



INTERIM FINANCIAL RESULTS BRIEFING

November 7th 2014

THK CO., LTD.

President & CEO

AKIHIRO TERAMACHI

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

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Medium-Term Management Target
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I. Financial Results for 1st Half of Fiscal 2014

Net sales increased 19.2% year on year to 106.2 billion yen

※Geographic sales is based on where our customers are located.

- In Japan, demand for machine tools recovered and electronic-related demand is growing driven by smartphone- and tablet PC-related capital spending activities in the first half of fiscal 2014. Under such circumstances, THK achieved increased sales in the country generally across its product categories such as that for machine tools, electronics and general machinery, resulting in domestic sales growing in comparison to the same period of the previous year.
- As for overseas markets, demand for THK products for machine tools, electronics and transportation equipment was strong in the Americas. Meanwhile, in European markets, there was a recovery in demand for our products for machine tools, general machinery and transportation equipment. The Chinese market showed solid demand for THK products mainly for small-sized machine tools and electronics-related. Overseas sales for the first half of the fiscal year increased year on year thanks to these developments as well as to the Japanese yen being weaker against other major currencies in comparison to the same period a year ago.

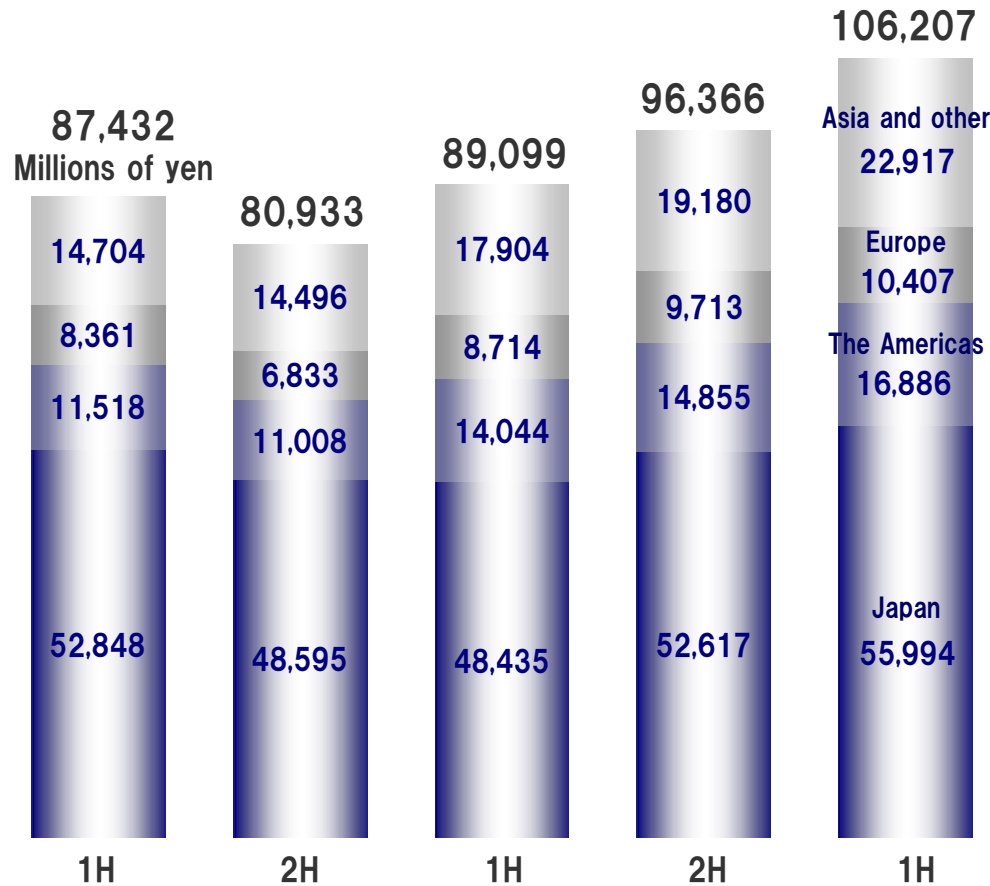
Operating income grew by 91.0% year on year to 14.3 billion yen

- Down in variable cost ratio
- Positive effect of the yen's depreciation
- Effect due to increased sales
- Increase in fixed costs

Both net sales and operating income exceeded the period start plans

- Both net sales and operating income exceeded the period start plans with the Company getting off to a good start towards achieving the Medium-Term Management Plan

