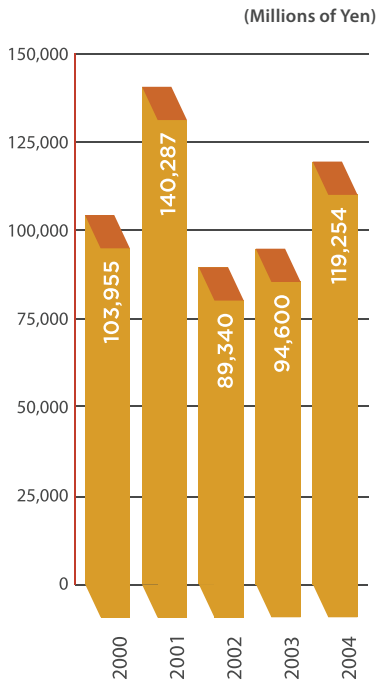
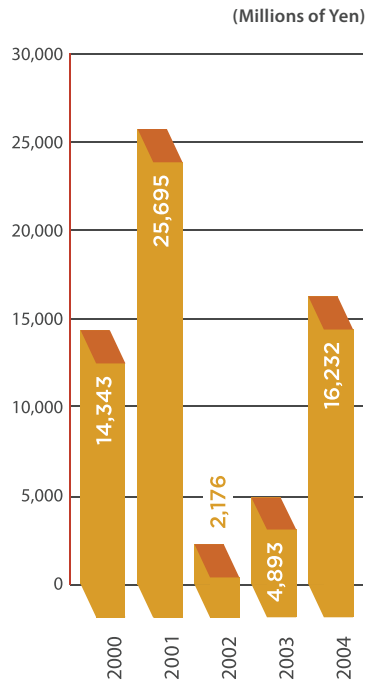


COMPANY AT A GLANCE

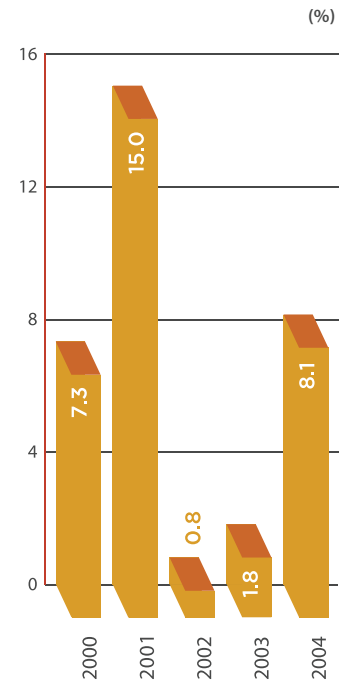
Net Sales



Operating Income



ROE

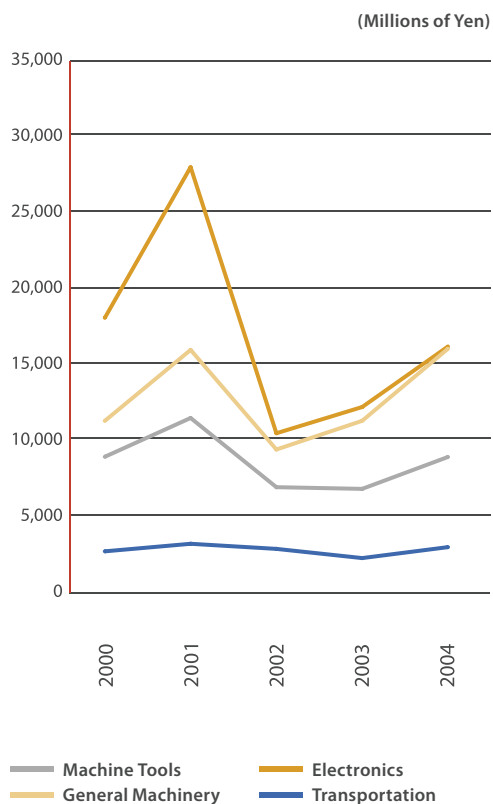


The year 2002 saw a major decline in sales due to the collapse of the IT bubble. THK has concentrated on diversifying its customer base and new product applications since 2003. As a result, sales sharply rebounded the following year with the help of a favorable external environment marked by a recovery in capital investment.

