

THIS ANNUAL REPORT'S DESCRIPTION

ROLE	CONTENTS	SUMMARY	
2	Overview and characteristics	This is THK	THK pioneered the development of the world's first linear motion (LM) guide, and today has the largest share of the global market for this vital machinery component.
4	Management strategy	Long-Term Management Target and Medium-Term Management Plan	To establish milestones for increasing its business value, THK has formulated a long-term management target and a medium-term management plan, and is working diligently to achieve them.
6	Management's view (current conditions and outlook)	Interview with the President	While responding flexibly to rapid changes in the external environment, THK is expanding its business domain through "Full-Scale Globalization" and "Development of New Business Areas," thereby increasing its business value.
11	Specific measures and results	Geographic Business Review	Sales in the core business of parts for machine tools and general machinery were generally strong in Japan, the Americas, Europe, and Asia. Moreover, consolidated subsidiaries grew. As a result, the Company achieved continued sales growth in all regions.
20	Segment data	Business Segment Review	In the industrial equipment-related business segment, sales rose thanks to the Company's efforts to strengthen its sales capabilities amid growing demand for machinery in such regions as Europe and China. In the transportation equipment-related business segment, THK worked to win new customers and increase business with existing customers.
22	Toward the next generation	Development of New Business Areas	Aiming to expand beyond capital goods sectors business and into consumer goods and related sectors, THK is engaging in "Development of New Business Areas."
26	Product introduction	THK Products	THK's products, centering on LM guides, are used in various types of industrial machinery. As a machinery component vital to increasing precision, speed, and energy efficiency, LM guides contribute to the development of industry.
30	Achieving sustainable growth	R&D and New Product Development	Guided by the business philosophy of "providing innovative products to the world and generating new trends to contribute to the creation of an affluent society," THK continually strives to create original products as a creative development-driven enterprise.
32		Environmental Preservation	Recognizing its societal obligation as a corporation to help sustain the health of the global environment, THK is working to continuously reduce the burden it places on the environment and to sustain and improve the natural environment.
38		Corporate Governance and Internal Controls	As a company, THK aims to maximize the generation of stable returns for shareholders over the long term. To this end, THK is working to strengthen corporate governance over time while upgrading compliance, risk management, and other internal control systems.
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