

#### Net Sales

(Millions of yen)



Years ended March 31

#### FY2011 (Results)

##### Operating Conditions and Performance Overview

Sales in Japan increased 0.5% in year-on-year terms, to ¥117.9 billion.

In the first half of the fiscal year under review, as reconstruction progressed after the earthquake disaster, Japan's economy steadily recovered. Against the backdrop of an upswing in exports by capital goods manufacturers—THK's primary customers—largely reflecting growth in the economies of developing countries, demand increased mainly for machine tools. In the second half, operating conditions were impacted by such factors as ongoing appreciation in the value of the yen, a slow growth in overseas economies and adjustments in electronics-related activities. These factors contributed to overall weak demand. The increase in the THK Group's revenues in Japan, however, is attributable to successful efforts to link robust first-half demand to sales.

##### Operating Activities

###### Sales

- THK placed increased emphasis on aggressive sales and marketing activities while cultivating such new business areas as automotive parts and seismic isolation systems as part of its efforts to steadily link demand with sales.
- THK continued to implement the "TAP 1" skills development program for sales personnel in order to deepen relationships with existing customers and nurture new customers. In concrete terms, while showcasing the unique characteristics of each product, steps were also taken to actively promote sales proposals inviting customers to apply THK products as an answer to specific issues.
- Taking into consideration progress toward electric-powered living across a variety of fields, THK worked diligently to introduce new electric actuator products and to expand sales.

###### Production

- In addition to building a production structure that is capable of both flexibly and immediately addressing changes in demand, THK continued to adhere strictly to its policy of providing the highest quality, cost and delivery (QCD).
- THK channeled its energies toward further enhancing the skills of frontline production staff and boosting productivity. At the same time, the Company placed an increasing amount of weight on the shift to in-house production in order to lift cost competitiveness.

###### Management

- As a part of the P25 Project, a cross-functional initiative designed to lower the Company's break-even sales point by increasing profitability, THK took steps to consolidate the administrative and accounting functions of branches located in the Chubu and Western regions of Japan.

#### FY2012 (Plan)

##### Operating Activities

###### Sales

- Amid the growing shift of production overseas by capital goods manufacturers, THK will leverage its proposal capabilities nurtured in Japan to focus increasingly on capturing new customers and expanding transactions in new business areas.
- THK will continue to implement the "TAP 1" skills development program for sales personnel while proactively pursuing proposal-based sales and marketing that is designed to resolve outstanding issues.

###### Production

- The Company will endeavor to raise the skill levels of staff and enhance productivity in order to further increase cost competitiveness.

###### General Overview

- THK will look to further strengthen its business base by promoting the ongoing implementation of the P25 Project.

###### ■ Bases (As of March 31, 2012)

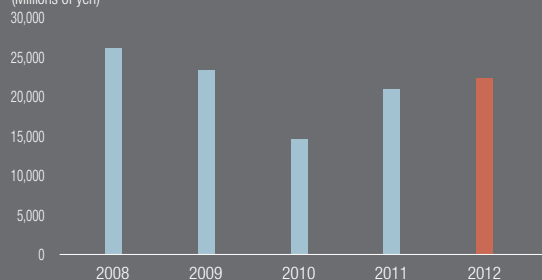
Japan	Sales offices	45
	Plants	12
	Distribution centers	3

###### ■ Group Companies (As of March 31, 2012)

- THK CO., LTD.
- THK INTECHS CO., LTD.
- TALK SYSTEM CORPORATION
- THK NIIGATA CO., LTD.
- NIPPON SLIDE CO., LTD.
- THK RHYTHM CO., LTD.
- THK RHYTHM KYUSHU CO., LTD.
- L Trading Co., Ltd.

Net Sales

(Millions of yen)



Years ended March 31

FY2011 (Results)

Operating Conditions and Performance Overview

Regional sales increased 7.0% in year-on-year terms, to ¥22.2 billion.

Amid ongoing firm automobile production and increased capital investment, demand climbed in each of the machine tool, general machinery and transportation equipment industries. Taking full advantage of its position as the only company in the industry to have a local production base, THK made efforts to adopt an integrated production and sales approach to expand transactions with existing customers and cultivate new customers. Against this backdrop, THK was successful in sure-footedly linking increased demand to sales growth and realizing higher revenues.

Operating Activities

Sales

- With capital goods manufacturers shifting their production activities overseas, particularly to Asia, THK worked diligently to cultivate business opportunities in aircraft-, medical instrument-, energy-related and other new areas. At the same time, the Company strove to cultivate new markets including Mexico and Canada.
- With demand trending to shift from supplying individual components toward hybrid units, THK continued to expand sales of hybrid unit products.