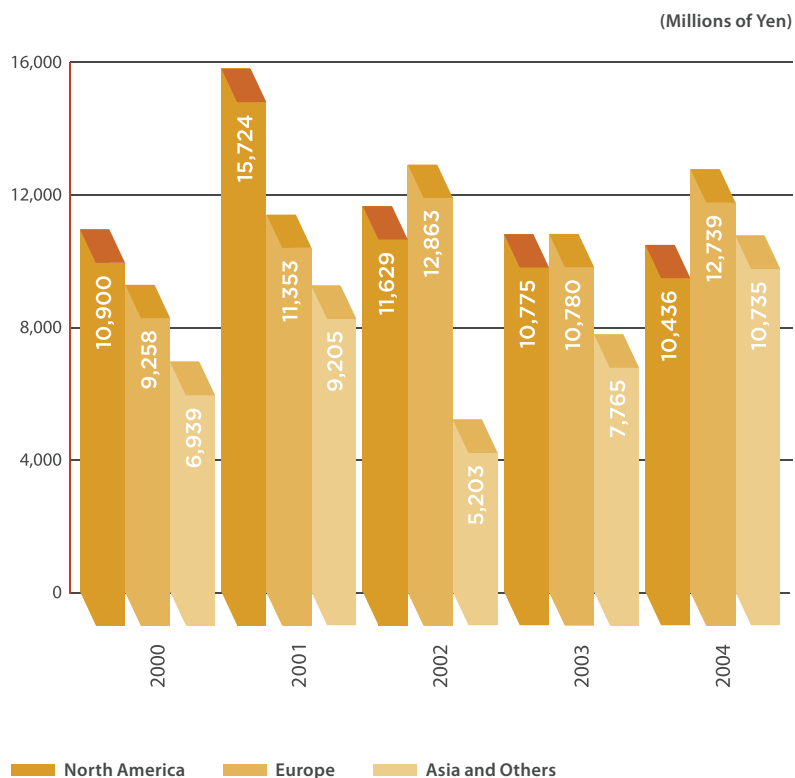
THK has been aggressively improving productivity through such efforts as shortening production lead times. As a result, we were successful in reducing the cost ratio from 70.5% for 2003 to 65.3% for 2004, which led to a significant increase in operating income.

THK regards efficient use of capital as a primary management goal. In the Mid-Term Management Plan, we target an improvement in ROE to 10%. For 2002 and 2003, ROE fell sharply. ROE for 2004 improved significantly to 8.1%, placing the target figure well within sight.

Sales by Industry (Non-Consolidated)



Overseas Sales by Region



After hitting a peak in 2001, THK's shipments to the electronics industry declined due to the collapse of the IT bubble. From 2002, shipments to the machine tool industry were the first to recover, followed by a recovery in shipments to the general machinery industry. Shipments to the electronics industry, which also declined significantly in 2002, began to show clear signs of recovery from the second half of 2003.

THK has been promoting global business development. The tetra-lateral global system in Japan, Europe, North America and Asia was established in order to strengthen the international sales and production system. THK aims to increase the overseas sales ratio to 50% by strengthening its production and marketing systems. Following significant growth in 2001, sales in North America have been stagnant for the last few years. On the other hand, sales in Europe for 2004 approached the previous peak figure recorded in 2002. In Asia, a sharp increase in sales was seen to a level matching that of North America. Previously, the Asian market was led mainly by growth in the Korean and Taiwanese markets, but THK believes that China will become the main engine of growth in future. In anticipation of further expansion in the Chinese market, THK decided to construct a new factory in 2004.