

» Together with our customers

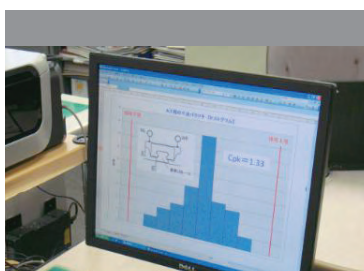
Product quality, customer satisfaction, and relationships with partner businesses

Quality assurance system

THK continually strives to provide customers with safe and dependable products.

Providing reliable product quality

To ensure that customers can use THK products with complete confidence, the company has established a strict quality management system utilizing statistical data at every stage in the process, from the acquisition of materials through the completion of the finished product. The system employs a process capability index, expressed as a Cpk value, which quantifies the extent to which a given process yields products that conform to specifications. THK maintains a target Cpk value of 1.33, which means only 3 of every 10,000 units fails to meet internal quality standards, in its ongoing effort to ensure that customers receive products of the highest quality.



Statistical quality analysis is part of the quality management system.

Ensuring safety

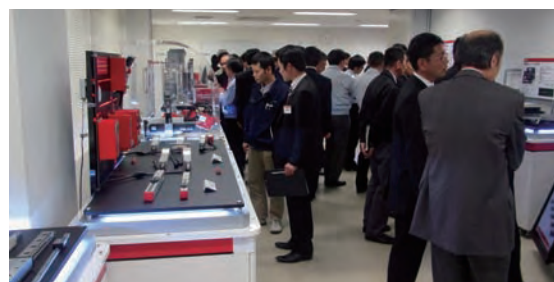
To ensure compliance with the European Union's Restriction of Hazardous Substances Directive and other laws and regulations, THK subjects parts and materials to nondestructive analysis, employing x-ray fluorescence analyzers, Fourier transform infrared spectrometers, absorption spectrometers, and other devices. Components, materials, and surface coatings are regularly inspected to ensure that customers can use THK products with complete confidence in their safety.



Equipment used for content analysis.

Exhibitions

THK takes part in a variety of trade shows and industry events in Japan and elsewhere in the world, where it exhibits new products and provides information about technical support services. For the benefit of those who are unable to attend these events, THK also hosts its own community-oriented shows and holds exhibitions at customer facilities that focus on applying technology to meet specific needs.



Demo units on display at a THK exhibition.

Technical training for nontechnical personnel

In November 2011 THK launched a training program at its KOFU Plant that provides basic knowledge about THK products, presents simulated cases of products in actual use, and provides hands-on experience with product assembly and precision adjustments. As of March 2013 a total of 351 sales and office employees and other personnel had taken part in the program, including sales people from THK distributors.

In February 2013 a similar program was begun at the MIE Plant. THK is working to expand its training programs in order to enhance its capacity to swiftly address customer needs and continue to provide high added value.



A training session at the KOFU Plant.

Takeki Shirai honored by JSME

THK Senior Advisor Takeki Shirai has received an award for distinguished service from the Manufacturing & Machine Tool Division of the Japan Society of Mechanical Engineers.

The JSME's membership consists of engineers, scholars, students, and employees of businesses involved with mechanical technology, the bedrock of the technological world. The organization consists of 21 divisions covering a broad range of machine-related academic fields, and 8 branches that sponsor events for members, focusing on community activities. Shirai was honored for his energetic leadership as head of the society's Manufacturing & Machine Tool Division from 2011 to 2012.

Shirai commented, "Due to the impact of newly emerging economies, Japan's machine tool industry is seeing higher demand from overseas. We have a responsibility to lead the world in maintaining high quality, meeting the need for multifunctional goods, and developing environmentally friendly, low-emission technology. We look to the JSME to support this role by gathering information from all over the world and providing venues for vigorous exchanges of views."

THK supports the JSME's efforts, in the hope they will help invigorate Japan's domestic manufacturing industry.



