August 9, 2012

Consolidated Financial Results for the First Quarter Ended June 30, 2012 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	:	Hideyuki Kiuchi, Director and General Manager of Corporate Strategy Department
Scheduled date of filing quarterly report (Japanese version only)		August 10, 2012
Scheduled starting date of dividend payment		n/a

1. Consolidated Operating Results and Financial Position as of and for the three months ended June 30, 2012 (April 1, 2012 to June 30, 2012)

(1) Consolidated Operating Results

First Quarter Ended June 30 (Millions of Yen)	Net Sales		Operating Income		Ordinary Income		Net Income	
2012	¥44,481	(12.0)%	¥3,700	(36.7) %	¥1,945	(66.4) %	¥1,321	(64.5) %
2011	50,573	16.5%	5,842	48.1 %	5,782	83.3 %	3,721	97.4 %

(Note) Comprehensive income

(Note) Comprehensive income	*First quarter ended June 30, 2012:*	*¥7,866 million*	*(28.1)%*
	First quarter ended June 30, 2011:	*6,139 million*	*(231.8)%*

First Quarter Ended June 30 (Yen)	Net Income Per Share-Basic	Net Income Per Share-Diluted
2012	¥10.28	¥ —
2011	28.94	—

(2) Consolidated Financial Position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Net Worth Ratio (%)	Net Assets Per Share (Yen)
June 30, 2012	¥294,247	¥181,834	61.3 %	¥1,401.57
March 31, 2012	288,333	175,516	60.3	1,352.00

(Note) Net worth ratio is defined as net worth divided by total assets. Net worth consists of shareholders' equity and accumulated other comprehensive income in net assets.

Net worth	*As of June 30, 2012:*	*¥180,239 million*
	As of March 31, 2012:	*173,864 million*

2. Dividends

For the year ended March 31	First Quarter End as of June 30	Second Quarter End as of September 30	Third Quarter End as of December 31	Year end	Total
	Dividend Per Share (Yen)				
2012 (Actual)	¥ －	¥9.00	¥ －	¥11.00	¥20.00
2013 (Actual)	－	n/a	n/a	n/a	n/a
2013 (Projected)	n/a	12.00	－	12.00	24.00

(Note) Change in dividend projection: none

3. Forecasts for the year ending March 31, 2013 (April 1, 2012 to March 31, 2013)

	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）
Six months ending September 30, 2012					
(amount)	¥92,000	¥7,800	¥8,300	¥5,300	¥41.21
(percentage)	(10.9)%	(37.4)%	(12.2)%	(13.3)%	n/a
Year ending March 31, 2013					
(amount)	¥200,000	¥22,500	¥23,500	¥15,500	¥120.53
(percentage)	1.6%	13.9%	23.2%	22.6%	n/a

(Note 1) Change in forecasts: none

(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.

4. Other Financial Information

(1) Significant change in scope of consolidation: None

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

(Income taxes 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.

(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:	June 30, 2012	133,856,903
	March 31, 2012	133,856,903
b. Treasury stock as of:	June 30, 2012	5,258,942
	March 31, 2012	5,258,742
c. Average number of common stock for the three months ended:	June 30, 2012	128,598,097
	June 30, 2011	128,599,493

5. Accounting Changes

Depreciation methods of property, plant and equipment－Effective April 1, 2012, THK and certain domestic subsidiaries changed the depreciation methods of property, plant and equipment acquired on or after April 1, 2012 to the methods required under the revised Japanese tax laws. The effect of changing the depreciation methods was to increase operating income, ordinary income, and income before income taxes and minority interests by ¥4 million, respectively. The effects to each segment are discussed in “Segment Information”.

Management’s Discussion and Analysis

1. Operating results (From April 1, 2012 to June 30, 2012)

During the first quarter of this fiscal year, the world economic growth showed a slowdown trend in the context of the financial problem in Europe. In the overseas economy, while the economic recovery in the United States of America was becoming slower, the economic expansion of developing countries such as China continued; however, the momentum also became slower. In Japan, although the economy showed a modest recovery trend mainly with the domestic demand, there were weaknesses, especially in export, due to the slowdown of the world economy.

