



FINANCIAL RESULTS BRIEFING FOR FISCAL 2014

May 15th 2015

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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(FY2014 - FY2016)
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Business of TRW Automotive

I . Financial Results for Fiscal 2014

Net sales increased 17.4% year on year to 217.6 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 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 previous fiscal year.
- As for overseas markets, demand for THK products for electronics, machine tools and transportation equipment was strong in the Americas. Meanwhile, in European markets, there was a recovery in demand for our products for machine tools and general machinery. The Chinese market showed solid demand for THK products mainly for small-sized machine tools and electronics-related. Overseas sales for 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 previous fiscal year.

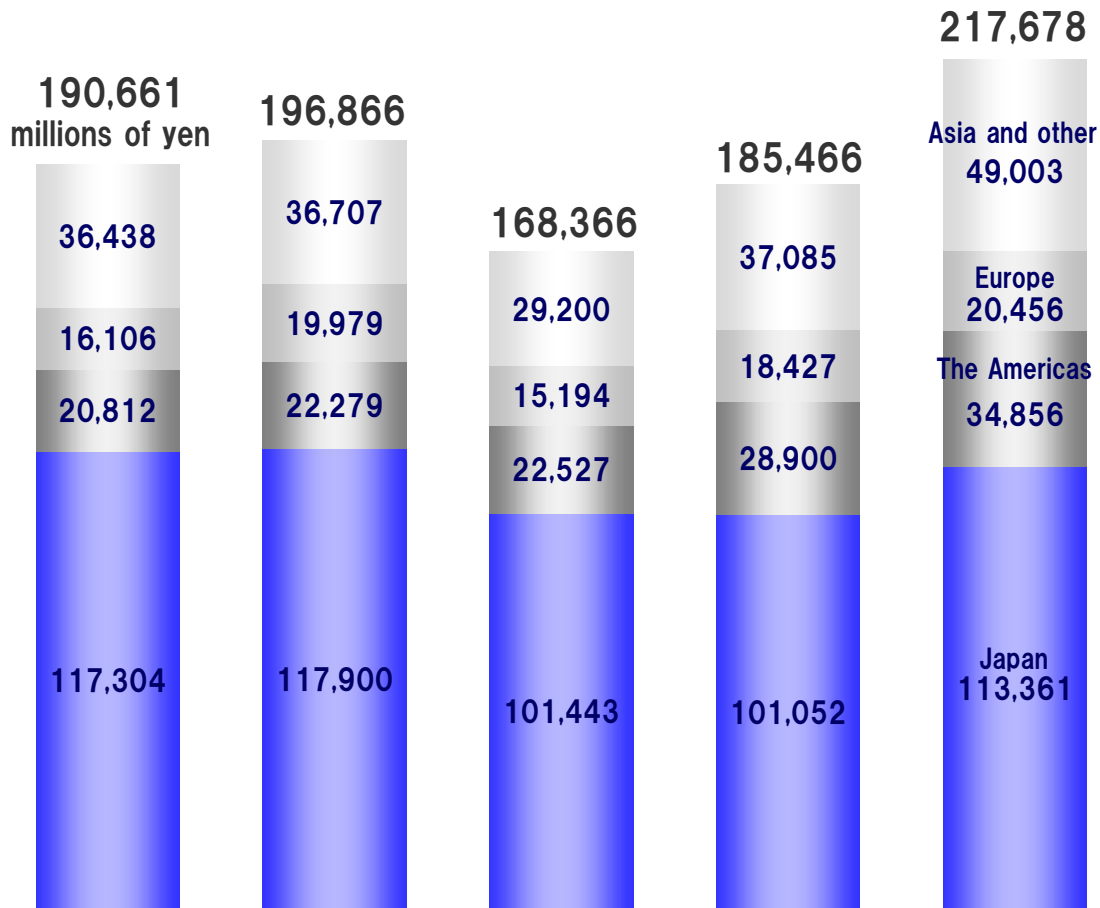
Operating income grew by 63.4% year on year to 28.3 billion yen

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

Both net sales and operating income exceeded the Company's plans

- Both sales and operating profit exceeded the plan as revised in November 2014, making a good start to achieving the mid-term management plan.

Trend in Net Sales



Asia and other | Y/Y Up 32.1%

- China (Industrial Equipment) Up 51.3%
- Taiwan Up 9.0%
- Singapore Up 16.0%

Europe | Y/Y Up 11.0%

- Machine tools Up 32.0%
- General machinery Up 28.7%
- Electronics Up 3.9%

The Americas | Y/Y Up 20.6%

- Machine tools Up 22.3%
- General machinery Up 10.0%
- Electronics Up 57.5%

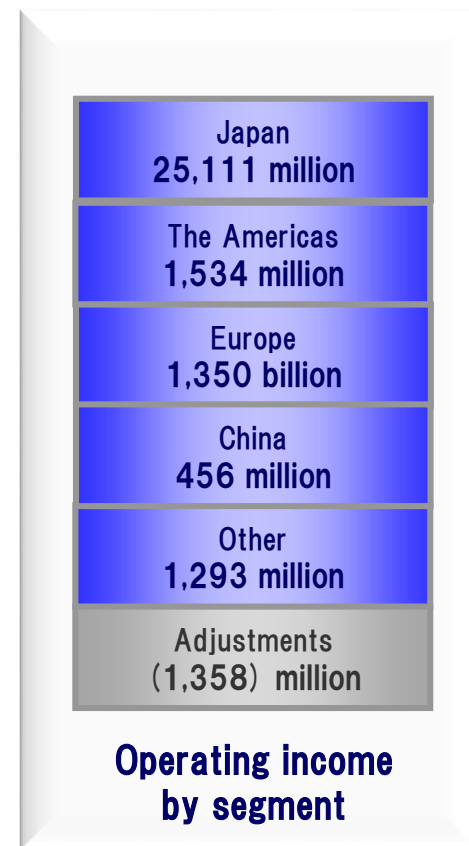
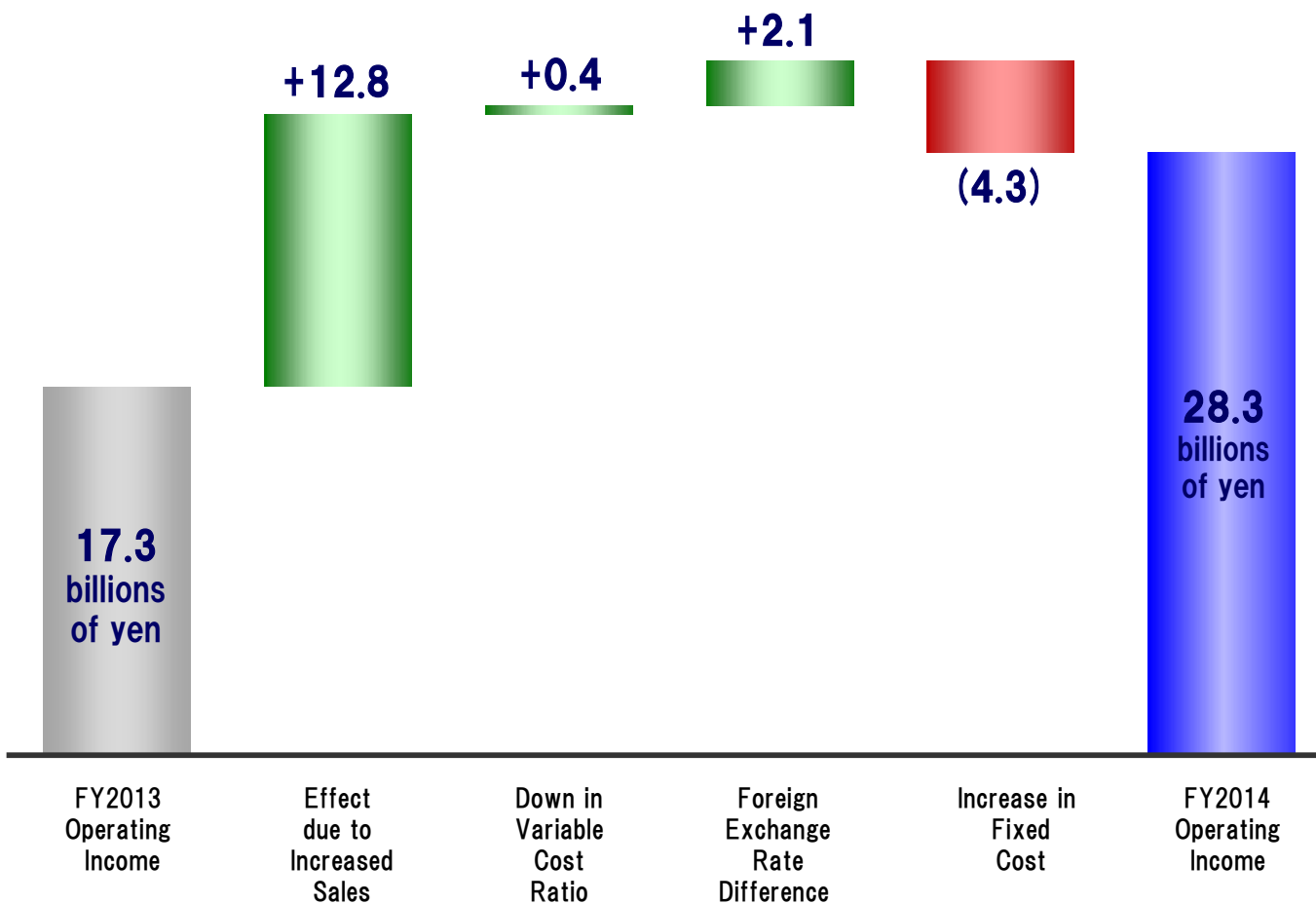
Japan | Y/Y Up 12.2%

