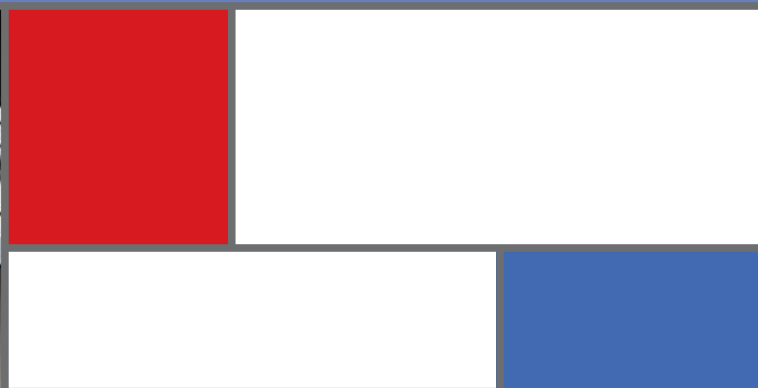
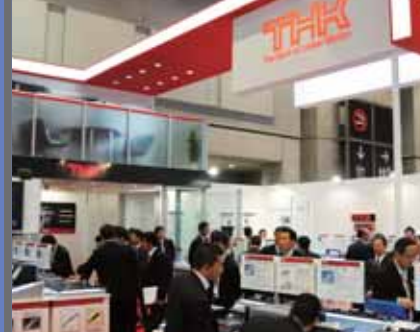


# Involvement in society

THK strives to play a vital role in the world through its products that are its core business, and stands ready to meet customer needs and social challenges by adding value to these products.

THK considers being a corporation that responds to the needs of society an indispensable prerequisite.

To this end, THK communicates effectively with society, listening to what customers and partner businesses have to say, and never ceases to strive for improvements.



## Topics in 2010

### ■ OHSAS18001 certification

In an effort to systematically promote occupational health and safety activities and ensure sound management, THK has obtained Occupational Health & Safety Management System (OHSAS18001\*) certification for its five major plants in Japan (YAMAGATA, KOFU, GIFU, MIE, and YAMAGUCHI).

\* OHSAS18001: International specification for Occupational Health & Safety Management Systems (a strategic management tool for systematically incorporating into corporate management controls over the safety, sanitation and health of an organization, its employees and other interested parties)

### ■ Adoption of the CP employment system

THK has adopted the CP (Creative Producer) system as its new personnel management system approach. The Creative Producer employment system is designed to provide employees, who are deemed to have potential in planning and implementing new projects leading to new business opportunities, with a chance to challenge themselves and think freely of new business ideas and to grant them results-oriented remuneration.



# Together with our customers (for higher product quality)

**Q** What efforts has THK made to improve the quality and safety of its products?

**A** **THK is working ceaselessly to improve its quality control and safety standards by pursuing global procurement of superior materials and superior components and by efficiently implementing quality management systems like ISO 9001.**

## Commitment to quality improvement

### President's Policy for 2010 Creative and Development

Continuing policy "Diligent Pursuit of The Best Quality"

To put the President's policies of "Creative and Development" and "Diligent Pursuit of The Best Quality" into practice, THK is not only striving to deliver products offering superior performance in the industries where they have long been used, but is pursuing the measures outlined below in order to comply with the increasingly exacting specifications of its newer markets.

1. All production sites will deploy a Quality Function Development (QFD) system in order to achieve even more reliable product quality.
2. All production sites, in collaboration with the procurement divisions, will carry out fair and equitable testing and evaluation to ensure procurement of superior materials and components for THK products on a global scale.
3. The company will establish a method for calculating an optimum product lifespan for each market in an effort to bring the product lifespan in line with the required lifespan in order to ensure that THK products deliver superior performance and complete functionality to the end user.
4. THK is working through its Quality Improvement Committee to strengthen the quality control systems at its production sites throughout the world in order to improve quality around the globe.

## Quality management

THK has obtained ISO 9001 certification for the quality management systems employed at all production sites in Japan, the Americas, Europe, and the rest of Asia. In order to be able to supply products to the automobile industry which has highly demanding quality control requirements, THK has also obtained ISO/TS 16949 (Automobile Production Quality Management System) certification for the quality management systems employed in its Future Automotive Industry Division and at THK Manufacturing of Europe and THK Manufacturing of America plants. In addition, THK NIIGATA obtained JIS Q 9100 certification for its quality management system for aerospace-related products and subsequently began supplying products to the

aerospace industry last year. THK will continue to employ appropriate quality management systems at all its production sites in an effort to ensure ongoing improvements in product quality.

While THK products already deliver high performance in existing markets, the company seeks to improve product quality in order to meet the strict demands of its newly developed markets.

## Participation in the improvement presentation meeting

The TPM\* Improvement Presentation Meeting, sponsored by the Hoyukai Society established by cooperating companies of the HI-LEX CORPORATION, is held each year with the aim of raising the overall quality of the manufacturing industry by examining the quality improvements made by other companies. The emphasis in these meetings is on the "Q" in QDC (Quality, Distribution, Cost) as the most important factor in *monozukuri*.

