

Involvement in society

Creating jobs, cultivating personnel, securing fair profits, and paying taxes. These form the basis for our company's activities. For these things to happen, though, it is essential to build good relationships with our stakeholders: customers, shareholders and investors, partner businesses (cooperating companies and suppliers), employees, government agencies, and local communities.

THK places great value on its relationships with all stakeholders, that is, on our involvement in society at large.



Society

Together with our customers (for higher product quality)

Q

What efforts does THK make to ensure a continuing supply of better products?

A

THK is dedicated to upholding its CEO policy—Diligent Pursuit of The Best Quality—and has instituted action guidelines to ensure continuing efforts to provide optimum quality.

Diligent Pursuit of The Best Quality

Diligent Pursuit of The Best Quality: THK's CEO policy for fiscal 2008. As a leading global corporate brand, THK can't afford to settle for conventional quality but must constantly improve quality control to ensure that it is providing customers with the world's best products. To this end, THK has created a Quality Improvement Committee to oversee quality improvement activities throughout the entire organization.

The quality of the products THK provides to customers reflects manufacturing and calibration skills and other technological capabilities employed at THK production sites. To assess the quality of products made at different sites, including plants located overseas, the Quality Improvement Committee sponsored an in-house quality competition in October 2008. Products from THK plants around the world were collected for the competition. After establishing quality-assessment criteria for each product, judges from the Quality Assurance Division evaluated the products and the plants that produced them. Their findings indicated that the quality of THK products remains consistent no matter where the production site is located, including overseas.

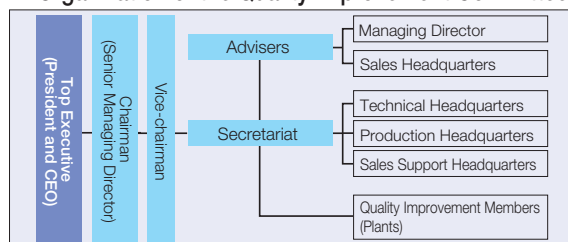
THK now has plants not only in Japan but in the U.S.A., Europe, and elsewhere in Asia as well, so it is essential to keep manufacturing quality consistent worldwide. For this reason, THK has launched a universal quality control (TQS*) initiative. THK is also improving global procurement, which is the basis for the principle of optimum-production sites. This entails fair and impartial testing of materials and components procured for use by overseas plants, in cooperation with procurement personnel, to ensure that all THK plants are using superior materials and components.

To further ensure uniform quality worldwide, THK employs teleconferencing, its own internal WAN,** and other new technology to share information with overseas sites and facilitate technological interaction. Activities such as these have reinvigorated efforts to improve quality at all THK plants, in accordance with the CEO policy: Diligent Pursuit of The Best Quality.

* TQS: THK Quality Standard—THK's unique quality standard

** WAN: Wide Area Network—A computer network covering a broad area

Organization of the Quality Improvement Committee



Quality Assurance System

To offer safe and reliable products to customers all over the world and provide the best possible Quality Assurance System from a global perspective, THK has obtained ISO 9001 Quality Management System certification for all its plants in Japan, the U.S.A., Europe, and elsewhere in Asia. THK has also obtained ISO/TS 16949 Automobile Production Quality Management System certification for its FAI Division and TME and TMA plants. This enables THK to supply products to the automobile industry, where a more advanced level of quality control is required. THK will continue to employ quality management systems at all its plants in an effort to ensure ongoing improvements in product quality.

Improvement Presentation Meeting

Improvement is a constant theme in manufacturing. THK continually holds presentation meetings in an effort to improve quality and technology. The first Improvement Presentation Meeting, sponsored by the Production Division, was held in November 2007; the second was held over the course of two sessions in February and March 2009. The event is a venue for presentations on QC* circle activities, developments in machining technology, and improvements in day-to-day operations at specific plants, which, it is hoped, will catch on at other plants. In addition to the five domestic plants represented at the first meeting, THK's NIIGATA Plant was represented at the second meeting for the first time. Prior to the event, preliminary screening rounds were held at the respective plants, and qualifying rounds for Eastern Japan and Western Japan were held thereafter. Ultimately, nine presentations on improvements were offered at the meeting, along with two special reports presented by THK's Production Engineering Department.

The GIFU Plant sponsored a presentation on improvements in its assembly process. Plant officials had established a goal of reducing the 250-second assembly time by 64 seconds, through improvements to jigs and other equipment, but repeated improvements made it possible to exceed the goal and reduce the assembly time by 78 seconds.

