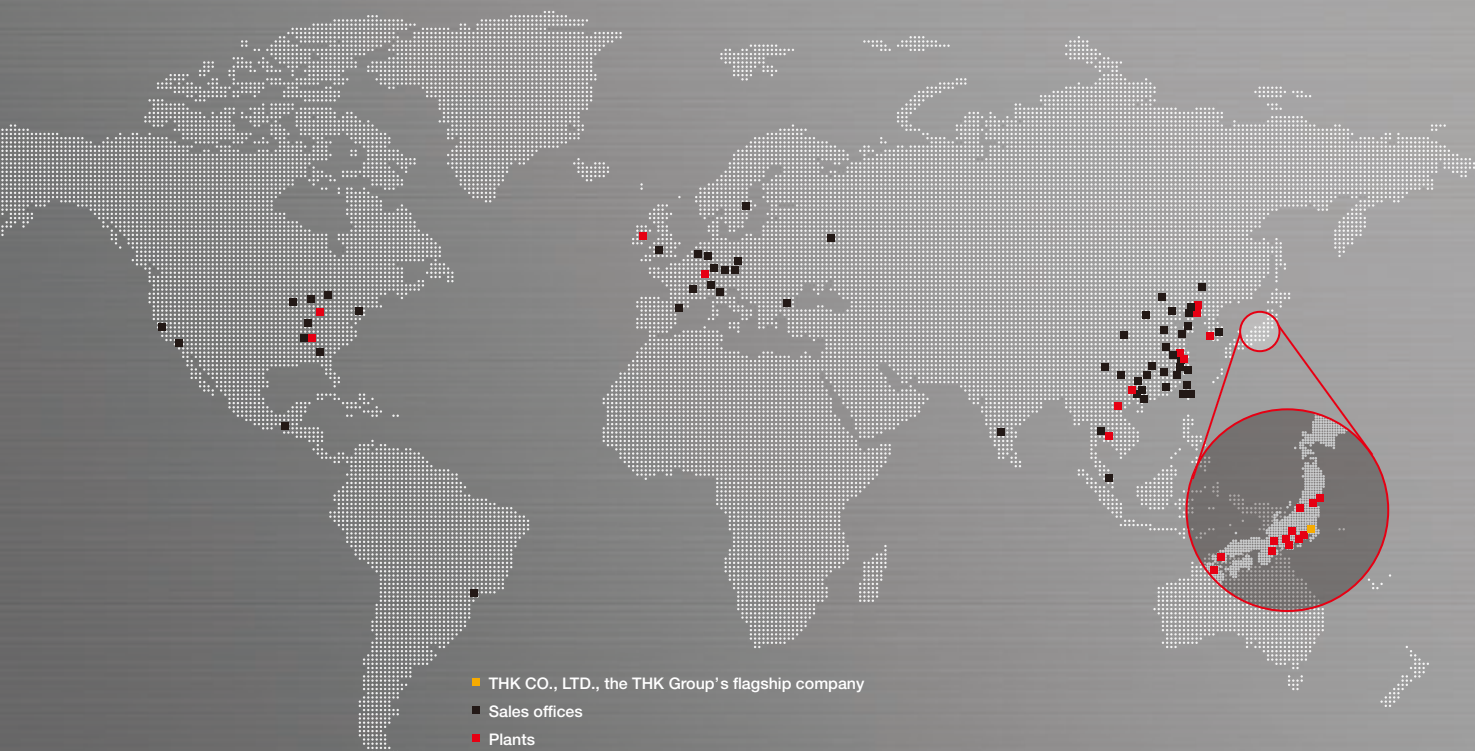


# OUR BUSINESS

## Full-Scale Globalization



### Full-Scale Globalization

Recognizing that optimal production is best served by locating facilities closer to demand centers, THK pursues business development through integrated manufacturing and sales systems in the four key geographic regions of Japan, the Americas, Europe and Asia.

In Japan, the Company maintains a production network of 15 plants with the Yamaguchi Plant serving as a mother factory. Complementing THK's production activities the Company has positioned the Technology Center at the heart of its research and development (R&D) endeavors. In this manner, we are active in R&D and the creation of innovative high value-added products.

Under the umbrella of THK Holdings of America, L.L.C., business in the Americas is primarily conducted by a network of subsidiary companies including THK America, Inc., which serves as the sales and marketing arm, THK manufacturing of America, Inc., which is responsible for the production function, and THK RHYTHM NORTH AMERICA CO., LTD., which handles automotive parts. In addition to the United States, THK is

