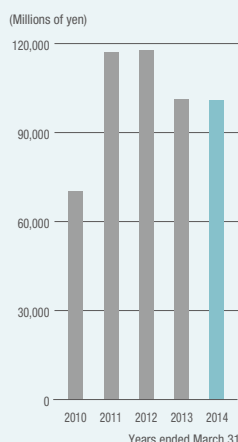


BUSINESS REVIEW: GEOGRAPHIC BUSINESS REVIEW

Japan

Net Sales



Bases

(As of March 31, 2014)

Japan	Sales offices	45
	Plants	12
	Distribution centers	3

Group Companies

(As of March 31, 2014)

- THK CO., LTD.
- THK INTECHS CO., LTD.
- TALK SYSTEM CORPORATION
- THK NIIGATA CO., LTD.
- THK RHYTHM CO., LTD.
- THK RHYTHM KYUSHU CO., LTD.
- L Trading Co., Ltd.
- NIPPON SLIDE CO., LTD.

Year-on-year Net Sales

0.4%

DOWN

Operating Conditions and Performance Overview

Regional sales decreased 0.4% in year-on-year terms, to ¥101.0 billion.

In the fiscal year under review, the Japanese economy recovered. This recovery was attributable to a variety of factors including the rise in stock prices which helped to fuel consumer sentiment spurring an upswing in personal spending, and signs of an improvement in capital investment. In the markets in which the Company operates, demand around the summer months for electronics-related products declined during the first half of fiscal 2013. Other demand also remained weak. In the second half, however, demand for such items as electronics and machine tools improved. Under these circumstances, the THK Group undertook aggressive sales and marketing activities while endeavoring to cultivate new markets across a variety of products including seismic isolation and damping system. Despite this pickup, the downturn in electronics-related demand during summer took its toll with overall revenue declining year on year.

FY2013 Operating Activities (Results)

Sales

- THK increased its focus on aggressive sales and marketing activities while cultivating such new business areas as automotive parts and seismic isolation and damping systems as a part of its efforts to definitively link demand with sales.
- THK continued to promote the "TAP 1" skills development program for sales personnel in order to improve their skills. At the same time, the Company took steps to deepen relationships with existing customers and nurture new customers. In concrete terms, THK not only focused on showcasing the unique characteristics of its product, but also worked to actively develop sales proposals inviting customers to apply THK products as an answer to specific issues.
- Taking into consideration progress toward electric-powered living across a variety of fields, THK worked diligently to introduce new electric actuator products and to expand applications.

Production

- In addition to building a production structure that is capable of both flexibly and immediately addressing changes in demand, THK continued to adhere strictly to its policy of providing the highest quality, cost and delivery (QCD).
- THK channeled its energies toward further enhancing operating skills and boosting productivity. At the same time, the Company placed an increasing amount of weight on the shift to in-house production in order to lift cost competitiveness.

General Overview

- During the fiscal year under review, THK strove to build a business base that is capable of withstanding global competition. To this end, the Company undertook a variety of improvement measures including the promotion of the P25 Project, which aims to strengthen the Company's earnings base.

FY2014 Operating Activities (Plan)

Sales

- THK will review its existing sales network with a view to comprehensively incorporating a variety of factors including the attributes of regions in which customers operate, different industries as well as product fields, and sales configurations.
- THK will continue to promote the "TAP 1" skills development program while proactively pursuing proposal-based sales and marketing that is designed to resolve outstanding issues.

Production

- THK will continue to channel its energies toward further enhancing operating skills and boosting productivity. At the same time, the Company will heighten its focus on the shift to in-house production in order to boost its cost competitiveness.

General Overview

- Beginning with the P25 Project, the Company will ramp up its various improvement activities while redoubling its efforts to strengthen its earnings base. Moving forward, the Company will look to steadfastly improving profit margins in line with the increase in net sales.

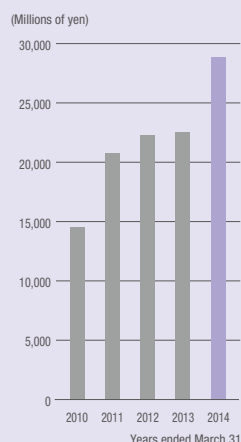
The Americas

Year-on-year Net Sales

28.3%

UP

Net Sales



Bases

(As of March 31, 2014)

United States	Sales offices	7
	Plants	2
Canada	Sales offices	1
Mexico	Plants	1
Brazil	Sales offices	1

Group Companies

(As of March 31, 2014)

- THK Holdings of America, L.L.C.
- THK America, Inc.
- THK Manufacturing of America, Inc.
- THK RHYTHM NORTH AMERICA CO., LTD.
- THK RHYTHM MEXICANA, S.A. DE C.V.
- THK RHYTHM MEXICANA ENGINEERING, S.A. DE C.V.

Operating Conditions and Performance Overview

Regional sales increased 28.3% year on year, to ¥28.9 billion.