Trend in Net Sales



Asia and other | Y/Y Up 28.0%

- China (Industrial Equipment) Up 49.1%
- Taiwan Up 12.2%
- Singapore Up 17.1%

Europe | Y/Y Up 19.4%

- Machine tools Up 37.6%
- General machinery Up 34.2%
- Electronics Up 14.9%

The Americas | Y/Y Up 20.2%

- Machine tools Up 36.9%
- General machinery Down 2.0%
- Electronics Up 81.9%

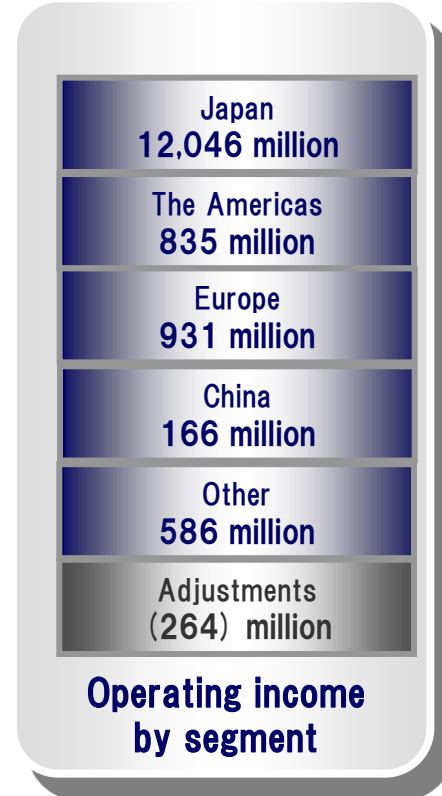
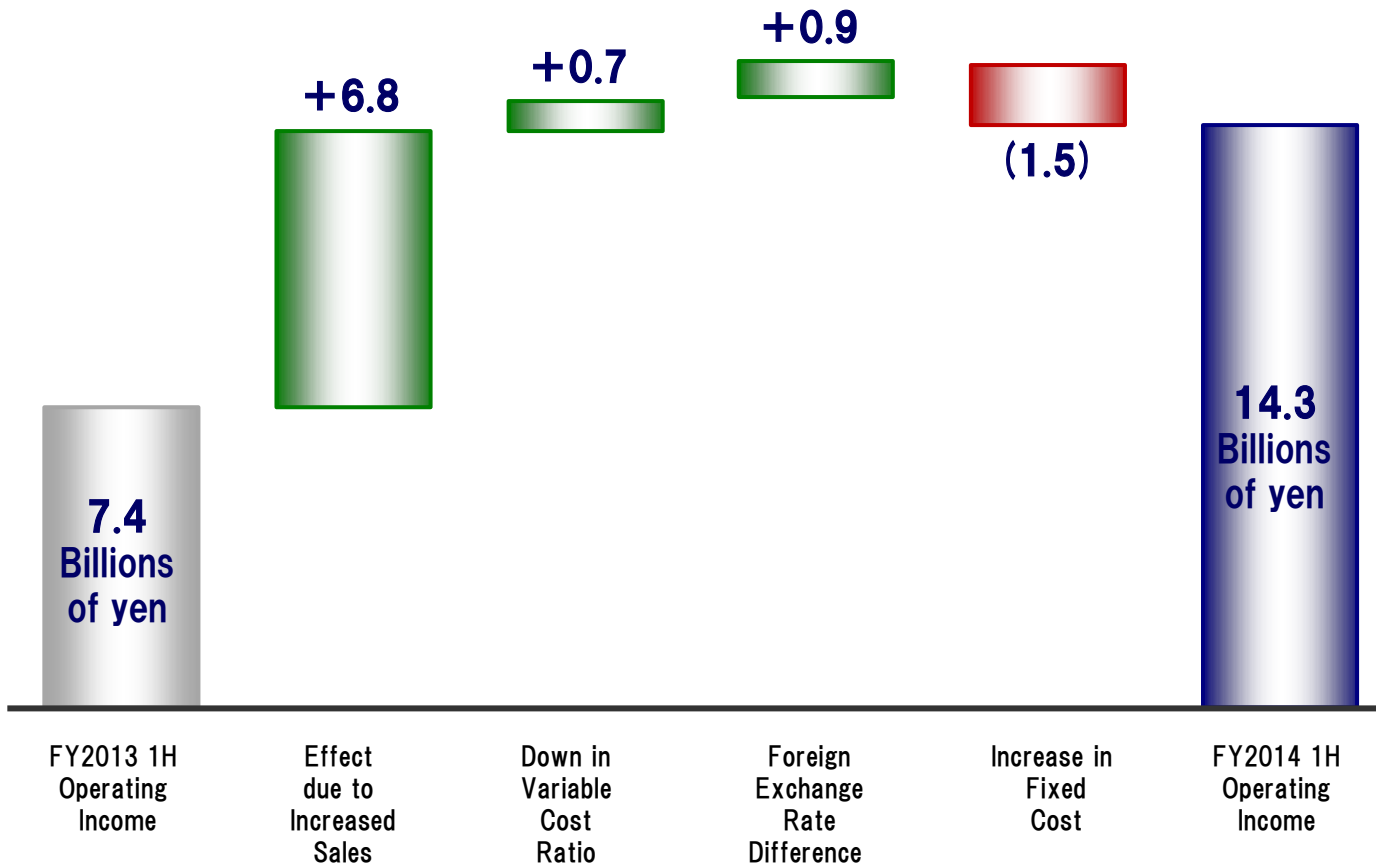
Japan | Y/Y Up 15.6%

- Machine tools Up 68.3%
- General machinery Up 21.9%
- Electronics Up 19.1%

※Geographic sales is based on where our customers are located.

Exchange rate	2013/3		2014/3		2015/3
1US\$	79.75	79.91	95.59	99.71	102.47
1EUR	103.45	101.81	125.50	133.88	140.43

[Reference] Operating Income - Cause of Change -



Assets, Liabilities and Net Assets

Cash and Cash in Account | Y/Y :

Up ¥ 1,203 million

Cash Flows from Operating Activities :

¥ 9,161 million

Cash Flows from Investing Activities :

¥ (3,423) million

Cash Flows from Financing Activities :

¥ (2,047) million

Foreign Currency Translation

Adjustments on Cash and Cash

Equivalents : ¥ (2,486) million

Accounts Receivable | Y/Y :

Up ¥ 8,245 million

Number of months' sales receivables :

Previous period : 3.4 month

This period : 3.4 month

Inventories | Y/Y :

Up ¥ 907 million

Number of months' sales in inventory :

Previous period : 1.9 month

This period : 1.7 month

Property, Plant and Equipment | Y/Y :

Down ¥ 5,648 million

■ CAPEX : ¥ 2,983 million

■ Depreciation : ¥ 5,289 million

Intangible Assets | Y/Y :

Down ¥ 186 million

Investment and Other | Y/Y :

Up ¥ 680 million

Total Assets 341,834 millions of yen

Up ¥ **5,418** million from previous period

Current Assets

238,462

Up ¥ 10,572 million
from previous period

Fixed Assets

103,372

Down ¥ 5,154 million
from previous period

Liabilities

119,401

Up ¥ 5,133 million
from previous period

Net Assets

222,433

Up ¥ 285 million
from previous period

Current Liabilities | Y/Y :

Down ¥ 5,727 million

■ Accounts Payable | Y/Y :

Up ¥ 4,590 million

Number of months' notes payable

Previous period : 1.6 month

This period : 1.7 month

■ Income Taxes Payable | Y/Y :

Down ¥ 658 million

■ Straight Bonds within One Year | Y/Y :

Down ¥ 10,000 million

Long-term Liabilities | Y/Y :

Up ¥ 10,860 million

■ Loans Payable | Y/Y :

Up ¥ 10,000 million

Net Income :

¥ 10,887 million

Foreign Currency Translation

Adjustment | Y/Y:

Down ¥ 7,111 million

II. Initiatives towards Achieving Medium-Term Management Target

Medium-Term Management Plan: Expansion of Top Line

***FY2016 Consolidated Net Sales ¥250 billion /
Operating Income ¥40 billion / ROE over 10%***

**Net sales
about ¥65
billion increase**

***3. Expand sales for automotive parts
Expand sales for the newly developed products***



**Automotive parts
+¥13 billion**

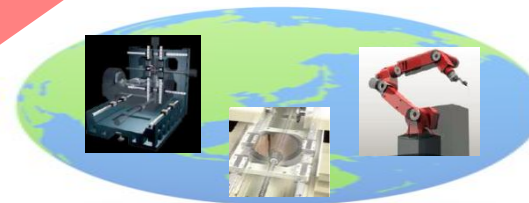
***2. Develop the consumer goods domain on
a company-wide level
Expand sales for the newly developed products
Medical equipment / Aircraft
Seismic isolation and damping / Energy / etc.***



