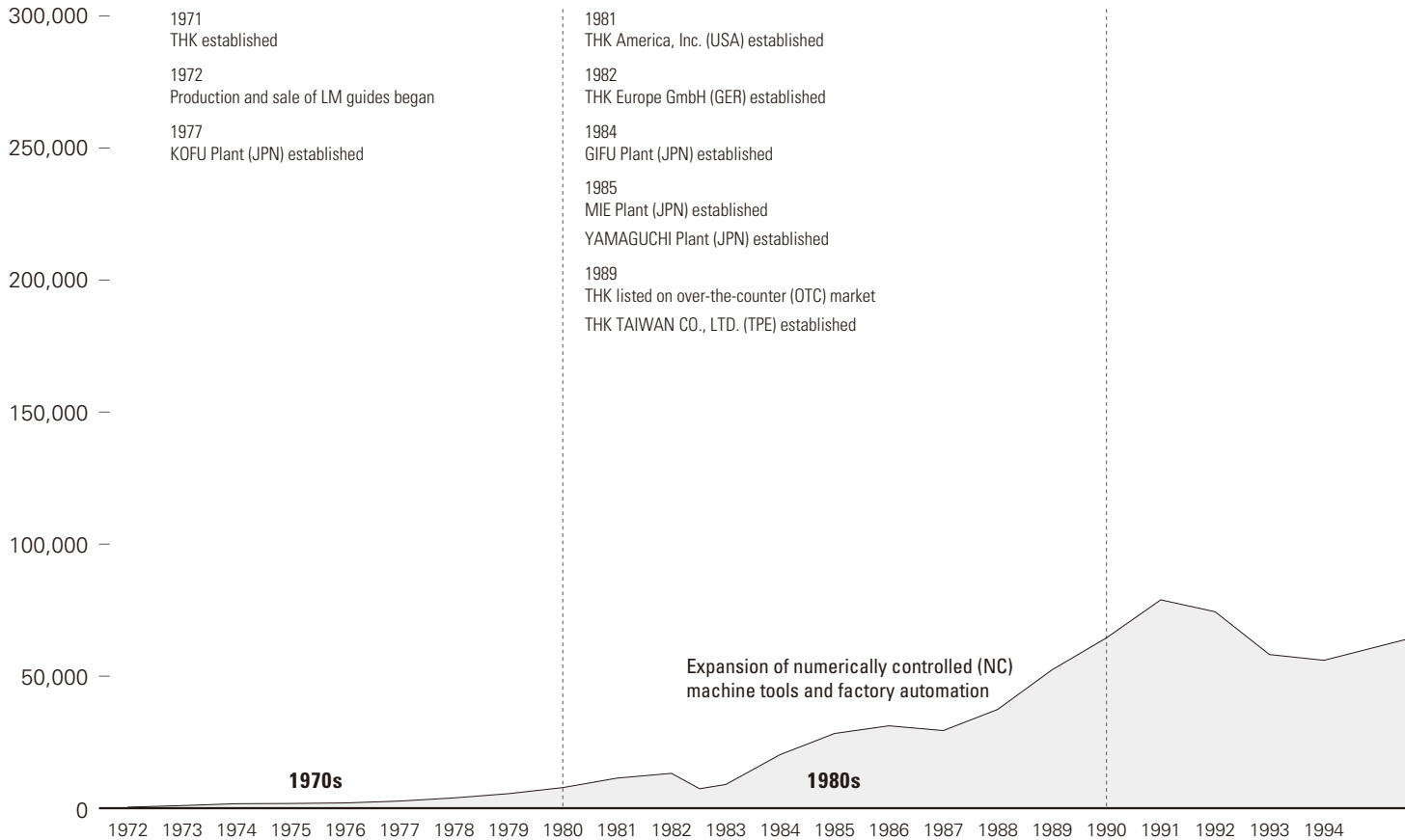


CORPORATE HISTORY

Net Sales

(Millions of yen)



The 1970s:

Establishment and the Early Years

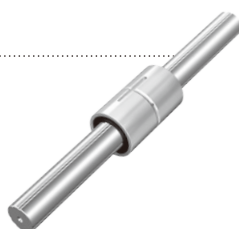
While rolling motion was commonly achieved through rolling contact utilizing rotary bearings, linear motion was considered impossible to achieve through rolling contact, and it primarily came from sliding contact instead.

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 mainstay product, the 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. This breakthrough was the catalyst for the increased use of LM guides in machine tools.

The Ball Spline

Developed in the same year that THK was established, the ball spline was the precursor to the LM guide. This revolutionary product allows balls to roll along a rounded groove machined into the ball spline's shaft, boosting the load that the device can tolerate and permitting the transmission of torque.



The 1980s:

