November 12, 2008

Consolidated Financial Results for the Second Quarter Ended September 30, 2008

Company Name	:	THK CO., LTD.
Head Office	:	Tokyo, Japan (Tel: +81-3-5434-0300)
URL	:	http://www.thk.com/
Stock exchange listing	:	Tokyo Stock Exchange-First Section
Code number	:	6481
Representative	:	Akihiro Teramachi, President and CEO
Contact	:	Hideyuki Kiuchi, Director and General Manger of Corporate Strategy Department
Scheduled date of filing quarterly report (Japanese version only)		November 14, 2008
Scheduled starting date of dividends payment		December 8, 2008

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

(1) Consolidated Operating Results

Second Quarter Ended September 30 (Millions of Yen)	Net Sales		Operating Income		Ordinary Income		Net Income	
2008	¥105,732	－%	¥11,854	－ %	¥13,581	－ %	¥6,491	－ %
2007	100,348	14.1	13,880	(18.6)	15,065	(17.8)	9,169	(16.5)

Second Quarter Ended September 30 (Yen)	Net Income Per Share-Basic	Net Income Per Share-Diluted
2008	¥50.47	¥ －
2007	69.03	68.60

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

(2) Consolidated Financial Position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio (%)	Net Assets Per Share (Yen)
As of September 30, 2008	¥272,111	¥194,934	71.1 %	1,505.14
As of March 31, 2008	264,229	192,953	72.3	1,484.78

(Note) Stockholders' equity	*As of September 30, 2008:*	*¥193,568 million*
	As of March 31, 2008:	*190,953 million*

2. Dividends

	Dividend Per Share (Yen)				
	First Quarter End as of June 30	Second Quarter End as of September 30	Third Quarter End as of December 31	Year end	Total
2008 (Actual)	—	18.00	—	18.00	36.00
2009 (Actual)	—	12.00	n/a	n/a	n/a
2009 (Projected)	n/a	n/a	—	12.00	24.00

(Note) Change in dividend projection: Yes

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

	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Net Income per Share (Yen)
Year ending March 31, 2009					
(amount)	¥192,000	¥13,500	¥14,500	¥6,800	¥52.87
(percentage)	(8.0)%	(49.9)%	(46.3)%	(62.9)%	n/a

(Note 1) Changes in forecasts made at this quarter period: Yes

(Note 2) 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.

For reference

Non-consolidated forecasts for the year ending March 31, 2009 (April 1, 2008 to March 31, 2009)

	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Net Income per Share (Yen)
Year ending March 31, 2009					
(amount)	¥126,000	¥12,900	¥12,600	¥6,400	¥49.76
(percentage)	(10.8)%	(41.2)%	(49.6)%	(66.0)%	n/a

4. Other Financial Information

(1) Significant change in scope of consolidation: None

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

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

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

c. Depreciation expense
-For assets depreciated using the declining balance method, depreciation expenses applicable to the fiscal year are calculated on a pro-rata basis.

d. Income tax payable and deferred tax assets/liabilities
-In determination of income taxes payable, taxable or deductible items to be incorporated in calculation are limited to that material.
-Basically, deferred taxes are determined based on the forecast and tax planning prepared as of the previous year-end. If significant changes are noted in temporary differences or business environment thereafter, the impact of such changes will be reflected in the forecasts, tax planning, and determination of deferred tax assets.

e. Tax expense
-Certain consolidated subsidiaries calculate their income taxes based on the estimated effective tax rates applicable to the current fiscal year.

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

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

(4) Number of shares

			(shares)
a.	Common stock issued, including treasury stock, as of:	September 30, 2008	133,856,903
		March 31, 2008	133,856,903
b.	Treasury stock as of:	September 30, 2008	5,251,295
		March 31, 2008	5,249,554
c.	Average number of common stock for the six months ended:	September 30, 2008	128,606,738
		September 30, 2007	133,020,540

5. Accounting Changes

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

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

The Company adopted the new accounting standard for measurement of inventories as of April 1, 2008. The effect of adopting this accounting standard was to decrease gross profit, operating income, ordinary income, and income before income taxes and minority interests for the second quarter ended September 30, 2008 by ¥275 million.

