

[Translation for Reference and Convenience Purposes Only]

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 45th Ordinary General Meeting of Shareholders of THK CO., LTD. The Company provides this translation for reference and convenience purposes only. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

To Our Shareholders:



Akihiro Teramachi
Representative Director and President
THK CO., LTD.

Dear Shareholders:

Taking this occasion, we would like to express our deep gratitude for your support.

It gives us great pleasure to inform you that the 45th Ordinary General Meeting of Shareholders of THK CO., LTD. (the “Company”), will be held as outlined below, and we cordially request your attendance.

The Company is developing its business activities by adopting two core growth strategies: “Full-Scale Globalization” aiming to expand its geographic business areas and “Development of New Business Areas” aiming to expand the areas of application of its products. In these conditions, for the three-year medium-term management plan drafted in 2014, we set the following targets for fiscal 2016, the year ended March 31, 2017 and the final year of the plan: consolidated sales revenue of ¥250.0 billion, operating income of ¥40.0 billion and ROE of 10% or higher. The results of operations in fiscal 2014, the first year of the plan, recorded consolidated sales revenue of ¥217.6 billion, an increase of 17.4% over the previous year; operating income of ¥28.3 billion, an increase of 63.4%; and net income of ¥22.7 billion, an increase of 45.6%, which indicate the steady progress of the medium-term management plan.

We will continue to push forward our core growth strategies, “Full-Scale Globalization” and “Development of New Business Areas” and will strive to improve our profit structure at the same time, to achieve further growth and meet the expectations of our shareholders.

We look forward to your continuous support and encouragement in the coming years.

Security Code 6481
May 29, 2015

To Shareholders

11-6, Nishi Gotanda 3-chome, Shinagawa-ku, Tokyo, Japan
THK CO., LTD.
Representative Director and President: Akihiro Teramachi

Notice of Convocation of the 45th Ordinary General Meeting of Shareholders

Dear Shareholders:

We would like to express our appreciation for your loyal patronage.

We are writing to inform you that the 45th Ordinary General Meeting of Shareholders of THK CO., LTD. (the “Company”) will be held as outlined below, and we cordially request your attendance.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via an electronic method such as the Internet. Please review the reference documents for the Ordinary General Meeting of Shareholders attached to this letter and exercise your voting rights no later than 5:30 p.m. Japan local time on Friday, June 19, 2015.

- 1. Date and Time:** Saturday, June 20, 2015, 10 a.m. (Reception desk: open at 9 a.m.)
2. Place 3-1 Shiba-koen 3-chome, Minato-ku, Tokyo
Tokyo Prince Hotel 2nd Floor (Ho-Oh-No-Ma)

3. Agenda

Reports:

1. Business reports, consolidated financial statements, and the results of the audits of the consolidated financial statements by the accounting auditor and the Board of Auditors for the 45th Term (April 1, 2014 to March 31, 2015)
2. Report of financial statements for the 45th Term (April 1, 2014 to March 31, 2015)

Resolutions:

- Proposal 1:** Surplus Appropriation
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Appointment of Nine (9) Directors
Proposal 4: Appointment of One (1) Auditor
Proposal 5: Appointment of One (1) Substitute Auditor

4. Disclosure on the Company's Website

Based on laws and regulations and the Company's Articles of Incorporation, we have posted the following items on our website (<http://www.thk.com/us/ir/shareholder/meeting.html>), and thus do not provide them in this convocation notice.

- (1) Notes to the consolidated financial statements
- (2) Notes to the non-consolidated financial statements

The Company's Auditors and the accounting auditor audited the consolidated financial statements and non-consolidated financial statements included in this convocation notice as well as the notes to the consolidated financial statements and the notes to the non-consolidated financial statements posted on the Company's website.

- ⊙ We will also accept your questions regarding the (1) notes to the consolidated financial statements and (2) notes to the non-consolidated financial statements, which are disclosed on the Company's website, at the Ordinary General Meeting of Shareholders.
- ⊙ Corrections to the reference documents for the Ordinary General Meeting of Shareholders, the business report, the financial statements and the consolidated financial statements, if any, will be posted on our Company's website:
(<http://www.thk.com/us/ir/shareholder/meeting.htm>).
- ⊙ If attending the meeting, please submit the enclosed voting sheet to the reception desk on arrival. Please bring this convocation notice with you.
- ⊙ When exercising voting rights by proxy, the proxy must be another shareholder of the Company holding voting rights as provided under the Company's Articles of Incorporation. There shall be one proxy.

Guidance on the Exercise of Voting Rights

- Attending the Meeting,
Please submit the enclosed voting sheet to the reception desk on arrival at the meeting. Please bring this convocation notice with you.
- Exercising Voting Rights in Writing
Please indicate your consent/dissent concerning each proposal shown on the enclosed voting sheet, and return it to us by no later than 5:30 p.m. on Friday, June 19 (Japan Time), 2015.
- Exercising Voting Rights via the Internet
Please access the voting website (<http://www.evote.jp/>) and indicate your consent/dissent concerning each proposal by no later than 5:30 p.m. on Friday, June 19 (Japan Time), 2015.
Please refer to “Procedure for Exercising Voting Rights via the Internet” described on the next page.

To institutional investors,
To exercise voting rights with regard to the proposals made at the Ordinary General Meeting of Shareholders of the Company, other than the above method to exercise voting rights using the Internet, institutional investors may use the “Voting Rights Electronic Exercise Platform” operated by ICJ Co., Ltd., provided that the shareholder has already subscribed to use of the platform.

At the Ordinary General Meeting of Shareholders, we will utilize monitors to give a presentation on the current state of the Company, and after the meeting we will hold the “THK Group Products Exhibition” at the venue adjacent to where the meeting is held. We sincerely hope that this opportunity will help deepen your understanding of the THK Group.

The picture on the right shows the image of the previous year’s THK Group Products Exhibition.



Procedure for Exercising Voting Rights via the Internet

Deadline for exercising your voting right: 5:30 p.m., Friday, June 19, 2015

1. Access the voting website.

Please access the voting website and click on the “Next” button.

> Voting website:

<http://www.evotep.jp/>

- You may exercise your voting rights on the Internet by accessing the voting website with your PC, smartphone or mobile phone. (Access to the website for exercise of voting rights is disabled between 2 a.m. and 5 a.m. Japan local time, due to maintenance and inspection.)

2. Login to the website.

Enter the “login ID” and “temporary password” shown on the enclosed voting form and click “login.”

>>> You are now logged in. Thereafter, follow the instructions given on the screen.

- In the event that voting rights are exercised both by mail and via the Internet, the vote via the Internet shall prevail.
- In the event that voting rights are exercised multiple times via the Internet, smartphone or mobile phone, the most recent vote shall prevail.
- Some Internet environments, some services or some models of the device that you are using may not enable access to the website.
- Any fees that arise from accessing the site for the exercise of voting rights (e.g., dial-up connection charges, telecommunication charges) shall be borne by the shareholder.

For Questions Concerning Systems and Other Matters	
If you have any questions about the operation of your PC, smartphone or mobile phone for exercising your voting rights on the Internet, please contact:	Mitsubishi UFJ Trust & Banking Co., Ltd. Securities Agent Division (Help Desk) Tel.: 0120-173-027 (toll-free) Hours of Operation: 9 a.m.–9 p.m. Japan local time

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Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendments

Under the Act on Partial Revision to the Companies Act, in effect on May 1, 2015, the numbering of the Paragraph that stipulates the election of substitute Officers was changed from Paragraph 2 to Paragraph 3 of Article 329 of the Companies Act. Due to this change, we propose the appropriate revision be made to Article 38, Paragraph 3, of the current Articles of Incorporation of the Company.

2. Content of the Amendments

The proposed amendments are as follows.

(The proposed amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 5 Auditors and Board of Auditors (Term of Office of Auditors) Article 38 (Articles omitted)</p> <p>2. (Articles omitted)</p> <p>3. Resolutions to elect substitute Auditors <u>elected under Article 329, Paragraph (2) of the Companies Act</u> shall remain valid until the start of the Ordinary General Meeting of Shareholders for the last fiscal year out of the fiscal years ending within four (4) years after their election.</p>	<p>Chapter 5 Auditors and Board of Auditors (Term of Office of Auditors) Article 38 (Same as at present)</p> <p>2. (Same as at present)</p> <p>3. Resolutions to elect substitute Auditors shall remain valid until the start of the Ordinary General Meeting of Shareholders for the last fiscal year out of the fiscal years ending within four (4) years after their election.</p>

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Proposal 3: Appointment of Nine (9) Directors

The tenure of all eight (8) Directors will expire at the closing of this Ordinary General Meeting of Shareholders. In order to consolidate the Company's existing businesses with the business of vital components for transportation systems that we recently decided to acquire to solidify the foundation for the expansion of this business, the Company would like to increase the number of Directors appointed to this role by one (1) for a total of nine (9) Directors, including two (2) Outside Directors.

The candidates for Director are as follows:

Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
1	Akihiro Teramachi (April 5, 1951)	Oct. 1975 Joined the Company Mar. 1982 Director, General Manager of Administration Division Jun. 1987 Managing Director and Senior General Manager of Control Division Jun. 1994 Director and Executive Vice President May 1995 Representative Director and President of DAITO SEIKI CO., LTD. (currently THK INTECHS CO., LTD.) Jan. 1997 Representative Director and President of the Company (current position) <Significant positions concurrently held > Chairman of JAPAN MACHINE ACCESSORY ASSOCIATION (General Incorporated Association)	3,646,610
2	Toshihiro Teramachi (November 18, 1958)	Dec. 1988 Joined the Company Jun. 1989 Director, Manager of UK Branch of THK Europe GmbH (currently THK GmbH) Aug. 1992 Director and Executive Vice President of PGM Ballscrews Ireland Ltd. (currently THK Manufacturing of Ireland Ltd.) Feb. 1993 Representative Director and President of THK GmbH May 1993 Representative Director and President of THK Europe B.V. Jun. 1998 Director of the Company Jun. 2005 Managing Director of the Company Jun. 2012 Director and Executive Vice President of the Company (current position)	150,400
3	Hiroshi Imano (January 31, 1954)	Apr. 2002 Transferred to the Company from Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.) Deputy General Manager of Corporate Strategy Division Mar. 2004 Resigned from Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.) Apr. 2004 Joined the Company May 2004 President of THK MANUFACTURING OF CHINA (WUXI) CO., LTD. Oct. 2007 General Manager of Production Division Dec. 2007 Representative Director and President of THK Manufacturing of Europe S.A.S. Jun. 2008 Director of the Company Jun. 2010 Managing Director of the Company Jun. 2012 Director and Executive Vice President of the Company (current position)	2,200

