

## THK'S CHALLENGE

# EXPANSION THROUGH...

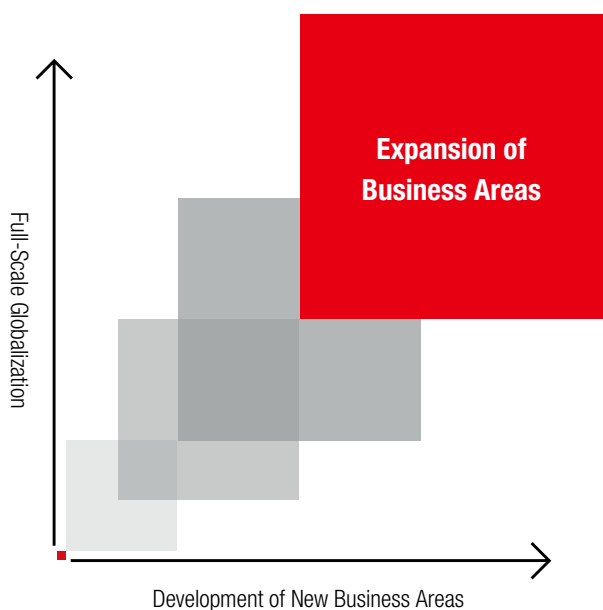
## Full-Scale Globalization

THK is building an integrated production and sales structure with facilities and operations closer to centers of demand to produce and sell locally in four areas: Japan, the Americas, Europe and Asia. The Company is continuing its trend, particularly over recent years, of upgrading and expanding its sales network while bolstering its production capabilities across newly emerging markets including China, which is projected to enjoy demand growth over the medium-to-long-term. In developed countries, THK is also working to expand its sales network in a bid to steadily capture demand amid expansion in its user base. Through these means, the Company is working diligently to promote substantial additional growth.

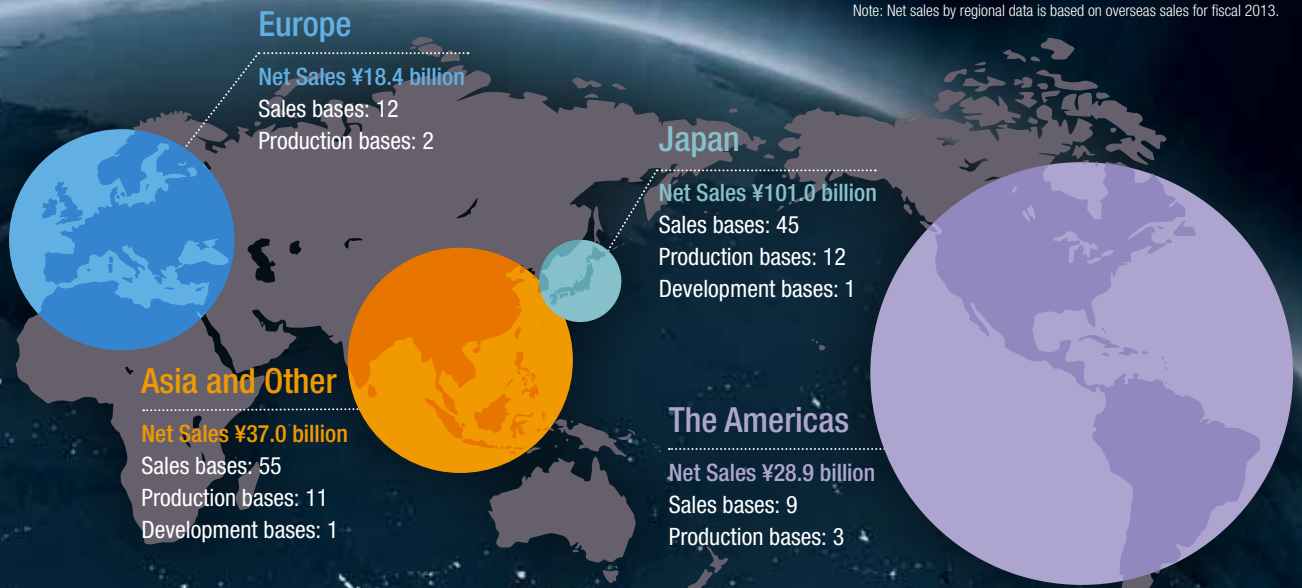
THK is contributing to the growth and development of customers worldwide and helping to build a prosperous society by promoting the use of its products including LM guides. As a part of these endeavors, the Company has embraced the dual growth strategies of focusing on Full-Scale Globalization and the Development of New Business Areas to increase its geographical presence and expand the range of applications for which THK products are used. Against this backdrop, the Company announced details of its three-year medium-term management plan in May 2014. Under the plan, we will look to achieve the numerical targets of ¥250 billion in consolidated net sales, operating income of ¥40 billion, and an ROE of over 10% by the final year of the plan. In addition to accelerating the pace at which it implements Full-Scale Globalization as well as the Development of New Business Areas in its bid to achieve its numerical targets, every effort will be made to build a robust business base. In this manner, we plan to achieve a higher level of performance and consolidated net sales of ¥300 billion as the next set of targets going forward.

## Development of New Business Areas

As a part of efforts to develop new business areas, THK has set up three specialist divisions: the ACE Division, which handles seismic isolation and damping systems; the FAI Division, which is responsible for activities in transportation equipment-related fields; and the IMT Division, which handles such products as electric actuators for use in general living environment fields, which are exhibiting wide-ranging latent demand. At the same time, the Company is working diligently to cultivate fields in close proximity to the consumer goods sector. Moreover, use of THK's products is expanding across a variety of fields including medical equipment, aircraft, and renewable energy. Recognizing the vast potential that also exists in other areas within the consumer goods sector, the Company is honing its accumulated know-how and core linear motion system technologies nurtured over a long period and is accelerating the pace at which it develops new business fields.



Note: Net sales by regional data is based on overseas sales for fiscal 2013.



# GLOBALIZATION

# NEW BUSINESS

## Expansion from Capital Goods into Consumer Goods

### Capital Goods

Machine Tools  
Chip Mounting Machines  
Injection Molding Machines  
Industrial Robots  
Semiconductor Production Equipment  
FPD Production Equipment  
etc.

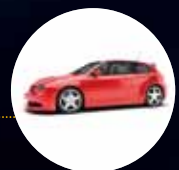


### Consumer Goods

Automotive Parts  
Seismic Isolation and Damping System  
Medical Equipment  
Aircraft  
Renewable Energy  
Robots  
etc.

### FAI Division (Future Automotive Industry)

- Develops and supplies key automotive components that enhance automobile safety
- Other transportation equipment-related businesses



### ACE Division (Amenity Creation Engineering)

- Mainly develops and supplies seismic isolation and damping system that help ensure housing safety
- Support the home automation



### IMT Division (Innovation Mechatronics Technology)

- Supplies unit products customized to each customer's needs
- Develops and supplies electric actuator series that address customers' general-purpose needs
- Developing next generation robot related products that are projected to expand in the future



### Fields with High Future Growth Potential

- Medical equipment, aircraft, and energy-related fields