THK Advisor Takeki Shirai.

Together with suppliers

Having long understood that the optimal site for production is the site of demand, THK is working to perfect integrated production and sales systems on a global scale, and this includes greater attention to local procurement of parts and materials to accommodate increased overseas production. Securing suppliers in other countries is a desirable strategy from the standpoint of business continuity planning as well. THK will continue to select and foster mutual trust with overseas suppliers who meet its demanding standards for quality, offer competitive pricing, and deliver on time.

THK's Quality Assurance Division, Material Purchasing Department, and Environmental Management Department all handle various types of data on suppliers, making it difficult to coordinate the flow of information. To provide more efficient oversight, a supplier database has been created that enables information to be shared between the head office and the Production Division. Suppliers sometimes receive duplicate requests for various types of information from different THK locations, and efforts are being made to reduce this type of redundancy as well.

Presentations for improvements

The second Sekigahara-cho Quality Control Circle presentation event was held in February 2013. As the leading business in the area, THK's Gifu Plant helped organize the event.

The plant's Manufacturing Section I Assembly Group received an award for its presentation, entitled "Three Principles for Standardization: The Right Thing in the Right Amount in the Right Place." The presentation highlighted the importance of having the correct quantity of parts stationed in the appropriate place at the assembly station and keeping the space neat and well-organized, to eliminate the possibility of using the wrong parts. When these principles are applied, less space is needed for the work station, mix-ups involving incorrect parts are eliminated, the overall work space expands, and production volume ultimately increases.

Quality-control initiatives such as this one also produce other, less tangible results. They elicit interest in potential improvements in all areas of work, help increase productivity and reduce inventory, improve teamwork, and raise awareness of the 5S rule, as well as the sixth S—safety. The 5S rule calls for *seiri* (neatness), *seiton* (organization), *seiso* (cleanliness), *seiketsu* (standardization), and *shitsuke* (discipline).

THK will continue to encourage quality-control activities and will share the lessons of this latest initiative with other divisions, with the intention of raising overall productivity.



Quality Control Circle presentation event award.

» Together with our customers

In their own words

Nikon Corporation

Established in 1917. One of Japan's foremost manufacturers of optical instruments and precision measurement and manufacturing equipment. Nikon has developed a broad range of technologies, products, and services based on its core technologies, opto-electronics and precision, focusing on three areas of business: precision equipment, imaging products, and microscopes and measuring instruments.



Nikon's Kumagaya Plant.



(From left) Junior Executive Staff, Research Toshikazu Ebina, Manager Masaru Okada, Junior Executive Staff, Research Yasuyuki Goda. All three work in 6th Development Section, 2nd Development Department, Development Headquarters, Precision Equipment Company.

Grateful to THK for faithfully meeting difficult requirements unique to semiconductor exposure equipment.

How did you come to use THK products?

We design and produce semiconductor exposure equipment, and we were looking for a linear guide for a damper on an optical vibration device used in that equipment. This was around 2000. At that time we heard from colleagues that THK made linear guides providing very high rigidity and that it produced the largest share by far of the linear guides used in machine tools, so we met with some of their sales people.

Since then there's been a big surge in demand for switching mechanisms for illumination optics, and we've used THK's LM Guides, ball screws, and other products for a variety of purposes.

What's your opinion of THK and its products?

We work for the Seiki Company Semiconductor Exposure Equipment Division. Our development and production facility is in the city of Kumagaya in Saitama Prefecture, but we deal with people from THK's Tokyo location. We're pretty far away, but they've been very conscientious about coming out to make sure our needs are met, and we're very impressed with that.

