

May 14, 2015

Consolidated Financial Results for the Year Ended March 31, 2015 under Japanese GAAP

Company Name : THK CO., LTD.
 Head Office : Tokyo, Japan (Tel: +81-3-5434-0300)
 URL : <http://www.thk.com/>
 Stock exchange listing : Tokyo Stock Exchange-First Section
 Code number : 6481
 Representative : Akihiro Teramachi, President and CEO
 Contact : Kenji Nakane, General Manager of Finance and Accounting Department, Corporate Strategy Division
 Scheduled date of the general shareholders' meeting : June 20, 2015
 Scheduled starting date of dividend payment : June 22, 2015
 Scheduled date of filing the Securities Report (Japanese version only) : June 22, 2015

1. Consolidated Operating Results and Financial Position as of and for the year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(1) Consolidated Operating Results

Year ended March 31 (Millions of Yen)	Net Sales		Operating Income		Ordinary Income		Net Income	
2015	¥217,678	17.4 %	¥28,388	63.4 %	¥34,031	44.1 %	¥22,705	45.6 %
2014	185,466	10.2	17,370	48.6	23,618	60.0	15,590	59.0
<i>(Note) Comprehensive income</i>	<i>For the year ended March 31, 2015:</i>				¥34,085 million		(6.0) %	
	<i>For the year ended March 31, 2014:</i>				36,277 million		93.0	

Year ended March 31 (Yen)	Net Income Per Share-Basic	Net Income Per Share-Diluted
2015	¥179.36	¥ —
2014	123.16	—

Year ended March 31	Return on Equity (Net income / Shareholders' equity)	Return on Assets (Ordinary income / Total assets)	Operating Income / Net Sales
2015	9.7%	9.6 %	13.0 %
2014	7.7	7.5	9.4

(Note) Equity earnings of affiliates *For the year ended March 31, 2015:* ¥599 million
For the year ended March 31, 2014: 522 million

(2) Consolidated Financial Position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Net Worth Ratio (%)	Net Assets Per Share (Yen)
As of March 31, 2015	¥373,610	¥250,498	66.3 %	¥1,957.48
As of March 31, 2014	336,416	222,148	65.3	1,736.51

(Note) Net worth ratio is defined as net worth divided by total assets. Net worth consists of shareholders' equity and adjustment/valuation items in net assets.

Net worth	As of March 31, 2015:	¥247,797 million
	As of March 31, 2014:	219,830 million

(3) Consolidated Cash Flows

Year ended March 31 (Millions of Yen)	Net Cash Provided by Operating Activities	Net Cash Used in Investing Activities	Net Cash Used in Financing Activities	Cash and Cash Equivalents, End of Year
2015	¥23,384	¥(8,714)	¥(4,742)	¥155,239
2014	23,664	(9,553)	(2,790)	138,343

2. Dividends

	Dividend Per Share (Yen)				
	First Quarter end as of June 30	Second Quarter end as of September 30	Third Quarter end as of December 31	Year end	Total
2014 (Actual)	—	11.00	—	15.00	26.00
2015 (Actual)	—	20.00	—	30.00	50.00
2016 (Projected)	—	28.00	—	28.00	56.00

	Total Amount of Dividends for the year (Millions of Yen)	Payment Ratio (Consolidated)	Cash Dividends / Net Assets (Consolidated)
2014 (Actual)	3,291	21.1%	1.6%
2015 (Actual)	6,329	27.9%	2.7%
2016 (Projected)	n/a	30.7%	n/a

3. Forecasts for the year ending March 31, 2016 (April 1, 2015 to March 31, 2016)

	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Net Income per Share (Yen)
Second Quarter ending September 30, 2015 (amount)	¥117,000	¥15,200	¥16,000	¥10,800	¥85.31
(percentage)	10.2%	6.3%	3.4%	(0.8)%	n/a
Year ending March 31, 2016 (amount)	¥240,000	¥32,000	¥34,100	¥23,100	¥182.48
(percentage)	10.3%	12.7%	0.2%	1.7%	n/a

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

4. Other Financial Information

(1) Significant change in scope of consolidation: None

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

- a. Changes in accounting standards Please refer to "5. Accounting Changes"
- b. Other changes None