Every year, five companies from among the participating companies each make presentations. At the meeting held in May, the GIFU Plant's improvements were presented on behalf of the THK Group.

The presentation dealt with raising productivity by improving the accuracy in assembling LM Guides, reducing unstable or erratic operations, and creating a viable work environment through standardization of tasks.

Other companies also made concrete proposals supported by graphic illustrations and amounts saved thanks to quality improvements that translated into cost reductions.

A meeting that provides an opportunity to hear opinions directly from other companies is certain to motivate the participants to improve quality. THK will continue to participate in a proactive manner in hopes of further improving its own product quality.

\* TPM : Total Productive Maintenance, a series of company-wide activities to introduce innovations in production processes in order to maximize productivity.

## Outstanding supplier award

THK Taiwan received the 1st Outstanding Supplier Award from Tong-tai Machine & Tool Co., Ltd., a major machine tool manufacturer in Taiwan. This was in appreciation of THK's product quality and adherence to delivery deadlines in the course of the company's longtime relations with THK Taiwan. The prize was awarded at Tong-tai's booth at the Taipei International Machine Tool Show, with Board Chairman Yan handing over a citation of commendation to President Teramachi.

Rather than rest on its laurels, THK will continue to strive to improve the services it provides in order to ensure customer satisfaction.

# Together with our customers (for greater customer satisfaction)

**Q** What efforts has THK made to earn its high reputation with its customers and society at large?

**A** → **THK anticipates the needs of the times and boldly challenges new business areas while capitalizing on its technology to deliver ever higher added value.**

## Taking on the challenge of new markets

The Engineering and Development Department was established to propose and develop new value-added products in areas such as humanoid robots, wind power generation, aircraft, medicine and human services, and amusement facilities, taking advantage of THK's linear motion technology and know-how accumulated over decades.

With aircraft, for instance, in response to pilots' calls for more space in the cockpit, the department suggested that control sticks originally located at the pilots' feet be accommodated on the console panel, and this suggestion was implemented.

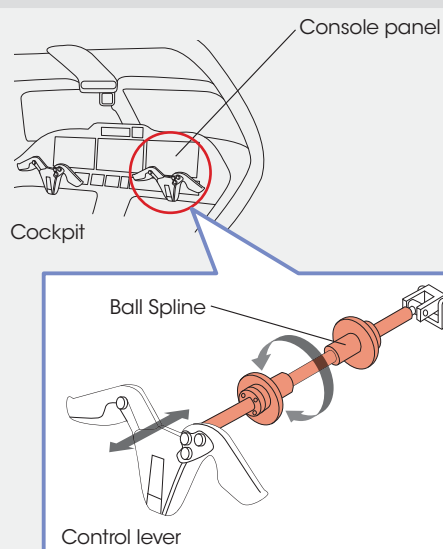


Cockpit

THK's Ball Splines are used in the control sticks of business jets.

The use of Ball Splines has made operation of control sticks smoother and more reliable, and frees up more space in the cockpit. This is just one example of how THK contributes to the development of the aviation industry.

### Control sticks of a business jet



## In their own words >>> Salesman



**Yoshito Shimotsu**  
Assistant Manager  
Sales Section, MATSUJYAMA Branch  
Sales Department,  
West Japan Region II

When I was looking for my first job, Japan's manufacturing industry had momentum both at home and overseas, and THK's linear motion technology was greatly contributing to the manufacturing equipment that was the foundation of its success. I was also taken with the image of a company that even then had set itself the ambitious goal of "Global 10 21" and decided to join THK.

My wish to work in sales was fulfilled, but there were times when I was reprimanded for not anticipating what the customer envisions. Based on this experience, I now make every effort to do more than the customer expects and fill my business talks with surprises and inspiration.

It makes me really happy to think that the linear motion systems I have been selling are now important components of the machinery that manufactures today's popular digital appliances.

I will continue to design my sales talks around THK's technological and development capabilities as powerful tools to reach my customers, and will do my best dreaming of a future full of things that incorporate THK's linear motion technology, from manufacturing machinery to appliances in our immediate surroundings.

# Customer interview

## SYSMEX CORPORATION

SYSMEX CORPORATION was established in 1968. Founded under the name of Toa Medical Electronics Co. Ltd., the company has been working on the development and marketing of diagnostics testing instruments and reagents under the SYSMEX brand name since 1978. In 1998, the brand name was adopted as the company name, and SYSMEX CORPORATION was born. Currently they are supplying more than 170 countries in all parts of the world with products and services for clinical laboratory instruments and reagents for blood, urine, immunology, biochemical and other analyses.