**Industrial equipment-
related and other
+ 52 billion yen**

1. Re-establish sales strategy

- Enhancement of sales network***
- Strengthening of acquiring volume zone***
- Reinforcement of marketing/strategy functions***



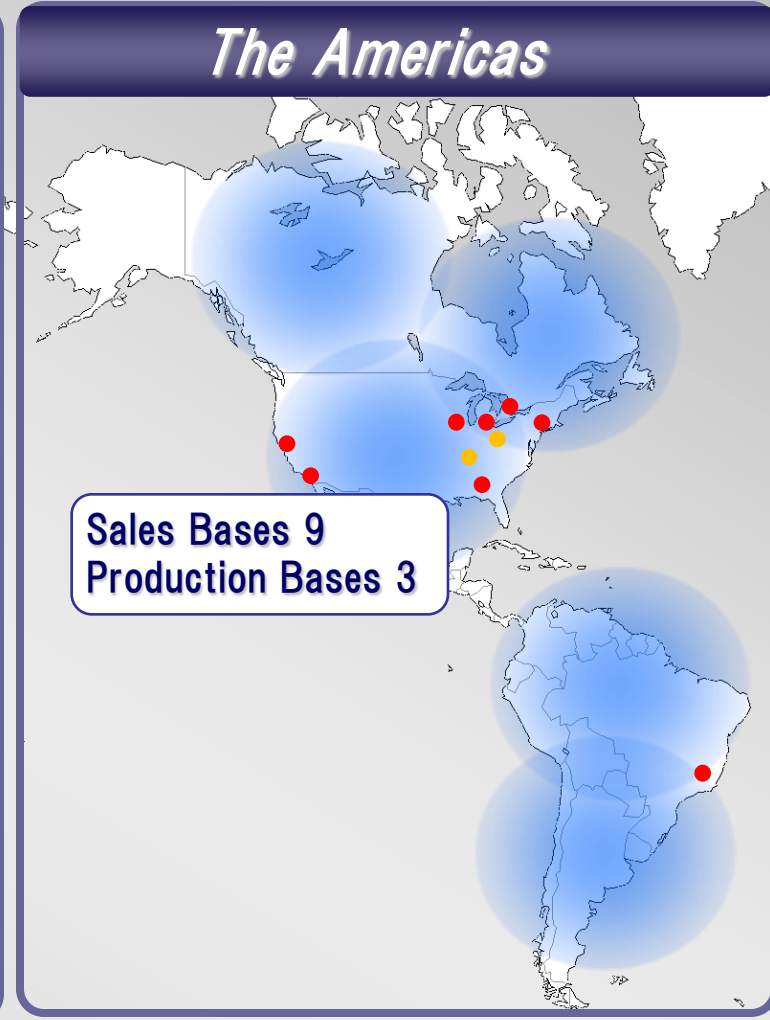
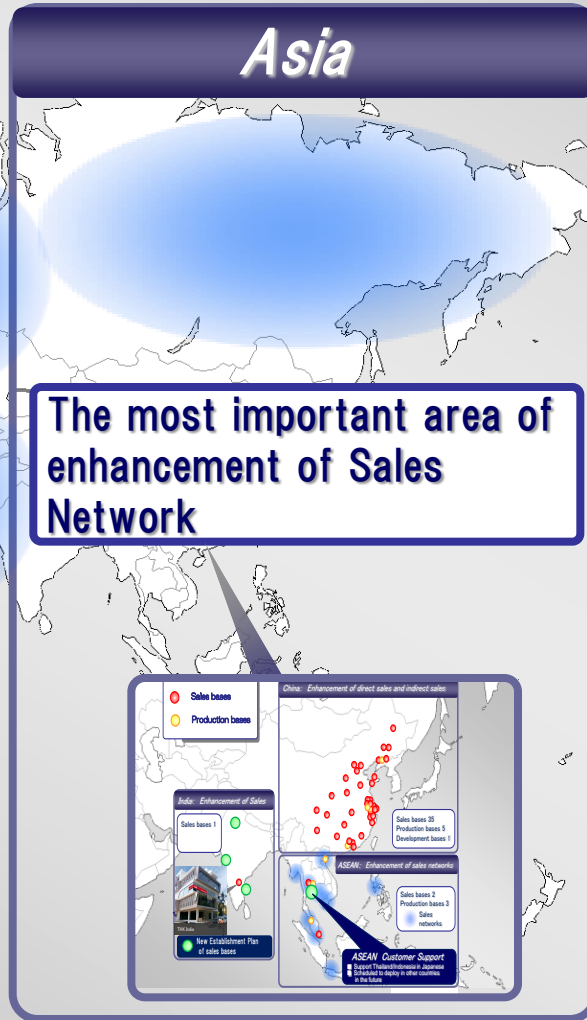
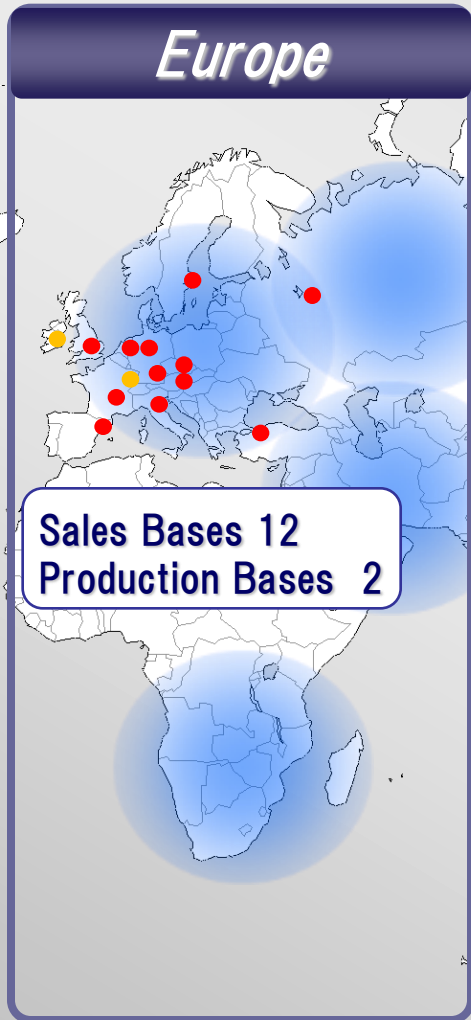
**Expansion of
existing customers
Expansion of new
customers
Expansion of new
business areas**

**FY2013
Consolidated
Net Sales
¥185.4 billion**

[Assumption]

- * Exchange rate 1\$ = ¥100**
- * IMF Global economic growth rate of 3.8% on average**
- * The market growth rate of 5% on average in the production goods industry**