(3) Number of shares

		(shares)
a. Common stock issued, including treasury stock, as of:	March 31, 2015	133,856,903
	March 31, 2014	133,856,903
b. Treasury stock as of:	March 31, 2015	7,266,746
	March 31, 2014	7,263,269
c. Average number of common stock for the year ended:	March 31, 2015	126,591,939
	March 31, 2014	126,595,193

5. Accounting Changes

New Accounting Standard for Retirement Benefits—Effective April 1, 2014, THK applied "Accounting Standard for Retirement Benefits" (Statement No. 26, issued by Accounting Standards Board of Japan (ASBJ) on May 17, 2012) and "Guidance on Accounting Standard for Retirement Benefits" (Guidance No. 25, issued by ASBJ on May 17, 2012), in accordance with Section 35 of the aforementioned standard and Section 67 of the aforementioned guidance. In applying the new standard and guidance, THK reviewed the determination method of retirement benefit obligations and current service costs, and changed; (a) the method of attributing expected benefit to periods from straight-line basis to benefit formula basis, and; (b) the method to determine the discount rate. Prior to the application of the new standard, the discount rate was determined based on periods of bonds corresponding to the expected average remaining working lives of employees. Effective April 1, 2014 the discount rate has been a single weighted average discount rate reflecting the estimated timing and amount of benefit payment.

In applying the new standard and guidance, the effects of amendments in determination method of retirement benefit obligations and current service costs were recognized as an adjustment of the opening balance of retained earnings as of April 1, 2014 in accordance with the tentative treatment stipulated in Section 37 of the new standard.

As a result, the effects of applying the new standard and guidance were to increase net defined benefit liability by ¥1,663 million and to decrease retained earnings by ¥1,285 million, as of April 1, 2014. The effects on operating income, ordinary income, and income before income taxes and minority interests, including per share figures, were immaterial.

For Reference: Outline of Non-consolidated Financial Statements

1. Non-Consolidated Operating Results and Financial Position as of and for the year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(1) Operating Results

Year Ended March 31 (Millions of Yen)	Net Sales		Operating Income		Ordinary Income		Net Income	
2015	¥132,786	18.7 %	¥21,899	58.6 %	¥27,378	45.7 %	¥17,585	43.5 %
2014	111,913	7.0	13,808	40.5	18,790	55.9	12,255	52.8
Year Ended March 31 (Yen)	Net Income Per Share-Basic		Net Income Per Share-Diluted					
2015	¥138.91		¥ —					
2014	96.81		—					

(2) Financial Position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Net Worth Ratio (%)	Net Assets Per Share (Yen)
As of March 31, 2015	¥296,140	¥193,719	65.4 %	¥1,530.25
As of March 31, 2014	275,240	180,727	65.7	1,427.58

(Note) Net worth ratio is defined as net worth divided by total assets. Net worth consists of shareholders' equity and adjustment/valuation items in net assets.

Net worth
As of March 31, 2015: ¥193,719 million
As of March 31, 2014: 180,727 million

2. Non-Consolidated forecasts for the year ending March 31, 2016 (April 1, 2015 to March 31, 2016)

	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Net Income per Share (Yen)
Second Quarter ending September 30, 2015 (amount)	¥71,000	¥11,000	¥11,700	¥8,100	¥63.98
(percentage)	10.5%	15.6%	7.0%	11.3%	n/a
Year ending March 31, 2016 (amount)	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Net Income per Share (Yen)
Year ending March 31, 2016 (amount)	¥143,000	¥22,000	¥23,700	¥16,400	¥129.55
(percentage)	7.7%	0.5%	(13.4)%	(6.7)%	n/a

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

Management's Discussion and Analysis

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

(1) Summary of overall performance

During this fiscal year, the modest recovery trend led by the United States of America continued in the world economy. In developed countries, the backlash of last-minute demand corresponding to the consumption tax hike in Japan was gradually resolved, and the European economy continued to recover from its recession phase. In emerging countries such as China, however, the rapid economic growth slowed down.