(3) Prior to April 1, 2008, under Japanese accounting standards, a company could use the financial statements of its foreign subsidiaries which had been prepared in accordance with generally accepted accounting principles in their respective jurisdictions for its consolidation process unless they were clearly unreasonable. On May 17, 2006, the ASBJ issued ASBJ Practical Issues Task Force No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements." The new standard prescribes: (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese accounting standards unless they are immaterial;

(a) Amortization of goodwill
(b) Actuarial gains and losses of defined benefit plans recognized outside profit or loss
(c) Capitalization of intangible assets arising from development phases
(d) Fair value measurement of investment properties, and the revaluation model for property, plant and equipment, and intangible assets
(e) Retrospective application when accounting policies are changed
(f) Accounting for net income attributable to a minority interest

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

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

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

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

6. Other Information

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

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

Management's Discussion and Analysis

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

During the second quarter of this fiscal year, the mood of slowdown has spread in the world economy due to weak corporate profit imposed by the sharp hikes in oil and raw material price, and to unstable financial market caused by the subprime loan problem. In Japan, production and exports remained weak, and consumer spending has been growing at a sluggish pace. Looking at the overseas, in addition to U.S. economy, the economic recession has been spreading over Europe, China, and other Asian countries that had been strong.

Under these circumstances, the THK group has made efforts to strengthen its structure to be able to expand its business performance stably on a long-term basis, while mitigating business risks such as external environment changes by enlarging its business areas under the policies of "Full-scale Globalization" and "development into new business areas." As a result, net sales for this second quarter stood at ¥105,732 million, an increase of ¥5,384 million or 5.4% as compared to the second quarter of the previous fiscal year.

Despite the weak production as discussed above, net sales in Japan increased due primary to favorable sales to the flat panel display industry, as a result of our efforts to expand transactions with existing customers.

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

In Europe, although the demand for machinery have been decreased in the last half of this second quarter, similar to the Americas region, sales and production divisions made efforts to develop business activities in a concerted manner. As a result, they succeeded in overall increase in net sales, especially to the machine tool industry and to the general machinery industry.

In Asia and other area, our group companies made aggressive efforts to develop business activities such as enhancing sales channels. As a result, they succeeded in increasing net sales especially to the machine tool industry in China. In South Korea, while capital investments are expanding in the flat panel display industry, our group companies made efforts to increase transactions with existing customers. As a result, they also succeeded in increasing net sales. Finally, net sales in Asia and other area also increased due to the reasons above.

On the cost front, the THK group made continuous efforts to improve its productivity by increasing the yield percentage of raw materials and reduction of production lead-time. The cost to sales ratio, however, rose 2.7% from the previous second quarter period to 68.7% due to higher raw material price and to increasing fixed costs such as labor costs, depreciation and amortization expenses in line with larger production capacity. Selling and general administrative expenses went up ¥924 million (4.6%) from the previous second quarter period to ¥21,194 million, due to increase in (1) personnel expenses associated with reinforcing our strengthening of sales forces especially in China, (2) net sales, and (3) freight expenses. However, the ratio to sales improved to 20.0%, 0.2% less than the previous second quarter period. As a result, operating income decreased by ¥2,026 million (14.6%) to ¥11,854 million and its ratio to net sales dropped by 2.6% from the previous second quarter period to 11.2%. Net non-operating income stood at ¥1,726 million. As a result, ordinary income for the second quarter period was ¥13,581 million, decreased by ¥1,484 million (9.9%) from the previous second quarter period. However, net income for the second quarter period stood at ¥6,491 million, decreased by ¥2,678 million (29.2%) from the previous second quarter period, because of a partial reversal of deferred tax assets.

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

Total assets stood at ¥272,111 million, ¥7,881 million more than the previous fiscal year-end, due mainly to increase in cash and bank deposits, and property, plant and equipment.

Total liabilities stood at ¥77,176 million, ¥5,899 million more than the previous fiscal year-end, due mainly to increase in income taxes payable.

Although foreign currency translation adjustments decreased, net assets stood at ¥194,934 million, ¥1,981 million more than the previous fiscal year-end, due to increase in retained earnings.