The optical systems in semiconductor exposure devices are extremely precise, and even minor irregularities in optical dynamics will upset their delicate patterns. Exposure to ultraviolet light causes ammonium sulfate, silicon, and other contaminants to adhere to lenses, making them cloud up. That causes irregularities in the light passing through, so ordinary lubricants and anticorrosive agents can't be used on the guides. Fluorinated lubricants have to be used, and the guides have to undergo a special chemical cleaning process. THK has been very conscientious about dealing with

these types of specifications, which are unique to semiconductor exposure equipment. They continually meet our highly demanding requirements, making it possible for us to do things we couldn't do before. We think of them as a reliable partner, a company we can have a lasting relationship with.



The Nikon NSR-S622D, a semiconductor exposure device.

What do you expect from THK in the future?

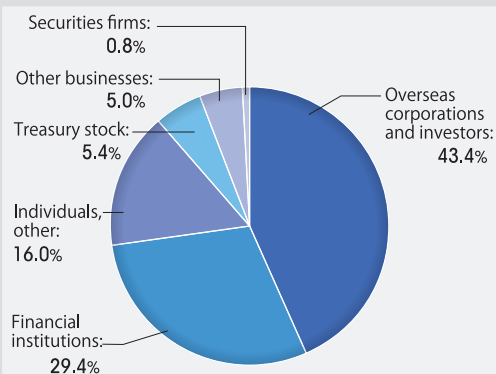
We'd like to develop an even stronger partnership with THK, with more interaction between our development divisions. In terms of technology, we're hoping they expand their product lineup by making products even smaller and thinner, and we'll be glad to hear more ideas from them for combining drive mechanisms in various ways. We hope to do more designing and producing of components and controls for custom-made products, dividing the work between our two companies, with each bringing its own technology to the task. We want to keep our win-win relationship going.

» Together with our shareholders and investors

Events for investors

Twice a year THK holds a financial briefing for investors, where THK's CEO discusses the group's business performance and business strategies. Ample time is provided for questions from those in attendance, to ensure that investors have a chance to candidly communicate their views to THK management. THK is working to expand the dialogue to include more investors through small-scale meetings and individual interviews. THK is also creating more opportunities for interaction with institutional investors overseas, including teleconferences and annual visits with investors in the United States and Europe, in an effort to engage in more extensive communication with all its investors.

■ Shareholdings by investor type (as of March 31, 2013)



Tools for investors

THK publishes an annual report on its business operations as well as a quarterly fact book containing information for investors. These publications, along with statutory disclosure documents and materials presented at investor meetings, are available in both Japanese and English versions in the Investor Relations section of the THK website. Video coverage of investor meetings is also provided in both languages. In these and other ways, THK discloses relevant information in a fair and appropriate manner to all investors, regardless of affiliation or geographical location.



THK's annual report.

General Shareholders Meeting

As part of a continuing effort to ensure greater openness, since 1998 THK has held its annual General Shareholders Meeting on a Saturday, avoiding the days when most corporate shareholders meetings are scheduled, to enable more THK shareholders to attend. Seats for observers are provided at the meeting venue to permit other stakeholders to learn about THK's operations, and attendance by representatives of partner businesses and others has been encouraging.

The 43rd Ordinary General Shareholders Meeting was held on June 15, 2013, with 343 shareholders in attendance. An exhibition was presented in an adjoining venue to provide visitors with a firsthand look at essential THK products seldom encountered in daily life. This year's exhibition featured machine tools, semiconductor production equipment, and other devices used to manufacture key components for various advanced technologies, as well as applications for THK products in new areas of business, including seismic isolation, transportation equipment, and robotics.



The 43rd Ordinary General Shareholders Meeting.

