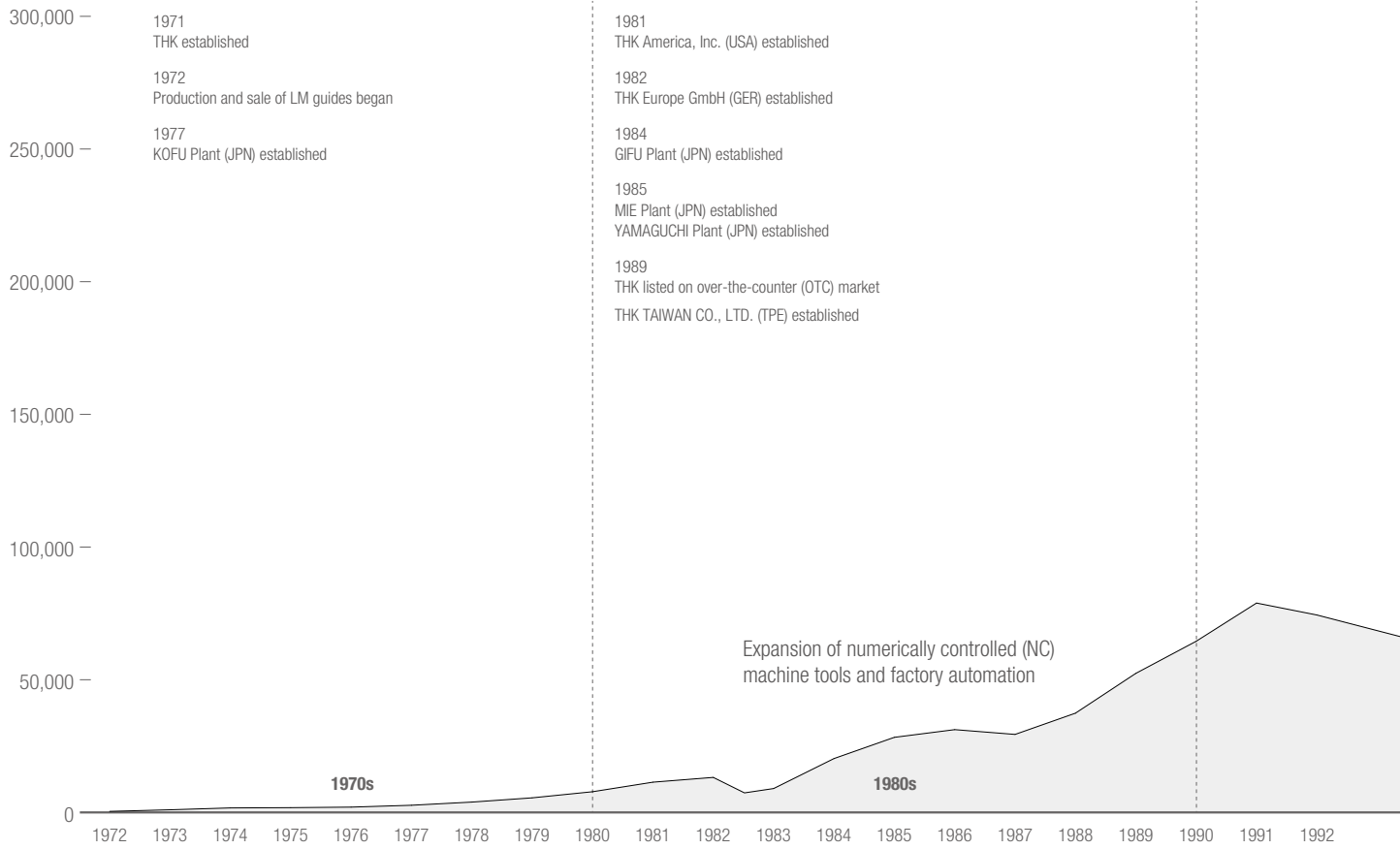


CORPORATE HISTORY

Net Sales
(Millions of yen)



The 1970s: Inauguration and Initial Period of Set Up

While rolling contact utilizing rotary bearings was a standard method for accomplishing rolling motion at this time, significant difficulties were encountered in introducing a rolling component to linear motion (LM).