* QC: Quality Control



▲ A QC circle presentation meeting at the MIE Plant

Together with our customers (for greater customer satisfaction)

Q Please describe THK's customer service activities.

A THK continually works to improve sales skills throughout the corporation by ensuring that its accumulated expertise is shared by all sales personnel, in the spirit of true customer service.

TAPS Certification Program

The TAPS* Certification Program, inaugurated in fiscal 2008, is an internal qualification system designed to improve the skills of sales people employed by THK's agents, as part of efforts to increase customer satisfaction. The objective is to enable agents to provide the same level of customer service that THK's own sales people provide.

Sales people who enroll in the program attend seminars on THK products and technology, held in three sessions, and are tested at the end. In the program's introductory year, 30 participants performed well enough on the tests to earn the TAPS qualification; each received a photo-embossed certificate.

TAPS certified sales employees participate in annual development programs that include seminars on products, technology, and sales management, as well as hands-on training at plants and attendance at various exhibitions. TAPS certified sales people are actively involved in planning and conducting customer briefing sessions concerning THK products.

These development programs help TAPS certified sales people become more knowledgeable and foster greater interaction with THK's own sales employees. Ultimately, this enables THK's agents to better understand customer needs and provide better service in a variety of ways. THK will continue to improve the TAPS Certification Program and elicit the participation of more THK agents, to provide greater customer satisfaction.

* TAPS: THK Authorized Professional Sales

Global Sales Meeting

THK's first Global Sales Meeting was held in July 2008 in Seattle, Washington, in the U.S.A. The catchphrase for this event, devoted to improving customer service around the world, was Global 10 21, a reference to THK's goal of becoming one of the world's top 10 component manufacturers in the twenty-first century.

Nine top sales employees from THK's four territories—Japan, the Americas, Europe, and Asia—attended the meeting to discuss issues affecting sales activities, relate success stories, and share their expertise.

Those in attendance reaffirmed that, although they work in different countries and cultures, the THK sales approach—true customer service—remains the same everywhere. They also noted the critical importance of communicating with customers and expressed support for the TAP1 program, now being carried out in sales divisions around the world.



▲ Global Sales Meeting participants from various countries introduce themselves.

VOICE | Voice of a salesman



Atsushi Yayabe

Assistant Manager,
Sales Section, HAMAMATSU Branch,
Sales Department, East Japan Region II

I wanted to gain greater knowledge by interacting with people, so I've been working in the sales division ever since I joined THK. When I took part in the TAP*1 program, I realized that I had a one-way sales attitude. You have to listen to customers very carefully and find out what they really need. Now, after discussing everything with the customer, when I convey their requirements to the design and production people I make sure they understand the customer's needs correctly in every detail. It's especially satisfying when they can make a product for a customer that's not even in the regular lineup. That's when I really see our corporate policy in action—"providing innovative products to the world".

Right now I'm working with a younger employee, doing sales work and showing him the ropes. It takes me back to my own early days with the company. I try to do my job without losing sight of my original goal and cherish my interactions with our customers. To find out what my customers need, I try to put myself in their place. With the help of my colleagues, I'm going to keep trying to come up with ideas to satisfy our customers.

* TAP: THK Advantage Program. There are three types: TAP1 (sales), TAP2 (production), and TAP3 (administration).

Interview — Customer's voice —

Partnership with THK develops as market needs change over time.

Shinsuke Suhara

Executive Officer,
Electronics Assembly Equipment Division,
Machine Engineering Department,
Fuji Machine Mfg. Co., Ltd.

Fuji Machine Mfg. Co., Ltd.

Since its establishment in 1959, Fuji Machine Mfg. Co., a manufacturer of industrial machinery including electronic-component mounters and machine tools, has provided advanced technology and technical services to computer and mobile phone manufacturers and auto makers around the world. The company's Electronics Assembly Equipment Division handles production and sales of its electronic-component mounters, while the Machine Tools Division primarily handles production and sales of lathes designed for use by auto makers.



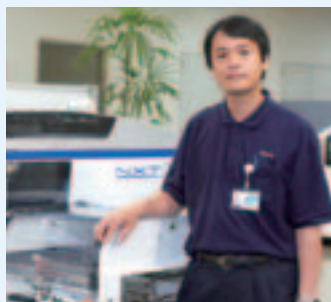
How did you happen to form a partnership with THK?

