

Working to Achieve a Sustainable Society

Aiming to become an indispensable company



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To Everyone Afflicted with the Coronavirus

The coronavirus has infected many people in Japan and overseas since it emerged as a major issue in the beginning of 2020. My deepest sympathies go out to everyone affected by this disease, and I hope for your speedy recovery. I also offer my condolences for the lives that were tragically lost. I hope that this unprecedented problem can be resolved as soon as possible.

Reflecting on 2019

Last year saw economic friction between the US and China, the issue of Brexit in Europe, chaos in the Middle East, and more, casting the future into even greater uncertainty. In the midst of all of this, we continued to see demand stagnate in many industries as a consequence of the sustained economic friction between the US and China, resulting in low orders for our industrial machinery business. For our automotive and transportation business, global automotive sales were slow as CASE¹ progressed within the automotive industry. Yet even as we faced this environment, we kept a firm grasp on social and economic trends and have moved to set up an environment where we can offer products and services with high value and generate future business opportunities while anticipating how the market will evolve.

THK's Strategies

At THK, our corporate philosophy is providing innovative products to the world and generating new trends to contribute to the creation of an affluent society. We were established in 1971, and in the following year, we became the first in the world to develop the Linear Motion (LM) Guide, a task long considered difficult to achieve. This product enabled dramatic improvements to the mechanical performance of mechatronic devices by making them more precise, faster, and more energy-efficient. Since then, we have fulfilled our role as a company focused on creation and development by introducing numerous products to the market, which have been adopted in a wide variety of fields. We are committed to further expanding our business through three growth strategies: *full-scale globalization*; the *development of new business areas*; and fully utilizing AI, the IoT, robots, and other technologies through a *change in business style*.

Although 2020 started off with a persistent air of economic uncertainty, as technologies such as AI, the IoT, and robots have progressed, I believe that the expanding demand for semiconductors and electronic devices; the trends of automation, robotization, and motorization in service industries; and the progression of CASE in the automotive industry present us with great opportunities for the medium to long term. Under these circumstances, we have expanded our "Omni THK" e-commerce website that allows customers to easily search for products and place orders from anywhere and at any time. We have also developed our "OMNI edge" system that performs predictive failure detection for machine components such as the LM Guide and ball screws. Furthermore, we have been actively working on our DX (Digital Transformation) Project to revolutionize our internal processes to thoroughly utilize digital technology. As manufacturing stands on the cusp of a new era, we will accelerate these efforts in order to maximize the value we provide to our customers.

Efforts Toward the SDGs

Our CSR policy is a combination of our Corporate Philosophy, which represents the pioneering spirit of the THK Group; our Corporate Basic Policies; and The THK Group Action Charter. With the conviction that our business itself is our corporate social responsibility, we view our LM Guide and other THK products not as mere tools to satisfy the needs of customers, but as sources of solutions for social challenges.

One example is our seismic isolation system, which minimizes damage from major earthquakes and protects our lives, property, corporate assets, and information. In the field of renewable energy, which aims to prevent global warming, we have developed a low-torque shaft unit that enables wind turbines to activate during light breezes. We produce automotive components that must be both high-quality and lightweight. In anticipation of a shrinking workforce, our robots boost productivity and perform dangerous tasks in place of people. The list goes on.

At the same time, our corporate activities are aimed at a wide range of stakeholders, and we are deepening our contributions to local communities as a global corporation. We aim to be active participants in achieving the objectives of the SDGs by ensuring our business activities go one step beyond CSR and achieve CSV² while heightening our social value.

Signing the UN Global Compact

THK signed the UN Global Compact in February 2020. As a company whose business spans the globe, we will take even greater responsibility toward global society based on the ten principles and four goals of the UN Global Compact regarding human rights, labor, the environment, and anti-corruption.

In Conclusion

In order to meet everyone's expectations and truly become an indispensable company, we will establish a sound foundation for growth and bolster our corporate value in our main business. The entire THK Group will strive as one team to create an affluent society in an effort to always confront social challenges and continue our efforts toward a sustainable society.

¹ CASE stands for Connected, Autonomous, Shared & Services, and Electric.

² CSV is an abbreviation of "creating shared value." This is a strategy of using a company's strengths to solve social challenges and lead to sustained corporate growth.