

February 12, 2013

Consolidated Financial Results for the Third Quarter Ended December 31, 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
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 Scheduled date of filing quarterly report (Japanese version only) : February 13, 2013

1. Consolidated Operating Results and Financial Position as of and for the nine months ended December 31, 2012 (April 1, 2012 to December 31, 2012)

(1) Consolidated Operating Results

| Third Quarter Ended December 31 (Millions of Yen) | Net Sales | | Operating Income | | Ordinary Income | | Net Income | |
|---|---|---------|------------------|---------|-----------------|---------|------------|---------|
| 2012 | ¥128,402 | (15.3)% | ¥9,547 | (40.2)% | ¥9,615 | (26.1)% | ¥6,353 | (24.8)% |
| 2011 | 151,646 | 7.2% | 15,967 | (0.2)% | 13,003 | (10.1)% | 8,445 | (10.2)% |
| <i>(Note) Comprehensive income</i> | <i>Third quarter ended December 31, 2012:</i> | | | | ¥5,625 million | | (6.8)% | |
| | <i>Third quarter ended December 31, 2011:</i> | | | | ¥6,034 million | | 32.5% | |

| Third Quarter Ended December 31 (Yen) | Net Income Per Share-Basic | Net Income Per Share-Diluted |
|---------------------------------------|----------------------------|------------------------------|
| 2012 | ¥49.75 | ¥ — |
| 2011 | 65.68 | — |

(2) Consolidated Financial Position

| | Total Assets (Millions of Yen) | Net Assets (Millions of Yen) | Net Worth Ratio (%) | Net Assets Per Share (Yen) |
|-------------------------|---------------------------------|------------------------------|---------------------|----------------------------|
| December 31, 2012 | ¥279,354 | ¥175,888 | 62.4 % | 1,376.94 |
| March 31, 2012 | 288,333 | 175,516 | 60.3 % | 1,352.00 |
| <i>(Note) Net worth</i> | <i>As of December 31, 2012:</i> | | ¥174,317 million | |
| | <i>As of March 31, 2012:</i> | | 173,864 million | |

(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.

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 |
| 2012 (Actual) | — | 9.00 | — | 11.00 | 20.00 |
| 2013 (Actual) | — | 9.00 | — | n/a | n/a |
| 2013 (Projected) | n/a | n/a | n/a | 9.00 | 18.00 |

(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) |
|-------------------------------|-----------------------------------|--|---|------------------------------------|----------------------------------|
| Year ending March 31, 2013 | | | | | |
| (amount) | ¥166,000 | ¥10,000 | ¥12,000 | ¥7,700 | ¥60.82 |
| (percentage) | (15.7)% | (49.4)% | (37.1)% | (39.1)% | n/a |

(Note 1) The forecasts announced on November 13, 2012 have been amended to as in the above table.

(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)

Certain consolidated subsidiaries determine their income tax expenses by multiplying net income for the quarter period by the estimated effective tax rate applicable to the fiscal year.

(3) Changes in accounting policy/treatment/presentation manner for quarterly financial statements:
None

(4) 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"

(5) Number of shares

| | | (shares) |
|--|-------------------|-------------|
| a. Common stock issued, including treasury stock, as of: | December 31, 2012 | 133,856,903 |
| | March 31, 2012 | 133,856,903 |
| b. Treasury stock as of: | December 31, 2012 | 7,259,842 |
| | March 31, 2012 | 5,258,742 |
| c. Average number of common stock for the nine months ended: | December 31, 2012 | 127,726,964 |
| | December 31, 2011 | 128,599,097 |

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 ¥36 million, respectively. The effects to each segment are discussed in “Segment Information.”

Management's Discussion and Analysis

1. Operating results (April 1, 2012 to December 31, 2012)

During this third quarter period, while the financial problem in Europe still continued, there was a slowdown in economy of developing countries that eventually spread to the world economy. In the overseas economy, while the economy in the United States of America was recovering by dint of strong consumer spending, the European economy was still in the recession phase. Because Europe was the utmost export destination from China, it slowed down the economic growth there and in other development countries as well. In Japan, although the economy in the first half of the period showed a modest trend toward recovery mainly due to domestic demand for restoration and eco-friendly cars, the slowdown of the world economy after summer brought a slump into exports resulting in an economic setback.