Some 28 years ago we launched an Engineering Division, the forerunner of our Electronics Assembly Equipment Division, and began selling the first "automatic mounters" ever used in the electronics industry. Back then we called them placers; they inserted components, with leads attached to the electrodes, into substrates. Those machines evolved into the present-day mounters, which place tiny electronic components on a substrate.

Mounters run at very high speeds compared to machine tools and placers, so rolling guides were absolutely necessary. THK's circular-arc design, with the balls making contact at only two points, has very low rolling resistance and is very stable, with a high tolerance for mounting errors. We decided to use THK products because they met our requirements, and that was the start of a long relationship.

What have you been most impressed with in your dealings with THK?

When I started designing products and trying to improve performance, I found conventional guides unsatisfactory. When we wanted to increase speed, iron and stainless steel guides were too heavy and not rigid enough. Ceramic was a promising material, so I contacted several makers about developing ceramic guides, including THK, and THK was more than willing to give it a try. They developed the world's first ceramic guide, and we were the first to use it. I recall it quite clearly. The machine incorporating ceramic



guides ran very fast, placing every chip in just 0.068 seconds. That machine was recognized within the industry as the world's fastest mounter at the time.

Once high-speed requirements were satisfied, the market need was flexibility, to enable makers to accommodate diverse production formats. We shifted to a modular design for our new NXT series, with each constituent device unitized for ease of replacement. The unit consists of a number of small machines, so the guides must also be very small. Ease of maintenance was important because many guides are used in each unit. The THK guides have retainers between the balls to prevent direct contact. With no balls colliding, the operation is very smooth. It's quiet, with a very long service life. In addition, there's a function provided that lubricates the rails automatically. These features make it possible to extend the maintenance-free operating period, which, as a machine maker, we appreciate very much.

Our partnership with THK has grown stronger as we've cooperated with one another in meeting the changing demands of the market.

What are you hoping for from THK in the future?

When we come up with an idea, THK's people respond quickly. We naturally talk with the sales people first, and the next time we meet they bring along technical people to explain their proposal. If there are difficulties, they explain just what the difficulties are, in plain language. The coordination between sales and the technical side at THK is wonderful, and I look forward to even better and smoother cooperation in the future.

From a technical perspective, extending the maintenance-free period is highly important for both of us. We would like them to develop units that require no maintenance at all for a period of, say, three to five years. Another problem is heat, a result of the emergence of machines that run at increasingly higher speeds. I expect THK to further improve their technology in relation to these two points.

Together with our shareholders

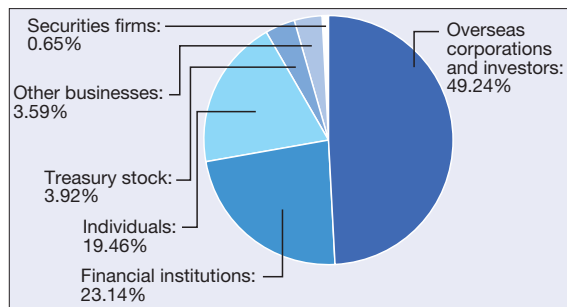
Q Please describe THK's activities for shareholders and investors.

A THK strives to make its corporate management practices more transparent through fair and equitable disclosure of information to shareholders and investors.

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.

■ Shareholdings by investor type (as of March 31, 2009)



General Meeting of Shareholders

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. The 39th General Meeting of Shareholders was held on June 20, 2009, with 390 shareholders in attendance. An exhibition of newly developed products was held in an adjoining venue, enabling visitors to obtain a better understanding of THK products rarely seen up close in daily life.



▲ The 39th General Meeting of Shareholders

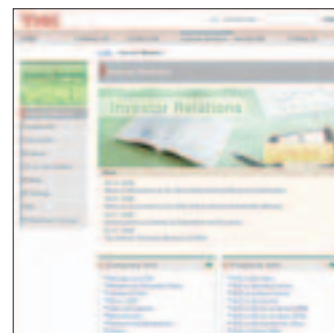
Investor relations tools

THK publishes an annual report, as a means of disclosing information appropriately and impartially to shareholders and investors. The company also publishes a fact book for investors, for use as an informational tool. These items, along with materials presented at investor meetings, legally required disclosures, and other information, 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 investors regardless of affiliation or location.

In November 2008 the Investor Relations page of THK's website was fully redesigned for the convenience of shareholders and investors. The menu at the top of the page has been revised to make it easier to find the desired information, and access to investor relations materials from previous fiscal years has been improved, making the site more convenient and useful for THK's shareholders and investors.