**Kazuya Fukuda**

Director, HIC Product Development Dept.  
Product Development Div. 2

**Hironori Katsumi**

Manager, HIC Product Development Dept.  
Product Development Div. 2

## Seeking a new partnership for a new era of business development

### — How did you come to start using THK products

The rotating mechanical parts of an automated blood coagulation analyzer we put on the market recently are equipped with large-diameter bearings made by THK. It is a new product, so we were after the sort of high precision and high processing speeds we expect of the latest model. Because the space for accommodating bearings was very small in view of the unit's layout while requiring a large diameter, we wanted to keep the bearings compact, but we were unable to find any bearing on the market with the kind of performance and size that would satisfy these specific requirements.

At this point I learned that THK has a development department that handles specialty and customized products, so I got in touch with them right away. After having contacted component manufacturers around the world and having been unable to locate products that matched our requirements, THK made a sincere and thorough effort to customize bearings for us, even advising us in areas where we had encountered problems. Thanks to their efforts, we were able to complete the project successfully, and at the same time established a very good relationship with THK.

### — What do you require from your suppliers?

SYSMEX is a manufacturer of medical equipment and diagnostic reagents, and supplies our customers with a wide variety of medical devices and reagents. It is our responsibility to provide our customers with the necessary data in the fastest and most accurate manner. That is why we ask our partner businesses to supply us with products of the highest reliability, including long product lifespans.

Another point to remember is that the medical devices and similar equipment we handle are not produced in huge lots of tens of thousands at a time, like cars, for example. Consequently, we may have to ask THK to cooperate in matters

such as maintaining the cost balance and making production adjustments.

For our most recent project, we requested that THK provide a trial product first, but they submitted a product of such high integrity from the beginning that we got a very real sense of the high level of THK's technological capabilities. When we encountered problems in the course of continuous stress tests, THK was very quick in proposing ways to eliminate these problems. I think that the fact that they dealt with the matter in face-to-face talks instead of trying to get by with phone calls or e-mails also contributed to our forming a strong partnership built on mutual trust.

### — What do you expect from THK in the future?

Many manufacturers approach us with new products, but we have not had many opportunities to discuss special needs such as customized products. This applies not only to new products but to any kind of suggestions in today's business climate in which business areas and deployments have changed or new initiatives are required. I may be wrong on this point, but I think the bigger a company gets, the less flexible it tends to be.

Another important requirement is a system to ensure prompt delivery of products even in contingencies, and I am sure many manufacturers share this concern after the Great East Japan Earthquake. SYSMEX must avoid any situation in which patients cannot receive treatment because the medical device is not available. We expect much of THK's ability to deal with such emergencies.



Automated Blood Coagulation Analyzer CS-5100

# Together with our shareholders, investors, and overseas customers

**Q** What do you do to gain the understanding of your shareholders, investors, and overseas customers?

**A** → **We pursue appropriate and fair disclosure of information through various investor relations tools and events, and use exhibitions and similar occasions to convey information to our overseas customers.**

## Investor relations events

At THK's semiannual investor meetings, the CEO provides a detailed explanation of THK's business performance and business strategies. Ample time is provided for answering questions and listening to candid opinions directed at company management. THK also tries to expand its dialogue with all of its investors through small-scale meetings and individual interviews. In addition, THK has been working to expand opportunities for communication with U.S. and European institutional investors through regular annual visits and other opportunities.

Since 1998 THK has held its annual General Meeting of Shareholders on a Saturday, avoiding the days when most general shareholder meetings are held, to enable more THK shareholders to attend. To permit more stakeholders to learn about THK's management, seats for observers are provided at the meeting venue, and attendance by all THK's stakeholder groups, particularly partner businesses, has been encouraging. An exhibition of newly developed products is held in an adjoining venue at the juxtaposition hall, enabling visitors to obtain a better understanding of THK products rarely seen up close in daily life.



The 41st General Meeting of Shareholders (in the venue)

## Investor relations tools

In addition to its annual report, THK publishes a fact book for investors, which is updated each quarter, for use as an informational tool. Legally required disclosures, along with related information and materials presented at investor meetings, are posted in Japanese and English on the Investor Relations page of THK's website. Video coverage of investor meetings and other events is also provided, in both Japanese and English. In these and other ways, THK strives for appropriate and impartial information disclosure to all shareholders and other investors, regardless of affiliation or location.

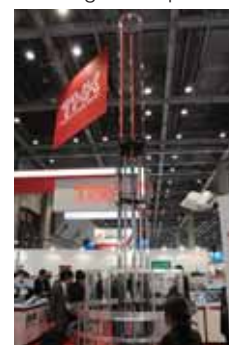


## JIMTOF

THK considers exhibitions to be opportunities for visitors to come into direct contact with the products on display and to present a broad range of products in response to the diverse problems customers have to solve. One of THK's exhibits at the Japan International Machine Tool Fair (JIMTOF), held in October 2010, was a demonstration machine with LM Guide the single rail length in 7m. This exhibit was presented to illustrate the merits of LM Guides, such as improving the precision of machine tools and facilitating design and assembly work, and earned high marks from visitors. THK will continue to take part in more exhibition activities designed to present customers with solutions.

