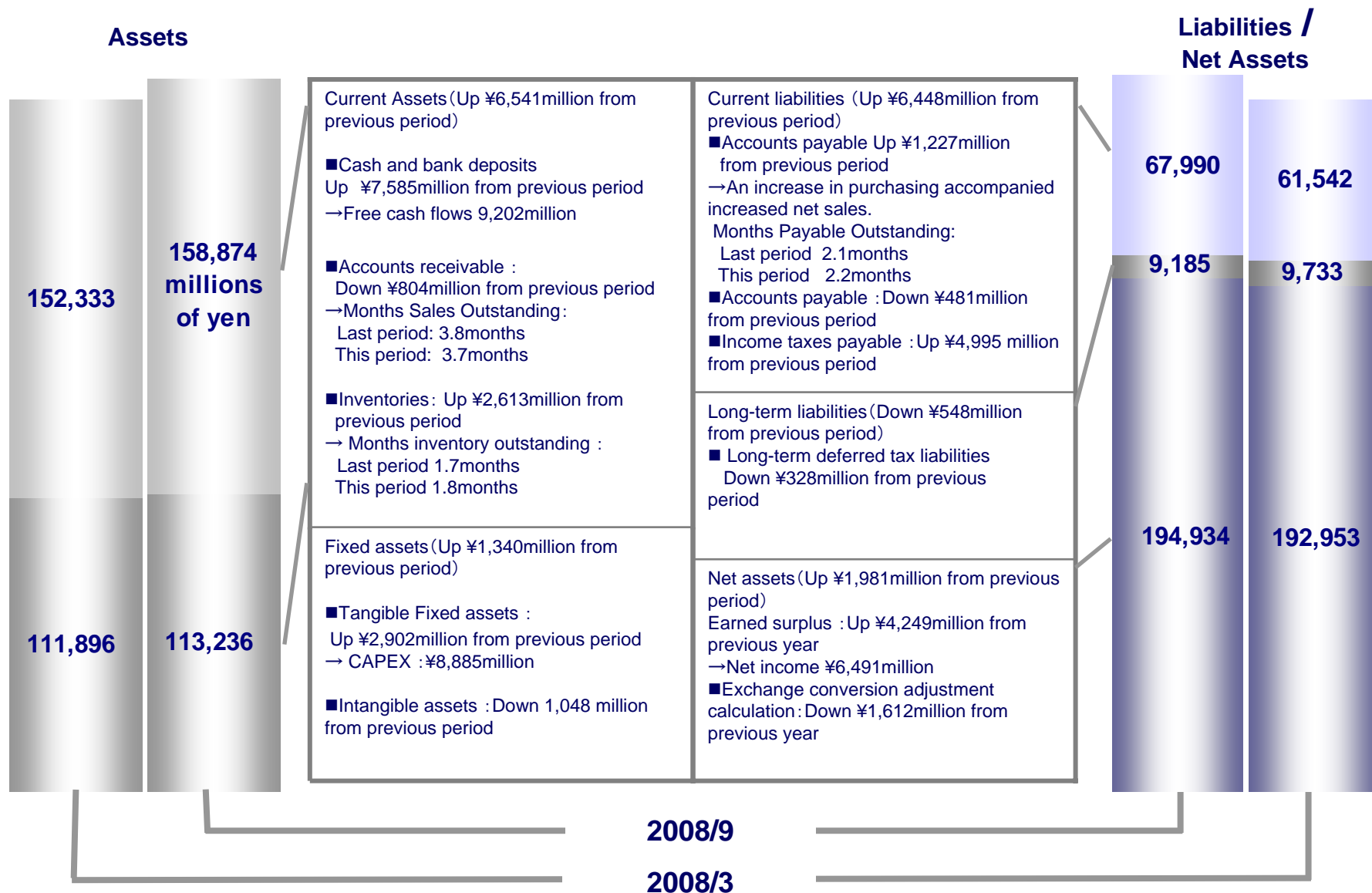
- **Improvement of material yield**
- **Reduce the cost of material.**
- **Improvement of domestic production ratio.**
- **Efficiency Improvement of distribution cost**