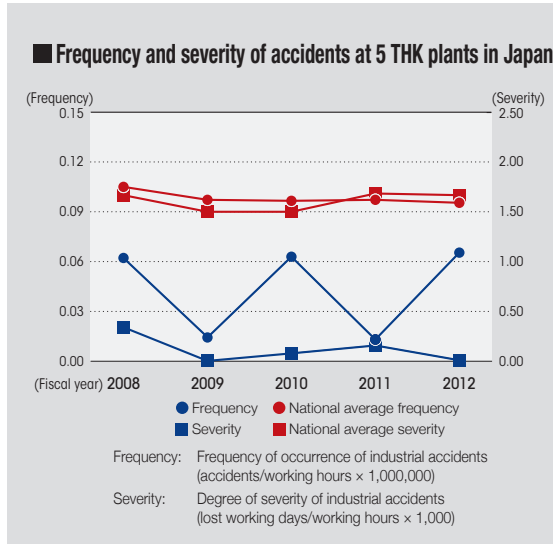


Concurrent exhibition of THK products.

» Together with our employees

Health and safety

Preventing accidents and protecting health



A variety of measures have been put in place to create a safe working environment for THK employees. From December 15, 2012, to January 15, 2013, THK held its second annual New Year's "zero accidents" campaign, to heighten employee awareness of the dangers of workplace injuries and traffic accidents and help eliminate their occurrence.

To protect employees in China from hazardous substances contained in particulate matter smaller than 2.5 microns, THK monitors the air pollution index at all business locations there and has created a website to publicize that information. Breathing masks are issued to all employees at high-index locations. When the air pollution index is particularly high, THK issues advisories to encourage employees to stay indoors, to minimize their exposure. All THK employees traveling from Japan to China are provided with N-95 respirator masks.

THK will continue to safeguard the health of all its personnel and will keep working to ensure a safe and secure workplace for each employee.

Testing safety knowledge at DALIAN THK

In July 2012 DALIAN THK held a safety seminar for all personnel, offering expert instruction to increase employees' knowledge and awareness of matters related to safety and help ensure safe work habits and lifestyles.

To test their grasp of safety issues and encourage further study, in late September the company held a contest for employees focusing on safety-related knowledge. The contest covered a broad range of

information about safe production practices, first aid, and traffic safety. Based on the results of a final written test and oral quiz, one team was awarded first place, two teams finished in second place, and three teams finished in third place. All six teams received gift sets of towels as prizes and certificates of merit for their efforts.



Safety seminar at DALIAN THK.

MIE Plant safe-driving campaign

In April 2012 THK's MIE Plant, with assistance from the Nipponkoa Insurance Company and the firm NKSJ Risk Management, presented a safe-driving course for 30 newly hired high school and university graduates and for senior citizens. Diagnostic devices were used to administer a speed anticipation reaction test, discriminative reaction test, and judgment test, and assess each participant's overall driving aptitude. The results, presented on a scorecard, provided the participants with an immediate assessment of their driving skills and served as the basis for individual consultations covering key points.

One of the participants commented that, although he had considered himself to be a safe driver, the test results and subsequent consultation made him realize that he had been overconfident about his driving skills and gave him a new understanding of driving safety.

In December 2012 the MIE Plant instituted alcohol-detection breath tests for employees driving company vehicles. In January 2013, to help raise awareness about safe driving, employees in Manufacturing Section No. 1 were shown videos on improving driving skills and the dangers of drunk driving.

In the coming year the MIE Plant plans to expand its safe-driving education program to include all employees.



Diagnostic devices are used in the safe-driving program.

» Together with our employees

Support for employee development

Proposals for improvements

THK has a system for eliciting proposals to improve products, efficiency, quality, safety, productivity, and technology, reflecting the value THK places on its employees' insights and ingenuity. Every proposal is evaluated, and commendations are awarded for proposals that satisfy certain criteria. Employees receive points based on the results of the evaluations and accumulate more points for successive proposals. When an employee's point total surpasses a certain level, he or she receives a second-level commendation.

In 2012, 11,871 proposals were received, including ideas for new markets for THK products and proposals for improving the content of product catalogs. By soliciting such proposals from its employees, THK not only finds new ways to improve its operations but also encourages employees to show initiative and cultivate stronger powers of observation.

