

Involvement in society

We believe that our foremost responsibility is to contribute to society through our core business—to deliver useful products that can enrich people's lives.

To fulfill this responsibility, it is essential that we communicate effectively with all of our stakeholders: customers, partner businesses, shareholders and investors, local communities, and employees.



Topics in 2009

• JIS Q 9100 certification for THK NIIGATA

To demonstrate that its manufacturing quality is sufficiently reliable to meet the highly exacting requirements of the aerospace industry, THK NIIGATA obtained JIS Q 9100 certification in fiscal 2009, verifying that its quality management system satisfies the aerospace industry standards established in Japan. THK NIIGATA has since begun supplying products to the aerospace industry.

• Japan Society for Precision Engineering Awards

The Japan Society for Precision Engineering supports research related to *monozukuri*. THK employees have won the JSPE Technology Award for a paper entitled "The technology of Linear Motion Ball Guide for superior rigidity and running accuracy in a narrow range" and have also won the JSPE Young Engineer Award for a paper entitled "Study on load distribution theory of Linear Motion Ball Guide applying FEM analysis."

Together with our customers (for higher product quality)

Q What efforts has THK made to maintain high quality and ensure the safety of its products?

A As a major corporation with a leading global brand, THK has obtained ISO certification and met other worldwide standards for quality management. In keeping with these efforts, THK is developing a uniform worldwide quality control system.

Ensuring reliable product quality

THK products already deliver superior performance in the industries where they have long been used, but THK is working to achieve even more reliable product quality in order to comply with the increasingly exacting specifications of its newer markets. As part of this initiative, 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 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 fiscal 2009 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. THK will continue to employ appropriate quality management systems at all its production sites in an effort to ensure ongoing improvements in product quality.



Quality assurance system

As a major corporation with a leading global brand, THK can't simply rely on existing product quality but must constantly strive to improve quality to ensure that it provides customers with the world's best products, and has established procedures for this purpose. THK products must not only deliver superior performance and complete functionality to the end user, they must also provide the same quality no matter where, among many production sites around the world, they are made. For this reason, THK has launched a universal quality control initiative focusing on the application of the THK Quality Standard (TQS). It has also established a global procurement system devoted to enforcement of THK's Global Material Standard (GMS), to ensure fair and impartial

testing of the materials and components used at all production sites, and has instituted a system designed to speed up the procurement process.

As its existing markets have expanded, THK has compiled a great deal of information on product quality to ensure that its products deliver superior performance and complete functionality to the end user. Meanwhile, the world's emerging new markets have given rise to new types of product quality information. THK holds regular sessions to facilitate the sharing of product quality information, as part of its efforts to improve quality around the globe.

Improvement Presentation Meeting

The third Improvement Presentation Meeting, sponsored by the Production Division, was held in March 2010. The event is a venue for presentations on quality control circle activities, developments in machining and machine technology, and improvements in day-to-day operations at specific plants, which, it is hoped, will catch on at other plants. In preparation for the meeting, qualifying rounds are held at each production facility. Those presentations that pass a three-part screening process are delivered at the Improvement Presentation Meeting, held at THK headquarters.

Overseas plants participated in the meeting for the first time in 2010. Four presentations from plants in Japan were offered, along with special presentations from THK WUXI and DALIAN THK. The top prize was awarded to the KOFU Plant for a presentation entitled "Reducing the Setup Time for Screw Groove Grinding," which showed how shorter setup times reduce the number of goods in process, resulting in shorter lead times.



In the front row, employees who received prizes at the Improvement Presentation Meeting. From right, two employees from the KOFU Plant Manufacturing Section II, which won the top prize; an employee from the YAMAGUCHI Plant Production Engineering Section, which won the second-place prize; two employees from the MIE Plant Manufacturing Section I, which won a third-place prize; and an employee from the YAMAGATA Plant Production Engineering Section, which also won a third-place prize.

Together with our customers (for greater customer satisfaction)

Q What efforts has THK made in the area of customer service?

A THK's Sales, Engineering, Production, and Quality Assurance Divisions work closely together to coordinate their activities and faithfully adhere to the principle that every issue shall be viewed from the customer's perspective.