- Machine tools Up 51.8%
- General machinery Up 15.0%
- Electronics Up 25.2%

Exchange rate	2011/3	2012/3	2013/3	2014/3	2015/3
1US\$	87.81	79.84	79.83	97.65	105.86
1EUR	116.39	111.11	102.63	129.69	140.43

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

[Reference] Operating Income - Cause of Change -



Cash and Cash in Account | Y/Y :

Up ¥ 16,896 million

Cash Flows from Operating Activities :

¥ 23,384 million

Cash Flows from Investing Activities :

¥ (8,714) million

Cash Flows from Financing Activities :

¥ (4,742) million

Foreign Currency Translation

Adjustments on Cash and Cash

Equivalents : ¥ 6,968 million

Accounts Receivable | Y/Y :

Up ¥ 10,893 million

Number of months' sales receivables :

Previous period : 3.4 month

This period : 3.5 month

Inventories | Y/Y :

Up ¥ 4,208 million

Number of months' sales in inventory :

Previous period : 1.9 month

This period : 1.8 month

Property, Plant and Equipment | Y/Y :

Up ¥ 2,893 million

■ CAPEX : ¥ 9,157 million

■ Depreciation : ¥ 11,159 million

Intangibles | Y/Y :

Up ¥ 188 million

Investments and Other | Y/Y :

Up ¥ 1,587 million

Total Assets
373,610 millions of yen
Up ¥ 37,194 million
from previous period

Current Assets

260,414

Up ¥ 32,524 million
from previous period

Liabilities

123,112

Up ¥ 8,844 million
from previous period

Net Assets

250,498

Up ¥ 28,350 million
from previous period

Fixed Assets

113,196

Up ¥ 4,670 million
from previous period

Current Liabilities | Y/Y :

Up ¥ 5,681 million

■Accounts Payable | Y/Y :

Up ¥ 4,142 million

Number of months' notes payable

Previous period : 1.6 month

This period : 1.6 month

■Income Taxes Payable | Y/Y :

Up ¥ 1,605 million

■Current Portion of Long-Term Bonds

| Y/Y : Down ¥ 3,000 million

Long-term Liabilities | Y/Y :

Up ¥ 3,162 million

■Bonds | Y/Y :

Down ¥ 7,000 million

■Long-Term Bank Loans | Y/Y :

Up ¥ 10,000 million

Net Income :

¥ 22,705 million

Foreign Currency Translation

Adjustments | Y/Y:

Up ¥ 10,010 million

II. Progress of Medium-Term Management Plan (FY2014-FY2016)

Medium-Term Management Plan

Numerical Targets for FY2016

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

[Assumptions]

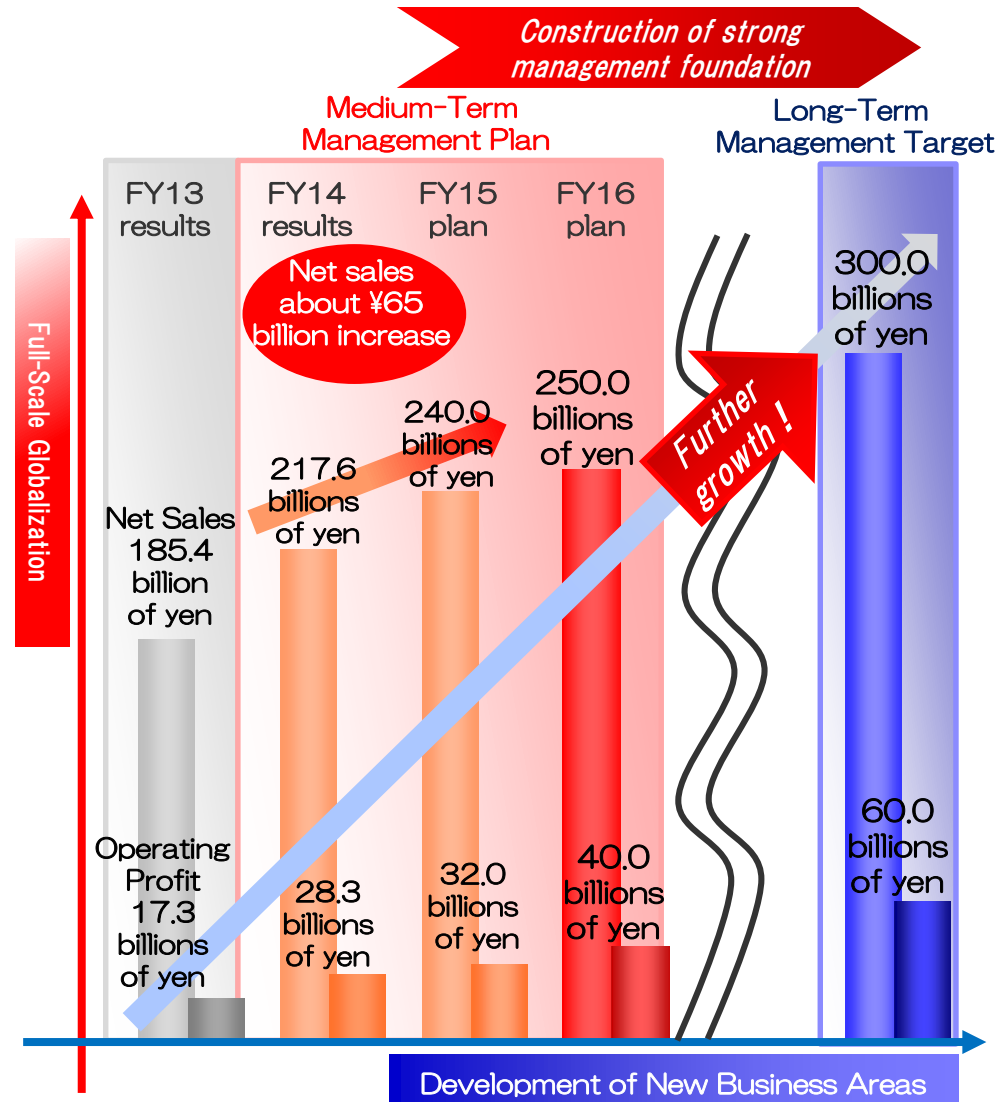
Exchange rate 1\$ = ¥100

IMF Global economic growth rate of 3.8% on average

The market growth rate of 5% on average
in the production goods industry

The point of medium-term management plan

- Fixed plan with FY2016 as the final fiscal year
- Break the past record-high net sales and record-high profits
- Continue and further strengthen the basic strategy
- Establishment of management foundation toward the long-term management target:
Net sales: 300 billion yen; and Operating margin: 20%