Automobile production increased on the back of robust personal consumption. Capital investment also picked up throughout the fiscal year under review. Under these circumstances, the THK Group continued to pursue integrated production and sales with the aim of expanding transactions with existing customers and to cultivate opportunities in the medical equipment, aircraft, energy, and other new business fields. As a result, revenue in this region increased with sales of electronic products and transportation equipment climbing. Regional sales were also buoyed by a downturn in the value of the yen compared with levels reported in the previous fiscal year.

FY2013 Operating Activities (Results)

Sales

- With capital goods manufacturers shifting their production activities overseas, particularly to Asia, the THK Group worked diligently to uncover opportunities in fresh fields—such as the medical equipment, aircraft and energy-related areas—and to cultivate new markets, including Mexico and Canada.

Production

- The THK Group made every effort to promote local procurement and in-house manufacturing. At the same time, the Group bolstered its cost competitiveness even further by enhancing operating skills and boosting productivity.
- THK RHYTHM MEXICANA in Mexico commenced deliveries to customers. This company was established with the aim of strengthening the Group's supply capabilities to North and South America.

FY2014 Operating Activities (Plan)

Sales

- In addition to uncovering opportunities with existing customers on an ongoing basis, the THK Group will work to cultivate business in other countries including Mexico and Canada.
- Demand in such new business fields as medical equipment, aircraft, and energy is projected to be robust. Demand is also expected to grow in the fields of 3D printers and humanoid robots. Under these conditions, the THK Group will actively undertake PR activities and participate in exhibitions while focusing on increasing net sales.

Production

- THK will take full advantage of its position as the only company in its industry to maintain a production platform in North America. At the same time, the Company will expand its product lineup to match market needs.
- THK will work to enhance its cost competitiveness by continuing to improve its on-site operating expertise and productivity.

Europe

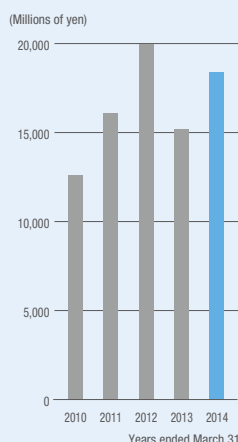


Year-on-year Net Sales

21.3%

UP

Net Sales



Bases

(As of March 31, 2014)

Germany	Sales offices	2
United Kingdom	Sales offices	1
Ireland	Plants	1
Italy	Sales offices	1
Sweden	Sales offices	1
Austria	Sales offices	1
Spain	Sales offices	1
France	Sales offices	1
	Plants	1
Turkey	Sales offices	1
Czech Republic	Sales offices	1
Netherlands	Sales offices	1
Russia	Sales offices	1

Group Companies

(As of March 31, 2014)

- THK Europe B.V.
- THK GmbH
- THK France S.A.S.
- THK Manufacturing of Europe S.A.S.
- THK Manufacturing of Ireland Ltd.

Operating Conditions and Performance Overview

Regional sales increased 21.3% year on year, to ¥18.4 billion.

In Europe, where signs of a recovery were starting to appear during the fiscal year under review after a prolonged downturn, the THK Group undertook aggressive sales and marketing activities in an effort to expand transactions through integrated production and sales and to cultivate opportunities in the medical equipment, aircraft, energy, and other new business fields. In addition, the value of the yen remained lower than the previous fiscal year contributing to an increase in regional sales.

FY2013 Operating Activities (Results)

Sales

- In addition to further cultivating existing customers in the machine tools, general machinery, FA, robotics, and related fields, the THK Group placed particular weight on uncovering business opportunities in such areas as the medical equipment, aircraft and railway-related fields, which are projected to experience robust demand going forward.
- The Group also undertook flexible inventory management while working diligently to capture demand as a part of efforts to meet the demand for quick deliveries.

Production

- In its back office support areas, the THK Group continued to promote its operating policy of "small numbers with exceptional talent." Through a variety of measures including the procurement of components and parts in areas where foreign currency exchange rates are favorable, the Group took steps to improve its cost competitiveness.
- Energies were also channeled toward optimizing product items in order to specialize in products that offer high profit margins.

FY2014 Operating Activities (Plan)

Sales

- In order to ensure that the Group captures demand, the THK Group will work beyond Western Europe and upgrade and expand its distribution and sales network in Eastern Europe and Russia, which is expected to witness demand growth.
- The THK Group will also work aggressively to expand sales in the medical equipment, aircraft, and other fields, which are in relative terms not as susceptible to fluctuations in economic conditions and exhibit substantial latent demand. At the same time, the Group will showcase the appeal and competitive advantage of its products by holding exhibitions and participating in events.

Production

- Amid the entry into Europe by competitor manufacturers from Asia, the THK Group will promote multi-faceted initiatives aimed at reducing costs and engage in innovative manufacturing.