The THK Group has identified "Full-Scale Globalization" and the "Development of New Business Areas" as cornerstones of its growth strategy to actualize the latent demand for its products such as LM Guide. As to Full-Scale Globalization, while emerging-country markets are growing by dint of factory automation progress which is also spreading to developed-country users, the THK Group endeavors to expand its global sales network. In addition, regarding Development of New Business Areas, while the THK Group's products are getting widely adopted in new business fields such as medical equipment, aircraft, robot, and renewable energy, the THK Group is working on expanding sales of not only existing products but also new developed products. In this fiscal year, while demand in the machine tool industry was recovering and demand for electronics-related products was increasing because of investments in the smart phones and tablet computers markets, the THK Group operated proactively to expand its sales with its strengthened operating structure. As a result, the THK Group successfully increased its sales by capturing such demand. Along with the favorable effect of the weaker yen as compared to the level a year earlier, net sales for the year amounted to ¥217,678 million, up ¥32,212 million, or 17.4%, compared to the figure a year earlier.

On the cost front, the THK Group implemented various activities to improve its productivity. Those activities include an across-the-division project to reinforce the operating foundations, namely, P25 Project. Such activities successfully streamlined fixed costs and lowered the variable cost ratio. As a result, the cost of sales to sales ratio improved by 2.3% from a year earlier to 69.2%.

As to selling, general and administrative expenses, the THK Group made endeavors to contain costs and improve operating efficiency while sales were increasing. Ratio to net sales improved by 1.5% from a year earlier to 17.7%.

As a result, operating income increased from a year earlier by ¥11,018 million, or 63.4%, to ¥28,388 million. Ratio to net sales also improved by 3.6% to 13.0%.

Total non-operating income was ¥6,378 million. Major components of non-operating income were ¥4,089 million of foreign exchange gain and ¥599 million of equity earnings of affiliates. Total non-operating expense was ¥735 million. The major component of non-operating expenses was ¥404 million of interest expenses. As a result, ordinary income increased from a year earlier by ¥10,412 million, or 44.1%, to ¥34,031 million. Net income for the year also increased from a year earlier by ¥7,114 million, or 45.6%, to ¥22,705 million.

(2) Segment Information

(Japan)

During the first half of this fiscal year, the economy in Japan showed temporary weaknesses such as a backlash of last-minute demand corresponding to the consumption tax hike; however, such weaknesses were gradually resolved in the latter half of the year. While demand in the machine tool industry was increasing and demand for electronics-related products was rising because of investments in the smart phones and tablet computers markets, the THK Group operated proactively and cultivated new business fields such as seismic isolation and damping systems. Consequently, the THK Group successfully increased its sales mainly to the machine tool industry, the general machine industry, and the electronics industry, resulting in net sales for the year amounting to ¥121,857 million, up ¥14,421 million, or 13.4%, compared to the figure a year earlier. Operating income (segment income) amounted to ¥25,111 million, up ¥8,677 million, or 52.8%, from the figure a year earlier due to various operating activities such as our across-the-division project, namely, P25 Project. Such activities successfully streamlined fixed costs and lowered the variable cost ratio. In addition, the weaker yen during the year was favorable to the operating result.

(The Americas)

The economy in the Americas continued to expand with increasing capital investments led by the robust consumer spending. In such a situation, production and sales sections worked in unison to expand and deepen transactions with existing customers and to cultivate new business fields such as medical equipment, aircraft, and energy-related business. Because of these endeavors, the THK Group successfully increased its sales to the electronics industry, the machine tool industry and the transportation equipment industry. Along with the favorable effect of the weaker yen as compared to the level a year earlier, net sales for the year amounted to ¥34,642 million, up ¥6,024 million, or 21.1%, from the figure a year earlier. Operating income (segment income) amounted to ¥1,534 million, up ¥367 million, or 31.5%, from the figure a year earlier.

(Europe)

In Europe, while signs of recovery were continuously seen, production and sales sections proactively worked in unison to expand and deepen transactions with existing customers and to cultivate new business fields such as medical equipment, aircraft, and railway vehicle-related business. Consequently, the THK Group successfully increased its sales, especially to the machine tool industry, the general machine industry and the electronics industry. As a result, sales in Europe amounted to ¥20,191 million, up ¥1,899 million, or 10.4%, from the figure a year earlier, with the favorable effect of the weaker yen as compared to the level a year earlier. Operating income (segment income) amounted to ¥1,350 million, up ¥1,170 million, or 650.3%, from the figure a year earlier.