Expansion of Top Line : Enhancement of Sales Network



● Sales Bases
 ● Production Bases
 Expand of Sales Network

Expansion of Top Line : Enhancement of Sales Network

Sales bases
 Production bases

China: Enhancement of direct sales and indirect sales

Sales bases 35
Production bases 5
Development bases 1

India: Enhancement of sales



THK India

Sales bases 2

New establishment plan of sales bases

ASEAN: Enhancement of sales networks

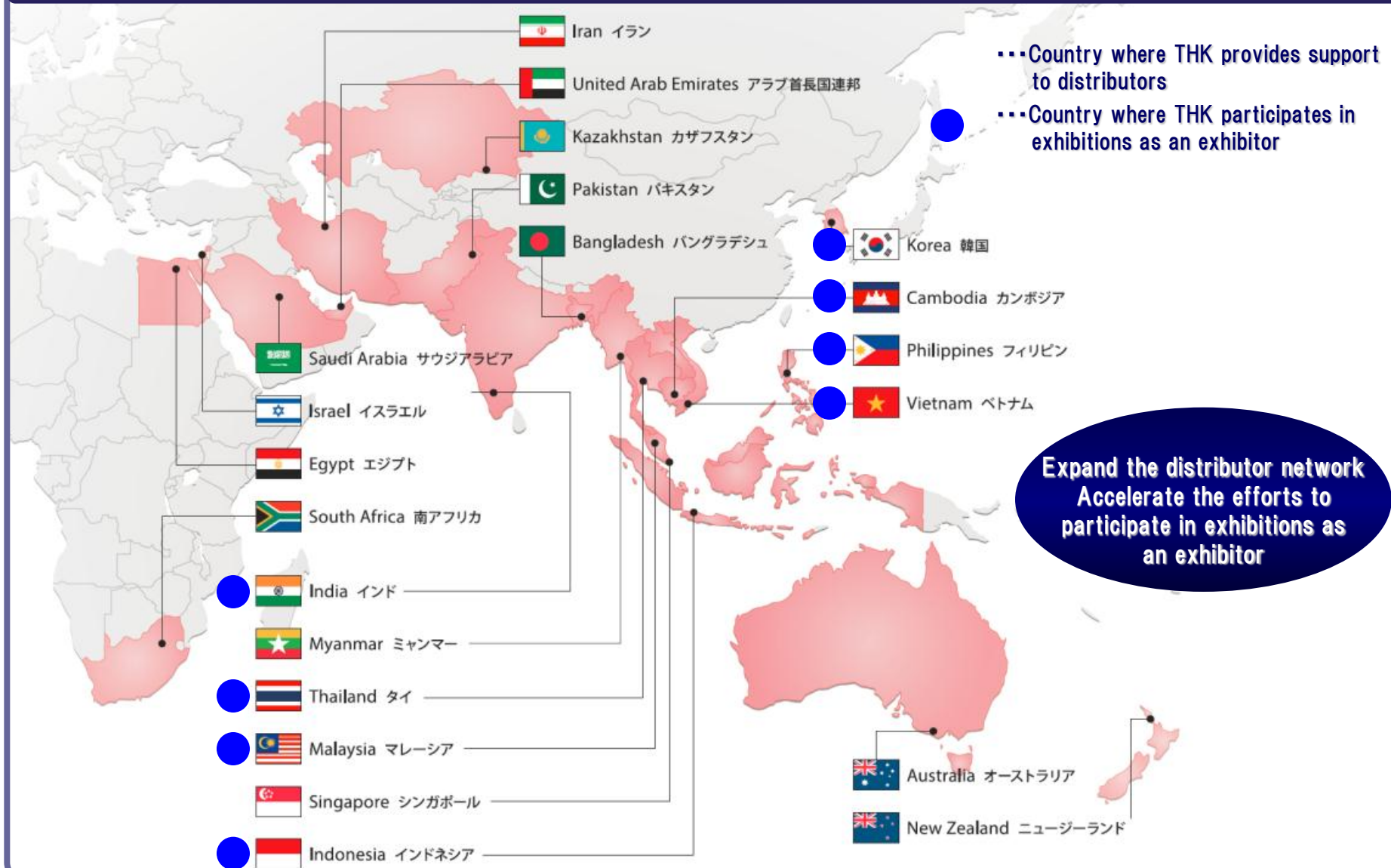
Sales bases 2
Production bases 3
Sales networks

ASEAN Customer Support

- Support Thailand / Indonesia / Vietnam in Japanese
- Scheduled to deploy in other countries in the future

Expansion of Top Line : Enhancement of Sales Network

Activities in Asia / Africa / Oceania

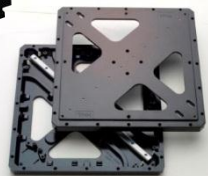


Expansion of Top Line : Seismic Isolation and Damping System

Seismic Isolation Platforms Table



The number of adoption grows rapidly

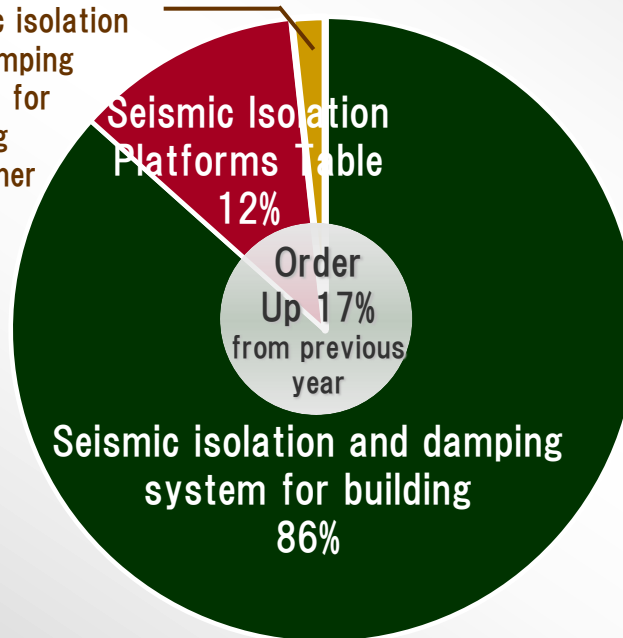


Seismic Isolation and Damping for House

Being adopted by a steadily increasing number of buildings

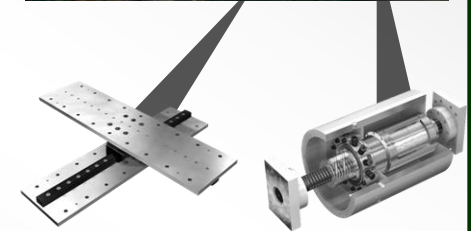


Seismic isolation and damping system for Housing and Other 2%



ACE Division Sales User Breakdown of FY2014 1H
Seismic Isolation and Damping System