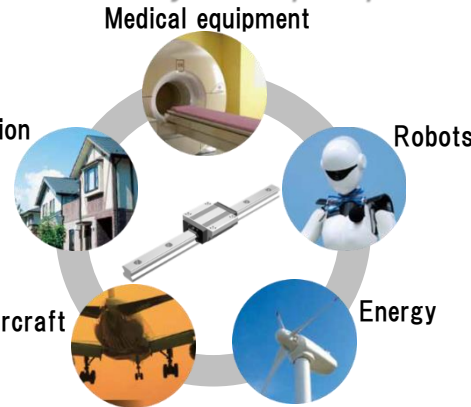
Medium-Term Management Plan: Expansion of Top Line

**Net sales
about ¥65
billion
increase**

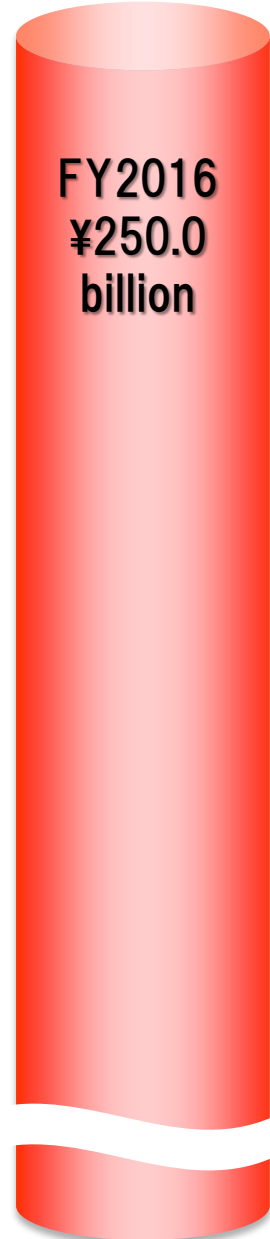
3. Expand sales for automotive parts
Expand sales for the newly developed products



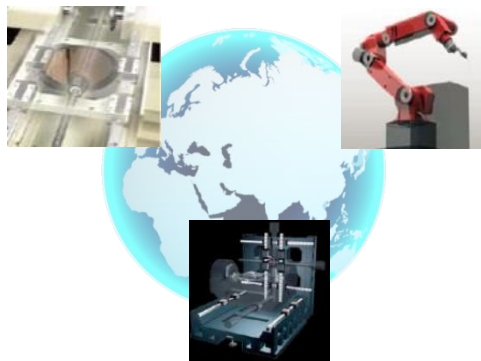
2. Develop the consumer goods domain on a company-wide level
Expand sales for the newly developed products



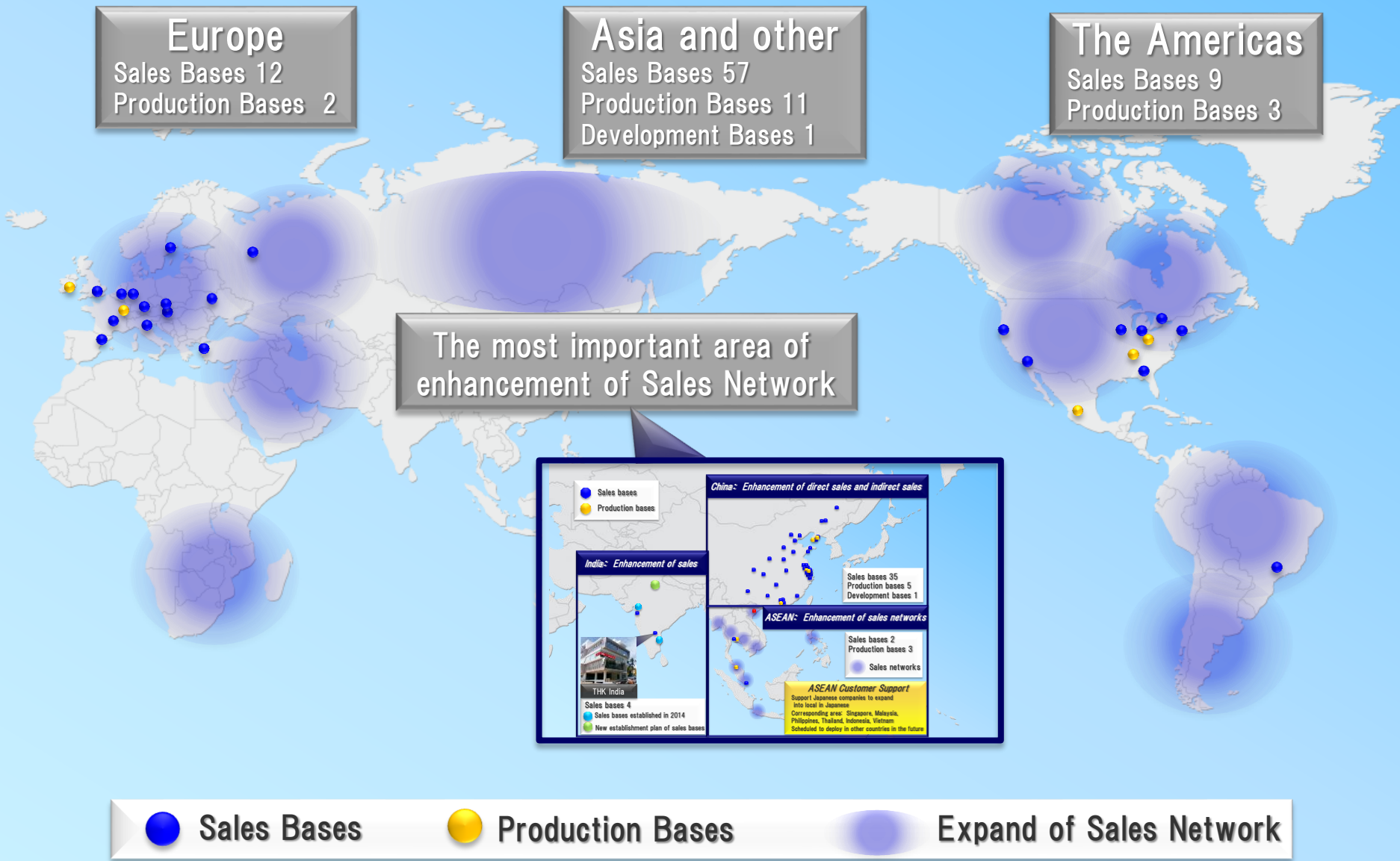
Industrial equipment-related and other
3 years plan
+52.0 billion yen



1. Re-establish sales strategy
-Enhancement of sales network
-Strengthening of acquiring volume zone
-Reinforcement of marketing/strategy functions



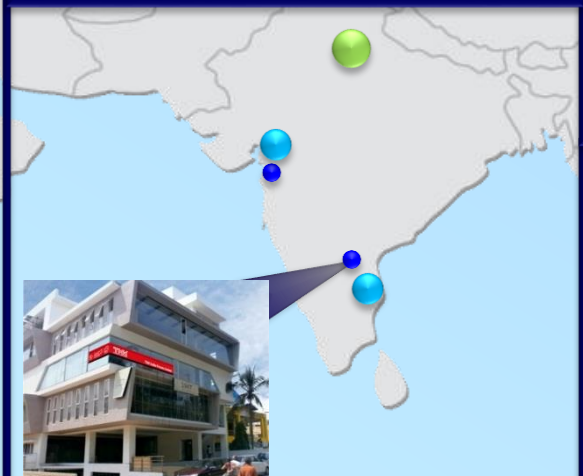
Expansion of Top Line : Enhancement of Sales Network



Expansion of Top Line : Enhancement of Sales Network

- Sales bases
- Production bases

India: Enhancement of sales



THK India

- Sales bases 4**
- Sales bases established in 2014
- New establishment plan of sales bases