(China)

In China, automobile production was still robust; however, the rapid economic growth slowed down. As to the THK Group, driven by investments in smart phones and tablet computers market, demand increased principally in small-type products. In addition, the THK Group's products were getting widely adopted because of the factory automation progress in China. In such a situation, the THK Group implemented aggressive business activities with its strengthened sales channels and successfully increased its sales to various industries such as the machine tool industry, the general machine industry and the transportation equipment industry. As a result, sales amounted to ¥28,275 million, up ¥8,417 million, or 42.4%, from the figure a year earlier. The THK Group recorded ¥456 million of operating income (segment income), a turnaround of ¥1,071 million from operating loss (segment loss) recorded in a year earlier, due mainly to the higher sales.

(Other)

In other countries and regions including Taiwan, India and ASEAN countries, while demand was increasing especially for small-type products driven by investments in smart phones and tablet computers market, the THK Group continued to expand and deepen transactions with existing customers and to cultivate new customers. Such endeavors included setting up customer support centers for Japanese companies that enter the ASEAN countries. In addition, the yen remained weak during the year. As a result, sales amounted to ¥12,710 million, up ¥1,448 million, or 12.9%, from the figure a year earlier. Operating income (segment income) amounted to ¥1,293 million, up ¥616 million, or 91.1%, from the figure a year earlier.

(3) Forecasts for the fiscal year ending March 31, 2016

Considering the latest recovering demand situation, we expect ¥240,000 million of net sales for the year ending March 31, 2016. We also expect ¥32,000 million of operating income, ¥34,100 million of ordinary income, and ¥23,100 million of net income attributable to the owners of the parent that would be derived by the increase in sales and implementing more effective cost control.

-Consolidated

	Net Sales	Operating Income	Ordinary Income	Net Income
Millions of Yen	¥240,000	¥32,000	¥34,100	¥23,100
Component ratio (%)	100.0%	13.3%	14.2%	9.6%
Fluctuation (%)	10.3%	12.7%	0.2%	1.7%

(Note) Average exchange rates assumed and used for above forecasts are as follows:

U.S.dollar 1=¥115.00 Euro 1=¥125.00

2, Financial position (As of March 31, 2015)

Total assets stood at ¥373,610 million, ¥37,194 million more than the previous fiscal year-end, due mainly to increase in (a) cash and cash bank deposits by ¥16,896 million, (b) accounts and notes receivable by ¥8,114 million, (c) electronically recorded monetary claims by ¥2,778 million, (d) merchandise and finished goods by ¥1,718 million, (e) buildings and structures (net) by ¥3,734 million, and (f) long-term investments in securities by ¥1,658 million.

Total liabilities stood at ¥123,112 million, ¥8,844 million more than the previous fiscal year-end, due mainly to a combined effect of (a) increase in electronically recorded obligations by ¥15,255 million, (b) increase in income taxes payable by ¥1,605 million, (c) ¥10,000 million new long-term bank loans, (d) decrease in accounts and notes payable by ¥11,113 million, (e) decrease in bonds by ¥7,000 million, and (f) decrease in current portion of bonds by ¥3,000 million.

Net assets stood at ¥250,498 million, ¥28,350 million more than the previous fiscal year-end, due mainly to increase in (a) retained earnings by ¥16,988 million and (b) foreign currency translation adjustments by ¥10,010 million.

For reference: Cash Flow Indices

Year ended March 31	2011	2012	2013	2014	2015
Net Worth / Total Assets (%)	59.6	60.3	63.9	65.3	66.3
Market Capitalization / Total Assets (%)	100.1	78.1	83.0	92.2	109.6
Interest-bearing Debt / Operating Cash Flow (years)	2.3	3.6	2.9	2.5	2.6
Operating Cash Flow / Interest Paid (times)	37.1	25.3	28.7	29.5	57.8

(Note 1) All indices are computed based on consolidated data.

(Note 2) Market capitalization equals the stock price at the end of year multiplied by the number of issued shares at the end of year.

Basic Policies Regarding Distribution of Profits and Dividends

Not only its basic policy which is to provide shareholders with stable and continuous dividends, THK also places priority on providing shareholders with proactive distribution of profit befitting operating results, simultaneously strengthening its financial soundness by securing internal reserve. THK plans to make effective use of internal reserve by investing it to research and development activities, production facilities, and IT systems, to respond globalization.