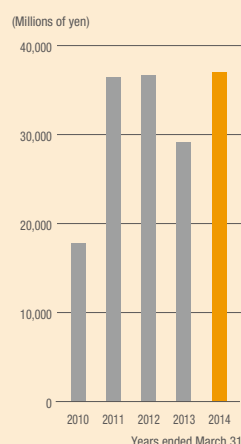
Asia and Other

Year-on-year Net Sales

27.0%

UP

Net Sales



Bases

(As of March 31, 2014)

China	Sales offices	35
	Plants	5
	R&D Center	1
Taiwan	Sales offices	3
Singapore	Sales offices	1
India	Sales offices	1
Thailand	Sales offices	1
	Plants	1
South Korea	Sales offices	13
	Plants	3
Vietnam	Plants	1
Malaysia	Plants	1

Group Companies

(As of March 31, 2014)

- THK (CHINA) CO., LTD.
- THK (SHANGHAI) CO., LTD.
- DALIAN THK CO., LTD.
- THK MANUFACTURING OF CHINA (WUXI) CO., LTD.
- THK MANUFACTURING OF CHINA (LIAONING) CO., LTD.
- THK MANUFACTURING OF CHINA (CHANGZHOU) CO., LTD.
- THK RHYTHM GUANGZHOU CO., LTD.
- THK RHYTHM CHANGZHOU CO., LTD.
- THK TAIWAN CO., LTD.
- Beldex KOREA Corporation
- THK LM SYSTEM Pte. Ltd.
- THK RHYTHM (THAILAND) CO., LTD.
- THK MANUFACTURING OF VIETNAM CO., LTD.
- THK RHYTHM MALAYSIA Sdn. Bhd.
- THK India Private Limited
- SAMICK THK CO., LTD.

Operating Conditions and Performance Overview

Sales in Asia and other regions grew 27.0% year on year, to ¥37.0 billion.

Developing countries including China are experiencing a slowdown in their rates of economic growth. Despite these less than favorable conditions, the THK Group witnessed improvements in demand for certain products, such as small machine tools, driven by rising investments in smartphone, tablet PC, and related areas. Under these circumstances, the Group engaged in aggressive sales and marketing activities taking full advantage of earlier efforts to bolster its sales network. As a result, revenue increased with an upswing in net sales across a wide range of fields including general machinery and transportation equipment. Regional sales were also buoyed by such factors as the impact of movements in foreign currency exchange rates, most notably a weaker yen compared with the previous fiscal year. Turning to the Group's activities in South Korea, export volumes to SAMICK THK CO., LTD., an equity-method affiliate, are recorded in consolidated net sales. Going forward, this amount is projected to trend downward in line with ongoing efforts to promote localization.

FY2013 Operating Activities (Results)

Sales

- In addition to strengthening its sales network in China, the THK Group began cultivating new customers and new areas outside its mainstay machine tools field.
- In Taiwan, the THK Group took steps to capture demand associated with investments in smartphones and tablet PCs. At the same time, the Group continued to pursue ongoing steps to approach seismic isolation system, energy, and other new fields.
- The ASEAN region witnessed the entry of set manufacturers in each of the home electric appliance and automobile fields, which spurred growing demand for repair and maintenance parts. Against this backdrop, the THK Group looked to upgrade and expand its sales network as a part of efforts to capture this demand. In addition, steps were taken to cultivate customers in India and to strengthen sales structures and systems.

Production

- In China, the THK Group made every effort to strengthen its production capacity as the means to capture the medium-to-long-term increase in demand not only in China, but also worldwide.
- In addition to enhancing operational skills and productivity, the THK Group worked diligently to bolster its cost competitiveness by promoting the local procurement of component parts.

Other

- At the China engineering division, which is the Group's first overseas R&D base, efforts were channeled toward developing products that match the local market needs of developing countries.

FY2014 Operating Activities (Plan)

Sales

- In China, the Group is building on the efforts that it has continued to exert to strengthen the direct selling network to bolster its indirect sales network in a bid to put in place a structure that is capable of definitively capturing demand.
- In Taiwan, the Group will focus on reinforcing its sales network while at the same time cultivating new customers. In addition, steps will be taken to cultivate new fields through a variety of activities including the promotion of the Group's seismic isolation systems to semiconductor manufacturers.
- In the ASEAN region, the THK Group introduced the ASEAN Customer Support initiatives in April 2014 with the aim of providing a wide variety of support to companies entering the markets of Thailand, Indonesia, and Vietnam. Looking ahead, this initiative will be extended to other countries in the ASEAN region in order to steadfastly capture demand in this area.

Production

- THK will continue to strengthen its cost competitiveness through a variety of measures including efforts to enhance its operational skills and increase productivity. At the same time, the Group will focus on promoting local procurement of component parts.
- In China, the Group is promoting the relocation of DALIAN THK CO., LTD. to a site that is more than four times the size of its current location. The new plant is scheduled to come online in December 2014.

Other

- The THK Group will continue to promote collaboration between its R&D operations in China and Japan. At the same time, the Group will emphasize product development that reflects the local needs of developing countries.