China: Enhancement of direct sales and indirect sales



- Sales bases 35**
- Production bases 5**
- Development bases 1**

ASEAN: Enhancement of sales networks



- Sales bases 2**
- Production bases 3**
- Sales networks

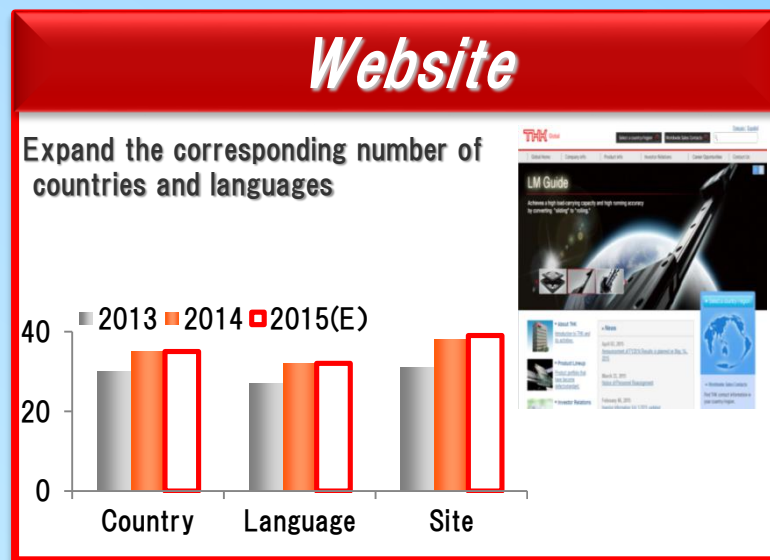
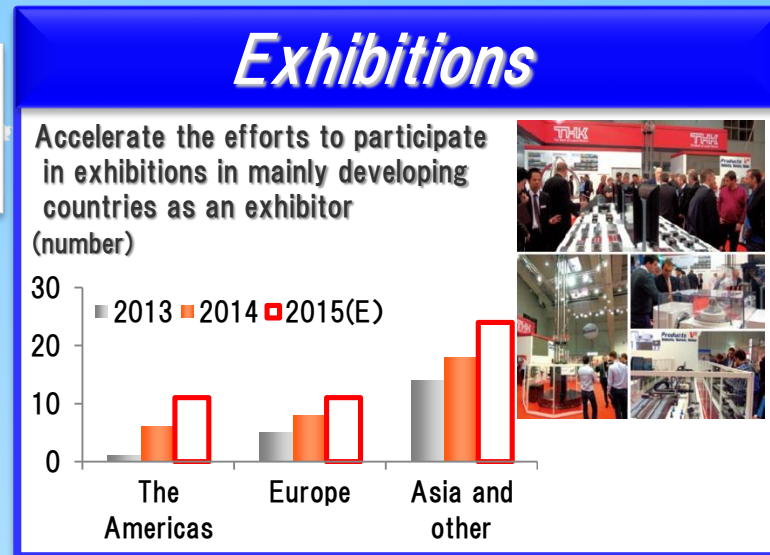
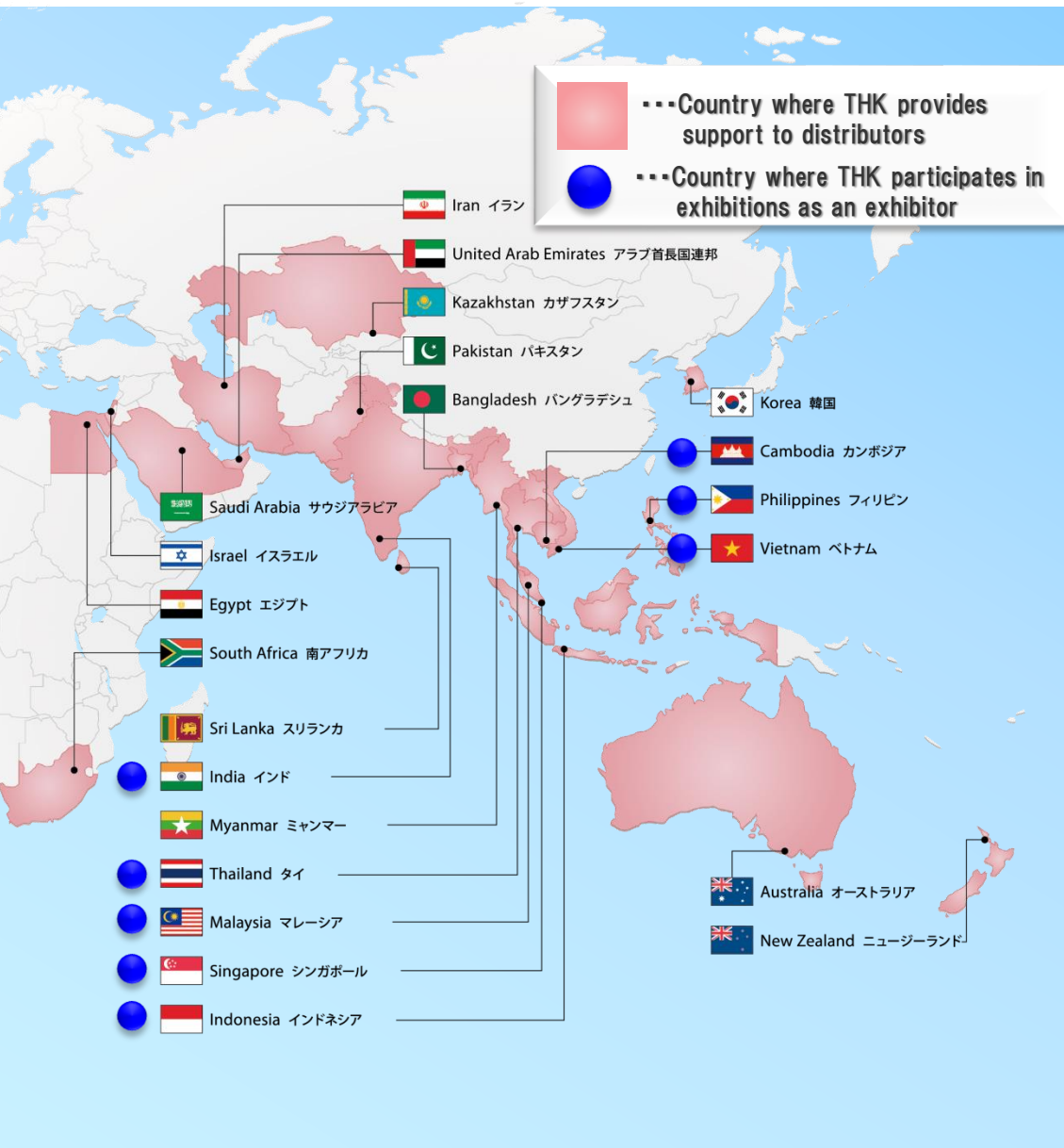
ASEAN Customer Support

Support Japanese companies to expand into local in Japanese

Corresponding area: Singapore, Malaysia, Philippines, Thailand, Indonesia, Vietnam

Scheduled to deploy in other countries in the future

Expansion of Top Line : Efforts to expand the number of contacts with customers



Expansion of Top Line : Enhancement of the Global Manufacturing Structure

Europe



DALIAN THK Transfer & Expansion
Start of operation in December, 2014



The Americas



THK RHYTHM MEXICANA
Start of operation in January, 2014



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



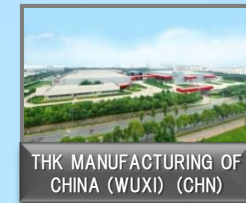
R&D Center
Start of operation
in April, 2012