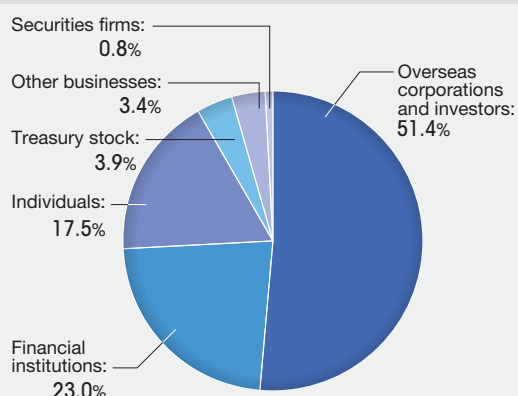


JIMTOF



Demonstration machine with LM Guide the single rail length in 7m

### Shareholdings by investor type (as of March 31, 2011)



# Together with our partner businesses

**Q** Please tell us what you do to conduct fair and equitable business transactions and build collaborative relationships with partner businesses.

**A** **THK emphasizes communication with its partner businesses to build good, healthy partnerships. We are also working on building up a mutual support system for emergency situations such as disasters.**

## THK Association

The THK Association, consisting of THK's cooperating companies, suppliers, and other partner businesses, is designed to promote mutual progress for THK and the association's member companies. More than thirty years after its establishment, as of March 2011, the association now has 196 member companies. THK acts as the secretariat, and the THK Association's board of governors provides voluntary assistance with planning and operations. Every year, the company chapter and the plant chapters hold general meetings, regular meetings, and social gatherings to keep in close contact and exchange information. These meetings are not only used to explain THK's management and purchasing policies, but also serve as an important venue for communicating information from and the wishes of member companies. THK will continue to build strong partnerships through the THK Association.



THK Association

## Aiming for mutually beneficial relationships

THK in its production activities is sustained by cooperation with its cooperating companies and suppliers. To cite an example, when the THK YAMAGUCHI Plant suffered flood damage in a localized torrential downpour that hit Yamaguchi Prefecture in July 2010, the plant received assistance from its suppliers in the form of materials and deliveries of clean water delivered in tank trucks when the water supply was disrupted, and was able to promptly resume production. When our partner businesses suffered flood damage in the downpour, THK rendered assistance by restoring their electrical systems and draining the flood waters. In this way, THK cooperates in every way possible when partner businesses face difficulties. Conducting business in a fair and equitable manner is essential for building this kind of strong relationship. THK will continue to conduct business transactions that are fair and in accordance with procurement related

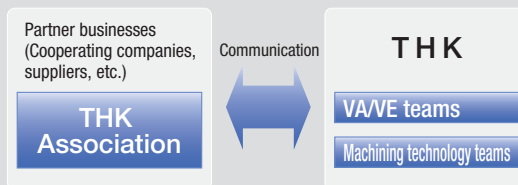
laws as well as equitable from a comprehensive standpoint, including QCD (Quality, Cost, Delivery) and the like.

## Machining technology teams

THK believes that the relationship with partner businesses must be one of cooperation and mutual growth. To achieve this, it must also strive for improvements in customer service and pursue various cost-cutting initiatives. In recent years, a large number of proposals have been forthcoming, especially from partner businesses. These are vetted and brought to realization by the Value Analysis/Value Engineering\* (VA/VE) team in each plant. Outstanding VA proposals are awarded citations by THK's CEO at the general meeting of the THK Association. Subsequent to the VA/VE teams, Machining Technology teams were set up and started operation. The purpose of setting up these teams was to have them visit partner businesses and jointly try to make improvements in machining technology based on THK's in-company expertise in fields such as machining and assembly. The teams are composed not only of people in charge of materials, but also include leading members of the respective production engineering division and the manufacturing floor, who participate in the activities at the partner business site. These two types of teams work out proposals in close collaboration with the staff of the partner business and bring these improvements to fruition.

\* Value Analysis/Value Engineering :  
A management method for increasing component and product functionality by reducing overall costs.

## Collaboration with partner businesses In pursuit of mutual development



Receiving a citation for a VA proposal at the THK Association's regular general meeting

# Together with our employees (for a healthy and safe working environment)

**Q** What measures does THK have in place to ensure the health and safety of its employees?

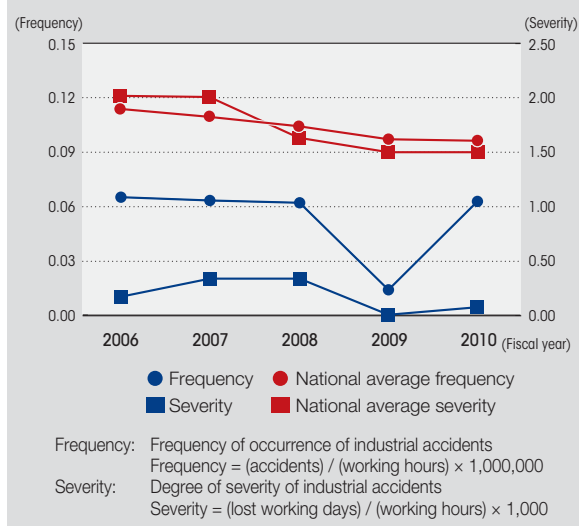


**Measures taken to safeguard the health of THK employees include obtaining occupational health and safety management certification to reinforce the company's safety system, and holding regular meetings of occupational health experts and healthcare staff.**