Production

- Taking into consideration the strong yen and transportation costs, the Company placed increased weight on local procurement and in-house activities. Through these means, THK worked to further bolster its cost competitiveness.

FY2012 (Plan)

Operating Activities

Sales

- THK will focus on aggressively engaging in sales and marketing activities in new areas, focusing on areas that can be expected to experience future growth, such as those related to aircraft, medical instruments and energy.
- The Company will continue to cultivate new markets including Mexico and Canada.

Production

- THK will take full advantage of its position as the only company in its industry to maintain a production network in North America to respond swiftly to market needs.
- The Company will continue to strengthen its cost competitiveness by maintaining its focus on the local procurement of component materials and the shift toward in-house operations.
- THK has established THK RHYTHM MEXICANA in Mexico and is taking all preparatory steps to commence operations in 2013 with the aim of supplying products not only to Mexico but also to the Americas.

■ Bases (As of March 31, 2012)

United States	Sales offices	7
	Plants	2
Canada	Sales offices	1
Mexico	Sales offices	1
Brazil	Sales offices	1

■ Group Companies (As of March 31, 2012)

- THK Holdings of America, L.L.C.
- THK America, Inc.
- THK Manufacturing of America, Inc.
- THK RHYTHM NORTH AMERICA CO., LTD.
- THK RHYTHM MEXICANA, S.A. DE C.V.
- THK RHYTHM MEXICANA ENGINEERING, S.A. DE C.V.

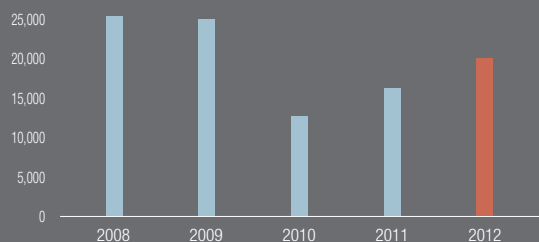
## Geographic Business Review

### Europe

#### Net Sales

(Millions of yen)

30,000



Years ended March 31

#### FY2011 (Results)

##### Operating Conditions and Performance Overview

Regional sales increased 24.0% in year-on-year terms, to ¥19.9 billion.

Despite signs of a weakening in economic activity throughout the fiscal year under review, THK's customers and mainly machinery manufacturers took full advantage of the weak euro to ramp up exports to Asia. As a result, demand in the machine tool and general machinery industries increased. Under these circumstances, THK endeavored to expand transactions with existing customers and cultivate new areas with an integrated production and sales approach. In successfully linking the upswing in demand to steady sales growth, the Company recorded higher revenues.

##### Operating Activities

###### Sales

- Against the backdrop of robust export activity reflecting efforts by customers to take advantage of the weak euro, THK worked diligently to expand sales to existing customers in a wide range of fields including machine tools and general machinery.
- In new areas, the Company focused on nurturing activities in energy-related fields, which are projected to experience robust demand.

###### Production

- Amid the yen's continued appreciation against the weak euro, THK promoted local procurement to strengthen its cost competitiveness.

#### FY2012 (Plan)

##### Operating Activities

###### Sales

- In aircraft-, medical instrument-related and other new areas, which are projected to enjoy strong demand, THK will proactively strive to expand sales. At the same time, the Company will participate in exhibitions to showcase the competitive advantage and distinguishing features of its products.
- The Company will endeavor to take full advantage of the introduction of a 7m grinding machine to expand sales of elongated LM guides.

###### Production

- Every effort will be made to enhance the skills of staff and increase productivity, reduce material expenses and promote local procurement in order to lift cost competitiveness.

###### ■ Bases (As of March 31, 2012)

Germany	Sales offices	2
United Kingdom	Sales offices	1
Ireland	Plants	1
Italy	Sales offices	1
Sweden	Sales offices	1
Austria	Sales offices	1
Spain	Sales offices	1
France	Sales offices	1
	Plants	1
Turkey	Sales offices	1
Czech Republic	Sales offices	1
Netherlands	Sales offices	1
Russia	Sales offices	1

###### ■ Group Companies (As of March 31, 2012)

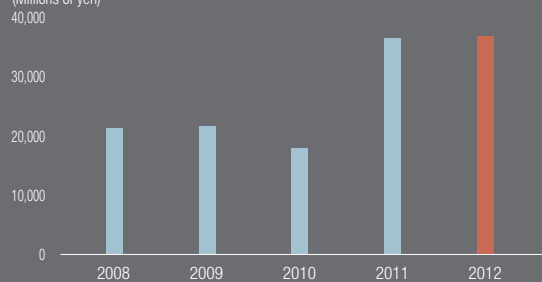
- THK Europe B.V.
- THK GmbH
- THK France S.A.S.
- THK Manufacturing of Europe S.A.S.
- THK Manufacturing of Ireland Ltd.