Best Partner Award

THK received the 2009 Best Partner Award from Hitachi High-Technologies Corporation, Nanotechnology Products Business Group, Naka Division. About 1,000 partner businesses were evaluated based on 24 criteria in five categories: quality, cost, delivery, technology, and service. THK received the highest overall score. The award is not only indicative of the hard work of THK's Sales Division, it also reflects the coordinated efforts of the Production, Engineering, Sales Support, and Quality Assurance Divisions. Rather than rest on its laurels, though, THK will continue to strive to improve the services it provides in order to ensure customer satisfaction.



TAPS

The TAPS* Certification Program is designed to improve the skills of sales people employed by THK's agents and enable them to provide the same level of customer service that THK's own sales employees provide. In the two years since the program began, a total of 50 employees have received certification.

TAPS-certified employees also receive follow-up training. In October 2009 follow-up sessions for the first group of TAPS-certified employees were held in Tokyo and Osaka, focusing on successful sales activities. In November training sessions for the second group of TAPS-certified employees were held at THK's YAMAGATA Plant. Designed to provide closer contact with THK products, these sessions included hands-on practice in product assembly.

THK will continue to encourage participation in the TAPS Certification Program and other training activities to ensure that all sales personnel can provide customers with full access to the broad range of services that THK offers.



The TAPS Certification Program's second graduating class

* TAPS :THK Authorized Professional Sales

In their own words | Salesman



Junji Miyamoto
Assistant Manager
Sales Section I, NAGOYA Branch,
Sales Department, Central Japan
Region

During my college days I had a part-time job in the service industry, and I decided I wanted to work in sales. I joined THK and got the sales job I had always wanted, but at first I had some painful experiences. There were times when I didn't respond appropriately to a customer because I was too busy and times when I lost the customer's trust because I relied on my own judgment when I should have consulted someone else. I learned the hard way what it means to keep a promise.

I realized that I was taking a one-way attitude toward sales. Nowadays whenever possible I visit the customer's facilities and try to offer products that reflect the desires of people in various different positions there.

There's a sense of togetherness at THK, and the sales people's views are communicated very effectively to the other departments. We sales people try to relay the customers' needs to the other departments concerned very accurately, because we want them to create and develop products that will satisfy our customers. When I picture my customers' smiling faces, I want to work even harder in my sales activities in the future.

Testimonial: Customer

Determined to continue to supply the market with highly reliable products, in partnership with THK

YASKAWA ELECTRIC CORPORATION

YASKAWA ELECTRIC CORPORATION was established in 1915. As Japan's foremost manufacturer of mechatronics devices, YASKAWA has always supported leading-edge industries and technologies. Its activities are currently focused on the following four business domains: "Motion Control," "Robotics," "Systems Engineering" and "Information Technologies." YASKAWA operates business hubs in 25 countries around the world, including Japan, and has production bases in 9 countries. The technologies, products, and services YASKAWA provides are highly regarded and have won the trust of customers around the world.



Akihiro Furutani

Manager
Clean Robot Technology Dept.
Clean Robotics Business Div.
YASKAWA ELECTRIC CORPORATION

What do you appreciate about THK products?

First of all, we appreciate their high precision. Thanks to the circular-arc design,* THK's LM Guides are easy to incorporate into an assembly because they can be more freely aligned. That's why we use THK products so often when high precision is required. I'm involved in the development of robotic devices that help produce semiconductors and liquid crystal panels, so I also greatly appreciate the fact that THK Caged Ball LM Guides and Ball Screws operate so quietly and cleanly—there's little contact between metal surfaces, so they generate less dust and dirt. I should explain that noise-free operation is a requirement for semiconductor-production robots and other equipment that's used in the controlled environment of a clean room. To the customer, noise means that vibrations are occurring, vibrations mean that contact is occurring, and contact means that particulate matter is being generated. Harsh-sounding noise is also stressful for the people working in the clean room. That's why I'm so grateful for low-noise THK Caged Ball LM Guides.

* Circular-arc design: The groove cross-section consists of a single circular arc; the balls make contact at only two points.

Have you had any experiences with THK that left a special impression on you?



SEMISTER-M124,
Semiconductor Wafer
Handling Clean Robot

Yes. Once we were in a very tight spot—a product incorporating THK guides was due to be delivered to the customer the next day, and we found out that it wasn't meeting the precision requirements. Unless

we could fix the problem by the following morning, we'd be causing a lot of trouble for the customer.