▲ The THK Annual Report 2008



▲ Investor Relations page of THK's website
<http://www.thk.com/us/ir/index.html>

Together with our partner businesses

Q

How does THK build good relationships with its suppliers and partner businesses?

A

THK engages in fair and equitable dealings with its partner businesses, forming strong partnerships and seeking mutual development through workshops and other activities.

Fair and equitable commerce

THK regards its suppliers of materials and components and its processing contractors as indispensable partners. THK's partner businesses are selected through an exacting but fair and equitable process based on the company's purchasing guidelines. Prospective new partner businesses undergo a careful check of their management practices, product quality, technical capabilities, cost competitiveness, environmental efforts, and 5S* activities. A rigorous final screening, based on THK's demanding standards for partner businesses, is required before executive approval can be given and business transactions begin. Existing partner businesses are evaluated in a similar manner each year, using a Partner Business Grading Form, and the results have a direct impact on business transactions. THK encourages partner businesses to improve in areas in which they score poorly in these evaluations.

To ensure strict observance of all relevant laws and ethical standards, THK participates in outside seminars on subcontracting and other topics and holds in-house study sessions as well. By studying examples of violations occurring at other companies and reviewing case studies, THK employees acquire a better understanding of fair and equitable procurement practices, which they strive to uphold.

* The 5S rule calls for *seiri* (order), *seiton* (tidiness), *seiketsu* (cleanliness), *seiso* (cleaning up), and *shitsuke* (discipline).

The THK Association

The THK Association, consisting of THK's 206 co-operating companies, suppliers, and other partner businesses, is a venue for interaction to promote mutual progress for THK and the association's member companies. Members celebrated the thirtieth anniversary of the association's founding at its general annual meeting in Jozankei, Hokkaido, in June 2008. THK's managerial policies were discussed at the meeting, and THK's CEO presented awards to member companies for superior VA* proposals. The event also included an outing and a golf competition.

Branches of the association based at various production plants hold workshops on cutting costs and improving quality, among other activities. The THK Association will continue to serve as a venue for building strong partnerships among member companies.



▲ The THK Association

* VA: Value Analysis, a management method for increasing component and product functionality by reducing overall costs

VOICE | Voice of a partner business

I hope to maintain a relationship that allows us to keep on cooperating to develop better technology.



▲ Cold finished steel bars



Kiyoshi Suzuki

President, SUZUHIDE KOGYO CO., LTD.

SUZUHIDE KOGYO has been dealing with THK since 1985. We supply drawn materials for their core products, LM Guides and Ball Splines. Because we are member of their supply chain, our product quality is directly reflected in their products. We are doing our utmost to provide a stable supply of high-quality products.

Formerly, the drawn materials we supplied to THK were cold finished steel bars in a complex shape called a profile. The quality requirements were much stricter than for ordinary cold finished steel bars. We had to rely on the skills of our craftsmen for production accuracy, but later we revamped and improved the process and developed our own original manufacturing process. Now we have a dedicated factory located near the YAMAGUCHI Plant as well as a dedicated production line in the main plant.

THK's determination to achieve the highest possible quality is an attitude that we share. I hope we can grow together in the future based on our common pursuit of *monotsukuri*.

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

Q

What steps does THK take to ensure the safety and health of its employees?

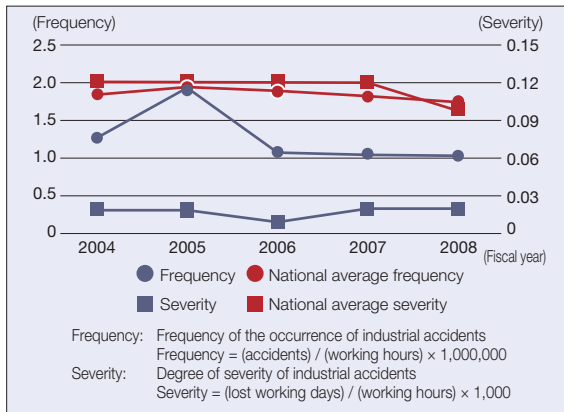
A

THK strives to create a safe working environment and make every employee conscious of safety issues so that all employees can work with vigor and enthusiasm.

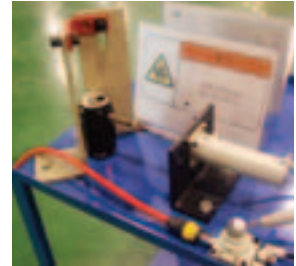
Occupational health and safety

THK believes that ensuring employee safety is the starting point for *monotsukuri* and an essential prerequisite for business operations.