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Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
4	Takashi Okubo (May 4, 1956)	Apr. 1980 Joined the Company Apr. 1986 Manager of Kofu Branch Oct. 1996 Manager of Atsugi Branch May 2000 President of DALIAN THK CO., LTD. Jun. 2004 Director of the Company (current position) Jun. 2005 President of THK MANUFACTURING OF CHINA (LIAONING) CO., LTD. Sep. 2005 President of THK (CHINA) CO., LTD. Jun. 2014 Managing Executive Officer of the Company (current position) Executive Vice Chairman of THK (CHINA) Co., Ltd. (current position)	4,800
5	Junichi Sakai (October 5, 1947)	Jan. 1990 Resigned from NIPPEI TOYAMA CORPORATION Joined the Company Jul. 1992 General Manager of Mechatronics Division Oct. 1994 General Manager of Sales Engineering Division Mar. 2000 General Manager of East Japan Sales Region I Feb. 2003 General Manager of Quality Assurance Division (current position) General Manager of Advanced Technology Information Center Jun. 2004 Director of the Company (current position) Jun. 2014 Executive Officer of the Company (current position) General Manager, ICB Center of the Company (current position)	2,650
6	Takashi Teramachi (November 17, 1978)	Sep. 2013 Resigned from Sumitomo Corporation Nov. 2013 Joined the Company Jan. 2014 IMT Division, General manager Jun. 2014 Director and Executive Officer of the Company (current position) Deputy General Manager of IMT Division (current position) Representative Director and President of THK INTECHS CO., LTD. (current position)	-
7	Masaaki Kainosho (January 21, 1951) Service years as Outside Director: 3 years Attendance at the Board of Directors meetings: 16 of 17 meetings [Outside Director]	Apr. 1976 Joined Mitsui Bank (currently Sumitomo Mitsui Banking Corporation) Apr. 1996 Resigned from The Sakura Bank, Limited (currently Sumitomo Mitsui Banking Corporation) May 1996 Joined SAP Japan Co., Ltd. Sep. 1999 Resigned from SAP Japan Co., Ltd. Joined Japan Business Create Co., Ltd. Jan. 2005 Resigned from Japan Business Create Co., Ltd. Representative Director of K-BRAIN CO., LTD. (currently KAINOSHO CO., LTD.) (current position) Apr. 2011 Professor at Otsuma Women's University Junior College Division (current position) Jun. 2012 Outside Director of the Company (current position)	400

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Candidate No.	Name (Date of Birth)	Brief History, Position, Assigned Tasks and Significant Positions Concurrently Held	Number of the Shares of the Company Held
8	Masakatsu Hioki (July 30,1950) Service years as Outside Director: 1 year Attendance at the Board of Directors meetings: 14 of 14 meetings [Outside Director]	Apr. 1975 Joined Komatsu Ltd. Apr. 2004 Executive Officer of Komatsu Ltd. Apr. 2008 Senior Executive Officer of Komatsu Ltd. Jul. 2012 Advisor of Komatsu Ltd. (current position) Dec. 2013 Director, Japan Center for Technology Management (nonprofit entity; current position) Jun. 2014 Outside Director of the Company (current position) Nov.2014 Outside Director of SUKIYA Co., Ltd. (current position) Feb. 2015 Senior Fellow of Mercer Japan Ltd. (current position) Apr. 2015 Visiting Professor at Ritsumeikan University Graduate School of Management (current position)	-
9	Nobuyuki Maki (May 12,1960) [Newly Appointed]	Apr. 1983 Joined the Company Jul. 1992 Manager of the Chicago Branch, THK America, Inc. Jan. 2003 Representative Director and President of THK Manufacturing of America, Inc. Oct. 2007 Manager of Yamaguchi Plant Jun. 2010 Director of the Company Senior General Manager of Production Division (current position) Jun. 2014 Managing Executive Officer of the Company (current position) (Retired as Director following the implementation of the Executive Officer system) Apr. 2015 Senior General Manager of the Sales Support Division (current position) May 2015 General Manager of L&S Business Integration Division of the Company (current position)	2,000

Notes:

1. Although Masakatsu Hioki serves as Advisor for Komatsu Ltd., which has a transactional relationship with the Company, the transactional amounts are less than 1% of the Company's sales revenue, which does not constitute a special interest relationship, posing no problem concerning Mr. Hioki's independence. There is no special interest relationship between other candidates for Director and the Company.
2. Nobuyuki Maki is a candidate for Director to be newly appointed.
3. As Masakatsu Hioki assumed the position of Director on June 21, 2014, the number of Board of Directors meetings he attended differs from that of other Directors.
4. Masaaki Kainosho and Masakatsu Hioki are the candidates for the position of Outside Director.
5. The rationale for the appointment of Masaaki Kainosho and Masakatsu Hioki as candidates for Outside Director is as follows:
 - (1) Masaaki Kainosho has abundant knowledge and considerable experience as a university professor highly adept in management and as the manager of a management consulting firm. We expect Mr. Kainosho to help ensure the objectivity, neutrality and legality of the Company's management. Although Mr. Kainosho held a position at Mitsui Bank, from April 1976 to April 1996, which was a previous entity of Sumitomo Mitsui Banking

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Corporation, currently a lender to the Company, he consistently belonged to an IT system-related unit and the Company did not have any transactional relationship with Mitsui Bank at that time. Therefore, we have determined that Mr. Kainosho can maintain his independence and perform his duties appropriately as Outside Director and we seek to appoint him as Outside Director of the Company.

- (2) Masakatsu Hioki has abundant knowledge and considerable experience in executive-level management, principally overseeing human resources and general affairs at global corporations in the manufacturing industry. We expect Mr. Hioki to help ensure the objectivity, neutrality and competency of the Company's management, and therefore we seek to appoint him as Outside Director of the Company.
6. The details of the limited liability agreement with the candidates for Outside Director are as follows:
Under the provisions of Article 427, Paragraph 1, of the Companies Act, the Company may enter into an agreement with Masaaki Kainosho and Masakatsu Hioki to limit their indemnity liabilities under Article 423, Paragraph 1, thereof. The limitation of liability under the agreement is either the higher of ¥10 million or the minimum liability limit stipulated in Article 425, Paragraph 1, of the Companies Act. If the candidates for Director, Mr. Kainosho and Mr. Hioki, are reelected, the Company intends to continue the limited liability agreement with them as Outside Directors.
 7. The Company registered Masaaki Kainosho and Masakatsu Hioki as independent officers in accordance with the regulations of the Tokyo Stock Exchange. If Mr. Kainosho and Mr. Hioki are reelected, the Company intends to continue to register them as independent officers.

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Proposal 4: Appointment of One (1) Auditor

The tenure of Auditor Masatake Yone will expire at the closing of this Ordinary General Meeting of Shareholders, and we hereby propose appointment of the one (1) Auditor.

The Board of Auditors has approved this proposal.

The candidates for Auditor are as follows:

Name (Date of Birth)	Brief History, Position and Significant Positions Concurrently Held	Number of the Shares of the Company Held
<p>Masatake Yone (July 8, 1954) Service years: 8 years Attendance at the Board of Directors meetings: 14 of 17 Attendance at the Board of Auditors meetings: 14 of 14 meetings [Outside Auditor]</p>	<p>Apr. 1981 Registered as an attorney at law Admitted to the Bar Member of the Tokyo Bar Association Mar. 1987 Registered as an attorney at law in New York State, USA Jun. 1998 Admitted to U.S. Bar Association and New York State Bar Association Apr. 2000 Partner in Mori Hamada & Matsumoto, a law firm (current position) Sep. 2005 Outside Director of GCA Savvian Group Corporation (currently GCA Savvian Corporation) (current position) Jun. 2007 Outside Auditor of the Company (current position) Jun. 2011 Outside Auditor of BANDAI NAMCO Games Inc. (currently BANDAI NAMCO Entertainment Inc.) (current position) Jun. 2013 External Corporate Auditor of TERUMO CORPORATION (current position)</p>	<p>—</p>

Notes:

1. There is no special interest relationship between Masatake Yone and the Company.
2. Masatake Yone is the candidate for the position of Outside Auditor.
3. The rationale for the appointment of Masatake Yone as the candidate for Outside Director is as follows:
Masatake Yone has abundant knowledge in legal affairs which was nurtured through his long experience as a lawyer. We expect Mr. Yone, if elected as Outside Auditor of the Company, to strengthen the Company's audit structure. Although Mr. Yone has never been directly involved in corporate management, he is, as a lawyer, well versed in corporate legal affairs and has enough knowledge to govern the management of a company, therefore we believe he is capable of fulfilling his duties appropriately as Outside Auditor and we seek to appoint him as Outside Auditor of the Company.
4. The details of the limited liability agreement with the candidate for Outside Auditor are as follows:
Under the provisions of Article 427, Paragraph 1, of the Companies Act, the Company may enter into an agreement with Masatake Yone to limit his indemnity liabilities under Article 423, Paragraph 1, thereof. The limitation of liability under the agreement is either the higher of ¥5 million or the minimum liability limit stipulated in Article 425, Paragraph 1, of the Companies Act. If the candidate for Outside Auditor, Mr. Yone, is reelected, the Company intends to continue the limited liability agreement with him as Outside Auditor.

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- The Company has not registered Mr. Yone as an independent officer in accordance with the regulations of the Tokyo Stock Exchange; however, he satisfies the requirements of independency specified by the Exchange.

Proposal 5: Appointment of One (1) Substitute Auditor

The effect of the resolution of the 41st Ordinary General Meeting of Shareholders, held on June 18, 2011, under which Tomitoshi Omura was elected as Substitute Auditor, will expire as of the opening of the this Ordinary General Meeting of Shareholders. To provide for a case of vacancy in the Board of Auditors that results in an insufficient number of such Auditors as stipulated in relevant laws and regulations, we propose to appoint one (1) Substitute Auditor.

The effect of the resolution regarding the said appointment can be nullified by a resolution of the Board of Directors, with the consent of the Board of Auditors, only before he assumes the position.

The effect of the resolution regarding the said appointment shall expire at the opening of the Ordinary General Meeting of Shareholders to be held in June 2019 in accordance with Article 38, Paragraph 3 of the Articles of Incorporation.

The Board of Auditors has approved this proposal.

The candidate for Substitute Auditor is as follows:

Name (Date of Birth)	Brief History, Position and Significant Positions Concurrently Held	Number of the Shares of the Company Held
Tomitoshi Omura (August 3, 1954) [Outside Auditor]	Oct. 1976 Registered as Assistant CPA Oct. 1977 Joined Fuji Accounting Office Oct. 1980 Joined Asahi & Co. (currently KPMG AZSA LLC.) Mar. 1982 Registered as Certified Public Accountant Dec. 1989 Managing Director of Omura Accounting Office (current position)	—

Notes:

- There is no special interest relationship between Tomitoshi Omura and the Company.
- Tomitoshi Omura is the candidate for the position of Substitute Outside Auditor.
- The rationale for the appointment of Tomitoshi Omura as the candidate for Substitute Outside Auditor is as follows:
Tomitoshi Omura has abundant knowledge in accounting which was nurtured during his long professional experience as a certified public accountant (CPA). We expect Mr. Omura, if he assumes the position of Auditor of the Company, to strengthen the Company's audit system. Although Mr. Omura does not have direct experience with corporate management, as a CPA he is well-versed in corporate finance and accounting, and has sufficient knowledge to govern the management of a company. Therefore, we believe he is capable of fulfilling his duties appropriately as an Outside Auditor and we seek to appoint him as an Outside Auditor of the Company.
- The details of the limited liability agreement with the candidate for Outside Auditor are as follows:
If Tomitoshi Omura assumes office as Auditor, pursuant to the provisions of Article 427, Paragraph 1, of the Companies Act, the Company is scheduled to

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enter into an agreement with Mr. Omura to limit his indemnity liabilities under Article 423, Paragraph 1, thereof. The limitation of liability under the agreement is either the higher of ¥5 million or the minimum liability limit stipulated in Article 425, Paragraph 1, of the Companies Act.

(Submitted Documents)

Business Report

(From April 1, 2014 to March 31, 2015)

1. Present Status of the Corporate Group

(1) Review of Business Performance in the Current Consolidated Fiscal Year

1. Business Progress and Results

Economic Environment

During the consolidated fiscal year under review (45th term), a moderate recovery continued in the global economy, led by the U.S. Among developed countries, signs of moderate improvement were seen in the Japanese economy despite a drop in demand following the rush in demand before the rise of the consumption tax, and the European economies, which had been stagnant, also saw continued recovery. However, in China and other emerging countries, the economies slowed compared with the prior high growth.