The summer holidays had already begun, and we couldn't reach the engineer at the plant concerned. Then an engineer from another THK plant arrived on the scene and assured us that he'd figure out some way to solve the problem. I'll never forget the way he said that. He worked through the night, and the next morning we were able to meet the precision requirements and meet the delivery deadline. This engineer wasn't even from the plant we'd been dealing with, but he cared about our situation and gave it his very best, and he helped us a great deal.

When everything's going well, people take things for granted, but when trouble comes along it's good to know you have a partner you can count on. THK has that kind of fundamental capability, and that's why we can work together in a relationship of trust.

What do you expect from THK in the future?

Nowadays products are expected to be reliable, and that includes service life. The robots that help produce semiconductors and liquid crystal panels operate under severe conditions 24 hours a day. The challenge for us is how to prevent a stoppage and how to minimize the damage in the event that a stoppage does occur. When crucial components such as guides or bearings—the basic elements of the machinery—break down, it takes time to resume operations. I hope THK will continue to pursue even greater reliability and provide products that can run 24 hours a day and last a little bit longer.

Like a lot of customers, we'd also like to minimize the down time required for maintenance. I'd like THK to find ways to make their products more user-friendly by incorporating automatic lubrication mechanisms and otherwise making lubrication easier.

Together with our shareholders, investors, and overseas customers

Q How does THK communicate with its shareholders, investors, and overseas customers?

A THK employs a variety of investor relations tools and events to ensure fair and appropriate disclosure of information. In addition, THK takes part in exhibitions and other events in order to convey useful information to customers overseas.

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, enabling visitors to obtain a better understanding of THK products rarely seen up close in daily life.



The 40th General Meeting of Shareholders

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.

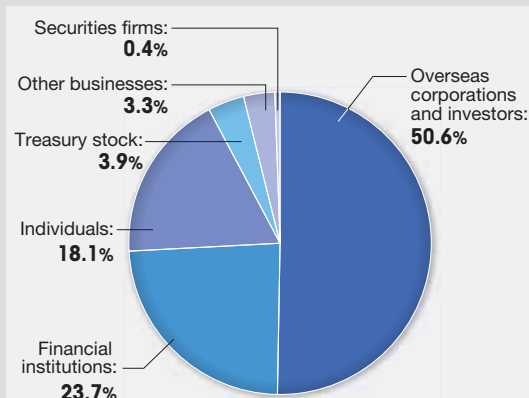
EMO MILANO 2009

THK actively participates in exhibitions in Japan and overseas. For these events, THK works hard to create exhibits that not only present a broad range of products but also offer direct contact with the items on display, to provide visitors with a better idea of what THK products actually do.

In October 2009 THK took part in EMO MILANO 2009, an international trade fair for machine tool manufacturers held at the exhibition center Fiera Milano in Italy. There THK introduced the Super-high Rigidity/Super-low Waving LM Guide, a new product offering even higher levels of rigidity and precision, now required for machine tools. Visitors to the THK exhibit were highly impressed by the variety of products incorporating THK's original Caged Ball technology, which facilitates high-speed operations while minimizing environmental impact. THK takes pride in providing products ideally suited to the needs of each customer and in presenting new ideas that contribute to creative *monozukuri*. THK will take part in more exhibition activities in the future.



Shareholdings by investor type (as of March 31, 2010)



Together with our partner businesses

Q How does THK promote harmony and mutual prosperity with its partner businesses?

A THK forms partnerships based on fair and equitable business transactions and builds relationships of mutual trust to provide better service to its customers.

VA/VE teams

THK regards its suppliers of materials and components and its processing contractors as essential partners and maintains collaborative relationships with its partner businesses for the sake of mutual growth. This has enabled THK to pursue various cost-cutting initiatives. THK does not unilaterally issue orders but actively elicits and often promptly accepts proposals from partner businesses. In order to respond to such proposals, which have been accumulating, a Value Analysis/Value Engineering* (VA/VE) team has been established at each plant. As a result, proposals from business partners have increased dramatically and are yielding increasingly positive benefits. Every year outstanding proposals are awarded citations at the general meeting of the THK Association, a venue for cooperative interaction among THK's partner businesses. Twice as many citations were awarded last year compared to the preceding year. THK will continue to closely cooperate with its partner businesses and elicit proposals for safe and environment-friendly products and components that facilitate high-quality, low-cost manufacturing.