In 1971, THK developed the ball spline, which enabled a higher level of linear motion precision and performance. This ball spline was the predecessor to THK's current flagship LM guide, which was first introduced in 1972.

In 1978, the Company's products were adopted by a U.S.-based pioneer of the Machining Center and world-class leader of its day. With this breakthrough, the use of LM guides in machine tools grew from strength to strength.

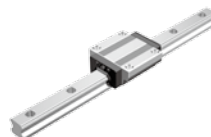


Ball Splines

Developed in the same year that THK was established, ball splines are the precursor to the LM guide. This revolutionary product allows balls to roll along an R-shaped groove machined into the spline axle, which in turn boost the load that the device can tolerate and permits the transmission of torque.

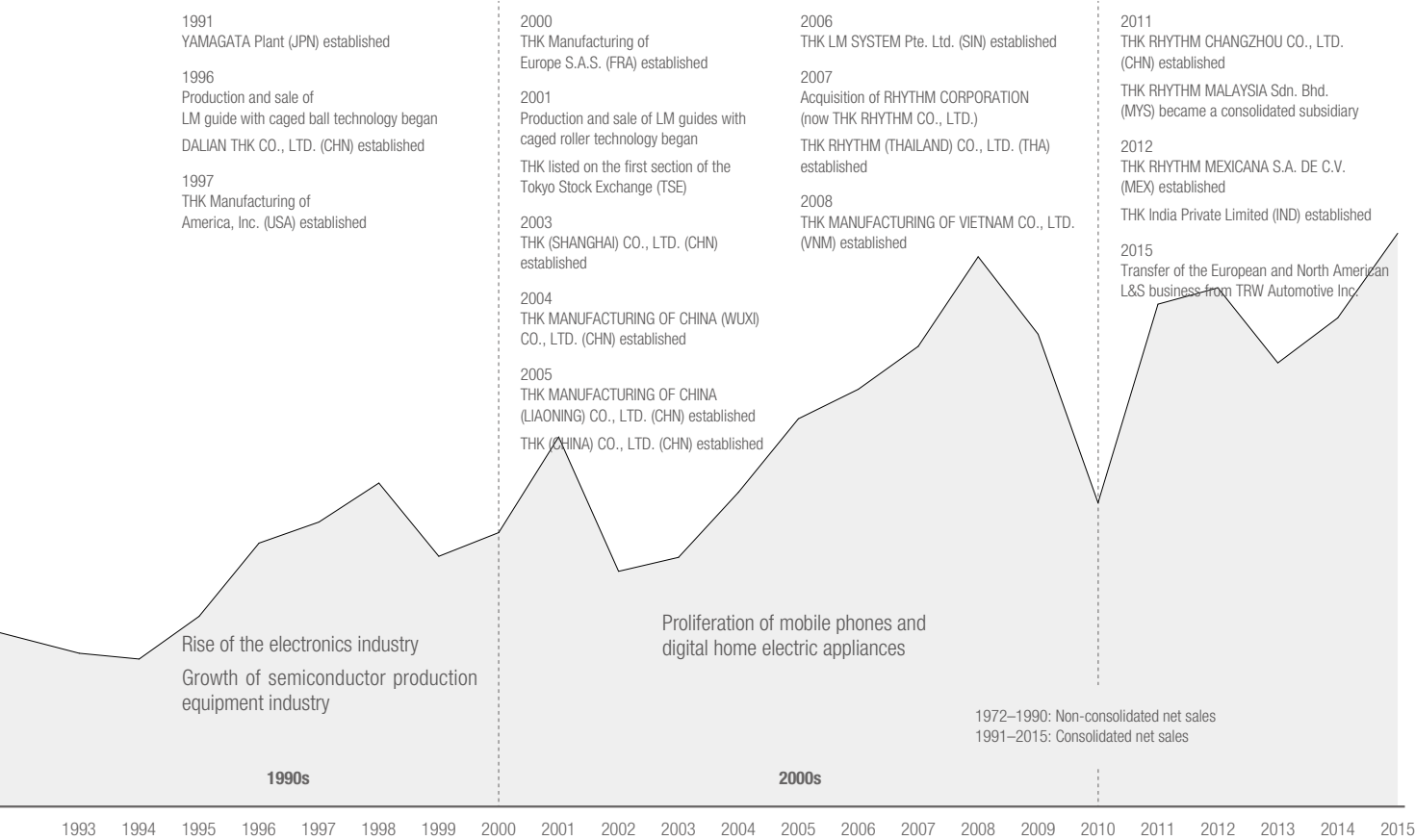
The 1980s: Significant Developments in Factory Automation (FA)