In accordance with these policies, the Company plans ¥30.00 per share for the year-end dividends. As a result, cash dividends applicable for the year ended March 31, 2015 will be ¥50.00 per share, including the interim dividends of ¥20.00 per share. The Company also plans ¥56.00 per share in total (¥28.00 per share at the semiannual-end) for the year ending March 31, 2016.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Yen)

	Year End -Previous Year As of March 31, 2014	Year End -Current Year As of March 31, 2015
Assets		
Current assets:		
Cash and bank deposits	¥138,343	¥155,239
Accounts and notes receivable	50,161	58,276
Electronically recorded monetary claims	2,395	5,174
Merchandise and finished goods	12,019	13,738
Work in process	5,185	6,184
Raw materials and supplies	11,561	13,051
Deferred tax assets	3,554	3,968
Short-term loans receivable	1,002	2
Other current assets	3,799	4,924
Less: Allowance for bad debts	(131)	(145)
Total current assets	227,890	260,414
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	62,037	68,323
Accumulated depreciation	(33,298)	(35,811)
Accumulated impairment losses	—	(38)
Buildings and structures-net	28,738	32,473
Machinery, equipment and vehicles	151,982	162,680
Accumulated depreciation	(108,805)	(118,373)
Machinery, equipment and vehicles-net	43,177	44,307
Land	13,194	12,859
Construction in progress	6,676	5,001
Other	18,107	19,119
Accumulated depreciation	(15,055)	(16,028)
Other-net	3,051	3,090
Total property, plant and equipment –net	94,838	97,732
Intangibles		
Goodwill	893	580
Other	3,320	3,821
Total intangibles	4,213	4,401
Investments and other		
Long-term investments in securities	6,438	8,096
Net defined benefit asset	32	67
Deferred tax assets	1,367	1,171
Other	1,681	1,774
Less: Allowance for bad debts	(46)	(47)
Total investments and other	9,474	11,062
Total fixed assets	108,526	113,196
Total assets	336,416	373,610

(Millions of Yen)

	Year End -Previous Year As of March 31, 2014	Year End -Current Year As of March 31, 2015
Liabilities		
Current liabilities:		
Accounts and notes payable	¥25,411	¥14,298
Electronically recorded obligations	—	15,255
Current portion of long-term bonds	10,000	7,000
Lease obligation	279	299
Income taxes payable	5,808	7,413
Accrued bonuses to employees	2,957	3,225
Other	10,032	12,678
Total current liabilities	54,490	60,171
Long-term liabilities:		
Bonds	50,000	43,000
Long-term bank loans	—	10,000
Lease obligation	523	330
Deferred tax liabilities	3,861	3,347
Reserve for retirement benefits for directors and corporate auditors	127	110
Reserve for product warranty	149	156
Net defined benefit liability	4,083	4,964
Other	1,031	1,030
Total long-term liabilities	59,777	62,940
Total liabilities	114,267	123,112
Net assets		
Shareholders' equity:		
Common stock	34,606	34,606
Additional paid-in capital	44,584	44,584
Retained earnings	141,474	158,463
Treasury stock	(13,934)	(13,943)
Total shareholders' equity	206,731	223,711
Accumulated other comprehensive income:		
Net unrealized gain on available-for-sale securities	801	1,312
Foreign currency translation adjustments	12,930	22,940
Remeasurements of defined benefit plans	(632)	(166)
Total accumulated other comprehensive income	13,099	24,086
Minority Interests	2,317	2,701
Total net assets	222,148	250,498
Total liabilities and net assets	336,416	373,610

Consolidated Statements of Income

(Millions of Yen)