## Occupational health and safety

THK has various measures in place that are aimed at creating a safe working environment for its employees. For example, Plant Health and Safety Committees hold monthly meetings and organize Occupational Health and Safety Patrols to tour the plants, point out potential hazards, and ensure that any needed improvements are continuously implemented. Both the frequency and severity of industrial accidents increased in fiscal 2010, but THK will step up efforts to implement thoroughgoing occupational health and safety management to achieve "zero industrial accidents" in the future.

### Frequency and severity of accidents at 5 THK plants in Japan



## Occupational healthcare staff meetings

THK has assigned occupational health experts and healthcare staff to headquarters and its five major plants (YAMAGATA, KOFU, GIFU, MIE, and YAMAGUCHI) that look after the health of employees by analyzing the results of health checkups and regularly providing health and hygiene related information. In this way, THK is making every effort to manage the health of all employees, prevent industrial accidents, and create a better working environment.

To expand these measures in fiscal 2010 to all companies of the THK Group, THK has put in place a system to ensure a safer and more comfortable working environment. Under this system, the occupational health experts from headquarters and the occupational healthcare staff from the plants hold regular occupational healthcare staff meetings in an effort to share information on and establish rules for measures that were previously independently carried out by the separate business locations.

Future initiatives include the establishment of a system for managing the results of company-wide health checkups, stepped-up efforts to safeguard the mental health of employees, and close

cooperation with all parties concerned in creating a safe working environment for THK employees.

## OHSAS18001 certification

In an effort to promote occupational health and safety activities in a more organized way and ensure sound management, THK's five major plants in Japan (YAMAGATA, KOFU, GIFU, MIE, and YAMAGUCHI) obtained Occupational Safety & Health Management System (OHSAS18001\*) certification. Once certified, the company set about formulating an Occupational Health & Safety Policy.

The above five plants started to prepare for certification in February 2010, underwent the 1st stage audit in October, the 2nd stage audit in November, and obtained their final certification in December of the same year.

### Basic policy

1. Improving occupational health and safety is one of the most important issues of the Production Division. To this end, the Division will establish appropriate occupational health and safety targets for implementation by all plants in their business activities with the aim of creating a comfortable and safe working environment for their employees.
2. Plants will adhere to the Occupational Health and Safety Law, other applicable laws, as well as the occupational health and safety rules of the company and work sites to improve occupational health and safety.
3. Plants will clearly identify the main causes of hazards at the workplace by conducting risk assessments and work to achieve a "zero hazards" situation by initiating activities in which all employees actively participate.
4. Plants will eliminate any harmful working environment that is known to cause disease and will promote the creation of comfortable and pleasant workplaces.
5. By recognizing that a potential disaster or accident is directly linked to the nature of the workplace or the locality and that underlying unsafe behavior is the result of an unknowingly acquired bad habit, plants will develop activities through occupational health and safety management to correct these habits.
6. This Occupational Health and Safety Policy shall be disseminated to all plant employees through education, training, and activities designed to improve awareness. The company will disclose information concerning occupational health and safety to parties within and outside the Production Division in a timely manner.



OHSAS

\* OHSAS18001 : International specification for Occupational Health & Safety Management Systems (a strategic management tool for systematically incorporating into corporate management controls over the safety, sanitation and health of an organization, its employees and other interested parties)

# Together with our employees (supporting growth)

**Q** What does THK do to help employees grow and maintain a healthy work-life balance?

**A** **THK is working on formulating and implementing an Action Plan in Support of Raising the Next Generation. This action plan is aimed at helping employees achieve a balance between work and family by providing better educational programs that enable them to harness their capabilities to bring out the best in themselves.**

## e-learning

THK has introduced an e-learning system to help facilitate employee education, enabling employees to engage in self-development activities whenever they have access to the Internet. The e-learning system comprises a diverse range of training courses: Business Skills, which is devoted to improving practical abilities in areas such as critical thinking and business accounting; Product Knowledge, which covers a wide range of THK products; and Compliance, currently a topic of great interest. As of March 2011 the system included a total of 41 e-learning courses.

By taking advantage of opportunities for distance learning provided by this system, sales employees, for example, can study for and take a qualifying exam to acquire internal accreditation in electrical engineering. Use of the e-learning system is steadily increasing.