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

There is now greater uncertainty over the economic environment due to unstable financial market that is spreading to the real economy. In this circumstance, considering the actual operating results for this second quarter and current sales-order situation, the forecasts for the fiscal year ending March 31, 2009 that announced on May 15, 2008 have been amended as follows:

-Consolidated

	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)
Announced on May 15	¥225,000	¥30,500	¥32,100	¥18,500
Adjusted	192,000	13,500	14,500	6,800
Fluctuation (Millions of Yen)	(33,000)	(17,000)	(17,600)	(11,700)
Fluctuation (%)	(14.7)%	(55.7)%	(54.8)%	(63.2)%

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

Assumed average rates for three months from October 1, 2008 to December 31, 2008 *U.S.dollar 1=¥100.00* *Euro 1=¥115.00*

Assumed average rates for the year ending December 31, 2008 *U.S.dollar 1=¥104.38* *Euro 1=¥149.50*

(The closing date of foreign consolidated subsidiaries is December 31.)

-Non consolidated

	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)
Announced on May 15	¥148,000	¥25,000	¥26,400	¥15,700
Adjusted	126,000	12,900	12,600	6,400
Fluctuation (Millions of Yen)	(22,000)	(12,100)	(13,800)	(9,300)
Fluctuation (%)	(14.9)%	(48.4)%	(52.3)%	(59.2)%

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Yen)

	Second Quarter Period End -Current Year As of September 30, 2008	Year End -Previous Year As of March 31, 2008
Assets		
Current Assets:		
Cash and bank deposits	¥55,748	¥48,162
Accounts and notes receivable	64,548	65,353
Short-term investments in securities	437	1,648
Merchandise and finished goods	14,225	13,310
Work in process	6,467	5,842
Raw materials and supplies	11,235	10,162
Other current assets	6,454	8,101
Less: Allowance for bad debts	(243)	(247)
Total current assets	158,874	152,333
Fixed Assets:		
Property, plant and equipment -net:		
Machinery and equipment	40,389	37,970
Other	50,583	50,100
Total property, plant and equipment -net	90,973	88,070
Intangibles		
Goodwill	9,632	10,994
Other	1,132	818
Total intangibles	10,764	11,813
Investments and Other		
Long-term investments in securities	5,982	5,418
Other	5,877	6,929
Less: Allowance for bad debts	(361)	(336)
Total investments and other	11,498	12,012
Total fixed assets	113,236	111,896
Total assets	272,111	264,229

(Millions of Yen)

	Second Quarter Period End -Current Year As of September 30, 2008	Year End -Previous Year As of March 31, 2008
Liabilities		
Current Liabilities:		
Accounts and notes payable	¥38,402	¥37,175
Income taxes payable	6,490	1,494
Accrued bonuses to employees	2,600	2,703
Accrued bonuses to directors and statutory auditors	60	100
Other	20,438	20,069
Total current liabilities	67,990	61,542
Long-term Liabilities:		
Reserve for employees' retirement benefits	4,157	3,995
Reserve for retirement benefits for directors and statutory auditors	120	112
Reserve for product warranty	124	154
Negative goodwill	648	972
Other	4,135	4,499
Total long-term liabilities	9,185	9,733
Total liabilities	77,176	71,276
Net Assets		
Shareholders' Equity:		
Common stock	34,606	34,606
Additional paid-in capital	44,343	44,343
Retained earnings	121,828	117,578
Treasury stock	(11,350)	(11,347)
Total shareholders' equity	189,427	185,181
Valuation and Adjustments:		
Net unrealized gain on other securities	451	469
Foreign currency translation adjustments	3,689	5,302
Total valuation and adjustments	4,141	5,772
Minority Interests	1,366	1,999
Total net assets	194,934	192,953
Total liabilities and net assets	272,111	264,229

Consolidated Statements of Income

(Millions of Yen)

