

# Accelerating Growth by “Full-Scale Globalization”

THK is working diligently to develop its business, and has set Full-Scale Globalization and the Development of New Business Areas as the pillars of its growth strategy in order to realize the vast potential of its products, including LM guides. As a part of its Full-Scale Globalization endeavors, the Company unifies its product and sales structure across the four countries and regions of Japan, the Americas, Europe and Asia. Working to promote the use of its products, THK is contributing to the growth and development of customers worldwide.

## Overseas Sales Ratio

50%

2003



Second Plant of DALIAN THK CO., LTD. (China) commenced operation  
THK (SHANGHAI) CO., LTD. (China) established

2001



THK Manufacturing of Europe S.A.S. (France) commenced operation

2005



THK MANUFACTURING OF CHINA (WUXI) CO., LTD. (China) commenced operation  
THK (CHINA) CO., LTD. (China) established

2006



THK MANUFACTURING OF CHINA (LIAONING) CO., LTD. (China) commenced operation  
THK LM SYSTEM Pte. Ltd. (Singapore) established

40%

30%

2001



Second Plant of THK Manufacturing of America, Inc. (USA) commenced operation

2007



THK RHYTHM (THAILAND) CO., LTD. (Thailand) commenced operation

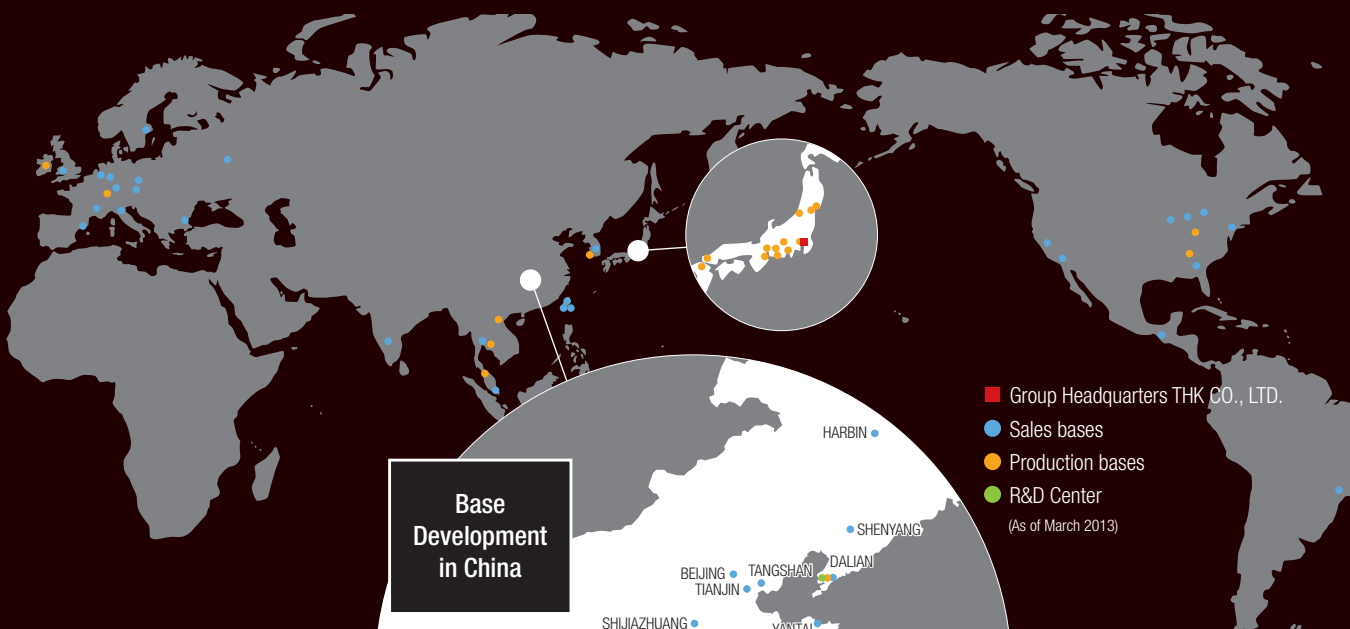
20%

## On a Full-Scale Globalization Trajectory

THK has been taking proactive steps to build integrated production and sales structures with facilities and operations closer to centers of demand to produce and sell locally in four areas: Japan, the Americas, Europe and Asia. As a result of the efforts made up to now, which have included the setting up of bases and business development in 25 countries, the overseas sales ratio totaled approximately 40% in fiscal 2012. The Company is steadily getting close to its present target of 50%.

As part of its development in each area, the Company has located sales and marketing bases across regions throughout Japan and maintains a production platform of 12 plants with the Yamaguchi Plant serving as a mother factory. THK also actively engages in research and development (R&D) activities through its Technology Center-based efforts to ensure the creation of innovative high-value-added products. In the Americas, the

Company has centered its U.S. operations on THK America, Inc., responsible for sales and marketing, and THK Manufacturing of America, Inc., responsible for the production function, both of which are under the umbrella of THK Holdings of America, L.L.C., as well as THK RHYTHM NORTH AMERICA CO., LTD., which handles automotive parts. In Europe, THK Europe B.V., the regional operating company, oversees the sales and marketing arms, THK GmbH and THK France S.A.S. Production is carried out at THK Manufacturing of Europe S.A.S. and THK Manufacturing of Ireland Ltd. In rapidly growing Asia, in addition to upgrading and expanding the sales network in each country, the Company is actively implementing initiatives, such as building production structures in China, South Korea, Thailand, Vietnam and Malaysia.



**Fiscal 2012 Overseas Sales Ratio**

**40%**



**2011**  
THK MANUFACTURING OF VIETNAM CO., LTD. (Vietnam) commenced operation



**2012**  
R&D Center (China) commenced operation



**2012**  
THK RHYTHM CHANGZHOU CO., LTD. (China) commenced operation



**2012**  
THK India Private Limited (India) established



**2011**  
THK RHYTHM MALAYSIA Sdn. Bhd. (Malaysia) became a consolidated subsidiary

**Further Growth by Intensifying Full-Scale Globalization**

Amid the vigorous efforts made in its advances in developing countries in recent years, THK has positioned China as a market of paramount importance. Having enjoyed the many benefits of developing business in China ahead of its competitors, the Company has been able to grow steadily. As of March 2013, THK maintained 34 sales offices and five production bases in China. In addition, having started operating an R&D Center in a dedicated building at its first overseas R&D base in April 2012, THK is accelerating product development that answers local needs.

THK is steadily accelerating expansion to capture demand that is also burgeoning in other developing countries. In November 2012, a local subsidiary was established in India, where THK is working to expand and upgrade its sales and support operations. In the ASEAN region, it is expected that set makers, including those for home electric appliances and

automobiles, will be gaining ground in the years to come and that there will be a resultant increase in related demand. Here we will strengthen our sales system to develop sales and marketing activities that are in keeping with the characteristics of the region. In Central and South America, construction began on automotive components subsidiary THK RHYTHM MEXICANA, S.A. DE C.V. in Mexico in 2012 to strengthen the supply system to North and South America. Construction has now been completed and deliveries to customers are scheduled to commence in October 2013.

Picking up the pace of its Full-Scale Globalization, steadily capturing vast overseas demand including in developing countries, will lead THK to even further growth.