Seismic Isolation and Damping for Building



Higher damping performance compared with previous products

Expansion of Top Line : Enhancement of the Global Manufacturing Structure

THK Manufacturing of Europe (FRA)

THK Manufacturing of Ireland (IRL)

THK Manufacturing of Vietnam (VNM)

THK RHYTHM THAILAND (THA)

THK RHYTHM MALAYSIA (MYS)

DALIAN THK Transfer & Expansion
Scheduled to start of operation in December, 2014

THK Manufacturing of China (Changzhou)
Scheduled to start of operation in October, 2015

DALIAN THK (CHN)

THK MANUFACTURING OF CHINA (WUXI) (CHN)

THK MANUFACTURING OF CHINA (LIAONING) (CHN)

R&D Center
Start of operation in April, 2012

THK RHYTHM MEXICANA
Start of operation in January, 2014

THK RHYTHM GUANGZHOU (CHN)

THK RHYTHM CHANGZHOU (CHN)

THK Manufacturing of America (USA)

THK RHYTHM NORTH AMERICA (USA)

SAMICK THK (Head Office Plant) (KOR)

SAMICK THK (DALSEONG) (KOR)

SAMICK THK (ANSEONG) (KOR)

Operating Income - Cause of Change - in FY2016 compared with FY2013 (Forecast)

FY2016 Operating Income ¥40.0 billion

About ¥23.0 billion increase

[FY2013]	[FY2016]
1 dollar = 97.65 yen	1 dollar = 100 yen
1 euro = 129.69 yen	1 euro = 140 yen

Impact from
currency exchange
+1.5

Enhanced variable
expense ratio
+5.0

Increase in fixed cost
(12.0)

Increase in net sales
+28.5

[Capital investment]	[Human resource]
3-year total amount:	10,600 people
45.0 billion yen	at the end of FY2016

<Strengthening of Bottom Line>
4.Production reform
5.Increase in indirect operation efficiency

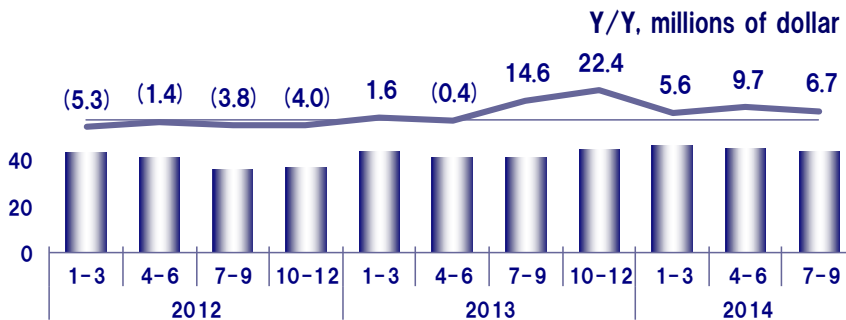
<Expansion of Top Line>
1.Enhancement of sales network
2.Develop the consumer goods domain on a company-wide level
3.Expand sales for the newly developed products

FY2013
Operating Income
¥17.3 billion

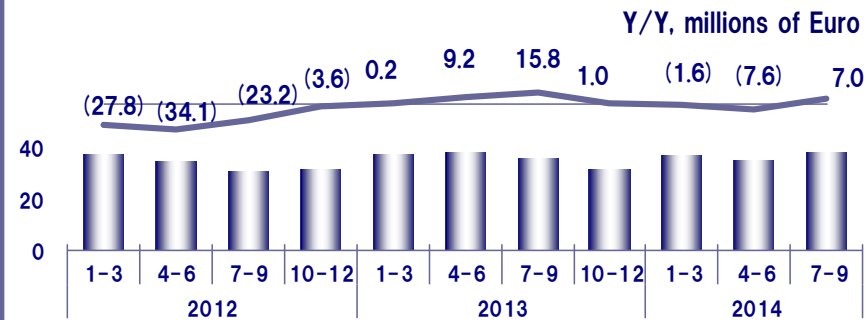
III. Financial Forecast for Fiscal 2014

Orders Received by Region

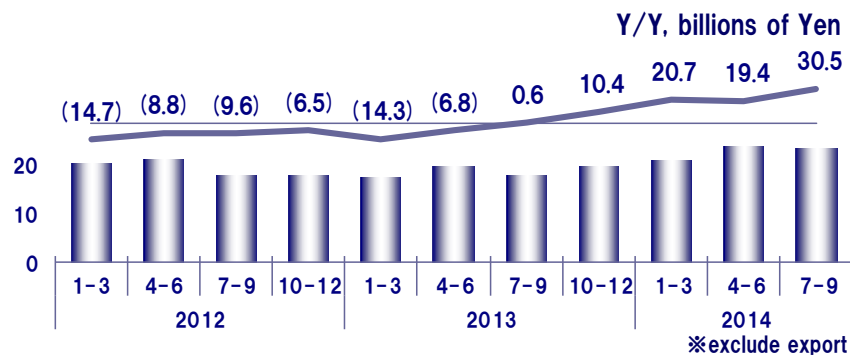
THK Holdings of America, L.L.C.



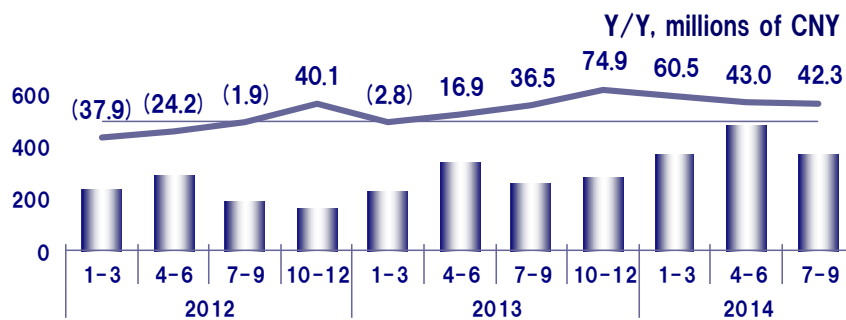
THK Europe B.V.