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 medium-term economic growth has been anticipated. In addition, the THK Group has made proactive investments in other developing countries for its future growth such as in constructing facilities in Mexico and establishing local sales branches in India. 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 recent earthquakes. In the first half of this third quarter period, while the electronics market that was showing signs of recovery driven by the demand for smart phones and tablet computers, the THK Group operated proactively to expand its sales. Because such demand decreased in the latter half of the period, however, net sales for the third quarter amounted to ¥128,402 million, down ¥23,244 million, or 15.3%, compared to the figure one 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. As a result, although such activities successfully reduced the decline in profit, the cost of sales to sales ratio worsened by 1.2% from a year earlier to 73.6%.

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 ¥1,565 million, or 6.0%, to ¥24,357 million; however, ratio to net sales worsened by 1.9% from a year earlier to 19.0%.

As a result, operating income decreased from a year earlier by ¥6,420 million, or 40.2%, to ¥9,547 million. The operating income to net sales ratio dropped by 3.1% to 7.4%

Net non-operating income/expense was income of ¥68 million due mainly to ¥137 million of equity earnings of affiliates and foreign exchange loss that declined to ¥371 million. As a result, ordinary income decreased from a year earlier by ¥3,388 million, or 26.1%, to ¥9,615 million. Net income for the period also decreased from a year earlier by ¥2,091 million, or 24.8%, to ¥6,353 million.

2. Segment Information

(Japan)

In Japan, although the economy showed a modest trend toward recovery mainly due to domestic demand for restoration and eco-friendly cars, the slowdown of the world economy after summer brought a slump into exports resulting in an economic setback. In the first half of this third quarter period, while the electronics market that was showing signs of recovery driven by the demand for smart phones and tablet computers, the THK Group operated proactively to promote sales and cultivate new business opportunities. Because such demand decreased after summer, however, net sales for the third quarter amounted to ¥81,554 million, down ¥14,395 million, or 15.0%, compared to the figure one year earlier. 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 ¥7,900 million, down ¥5,338 million, or 40.3%, due to the significant decline in sales.

(The Americas)

In the Americas, while consumer spending was strong, the upswing trends in automobile production increased capital investment. In such a situation, 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 ¥16,537 million, up ¥26 million, or 0.2%, from the figure one year earlier. Operating income amounted to ¥736 million, down ¥218 million, or 22.8%, 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 recession phase triggered by the financial crisis still continued, exports to Asia by machine manufacturers that had driven strong demand also weakened because of the economic slowdown in Asia. Although the THK Group worked diligently to expand transactions with existing

customers and to cultivate new business fields, sales in Europe amounted to ¥11,860 million, down ¥3,608 million, or 23.3%, from the figure one year earlier because of decline in sales to existing customers. However, operating loss in Europe decreased by ¥173 million to ¥137 million due to the endeavors for cost containment and productivity improvement despite the strong yen against euro and the decline in sales.

(China)

Because Europe was the utmost export destination from China, the slump in European economy also slowed down the economic growth in China. While there were signs of recovery in the demand situation in small-type products for smart phones and tablet computers, the THK Group implemented aggressive business activities with its strengthened sales channels. However, sales amounted to ¥10,386 million, down ¥3,226 million, or 23.7%, from the figure one year earlier, because of the decline in the demand situation of small-type products after summer. Operating income amounted to ¥342 million, down ¥2,248 million, or 86.8%, 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 were signs of recovery in the demand situation especially in the electronics industry and for small-type products in the beginning of the period, the THK Group continues to expand transactions with existing customers and to cultivate new customers. However, sales amounted to ¥8,064 million, down ¥2,039 million, or 20.2%, from the figure one year earlier. Operating income amounted to ¥207 million, down ¥206 million, or 50.0%, from the figure one year earlier due to the decline in sales and appreciation of the yen.

3. Financial position (As of December 31, 2012)

Total assets stood at ¥279,354 million, ¥8,978 million less than the previous fiscal year-end, due mainly to decrease in cash and cash equivalents by ¥2,962 million and in accounts and notes receivable by ¥5,749 million.

Total liabilities stood at ¥103,466 million, ¥9,350 million less than the previous fiscal year-end, due mainly to decrease in (1) accounts and notes payable by ¥4,848 million, (2) income taxes payable by ¥2,031 million, and (3) accrued bonuses by ¥1,396 million.