### ■ Educating employees via e-learning

	Enrollment			Completion
	Eligible employees	Employees enrolled	Percentage of eligible employees	Percentage of enrolled who completed course
September 2007	1,777	581	32.7	46.9
September 2008	1,963	893	45.5	73.9
September 2009	2,057	1,059	51.5	74.4
September 2010	2,103	1,142	54.3	72.7

## Measures in Support of Raising the Next Generation

THK is working on formulating an Action Plan in Support of Raising the Next Generation based on the Act on Advancement of Measures to Support Raising Next-Generation Children, in an effort to help employees to achieve a good balance between work and family, provide all of them with a comfortable and pleasant working environment, and help them harness and make the best use of their capabilities.

In doing so, THK has set itself the following three targets:

- (1) Establishing an atmosphere conducive to balancing work and private life
- (2) Encouraging employees to take and enjoy their accumulated paid leave\*, etc. by ensuring equitable application of the system and creating a system that goes beyond the scope of the law
- (3) Ensuring that employees can spend more time with their families and look after their health by fostering an awareness of balancing work and private life through optimization of working hours

Implementation of specific measures to achieve these targets is planned.

#### \* Accumulated paid leave :

A system that allows employees to accumulate their annual paid leave designated by law and apply it toward sick leave, for example, when they have to be absent from work for an extended period due to illness or injury. A maximum of 20 days can be accumulated.

## In their own words >>> An e-learning student



**Naoko Hashimoto**

Sales Support Section, KEJJI Branch  
Sales Department, West Japan Region I

\* TAS : Stands for THK Agent Support, an e-commerce system set up to improve user satisfaction and increase business efficiency.

I began with familiar course materials such as business etiquette, compliance, Excel, and Word, and then gradually started to get involved in materials providing merchandising information.

If you try to cram merchandising information in your head all at once, you will forget it right away. Therefore, I decided to make my classes short and more frequent instead. Even now there are times when I am confronted with a technical term at work and I am stuck for an answer, but I am mostly able to handle customer inquiries using the merchandising information I absorbed through e-learning.

Our company's e-learning materials are very useful. When you have finished studying them and you come across something that you don't understand, you can always retake the class or search the material to find a specific answer. The e-learning material on merchandising information, TAS\*, and operating Excel and Word has been very helpful. More than anything else, the main point, I think, is that you can study at your own pace from a rich selection of materials.

Next I would like to look at materials on mechanical terminology and seismic isolation.

After making positive use of these e-learning materials, I started to feel more confident about my work. I strongly recommend this to anyone who has not taken up e-learning yet and wants to enhance his/her capabilities.



# Together with our employees (supporting diverse ways of working)

**Q** Are you working to provide a working environment that respects the individual needs of a diverse array of employees?



**THK is making further improvements in its hiring system and employee benefits programs in an effort to create an amenable environment where employees can utilize their individual capabilities.**

## Hiring people with disabilities

THK plants are meeting their social responsibilities by supporting people with disabilities. They accept students from special support schools for apprentice work, teach them how to communicate within the workplace and how to behave in business situations, and provide them with opportunities to gain working experience.

At the same time, facilitating long-term employment for people with disabilities remains a pressing issue, and the YAMAGUCHI Plant has assigned officers to be in charge of promoting the employment of people with disabilities.

These officers took the initiative to obtain the professional qualification of a job coach (official certification) to have the knowledge required for engaging in more professional activities, such as informing the workplace of the skills of disabled employees, and to create a hospitable environment where the disabled can work with fewer impediments.

In part due to these measures, on April 2011, THK was able to meet the legal requirement for hiring people with disabilities of at least 1.8% of its workforce.

While firmly maintaining this goal, THK is leading the way by initiating group-wide activities centering mainly on the officers in charge of promoting the employment of people with disabilities in an effort to prepare business sites for accommodating people with disabilities and trying even harder than before to facilitate their employment.

It goes without saying that in order to ensure that conditions

in the workplace are hospitable for employees with or without disabilities, group-wide efforts are underway to create an atmosphere where employees with widely differing personalities accept, respect, and learn from each other.

### Percentage of disabled employees (%)

December 2008	December 2009	December 2010	April 2011
1.57	1.64	1.70	1.80

## CP (Creative Producer) employment system

THK has adopted the CP (Creative Producer) system as its new personnel management system approach.

To pave the way for THK's future, the Creative Producer employment system is designed to provide employees, who are deemed to have potential in planning and implementing new projects leading to new business opportunities, with a chance to challenge themselves and think freely of new business ideas and to grant them results-oriented remuneration. As part of this nontraditional approach, a number of employees have been selected for CPs and are already pushing ahead with realization of the mission.

This system will promote an endeavor of the greatest importance to THK, that is, the development of and prospecting for new business areas, and will contribute to our future society by proposing new values to the world in the spirit of creative development.

## In their own words



## Challenge: Overcoming a handicap



Center: Yukihiro Fujimoto  
Order Management Section  
Left: Shunsuke Yoshinaga\*  
Senior Assistant Manager, Order Management Section  
Right: Yoshinobu Hattori  
Career Counseling Division, Yamaguchi Minami Sogo  
Special Needs School, Yamaguchi Prefecture

\* : Mr. Yoshinaga obtained his qualification as an assistant (job coach) to help persons with disabilities to adjust themselves smoothly to the workplace and is responsible for giving total support to people with disabilities within THK, from hiring to long-term employment.