The THK Group has identified “Full-Scale Globalization” and the “Development of New Business Areas” as cornerstones of its growth strategy and efforts to expand its business domain. The THK Group took steps to expand its sales network and enhance its productivity in China where the economic growth still continues. In addition, the THK Group has made proactive investments in other developing countries for the future growth such as constructing facilities in Mexico. Also, the THK Group is focusing on seeking new business opportunities by implementing aggressive sales strategies to capture the demand of seismic isolation and control appliances that is anticipated to increase because of the earthquake experience. As a result, although the THK Group operated proactively to capture the demand by taking advantage of its strengthened business structures, especially in the electronics market that was showing the sign of recovery, net sales for the first quarter amounted to ¥44,481 million, down ¥6,091 million, or 12.0%, compared to the figure one year earlier when the sales was thriving.

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. As a result, although such activities successfully reduced the decline in profit, the cost of sales to sales ratio worsened by 1.8% from a year earlier to 73.4%.

Selling, general and administrative expenses (SG&A) decreased due mainly to various cost containment and improvement of operating efficiency as well as to the decline in sales. As a result, SG&A expenses decreased by ¥416 million, or 4.9%, to ¥8,117 million; however, ratio to net sales worsened by 1.4% from a year earlier to 18.3%.

As a result, operating income decreased from a year earlier by ¥2,141 million, or 36.7%, to ¥3,700 million. The operating income to net sales ratio dropped by 3.3% to 8.3%

Net non-operating income/expense was expense of ¥1,755 million due mainly to a combined effect of ¥117 million of equity earnings of affiliates and ¥1,975 million of foreign exchange loss. As a result, ordinary income decreased from a year earlier by ¥3,837 million, or 66.4%, to ¥1,945 million. Net income for the fiscal year also decreased from a year earlier by ¥2,399 million, or 64.5%, to ¥1,321 million.

2. Segment Information

(Japan)

In the first quarter of this fiscal year, although the economy showed a modest recovery trend mainly with the domestic demand, there were weaknesses, especially in export, due to the slowdown of the world economy. In that situation, amid the modest recovery trend especially in the electronics market that had been in an adjustment phase from last summer, THK worked proactively to promote sales and cultivate new business opportunities. However, sales in Japan amounted to ¥28,583 million, down ¥3,817 million, or 11.8%, compared to the figure one year earlier when the sales was thriving. There were positive effects on reducing the decline in profit from various operating activities such as our across-the-division project, namely, P25 Project; however, operating income in Japan amounted to ¥3,242 million, down ¥1,695 million, or 34.3%, due to the significant decline in sales.

(The Americas)

In the Americas, trends in automobile production were firm. Amid a positive upswing in capital investment, the THK Group took steps to expand transactions with existing customers and to cultivate new business fields. Based on these endeavors, sales were robust, to the machine tool industry, the general machine industry, and the transportation equipment industry in particular, amounting to ¥5,880 million, up ¥332 million, or 6.0%, from the figure one year earlier. Operating income amounted to ¥297 million, down ¥175 million, or 37.1%, from the figure one year earlier. This was mainly attributable to the appreciation of the yen against U.S. dollar.

(Europe)

In Europe, while the financial crisis was driving the economy down, exports to Asia by machine manufacturers that had driven strong demand also weakened because of the economic slowdown in Asia. Although THK worked diligently to expand transactions with existing customers and to cultivate new business fields, sales in Europe amounted to ¥4,689 million, down ¥538 million, or 10.3%, from the figure one year earlier because of decline in sales to existing customers. However, operating income in Europe amounted to ¥115 million, a turnaround of ¥219 million, due to the endeavors for cost containment and productivity improvement despite the strong yen against euro and the decline in sales.

(China)

From last summer, sales to the machine tool industry, the THK Group's mainstay customers, remained weak due to the financial restraint policy in China; however, there was a sign of recovery in the demand situation especially in small-type products. In that situation, the THK Group implemented aggressive business activities with the strengthened sales channels. However, sales amounted to ¥2,966 million, down ¥1,015 million, or 25.5%, from the figure one year earlier. Operating income amounted to ¥103 million, down ¥711 million, or 87.3%, from the figure one year earlier due to the decline in sales and proactive investments for the future growth.