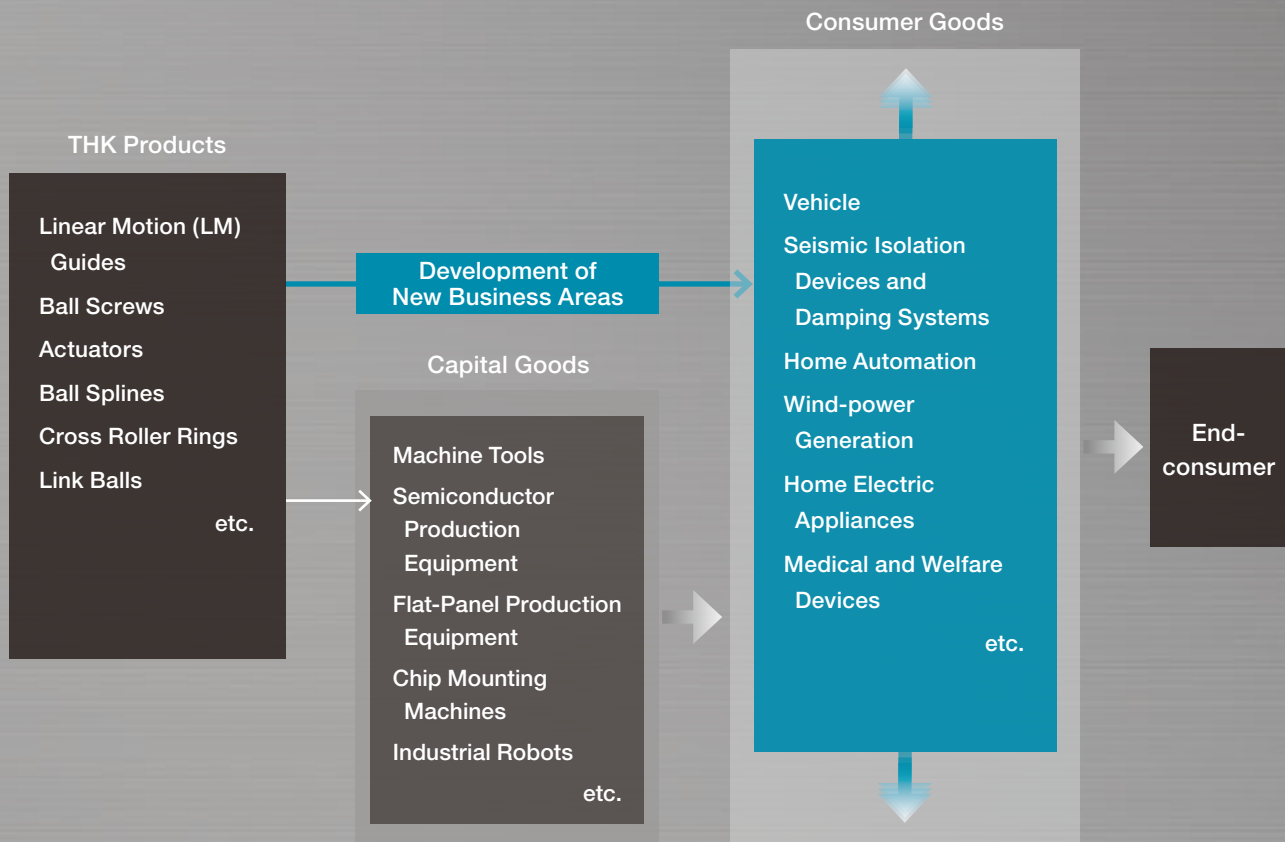
working diligently to cultivate new business in such markets as Canada and Mexico.

THK Europe B.V. serves as the regional operating company for our operations throughout Europe. Sales activities are for the most part divided between THK GmbH and THK France S.A.S., the Group's principal marketing subsidiaries in the region. Products are sold through sales bases established in 11 countries as well as a network of sales agents throughout the region. The production function is dividend between two manufacturing subsidiaries, THK Manufacturing of Europe S.A.S. (TME) and PGM Ballscrews Ireland Ltd. (current THK Manufacturing of Ireland Ltd.).

In Asia, which in recent years has witnessed strong growth, we are promoting measures aimed at upgrading and expanding our sales network. At the same time, we are actively implementing wide-ranging measures including efforts to build a production structure in China, South Korea, Thailand and Vietnam.

\*For information regarding the Company's business development activities in China, please refer to the Special Feature section on pages 14–17.

## Development of New Business Areas



### Development of New Business Areas

Within the context of Development of New Business Areas serving as another core pillar in efforts to expand the Group's business domain, THK's current principal customer base comprises manufacturers of such capital goods as machine tools and semiconductor production equipment. In order to expand use into consumer goods areas, we have set up and bolstered the activities of specialist divisions including the Future Automotive Industry (FAI) Division, the Amenity Creation Engineering (ACE) Division and the Innovation Mechatronics Technology (IMT) Division.

In addition, THK included RHYTHM CORPORATION (currently THK RHYTHM CO., LTD.), an automotive parts manufacturer, in its scope of consolidation as a consolidated subsidiary in 2007 and is working to expand its transportation equipment-related business.

#### ■ FAI Division

- Develops and supplies key automotive components that enhance automobile safety
- Other transportation equipment-related businesses

#### ■ ACE Division

- Develops and supplies seismic isolation devices and damping systems that help ensure housing safety
- Home automation support

#### ■ IMT Division

- Supplies unit products customized to each customer's needs
- Develops and supplies electric actuator series that address customers' general-purpose needs
- Developing next-generation robot-related products that are projected to expand in the future