

# Message from the Top



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## A look back at 2012

A variety of factors contributed to continuing adversity for the Japanese economy in 2012. Overseas, these included financial instability in southern Europe and an economic slowdown in China. At home, the high value of the yen undermined the competitive power of Japanese exports and electricity continued to be in short supply, despite rising rates. Nevertheless, with the formation of a new government in December and the subsequent enactment of a series of measures under the rubric of so-called Abenomics, signs of recovery have begun to appear. We are nearing the point where it will be reasonable to anticipate a beneficial effect on the actual economy.

Meanwhile, THK has been carrying out full-scale global expansion with the goal of entering the ranks of the world's top ten machine component makers early in the twenty-first century; we call this initiative Global 10 21. In China, where we foresee demand for mechanization to help businesses better serve their customers as well as growing demand for auto parts, we have opened four new sales offices, bringing the total to 34. In India, where further economic growth is anticipated, we have established a local subsidiary in Bangalore. As part of our continuing effort to locate manufacturing facilities at the optimal site for production, we have opened a third production facility at our WUXI Plant in China and have built a factory at THK RHYTHM CHANGZHOU. To improve our system for supplying auto parts to North and South America, we have started construction of a factory at THK RHYTHM MEXICANA. In addition, we opened our first overseas research and development facility, located in Liaoning, China, last April.

## Striving to contribute more

Providing innovative products to the world and generating new trends to contribute to the creation of an affluent society—this is THK's corporate philosophy. I would like to help make the world a more prosperous place by developing new products and creating new markets.

THK products enable many different kinds of mechanisms, devices, and equipment to move heavy objects smoothly and precisely, using very little force. They play essential functions in the so-called mother machines that produce machine components, as well as in industrial robots and semiconductor manufacturing equipment, and have helped bring about major advances in these areas. In recent years THK products have also been incorporated into medical devices and auto parts and have quickly acquired a reputation for excellence in these fields as well.

As time goes on THK will make further contributions to societal welfare, including seismic isolation and damping devices, which can save lives and protect buildings and other valuable assets in the event of a major earthquake. THK products will also facilitate advances in humanoid robots, which will be increasingly important to an aging society, and in the field of renewable energy, including wind-power and small-scale hydroelectric power generation, as part of the effort to curb global warming.

THK's linear motion systems dramatically decrease frictional resistance in a broad array of mechanical structures, paving the way for a revolutionary reduction in electric power consumption. This means motors can be reduced in size and mechanical structures themselves can be made extremely compact, which will reduce consumption of power and resources and contribute greatly to lowering of overall costs.

# Continuing to contribute through our business pursuits

## ■ Products that meet customer needs

The challenge for the manufacturing industry is to continually come up with new products and technology that the world needs. THK holds a great many patents, but just like the produce in a supermarket, eventually they turn stale. To be able to constantly turn out one new product after another, you have to have the right people—people who understand manufacturing, understand the market, and know themselves.

I constantly remind our employees to look at things from the customer's point of view and act with the customer's best interests in mind. In Japan and everywhere else, people basically want the same thing: a better product at a better price, at the right time and place and in the right quantity. To meet this universal demand, it's essential to humbly envision exactly what the customer needs and fully address that need. Some needs are overt and some are latent. THK focuses on developing new products and technologies to meet both kinds of needs.

We're not afraid to suggest beneficial uses for a product that might not have occurred to the customer, either. THK's linear motion systems, for instance, have been incorporated into seismic isolation and damping devices that have become indispensable for protecting all kinds of structures, from skyscrapers to single-family homes, from earthquake damage, as well as seismic isolation tables regarded as an absolute necessity for protecting server computers, costly production machinery, and cultural treasures and artwork. The same technology is used to operate protective doors on train and subway platforms, which are expected to become increasingly common in the future. THK is always on the lookout for product applications that promote public safety and security.

## ■ In closing

THK has been able to meet the expectations of our customers and contribute to society thanks to the loyal support of the customers themselves as well as our partner businesses, shareholders, and employees. I would like to take this opportunity to express my profound gratitude to all our stakeholders. We will continue to incorporate their input into our operations, including the development of new products, and we will keep striving to make meaningful contributions to public welfare.

In this year's *CSR Report* we have made a concerted effort to present a variety of examples illustrating ways in which THK honors its social responsibilities through its principal business pursuits, in keeping with our corporate philosophy. I thank you for your interest and hope you find the report enlightening.