# Development of Business Area

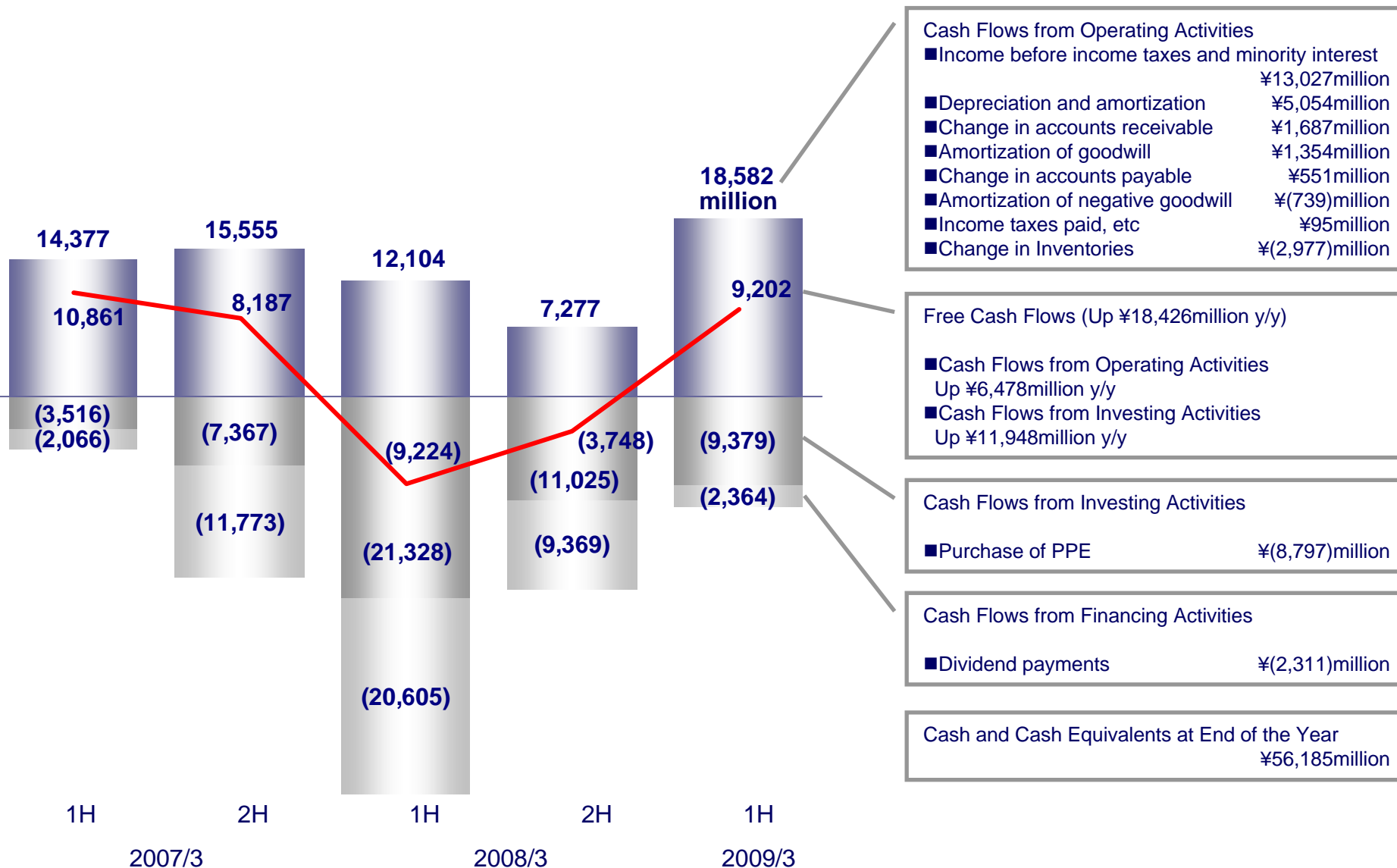


# Support Statement

## - Trends in Liabilities, Equity and Net Assets -



# Support Statement –Cash Flows Trend-

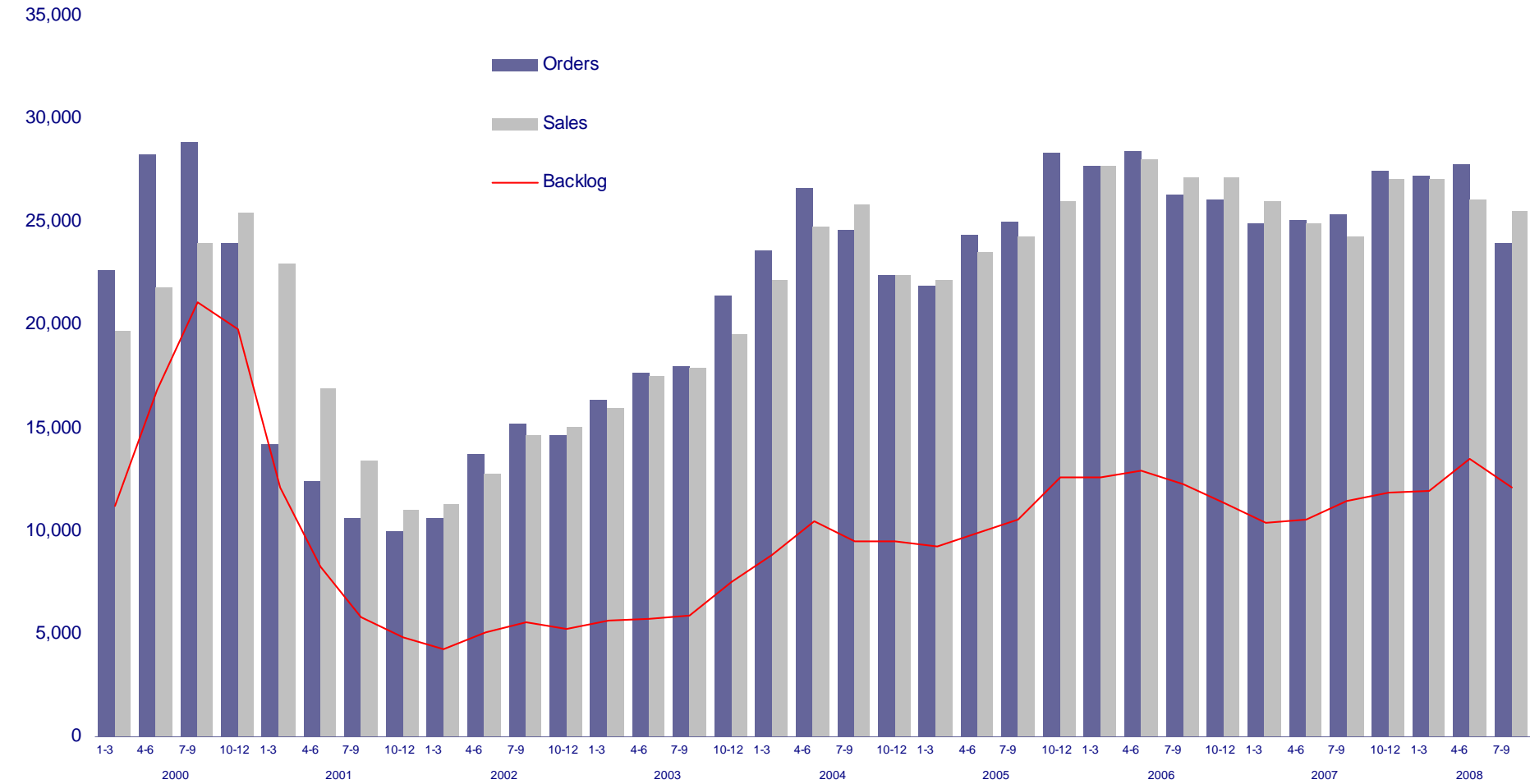




# Support Statement –Trends in Orders, Sales and Backlog (Domestic-Non-consolidated) –

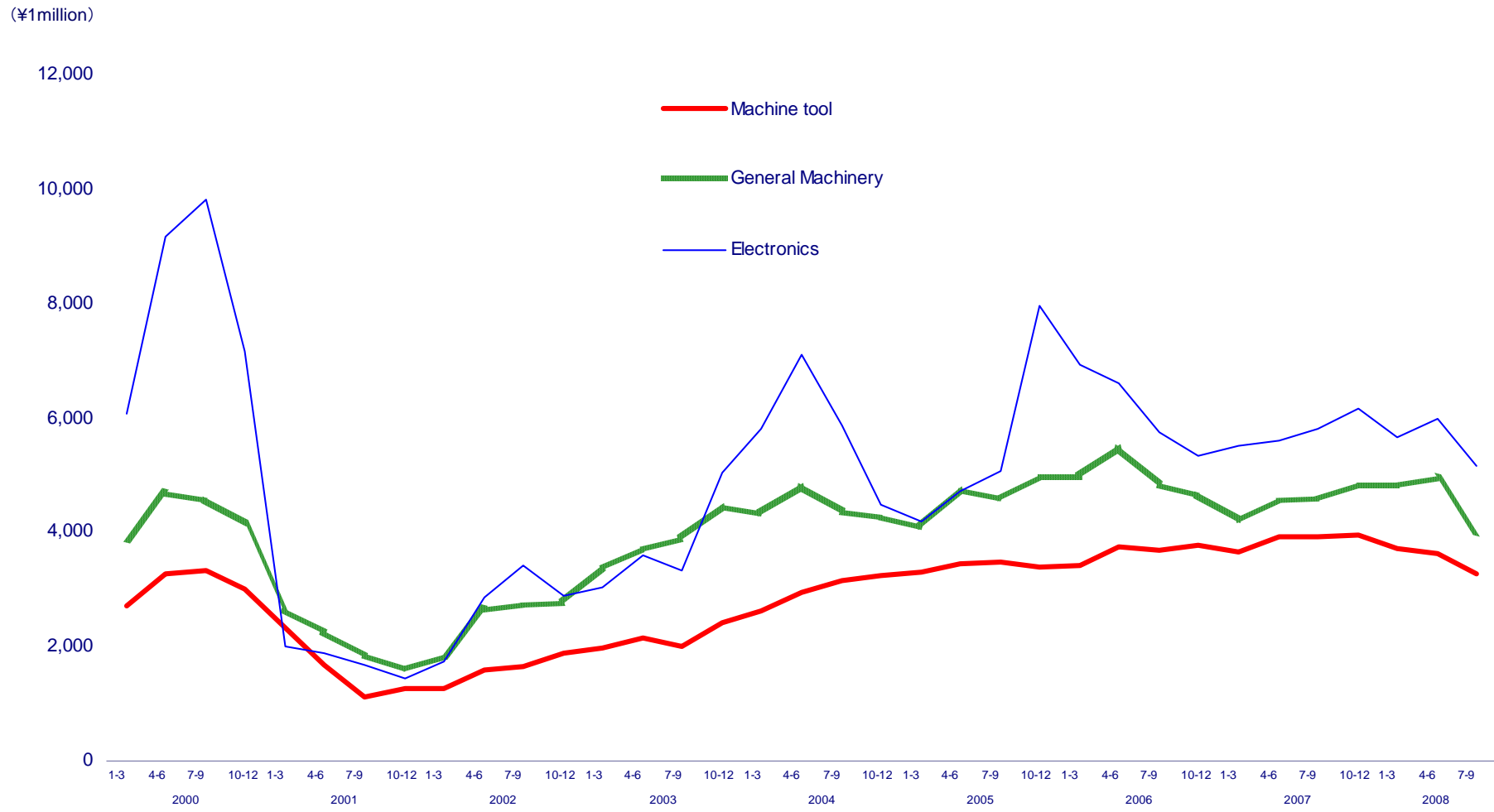


(¥1million)



|         |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Orders  | 22,676 | 28,329 | 28,857 | 23,933 | 14,226 | 12,411 | 10,619 | 9,986  | 10,594 | 13,709 | 15,204 | 14,678 | 16,358 | 17,699 | 17,989 | 21,394 | 23,645 | 26,668 | 24,637 | 22,435 | 21,885 | 24,383 | 25,017 | 28,370 | 27,721 | 28,466 | 26,370 | 26,099 | 24,907 | 25,067 | 25,371 | 27,509 | 27,201 | 27,794 | 23,950 |
| Sales   | 19,744 | 21,823 | 23,986 | 25,427 | 23,007 | 16,895 | 13,416 | 11,043 | 11,298 | 12,745 | 14,651 | 15,007 | 15,960 | 17,532 | 17,885 | 19,507 | 22,138 | 24,747 | 25,845 | 22,375 | 22,192 | 23,582 | 24,318 | 25,986 | 27,760 | 28,077 | 27,176 | 27,116 | 25,988 | 24,923 | 24,320 | 27,077 | 27,081 | 26,048 | 25,524 |
| Backlog | 12,775 | 19,280 | 24,151 | 22,658 | 13,877 | 9,393  | 6,595  | 5,538  | 4,834  | 5,797  | 6,350  | 6,021  | 6,420  | 6,587  | 6,691  | 8,578  | 10,084 | 12,005 | 10,797 | 10,857 | 10,551 | 11,352 | 12,052 | 14,436 | 14,398 | 14,787 | 13,981 | 12,964 | 11,883 | 12,027 | 13,078 | 13,511 | 13,631 | 15,378 | 13,804 |

# Support Statement –Trends in Order Classified by Business Segment (Domestic·Non-consolidated)–



(measure:¥1million)