Net assets stood at ¥175,888 million, ¥371 million more than the previous fiscal year-end, due mainly to a combined effect of (1) increase in retained earnings by ¥3,799 million, (2) increase in treasury stocks by

¥2,565 million, and (3) decrease in foreign currency translation adjustments by ¥555 million.

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

For details of the financial forecasts for the year ending March 31, 2013, please refer to “Notice Regarding the Amendments in Financial Forecasts” announced on February 12, 2013.

Consolidated Financial Statements

Consolidated Balance Sheets

| | (Millions of Yen) | |
|--|--|--|
| | Year End -Previous Year As of March 31, 2012 | Third Quarter End -Current Year As of December 31, 2012 |
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | ¥110,788 | ¥107,826 |
| Accounts and notes receivable | 53,034 | 47,285 |
| Merchandise and finished goods | 10,411 | 9,816 |
| Work in process | 4,858 | 4,098 |
| Raw materials and supplies | 10,965 | 10,646 |
| Other current assets | 8,739 | 5,738 |
| Less: Allowance for bad debts | (145) | (126) |
| Total current assets | 198,652 | 185,286 |
| Fixed Assets: | | |
| Property, plant and equipment -net: | | |
| Buildings and structures | 23,395 | 23,876 |
| Machinery and equipment | 34,052 | 35,375 |
| Other | 22,164 | 23,806 |
| Total property, plant and equipment -net | 79,612 | 83,058 |
| Intangibles | | |
| Goodwill | 1,413 | 1,190 |
| Other | 1,193 | 1,447 |
| Total intangibles | 2,606 | 2,637 |
| Investments and Other | | |
| Long-term investments in securities | 4,841 | 4,754 |
| Other | 2,699 | 3,690 |
| Less: Allowance for bad debts | (77) | (71) |
| Total investments and other | 7,462 | 8,372 |
| Total fixed assets | 89,680 | 94,068 |
| Total assets | 288,333 | 279,354 |

| | (Millions of Yen) | |
|---|--|--|
| | Year End -Previous Year As of March 31, 2012 | Third Quarter End -Current Year As of December 31, 2012 |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts and notes payable | ¥27,661 | ¥22,812 |
| Short-term bank loans | 117 | 97 |
| Income taxes payable | 2,151 | 119 |
| Accrued bonuses | 3,122 | 1,726 |
| Other | 11,488 | 10,527 |
| Total current liabilities | 44,542 | 35,283 |
| Long-term Liabilities: | | |
| Bonds | 40,000 | 40,000 |
| Long-term bank loans | 20,000 | 20,000 |
| Reserve for employees' retirement benefits | 2,982 | 2,971 |
| Reserve for retirement benefits for directors and corporate auditors | 114 | 105 |
| Reserve for product warranty | 109 | 131 |
| Other | 5,068 | 4,974 |
| Total long-term liabilities | 68,274 | 68,183 |
| Total liabilities | 112,816 | 103,466 |
| Net Assets | | |
| Shareholders' equity : | | |
| Common stock | 34,606 | 34,606 |
| Additional paid-in capital | 44,584 | 44,584 |
| Retained earnings | 121,161 | 124,961 |
| Treasury stock | (11,362) | (13,927) |
| Total shareholders' equity | 188,990 | 190,225 |
| Accumulated other comprehensive income : | | |
| Net unrealized gain on available-for-sale securities | 777 | 550 |
| Foreign currency translation adjustments | (15,903) | (16,458) |
| Total accumulated other comprehensive income | (15,126) | (15,908) |
| Minority Interests | 1,652 | 1,571 |
| Total net assets | 175,516 | 175,888 |
| Total liabilities and net assets | 288,333 | 279,354 |