"Work with confidence and don't give up" is the message to all disabled employees at THK from Mr. Fujimoto, who manages receiving and placement of orders for wrapping and packing materials in the YAMAGUCHI Plant's Order Management Section. Right after joining THK, at first, the work did not seem worthwhile to him, but in the course of drastic streamlining after the Lehman Brothers collapse, orders for wrapping and packing materials were placed solely in the care of Mr. Fujimoto. Under these circumstances, Mr. Fujimoto told himself: "I'll just have to do it by myself", and that is exactly what he did.

At the Abilitylympics (32nd National Skill Competition for People with Disabilities) held in Kanagawa Prefecture in October 2010 he received the gold prize in the "Product Packing Division", making him the Number One packer in Japan. Now he is training younger employees to follow in his footsteps.

Mr. Hattori, who taught Mr. Fujimoto at his alma mater, the Yamaguchi Minami Sogo Special Needs School, was barely able to hide his surprise and commented: "To be frank, I never thought he would get that far." He also had words of admiration for THK's goal-oriented support of people with disabilities, saying: "The company addresses the matter proactively with the sense of a mission."

## Length-of-service awards

THK presents length-of-service awards to its employees after every five years of continuous service during the first 35 years of employment to show appreciation for their many contributions. In fiscal 2010, 783 employees received commendations and commemorative gifts to honor their service.

### Length-of-service awards

	2006	2007	2008	2009	2010
35 years of continuous service	10	7	6	10	11
30 years of continuous service	15	20	16	25	23
25 years of continuous service	74	133	91	139	129
20 years of continuous service	54	87	107	143	163
15 years of continuous service	136	99	43	146	177
10 years of continuous service	100	179	74	77	113
5 years of continuous service	77	91	104	84	167
<b>Total</b>	<b>466</b>	<b>616</b>	<b>441</b>	<b>624</b>	<b>783</b>

## Introduction of the meister system

In August 2009, the YAMAGUCHI Plant launched the meister system to be applied to (1) work that is difficult to standardize, (2) work requiring skills that can be acquired only with time, and (3) work that can be done only by certain people, in order to pass on the company's intellectual property in the form of technology, skills and expertise to the next generation. After drawing up a skills map, people were selected to teach (meisters) and learn (successors) the 8-step LM Guide manufacturing process. Once the meisters were instructed on how to teach their specialty by vocational training instructors, they were required to undergo proficiency tests and a written examination for level 2 National Trade Skill Testing. In August 2010, the system produced its first eight meisters. Successors receive practical on-the-job training by meisters and, after passed a final exam, are awarded a Traditional Skills Diploma and given a certification pin.



Certification pin  
(Left: meister, right: successor)

## Best employer award

DALIAN THK was elected "Best Employer of the Year" and awarded a citation at the "Best Employer of the Year in Dalian for 2009 (3rd)" event sponsored by the Dalian Municipal Human Resources and Social Security Bureau and the Dalian Daily, which included activities such as interviews with the president of DALIAN THK, employee satisfaction surveys, and Internet voting.

While orders declined across the board at DALIAN THK in 2009, the company implemented numerous measures under its policy of "Retaining our employees." Concrete measures included overall improvements such as aggressive reductions in costs, raising business efficiency, and reskilling education and training, as well as staging various contests on how to improve daily operations.

Thanks to these measures, the company avoided an outflow of valuable human resources, the number of enthusiastic and energetic employees increased, and all employees were self-motivated to act on the immediate tasks at hand. The fact that the company was able to overcome its difficulties may very well have been a factor in earning this commendation.

## Reskilling and multi-skill development

The THK GIFU Plant is proactively offering various multi-skill development courses to provide individual employees with new and improved skills. One of these measures aims to even out differences in working time between individual employees. To this end, the work performed by standard workers and new workers is recorded in a video and shown to the employee concerned in order to illustrate the differences in an easily understandable manner.

For example, shortening an inspection process by 5 seconds was set as a task.

Standard worker



New worker



The new worker learns the standard work procedure by watching a video on a laptop and realizing the difference in the way the standard worker works, resulting in a shortening of working time.

# Together with local communities

**Q** What activities does THK engage in to fulfill its role as a member of the local community?

**A** → In addition to sponsoring and taking part in community activities, THK applies its technology and expertise to activities designed to let people experience firsthand the wonders of *monozukuri*.

## Charitable contributions

As part of its contribution to society, THK provides monetary assistance when disasters strike, as was the case in March 2011 when the Great East Japan Earthquake devastated wide areas. THK also donates money to help fund organizations devoted to the advancement of science and the future development of *monozukuri* in Japan. In addition, THK sponsors a variety of events in communities where it has business locations.