(Other)

In other countries and regions including Taiwan, India and ASEAN countries, while there was a sign of recovery in the demand situation especially in the electronics industry and for small-type products, THK continues to expand transactions with existing customers and to cultivate new customers. However, sales amounted to ¥2,361 million, down ¥1,052 million, or 30.8%, from the figure one year earlier. Operating income amounted to ¥23 million, down ¥145 million, or 86.2%, from the figure one year earlier due to the appreciation of the yen.

3. Financial position (As of June 30, 2012)

Total assets stood at ¥294,247 million, ¥5,913 million more than the previous fiscal year-end, due mainly to increase in cash and cash equivalents by ¥4,046 million, in raw materials and supplies by ¥270 million, and in machinery and equipment by ¥856 million.

Total liabilities stood at ¥112,412 million, ¥403 million less than the previous fiscal year-end, due mainly to a combined effect of increase in accounts and notes payable by ¥1,862 million and decrease in income taxes payable by ¥1,687 million and in accrued bonuses by ¥891 million.

Net assets stood at ¥181,834 million, ¥6,317 million more than the previous fiscal year-end, due mainly to a combined effect of increase in foreign currency translation adjustments by ¥6,725 million and decrease in retained earnings by ¥92 million and in net unrealized gain on available-for-sale securities by ¥257 million.

4. Forecast for the fiscal year ending March 31, 2013

The forecasts for the six months ending September 30, 2012 and the year ending March 31, 2013 have not been amended from those reported in the announcement dated May 10, 2012.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Yen)

	Year End -Previous Year As of March 31, 2012	First Quarter End -Current Year As of June 30, 2012
Assets		
Current Assets:		
Cash and cash equivalnets	¥110,788	¥114,835
Accounts and notes receivable	53,034	52,472
Merchandise and finished goods	10,411	10,341
Work in process	4,858	5,120
Raw materials and supplies	10,965	11,235
Other current assets	8,739	7,248
Less: Allowance for bad debts	(145)	(158)
Total current assets	198,652	201,096
Fixed Assets:		
Property, plant and equipment -net:		
Buildings and structures	23,395	23,614
Machinery and equipment	34,052	34,908
Other	22,164	23,779
Total property, plant and equipment -net	79,612	82,301
Intangibles		
Goodwill	1,413	1,387
Other	1,193	1,247
Total intangibles	2,606	2,634
Investments and Other		
Long-term investments in securities	4,841	4,579
Other	2,699	3,709
Less: Allowance for bad debts	(77)	(74)
Total investments and other	7,462	8,214
Total fixed assets	89,680	93,150
Total assets	288,333	294,247

(Millions of Yen)

	Year End -Previous Year As of March 31, 2012	First Quarter End -Current Year As of June 30, 2012
Liabilities		
Current Liabilities:		
Accounts and notes payable	¥27,661	¥29,523
Short-term bank loans	117	101
Income taxes payable	2,151	464
Accrued bonuses	3,122	2,231
Other	11,488	11,844
Total current liabilities	44,542	44,165
Long-term Liabilities:		
Bonds	40,000	40,000
Long-term bank loans	20,000	20,000
Reserve for employees' retirement benefits	2,982	2,980
Reserve for retirement benefits for directors and corporate auditors	114	91
Reserve for product warranty	109	109
Other	5,068	5,064
Total long-term liabilities	68,274	68,246
Total liabilities	112,816	112,412
Net Assets		
Shareholders' equity :		
Common stock	34,606	34,606
Additional paid-in capital	44,584	44,584
Retained earnings	121,161	121,068
Treasury stock	(11,362)	(11,362)
Total shareholders' equity	188,990	188,897
Accumulated other comprehensive income :		
Net unrealized gain on available-for-sale securities	777	519
Foreign currency translation adjustments	(15,903)	(9,177)
Total accumulated other comprehensive income	(15,126)	(8,658)
Minority Interests	1,652	1,595
Total net assets	175,516	181,834
Total liabilities and net assets	288,333	294,247