Frequency and severity of accidents at 5 THK plants in Japan



of safety slogans, safety patrols, the introduction of an incident reporting system, safety meetings, and other programs designed to promote safety. The eventual aim of these efforts is achievement of the 2009 safety management goal of zero critical accidents.



▲ Getting caught between cylinders

Disaster prevention activities

RHYTHM CORPORATION has established a disaster prevention system based on the principles set forth in the corporation's Basic Policy on Measures against Earthquake and Other Disasters: "Save life first", "Prevent secondary disasters", and "Make every effort to resume business operations". A disaster prevention organization has been created to rapidly transmit decisions from headquarters to other locations. Standards for actions by employees are set forth in the firm's earthquake manual, and every employee has been provided with pocket-size cards summarizing the corporation's procedures in the event of an earthquake, standards for employee attendance in the event of a foreseeable or sudden earthquake, and safety notification system.

In September 2008 the firm's Disaster Team, comprising executives and managers as well as ordinary employees, conducted exercises as part of a corporate disaster prevention campaign. The activities included a presentation on disaster prevention by a guest lecturer from the Western Regional Center for Emergency Management of Shizuoka Prefectural Government, who praised RHYTHM CORPORATION's disaster prevention system as an example for other firms to follow. RHYTHM CORPORATION's system has also been cited on the Shizuoka Prefectural Earthquake Preparedness Education Center website as an example of a disaster prevention system used in manufacturing and other industries.

Setting up an infirmary

In July 2008 an infirmary staffed with resident nurses was established at THK headquarters. Along with company doctors, the nurses provide employees with detailed health counseling. In addition to regular check-ups, employees at THK headquarters can get detailed guidance and advice on caring for mental health, enabling them to alleviate stress.

Steps have been taken to achieve closer coordination between nurses at THK headquarters and those at the production plants, making it possible to quickly ascertain the overall health of THK's workforce. Company doctors and nurses are also providing advice on measures to protect employees from the influenza A virus, which has become a health issue worldwide.

Safety education using risk simulators

Officials at THK WUXI in China conducted a special campaign from December 2008 to February 2009 to enhance employee awareness of safety issues. Every employee received 10 hours of safety education, which included the use of three types of risk simulators specially prepared by the company to simulate the experience of (1) getting entangled in gears, (2) being cut by flying chips, and (3) getting caught between cylinders. This helped employees develop an intuitive grasp of potential hazards in their immediate surroundings. In addition to safety education, the campaign included a safety slogan contest, posting

Organization	Duties
Disaster Prevention Team Control Department (11 people)	General decision-making and instructions
Control Department Unit (7 people)	Assisting headquarters personnel
Information Liaison Unit (18 people)	Gathering and exchanging information
Disaster Prevention Team	
General Affairs and Rescue Team (19 people)	Rescuing the injured
Security and Evacuation Team (23 people)	Evacuations and guidance
Equipment Inspection Team (67 people)	Preventing secondary disasters
Firefighting Force (66 people in 7 groups)	Firefighting and organizing inside the plant

Together with our employees (supporting growth)

Q

What efforts does THK make to help its employees advance?

A

If human resources stop developing, the company itself cannot achieve growth. THK provides a system to support self-development initiatives by employees and makes efforts to ensure that the technical skills of expert employees are passed on.

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 offerings include a basic course in Business Skills; a Product Knowledge course, which covers a wide range of THK products; and a course on Compliance, currently a topic of great interest. As of March 2009 the system includes a total of 37 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.

■ Trends in e-learning

	Courses	Employees who enrolled in courses			Percentage of enrolled who completed course
		Eligible employees	Employees enrolled	Percentage of eligible employees	
March 2006	24	1,634	515	31.5%	43.8%
March 2007	24	1,777	581	32.7%	46.9%
March 2008	34	1,963	893	45.5%	73.9%
March 2009	37	1,965	921	46.9%	73.2%

Improving skills and developing multiskilled workers

To improve the capabilities of individual employees, THK actively works to develop multiskilled workers. At the MIE Plant, where a "skill map" for the entire plant has been prepared, expert employees provide one-on-one training to other workers at the plant. Trainees, already well versed in their routine duties, have a chance to return to basics and review safety confirmation procedures and other points while referring to work process charts and illustrations. Surface grinders and other machine tools are used to teach the positioning of work pieces and whetstones, starting positions, and other points. Rather than simply rely on machines, trainees acquire advanced skills from expert employees through actual experience.