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

Material Purchasing Section employee

I've been working in procurement at the YAMAGUCHI Plant and at THK Group companies in Europe and the Americas. Experience has taught me that the mark of a good materials department is the extent to which it can procure materials that meet the customer's requirements for quality, price, and time of delivery. The important thing is not to impose our requirements on the supplier but to pool our ideas, practice VA/VE, and work for our mutual benefit. Getting operations back on track in the shortest possible time when unforeseen problems occur is also very important. THK's entire organization works to ensure that the customer's requirements are met. In the procurement division, we work hard every day to provide top-quality standard and nonstandard products at the best price, to overcome the intense worldwide competition. In the future, we're going to need people who can handle not just domestic but global-level procurement, to be able to supply operations around the world.



Tomotaka Sakono

Group Leader
Material Purchasing Section,
Manufacturing Promotion Department,
YAMAGUCHI Plant

In their own words | Partner business



Takeshi Nose

President
NOSE SEIKO CO., LTD.



New antennae for new markets

We are a manufacturer of needle bearings, cam followers, and other finished goods. Our relationship with THK dates back many years, to the time when the company was still known as Toho Seiko. Since then we have been able to build up a positive and mutually beneficial relationship. THK tells us what kind of products they need, and we present new ideas to them in the form of proposals. THK is our main business partner, so we receive a lot of useful feedback from them. The tie-up with THK has been extremely important for us, especially in our efforts to improve our products in response to customer suggestions.

The antennae we use to get a feel for the market are, of course, not as powerful as THK's antennae, but with THK's help we've been able to gain entry into markets we couldn't have hoped to enter on our own. We're trying to anticipate our customers' forthcoming wishes and produce the things they need before they even ask. We will continue to rely on THK's strong sales capabilities and command of information to help us develop new markets.

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

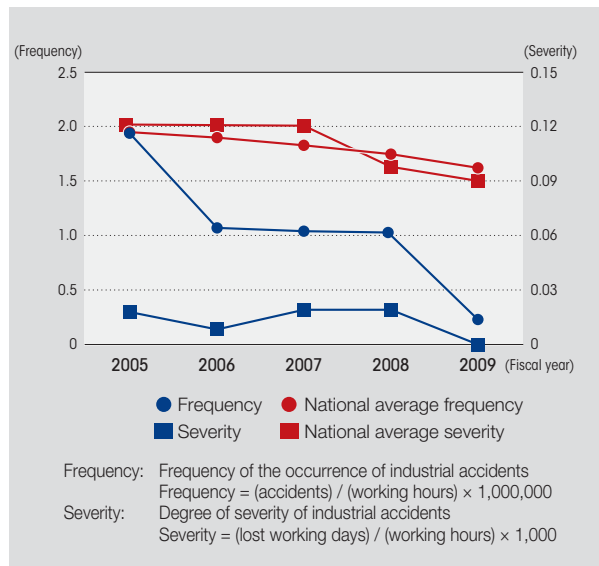
Q What does THK do to ensure safe working conditions for its employees?

A THK strives to provide a safe working environment. Among other actions, THK has taken precautionary measures to prevent secondary accidents that could occur during an earthquake and has also taken steps to safeguard the mental health of its employees.

Occupational health and safety

THK believes that ensuring employee safety is an essential prerequisite for business operations. To this end, the company has established specific numerical targets for each plant in order to prevent accidents at work. 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 carried out.

Frequency and severity of accidents at 5 THK plants in Japan



Monitoring employee health

THK has established healthcare offices or similar facilities at all its plants. At the KOFU Plant, the healthcare office is staffed by resident nurses who provide health services based on the concept that the company's health is only as good as the health of its employees.

Particular attention is devoted to ensuring that all employees are aware of the state of their health. This entails holding individual consultations with each employee after his or her annual checkup to explain the results and provide advice, encouraging the employee to reflect on the previous year's efforts and set new goals for improvements, and assessing the employee's level of stress. Special attention is also devoted to THK's decade-long campaign to safeguard the mental health of its employees. As part of this effort, THK enlists the cooperation of family members, psychotherapists, occupational health experts, and various medical specialists, as needed.