### Disaster relief funds

April 2010	• 2010 Qinghai earthquake, China
July 2010	• Relief money to the victims of the Yamaguchi flooding and mudslides
March 2011	• 2011 Christchurch earthquake
March 2011	• Great East Japan Earthquake

Note: With the Great East Japan Earthquake, the employees at THK headquarters, YAMAGATA, KOFU and GIFU Plants, THK RHYTHM, THK CHINA, and THK BRAZIL voluntarily collected contributions and sent them through the Red Cross organization of their respective country.

### Contributions

October 2010	• 66th National Sports Festival in Yamaguchi & 11th National Sports Festival for the Disabled in Yamaguchi
November 2010	• Japan Science Foundation

## Cleanup activities

People at the THK Headquarters mowed the lawn and cleaned up in the area around the building three times during the year, in May, July, and November 2010. Each time about 40 employees took part in the cleanup, which took an hour and a half. People passing by often cheered them on and expressed appreciation for their efforts. THK will continue to schedule regular cleanups in the future.



Walkway near THK Headquarters

## Providing practical work experience

THK RHYTHM's GOKYU Plant agreed in 2001 to provide students from nearby schools with a chance to get practical work experience. To date, a total of 34 students have benefited from the program. In January 2011, two students from Toyo Junior High School worked for three days (24<sup>th</sup> to 26<sup>th</sup>) at the plant's steering and suspension assembly shop.

Afterwards the students commented that before the training they had mixed feelings of both anticipation and uneasiness, but when they had completed their stint, they realized the importance of work and understood from experience that one has to feel responsible for each single step in the process.



Student getting practical experience in steering linkage assembly

## Monozukuri Experience Stadium 2010 Exhibition

The *Monozukuri* Experience Stadium 2010 exhibition was held in August to extol the wonders and the significance of *monozukuri*.

The THK booth, organized around the concept of rolling technology, offered kids a chance to challenge themselves in three practical games: "Curling," "Playing paper-rock-scissors with a helper robot," and "Experiencing seismic isolation." The booth recorded a total of 1,000 visitors in the course of three days and gave everyone a real-life experience of the fun and depth of *monozukuri*.



Children playing paper-rock-scissors with a helper robot

## The Kyoto Institute of Technology's "Grandelfino"

At the request of the Kyoto Institute of Technology's "Grandelfino" team, which takes part in the Student Formula SAE Competition of Japan every year, THK supplied the components for connecting the vehicle body to the tires. Wanting to do well at the competition and following the motto "Learn what you can't learn in a classroom setting by designing and building cars," the team had made inquiries with a number of manufacturers in search of lighter, more durable and more reliable components. In the end, the team chose the products offered by THK.

The team is considering using more THK products in order to further improve their chance of winning.



Members of the Grandelfino team

## JAVADA\* commendation

Since 1978, in response to a request from the Yamanashi Vocational Ability Development Association, the KOFU Plant has been helping to develop and spread proficiency testing. It has also cooperated in establishing a system to help employees, including those of cooperating companies, prepare for proficiency tests by conducting skill tests for machining work and dispatching employees to serve on certification committees. In recognition of this effort, the plant was awarded a commendation and a gold cup by the Minister of Health, Labor and Welfare in November 2010.

The KOFU Plant will continue to work to improve skills both inside and outside the company and, in new initiatives, will promote occupational training in a joint effort between industry, government, and academia (high schools).



\* JAVADA : Japan Vocational Ability Development Association

## Helping flood damaged areas

The Asa River overflowed its banks due to heavy rains that hit Sanyo Onoda City in July 2010 causing widespread damage, with water reaching the first floor and higher in 680 homes and up to the first floor in 250 homes. When requested by the Sanyo Onoda City Council of Social Welfare, the YAMAGUCHI Plant dispatched 10 volunteers per day for 10 weekdays to assist the flood victims. The community later expressed its appreciation to the plant for being such a big help in dispatching 10 volunteers each day, more than any other group, which made their assignment of the volunteers that much easier.

The volunteers had prepared themselves to deal with the overflowing waters of a river, but the actual situation at the flood site was more serious than expected. Trying to be of some help, they picked up tatami mats and removed the mud that had collected in the crawl spaces under the floor, and did other clean-up work. The volunteers received words of thanks from the local people, making them feel that their effort had been worthwhile.



Volunteers at work in Sanyo Onoda City

## Handcrafting toys

Mr. Ozaki at the YAMAGUCHI Plant has been engaged in volunteer work for about ten years, teaching balloon art at a local children's home and at local festivals. Sometimes he deals with as many as 60 children, teaching them how to handcraft items, such as rubber-band pistols and paper airplanes, in addition to balloons.

"Teaching kids who always play with ready-made toys how to make their own toys is a very satisfying thing. It makes me feel good and gives me a chance to see the starry eyed children as they are totally absorbed in their work. If the opportunity should come up, I would like to do this kind of work in the area hit by the Great East Japan Earthquake."



Toshiro Ozaki, Manufacturing Section III, Manufacturing Department, YAMAGUCHI Plant  
Before you know it, a balloon becomes a poodle.