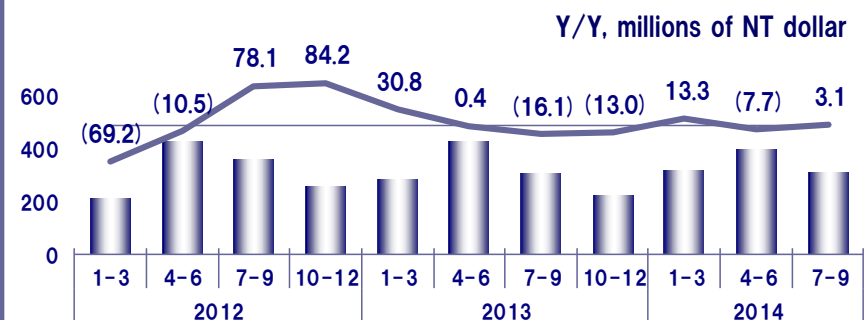
THK (Domestic)



THK (CHINA) CO., LTD. + THK (SHANGHAI) CO., LTD.



THK TAIWAN CO., LTD.



Financial Forecast (Consolidated)

	2015/3			2014/3
	FY Revised Nov. Forecast	FY May Forecast	1H Results	FY Results
Net Sales	215,000	210,000	106,207	185,466
Y/Y	<i>+15.9%</i>	<i>+13.2%</i>	<i>+19.2%</i>	<i>+10.2%</i>
Operating Income	28,000	27,000	14,300	17,370
Y/Y	<i>+61.2%</i>	<i>+55.4%</i>	<i>+91.0%</i>	<i>+48.6%</i>
Ordinary Income	30,000	28,000	15,472	23,618
Y/Y	<i>+27.0%</i>	<i>+18.5%</i>	<i>+42.0%</i>	<i>+60.0%</i>
Net Income	20,000	19,000	10,887	15,590
Y/Y	<i>+28.3%</i>	<i>+21.9%</i>	<i>+52.7%</i>	<i>+59.0%</i>

Financial Forecast (Unconsolidated)

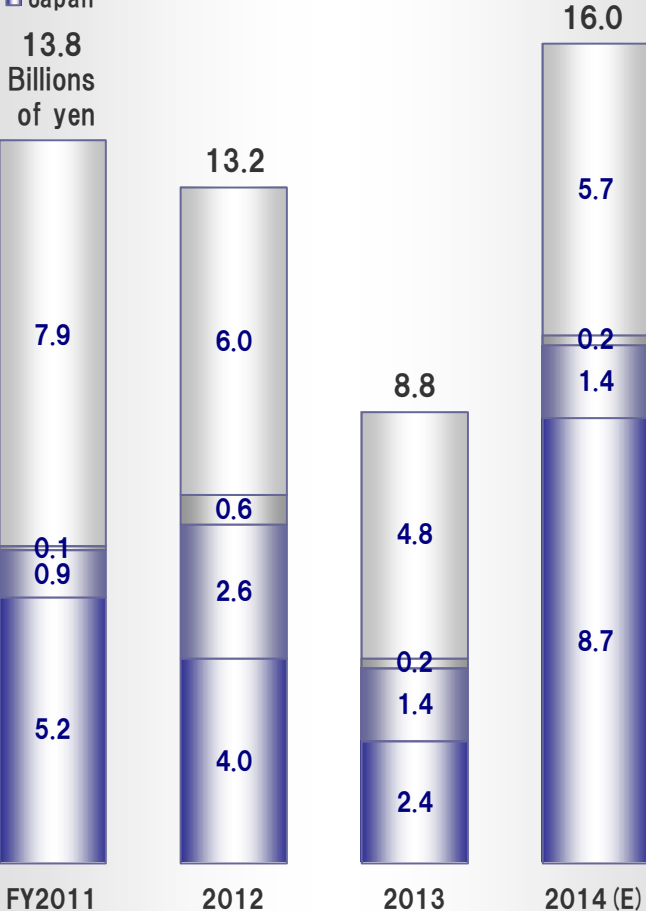
	2015/3			2014/3
	FY Revised Nov. Forecast	FY May Forecast	1H Results	FY Results
Net Sales	128,000	125,000	64,257	111,913
Y/Y	<i>+14.4%</i>	<i>+11.7%</i>	<i>+17.1%</i>	<i>+7.0%</i>
Domestic	89,200	86,000	44,746	76,424
Y/Y	<i>+16.7%</i>	<i>+12.5%</i>	<i>+22.6%</i>	<i>+1.3%</i>
Operating Income	19,000	18,400	9,514	13,808
Y/Y	<i>+37.6%</i>	<i>+33.3%</i>	<i>+72.4%</i>	<i>+40.5%</i>
Ordinary Income	21,000	19,200	10,934	18,790
Y/Y	<i>+11.8%</i>	<i>+2.2%</i>	<i>+26.6%</i>	<i>+55.9%</i>
Net Income	14,000	13,000	7,275	12,255
Y/Y	<i>+14.2%</i>	<i>+6.1%</i>	<i>+25.5%</i>	<i>+52.8%</i>