Seminar for safe driving administrators

In October 2009 THK headquarters hosted a seminar, conducted by a visiting lecturer, for safe driving administrators from all its business locations. Devoted to the goal of eliminating traffic accidents, the seminar featured a talk on safe driving tips drawn from statistics on past accidents, as well as a talk on methods administrators can use to educate employees about safe driving. To promote safe driving habits at all business locations and provide safe driving administrators with greater knowledge about relevant regulations, the seminar also included a briefing on the latest revisions to the Road Traffic Law and other statutes. Since most of THK's sales activities involve automobile travel, all THK employees, whether on or off duty, are expected to be committed to eliminating traffic accidents.

Earthquake patrols

In July 2009 an earthquake patrol was conducted at THK's KOFU Plant, as a precaution against the occurrence of a major earthquake. Earthquake patrols seek to identify locations that are susceptible to secondary accidents, such as the falling or toppling of heavy objects, and to make improvements wherever possible.



Before improvements

After improvements

- Cleared shelves of potentially precarious objects
- Marked previously unmarked emergency exit routes
- Bolted down previously unstable installation atop air duct base

THK is also taking action to make all its bookshelves, equipment racks, printers, and other fixtures and devices earthquake-resistant, to prevent such objects from falling or being overturned or displaced, thereby reducing potential damage.



Color printer is now anchored to base plate.

Fax machine is now anchored to floor.

Together with our employees (supporting growth)

Q What efforts has THK made to develop its human resources?

A THK has expanded and improved the content of its e-learning program in order to encourage self-development among its employees, and is working to ensure that the technical skills of veteran employees are passed on to younger employees.

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 2010 the system included a total of 40 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 2006	1,634	515	31.5	43.8
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

Step-up training

Every year THK provides group training sessions for junior employees who have been working for the company for several years. These sessions include lectures by guest experts and discussions of topics such as profit and cost structures, which help the employees acquire relevant mathematical sensibilities. In addition, discussions are held among same-age employees from different business divisions for the purpose of examining problems from multiple perspectives. The findings of these discussions are presented at a meeting attended by THK's division heads and directors, and they are also discussed in exchanges between supervisors and employees. In October 2009 a total of 125 junior employees, including university graduates as well as high school graduates, gathered at a training facility in Ibaraki Prefecture for three days of group training in an environment conducive to strenuous concentration. To help ensure that this experience would have a positive effect on individual performance, three months later each trainee was

required to submit a written report reviewing the content of the training session and assessing its impact.



Step-up training

Skills school

THK's YAMAGATA Plant has established a "skills school," as part of an educational program in which employees who are nationally certified technicians and engineers provide training to mid-career employees and junior employees in the areas of machining technology and electrical engineering. The program consists of two sections, an academic course and a hands-on training period, based on the idea that trainees should first master the theory and then acquire the necessary practical skills. In this way an employees can, for example, advance beyond simply pushing buttons on a numerical control machine and acquire the ability to set up the machine. In the electrical engineering course, trainees improve their skills through practical exercises and experimentation with electronic blocks and other devices.

For the YAMAGATA Plant the school provides a means of passing on the techniques and skills of veteran employees, improving employee skills in general, and encouraging employees to acquire national certification credentials. The ultimate goal, however, is to develop people who possess spirit and ability—the qualities most essential to any business—in order to achieve the objective known as "Global 10 21" (a shorthand term for THK's goal of becoming one of the world's top ten component manufacturers in the twenty-first century), and to train employees to be future leaders.



Training on a numerically controlled machine
At left, the trainee, Tomonao Muraoka;
Manufacturing Section II
At right, the trainer, Takabumi Kobayashi;
Environmental Management Section



Training with an electronic block
At left, the trainee, Keita Kato;
in the middle, the trainer, Makoto Kawashima;
at right, the trainee, Daisuke Arijii.
The trainer and both trainees work in
Manufacturing Section IV.

Together with our employees (incorporating employees' ideas)

Q Does THK have mechanisms in place for utilizing its employees' ideas?

A THK employs a variety of mechanisms to put the ideas and views of its mainline employees to good use, including a system for eliciting proposals for improvements.

Japan Society for Precision Engineering awards

Through its participation in various academic societies, THK actively pursues technological exchanges with academic institutions as part of research efforts aimed at creating new products and technologies. In 2009 the Japan Society for Precision Engineering, which supports research related to *monozukuri*, presented THK employees with its Technology Award, for a paper entitled "The technology of Linear Motion Ball Guide for superior rigidity and running accuracy in a narrow range," and the JSPE Young Engineer Award, for a paper entitled "Study on load distribution theory of Linear Motion Ball Guide applying FEM* analysis."