	Second Quarter Period Ended September 30, 2008 (From April 1, 2008 to September 30, 2008)
Net sales	¥105,732
Cost of sales	72,684
Gross profit	33,048
Selling, general and administrative expenses:	
Packaging and freight	2,563
Salaries and wages	5,911
Other	12,719
Total selling, general and administrative expenses	21,194
Operating income	11,854
Non-operating income:	
Interest income	328
Foreign exchange gain	25
Amortization of negative goodwill	739
Equity earnings of affiliates	89
Other	738
Total non-operating income	1,920
Non-operating expenses:	
Interest expenses	41
Other	152
Total non-operating expenses	194
Ordinary income	13,581
Extraordinary gain:	
Gain on sales of property and equipment	50
Other	16
Total extraordinary gain	66
Extraordinary losses:	
Loss on sales/disposal of property and equipment	132
Loss on write-down of investments in securities	487
Total extraordinary losses	619
Income before income tax and minority interests	13,027
Income taxes-current	5,928
Income taxes-deferred	495
Total income taxes	6,424
Minority interests	112
Net income	6,491

Additional notes:

(1) Going concern issues: Not applicable.

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

For reference:

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

(Millions of Yen)

	Second Quarter Period Ended September 30, 2007 (From April 1, 2007 to September 30, 2007)	
Net sales	¥100,348	100.0%
Cost of sales	66,198	66.0%
Gross profit	34,150	34.0%
Selling, general and administrative expenses:		
Packaging and freight	2,202	
Advertising	580	
Provision for bad debts	29	
Salaries, wages and benefits	5,693	
Provision for employees' bonuses	926	
Provision for bonuses for directors and statutory auditors	75	
Net periodic pension and severance costs	155	
Rental expenses	1,168	
Depreciation and amortization	445	
Research and development	1,386	
Amortization of goodwill	1,363	
Other	6,243	
Total selling, general and administrative expenses	20,269	20.2%
Operating income	13,880	13.8%
Non-operating income:		
Interest income	443	
Dividend income	29	
Amortization of negative goodwill	324	
Equity earnings of affiliates	165	
Rental income	116	
Other	376	
Total non-operating income	1,454	1.5%
Non-operating expenses:		
Interest expenses	144	
Commissions, fees and charges	47	
Other	78	
Total non-operating expenses	270	0.3%
Ordinary income	15,065	15.0%
Extraordinary gain:		
Gain on sales of property and equipment	16	
Other	5	
Total extraordinary gain	22	0.0%
Extraordinary losses:		
Loss on sales/disposal of property and equipment	121	
Other	62	
Total extraordinary losses	183	0.1%
Income before income tax and minority interests	14,904	14.9%
Income taxes-current	5,833	
Income taxes-deferred	(168)	
Total income taxes	5,665	5.7%
Minority interests	69	0.1%
Net income	9,169	9.1%

Other financial information:

1. Subsequent Event

The Company plans to finance ¥15,000 million for its working capital from Mizuho Corporate Bank, Ltd. and other eight financial institutions under the line of credit agreement. The interest rate applicable to the unsecured loan payable would be a floating rate based on JPY TIBOR. Term of the unsecured loan payable would be from November 28, 2008 to February 27, 2009.

2. For reference: Outline of non-consolidated financial statements

Non-Consolidated operating results and financial position as of and for the six months ended September 30, 2008 (April 1, 2008 to September 30, 2008) are as follows:

(1) Operating Results

Second Quarter Ended September 30 (Millions of Yen)	Net Sales		Operating Income		Ordinary Income		Net Income	
2008	¥72,021	－ %	¥9,646	－ %	¥10,190	－ %	¥4,834	－ %
2007	67,907	(4.7)	11,428	(17.5)	12,154	(17.0)	7,376	(15.4)

Second Quarter Ended September 30 (Yen)	Net Income Per Share-Basic	Net Income Per Share-Diluted
2008	¥37.59	¥ －
2007	55.53	55.19

(2) Financial Position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio (%)	Net Assets Per Share (Yen)
As of September 30, 2008	¥234,322	¥180,109	76.9 %	1,400.44
As of March 31, 2008	226,072	177,582	78.6	1,380.78

(Note) Stockholders' equity As of September 30, 2008: ¥180,109 million
As of March 31, 2008: 177,582 million

(Note) The figures in the table above are based on the revised quarterly financial reporting standards. All of those figures are not audited nor reviewed by an independent auditor.