Overall Summary of Sales

The Group's core growth strategies are "Full-Scale Globalization" and "Development of New Business Areas" to expand markets for the Company's products such as LM guides. Under the "Full-Scale Globalization" strategy, the Group is striving to expand its global sales network to capture demand from the growing markets in emerging countries where factory automation (FA) is under way, among other developments, and in developed countries where the user base is expanding. Meanwhile, under the "Development of New Business Areas" strategy, the Group is striving to increase sales revenue from not only existing products but also newly developed products, against the backdrop of expanding adoption of the Company's products in new fields such as medical equipment, aircraft, robotics and renewable energy. During the consolidated fiscal year under review, with increasing demand for electronics products, driven by rising demand for machine tools and brisk investments in smartphones and tablet PCs, the Group made aggressive efforts to expand sales, harnessing its business structure, which has been reinforced to date. With all these efforts coming to fruition, we were able to link the growing demand to a steady increase in our sales revenue. In addition, the yen remained lower than a year earlier, resulting in an increase in consolidated sales revenue by ¥32,212 million (17.4%) from the previous term to ¥217,678 million.

Overall Summary of Income

With the effects of various cost-improvement measures such as the "P25 Project," a cross-sectional project aimed at reinforcing our earnings base, improving the efficiency of fixed expenses and lowering the ratio of variable expenses to total expenses, the cost-to-sales ratio declined 2.3 percentage points from a year earlier to 69.2%.

In terms of selling, general and administrative expenses ("SG&A expenses"), despite necessary expenses related to the increase in sales revenue, our efforts to reduce

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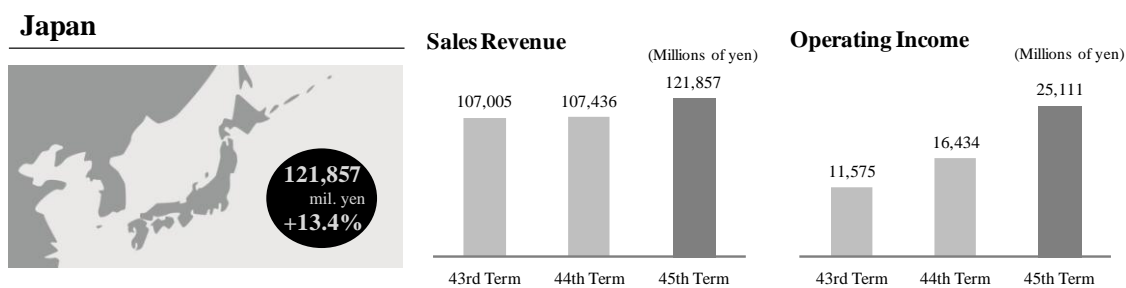
various expenses and streamline operations helped lower the ratio of SG&A expenses to sales by 1.5 percentage points from a year earlier to 17.7%.

As a result of the above, operating income increased ¥11,018 million (63.4%) from the previous year to ¥28,388 million, and the ratio of operating income to sales rose 3.6 percentage points to 13.0%.

Non-operating income was ¥6,378 million due to ¥4,089 million of foreign exchange gains and ¥599 million of equity in earnings of affiliates. Non-operating expenses were ¥735 million mainly due to interest expenses of ¥404 million.

Due to these factors, ordinary income recorded a ¥10,412 million increase (44.1%) from the previous year to ¥34,031 million, and net income for the current fiscal year rose to ¥22,705 million, which was an increase of ¥7,114 million (45.6%) from the previous term.

Segment Breakdown



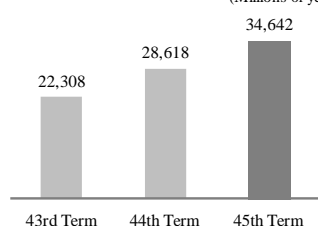
Although the Japanese economy showed weakness during the first half of the year due to a drop in demand following the rush in demand before the rise of the consumption tax, a moderate recovery was seen in the second half of the year. The Company developed aggressive sales activities to meet the increased demand for electronics products, driven by brisk investments in smartphones and tablet PCs, in addition to meeting the rising demand for machine tools, and strove to develop new markets for seismic isolation and damping systems. This resulted in an increase in sales revenue in such areas as machine tools, general machinery and electronics products, and in sales revenue of ¥121,857 million, representing an increase of ¥14,421 million, or 13.4%, from the previous term. In addition to the effects of various cost-improvement measures such as the “P25 Project,” a cross-sectional project aimed at reinforcing our earnings base, improving the efficiency of fixed expenses and lowering the ratio of variable expenses to total expenses, the yen remained lower than a year earlier. Segment income (operating income) rose ¥8,677 million, or 52.8%, from the previous term to ¥25,111 million.

The Americas



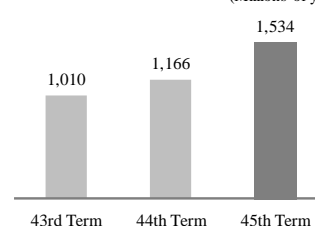
Sales Revenue

(Millions of yen)



Operating Income

(Millions of yen)



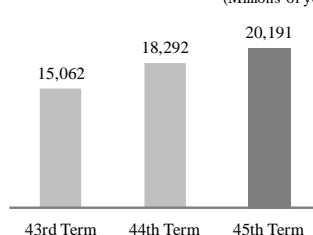
In the Americas, where economies continued to expand, reflecting increased capital investments supported by steady personal consumption, the Company strove to expand transactions with existing customers and develop new business areas such as the medical equipment, aircraft and energy-related fields by unifying production and sales. As a result of these efforts, sales revenue in the electronics, machine tools and transportation equipment businesses increased, combined with yen remained lower than a year earlier, leading to sales revenue of ¥34,642 million, representing an increase of ¥6,024 million, or 21.1%, from the previous term. Segment income (operating income) rose ¥367 million, or 31.5%, from the previous year to ¥1,534 million.

Europe



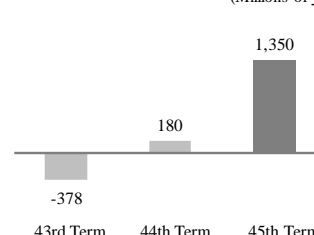
Sales Revenue

(Millions of yen)



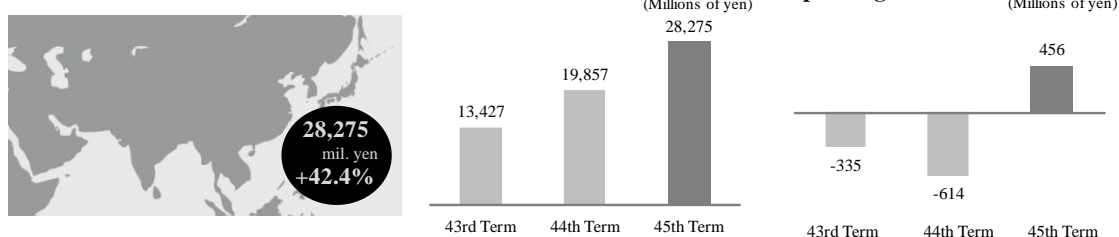
Operating Income

(Millions of yen)



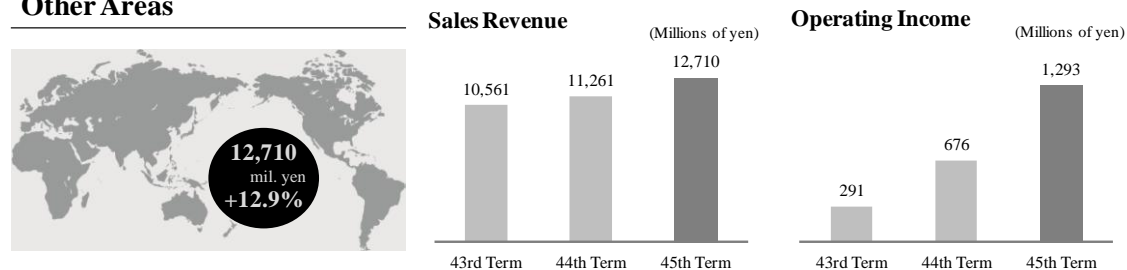
In Europe, where signs of economic recovery continued to be seen, we strove to expand transactions with existing customers and develop aggressive sales activities to explore new business areas such as the medical equipment, aircraft and railway train-related fields by unifying production and sales. As a result, sales revenue increased in the machine tools and general machinery businesses. In addition, the yen remained lower than a year earlier. Sales revenue was ¥20,191 million, representing an increase of ¥1,899 million, or 10.4%, from the previous term. Segment income (operating income) rose ¥1,170 million, or 650.3%, from the previous year to ¥1,350 million.

China



In China, automobile production continued to progress favorably, whereas economic growth slowed compared with the high growth in the past. Demand for the Company's products improved especially for small machine tools, driven by brisk investments in smartphones and tablet PCs. In addition, with the progress of factory automation (FA) in China, which has broadened the demand for the Company's products, the Group developed aggressive sales activities optimizing its sales network, which we have strengthened to date, resulting in an increase in sales revenue in a wide range of fields including the machine tools, general machinery and transportation equipment businesses. As a result, sales revenue was ¥28,275 million, representing an increase of ¥8,417 million, or 42.4%, from the previous term. Segment income (operating income) rose ¥1,071 million from the previous year to ¥456 million, mainly due to increase in sales revenue, shifting from the red to profitability.

Other Areas



In other areas, in Taiwan, Indonesia and the ASEAN region, demand improved mainly for small machine tools, driven by investments related to smartphones and tablet PCs. In such an environment, in the ASEAN region, we developed aggressive sales activities including the installation of ASEAN Customer Support for Japanese companies that are expanding businesses there, to expand transactions with existing customers and acquire new customers. In addition, due to the yen depreciation compared with a year earlier, sales revenue increased ¥1,448 million, or 12.9%, year on year to ¥12,710 million. Segment income (operating income) advanced ¥616 million, or 91.1%, to ¥1,293 million.

Overall Summary of Research and Development

As a creative developmental-driven enterprise, the Group, since its establishment, has developed diverse products, thereby contributing to the growth of industries, and steadily accumulated technological capabilities, which are the source of its growth. From a short-term perspective, we are integrating input from customers with product

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development and thereby offering products that reflect their comments. From a medium-to long-term perspective, we understand the current trends and demands and are focused on the development of products that will become our revenue source in the future.

During the consolidated fiscal year under review, regarding ball screws, we improved the product lineup of the compact and high-speed “model SDA-V” and “model EP-V/EB-V,” which are compatible with the DIN standard, an increasingly widely adopted global standard. With this product lineup, we are able to better address customer needs for increasingly high-speed machines and equipment. Concerning roller rings, at our machining center of machine tools with a turning process function, we developed the high-speed roller ring “model RHB/RHE,” which provides consistent processing accuracy, for which we are striving to explore new markets.

In actuators, to enable reduction of process time to address market needs for enhancing productivity, we launched in the market the compact “model KSF” series and the linear motor actuator “model GLM-H” with the highest speed of 10m/s as an option in the linear motor actuator “model GLM” series. In addition, we launched the “model CKRF,” a high cost-performance clean-room model for use in clean rooms, as well as the “model USW-L,” a fully covered type in the universal series that adopts a linear motor as the actuator. In addition, we promoted product development pursuing the ease of use for customers, such as adding the EtherNET/IP and DeviceNET specs for the “model TNU” network unit, to enable the unit to be compatible with all major domestic networks.

With regard to our endeavors in new business areas, in such fields as renewable energy, aircraft, robotics, construction machinery and equipment, welfare, elderly care and rehabilitation, we focused on product development to explore new markets and expand sales. In the renewable energy field, we utilized the operational data from our existing wind and hydraulic power systems to develop optimal parts and began mass production and sales of low-torque shaft units for a wind power generation system. For hydraulic power generation, we conducted a demo and verification experiments overseas, followed by the start of such experiments in Japan at agricultural irrigation channels. In the aircraft field, we conducted joint development of airplane interiors with a major aircraft manufacturer, and engaged in the development of the rotating and sliding parts of the reclining mechanism of airplane seats and the sliding part of aircraft folding tables, drawing on our technology on smooth movements featured in the Company’s products. In the robotics field, we improved the “SEED Solutions,” which were developed as the element/components of a robotics system for next-generation robots, and launched SEED drivers, compact SEED electric actuators and robot hands, etc., in the markets for FA and education. Furthermore, by establishing peripheral technologies for upper-body humanoid robots, we are developing our business into the industrial robot markets. We received a letter of appreciation from the Japan Aerospace Exploration Agency (JAXA) in July 2014 recognizing that the robotic hands embedded with actuator with small ball screws developed by the Company contributed to the success of the mission of the Extra-vehicular Activity (EVA) Support Robot Experiment on JEM (REX-J) conducted in 2012.