* FEM: Finite element method, a technique for finding numerical solutions to complex problems.



Proposals for improvements

THK has established a system for eliciting proposals for improvements from employees, to assist in the company's

efforts to improve and refine products, operational efficiency, quality, safety, productivity, and technology. THK values its employees' originality, ingenuity, and on-site perspectives. All proposals are evaluated, and commendations are awarded. Employees receive points based on the results of the evaluations and can accumulate more points for successive proposals. Whenever an employee's point total surpasses a certain level, he or she receives an award, the highest-level award being the THK Prize. The system helps and encourages employees to continually devise and propose inventive proposals for improvements. More than 100 employees now earn second-level commendations every six months.

In fiscal 2009 some 11,554 proposals were received, ranging from ideas for new markets for THK products to a proposal for changing the notation method employed in product catalogs. By encouraging employees to submit proposals for improvements, THK not only improves its operations but also sharpens employees' day-to-day powers of observation and inspires greater self-motivation.

■ Second-level commendations for improvement proposals

2005			2006			2007		
Proposals	Commendations		Proposals	Commendations		Proposals	Commendations	
	1st half	2nd half		1st half	2nd half		1st half	2nd half
6,722	88	123	8,095	100	156	8,772	137	131

2008			2009		
Proposals	Commendations		Proposals	Commendations	
	1st half	2nd half		1st half	2nd half
10,241	144	166	11,554	179	162

In their own words | Winner of the JSPE Young Engineer Award



Tatsuya Imai
Team Leader
Tribology & Reliability Research
Section
Fundamental Technology
Research Laboratory

My major at university was elastic-plastic engineering, which mainly involved research on deformation and stress characteristics of metal materials. To use that knowledge, I decided to join THK, a company with a wide-ranging market in the machinery industry. Having previously worked in the Sales Division and Sales Engineering Division, I now work for the Fundamental Technology Research Laboratory. In my previous assignments I was in direct contact with a lot of customers through my sales activities. When I first realized how broad THK's customer base was, I understood why the user requirements for THK products are so highly diversified.

I received the JSPE Young Engineer Award for my paper, "Study on load distribution theory of Linear Motion Ball Guide applying FEM analysis," which I took up because it was the kind of issue that would have piqued the interest of my customers back when I was in sales. The paper is devoted to analyzing a theory concerning LM Guides, where the deformation of components such as blocks or rails can be calculated using the finite element method. This made it possible to do theoretical analyses that take into account not only conventional contact deformation of balls and raceways, but deformation of all components. My research has also made it possible to obtain values that are closer to data derived from practical experiments, instead of just relying on theoretical values, as in the past; this will be useful for preliminary confirmation and testing of rigidity in the development of new products. I was very pleased to receive the JSPE Young Engineer Award for my research, but many issues raised by our customers still need to be resolved. I'm going to continue to pursue my research in the hope of finding solutions to at least some of these issues.

Together with our employees (supporting diverse ways of working)

Q Does THK offer a work environment that can accommodate the diverse personal needs and interests of individual employees?

A THK works hard to provide an amenable environment well-suited to the individual needs of a diverse array of employees, and is making further improvements in its hiring system and employee benefits programs.

Hiring people with disabilities

In accordance with Japanese law, THK is working to ensure that people with disabilities make up at least 1.8% of its workforce, particularly at its headquarters and manufacturing plants.

THK has set a high priority on creating a hospitable work environment for people with disabilities and encouraging disabled employees to make full use of all their capabilities, to facilitate long-term employment with THK. To this end, the company provides training to help ensure that conditions in the workplace are hospitable for employees who have disabilities as well as for those who do not. Under the program, a job coach, who makes arrangements with employers and provides guidance to disabled employees, is dispatched by a government agency that promotes employment opportunities for the disabled. The job coach provides guidance to disabled employees on communicating in the workplace, explains various reporting, notification, and consultation mechanisms, and provides tips on business etiquette. The job coach also provides guidance to non-disabled employees on becoming more knowledgeable about disabilities, determining the duties of disabled employees, and overseeing job performance.