Capital Expenditure and Number of Employees Forecast

Capital Expenditures

- Asia and Other
- Europe
- Americas
- Japan

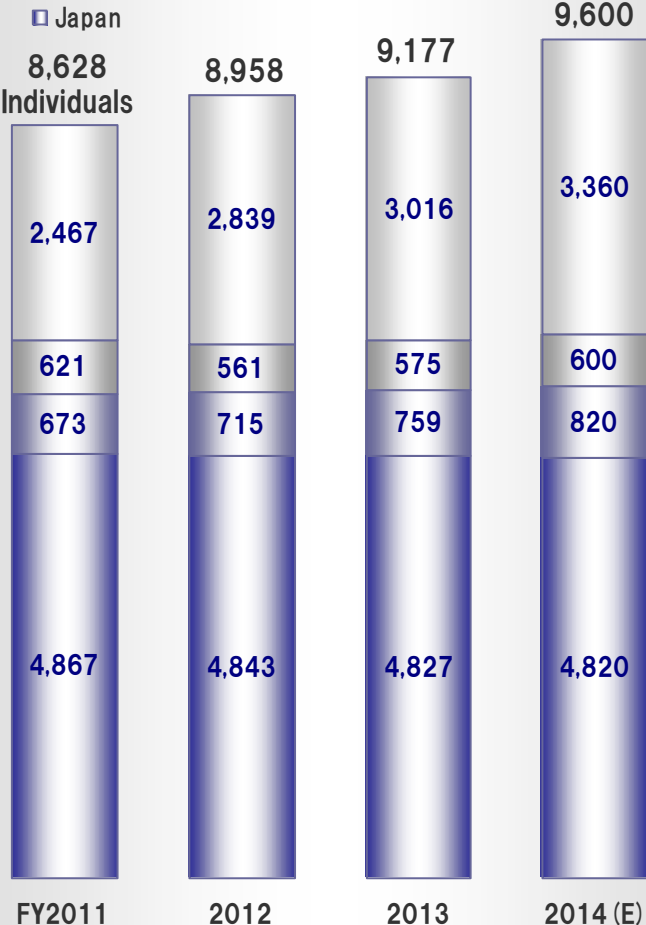
13.8
Billions
of yen



Number of Employees

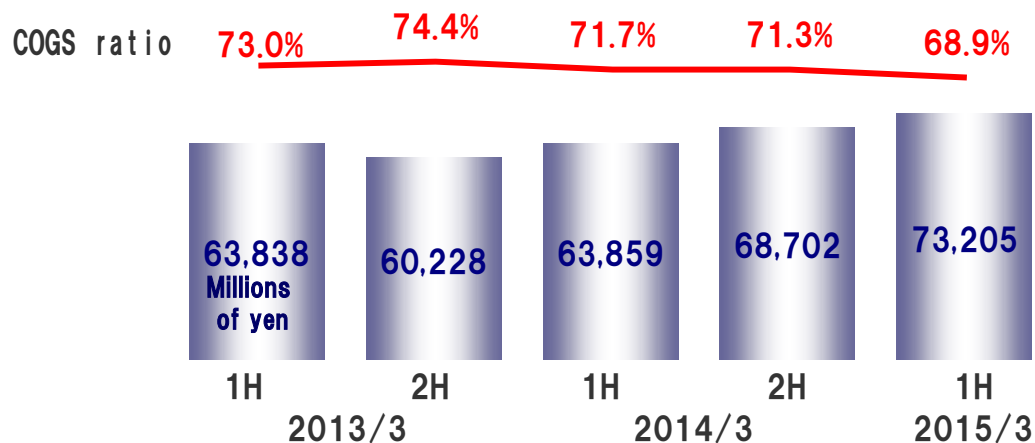
- Asia and Other
- Europe
- Americas
- Japan

8,628
Individuals



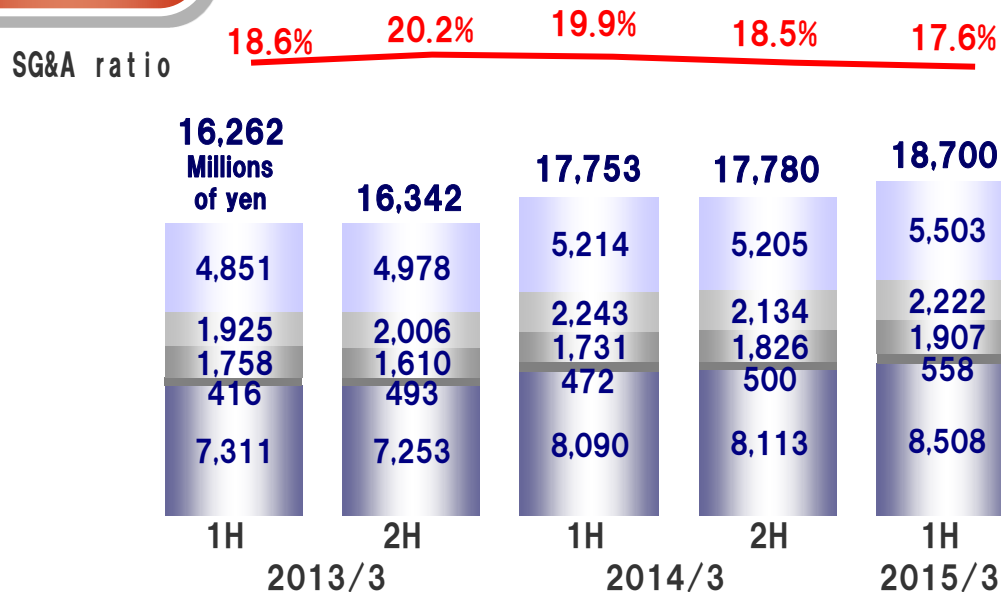
Trends in COGS and SG&A

COGS



Sales-cost ratio decreased by 2.8 points Y/Y
-Improve the variable cost ratio

SG&A



Other | Y/Y : up ¥ 288 million, or 5.5%

R&D | Y/Y : down ¥ 21 million, or 1.0%

Sales & Distribution Costs | Y/Y :
up ¥ 176 million, or 10.2%

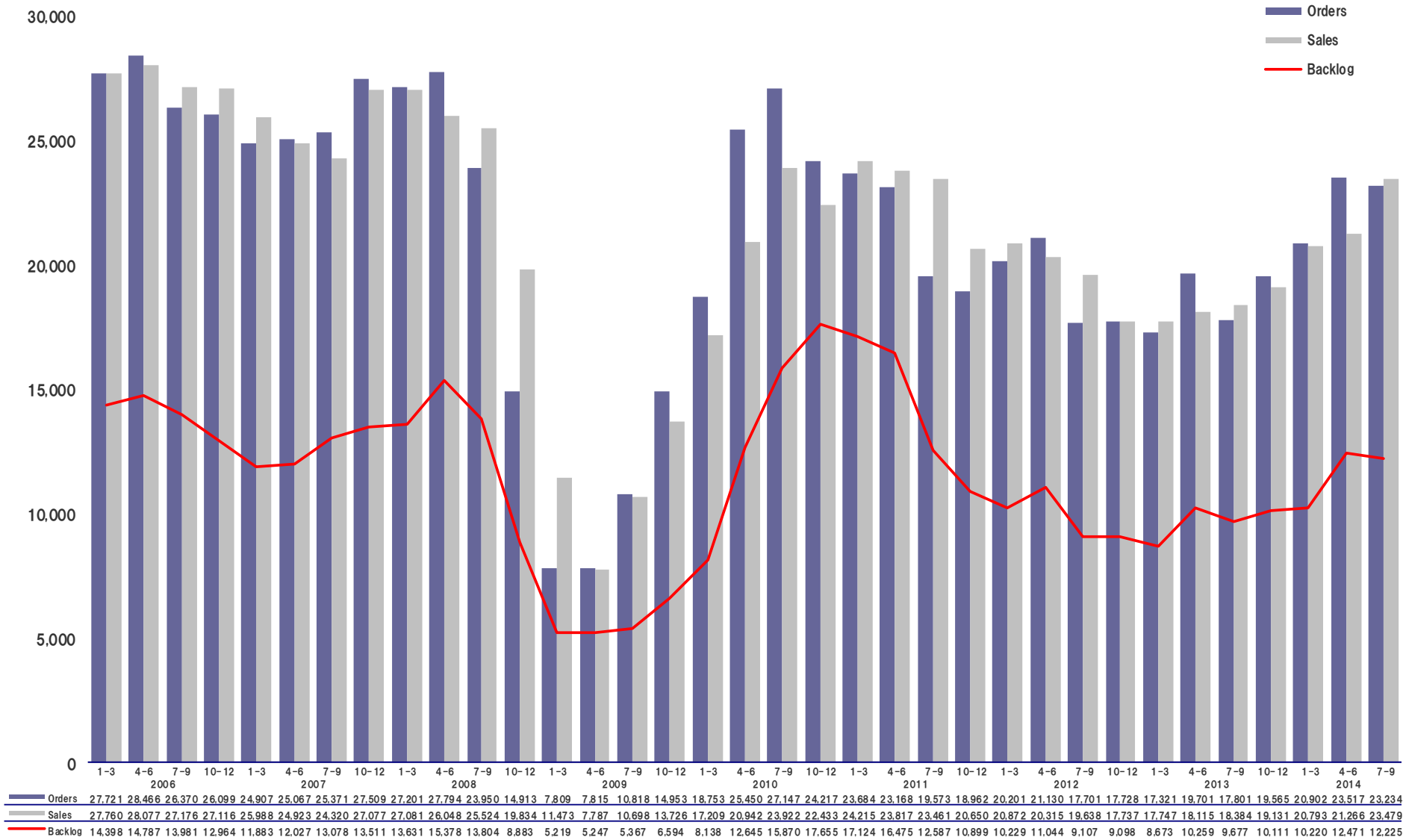
Depreciation and Amortization | Y/Y :
up ¥ 86 million, or 18.2%