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Overall Summary of the Operation and Production Systems

In our four key geometric regions of Japan and other Asian regions, the Americas and Europe, the Company is aggressively promoting the unified producer-retailer system.

In terms of sales operation, we worked to expand our sales networks not only in developed countries but also in China, India and the ASEAN region where a medium- to long-term increase in demand is predicted. In the ASEAN region, we established ASEAN Customer Support to provide support in Japanese to Japanese corporations in the region and worked to increase overseas servicing support to these areas.

In terms of production, we further improved productivity by promoting automation and other measures in Japan, the United States and Europe. In emerging countries such as China, we reinforced our production facilities. In China, the moving of DALIAN THK CO., LTD., with the aim of reinforcing the production capacity further was completed, and this company started to deliver products to its customers.

Term-end Dividends

As the Company earnings are affected by industry trends in capital expenditures, which is a changeable external environment factor, our policy regarding dividends is to flexibly return profits to shareholders according to mid-term business results, while also stabilizing the payment of dividends. Under this policy, taking into consideration the Company's business results for this term, we intend to pay a term-end dividend of ¥30 per common share, which, along with the interim dividend of ¥20 per share, results in an annual dividend of ¥50 per share, up ¥24 from the previous term.

2. Status of Capital Investments

Total capital investments in the consolidated fiscal year under review amounted to ¥9,734 million, consisting mostly of investments in buildings and processing facilities that were made to reinforce production facilities and improve product quality. The main investment amount at each base is as follows:

Domestic Operational Bases	THK CO., LTD.	(Millions of Yen)
	Production Engineering Department	761
	Head Office, branch offices and product centers	567
	Yamaguchi Plant	415
	Yamagata Plant	276
	THK RHYTHM CO., LTD.	529
Overseas Operational Bases	THK NIIGATA CO., LTD.	354
	DALIAN THK CO., LTD. (China)	2,734
	THK Manufacturing of America, Inc. (USA)	913
	THK MANUFACTURING OF CHINA (WUXI) CO., LTD. (China)	629

3. Status of Funding

The funds raised in the consolidated fiscal year under review amounted to long-term loans of ¥10,000 million.

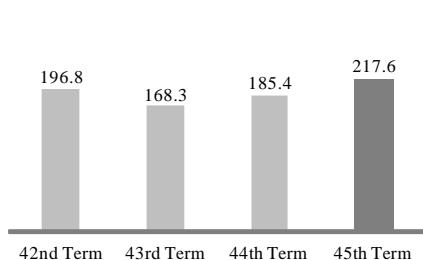
[Translation for Reference and Convenience Purposes Only]

For effective funding of operating capital, the Group has specified credit lines totaling ¥15,000 million with its main correspondent financial institutions.

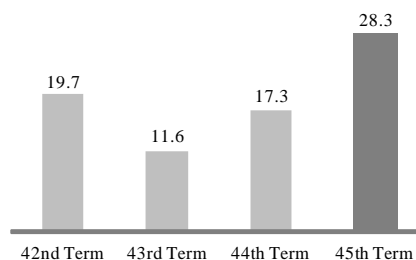
[Translation for Reference and Convenience Purposes Only]

(2) Assets and Profit/Loss
Assets and Profit/Loss of the Group

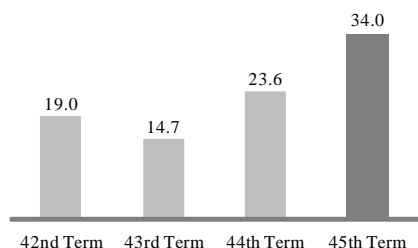
Sales Revenue (Billions of Yen)



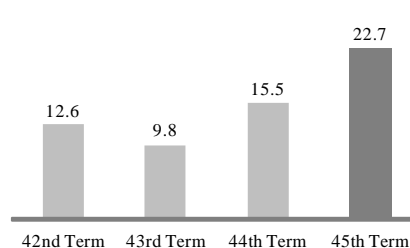
Operating Income (Billions of Yen)



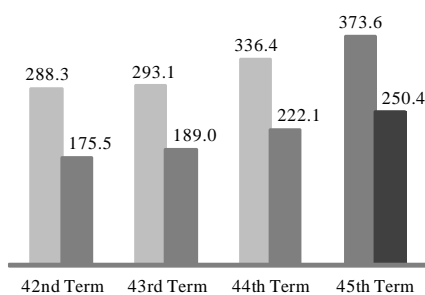
Ordinary Income (Billions of Yen)



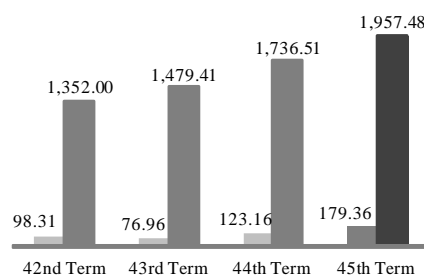
Net Income (Billions of Yen)



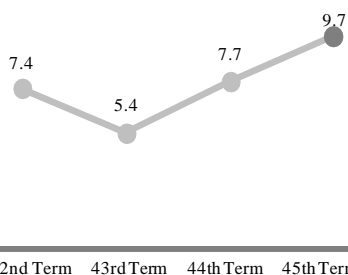
Total Assets/Shareholders' Equity (Billions of Yen)



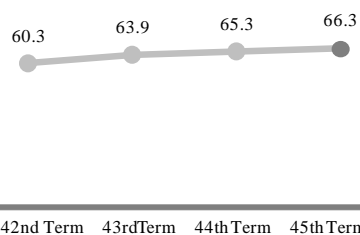
Net income per Share/Shareholders' Equity per Share (Yen)



Return on Equity (%)



Equity Ratio (%)



[Translation for Reference and Convenience Purposes Only]

1. Assets and Profit/Loss of the Group (Consolidated)

Millions of Yen				
Item	42nd Term (Term Ended March 2012)	43rd Term (Term Ended March 2013)	44th Term (Term Ended March 2014)	45th Term (Term Ended March 2015; Current Consolidated Fiscal Year)
Sales Revenue	196,866	168,366	185,466	217,678
Operating Income	19,745	11,692	17,370	28,388
Ordinary Income	19,072	14,765	23,618	34,031
Net Income	12,641	9,808	15,590	22,705
Total Assets	288,333	293,145	336,416	373,610
Shareholders' Equity	175,516	189,058	222,148	250,498
Net Income per Share (Yen)	98.31	76.96	123.16	179.36
Shareholders' Equity per Share (Yen)	1,352.00	1,479.41	1,736.51	1,957.48
Return on Equity (%)	7.4	5.4	7.7	9.7
Equity Ratio (%)	60.3	63.9	65.3	66.3

Note: Net income per share is calculated based on the average number of outstanding shares of the term. Shareholders' equity per share is calculated based on the number of outstanding shares at the term end. In calculating net income per share and shareholders' equity per share, the number of shares of treasury stock is deducted from the average total number of outstanding shares of the term and the total number of outstanding shares at the term end, respectively.

2. Assets and Profit/Loss of the Company (Non-consolidated)

Millions of Yen				
Item	42nd Term (Term Ended March 2012)	43rd Term (Term Ended March 2013)	44th Term (Term Ended March 2014)	45th Term (Term Ended March 2015; Current Fiscal Year)
Sales Revenue	130,107	104,567	111,913	132,786
Operating Income	14,493	9,825	13,808	21,899
Ordinary Income	13,407	12,053	18,790	27,378
Net income	7,957	8,018	12,255	17,585

(3) Description of Main Business Operations (As of March 31, 2015)

The Company manufactures and sells vital machinery components including LM guides and ball screws, and vital components for transportation systems such as link balls and suspension ball joints. The Company's principal customer base includes manufacturers of industrial equipment such as machine tools, general machinery and semiconductor manufacture equipment, as well as transportation equipment manufacturers of automobiles and motorcycles. In addition, under the policy "production in the district having demand is production in the optimal district," we are working to build a "unified producer-retailer system" in the four key geographic regions of Japan, the Americas, Europe and Asia.

LM guides, our core products, enable "rolling" in linear motion parts in a mechanical device, etc., achieving lighter and more accurate movements compared with a "sliding." This feature enables mechanical devices to move with higher speed, higher precision and enhanced energy saving, thereby contributing to the development of industry and the preservation of the ecosystem.

(4) Future Tasks

The Company's business performance is currently affected by variable industrial capital investment trends. To alleviate the associated business risk and achieve middle-to-long-term growth, the Group has expanded its business areas through "Full-Scale Globalization" and "Development of New Business Areas."

In such a business environment, in May 2014, the Company introduced its medium-term management plan, covering three fiscal years with fiscal 2016 as the final year, for the purpose of building a strong management base for realizing the long-term management goal of consolidated sales of ¥300.0 billion. To attain this goal, we are aggressively pursuing two basic strategies: "Full-Scale Globalization" and "Development of New Business Areas."

For "Full-Scale Globalization," we believe there exists great latent demand for linear motion systems because the usage level of these systems overseas is lower than that in Japan, whereas the awareness of these systems, including the Group's "LM guides," is high and their market share is large at home. Especially in China and other emerging countries, where higher economic growth is continuing compared with advanced countries and FA is expected to continue to progress, we foresee a great increase in demand for our products in the medium to long term.

For "Development of New Business Areas," we believe that while the main customers of our LM guides and other product groups are now capital goods manufacturers, there exists a huge demand for these products in fields close to consumer goods, such as automobiles, aircraft, housing, medical appliances and renewable energy.

In order to steadily meet such demand, we will continue to speed up the expansion of our business areas via "Full-Scale Globalization" and "Development of New Business Areas" and work to heighten our business value by improving profitability and strengthening our financial position.

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(5) Status of Major Subsidiaries

1. Status of Major Subsidiaries

Name of Company	Capital Stock	Percentage of Voting Rights Held by the Company	Description of Main Business Operations
THK INTECHS CO., LTD.	¥100 million	100%	Manufacture and sales of mechanical element devices and vital machinery components
TALK SYSTEM CORPORATION.	¥400 million	99.00	Sales of vital machinery components, etc.
THK RHYTHM CO., LTD.	¥490 million	100	Manufacturing and sales of transport equipment parts
THK Holdings of America, L.L.C.	US\$120,000 thousand	100	Holding and controlling company in North America
THK America, Inc.	US\$20,100 thousand	100 (100)	Sales of the Company's products in North America
THK Manufacturing of America, Inc.	US\$75,000 thousand	100 (100)	Manufacture of vital machinery components in North America
THK RHYTHM NORTH AMERICA CO., LTD.	US\$66 thousand	100 (100)	Manufacturing and sales of transport equipment parts in North America
THK Europe B.V.	90,000 thousand Euro	100	Holding and controlling company in Europe
THK GmbH	1,000 thousand Euro	100 (100)	Sales of the Company's products in Europe
THK Manufacturing of Europe S.A.S.	72,040 thousand Euro	100 (100)	Manufacture of vital machinery components in Europe
THK (CHINA) CO., LTD.	2,036,828 thousand Yuan	100	Holding and controlling company in China and sales of vital machinery components
DALIAN THK CO., LTD.	242,519 thousand Yuan	70.00 (25.00)	Manufacturing and sales of vital machinery components in China
THK MANUFACTURING OF CHINA (WUXI) CO., LTD.	806,494 thousand Yuan	100 (100)	Manufacturing of vital machinery components in China
THK MANUFACTURING OF CHINA (LIAONING) CO., LTD.	848,827 thousand Yuan	100 (100)	Manufacturing of vital machinery components in China

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Name of Company	Capital Stock	Percentage of Voting Rights Held by the Company	Description of Main Business Operations
THK RHYTHM GUANGZHOU CO., LTD.	91,498 thousand Yuan	100 (100)	Manufacturing and sale of transport equipment parts in China
THK RHYTHM CHANGZHOU CO., LTD.	135,391 thousand Yuan	100 (71.43)	Manufacturing and sale of transport equipment parts in China
THK RHYTHM (THAILAND) CO., LTD.	350,000 thousand Baht	100 (100)	Manufacturing and sale of transport equipment parts in other Asian countries

Note: Figures in parentheses in the “Percentage of Voting Rights Held by the Company” indicate indirect ownership.