Asia and other



China



Showroom for the next-generation industrial robots <Risokata>



Creating even more ideal forms out of ideal forms

NEXTAGE Works
Side by Side
With People



April 6, 2015

Showroom opened in Nagoya city

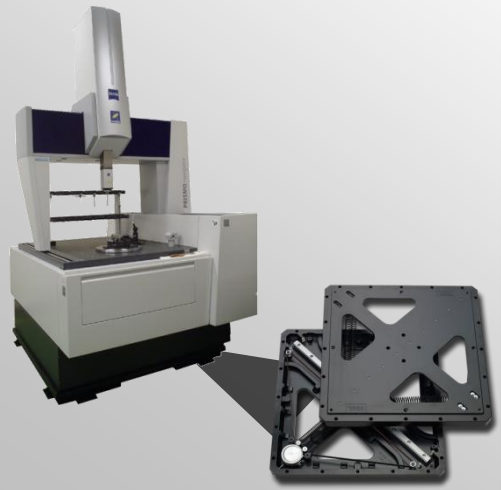
Propose the automation of the production process using the next-generation industrial robots

Expansion of Top Line : Seismic Isolation and Damping System

Seismic Isolation Platforms Table

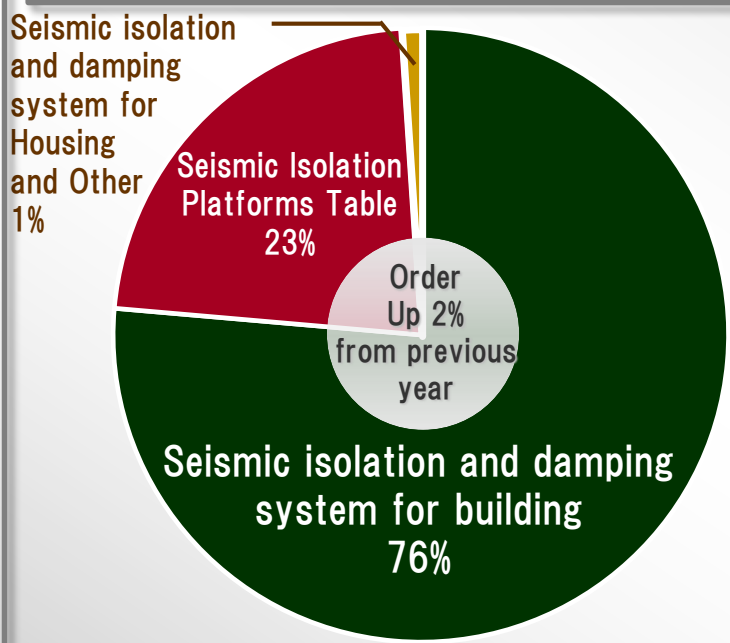
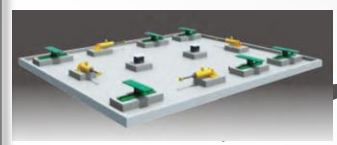


The number of adoption grows rapidly



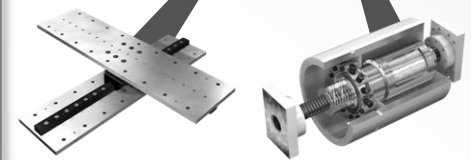
Seismic Isolation and Damping for House

Being adopted by a steadily increasing number of buildings



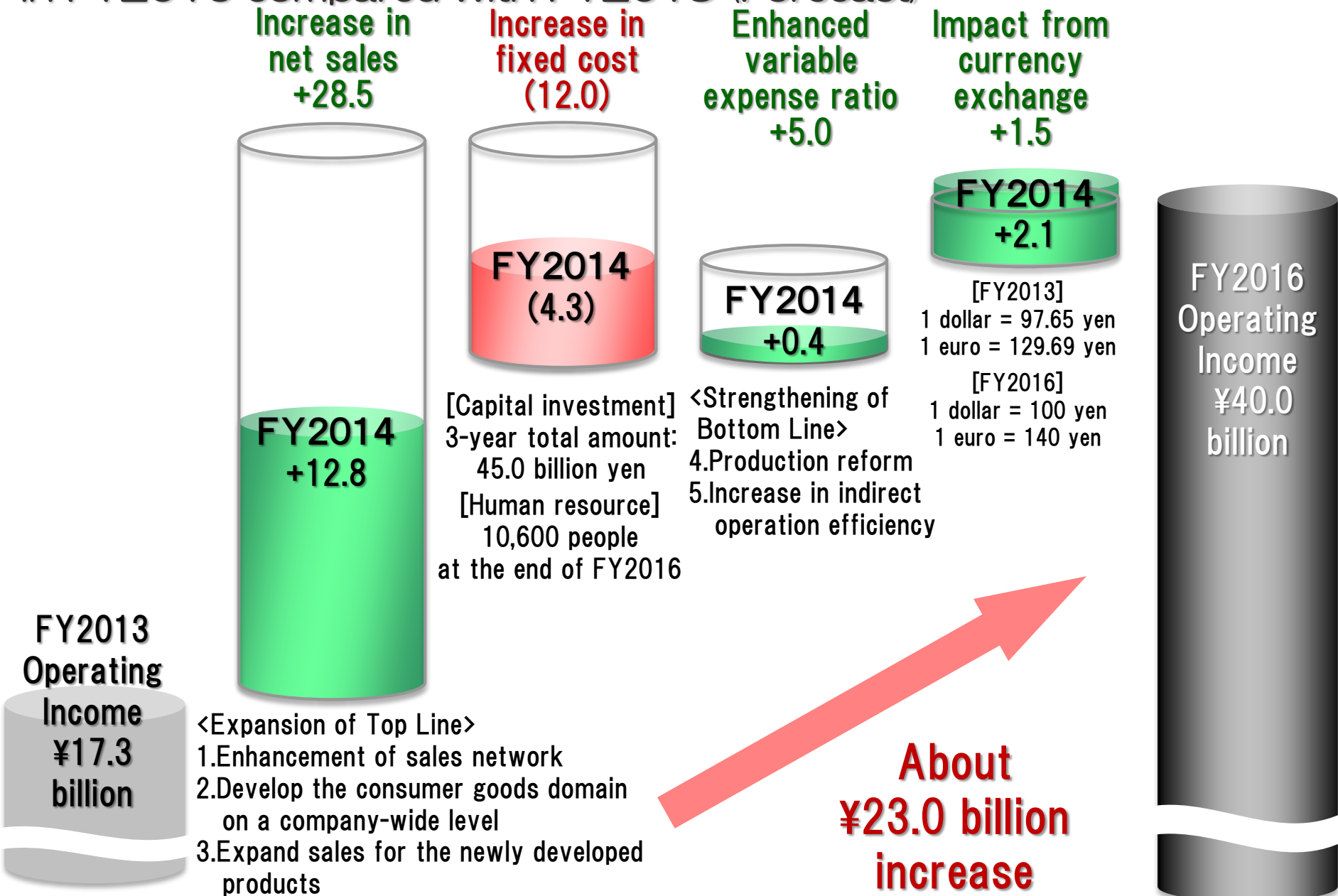
ACE Division Orders User Breakdown of FY2014
Seismic Isolation and Damping System

Seismic Isolation and Damping for Building



Higher damping performance compared with previous products

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



- <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

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

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

[FY2013]
1 dollar = 97.65 yen
1 euro = 129.69 yen

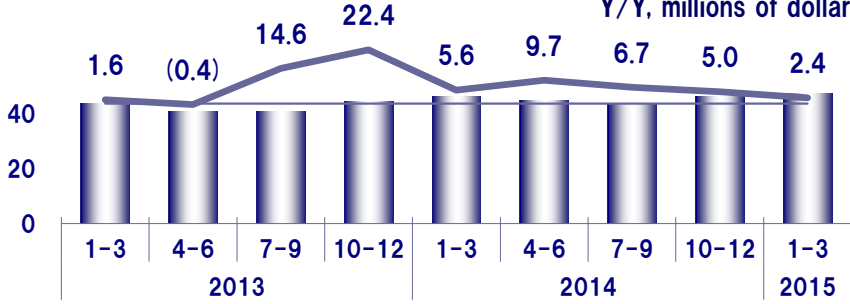
[FY2016]
1 dollar = 100 yen
1 euro = 140 yen

