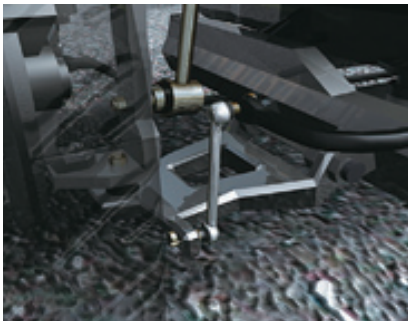


NEW BUSINESS REVIEW



FAI Division

Targeting higher earnings from the transportation equipment-related business segment

FAI stands for Future Automotive Industry. THK set up the FAI Division in 1999 to expand usage of the company's products as automotive parts. Link balls, which are the division's mainstay product, are used in automobile undercarriages as joint sections to connect the stabilizers to the suspension. Many leading automakers in Japan, Europe and the Americas use link balls, and the business has grown steadily. THK's advantage in this area is an integral molding process for the production of aluminum die-casts. This makes each link ball much lighter than the conventional steel equivalent, as well as highly resistant to corrosion or abrasion. This product is attracting increasing attention from automakers as interest in fuel-efficient vehicles rises.

RHYTHM CORPORATION became a consolidated subsidiary in 2007 as part of THK's efforts to accelerate development of new business areas. RHYTHM has developed forging technologies and superior quality control systems to enable the supply of components to extremely strict dimensional and strength tolerances. The operations of the FAI Division complement the strengths of RHYTHM. THK is working to develop the transportation equipment-related business as an integrated whole. In Japan, the main FAI Division has been relocated to RHYTHM's head office and factory site. In the Americas, sites have been merged to create an efficient sales network and to eliminate unnecessary duplication. In Europe, THK has installed specialist personnel from RHYTHM at branch offices to reinforce sales capabilities. In Asia, a new production base was established at THK RHYTHM (THAILAND) in 2007.

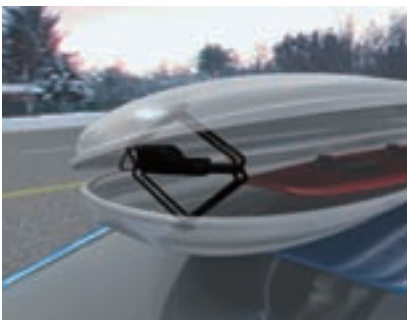
Pursuing synergies with Rhythm

Efforts to integrate FAI Division and RHYTHM operations aim to expand the range of vehicle models in which THK products are utilized. Going forward, the THK Group is targeting a global presence as an automotive parts supplier through the pursuit of synergies with RHYTHM to enhance the Group's ability to respond rapidly and precisely to changes in the global automotive market.

Projected major developments in the transportation equipment-related sector over the medium-to-long term include significant growth in vehicle demand within emerging markets and in the number of major vehicle production regions. Amid rapid growth in vehicle demand in emerging markets, THK is currently targeting aggressive proposal-based sales activities across regions worldwide. By supplying highly competitive products, THK aims to expand its client base in the automotive sector and secure the uptake of components in new vehicle models.

Another key change is an ongoing trend to make vehicles lighter and more energy efficient, reflecting greater global interest in environmental protection. The FAI Division has already developed link balls made using an integral aluminum die-cast process that are substantially lighter than conventional steel parts. This has contributed to improvements in fuel economy. Going forward, THK aims to combine this technology with the forging technology of RHYTHM to develop products that will set new industry benchmarks.

In addition, hybrid and electric vehicles are expected to gain in popularity in the future. THK views this shift as a potentially revenue-boosting trend, and is actively engaged in R&D to expand the utilization of LM guides and other THK products as components for such vehicles.



ACE Division

Broad possibilities for THK's seismic isolation technology

ACE stands for Amenity Creation Engineering. Guided by the concept of "developing technology to realize creative living spaces for greater comfort," the ACE Division has sought to apply THK's original linear motion technology since its establishment in 2001. The division markets seismic isolation devices that protect human life and property from the threat of earthquakes.

Seismic isolation devices help buildings to dampen or absorb the vibrations and shaking caused by an earthquake. THK supplies a broad lineup of such devices, which apply basic technology such as LM guides and ball screws. These products are unique in that they can give adequate earthquake protection to a wide range of structural types, from high-rise buildings and low-rise residences to historical structures such as temples and shrines.

A related area where interest among Japanese companies has grown recently is in the development of business continuity plans (BCPs). Applying THK's original expertise in seismic isolation technology, the division is selling seismic isolation platforms for protecting operating assets such as PCs and servers from damage caused by earthquakes. Compared with rival products on the market, THK's high-performance seismic isolation platforms ensure greater stability when an earthquake hits by preventing any damaging twisting or vertical motion.

In fiscal 2008, the ACE Division continued actively conducting a nationwide PR campaign with the aim of further expanding the installed base of seismic isolation devices. This included the use of earthquake simulation vehicles at housing exhibitions. Elsewhere, the division engaged in PR activities targeting the corporate sector to emphasize the superiority of THK seismic isolation platforms in server protection applications.

These PR campaigns helped to raise awareness of seismic isolation systems based on THK's original linear motion technology and resulted in a steady increase in the uptake of divisional products.

Upgrading promotional campaigns and sales activities amid growing demand for BCP-related products

Amid increasing general awareness of the need to implement disaster-related contingency measures, THK expects demand for seismic isolation devices to continue growing over the long term.

To stimulate demand, the ACE Division plans to continue using PR campaigns to promote the benefits of THK's seismic isolation devices to architectural firms and homebuilders. The division also aims to promote more widespread product uptake by continuing to organize seminars for consumers to help explain to people the importance of installing seismic isolation devices, along with the advantages offered by THK technology and products. The division also plans to make more effective use of earthquake simulation vehicles in marketing activities. In addition, in an environment where corporate demand for BCP-related products continues to increase, the division is focusing on expanding sales of seismic isolation platforms to protect specific pieces of equipment such as servers.

CAP Project and MRC Center

Toward electric-powered living and the creation of future sources of profit

THK established the CAP (Consumer Application Products) Project in 2002 with the aim of developing applications for THK products in end-use consumer applications and of cultivating new markets. Based on the core concept of "electric-powered living," THK is working to create business opportunities in a broad range of fields, mainly components for use in consumer appliances, other lifestyle goods and universal design equipment. Product development efforts are focused not only on developing new applications for THK products to meet existing market needs, but also on creating future-oriented products. Products in this sector that have already entered mass production include lens-shift units for commercial LCD projectors and sliding rails designed to fit electric induction hobs.

THK set up the MRC Center in 2000 with the aim of creating future pillars of earnings growth through the development of highly original products. As suggested by its name, the facility is engaged in creating new technology that spans the fields of mechatronics, robotics and computing. Leveraging the advantages provided by THK's technologies, the center is primarily focused on development of surgical assistance robots and other advanced technology, including humanoid robots. As part of a joint research project with a university, the MRC Center is working on the commercialization of a surgical assistance robot featuring mechatronics that facilitate considerably more complex and precise movements than previously achieved in this field.

In June 2009, as part of an organizational rearrangement, the CAP Project and MRC Center were merged into the Business Development Department in the Engineering Division. This move aims to expand the range of applications for THK products further by boosting the efficiency of development operations.