2. Status of Major Affiliated Companies

Name of Company	Capital Stock	Percentage of Voting Rights Held by the Company	Principal Business
SAMICK THK CO., LTD.	10,500 million Won	33.82%	Manufacturing and sale of vital machinery components in South Korea

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(6) Major Offices and Plants (As of March 31, 2015)

Head Office	11-6, Nishi-Gotanda 3-chome, Shinagawa-ku, Tokyo, Japan
Production Sites (Domestic Plants)	Kofu Plant (Chuo-shi, Yamanashi), Gifu Plant (Fuwa-gun, Gifu) Mie Plant (Matsusaka-shi, Mie), Yamaguchi Plant (Sanyo Onoda-shi, Yamaguchi) Yamagata Plant (Higashine-shi, Yamagata) THK INTECHS CO., LTD. (Sunto-gun, Shizuoka; Kurokawa-gun, Miyagi) THK NIIGATA CO., LTD. (Agano-shi, Niigata) THK RHYTHM CO., LTD. (Hamamatsu-shi, Shizuoka; Nakatsu-shi, Oita)
Production Sites (Overseas Plants)	THK Manufacturing of America, Inc. (United States) THK RHYTHM NORTH AMERICA CO., LTD. (United States) THK Manufacturing of Europe S.A.S. (France) THK Manufacturing of Ireland Ltd. (Ireland) DALIAN THK CO., LTD. (China) THK MANUFACTURING OF CHINA (WUXI) CO., LTD. (China) THK MANUFACTURING OF CHINA (LIAONING) CO., LTD. (China) THK RHYTHM GUANGZHOU CO., LTD. (China) THK RHYTHM CHANGZHOU CO., LTD. (China) THK RHYTHM (THAILAND) CO., LTD. (Thailand)
Sales Offices (Domestic)	THK CO., LTD.: 29 offices in nationwide TALK SYSTEM CORPORATION: 13 offices in nationwide
Sales Offices (Overseas)	THK America, Inc. (United States) THK GmbH (Germany) THK (CHINA) CO., LTD. (China) THK TAIWAN CO., LTD. (Taiwan) THK LM SYSTEM Pte. Ltd. (Singapore)

Note: THK RHYTHM KYUSHU CO., LTD., was absorbed by THK RHYTHM CO., LTD., as of April 1, 2014.

(7) Status of Employees (As of March 31, 2015)

1. Employees of the Group

Business Segment	Number of Employees	Change from the Previous Consolidated Fiscal Year-End
Japan	4,784	-43
Americas	856	+97
Europe	598	+23
China	2,689	+167
Other	567	+73
Total	9,494	+317

Note: The number of employees is the number of staff members in service (excluding employees transferred from the Group to a company outside

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of the Group and including employees of a company outside of the Group transferred to the Group).

2. Status of Employees of the Company

Number of Employees	Change from the Previous Fiscal Year	Average Age	Average Years of Service
3,353 employees	-19	39.3	17.4

Note: The number of employees is the number of staff members in service (excluding employees transferred from the Company to outside of the Group and including the Company's employees on loan from a different company).

(8) Status of Significant Borrowings (As of March 31, 2015)

(Millions of Yen)

Lender	Amount of Borrowing
Mizuho Bank, Ltd.	3,800
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000
Mitsubishi UFJ Trust and Banking Corporation	1,600
Sumitomo Mitsui Banking Corporation	800
Mizuho Trust & Banking Co., Ltd.	500
Sumitomo Mitsui Trust Bank, Limited	400
THE YAMAGUCHI BANK, Ltd.	350
Resona Bank, Limited.	300
The Yamanashi Chuo Bank, Ltd.	250

(9) Other Significant Matters Related to the Current Status of the Group

By resolution of the Board of Directors meeting held on April 21, 2015, the Company determined to transfer the linkage and suspension (L&S) business of TRW Automotive Inc. in Europe and North America to the Company, partly involving conversion of the target company into a subsidiary of the Company via purchase of shares, and concluded the contract as of the same day.

1. Purpose of the Business Transfer and Purchase of Shares

To expand the development, production and sales functions of the Group in Europe and North America, and establish a global business foundation covering the Asia Pacific as well

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2. Names and Locations of the Companies from which the Company is Transferring Parts of Their Businesses

	Name	Head office
(i)	TRW Automotive U.S. L.L.C.	Portland, Michigan U.S.A.
(ii)	TRW Canada Ltd.	St. Catharines, Ontario Canada Tillsonburg, Ontario Canada
(iii)	TRW Automotive GmbH	Gellep-Krefeld, Germany Dusseldorf, Germany

3. Name and Size of the Company whose Shares were Purchased, Number of Shares Purchased and Equity Ratio after Purchase

(i)	Name	TRW-DAS.a.s.
(ii)	Head office	Dacice, Czech Republic
(iii)	Paid-in capital	CZK335 million
(iv)	Shares purchased	335,479 shares
(v)	Equity ratio after purchase	100%

4. Amount of Assets and Liabilities that the Company Assumes from Those Companies Not yet Determined.

5. Estimated Consideration of the Business Transfer

The aggregate amount will be approximately US\$400 million. This includes the purchase of shares indicated 3. Name and Size of the Company whose Shares were Purchased, Number of Shares Purchased and Equity Ratio after Purchase.

6. Execution of the Business Transfer and Purchase of Shares

Within four months after the signing of the agreement

7. Method of Fundraising and Payment

The Company plans to use its own funds and external financing.

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2. Current Status of the Company

(1) Stocks (As of March 31, 2015)

- | | |
|--|-------------|
| 1. Total authorized shares: | 465,877,700 |
| 2. Total outstanding shares (incl. 7,263,364 of treasury shares) | 133,856,903 |
| 3. Number of shareholders: | 17,223 |
| 4. Major shareholders (Top 10): | |

Shareholder	Number of Shares Held (Thousand Shares)	Shareholding Ratio (%)
Japan Trustee Services Bank, Ltd., Trust Account	10,486	8.28
The Master Trust Bank of Japan, Ltd., Trust Account	6,095	4.81
Akihiro Teramachi	3,646	2.88
MELLON BANK N.A. AS AGENT FOR ITS CLIENT MELLON OMNIBUS US PENSION	3,373	2.66
JP MORGAN CHASE BANK 385632	2,847	2.24
FTC Co., Ltd.	2,774	2.19
THE BANK OF NEW YORK 132812	2,168	1.71
JPMCB USA RESIDENTS PENSION JASDEC LEND 385051	1,897	1.49
RBC IST 15 PCT LENDING ACCOUNT - CLIENT ACCOUNT	1,651	1.30
STATE STREET BANK AND TRUST COMPANY 505225	1,609	1.27

Notes:

- The treasury shares held by the Company, which is 7,263,364 shares in total, are excluded from the above-mentioned Shareholders.
- Shareholding ratio is calculated by excluding treasury stock.

(2) Status of Corporate Officers

1. Directors and Auditors (As of March 31, 2015)

Position in the Company	Name	Duties or Significant Positions Concurrently Held
Representative Director and President	Akihiro Teramachi	Chairman of JAPAN MACHINE ACCESSORY ASSOCIATION (General Incorporated Association)
Director and Executive Vice President	Toshihiro Teramachi	
Director and Executive Vice President	Hiroshi Imano	
Director	Takashi Okubo	Managing Executive Officer Executive Vice Chairman of THK (China) Co., Ltd.

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Position in the Company	Name	Duties or Significant Positions Concurrently Held
Director	Junichi Sakai	Executive Officer General Manager of Quality Assurance Division General Manager of ICB Center
Director	Takashi Teramachi	Executive Officer Deputy General Manager of IMT Division Representative Director and President of THK INTECHS CO., LTD.
Director	Masaaki Kainosho	Representative Director of KAINOSHO CO., LTD. Professor at Otsuma Women's University Junior College Division
Director	Masakatsu Hioki	Advisor of Komatsu Ltd. Outside Director of SUKIYA Co., Ltd. Senior Fellow of Mercer Japan Ltd. Director, Japan Center for Technology Management (nonprofit entity)
Standing Auditor	Hideyuki Kiuchi	Chairman of Tokyo Electronic Industries Health Insurance Society
Standing Auditor	Kazunori Igarashi	
Auditor	Shizuo Watanabe	Tax Accountant
Auditor	Masatake Yone	Esq., Partner of Mori Hamada & Matsumoto, a law firm Outside Director of GCA Savvian Corporation Outside Auditor of BANDAI NAMCO Games Inc. (currently BANDAI NAMCO Entertainment Inc.) External Corporate Auditor of TERUMO CORPORATION

Notes:

- Personnel changes in Directors and Auditors of the Company during the fiscal year under review are as follows.
 - At the closing of the 44th Ordinary General Meeting of Shareholders held on June 21, 2014, Directors Tetsuya Hayashida, Junichi Kuwabara, Takanobu Hoshino, Nobuyuki Maki, Hideyuki Kiuchi, Junji Shimomaki, Hirokazu Ishikawa, Kaoru Hoshide, Akihiko Kambe and Sakae Ito retired due to expiration of their tenure, and Auditor Yoshimi Sato resigned from his position.
 - At the closing of the 44th Ordinary General Meeting of Shareholders held on June 21, 2014, Takashi Teramachi and Masakatsu Hioki were newly elected as Directors and assumed office, and Hideyuki Kiuchi was newly elected as Auditor and assumed office.
- Directors Masaaki Kainosho and Masakatsu Hioki are Outside Directors.
- Auditors Shizuo Watanabe and Masatake Yone are Outside Auditors.

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4. Auditor Shizuo Watanabe is a certified tax accountant with a substantial level of expertise in finance and tax accounting.
5. Auditor Masatake Yone, as a lawyer, is well versed in corporate legal affairs and has enough knowledge to govern company management, and also has a position independent from the Company. The Company does not register him as an independent officer with the Tokyo Stock Exchange, but he meets the requirements of independency specified by the Exchange.
6. As of April 25, 2015, Standing Auditor Hideyuki Kiuchi resigned as Chairman of Tokyo Electronic Industries Health Insurance Society.
7. The Company registered Directors Masaaki Kainosho and Masakatsu Hioki, as well as Auditor Shizuo Watanabe, as independent officers, as stipulated under the guidelines of the Tokyo Stock Exchange.
8. On April 1, 2015, BANDAI NAMCO Games Inc. changed its corporate name to BANDAI NAMCO Entertainment Inc.