III. Financial Forecast for Fiscal 2015

Orders Received by Region

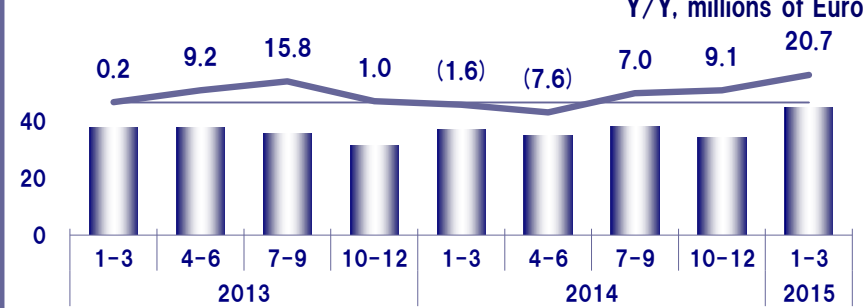
THK Holdings of America

Y/Y, millions of dollar



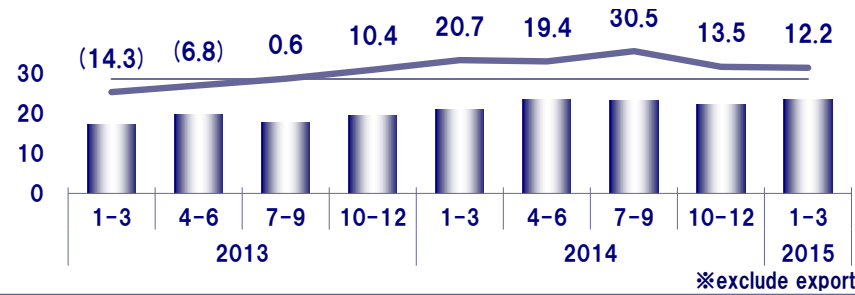
THK Europe

Y/Y, millions of Euro



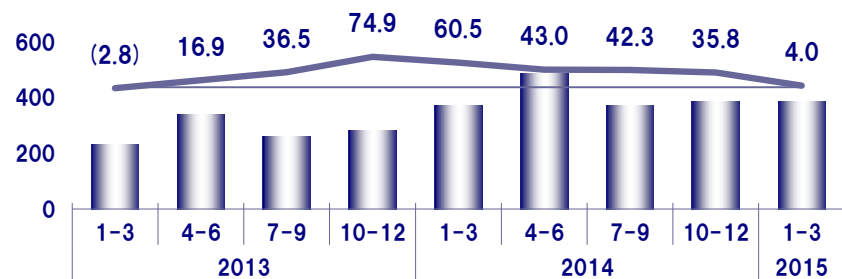
THK (Domestic)

Y/Y, billions of yen



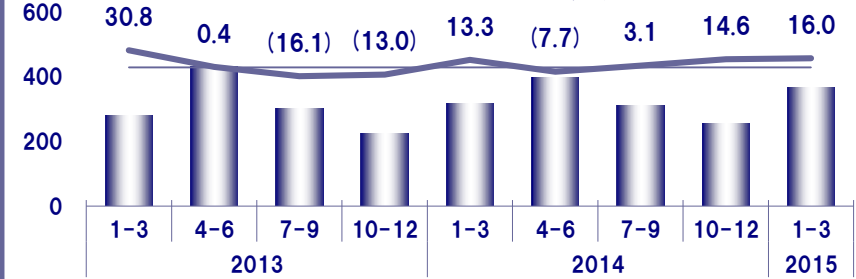
THK (CHINA) + THK (SHANGHAI)

Y/Y, millions of CNY



THK TAIWAN

Y/Y, millions of NT dollar



Financial Forecast (Consolidated)



(Millions of yen)

	2016/3 Plan	2015/3	2014/3
Net Sales	240,000	217,678	185,466
Y/Y	+10.3%	+17.4%	+10.2%
Operating Income	32,000	28,388	17,370
Y/Y	+12.7%	+63.4%	+48.6%
Ordinary Income	34,100	34,031	23,618
Y/Y	+0.2%	+44.1%	+60.0%
Net Income	23,100	22,705	15,590
Y/Y	+1.7%	+45.6%	+59.0%

Financial Forecast (Unconsolidated)



(Millions of yen)

	2016/3 Plan	2015/3	2014/3
Net Sales	143,000	132,786	111,913
Y/Y	+7.7%	+18.7%	+7.0%
Domestic	94,800	90,081	76,424
Y/Y	+5.2%	+17.9%	+1.3%
Operating Income	22,000	21,899	13,808
Y/Y	+0.5%	+58.6%	+40.5%
Ordinary Income	23,700	27,378	18,790
Y/Y	-13.4%	+45.7%	+55.9%
Net Income	16,400	17,585	12,255
Y/Y	-6.7%	+43.5%	+52.8%

IV. Business Transfer of the Linkage and Suspension Business of TRW Automotive

Globalization

Overseas Market: Full-scale globalization
Overseas Sales: ¥150 billion
Overseas Sales Ratio: 50%

Expansion of Business Areas

Consolidated Net Sales: ¥300 billion

Operating Margin: 20%

ROE: 15%

Domestic Market: Full-scale operation in the consumer products area
Domestic Sales: ¥150 billion



New Businesses

Ball joint has been a traditional product since establishment

1999 Established FAI Division



2007 Acquired RHYTHM (currently THK RHYTHM)



2011 Transferred L&S Business of TRW in APAC Area

THK RHYTHM
MALAYSIA (MYS)




2015 Transferred L&S Business of TRW in Europe and North America



Aim and Effect of Business Transferred of TRW's L&S Business

- Expansion of L&S business in Europe and North America
- Dynamic development of L&S business by gaining R&D base
- Expansion of emerging countries by gaining operating infrastructures
- Expansion of commercial vehicles business
- Strengthening of development, production