Personnel Costs | Y/Y : up ¥ 417 million, or 5.2%

Support Statement – Trends in orders, sales and backlog (domestic – unconsolidated) –

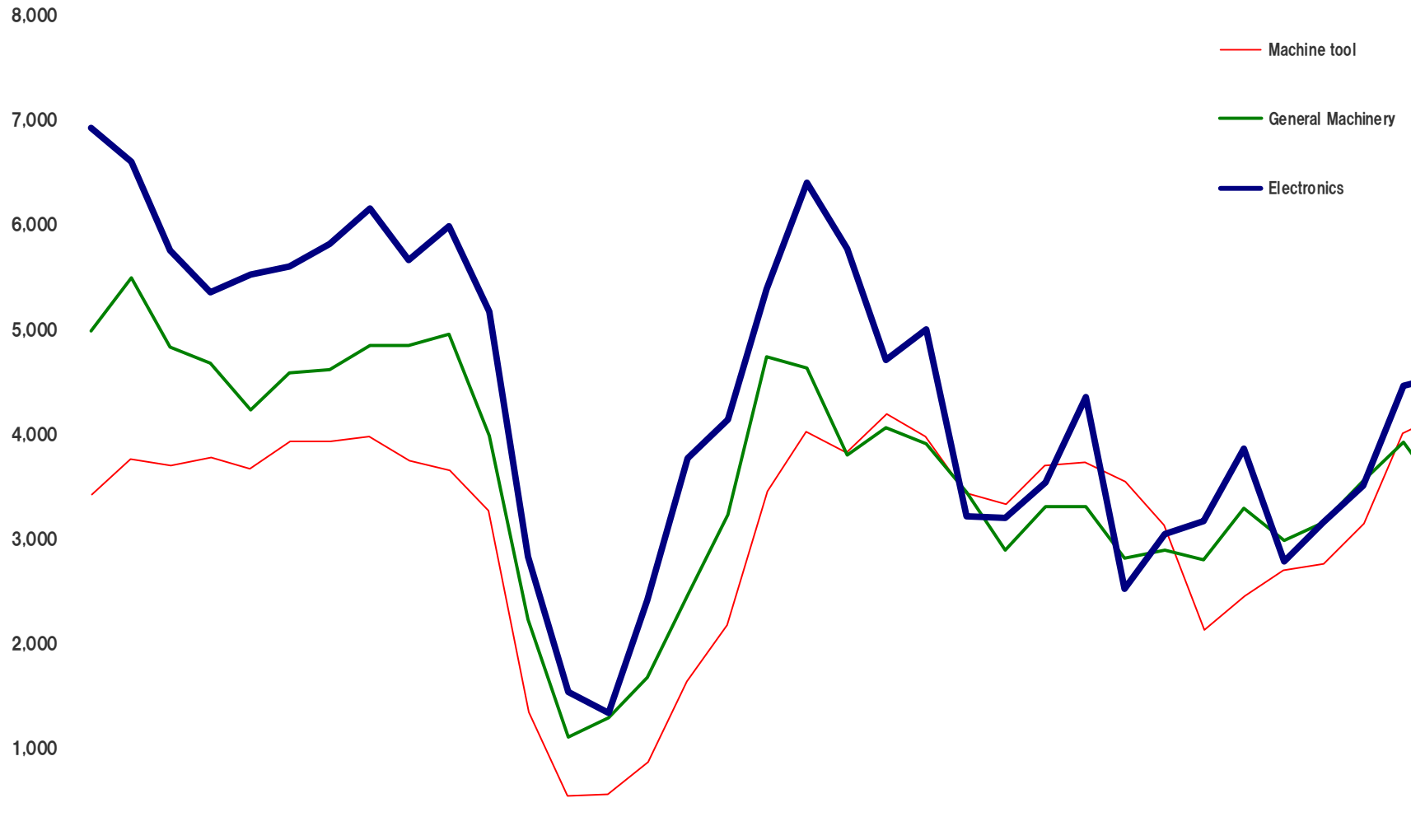


(Millions of yen)



Support Statement – Trends in orders classified by industry (unconsolidated)–

(Millions of yen)



	2006			2007			2008			2009			2010			2011			2012			2013			2014										
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9								
Machine tool	3,409	3,757	3,685	3,769	3,658	3,926	3,925	3,965	3,727	3,635	3,263	1,319	527	535	846	1,612	2,164	3,443	4,020	3,808	4,183	3,970	3,423	3,318	3,681	3,721	3,536	3,114	2,117	2,439	2,683	2,753	3,129	4,004	4,188
General Machinery	4,970	5,486	4,825	4,664	4,217	4,581	4,603	4,833	4,835	4,942	3,969	2,219	1,091	1,268	1,654	2,445	3,216	4,730	4,627	3,792	4,056	3,896	3,428	2,875	3,300	3,301	2,797	2,878	2,782	3,272	2,972	3,133	3,545	3,908	3,398
Electronics	6,916	6,593	5,745	5,351	5,515	5,600	5,812	6,149	5,657	5,984	5,159	2,809	1,514	1,315	2,406	3,763	4,127	5,372	6,394	5,762	4,695	4,998	3,204	3,184	3,519	4,337	2,514	3,037	3,152	3,852	2,774	3,146	3,492	4,446	4,547