■ Second-level commendations for improvement proposals

	Proposals	Commendations
2010	10,454	331
2011	11,840	352
2012	11,871	331

Technical training at THK RHYTHM

The THK RHYTHM HAMAMATSU Plant has been conducting a safety campaign for all employees in an effort to reach the goal of 3.9 million accident-free working hours (calculated by multiplying accident-free normal working hours by the number of employees working).

To ensure that everyone working in the plant has a thorough mastery of basic operations, repeated rounds of hands-on training are being provided for newly hired or transferred employees and employees from affiliates. The training sessions, conducted at the plant's "skill center," include an emphasis on differentiating right-hand and left-hand tasks.

As of March 31, 2013, the plant had recorded 2.94 million accident-free working hours. The goal of 3.9 million accident-free hours is expected to be reached on December 27, 2013.

The plant also encourages employees to take national proficiency tests for various skills and offers workshops where participants can hone their abilities prior to taking a test. As of March 31, 2013, 727 plant employees had passed national proficiency tests.



(From left) Trainer Yoshimi Matsumoto and trainee Hirofumi Matsumoto.

e-learning

THK provides an e-learning system that enables employees to pursue personal development whenever they have access to the Internet. The system includes courses in business skills, product knowledge, and compliance—a topic of particular interest in recent years. As of March 2013 a total of 43 e-learning courses were available.

■ Educating employees via e-learning

	Enrollment			Completion
	Eligible employees	Employees enrolled	Percentage of eligible employees	Percentage of enrolled who completed course
September 2010	2,103	1,142	54.3	72.7
September 2011	2,130	1,212	56.9	73.1
September 2012	2,049	1,192	58.2	73.2

Training system

THK's training system encompasses a broad range of educational opportunities. The system includes stratified training programs focusing on knowledge and skills required for specific ranks and positions, from the newly hired to those who preside over entire divisions and facilities. Also included are divisional training programs intended to increase the knowledge and skills of the employees who work in sales, technology (including research and development), and production, respectively. These programs are generally led by well-experienced senior employees who can pass on specialized knowledge and skills.

THK provides other types of training as well, including coaching and guidance for employees who oversee on-the-job training for junior colleagues, instruction in foreign languages and cultures for employees being posted overseas, and programs designed to ensure compliance with legal and regulatory obligations.

■ Training system

Stratified training		Divisional training			Special training													
Administrative	Executive management	Sales	Technology	Production	Executive program													
	Department management																	
	Section management																	
Non-administrative	Supervision	Task setting	Business etiquette training THK Advantages Program	Basic technical training	Internal proficiency testing e-learning	On-the-job training	Product knowledge	Compliance	Vehicular safety	Overseas posting								
		Evaluation																
	Improving skills																	
	Entry level																	

» Together with our employees

Embracing diversity

Hiring people with disabilities

THK continues to hire people with disabilities to work at its plants and offices. As of April 1, 2013, people with disabilities constituted 2.01% of THK's overall workforce, exceeding the legally prescribed minimum percentage, which rose to 2.00% at the beginning of April.

Further efforts have been made to facilitate the employment of people with disabilities. In September 2012 a GIFU Plant employee became a certified job coach, a qualification already held by an employee at the YAMAGUCHI Plant. THK's overall support system has been improved by both employees' expertise in providing support both on and off the job and improving the work environment for disabled employees. One of the job coaches visits each THK business location once a year to monitor working conditions, inquire about health, and interview disabled employees and their supervisors, to help sustain a hospitable working environment.

Some of THK's disabled employees have distinguished themselves outside the workplace as well. In October 2012 Masahiro Fujii, an employee in the Order Management Section at the YAMAGUCHI Plant, won the gold medal in product packing at the 2012 Abilympics competition, along with the honor of being recognized as

Japan's best in that event. It was the second year in a row that a YAMAGUCHI Plant employee won a gold medal at the Abilympics, a major achievement.