Global-level strengthening of all competency



Dynamic development of L&S Business

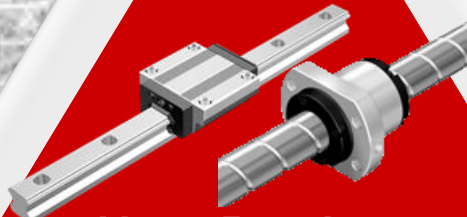


To the Full-scale Application of Linear Motion Products for Automotive Parts

Core technology
of linear motion

THK

Development capabilities
for automotive parts



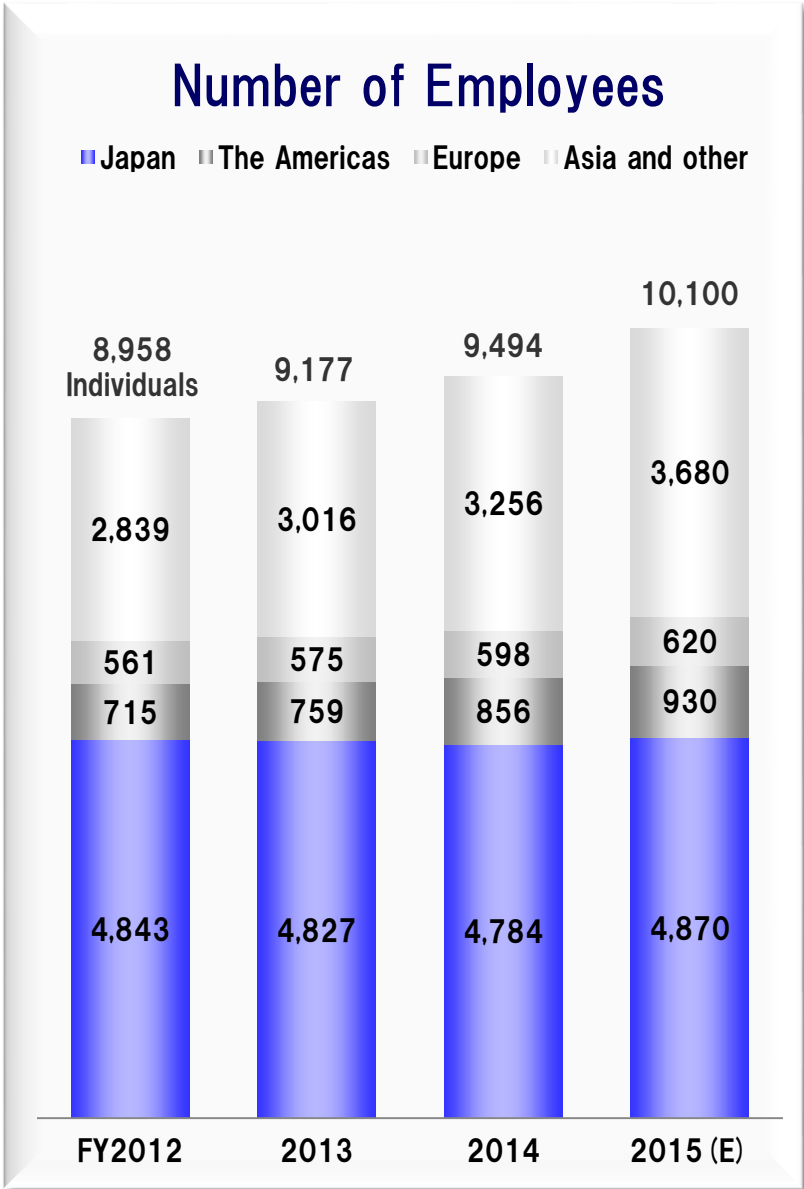
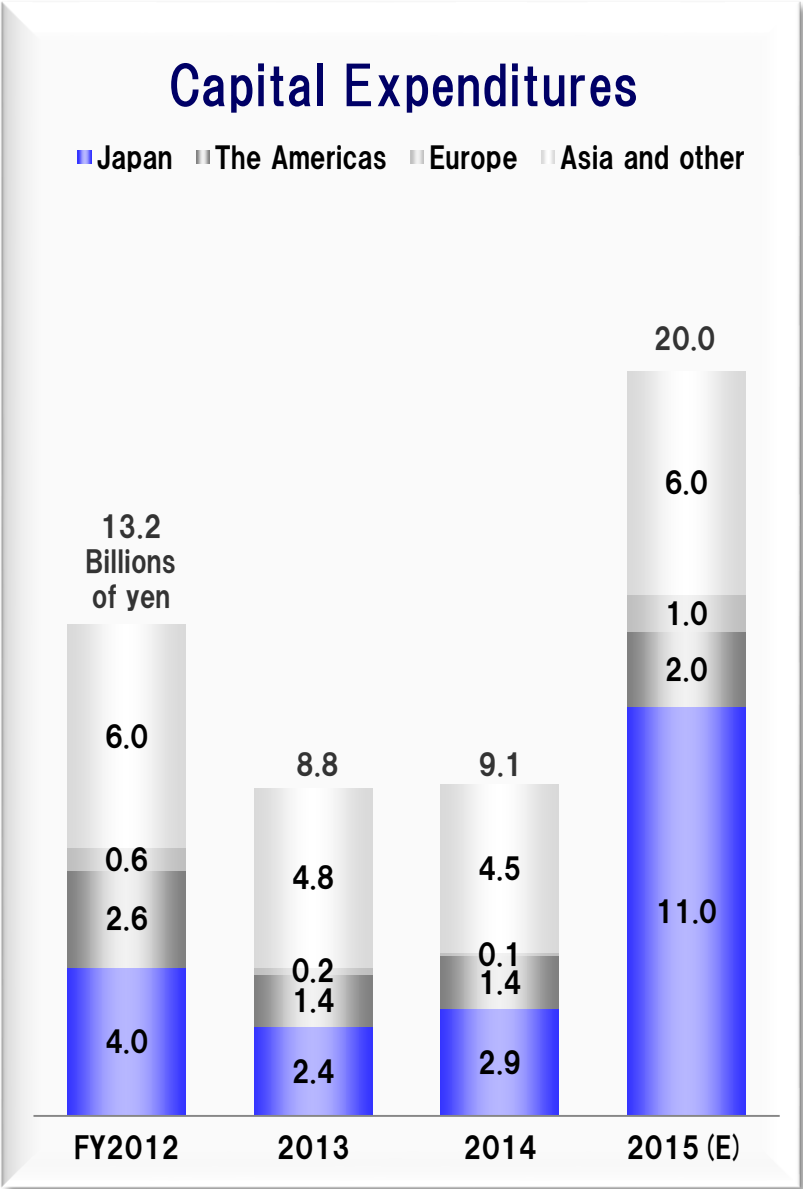
New Product
for automobile