The employees who conduct the training also go back to the fundamentals, reviewing existing work procedures and making improvements. Thus, both sides benefit from this system, which, as an effective means of mutual development, is expected to be expanded in the future.



Technical training at the MIE Plant
At left, the trainer, Nobuyoshi Nakano;
At right, the trainee, Tomoki Nakamura.
Both work in Manufacturing section II

VOICE | Voice of a trainee

Training in Japan

I joined THK Singapore in 2007 as an office worker. Our job is coordinating the activities of the Singapore sales division, THK Headquarters in Tokyo, and our local agents. We work with the sales people in the field, preparing quotations, adjusting lead times, negotiating prices, and taking orders from customers. We try to provide optimum service to the end users.

I wanted to improve my product knowledge and learn how my work in Singapore relates to THK's operations in Japan, and in July 2008 I got an opportunity to go to Japan for a week of training. After undergoing training at THK Headquarters and at branches and plants in Japan, I realized that (1) daily work at THK revolves around the concept of putting the customer first, (2) THK looks beyond the customer and considers the benefits to the end user, and (3) THK engages in research and development on products closely related to daily life.

I obtained an overall understanding of the way purchase order data issued at THK Singapore is processed in Japan. From now on I intend to perform my regular duties while keeping in mind that the rest of the process is affected by my work. In Japan I learned that esteem for the customer is part of THK's corporate culture, and I want to help spread this concept in the Singapore office. I want to do my job faithfully, keeping in mind the customers' point of view, and provide service that will satisfy our customers.



Margaret Lei Enbei
Sales Administration

Together with our employees (support in seeking challenges)

Q

Does THK have mechanisms for incorporating its employees' ideas and achievements?

A

THK has various systems designed to encourage employees to achieve their goals and pursue their dreams. Support for such efforts helps THK build positive relationships with its stakeholders.

Commendation system

Product development at THK normally begins with the formation of a project team and proceeds through the following stages: (1) determination of preliminary specifications and designation of the project leader; (2) selection of other project members, in addition to technical personnel, from all over the organization, including production and sales divisions; (3) design and development; (4) technical reviews and marketing studies; (5) mass production of prototypes; (6) evaluation of prototypes; (7) PQR*; and (8) start of production.

The project team is dissolved when its task is completed and production starts. Product development is guided by THK's corporate philosophy, "providing innovative products to the world and generating new trends to contribute to the creation of an affluent society". When a product embodying this philosophy is developed, each member of the project team personally receives a commendation from THK's CEO praising the team's achievement. This system is effective for raising the morale of everyone involved in development, not just the technical personnel, and helps foster a corporate culture that encourages active participation in development projects.

* PQR: Post-Qualification test Review—examination of test results



▲ (Left to right) Yoshifumi Nagato, Research and Development Unit II; Shuhei Yamanaka, Research and Development Unit II; CEO Akihiro Teramachi; Ryuji Furusawa, Research and Development Unit I.

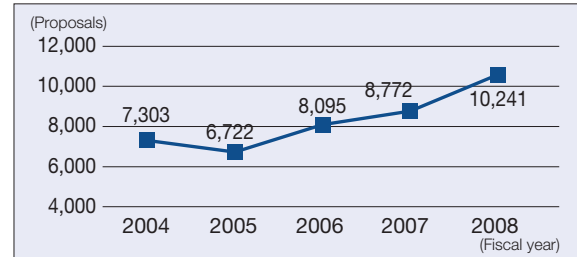
Eliciting ideas for new products

As a creative, development-oriented company, THK has initiated 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 business potential, in screening sessions attended by representatives from the sales, production, and technical divisions. In fiscal 2008, the system's third year, 74 ideas were submitted, of which 5 were cited for commendation.

Proposals for improvements

THK has established a system eliciting proposals from employees for improvements, 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. This system encourages continuing submissions of proposals and includes evaluations of proposed improvements. 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 one of six specified levels, he or she receives an award. The highest-level award is the THK Prize. Every year, more than 100 employees earn second-level commendations. In fiscal 2008, 10,241 proposals were received, 16.7% more than in the previous year.

■ Improvement proposal submissions (2004 to 2008)



VOICE | Voice of the THK Prize winner

I joined THK in 1986 and have worked in production shops at the NAGOYA Manufacturing Section and the GIFU Plant for 23 years. While I'm working I get ideas for more efficient ways of doing things, so I write my ideas down and present proposals for improvements every year. By July 2008 I had accumulated 300 points, enough to win the THK Prize. I submit proposals for improvements any time I happen upon an idea or get an inspiration, in the hope that it will help make our operations more efficient.

