

Raising corporate value through core business activities results in contributions to society.



THK's development of the world's first Linear Motion Guide (LM Guide) has helped advance *monotsukuri* not only in Japan but on a global scale, providing a variety of energy-related and environmental benefits. LM Guides are also expected to have applications in areas that closely affect daily life: the environment, safety, and human welfare.

THK President and CEO, Akihiro Teramachi recently spoke with Professor Masumi Shiraishi of the Kansai University Faculty of Policy Studies, a scholar with detailed knowledge about the declining birthrate, aging population, and local community welfare in Japan, regarding THK's observance of its corporate social responsibilities.

The conversation took place on October 31, 2007, at THK Co., Ltd.'s headquarters.

Rolling helps conserve energy

Shiraishi: To begin with, why did you decide to publish this first CSR Report?

Teramachi: Year after year, people have become increasingly aware of corporate social responsibilities. We've decided to publish this report so that all the stakeholders who support THK can see the efforts we're making, and also to foster an awareness of our social contributions and social responsibilities, especially inside the company.

Shiraishi: THK products are used at manufacturing facilities that rely heavily on machine tools, and they're also used at facilities that help sustain public safety and a sense of security. How are your business activities related to CSR?

Teramachi: THK's LM Guide is revolutionary in that its linear-motion component converts sliding motion into rolling motion. To get linear motion with the old sliding guides, it required a force of 10 to 20 kg to move a 100 kg object. Switching to a rolling guide made it possible to move the same object with only 1 to 2 kg of force. In other words, you use less energy to move things. We've also developed second-generation products that use one-hundredth of the amount of lubricant that previous products used, helping to achieve further reductions in energy consumption. This type of core business results in contributions to society, and we'd like to ensure that this continues.

Shiraishi: So switching from sliding to rolling results in major reductions in the amount of energy consumed and the amount of lubricant used. That could contribute to the effort to create a cleaner environment.

Teramachi: That's right. THK products are mostly used on factory production lines, and they help create a cleaner work environment. We're also looking at ways in which they can be used in the home and in people's immediate environment. Home automation is progressing, and the declining birthrate and aging population are making it necessary to create barrier-free conditions and lessen the burden of nursing care. This, in turn, will make it necessary to have computerized devices in the immediate environment, which is where we think THK products will be indispensable. And incorporating our products in automobiles will help make them safer, faster, and lighter, and reduce energy consumption.

Shiraishi: You're also working on seismic isolation in buildings, right? Japan is a very earthquake-prone country, so I think THK's technology must be very important for protecting people's lives and property.

Teramachi: Seismic isolation is a countermeasure against earthquakes that's fundamentally different from quake-resistance and vibration-damping measures, in that it separates the building itself from the land surface, so that earthquake tremors aren't directly transmitted to the building. THK's seismic isolation technology can handle various types of vibrations very effectively. Naturally, it protects houses from the danger posed by an earthquake, and it can also protect the residents from falling furniture and appliances. We're going to work on getting the word out so that everyone out there will understand how effective seismic isolation is.

Shiraishi: Is it true you're also developing humanoid robots?

Teramachi: We believe the day is coming when human beings



Professor Masumi Shiraishi
Faculty of Policy Studies, Kansai University

Professor Shiraishi has a master's degree from the Kansai University Graduate School. Following employment with Seibu Department Stores and work as a senior researcher at the NLI Research Institute, she became an assistant professor in the Department of Social Economic Systems of Toyo University in 2002. She became a professor in 2006 and assumed her current position in 2007. Professor Shiraishi specializes in the study of efforts to create a barrier-free society, the declining birthrate and aging of the population, and local community systems.

and robots will coexist in society. Based on that assumption, we're working with various research institutions and university professors to produce safer, more compact, and more functional devices. One such item is the robot hand. We're also working on surgical robots and osteopathic robots. There are many operations that can be performed more accurately through mechanization, which will also enable doctors to perform surgery by remote control, making it possible, for example, to operate on a patient located on a distant island.

Originality and contributions to society— a virtuous cycle

Shiraishi: THK has come up with an excellent corporate philosophy: "Providing innovative products to the world and generating new trends to contribute to the creation of an affluent society." Having to continually change and come up with new products while focusing on potential needs and business opportunities at the same time—that would appear to be a very difficult proposition.

Teramachi: THK has made great contributions to society by introducing original products that the world had never seen before. In essence, that's the proposition we're pursuing. We don't deal in copies, we go for originality. That's when a company acquires value, I think, when it can do something creative.

Shiraishi: It seems as though you're aiming to become number one. To do that, it's essential to be finely attuned to societal trends and constantly identify needs that lie hidden below the surface.

Teramachi: Actually, originality isn't really necessary to address society's immediate needs. THK is looking five or ten years ahead; we're committed to product development in such a way that our vision isn't restricted to what lies immediately ahead. For that reason, we consider ideas that address society from a variety of different perspectives, and we intend to continue to help create a prosperous society. When a company provides the world with something that it didn't have before, the society recognizes that, and it enables the society to advance. The company's participation in this cycle is what gives meaning to its existence.

Shiraishi: Support for the environment is an extension of your core business, and that's meaningful in terms of CSR. What about efforts to address environmental issues in the perfor-

mance of business duties?

Teramachi: All of our plants in Japan have acquired ISO14001 certification, and our overseas production bases are in the process of becoming certified. We're making efforts to reduce waste products and harmful materials. Needless to say, it's essential that we satisfy these kinds of standards, but we have to keep in mind that the ultimate aim is to leave the planet in better shape for future generations. Acquiring certification isn't the goal, and carrying out a lot of activities won't necessarily make everything all right. We warn our employees not to confuse the ends with the means.

Being customer-oriented: The worldwide standard

Shiraishi: THK has expanded globally and has set up companies in various countries. What kinds of efforts are you making to localize these businesses and address diversity?

Teramachi: We want the employees at our overseas subsidiaries to fully understand THK's corporate philosophy, our reason for existence. We want to cultivate human resources¹ who can approach the issue of local expansion based on that philosophy. People say the traditional Japanese approach doesn't work overseas, but customers want the same things no matter what country they're in. We try to drive home the message that our people should always do their jobs while keeping the customer's point of view in mind.

Shiraishi: If each employee performs his or her job with the customer's point of view in mind, it must lead the employees to think about the jobs they're doing in a whole new light. Where are THK's CSR activities headed in the future?

Teramachi: Our work is useful to society, so advancing our core business is the first priority. The key to this is cultivating personnel who know the difference between the ends and the means. I'd like to make a concerted effort to cultivate people who know the world, know themselves, and never stop trying to improve themselves.

Shiraishi: People like that will produce a lot of ideas and creative products, and your company will thereby contribute to society. I look forward to THK's future progress.

¹ THK uses the term "human resources" instead of "human materials"(see P.30.).



Akihiro Teramachi
President and CEO