THK
RHYTHM

Production technology
for automotive parts

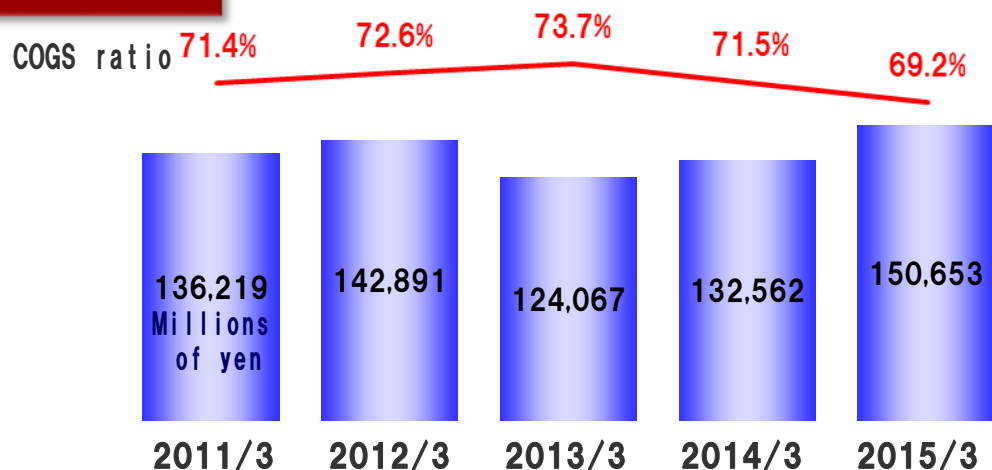
TRW
L&S

Capital Expenditure and Number of Employees Forecast



Trends in COGS and SG&A

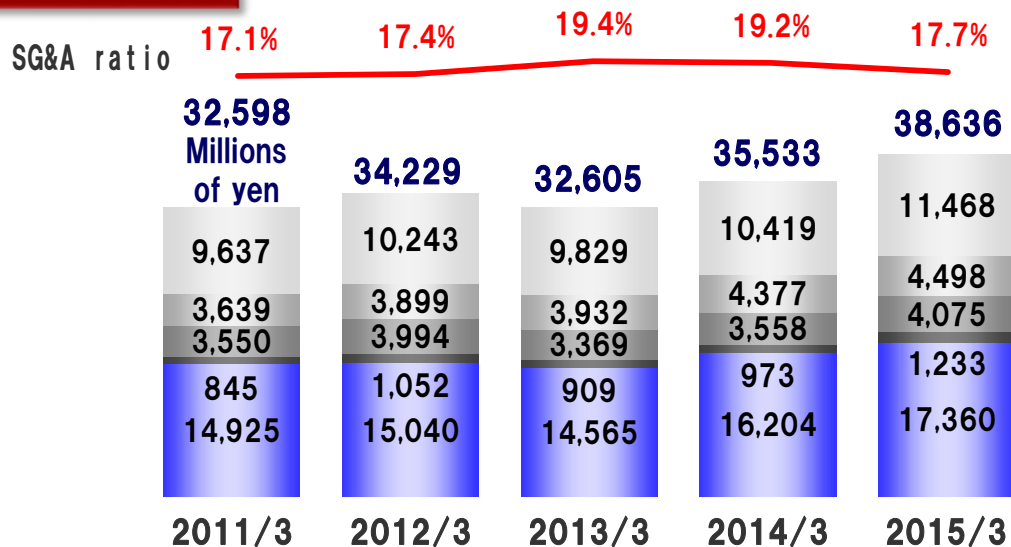
COGS



Sales-cost ratio decreased by 2.3 points Y/Y

- Due to increased sales
- Effect of the yen's depreciation

SG&A



Other | Y/Y : up ¥ 1,048 million, or 10.1%

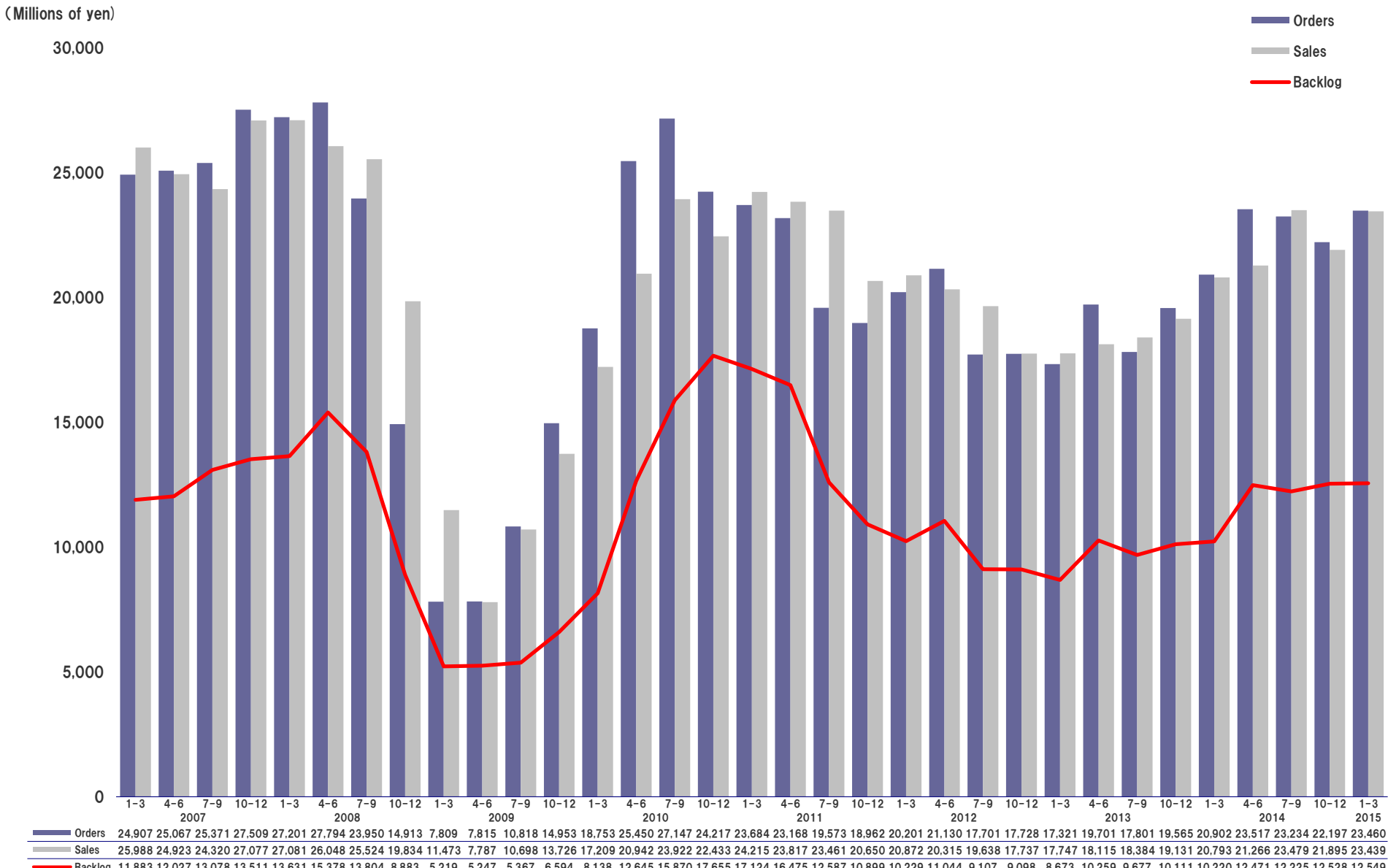
R&D | Y/Y : up ¥ 120 million, or 2.8%

Sales & Distribution Costs | Y/Y :
up ¥ 517 million, or 14.6%

Depreciation and Amortization | Y/Y :
up ¥ 260 million, or 26.8%

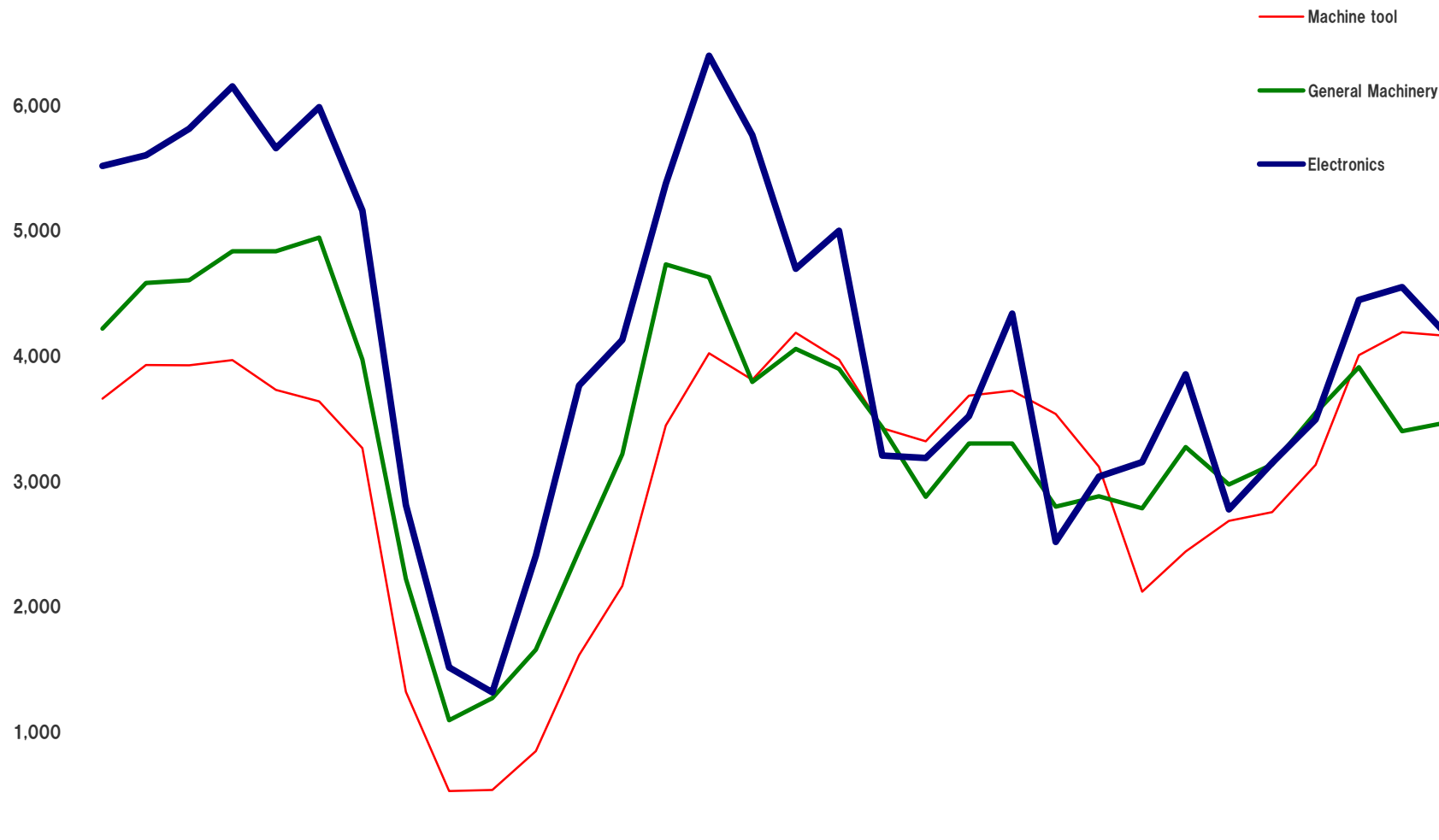
Personnel Costs | Y/Y : up ¥ 1,155 million, or 7.1%

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



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

(Millions of yen)
7,000



	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											
	2007				2008				2009				2010				2011				2012				2013				2014				2015			
Machine tool	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	4,160	4,370			
General Machinery	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	3,466	3,813			
Electronics	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	4,177	3,779			