In November 2012 YAMAGUCHI Plant employee Shunsuke Yoshinaga was honored for supporting the hiring of disabled people and contributing to job security, and the YAMAGUCHI Plant itself was cited for excellence in hiring the disabled. Both honors were conferred by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers, which operates under the authority of the Ministry of Health, Labour and Welfare. Yoshinaga works in the Manufacturing Promotion Department's Environmental Management Section, as well as the Human Resources Department, where he is in charge of promoting the hiring of disabled people.

■ Disabled employees in the THK workforce (%)

December 2009	December 2010	April 2011	April 2012	April 2013
1.64	1.70	1.80	1.89	2.01

In their own words



(From left) YAMAGUCHI Plant Manager Katsunori Yamamura and employee Shunsuke Yoshinaga at the 2012 awards ceremony for excellence in the field of employment for the disabled.

Festival for People with Disabilities in Gifu.

As time goes on, we hope to train employment counselors for people with disabilities and have them assigned to each business location, and keep working to build up a companywide support system for our disabled employees.

»»» In his own words: Shunsuke Yoshinaga

In February 2011, to help disabled people adjust to the workplace and improve the work environment in connection with the hiring of the disabled, I became a certified job coach. I was able to provide only limited support until a THK employee at the GIFU Plant acquired certification as well. Now that there are two of us, we're engaged in a variety of efforts. Among other things, we conduct regular interviews with disabled employees at THK locations all over Japan and run a program that brings in trainees from special-needs schools.

Another THK employee is expected to become certified as a job coach in 2013, and we're hoping to establish more efficient support systems for the eastern, western, and central regions of Japan.

Not only did one of our employees win THK's second consecutive gold medal in product packing at the 2012 Abilympics, disabled employees were also very active in sports in 2012, including participation in the foot baseball event at the 12th National Sports



(From left) THK employees Masahiro Fujii, a gold medal winner, and Shunsuke Yoshinaga, at the 33rd Abilympics in Nagano.

Length-of-service awards

While many businesses honor employees at the end of each decade of service, THK presents length-of-service awards to its employees after every five years of continuous service. This provides more opportunities to show appreciation for the many contributions made by THK's employees. In fiscal 2013, 744 employees received commendations and commemorative gifts to honor their long-term service. The recipients included THK's first 40-year employee.

Length-of-service awards

Continuous service	2009	2010	2011	2012	2013
40 years	0	0	0	0	1
35 years	6	10	11	14	17
30 years	16	25	23	69	120
25 years	91	139	129	54	85
20 years	107	143	163	128	96
15 years	43	146	177	92	167
10 years	74	77	113	68	81
5 years	104	84	167	161	177
Total	441	624	783	586	744

Volunteer leave

THK's volunteer leave system was originally envisioned as a way to enable employees to lend their talents for short periods to volunteer projects, such as efforts to improve the welfare of disadvantaged people, provide disaster relief, reinvigorate rural areas, and support healthy development for young people. In light of THK's expanding overseas business ventures, however, the company decided it was entirely valid to establish a system permitting employees to participate not only in short-term volunteer projects in Japan but also in longer-term programs overseas. Under the system that has been enacted, THK personnel can serve in the Japan Overseas Cooperation Volunteers, for example, while retaining their status as employees. Through such experiences, employees can learn lessons and acquire new perspectives that go well beyond ordinary working life, and this will surely be an advantage when they resume their duties at THK as it continues to pursue global expansion.

In their own words



Haruka Seino
Electric Actuator Engineering
Department, IMT Division

>>> A participant in the volunteer leave system

When the Great East Japan Earthquake struck in 2011, I wanted to help out somehow, partly because my parents are both from Fukushima Prefecture in northeastern Japan, where some of the worst destruction occurred. I signed up to work in the region as a volunteer.