Once you win a prize, you're motivated to try to get to the next level. With the prize I won this time, I took my family to Hong Kong. Now I'm starting out again from scratch, but I'd like to win the THK Prize again.



Toshikazu Yamada

Group Leader,
Manufacturing Section III,
Manufacturing Department,
GIFU Plant

Together with our employees (supporting diverse ways of working)

Q

How is THK responding to the increasing desire among employees for more personally amenable working conditions?

A

THK's employment system accommodates a broad array of diverse working arrangements. THK also has a system in place to express special appreciation to longtime employees.

Training systems

THK operates various training systems to develop the abilities of individual employees and improve overall capabilities within the company. These systems include orientation for new employees, on-the-job training for new employees, "step-up" training in both the second year and sixth year of employment, and training for employees in specific positions (group leader, manager, and department head). Particular emphasis is placed on the training of new employees, each of whom is paired with a mid-level employee who provides individual on-the-job training. The two work together for about a year, which facilitates communication in the workplace, as the new employee acquires the necessary knowledge and job skills.



▲ "Step-up" training

Length-of-service awards

To show appreciation for their many contributions, THK awards commendations to its employees after every five years of continuous service. In fiscal 2008, 441 employees received commendations and commemorative gifts to honor their service.

■ Length-of-service awards (2004 to 2008)

	2004	2005	2006	2007	2008
35 years of continuous service	0	0	10	7	6
30 years of continuous service	10	12	15	20	16
25 years of continuous service	29	24	74	133	91
20 years of continuous service	150	137	54	87	107
15 years of continuous service	154	175	136	99	43
10 years of continuous service	162	187	100	179	74
5 years of continuous service	102	126	77	91	104
Total	607	661	466	616	441

Continued employment for older employees

In accordance with revised legislation governing employment opportunities for older people, THK has introduced a system for continued employment beyond the age of retirement. Previous restrictions on continued employment were abolished in 2008; any employee who is healthy and willing to keep working is now eligible for continued employment.

This system offers an effective means of passing on traditional shop-floor skills and technology and helps foster a work environment conducive to high-quality manufacturing and services.

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, to facilitate long-term employment with THK.

■ Percentage of disabled employees

2006	2007	2008
1.21%	1.48%	1.57%

Support for hiring of people with disabilities at the YAMAGUCHI Plant

THK is working to employ more people with disabilities. In cooperation with five schools for people with disabilities in YAMAGUCHI Prefecture, THK's YAMAGUCHI Plant arranges for two or three students from these institutions to receive on-site training each year. The students, their parents, PTA members, and teachers from the schools are invited to visit the plant in advance to ascertain that conditions are suitable for training. In fiscal 2008 three students received a cumulative total of 45 days of training, acquiring experience in packaging and inspection operations. One of the trainees joined the company in April 2009.



▲ Using a scanner to read product-quality data

Together with local communities

Q Why does THK place importance on contributing to local communities?

A No business can exist alone. Accordingly, each THK business location works to maintain a meaningful relationship with the local community.

Charitable contributions

As part of its contributions to society, THK provides monetary support for areas and people affected by disasters and makes donations to organizations devoted to promoting science and the future development of *monotsukuri* in Japan. THK also co-sponsors a variety of events in communities where it has business locations.

Major donations in 2008

Great Sichuan Earthquake, China	May
Tropical cyclone, Myanmar	May
Iwate-Miyagi Inland Earthquake, Japan	June
Sakuranbo Marathon, Higashine, Yamagata Prefecture	June
Co-sponsorship: Conference for the Promotion of MONOZUKURI	October
Japan Science Federation	December



THK received an award (Medal with Dark Blue Ribbon) from the Japanese Government for its disaster relief donations in 2008.

Cleanup activities

In October 2008 THK's TOYOTA Branch organized a campaign to clean up nearby roads, parks, and parking lots, to help improve the environment for residents of the area. Participants encountered more refuse than expected along the area's roads: they filled six seventy-liter garbage bags in a single hour. Roadside conditions were greatly improved, and local residents thanked the cleanup volunteers. Through this experience, the campaign participants reconfirmed the importance of protecting the environment and interacting with the local community. TOYOTA Branch employees plan to join local volunteer groups to continue their activities to contribute to the community.