	Year Ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	Year Ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Net sales	¥185,466	¥217,678
Cost of sales	132,562	150,653
Gross profit	52,903	67,024
Selling, general and administrative expenses:		
Freight expenses	3,323	3,820
Advertisement expenses	884	1,151
Salaries and benefits	11,650	12,530
Accrual for bonuses	1,039	1,122
Net periodic retirement costs	507	438
Rent expenses	1,739	1,719
Depreciation and amortization	973	1,233
Research and development	4,377	4,498
Amortization of goodwill	355	360
Other	10,681	11,762
Total selling, general and administrative expenses	35,533	38,636
Operating income	17,370	28,388
Non-operating income:		
Interest income	420	477
Dividend income	55	71
Foreign exchange gain, net	5,193	4,089
Equity earnings of affiliates	522	599
Rent income	331	363
Other	1,088	777
Total non-operating income	7,611	6,378
Non-operating expenses:		
Interest expenses	801	404
Other	560	331
Total non-operating expenses	1,362	735
Ordinary income	23,618	34,031

	Year Ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	Year Ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Extraordinary gain:		
Gain on sales of property, plant and equipment	¥17	¥22
Subsidy income	591	—
Total extraordinary gain	608	22
Extraordinary losses:		
Loss on sales of property, plant and equipment	9	10
Loss on disposal of property, plant and equipment	213	109
Impairment losses	—	432
Total extraordinary losses	222	553
Income before income tax and minority interests	24,004	33,501
Income taxes-current	8,493	11,595
Income taxes-deferred	(246)	(899)
Total income taxes	8,246	10,695
Income before minority interests	15,758	22,805
Minority interests	167	99
Net income	15,590	22,705

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Year Ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	Year Ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Income before minority interests	¥15,758	¥22,805
Other comprehensive income:		
Net unrealized gain on available-for-sale securities	53	516
Foreign currency translation adjustments	19,662	10,045
Remeasurements of defined benefit plans	—	529
Share of other comprehensive income of affiliates accounted under the equity method	803	187
Total other comprehensive income	20,519	11,280
Comprehensive income	36,277	34,085
Attributable to:		
Shareholders of THK Co., Ltd.	35,729	33,701
Minority interests	548	383

Consolidated Statements of Changes in Net Assets

(Millions of Yen)

	Year Ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	Year Ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Shareholders' equity		
Common stock		
Beginning balance	¥34,606	¥34,606
Ending balance	34,606	34,606
Additional paid-in capital		
Beginning balance	44,584	44,584
Change in the year:		
Disposal of treasury stocks	0	—
Total change in the year	0	—
Ending balance	44,584	44,584
Retained earnings		
Beginning balance	128,416	141,474
Cumulative effect of accounting change	—	(1,285)
Adjusted beginning balance	128,416	140,189
Change in the year:		
Dividends paid	(2,532)	(4,430)
Net income	15,590	22,705
Total change in the year	13,058	18,274
Ending balance	141,474	158,463
Treasury stock		
Beginning balance	(13,928)	(13,934)
Change in the year:		
Purchase of treasury stocks	(6)	(9)
Disposal of treasury stocks	0	—
Total change in the year	(6)	(9)
Ending balance	(13,934)	(13,943)
Total shareholders' equity		
Beginning balance	193,678	206,731
Cumulative effect of accounting change	—	(1,285)
Adjusted beginning balance	193,678	205,445
Change in the year:		
Dividends paid	(2,532)	(4,430)
Net income	15,590	22,705
Purchase of treasury stocks	(6)	(9)
Disposal of treasury stocks	0	—
Total change in the year	13,052	18,265
Ending balance	206,731	223,711

	Year Ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	Year Ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Other comprehensive income		
Net unrealized gain on available-for-sale securities		
Beginning balance	¥740	¥801
Net change in the year		
Net changes in the items other than shareholders' equity	61	510
Total change in the year	61	510
Ending balance	801	1,312
Foreign currency translation adjustments		
Beginning balance	(7,131)	12,930
Net change in the year		
Net changes in the items other than shareholders' equity	20,061	10,010
Total change in the year	20,061	10,010
Ending balance	12,930	22,940
Remeasurements of defined benefit plans		
Beginning balance	—	(632)
Net change in the year		
Net changes in the items other than shareholders' equity	(632)	466
Total change in the year	(632)	466
Ending balance	(632)	(166)
Total other comprehensive income		
Beginning balance	(6,390)	13,099
Net change in the year		
Net changes in the items other than shareholders' equity	19,489	10,986
Total change in the year	19,489	10,986
Ending balance	13,099	24,086
Minority interests		
Beginning balance	1,769	2,317
Net change in the year		
Net changes in the items other than shareholders' equity	548	383
Total change in the year	548	383
Ending balance	2,317	2,701