The "Oil Shock" saw the demise of heavy industry, pushing the technology-based industries, such as automobiles, semiconductors and home electric appliances, increasingly to the fore. Buoyed by depreciation in the value of the yen as well as the outstanding quality of products manufactured in Japan, export volumes to Europe and the United States climbed steadily. Under these circumstances, demand was high for the volume manufacture of quality products. With FA advancing across production frontlines, machine tool production volumes increased and the proportion of advanced machine tools with numerically controlled (NC) saw steady growth. Against this backdrop, the application of LM guides enjoyed explosive growth.



LM Guides

Developed utilizing the structure and mechanism of ball splines, LM guides today represent THK's flagship product range. Benefiting from the use of the Company's LM guides by a major U.S.-based machine tool manufacturer of its day, the application of THK's products in machine tools has seen significant growth.



Years ended March 31

The 1990s:

The Rise of the Electronics Industry

During the 1990s, the number of LM guides used in semiconductor production equipment surged dramatically in line with the increase in semiconductor demand. Entering the 2000s, amid the proliferation of mobile devices and digital home electric appliances as well as the upswing in demand for semiconductor production, flat panel display production and related production equipment—products that applied LM guides—focusing mainly on second-generation LM guides with caged ball technology increased. In tune with the relentless advance of manufacturing globalization, THK accelerated its business development globally.



LM Guides with Caged Ball Technology

LM guides with caged ball technology were developed as the next generation in their line. In keeping the balls in place, the use of ball cage technology extends service life, reduces noise and enables long-term maintenance-free operation compared with first-generation LM guides.

Future Growth:

Expanding Business Domains by Pursuing Full-Scale Globalization and the Development of New Business Areas

In 2001, THK identified ¥300 billion in consolidated net sales, an operating margin of 20% and a return on assets (ROA) of 15% as its long-term performance targets. In order to achieve these targets, the Company is pursuing Full-Scale Globalization and the Development of New Business Areas while working to expand its business domains.

In order to promote Full-Scale Globalization, THK is building an integrated production and sales structure with facilities and operations closer to centers of demand to produce and sell locally in four areas: Japan, the Americas, Europe and Asia. The Company is continuing its trend, particularly over recent years, of upgrading and expanding its sales network while bolstering its production capabilities across newly emerging markets including China, which is projected to enjoy demand growth over the medium-to-long-term. In developed countries, THK is also working to expand its sales network in a bid to steadily capture demand amid expansion in its user base.

As a part of efforts to promote the Development of New Business Areas, THK has set up three specialist divisions: the ACE Division, which handles seismic isolation and damping systems; the FAI Division, which is responsible for activities in transportation equipment-related fields; and the IMT Division, which handles such products as electric actuators and next-generation robot-related products. At the same time, the Company is working diligently to cultivate fields in close proximity to the consumer goods sector. Moreover, use of THK's products is expanding across a variety of fields including medical equipment, aircraft, and renewable energy. Recognizing the vast potential that also exists in other areas within the consumer goods sector, the Company is honing its accumulated know-how and core linear motion system technologies nurtured over a long period and is accelerating the pace at which it develops new business fields.