▲ Participants in the TOYOTA Branch's cleanup campaign

Disaster drill

In November 2008, at the request of the local elementary school district's disaster prevention organization, THK's TOYOTA Branch exhibited THK's seismic isolation simulating vehicle, in connection with a local disaster drill. Despite rainy weather, about 1,200 people (400 children and 800 adults) gathered on the day of the drill, the fifth of the year. Participants took part in a shouting contest (simulating the experience of being trapped under rubble) and sampled the fearful experience of an earthquake on the seismic isolation simulating vehicle. For the children, it was a scary experience. The adults also found the drill frighteningly convincing, and many resolved to take more protective measures against earthquakes.

Helping students build a robot

THK's YAMAGUCHI Plant has formed partnerships with local high schools and schools for the disabled and periodically holds activities with them. In April 2008, when a study group at Ube Technical High School decided to participate in a robot-building contest, the students asked the YAMAGUCHI Plant to share its expertise and explain how THK products might be used to make a robot. The students visited the plant and showroom and received a briefing.

The students built a robot that included THK products. Although it failed to win a prize, they sent a message of appreciation to the YAMAGUCHI Plant, saying that the briefing had been very helpful to them.



▲ Students at Ube Technical High School assembling their robot

Roadside tree adoption program

THK's YAMAGATA Plant participates in a roadside tree adoption program operated by the city of Higashine's construction division. A total of 917 people from 8 businesses and 35 associations participate in the program. The volunteer participants adopt roadside trees and affectionately oversee their development.

The program motto is "Keep our hometown clean". The volunteers periodically clear weeds around the trees, check safety equipment on roads and pedestrian bridges for damage, and plant flowers in designated areas. YAMAGATA Plant employees are responsible for about one kilometer of road south of the plant's front gate, which they cleaned up twice in 2008, in May and October. The YAMAGATA Plant will continue to participate in community activities and help expand the tree adoption program throughout the city of Higashine.



▲ Volunteers cleaning up the roadway

Governor's commendation

In November 2008 THK's KOFU Plant received a letter of commendation from the governor of Yamanashi Prefecture for its efforts to promote advanced skills. Since 1978, at the request of the Yamanashi Vocational Ability Development Association, the KOFU Plant has conducted annual skills tests in nine areas of machining operations and provided personnel to evaluate the test results. Every year since fiscal 2007 the Yamanashi Technicians Federation has designated three KOFU Plant employees as representatives of Yamanashi craftsmanship; they help develop training programs to educate new generations of crafts people at workshops in Yamanashi. The KOFU Plant is committed to fostering the development and passing on of useful skills in Yamanashi Prefecture.



Occupational health and safety commendation

To eliminate any possibility of production-related disasters, DALIAN THK holds environmental and safety patrols, disaster drills, workshops and analyses of disaster case studies, and continuing internal and external safety education activities. In fiscal 2008 DALIAN THK held 16 environmental and safety patrols and 3 disaster drills in an effort to identify problems and eliminate visible and invisible risks. In June 2008 a month-long heightened safety campaign was held to monitor and publicize safety conditions and improve safety awareness among employees. As a result, targets were achieved in all safety programs—no deaths, critical injuries, or instances of occupational illness were recorded. In December 2008 DALIAN THK was commended by the Dalian municipal government as Dalian's most advanced, safety-oriented company.

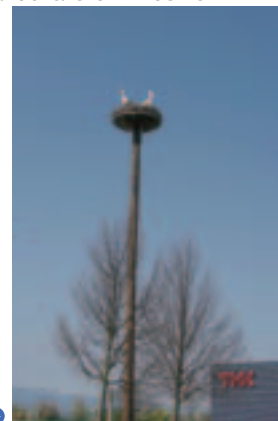
DALIAN THK will strive to maintain safe operations by giving due consideration to employee safety, cultivating a hospitable work environment, and fostering harmony between the company and its employees.



Protecting the stork

The Alsace region of France is known as a habitat for storks, which, as a symbol of happiness and prosperity, are well cared for. Conservation programs abound, and there are many parks designated as sanctuaries and conservation centers devoted to breeding and ecological research. THK Manufacturing of Europe (TME) contacted the mayor of Ensisheim, where TME is located, to offer its support for the stork conservation program. In May 2008 municipal authorities installed a stork nest on TME grounds, as "a gesture of friendship with TME" (to quote the mayor's speech).

TME intends to maintain and develop its partnership with the local community by helping to protect the storks that nest on its grounds.



A pair of storks nesting on THK grounds ▶

Involvement in society