Consolidated Statements of Income

(Millions of Yen)

	First Quarter Ended June 30, 2011 (From April 1, 2011 to June 30, 2011)	First Quarter Ended June 30, 2012 (From April 1, 2012 to June 30, 2012)
Net sales	¥50,573	¥44,481
Cost of sales	36,196	32,663
Gross profit	14,377	11,818
Selling, general and administrative expenses	8,534	8,117
Operating income	5,842	3,700
Non-operating income:		
Interest income	59	72
Equity earnings of affiliates	291	117
Other	272	274
Total non-operating income	623	464
Non-operating expense:		
Interest expenses	138	174
Foreign exchange loss, net	472	1,975
Other	71	70
Total non-operating expenses	683	2,220
Ordinary income	5,782	1,945
Extraordinary gains:		
Gain on sales of property, plant and equipment	3	3
Total extraordinary gains	3	3
Extraordinary losses:		
Loss on sales and disposal of property, plant and equipment	20	7
Loss on write-down of investments in securities	11	0
Loss on cancellation of insurance contracts	70	—
Other	15	0
Total extraordinary losses	118	7
Income before income taxes and minority interests	5,666	1,940
Income taxes-current	1,848	367
Income taxes-deferred	23	224
Total income taxes	1,871	592
Income before minority interests	3,795	1,348
Minority interests in net income	73	26
Net income	3,721	1,321

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	First Quarter Ended June 30, 2011 (From April 1, 2011 to June 30, 2011)	First Quarter Ended June 30, 2012 (From April 1, 2012 to June 30, 2012)
Income before minority interests	¥3,795	¥1,348
Other comprehensive income:		
Unrealized gain (loss) on available-for-sale securities	60	(260)
Foreign currency translation adjustments	1,952	6,732
Share of other comprehensive income of affiliates accounted under the equity method	331	47
Total other comprehensive income	2,344	6,518
Comprehensive income	6,139	7,866
Attributable to:		
Shareholders of THK Co., Ltd.	5,482	7,789
Minority interests	656	77

Segment Information

For the first quarter ended June 30, 2011 (April 1, 2011 to June 30, 2011)

(Millions of Yen)

	Japan	The Americas	Europe	China	Other	Adjust -ments	Consoli -dated
Sales to customers	¥32,401	¥5,547	¥5,228	¥3,981	¥3,413	¥－	¥50,573
Inter-segment	11,431	86	2	870	12	(12,404)	－
Total	43,833	5,634	5,231	4,852	3,426	(12,404)	50,573
Operating income (loss)	4,938	473	(103)	815	168	(451)	5,842

(Note) All adjustments are intercompany elimination.

For the first quarter ended June 30, 2012 (April 1, 2012 to June 30, 2012)

(Millions of Yen)

	Japan	The Americas	Europe	China	Other	Adjust -ments	Consoli -dated
Sales to customers	¥28,583	¥5,880	¥4,689	¥2,966	¥2,361	¥－	¥44,481
Inter-segment	8,781	3	1	1,066	77	(9,930)	－
Total	37,364	5,883	4,691	4,033	2,439	(9,930)	44,481
Operating income (loss)	3,242	297	115	103	23	(83)	3,700

(Note 1) All adjustments are intercompany elimination.

(Note 2) As discussed in 5. Accounting Changes, effective April 1, 2012, THK and certain domestic subsidiaries changed the depreciation methods of property, plant and equipment acquired on or after April 1, 2012 to the methods required under the revised Japanese tax laws. The effect of changing the depreciation methods was to increase operating income in Japan segment by ¥4 million.

Additional notes:

(1) Going concern issues: Not applicable.

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

Other Information

This report is not subject to the quarterly review procedures set forth in the Japanese Financial Instruments and Exchange Act. Therefore, the quarterly review procedures for accompanying consolidated financial statements are not finished at the time of the announcement of this report.

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.