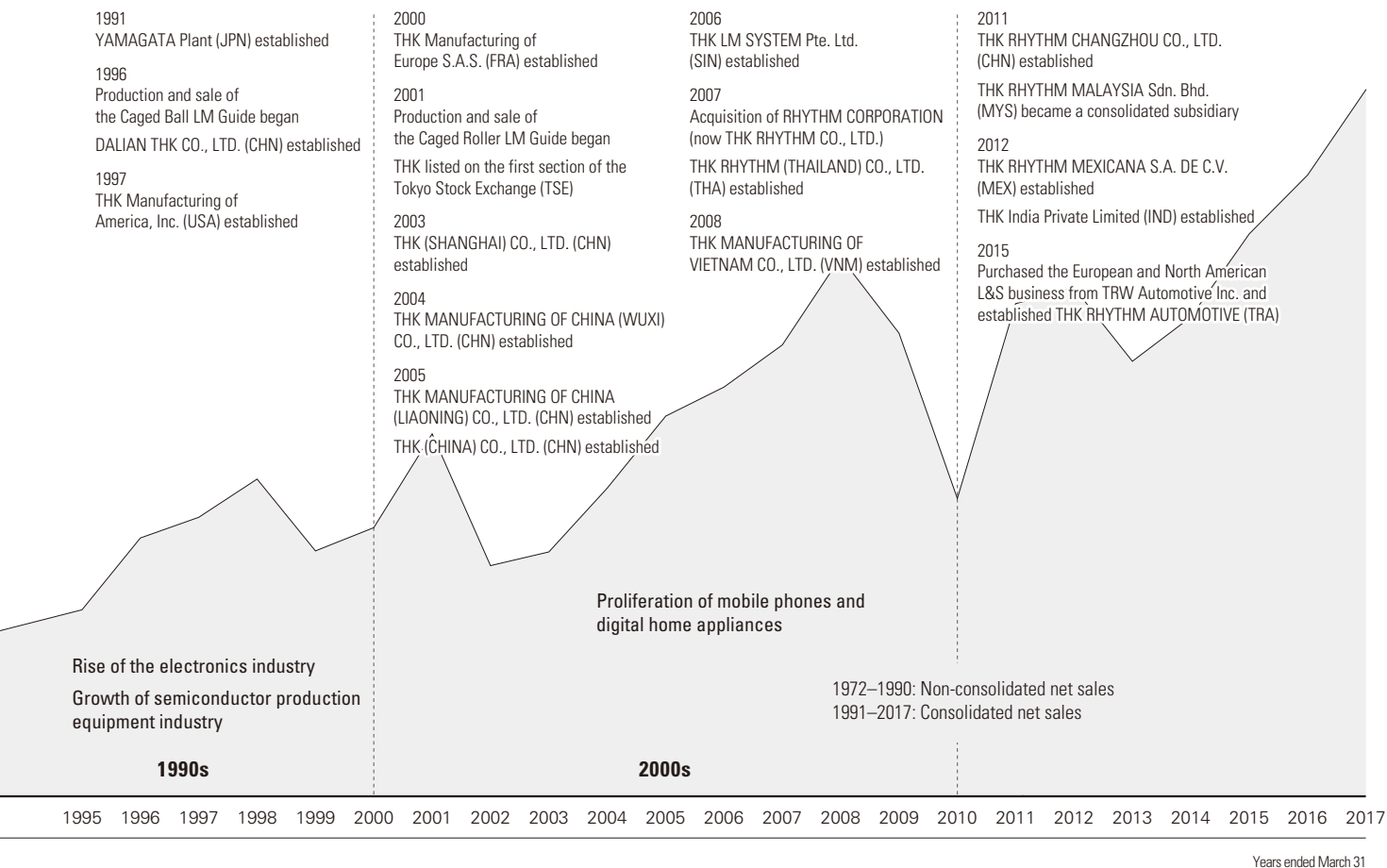
Significant Developments in Factory Automation (FA)

The 1973 oil crisis saw the demise of heavy industry, pushing technology-based industries, such as the automotive, semiconductor, and home appliance industries, 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, there was a demand for mass production of high-quality products. With FA advancing across production front lines, machine tool production volumes increased, and the proportion of advanced machine tools with numerical control (NC) saw steady growth. Against this backdrop, the application of LM guides experienced explosive growth.

The LM Guide

Developed utilizing the structure and mechanism of ball splines, LM guides today are THK's mainstay product. Benefiting from the use of the Company's LM guides by a major U.S.-based machine tool manufacturer, the application of THK's products in machine tools saw significant growth.





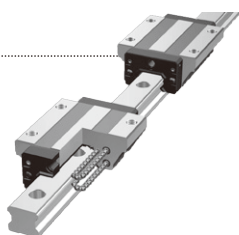
The 1990s:

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 appliances, as well as the upswing in demand for semiconductor, flat panel display, and other similar production equipment, there was a rise in the use of LM guides, especially the second-generation Caged Ball LM Guide. In tune with the increasing globalization of manufacturing, THK accelerated its business development globally.

The Caged Ball LM Guide

The Caged Ball LM Guide was developed as the second-generation LM guide. By keeping the balls in place, the use of caged ball technology extends service life, reduces noise, and enables long-term maintenance-free operation when compared with first-generation LM guides.



Future Growth:

Expanding Business Domains by Implementing Three Growth Strategies

Driven by its growth strategies of *full-scale globalization*, the *development of new business areas*, and a *change in business style*, THK is working to expand its business domains.

As a part of its *full-scale globalization* endeavors, THK has established an integrated production and sales structure that encompasses Japan, the Americas, Europe, and Asia in a bid to better address local demand. In addition to upgrading and expanding its sales network while strengthening its production capabilities in emerging markets such as China, THK is also bolstering sales channels in developed countries where the user base continues to expand.

With an eye on the *development of new business areas*, the THK Group is witnessing an increase in the use of its products in consumer goods-related fields, including transportation equipment, seismic isolation and damping systems, medical equipment, aircraft, renewable energy, and robotics. Moreover, THK is further honing its accumulated core linear motion system technology and expertise to better realize the vast potential in other consumer goods fields. In this manner, the Company is accelerating the pace of new business area development.

In addition to promoting these strategies, THK is making full use of the IoT, cloud computing, AI, and robots from a variety of perspectives, thereby expanding its business domains by effecting a *change in business style*.