Ota Ward, the part of Tokyo where I live, has a mutual aid agreement with the city of Higashi Matsushima in Miyagi Prefecture, which is in northeastern Japan. Starting in February 2012, I worked as a volunteer in four weekend sessions there, from Friday to Sunday. When I saw the actual conditions in the disaster area and talked with the people who had been affected, I realized a lot more volunteers were needed, so in June 2012 I took volunteer leave for five days and joined a one-week project devoted to clearing vegetation and transporting supplies in the Tona area of the city. We cleared weeds along the Japan Railways Senseki Line. One section of the tracks had been so badly damaged by the tsunami that trains couldn't run on it anymore, so that section was being turned into a walkway for children to use to travel back and forth to school. As the work went on, here and there we began to see people smiling again, and sometimes we'd hear kids laughing and shouting and just having

fun. That made me so happy.

These days I sign up for a weekend session every one or two months. A lot of companies don't have a volunteer leave system, and a lot of the other volunteers were envious when I told them about our system at THK.

The recovery effort hasn't progressed as fast as I had hoped. I didn't think they'd still need volunteer assistance two and a half years after the disaster struck. I hope more people will help out with the activities going on around them and realize the bonds we all have with the people affected by the disaster.



Railroad tracks damaged in the tsunami.



Newly cleared walkway for schoolchildren.

» Together with our employees

In the community

Charitable contributions

As part of its contributions to society, THK provides monetary assistance when disasters strike and donates money to organizations devoted to the advancement of science and the future development of *monozukuri* in Japan. In addition, THK sponsors a variety of events in communities where it has business locations.

Disaster relief donations

August 2012	Disaster relief following torrential rains in Oita	Japanese Red Cross Society Oita Branch
August 2012	Disaster relief following torrential rains in Fukuoka	Japanese Red Cross Society Fukuoka Branch
August 2012	Disaster relief following flooding in Kumamoto	Japanese Red Cross Society Kumamoto Branch

Other donations

April 2012	New Japan Philharmonic Orchestra
August 2012	Japan Science Foundation
March 2013	The Green Fund Committee to Promote Afforestation in Yamaguchi Prefecture

Pitching in to clean up the beach

On July 14, 2012, employees from the THK INTECHS MISHIMA Plant assisted in a beach clean-up project in the scenic Miho no Matsubara area, located in the city of Shizuoka's Shimizu Ward. The event, which was publicized on the Internet, was sponsored by a local nonprofit organization.

The clean-up effort began at 9:00 a.m. under clear skies. For about two hours, the 15 volunteers cleared refuse from the beach and cut grass, filling some 30 trash bags in the process.

Renowned for scenic vistas that include a majestic view of Mount Fuji across Suruga Bay, Miho no Matsubara was designated a World Cultural Heritage Site on June 22, 2013, as was Mount Fuji itself. Japan's most famous peak was especially beautiful when viewed from the newly cleaned beach. This year's clean-up was carried out by individual volunteers, but in years to come the organizers intend to publicize the event more widely among local residents and turn it into a community event.



Participants in the Miho no Matsubara beach clean-up.

Clean-up in the mountains of Liaoning

On May 5, 2012, 22 THK LIAONING employees helped clean up a climbing path in a mountainous area of Dalian, Liaoning, in a project co-sponsored by the Dalian Free Trade Zone Charity Federation. Refuse discarded by some of the climbers who frequent the area had accumulated along the path; the project was devoted to restoring the natural beauty of the environment by clearing away the refuse.

Having pledged to leave no mark on the natural environment, other than collecting trash and taking a few photographs, the participants went about their task. Some of the tourists visiting the area that day joined in and helped clean up the climbing path as well.

THK LIAONING employees will continue to seek out opportunities to help advance the cause of environmental preservation.



Participants in the mountainside clean-up project.

In-school lessons

THK presents in-school lessons designed to provide a realistic understanding of the manufacture of components that support Japanese industry and of the importance of *monozukuri*. In 2012 lessons were presented at eight high schools located all over Japan. Some of the lessons were combined with tours of THK manufacturing facilities, providing students with a firm grasp of what manufacturing is all about.