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<Reference>

The Company implemented the Executive Officer System last year. The executive officers excluding those concurrently serving as Director are as follows:

(As of March 31, 2015)

Position in the Company	Name	Duties
Managing Executive Officer	Tetsuya Hayashida	Representative Director and President of THK Europe B.V. Representative Director and President of THK GmbH Representative Director and President of THK France S.A.S. Representative Director and President of THK Manufacturing of Europe S.A.S. Representative Director and President of THK Manufacturing of Ireland Ltd.
Managing Executive Officer	Junji Shimomaki	Senior General Manager of Sales Division
Managing Executive Officer	Nobuyuki Maki	Senior General Manager of Production Division
Managing Executive Officer	Masato Sawada	General Manager of FAI Division Director and Executive Vice Chairman of THK RHYTHM CO., LTD.
Managing Executive Officer	Takanobu Hoshino	General Manager of IMT Division Director and Executive Vice Chairman of THK INTECHS CO., LTD.
Managing Executive Officer	Akihiko Kambe	Representative Director and President of THK Holdings of America L.L.C. Representative Director and President of THK Manufacturing of America, Inc.
Executive Officer	Kaoru Hoshide	Senior General Manager of Engineering Division
Executive Officer	Hirokazu Ishikawa	Senior General Manager of Sales Support Division
Executive Officer	Naoki Kinoshita	President of THK (CHINA) CO., LTD.
Executive Officer	Junichi Kuwabara	General Manager of ACE Division
Executive Officer	Masaki Sugita	Representative Director and President of THK America, Inc.
Executive Officer	Yukio Yamada	General Manager of Sales Division and International Sales Division Representative Director and President of THK LM SYSTEM Pte. Ltd.
Executive Officer	Nobuaki Sugahara	General Manager of Corporate Strategy Division General Manager of Business Strategy Department

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Position in the Company	Name	Duties
Executive Officer	Sakae Ito	General Manager of Risk Management Division
Executive Officer	Hitoshi Muramoto	Representative Director and President of THK RHYTHM CO., LTD.

Notes:

- As of March 31, 2015, Executive Officer Hirokazu Ishikawa resigned from office.
- As of March 31, 2015, Executive Officer Yukio Yamada resigned from his office as representative Director and President for THK LM SYSTEM Pte. Ltd.
- The positions and duties of Executive Officers have been changed as follows as of April 1, 2015.
Managing Executive Officer Nobuyuki Maki took office as Senior General Manager of Production and Managing General Manager of the Sales Support Division.
Executive Officer Kaoru Hoshide took office as Senior Executive Officer.
- As of May 14, 2015, Managing Executive Officer Nobuyuki Maki assumed office as General Manager of L&S Business Integration Division.

2. Compensation for Directors and Auditors

Classification	Persons Receiving Payment (Persons)	Amount of Payment (Millions of Yen)
Directors	18	427
(Outside directors)	(2)	(21)
Auditors	5	62
(Outside auditors)	(2)	(21)
Total	23	489
(Outside officers)	(4)	(42)

Notes:

- Pursuant to resolutions of the General Meeting of Shareholders, the maximum compensation for a Director is ¥100 million a month, not including the salary of employees who concurrently serve as Directors (Resolution of the General Meeting of Shareholders in June 2011).
- Pursuant to resolutions of the General Meeting of Shareholders, the maximum compensation for an Auditor is ¥10 million a month (Resolution of the General Meeting of Shareholders in June 2004).
- In addition to the amounts shown above, employees who concurrently serve as Directors receive the equivalent of ¥31 million in employee salary.
- In addition to the amounts shown above, there are accrued payable balances of retirement allowances to two (2) Directors pursuant to resolutions of the General Meeting of Shareholders in the amounts of ¥742 million.
As for the accrued payable balances of retirement allowances to Directors, the system of retirement bonuses for Directors was abolished as of June 26, 2004 and in the wake of the abolishment of that system, the resolution for the

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payment of retirement bonuses for Directors was passed at the General Meeting of Shareholders held on the same day.

5. There were eight (8) Directors as of the end of the current fiscal year (of which two (2) were Outside Directors) and four (4) Auditors (of which two (2) were Outside Auditors). This differs with the number of Directors in the table above because it includes the ten (10) Directors and one (1) Auditor whose tenures ended at the closing of the 44th Ordinary General Meeting of Shareholders held on June 21, 2014.
6. The remuneration amounts in the table above include ¥100 million (¥100 million for Directors) to be payable as performance-based compensation for the fiscal year under review.

3. Matters Related to Outside Officers

A. Status of important concurrent services in other corporations, etc. and relationships between the Company and other such corporations, etc.

Director Masaaki Kainosho is the Representative Director of KAINOSHO CO., LTD. and a professor at Otsuma Women's University Junior College Division. There is no interest relationship between the Company and KAINOSHO CO., LTD., or Otsuma Women's University Junior College Division.

Director Masakatsu Hioki is an adviser for Komatsu Ltd., an Outside Director of Sukiya Co., Ltd., a senior fellow of Mercer Japan Ltd., and a Director of the Japan Center for Technology Management (nonprofit entity). The Company has a transactional relationship with Komatsu Ltd., but the transactional amounts are less than 1% of the Company's sales revenue. There is no interest relationship between the Company and Sukiya Co., Ltd., Mercer Japan Ltd. or the Japan Center for Technology Management.

Auditor Masatake Yone is a Partner of Mori Hamada & Matsumoto, a law firm, an Outside Director of GCA Savvian Corporation, an Outside Auditor of BANDAI NAMCO Entertainment Inc. and TERUMO CORPORATION. There is no interest relationship between the Company and Mori Hamada & Matsumoto, GCA Savvian Corporation, BANDAI NAMCO Entertainment Inc. or TERUMO CORPORATION.

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B. Status of major business activities in the current fiscal year

Title	Name	Attendance at Board of Directors and Board of Auditors Meetings
Outside Director	Masaaki Kainosho	Mr. Kainosho attended 16 of the 17 meetings of the Board of Directors (94%) held during the fiscal year under review and made comments as necessary based on his abundant experience and broad knowledge and insight mainly as a university professor highly adept in management and as the manager of a management consulting firm.
Outside Director	Masakatsu Hioki	Mr. Hioki attended all 14 meetings of the Board of Directors (100%) held after he took office in June 2014 and made comments as necessary based on his abundant experience and broad knowledge and insight mainly as a person responsible for personnel and general affairs in the management division of a global enterprise and a manufacturer.
Outside Auditor	Shizuo Watanabe	Mr. Watanabe attended all 17 meetings of the Board of Directors (100%) held during the fiscal year under review and all 14 meetings of the Board of Auditors (100%) held during the fiscal year under review and made comments as necessary based on his abundant experience and broad knowledge and insight mainly as a tax accountant highly adept in tax accounting.
Outside Auditor	Masatake Yone	Mr. Yone attended 14 of the 17 meetings of the Board of Directors (82%) held during the fiscal year under review and all 14 meetings of the Board of Auditors (100%) held during the fiscal year under review and made comments as necessary based on his abundant experience and broad knowledge and insight mainly as a lawyer highly adept in corporate legal affairs.

C. Description of Limited Liability Agreement

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Pursuant to the provision of Article 427, Paragraph 1, of the Companies Act, the Company and each Outside Director and Outside Auditor entered into an agreement that limits the indemnity liability under Article 423, Paragraph 1. Under this agreement, the limitation of liability for an Outside Director is the higher of ¥10 million or the minimum liability limit set forth in Article 425, Paragraph 1, of the Companies Act. The maximum limit of the indemnity liability for an Outside Auditor is the higher of ¥5 million or the minimum liability limit set forth in Article 425, Paragraph 1, of the Companies Act on condition that the Outside Director and the Outside Auditor fulfills due diligence and there is no gross negligence or no knowledge of it of the Outside Director or Outside Auditor with regard to the execution of duties that caused such liability.

(3) Status of Accounting Auditor

1. Name: Grant Thornton Taiyo LLC

Note: On October 1, 2014, Grant Thornton Taiyo ASG LLC changed its name to Grant Thornton Taiyo LLC.

2. Amount of Compensation of the Accounting Auditor Pertinent to the Fiscal Year under Review:

	(Millions of Yen)
	Amount of Compensation
1. Amount of compensation as the accounting auditor for the current fiscal year	84
2. Total sum of monies or money equivalent to be paid by the Company and its subsidiaries to the accounting auditor	84

Note: Under the audit agreement between the Company and the accounting auditor, the Company does not classify the amount of auditing compensation for the audit set forth in the Companies Act and the audit set forth in the Financial Instruments Exchange Law. Therefore, the amount shown in 1. above includes auditing compensation under the Financial Instruments Exchange Law.

3. Matters Related to the Audit of the Financial Statements of Important Consolidated Subsidiaries

Of the Company's important consolidated subsidiaries, THK Holdings of America, L.L.C., THK America, Inc., THK Manufacturing of America, Inc., THK RHYTHM NORTH AMERICA CO., LTD., THK Europe B.V., THK GmbH, THK Manufacturing of Europe S.A.S., THK (CHINA) CO., LTD., DALIAN THK CO., LTD., THK MANUFACTURING OF CHINA (WUXI) CO., LTD., THK MANUFACTURING OF CHINA (LIAONING) CO., LTD., THK RHYTHM GUANGZHOU CO., LTD., THK RHYTHM CHANGZHOU CO., LTD. and THK RHYTHM (THAILAND) CO., LTD. were audited by certified accountants other than the Company's accounting auditor, Grant Thornton Taiyo ASG LLC.

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4. Description of Non-Audit Activities

Not applicable

5. Policy for Determining Dismissal and Non-Reappointment of Accounting Auditors

The Board of Auditors will, if it considers it necessary, such as in the case where the performance of the accounting auditor's duties is hindered, decide the details of the proposal for the dismissal or non-reappointment of the accounting auditor to be presented to the General Meeting of Shareholders.

In addition, if it is considered that the accounting auditor comes under any of the items of Article 340, Paragraph 1, of the Companies Act, the accounting auditor will be dismissed with the consent of all of the Auditors. In this case, the Auditor selected by the Board of Auditors will report the dismissal of the Accounting Auditor and the reason for such dismissal at the first General Meeting of Shareholders held after such dismissal.

Note: The "Act for Partial Revision of the Companies Act" was enforced on May 1, 2015, and this Act provides that the Board of Auditors shall be authorized to determine the proposal for the appointment, dismissal and non-reappointment of accounting auditors. Therefore, the Company adopted the policy for determining the dismissal and non-reappointment of accounting auditors at the meeting of the Board of Auditors held on May 14, 2015.

(4) Systems to Ensure the Adequacy of Operations

The following is an overview of decisions concerning the systems to ensure compliance with applicable laws and regulations and the Company's Articles of Incorporation in Directors' business executions and other systems to ensure adequacy in the Company's business operations:

1. Systems to Ensure Compliance of Applicable Laws and Regulations and the Company's Articles of Incorporations in Business Executions by Directors and Employees

The "THK Basic Policy" was established to ensure that officers and employees comply with applicable laws and regulations and perform their duties under sound social norms. The Representative Director and President shall disseminate the principles of the policy among officers and employees and ensure that all business activities comply with relevant laws and regulations. To ensure thorough implementation of the policy, the Company shall establish the Compliance Committee, chaired by the Representative Director and President, as well as a subordinate organization that consists of the heads of each business division. The Compliance Committee shall include outside experts as members and strive to improve companywide compliance system and identify problems. The "THK Helpline" will be established and operated as a measure for employees to directly report legally questionable conduct and provide related information anonymously to outside experts.

2. Issues Regarding Storage and Management of Matters Related to Directors' Execution of Duties

In accordance with the Document Control Procedure, matters related to Directors' execution of duties shall be recorded and stored in documents or magnetic media (hereinafter "Documents"). Directors and Auditors may view these Documents at any time under the Document Control Procedure.

3. Regulations and Other Systems Concerning Management of Loss Risks

Each responsible section shall establish rules/guidelines, conduct education/training and prepare/distribute manuals to address the risks related to compliance, environment, disasters, quality, information security, export management and new types of flu. Companywide risk monitoring and measures shall be implemented by the Risk Management Office. When a new risk emerges, the Board of Directors shall promptly assign a Director to address the risk.