THK makes sure that healthcare issues are addressed as well. Employees with disabilities have periodic consultations with nurses to help ensure sound mental health, and care is taken to provide flexible working hours.

In addition, THK has made use of dedicated government funding to install suitable fixtures and facilities, including stairway handrails and accessible restrooms.

Percentage of disabled employees (%)

2007	2008	2009
1.48	1.57	1.64

Employee inventiveness

In fiscal 2009 268 inventions were submitted under THK's employee invention system, which actively solicits and rewards submissions of inventions by employees; 93 patent applications were filed.

Eliciting ideas for new products

As a creative, development-oriented company, THK has established a system for eliciting ideas from employees for new product development. This provides an opportunity for employees not ordinarily directly involved in product development to take the initiative and present their own ideas. The ideas submitted are reviewed for originality, practicality, and busi-

ness potential, in screening sessions attended by representatives from the Sales, Production, and Engineering Divisions. In fiscal 2009, the system's fourth year, 98 ideas were submitted. Nine were cited for commendation, including one submission that was awarded highest honors.

Length-of-service awards

To show appreciation for their many contributions, THK presents length-of-service awards to its employees after every five years of continuous service during the first 35 years of employment. In fiscal 2009 624 employees received commendations and commemorative gifts to honor their service.

Length-of-service awards

	2005	2006	2007	2008	2009
35 years of continuous service	0	10	7	6	10
30 years of continuous service	12	15	20	16	25
25 years of continuous service	24	74	133	91	139
20 years of continuous service	137	54	87	107	143
15 years of continuous service	175	136	99	43	146
10 years of continuous service	187	100	179	74	77
5 years of continuous service	126	77	91	104	84
Total	661	466	616	441	624

Volunteer leave

One THK employee recently returned to work after performing two years of volunteer service in Peru as a member of the Japan Overseas Cooperation Volunteers; she was able to undertake the assignment thanks to THK's volunteer leave system, which was introduced in 2007. She had this to say about the experience: "As a THK employee, I had an opportunity to perform volunteer work for a fairly long time, which is something I've been into since my college days. Helping to educate children turned out to be an invaluable experience. Now I'd like to find my own way of contributing to society through the company's business activities. I have a lot of suggestions to offer."



Mariko Hayashi (top row, center), working at a facility for disadvantaged children in Peru. She now works in the Web Section, ICB Center.

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 local community activities, THK applies its expertise to activities designed to foster the development of a new generation of technical experts.

Volunteer activities

In November 2009 THK's KOMAKI Branch provided volunteer support for and helped run a sports and recreation event hosted by the city of Komaki for people, including children, with disabilities. The event was held at a facility called Park Arena Komaki.

About 500 participants and volunteers gathered on the day of the event, the 33rd of its kind. At the previous year's event volunteers from the KOMAKI Branch were in charge of recreational equipment; at this event THK employees took care of the personal needs of the disabled participants. The Komaki Council of Social Welfare, which sponsors the event, has designed it as an opportunity to encourage greater contact with and understanding of people with disabilities. The KOMAKI Branch will continue to support this event and other such events in the future.

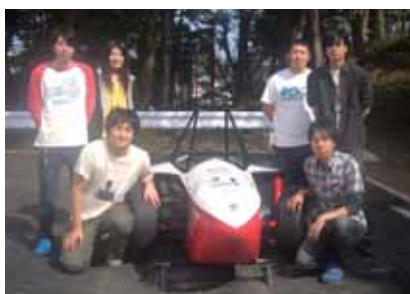


A recreational event for people with disabilities

Ibaraki University Racing

THK's HITACHI Branch and the Daido Seiki Corporation, a THK agent, are sponsors of an Ibaraki University student organization called Ibaraki University Racing, and supply the club with THK products for use in race cars. The IUR team constantly strives to make the bodies and components of its cars as light as possible, to make them faster. Thanks to their compact design, THK products are ideal for this purpose.

In a national racing event in fiscal 2009 in which eighty universities took part, the IUR team finished in the top eight. With the aid of a few technical adjustments, the team is hoping to finish in the top three in fiscal 2010, and THK will once again be lending support with products and technical advice.



Members of the Ibaraki University Racing Team

Charitable contributions

As part of its contributions to society, THK provides monetary assistance when disasters strike. 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.