## Geographic Business Review

### Asia and Other

#### Net Sales

(Millions of yen)



Years ended March 31

#### FY2011 (Results)

##### Operating Conditions and Performance Overview

Sales in Asia and other regions increased 0.7% in year-on-year terms, to ¥36.7 billion.

Amid ongoing high rates of economic growth in Asia, particularly in China, demand increased mainly in the machine tool field in China and Taiwan. In the second half of the fiscal year under review, demand declined due largely to the implementation of monetary tightening measures in China. Demand also contracted in electronics-related fields. Buoyed, however, by robust demand mainly for machine tools in the first half, THK recorded an increase in revenues owing primarily to successful efforts to steadfastly link this demand to higher sales.

##### Operating Activities

###### Sales

- In China, THK continued to engage in aggressive sales and marketing drawing on the strengths of its sales network. At the same time, the Company took sure-footed steps to channel robust demand through to sales.
- In Taiwan, THK maintained its focus on new business areas. On this basis, the Company pursued ongoing steps to approach photovoltaic power generation-, LED- and touch panel production equipment-related fields.
- In addition to expanding transactions with existing customers in Singapore and cultivating new customers, THK worked diligently to deepen activities in the existing markets of Thailand and India. Moreover, the Company endeavored to foster new markets in Indonesia, Vietnam and Malaysia.

###### Production

- In China, expansion construction was completed at DALIAN THK. THK took further steps to bolster its structure and systems to put in place a framework that is capable of steadfastly capturing robust demand.
- Shipments commenced at THK MANUFACTURING OF VIETNAM, where construction was completed in 2010.

#### ■ Bases (As of March 31, 2012)

China	Sales offices	30
	Plants	5
	R&D Center	1
Taiwan	Sales offices	3
Singapore	Sales offices	1
India	Sales offices	1
	Plants	1
Thailand	Sales offices	1
	Plants	1
Korea	Sales offices	14
	Plants	3
Vietnam	Plants	1
Malaysia	Plants	1

#### FY2012 (Plan)

##### Operating Activities

###### Sales

- In China, THK will upgrade and expand its sales network with the aim of capturing robust demand. At the same time, the Company will continue to focus on cultivating new customers outside the mainstay machine tools industry.
- In Taiwan, energies will be channeled toward expanding the use of actuators for which demand is projected to increase. Moreover, THK will continue to approach new business areas including the seismic isolation systems-, photovoltaic power generation- and LED-related industries.
- In other regions, THK will maintain its focus on expanding transactions and cultivating new customers in Singapore. At the same time, the Company will actively promote the cultivation of new markets in the ASEAN region. Building on these efforts, THK will bolster direct sales efforts in India and establish a local subsidiary.

###### Production

- THK will continue to strengthen its cost competitiveness through such measures as promotion of the shift to in-house operations and further diversification of procurement. At the same time, efforts to expand market share will also include the supply of products that match customer needs.
- In China, THK will actively introduce machinery and capital equipment in order to steadfastly capture a share of robust demand. The Company will be responsible for the global export function.
- Amid expectations of further increases in demand, THK established THK CHANGZHOU in April 2012 with the aim of manufacturing linear motion-related materials and hybrid units for industrial equipment. Construction on a new plant will commence in October 2012. Focusing on transportation equipment, THK RHYTHM CHANGZHOU was established in April 2011. Operations are scheduled to commence at this company in July 2012.

###### Other

- At the Group's first overseas R&D division, THK (CHINA) CO., LTD., THK commenced operations at the designated R&D Center building in April 2012. Moving forward, the Company is accelerating the development of products that match local needs.

#### ■ Group Companies (As of March 31, 2012)

- |   |  |
|---|--|
| • THK TAIWAN CO., LTD.                            | • THK LM SYSTEM Pte. Ltd.                |
| • THK (CHINA) CO., LTD.                           | • THK MANUFACTURING OF VIETNAM CO., LTD. |
| • THK (SHANGHAI) CO., LTD.                        | • THK RHYTHM GUANGZHOU CO., LTD.         |
| • DALIAN THK CO., LTD.                            | • THK RHYTHM (THAILAND) CO., LTD.        |
| • THK MANUFACTURING OF CHINA (WUXI) CO., LTD.     | • THK RHYTHM CHANGZHOU CO., LTD.         |
| • THK MANUFACTURING OF CHINA (LIAONING) CO., LTD. | • THK RHYTHM MALAYSIA Sdn. Bhd.          |
| • Beldex KOREA Corporation                        | • SAMICK THK CO., LTD.                   |