4. Systems to Ensure Efficient Execution of Directors' Duties

The Board of Directors shall set companywide goals to be shared by Directors and employees, disseminate the targets throughout the Company and establish medium-term management goals covering three (3) fiscal years. To achieve said goals, the Directors in charge of each section shall establish a business execution structure with specific measures and the allocation of authority. The Board of Directors shall establish a system that achieves efficient companywide operation through monthly and quarterly reviews of the progress in pursuit of the goals by using IT and by implementing necessary improvements.

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5. Systems to Ensure Adequacy of Operations of the Corporate Group Consisting of the Company and Its Subsidiaries

To establish internal control within the Company and each member company of the Group, the Company shall assign sections in charge of internal control at each member company of the Group and establish a system that ensures effective discussion of internal control of the Company and member companies of the Group, information sharing, communication of instructions and requests, and so forth. The Company's directors and the President of each member company of the Group shall bear the authority and responsibility to execute the proper establishment and operation of the internal control that ensures the adequacy of operations in each section. The Company's section in charge of internal audits shall conduct internal audits at the Company and each member company of the Group and shall report the results to the Board of Directors and the aforementioned sections in charge of internal control of each Group company. After receiving the results of these internal audits, the relevant sections shall provide each member company with guidance on improvement measures, support on execution of the measures and advice. To ensure the reliability of financial reports, the Company shall formulate the "internal control regulations for financial reports" for Group companies, thereby reinforcing and managing the relevant control system.

6. In the Event the Board of Auditors Requests Assistance from Employees, the Structure for Said Employees and Issues Pertaining to the Independence of Those Employees from Directors

Auditors may instruct necessary issues to staff members of the Internal Audit Office. A staff member that receives an order from an Auditor with respect to audit operations shall not be governed by any supervision or order from a Director or the head of the Internal Audit Office.

7. Systems for Directors and Employees to Report to the Board of Auditors; Other Reporting to the Board of Auditors

Directors or employees shall establish a system to promptly report legal issues, issues with significant impact on the Company and the Group, the status of internal audits, the status of reports received by the "THK Helpline" and the content thereof to the Board of Auditors. Details concerning those who report, the recipients of the reports and the timing of the reports shall be determined through due consultation between the Directors and the Board of Auditors. However, employees may report directly to the Auditors when the issue in question might result in a material loss to the Company or upon finding a significant violation of laws or regulations.

8. Other Systems to Ensure the Effective Execution of Audits by the Board of Auditors

The Board of Auditors shall hold regular meetings attended by the Representative Director and President, and other Directors to exchange opinions.

9. Basic Beliefs towards the Elimination of Anti-Social Forces and the Degree of the Introduction of Necessary Steps

The Company has established its own system which aims to remove anti-social forces as below:

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- A. The Company has declared in the “THK Basic Policy” that it shall “take a firm stance against anti-social forces”.
- B. The Company, as a member of the “Liaison Council of Tokyo Metropolitan Policy’s Anti-Crime Syndicate (the “Council”)", collects information at monthly meetings hosted by the Council and on other occasions. In addition, the Corporate Strategy Division is engaged in the management of relevant information in an integrated manner.
- C. If the Company receives an inappropriate demand from anti-social forces, the Corporate Strategy Division and the Risk Management Office are to respond to it. In so doing, staff at the Corporate Strategy Division and the Risk Management Office who have participated in lectures and other courses of the Council will respond to such a matter while in conjunction with the police station under the jurisdiction and so forth, and will take resolute steps such as resorting to legal means through our corporate lawyers as necessary.
- D. In order to extirpate transactions with companies that have relations with anti-social forces, the Company strives to conclude a Memorandum of Understanding regarding extirpation of transactions with anti-social forces with our business partners.

(5) Basic Policies on Control of the Company

Based on its management philosophy of “providing innovative products to the world and staying abreast of new trends to contribute to the creation of an affluent society,” the Company has formulated the “THK Basic Policy” consisting of three policies: 1) Creation of Value and Contribution to the Society, 2) Customer-Oriented Mind-Set and 3) Legal Compliance. The Basic Policy serves as the fundamental ethics that supersede all internal regulations and codes of conduct.

Under this Policy, the Company engages in business operations in order to create values beneficial to society by utilizing various management resources. In other words, the Company aims to expand corporate value through creative product development and exclusive production technology as a creative and developmental corporation while conducting fair and safe business operations; building strong relationships with customers, shareholders and local communities; and fulfilling its responsibility as a member of society through environmental conservation and prompt, proper and just information disclosure. The Company believes that it cannot raise its corporate value and the common interests of shareholders without fulfilling its social responsibility. At the same time, the Company aims to gain customers’ trust by thinking from their perspective, always treating them with integrity, and offering the best products and services. The Company believes that such efforts help us earn the trust of shareholders and other stakeholders, resulting in an appropriate gain of profits. Earning trust thereby earning profits is the way to achieve the sustainability of the Company. We direct profits earned in this way to new investments and the creation of new products and services, thereby, we believe, earning further trust from customers.

The Company has so far earned the trust of customers and of various kinds of stakeholders, including shareholders, through offering creative ingenious technologies and customer-oriented products and services based on the aforementioned beliefs. Accordingly, the Company is fully convinced that it can achieve the common interests of shareholders, that is, to enhance corporate value and further growth, only by further

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refining its originality and offering even higher-quality and customer-oriented products and services.

From such perspectives, the Company's growth and rise in corporate value cannot be achieved without the support of shareholders that share the same beliefs—the same ideas that have supported the past growth of the Company and improvement of the Company's corporate value—regardless of the size of their stakes. If shareholders with such perspectives increase, that will help further improve the Company's corporate value and leverage its growth. Accordingly, the Company intends to strive to gain their lasting support and understanding.

With regard to specific measures to address any party that might emerge to attempt a large-scale acquisition of the Company's stocks solely for their own profit, ignoring the sacrifice of other shareholders, not considering the growth of the Company's corporate value and conflicting with the basic beliefs described above, the Company will continue careful consideration. When a clear plan and specifics to address such events is ready, we will present it to the shareholders and ask their opinion.

[Translation for Reference and Convenience Purposes Only]

Consolidated Balance Sheet

(As of March 31, 2015)

(Millions of Yen)

Assets		Liabilities	
Current Assets	260,414	Current Liabilities	60,171
Cash and deposits	155,239	Notes and accounts payable	14,298
Notes and accounts receivable	58,276	Electronically recorded obligations—operating	15,255
Electronically recorded monetary claims—operating	5,174	Current portion of bonds	7,000
Merchandise and finished goods	13,738	Lease obligations	299
Work in process	6,184	Accrued corporate tax, etc.	7,413
Raw materials and supplies	13,051	Reserve for bonuses	3,225
Deferred tax assets	3,968	Other	12,678
Short-term loans receivable	2	Long-Term Liabilities	62,940
Accrued receivables	2,217	Bonds payable	43,000
Other	2,707	Long-term loans payable	10,000
Allowance for bad debts	(145)	Lease obligations	330
Fixed Assets	113,196	Deferred tax liabilities	3,347
Tangible fixed assets	97,732	Reserve for officers' retirement benefits	110
Buildings and structures	32,473	Product warranty allowance	156
Machinery and transportation equipment	44,307	Net defined benefit liability	4,964
Land	12,859	Other	1,030
Construction in progress	5,001	Total Liabilities	123,112
Other	3,090	Net Assets	
Intangible fixed assets	4,401	Shareholder's Equity	223,711
Goodwill	580	Capital stock	34,606
Other	3,821	Capital surplus	44,584
Investments and other assets	11,062	Profit surplus	158,463
Investment securities	8,096	Treasury stock	(13,943)
Net defined benefit asset	67	Accumulated Other Comprehensive Income	24,086
Deferred tax assets	1,171	Net unrealized gain on available-for-sale securities	1,312
Insurance reserve	270	Foreign exchange conversion loss adjustment account	22,940
Other	1,503	Remeasurements of defined benefit plans	(166)
Allowance for bad debts	(47)	Minority Interest	2,701
		Total Net Assets	250,498
Total Assets	373,610	Total Liabilities and Net Assets	373,610

[Translation for Reference and Convenience Purposes Only]

Consolidated Statement of Income
(From April 1, 2014, to March 31, 2015)

(Millions of Yen)

Accounting Item	Amount	
Sales Revenue		217,678
Cost of Sales		150,653
Gross Profit		67,024
Selling, general, and administrative expenses		38,636
Operating Income		28,388
Non-Operating Income		
Interest received	477	
Dividends received	71	
Rent income	363	
Foreign exchange gains	4,089	
Equity in earnings of affiliates	599	
Miscellaneous income	777	6,378
Non-Operating Expenses		
Interest expenses	404	
Miscellaneous loss	331	735
Ordinary Income		34,031
Extraordinary Income		
Gain on sale of fixed assets	22	22
Extraordinary Loss		
Loss on disposition and sale of fixed assets	120	
Impairment loss	432	553
Net Income before Income Taxes		33,501
Income taxes—current	11,595	
Income taxes—deferred	(899)	10,695
Income before Minority Interests		22,805
Minority interest		99
Net Income		22,705

[Translation for Reference and Convenience Purposes Only]

Consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2014, to March 31, 2015)

(Millions of Yen)

	Shareholders' Equity					Accumulated Other Comprehensive Income				Minority Interest	Total Net Assets
	Capital stock	Capital surplus	Profit surplus	Treasury stock	Total shareholders' equity	Net unrealized gain on available-for-sale securities	Foreign exchange conversion loss adjustment account	Remeasurements of defined benefit plans	Total of accumulated other comprehensive income		
Balance as of April 1, 2014	34,606	44,584	141,474	(13,934)	206,731	801	12,930	(632)	13,099	2,317	22,148
Cumulative effects of changes in accounting policies			(1,285)		(1,285)						(1,285)
Restated balance	34,606	44,584	140,189	(13,934)	205,445	801	12,930	(632)	13,099	2,317	220,862
Changes in the consolidated fiscal year											
Dividends from surplus			(4,430)		(4,430)						(4,430)
Net Income			22,705		22,705						22,705
Acquisition of treasury stock				(9)	(9)						(9)
Changes in the item other than shareholders' equity during the consolidated fiscal year (net amount)						510	10,010	466	10,986	383	11,370
Total change in the consolidated fiscal year	—	—	18,274	(9)	18,265	510	10,010	466	10,986	383	29,636
Balance as of March 31, 2015	34,606	44,584	158,463	(13,943)	223,711	1,312	22,940	(166)	24,086	2,701	250,498

[Translation for Reference and Convenience Purposes Only]

Balance Sheet
(As of March 31, 2015)

(Millions of Yen)