Consolidated Statements of Income

(Millions of Yen)

| | Third Quarter Ended December 31, 2011 (From April 1, 2011 to December 31, 2011) | Third Quarter Ended December 31, 2012 (From April 1, 2012 to December 31, 2012) |
|---|--|--|
| Net sales | ¥151,646 | ¥128,402 |
| Cost of sales | 109,756 | 94,497 |
| Gross profit | 41,890 | 33,904 |
| Selling, general and administrative expenses | 25,922 | 24,357 |
| Operating income | 15,967 | 9,547 |
| Non-operating income: | | |
| Interest income | 281 | 275 |
| Equity earnings of affiliates | 429 | 137 |
| Other | 731 | 818 |
| Total non-operating income | 1,443 | 1,231 |
| Non-operating expense: | | |
| Interest expenses | 475 | 528 |
| Foreign exchange loss, net | 3,639 | 371 |
| Other | 291 | 263 |
| Total non-operating expenses | 4,407 | 1,163 |
| Ordinary income | 13,003 | 9,615 |
| Extraordinary gains: | | |
| Gain on sales of property, plant and equipment | 13 | 19 |
| Gain on sale of investments in securities | 7 | — |
| Subsidy income | 21 | 19 |
| Total extraordinary gains | 42 | 39 |
| Extraordinary losses: | | |
| Loss on sales and disposal of property, plant and equipment | 77 | 35 |
| Loss on write-down of investments in securities | 16 | 0 |
| Loss on reorganization of retirement benefit plans | 323 | — |
| Other | 91 | 0 |
| Total extraordinary losses | 509 | 36 |
| Income before income taxes and minority interests | 12,536 | 9,618 |
| Income taxes-current | 3,029 | 2,270 |
| Income taxes-deferred | 814 | 946 |
| Total income taxes | 3,844 | 3,216 |
| Income before minority interests | 8,692 | 6,402 |
| Minority interests in net income | 246 | 48 |
| Net income | 8,445 | 6,353 |

Consolidated Statements of Comprehensive Income

| (Millions of Yen) | | |
|---|--|--|
| | Third Quarter Ended December 31, 2011 (From April 1, 2011 to December 31, 2011) | Third Quarter Ended December 31, 2012 (From April 1, 2012 to December 31, 2012) |
| Income before minority interests | ¥8,692 | ¥6,402 |
| Other comprehensive income: | | |
| Unrealized loss on other securities | (137) | (227) |
| Foreign currency translation adjustments | (2,492) | (645) |
| Share of other comprehensive income (loss) of affiliates accounted under the equity method | (28) | 96 |
| Total other comprehensive loss | (2,657) | (776) |
| Comprehensive income | 6,034 | 5,625 |
| Attributable to: | | |
| Shareholders of THK Co., Ltd. | 5,621 | 5,572 |
| Minority interests | 412 | 53 |

Segment Information

For the nine months ended December 31, 2011 (April 1, 2011 to December 31, 2011)

| | | | | | | | (Millions of Yen) | |
|-------------------------|---------|--------------|---------|---------|---------|-------------|-------------------|--|
| | Japan | The Americas | Europe | China | Other | Adjustments | Consolidated | |
| Sales to customers | ¥95,950 | ¥16,510 | ¥15,468 | ¥13,612 | ¥10,104 | ¥— | ¥151,646 | |
| Inter-segment | 32,674 | 121 | 9 | 2,395 | 122 | (35,323) | — | |
| Total | 128,624 | 16,632 | 15,478 | 16,008 | 10,226 | (35,323) | 151,646 | |
| Operating income (loss) | 13,238 | 954 | (310) | 2,591 | 414 | (920) | 15,967 | |

(Note) All adjustments are intercompany elimination.

For the nine months ended December 31, 2012 (April 1, 2012 to December 31, 2012)

| | | | | | | | (Millions of Yen) | |
|-------------------------|---------|--------------|---------|---------|--------|-------------|-------------------|--|
| | Japan | The Americas | Europe | China | Other | Adjustments | Consolidated | |
| Sales to customers | ¥81,554 | ¥16,537 | ¥11,860 | ¥10,386 | ¥8,064 | ¥— | ¥128,402 | |
| Inter-segment | 24,260 | 20 | 8 | 3,433 | 227 | (27,949) | — | |
| Total | 105,814 | 16,557 | 11,869 | 13,819 | 8,292 | (27,949) | 128,402 | |
| Operating income (loss) | 7,900 | 736 | (137) | 342 | 207 | 497 | 9,547 | |

(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 ¥36 million.

Additional notes:

- (1) Going concern issues: Not applicable.
- (2) Significant change in shareholders' equity: 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.