

Development of New Business Areas

THK is aggressively venturing into new fields, working to achieve its Long-Term Management Target of 300,000 million yen in consolidated sales by fiscal 2010.





THK's Long-Term Management Target is to achieve 300,000 million yen in consolidated sales. To achieve this goal, we intend to expand our business areas by pursuing the twin strategies of "Full-Scale Globalization" and "Development of New Business Areas."

Here we will introduce our efforts in the "Development of New Business Areas."

FAI Division

The FAI Division was created in 1999 for the purpose of expanding our business with the automobile sector. Currently, this division provides Link Balls to automobile manufacturers. It aims to establish a track record through the provision of Link Balls, while aiming to promote use of THK's primary product, the LM Guide, in the future.

Our Link Balls are currently used by several major automobile manufacturers in Japan, Europe and America. With new orders being received from other manufacturers domestically and in Europe, the number of manufacturers ordering Link Balls and the range of models to which these components are fitted is increasing steadily. Use of the LM Guide as an automobile part is currently limited to a few



FAI Division

Manufacturing and sales of automobile parts that contribute to improved safety.

special cases, such as in lifts for wheelchair seats. However, our aim is to expand our business in this sector by building on the relationships created by the Link Ball, and emphasizing development of new products.

We are currently preparing our supply systems in Japan, Europe and America to respond to automobile manufacturers' requests for local production in major markets. Automobile manufacturers have strict requirements regarding design and delivery. We are aggressively building know-how for future business expansion by embracing their complicated requirements. One other characteristic of doing business with automobile manufacturers is that lead times are long. The time from the planning stage to mass-production is at least 2 years and can be as long as 5 or 6. Offsetting this is the fact that, once in mass-production, suppliers can expect steady returns for anywhere between 3 and 10 years.

Net sales for this division in FY 2004 reached 5,000 million yen. As sales of Link Balls expand and the use of LM Guides (THK's primary product) by automobile manufacturers rises, we are targeting annual sales of 15,000 million yen 5 years hence.

ACE Division

The ACE Division dates from 2001 and operates under the rubric of "Technically developing creative living spaces for comfort." The division manufactures and sells seismic isolation devices to protect human life and valuable assets from earthquakes. THK's seismic isolation devices are currently used in a broad range of buildings, including high-rise buildings, apartment buildings, temples and ordinary houses. Although it has been approximately 20 years since seismic isolation devices were first introduced to Japan, they have only recently received widespread recognition

for their potential. The current market for seismic isolation devices in Japan is estimated to be 15,000 million yen annually.

Currently, a plethora of systems are available because there is no de facto technological standard for such products. For this reason, construction companies, housing manufacturers, rubber manufacturers, hydraulic equipment manufacturers, and other, all compete for a share of this market. Given these conditions, THK's seismic isolation devices depend on the high load capabilities of THK's primary products, such as LM Guides and Ball Screws for competitive advantage, and are applicable to a wide range of structures, from high-rise buildings to low-rise housing, such as the average home. We are confident that THK is one-step ahead in the provision of seismic technologies for low-rise and lightweight structures, heretofore considered to be particularly difficult.



ACE Division

Manufacturing and sales of seismic isolation devices that protect people's lives and property from the threat of earthquakes.



CAP Project

Developing new markets for THK products as consumer goods.

In 2004, we completed construction of a new manufacturing facility and a new testing facility within our Gifu Plant as part of our plan to reach annual net sales of 3,000 million yen for seismic isolation devices in 5 years. Along with aggressive PR to help construction companies, housing manufacturers and large design firms better understand our seismic technology, and giving opportunities to ordinary consumers to learn more about seismic isolation, we will also aggressively emphasize sales promotion activities, such as hosting seminars and demonstrations.

CAP Project

The CAP Project was established in 2002 with the goal of commercializing the use of THK products in consumer markets and of developing new markets. We currently have 8 technicians working to develop commercial versions of our products both in the short and long-term. Lens

shift units in liquid crystal projectors and automatic opening/closing devices for automobile roof boxes are just two examples of products that we have already commercialized. Additionally, we are also involved in the development of amusement machines with many applications. There is a shortage of technicians capable of industrial design among some of our consumer appliance manufacturer customers. As such, the know-how among the CAP Project's design technicians has come to be highly regarded and we believe that we have gained the trust of our customers. Although as a recently-established operation we lack a strong track record, we are strengthening our development abilities in order to reach our goal of achieving annual sales of 5,000 million yen over the next 5 years.

MRC Center

The MRC Center was established in 2000 and is staffed by 10 technicians engaged in the development of leading-edge technology. This center is our base for cooperation with the academic world, as exemplified by our development of a surgical-assistance robot. We have built intimate relationships with university laboratories in Japan that are conducted leading-edge research. Furthermore, we are also constructing systems for cooperation with large-scale hospitals and major medical instrument manufacturers. Our surgical-assistance robot reduces damage to the human body and can improve both the precision and speed of surgery. We believe that the market for this robot is extremely large. Even as we continue to commercialize it, we are developing the next-generation systems that will succeed it.



MRC Center

Development of robots that assist in operations and other cutting edge technologies.