Assets		Liabilities	
Current Assets	177,342	Current Liabilities	46,400
Cash and deposits	81,022	Accounts payable	6,948
Notes receivable	12,933	Electronically recorded obligations—operating	12,605
Electronically recorded monetary claims—operating	5,023	Short-term loans payable	2,714
Accounts receivable	28,657	Current portion of bonds	7,000
Merchandise and finished goods	5,165	Lease obligations	254
Work in process	3,085	Accrued payables	2,896
Raw materials and supplies	4,326	Accrued expenses	3,448
Prepaid expenses	622	Accrued corporate tax, etc.	6,131
Deferred tax assets	1,328	Advances	35
Short-term loans	28,275	Deposits received	225
Accrued receivables	1,926	Reserve for bonuses	2,150
Deposits paid	3,934	Other	1,989
Other	1,043	Long-Term Liabilities	56,020
Allowance for bad debts	(3)	Bonds payable	43,000
Fixed Assets	118,797	Long-term loans payable	10,000
Tangible fixed assets	28,894	Lease obligations	252
Buildings	9,279	Reserve for employees' retirement benefits	1,971
Structures	319	Other	796
Machinery and equipment	9,752	Total Liabilities	102,420
Automobiles and transportation equipment	13	Net Assets	
Tools and supplies	464	Shareholders' Equity	192,433
Land	7,403	Capital stock	34,606
Lease properties	454	Capital surplus	47,471
Construction in progress	1,206	Capital reserve	47,471
Intangible fixed assets	1,179	Other capital surplus	0
Goodwill	26	Profit surplus	124,293
Software	990	Legal retained earnings	1,958
Other	162	Other profit surplus	122,334
Investments and other assets	88,723	Special depreciation reserve	49
Investment securities	3,396	Reserve for advanced depreciation of land	15
Affiliates' stocks	26,388	Dividend reserve	3,000
Investment in affiliated companies	43,657	General reserve	102,000
Long-term loans	14,158	Profit surplus carried forward	17,269
Insurance reserve	164	Treasury stock	(13,938)
Deferred tax assets	296	Valuation/Conversion Difference	1,286
Other	697	Net unrealized gain on available-for-sale securities	1,286
Allowance for bad debts	(36)	Total Net Assets	193,719
Total Assets	296,140	Total Liabilities and Net Assets	296,140

[Translation for Reference and Convenience Purposes Only]

Statement of Income

(From April 1, 2014, to March 31, 2015)

(Millions of Yen)

Accounting Item	Amount	
Sales Revenue		132,786
Cost of sales		88,724
Gross profit		44,061
Selling, general, and administrative expenses		22,162
Operating Income		21,899
Non-Operating Income		
Interest received	514	
Dividends received	505	
Foreign exchange gains	3,620	
Rent income	376	
Loyalty income	651	
Miscellaneous income	348	6,017
Non-Operating Expenses		
Interest expenses	44	
Interest on corporate bonds	364	
Commission fee	44	
Miscellaneous loss	84	537
Ordinary Income		27,378
Extraordinary Income		
Gain on sale of fixed assets	8	8
Extraordinary Loss		
Loss on disposition and sale of fixed assets	23	
Impairment loss	432	456
Net Income before Income Taxes		26,930
Income taxes—current	9,028	
Income taxes—deferred	316	9,345
Net Income		17,585

[Translation for Reference and Convenience Purposes Only]

Statement of Changes in Shareholders' Equity

(From April 1, 2014, to March 31, 2015)

(Millions of Yen)

	Shareholders' Equity										
	Capital stock	Capital Surplus			Legal retained earnings	Profit Surplus					Total profit surplus
		Capital reserve	Other capital surplus	Total capital surplus		Other profit surplus					
						Special depreciation reserve	Reserve for advanced depreciation of land	Dividend reserve	General reserve	Profit surplus carried forward	
Balance as of April 1, 2014	34,606	47,471	0	47,471	1,958	74	15	3,000	92,000	14,758	111,806
Cumulative effects of changes in accounting policies										(667)	(667)
Restated balance	34,606	47,471	0	47,471	1,958	74	15	3,000	92,000	14,090	111,139
Change in the fiscal year											
Dividends from surplus										(4,430)	(4,430)
Addition to the special depreciation reserves						3				(3)	
Reimbursement from the special depreciation reserves						(28)				28	
Provision of general reserve									10,000	(10,000)	
Net Income										17,585	17,585
Acquisition of treasury stock											
Changes in items other than shareholders' equity during the fiscal year (net amount)											
Total changes in the fiscal year	—	—	—	—	—	(24)	—	—	10,000	3,178	13,154
Balance as of March 31, 2015	34,606	47,471	0	47,471	1,958	49	15	3,000	102,000	17,269	124,293

	Shareholders' Equity		Valuation/Conversion Difference, etc.		Total Net Assets
	Treasury stock	Total shareholders' equity	Net unrealized gain on available-for-sale securities	Total valuation/conversion difference, etc.	
Balance as of April 1, 2014	(13,928)	179,955	771	771	180,727
Cumulative effects of changes in accounting policies		(667)			(667)
Restated balance	(13,928)	179,288	771	771	180,059
Changes in the fiscal year					
Dividends from surplus		(4,430)			(4,430)
Addition to the special depreciation reserve					
Reimbursement from the special depreciation reserves					
Provision of general reserve					
Net Income		17,585			17,585
Acquisition of treasury stock	(9)	(9)			(9)
Changes in items other than shareholders' equity during the fiscal year (net amount)			515	515	515
Total changes in the fiscal year	(9)	13,144	515	515	13,659
Balance as of March 31, 2015	(13,938)	192,433	1,286	1,286	193,719

[Translation for Reference and Convenience Purposes Only]

Accounting Audit Report on the Consolidated Financial Statements

AUDIT REPORT BY INDEPENDENT AUDITOR

May 13, 2015

To the Board of Directors of THK CO., LTD.

Grant Thornton Taiyo LLC

Designated	Certified	
Executive	Public	Yoshiyuki Wada (Seal)
Employee	Accountant	
Designated	Certified	
Executive	Public	Hideki Akita (Seal)
Employee	Accountant	

In accordance with the provisions of Article 444, Paragraph 4, of the Companies Act, we audited the consolidated financial statements of THK CO., LTD., consisting of the consolidated balance sheet, consolidated statement of income, statement of changes in consolidated shareholders' equity and notes on the consolidated financial statements covering the consolidated fiscal year from April 1, 2014, to March 31, 2015.

Management's Responsibility for Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected and adopted depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

[Translation for Reference and Convenience Purposes Only]

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of THK CO., LTD., which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year under review in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

As stated in the Notes to Significant Subsequent Events, by resolution of the Board of Directors meeting held on April 21, 2015, the Company determined to acquire the linkage and suspension (L&S) business in Europe and North America from TRW Automotive Inc. ("TRW"), partly involving conversion of the target company into a subsidiary of the Company via a stock acquisition, and concluded a contract as of the same day.

This change has no impact on the opinion of the Auditors.

Interest

There is no relation of interests between the Company and the auditing firms stated above or any participating partners thereof, as is required to be stated under the Certified Public Accountant Law.

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Accounting Audit Report on the Financial Statements

AUDIT REPORT BY INDEPENDENT AUDITOR

May 13, 2015

To the Board of Directors of THK CO., LTD.

Grant Thornton Taiyo LLC

Designated	Certified	
Executive	Public	Yoshiyuki Wada (Seal)
Employee	Accountant	
Designated	Certified	
Executive	Public	Hideki Akita (Seal)
Employee	Accountant	

In accordance with the provisions of Article 436, Paragraph 2, No. 1, of the Companies Act, we audited the financial statements of THK CO., LTD., consisting of the balance sheet, statement of income, statement of changes in shareholders' equity, notes to the non-consolidated financial statements and supplementary schedules covering the 45th fiscal year from April 1, 2014, to March 31, 2015.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected and adopted depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating

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the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of the THK CO., LTD., applicable to the fiscal year under review in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

As stated in the Notes to Significant Subsequent Events, by resolution of the Board of Directors meeting held on April 21, 2015, the Company determined to acquire the linkage and suspension (L&S) business in Europe and North America from TRW Automotive Inc. ("TRW"), partly involving conversion of the target company into a subsidiary of the Company via a stock acquisition, and concluded a contract as of the same day.

This change has no impact on the opinion of the Auditors.

Interest

There is no relation of interests between the Company and the auditing firms stated above or any participating partners thereof, as is required to be stated under the Certified Public Accountant Law.

Audit Report by the Board of Auditors

AUDIT REPORT

We, the Board of Auditors, submit the following Audit Report based on our deliberation of the Audit Reports prepared by each Auditor with respect to the execution of duties of the Directors during the Company's 45th fiscal year starting on April 1, 2014, and ended on March 31, 2015:

1. Auditing Method and Content of Audits Performed by Auditors and the Board of Auditors

The Board of Auditors determined the auditing policy and allocation of tasks, received reports from each Auditor concerning execution status and results of audits, received reports from Directors and accounting auditors concerning the status of their tax execution, and requested explanations when necessary.

In accordance with the audit policies and task allocations determined by the Board of Auditors, each Auditor communicated with Directors, the Internal Audit Office and other employees to collect information and maintain an appropriate audit environment. In addition, each Auditor attended the Board of Directors meetings and other important meetings to receive reports concerning the status of execution of duties from Directors, Executive Officers and employees, request explanations when necessary, peruse important settlement documents, and investigated the business and asset conditions of the Head Office and other major offices. Moreover, with respect to the systems (Internal Control Systems) established in accordance with the description of the resolution of the Board of Directors concerning the system defined in Paragraphs 1 and 3, Article 100, of the Ordinance for Enforcement of the Companies Act and said resolution, as being for the systems to ensure compliance of Directors' execution of duties described in business reports with laws and regulations and the Company's Articles of Incorporation, and also to ensure adequacy of the Company's other business operations, the Auditors received reports regularly from Directors, Executive Officers and employees, requested explanations when necessary, and expressed their opinions regarding the status of establishment and performance of the systems.

For the basic policy of the Enforcement Regulations of the Companies Act, Article 118, No.3-B, as described in the Business Report, auditors examined the contents of the policy based on the status of deliberations at the Board of Directors meetings, etc. With respect to subsidiaries, Auditors communicated and exchanged information with the Directors and Auditors of subsidiaries and received reports by subsidiaries concerning their operations when necessary. The Board of Auditors meetings were held on a monthly basis, where results of audits conducted by each Auditor were conveyed to other Auditors to exchange opinions and information sharing. Opinions concerning results of audit activities conducted by Auditors were notified to Directors. Business reports and supplementary schedules for the fiscal year were reviewed in accordance with the above method.

With regard to the accounting audit, Auditors received explanations on the audit plan from the accounting auditor beforehand and discussed it accordingly. The

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audit results were reported from the accounting auditor. Furthermore, Auditors monitored and inspected whether the independent auditors maintained their independence and appropriateness in their implementation of audits, received reports from accounting auditors concerning their execution of duties and requested explanations when necessary. Furthermore, we received the notice stating to the effect that the “System to Ensure Appropriate Execution of Duties” (various provisions stated in Article 131 of the Corporate Accounting Regulations) is prepared in accordance with the “Quality Control Standards Concerning Audits” (Business Accounting Deliberation Council, October 28, 2005) and requested explanations when necessary. In accordance with the approach explained above, we reviewed financial statements for the fiscal year under review (non-consolidated balance sheet, non-consolidated statement of income, statement of changes in shareholders’ equity and notes to the non-consolidated financial statements), the supplementary schedules and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, statement of changes in consolidated shareholders’ equity and notes to the consolidated financial statements).

2. Results of the Audit

(1) Audit Results for the Business Report, etc.

- (i) We are of the opinion that the content of business reports and supplementary schedules comply with laws and regulations and the Articles of Incorporation and fairly reflect the state of the Company.
- (ii) We determined no improper acts or material breaches of laws and regulations or the Articles of Incorporation in the execution of duties by Directors.
- (iii) We are of the opinion that the content of the Board of Directors resolutions pertaining to the Internal Control System is appropriate. In addition, we did not identify anything that requires comment with regard to execution of duties by directors concerning said Internal Control System.
- (iv) We do not identify anything that requires comment on the basic policy (described in the Business Report) for the behavior of the person(s) taking control of the determination of financial policies and business policies of the Company.

(2) Audit Results for the Financial Statements and Supplementary Schedules

We are of the opinion that the audit methods and results of Grant Thornton Taiyo are appropriate.

(3) Audit Results for the Consolidated Financial Statements

We are of the opinion that the audit methods and results of Grant Thornton Taiyo are appropriate.

May 14, 2015

The Board of Auditors of THK CO., LTD.

Standing Auditor Hideyuki Kiuchi
Standing Auditor Kazunori Igarashi
Outside Auditor Shizuo Watanabe
Outside Auditor Masatake Yone