A page from the school newspaper at Matsuzaka Technical High School in Mie Prefecture. Inset: (from left) THK Application Engineering Department employee Rie Nagatomo and MIE Plant employee Masami Fujita.

Lending a hand at the Nagaoka Festival

Six employees from THK's NAGAOKA Branch volunteered to serve as shrine bearers in the 2012 Nagaoka Festival, held on the first three days of August. The festival is renowned for its magnificent fireworks displays, which were presented last year on August 2 and 3.

The Nagaoka Festival has been held annually since 1946, in part to commemorate the air raid on Nagaoka that occurred on August 1, 1945. The shrine bearers from the NAGAOKA Branch, who were invited to participate by neighborhood associations in the city of Nagaoka, were happy to get some much-needed physical exercise and enjoyed their role in the festival.

On the day the NAGAOKA Branch employees took their turn, about 50,000 spectators were on hand; total attendance at the three-day festival was about 90,000. The crowd was in high spirits as portable shrines from neighborhoods in central Nagaoka were paraded about. The experience left the THK volunteers with a vivid sense of the historical importance of the festival and the enthusiasm it generates, as well as a satisfying feeling of

solidarity with the people of the community. The NAGAOKA Branch and its employees will continue to seek out opportunities to make a positive impact on the local society.

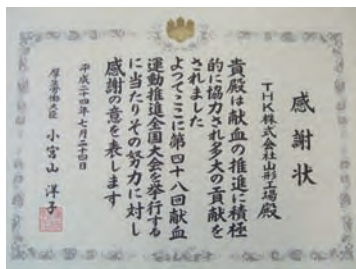


Festival participants from the NAGAOKA Branch.

YAMAGATA Plant honored for giving blood

In August 2012 THK's YAMAGATA Plant was awarded a ministerial commendation and a certificate of appreciation for its blood drives.

The YAMAGATA Plant has held blood drives ever since it was established in 1991, soliciting individual donations of 200 or 400 milliliters from volunteer donors twice a year. In recognition of these efforts, the plant received a commendation from the Minister of Health, Labour and Welfare as well as a certificate of appreciation from the city of Higashine.



Commendation from the Minister of Health, Labour and Welfare.

YAMAGATA Plant certified as a Volunteer Fire Corps site

In February 2012 the YAMAGATA Plant was certified by the Fire and Disaster Management Agency as a Volunteer Fire Corps business site. Certification was awarded in recognition of the fact that approximately 80 of the plant's 650 employees have registered with local fire departments and pledged their assistance, for compensation, in the event of a fire, flood, blizzard, or other emergency.

The actual duties involved, which vary among the various local fire departments, include helping to put out fires, search for missing people, prevent waterways from flooding during heavy rains, and take part in preliminary efforts to put out wildfires, and participating in training exercises and demonstrations.

Last year YAMAGATA Plant employees were called away to assist in fire department activities 7 times while on the job and 44 times while off the job. THK will continue to support efforts by individual employees to serve their communities and develop programs to facilitate local contributions by the company as a whole.



Volunteer Fire Corps business site certificate.

THK LIAONING supports education for the disabled

In February 2013 THK LIAONING collected used clothes and school supplies and donated them to a school for children with disabilities. The school is operated by Gao Shuzhen, who was honored in 2012 as one of 10 people who have made a special contribution to Chinese society. Gao started a school in her own rural home in April 1998 to educate disabled children who were unable to attend ordinary schools. In the intervening years about 100 children have received tuition-free instruction at the school.

In a heartfelt show of support, THK LIAONING collected more than 200 items of clothing and around 1,000 books and 2,000 pencils. All these supplies were donated to Gao's school, as a way of providing hope and happiness to children with disabilities.



THK LIAONING employees with boxes containing donations of used clothing.