Major charitable causes

October 2009	• 2009 Samoa earthquake
October 2009	• 2009 Sumatra earthquake
November 2009	• Japan Science Foundation
January 2010	• Haiti earthquake
February 2010	• Sakuranbo Marathon in Higashine, Yamagata Prefecture
March 2010	• Chile earthquake

Tree planting

The THK INTECHS MISHIMA Plant has introduced an eco-lock system that ensures complete recycling of paper copies of highly confidential business and accounting documents. Under the system, documents are recycled in cardboard boxes specially designed for the disposal of confidential materials. For each box used, the plant donates 10 yen to a tree planting fund established by a federation of forest cooperatives in Shizuoka Prefecture; 44 boxes cover the cost of planting one Japanese cypress tree (approximately 440 yen). The plant used 162 boxes in fiscal 2009 and thus provided donations enabling four trees to be planted. The MISHIMA Plant is actively working to establish other systems that will enable it to help protect the environment through the performance of day-to-day operations.

Youngsters' Science Festival

THK's YAMAGATA Plant exhibited a simplified crane game at an event held in Yamagata Prefecture in August as part of an annual nationwide "Youngsters' Science Festival." The exhibition was presented in response to a request from the Yamagata Museum of Science and Industry. The science festival offers events at which visitors can observe and take part in experiments in physics, mathematics, and other areas of science and technology, and try their hands at various crafts.

Over the course of two days, 7,800 people attended the Yamagata event, and children explored the offerings at a variety of booths. THK's crane game proved to be very popular and succeeded in getting visitors interested in science and technology.

Communal facility adoption program

In February 2010 THK's KOMAKI Branch enrolled in a program sponsored by the city of Komaki in which participants "adopt" communal facilities. Under the program, volunteers pick up garbage, water trees and shrubs, and pull weeds, in an effort to maintain a pleasant environment on roadways, in parks, and at other communal facilities in Komaki.

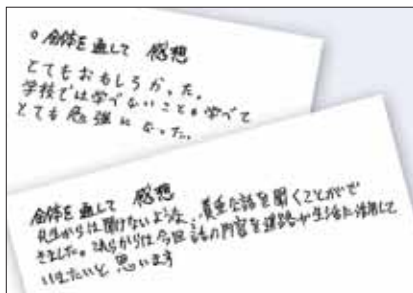
THK's volunteers perform their duties on the third Wednesday of every month, cleaning up the area around the KOMAKI Branch for about 30 minutes in the morning before starting work. Youngsters passing by on their way to school often cheer them on and show appreciation for their efforts. THK will continue to pursue business activities that are firmly rooted in local communities.



A sign promoting the program

Lessons on demand

At the request of a number of high schools, THK's Application Engineering Department has presented lessons at the schools on three occasions in order to enrich the curriculum by sharing aspects of THK's wide-ranging technological expertise. In February 2010 THK employees presented a two-hour lesson to 76 first- and second-year students at Yamagata Prefectural Higashine Technical High School. The lesson offered examples of advanced technologies and explanations of how they are used—areas not usually covered in regular lessons—and generated strong interest among the students in the fundamental role played by THK technology in Japanese *monozukuri*.



Comments received from students

Corporate history exhibition

In response to a request from the Sanyo-onoda Municipal Library, THK's YAMAGUCHI Plant, along with about 10 other local companies, took part in an exhibition designed to inform residents of the area about the histories and philosophies of local businesses. The event began in May 2009 and continued for about one month. The exhibition, which featured display panels and informative pamphlets, was attended by many local residents and won praise for casting light on interesting aspects of the history of the city of Sanyo-onoda.

The YAMAGUCHI Plant is prepared to actively pursue similar opportunities that may arise in the future, in order to preserve its close relationship with the local community.



The THK exhibit

JAVADA commendation

In November 2009 Japan's Ministry of Health, Labour and Welfare and the Japan Vocational Ability Development Association awarded the association's chairman's commendation to THK's KOFU Plant. Since 1978, in response to a request from the Yamanashi Vocational Ability Development Association, the KOFU Plant has conducted skill tests for nine types of machining work and dispatched employees to serve on certification committees. In addition, it has established a system to help employees prepare for proficiency tests. The award was presented in recognition of these efforts. The KOFU Plant will continue to work to improve skills and promote occupational training both inside and outside the company.