	Year Ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	Year Ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Total net assets		
Beginning balance	189,058	222,148
Cumulative effect of accounting change	—	(1,285)
Adjusted beginning balance	189,058	220,862
Change in the year:		
Dividends paid	(2,532)	(4,430)
Net income	15,590	22,705
Purchase of treasury stocks	(6)	(9)
Disposal of treasury stocks	0	—
Net changes in the items other than shareholders' equity	20,038	11,370
Total change in the year	33,090	29,636
Ending balance	222,148	250,498

Consolidated Statements of Cash Flows

(Millions of Yen)

	Year Ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	Year Ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Cash flows from operating activities:		
Income before income taxes and minority interests	¥24,004	¥33,501
Depreciation and amortization	11,101	11,567
Impairment losses	—	432
Loss on sale/disposal of property, plant and equipment	205	104
Increase in provisions	345	242
Increase in net defined benefit liability	38	99
Interest and dividend income	(475)	(548)
Interest expenses	801	404
Foreign exchange gain	(4,744)	(4,460)
Equity in earnings of affiliates	(522)	(599)
Amortization of goodwill	355	360
Increase in trade receivables	(3,810)	(8,491)
Increase in inventories	(1,478)	(2,430)
Increase in trade payables	1,975	2,643
Other	859	491
Subtotal	28,656	33,317
Interest and dividend received	626	524
Interest paid	(765)	(447)
Income taxes paid	(4,852)	(10,009)
Net cash provided by operating activities	23,664	23,384
Cash flows from investing activities:		
Purchase of property, plant and equipment	(10,797)	(9,445)
Proceeds from sale of property, plant and equipment	260	198
Purchase of investments in securities	(16)	(427)
Increase in loans receivable	(7)	(7)
Collection on loans	1,007	1,026
Other	0	(58)
Cash flows used in investing activities	(9,553)	(8,714)

	Year Ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	Year Ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Cash flows from financing activities:		
Proceeds from long-term bank loans	¥—	¥10,000
Repayments of long-term bank loans	(20,000)	—
Redemption of bonds	—	(10,000)
Proceeds from issuance of bonds	20,000	—
Dividends paid	(2,525)	(4,425)
Dividends paid to minority shareholders	(3)	(24)
Purchase of treasury stocks	(6)	(9)
Proceeds from sale of treasury stocks	0	—
Repayments of lease obligations	(254)	(283)
Net cash used in financing activities	<u>(2,790)</u>	<u>(4,742)</u>
Foreign currency translation adjustments on cash and cash equivalents	<u>11,054</u>	<u>6,968</u>
Net increase in cash and cash equivalents	<u>22,375</u>	<u>16,896</u>
Cash and cash equivalents, beginning of the year	<u>115,967</u>	<u>138,343</u>
Cash and cash equivalents, end of the year	<u>138,343</u>	<u>155,239</u>

Change in presentation of consolidated financial statements

Electronically recorded monetary claims, which were included in accounts and notes receivable in current assets of the prior-year consolidated financial statements, are presented separately in the current-year consolidated financial statements due to increased materiality. Accounts and notes receivable of ¥52,557 million as of March 31, 2014 has been reclassified into two items of (a) ¥50,161 million of accounts and notes receivable and (b) ¥2,395 million of electronically recorded monetary claims.

Segment Information

THK's reportable segments are components of THK Group for which respective financial information is separately available. Operating results of each segment is reviewed periodically by the Board of Directors to determine allocation of operating resources and evaluate its performance.

THK Group's main products are machinery parts such as LM (linear motion) guides and ball screws, and transportation equipment-related parts such as link balls and suspension ball joints. In each country, local subsidiaries establish its comprehensive business strategies and conduct their business activities in a similar way that THK and domestic subsidiaries do in Japan.

Therefore, the reportable segment information consists of the five geographical segments, namely; (1) Japan, (2) The Americas (the United States and other), (3) Europe (Germany, the United Kingdom, Netherlands, and other), (4) China, and (5) Other (Taiwan, Singapore, and other) based on the Group's production/sales structure.

Segment income is computed based on operating income. The reportable segment information is prepared under the same accounting policies as those used in consolidation. Inter-segment sales and transfer are stated at amounts based on their fair market values. All adjustments in the following tables are intersegment elimination on consolidation.

For the year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

							(Millions of Yen)	
	Japan	The Americas	Europe	China	Other	Adjust -ments	Consoli -dated	
Sales to customers	¥107,436	¥28,618	¥18,292	¥19,857	¥11,261	¥-	¥185,466	
Inter-segment	39,628	13	40	3,791	709	(44,182)	-	
Total	147,064	28,631	18,332	23,649	11,971	(44,182)	185,466	
Operating income (loss)	16,434	1,166	180	(614)	676	(472)	17,370	
Assets	300,545	44,939	25,072	62,266	18,246	(114,653)	336,416	
Other items								
Depreciation and amortization	5,663	1,152	469	3,366	304	144	11,101	
Amortization of goodwill	61	-	-	-	294	-	355	
Investments to affiliates accounted under the equity method	3,896	-	-	-	-	-	3,896	
Capital expenditures	3,102	1,950	256	4,957	825	(642)	10,449	

(Note) All adjustments are intercompany elimination.

For the year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

	(Millions of Yen)						
	Japan	The Americas	Europe	China	Other	Adjustments	Consolidated
Sales to customers	¥121,857	¥34,642	¥20,191	¥28,275	¥12,710	¥—	¥217,678
Inter-segment	46,249	30	33	4,248	1,153	(51,714)	—
Total	168,106	34,673	20,225	32,523	13,864	(51,714)	217,678
Operating income	25,111	1,534	1,350	456	1,293	(1,358)	28,388
Assets	325,681	60,018	25,929	73,389	20,160	(131,567)	373,610
Other items							
Depreciation and amortization	5,274	1,381	499	3,820	387	205	11,567
Amortization of goodwill	61	—	—	—	298	—	360
Investments to affiliates accounted under the equity method	4,442	—	—	—	—	—	4,442
Capital expenditures	3,695	1,639	144	4,047	630	(302)	9,855

(Note) All adjustments are intercompany elimination.

Subsequent events

(Significant business transfer and acquisition through purchase of shares)

On April 21, 2015, the Board of the Directors of the Company resolved that the Company will acquire the linkage and suspension business (hereinafter, the "L&S business") of TRW Automotive Inc. (hereinafter, "TRW") in Europe and North America through a business transfer, including acquisition of a TRW subsidiary by purchase of shares. On the same date, the Company and TRW have entered into the business transfer agreement.

1, Reasons of the business transfer and purchase of shares

To establish global-level business foundations including Asia and Pacific regions by expanding operating functions of development, production and sales in Europe and North America

2, Outline of the transferees

	Name	Address
(1)	TRW Automotive U.S. L.L.C.	Portland, Michigan U.S.A.
(2)	TRW Canada Ltd.	St. Catharines, Ontario Canada Tillsonburg, Ontario Canada
(3)	TRW Automotive GmbH	Gellep-Krefeld, Germany Dusseldorf, Germany

3, Outline of the subsidiary to be acquired by the Company

(1)	Name	TRW-DAS.a.s.
(2)	Head office	Dacice, Czech Republic
(3)	Paid-in capital	CZK335 million
(4)	Number of shares to be acquired	335,479 shares
(5)	The Company's holding ratio after the acquisition	100%

4, Assets and liabilities to be assumed

Not yet determined at the time of this report

5, Estimated price of the agreement

Total amount to be paid will be approximately US\$400 million, including the purchase price of the subsidiary shares in the 3 above.

6, Schedule of the business transfer and purchase of shares

Within four months after the date of agreement

7, Method of financing

The Company's own capital and external sources

Appointment/resignation of directors

(Scheduled effective date: June 20, 2015)

1、 Appointment/resignation of representative:

Not applicable

2、 Director to be newly nominated

<u>Name</u>	<u>Current position</u>	<u>Scheduled position in the THK Group</u>
Nobuyuki Maki	Managing Executive Officer, General Manager of Production Division, General Manager of Sales Support Division, and General Manager of L&S Business Integration Division of THK CO., LTD.	Director of THK CO., LTD.

Additional notes:

Going concern issues: Not applicable.

Other Information

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

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