

# Value Creation

With solid capital supporting its manufacturing, sales, and R&D activities, THK has provided solutions to customers in the form of tough, durable, and high-quality products and extensive know-how. THK has grown rapidly as a result, contributing to society through manufacturing.

To achieve long-term growth and contribute to the creation of an affluent society during a time when the business environment changes at a bewildering pace, THK will promote its growth strategies and strengthen the various forms of capital that support its business.



THK stands for "Toughness," "High Quality," and "Know-how."

THK applies these aspects of its identity to the development of products and technology in order to contribute to the development of society and industry.

## THK's Capital (2020 Fiscal Year)

Equity Attributable to Owners of the Parent **¥266.4 billion**

Ratio of Equity Attributable to Owners of the Parent **57.9%**

Employees  
Consolidated **12,914**  
Non-consolidated **3,957**

Ratio of Female Employees  
Consolidated **22.4%**  
Non-consolidated **15.1%**

Ratio of Group Employees Outside of Japan **57%**

\* Group employees outside of Japan include employees dispatched overseas from Japan.

R&D Expenses **¥4.9 billion**

R&D Facilities **3**

Number of Registered Patents  
Japan **603**  
Outside of Japan **1,229**

Production Facilities  
Japan **12**  
Outside of Japan **25**

### Corporate Philosophy

Providing innovative products to the world and generating new trends to contribute to the creation of an affluent society

### Three Key Characteristics

- ▶ Innovative Core Technology
- ▶ Ample Expertise and Wide-Reaching Proposals
- ▶ Global Structure for Supplying Products

### Growth Strategies

- ▶ Full-Scale Globalization
- ▶ Development of New Business Areas
- ▶ Change in Business Style

### Business

- Industrial Machinery Business**
- Automotive and Transportation Business**

### Value Chain

Risks (Challenges)	Opportunities (Advantages)
Vying with competitors	Working with Sales to develop new products that serve customer needs
Quality	Establishing a global structure for sharing quality information

Risks (Challenges)	Opportunities (Advantages)
Stable material procurement	Leveraging global procurement networks and managing inventory through RPA
Cooperation with suppliers	Creating a forum to exchange ideas through the THK Association and working with suppliers to refine technology

Risks (Challenges)	Opportunities (Advantages)
Workplace accidents	Promoting automation, installing safety devices on every machine, and expanding accident prevention measures to other facilities
Environmental issues	Improving existing equipment to reduce CO <sub>2</sub> emissions and working alongside business partners to reduce plastic waste

Risks (Challenges)	Opportunities (Advantages)
Environmental issues	Calculating the optimal arrangement of trucks based on shipping data and actively using returnable containers
Legal compliance	Staying in close contact with shipping companies to reduce driver waiting times in order to comply with Japan's new system of accountability for freight owners

**01**  
Design

**02**  
Procurement/  
Purchasing

**03**  
Production

**04**  
Distribution

**05**  
Sales

Risks (Challenges)	Opportunities (Advantages)
Vying with competitors	Effectively using Omni THK, OMNI edge, and other sales tools that utilize IoT technology and are unique to THK
Understanding transaction details	Holding seminars led by the Legal Section to teach Sales personnel about contract contents

## Output

### Products

**Core technology products**  
High precision, high rigidity, long service life, low noise

**Next-generation products**  
Renewable energy, robots, seismic isolation systems

## Activities

**Industrial Machinery Business** p. 12

**Automotive and Transportation Business** p. 15

**Review by Geographic Region** p. 22

Development of core technology and next-generation products



### Corporate Activities

**Strengthening our business foundation**  
Governance, compliance, BCP

**Connecting with local communities**  
Community involvement, volunteering, developing the next generation

**Strengthening supply chain relations**  
THK Association, technology proposals

**Actively sharing information with shareholders**  
IR events, IR tools

**Revolutionizing how we work**  
Human rights, diversity, health and safety, supporting development

**Efforts for environmental conservation**  
Conserving energy, managing hazardous materials, reducing waste

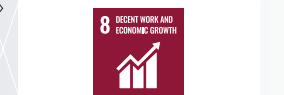
**Corporate Governance** p. 26

Strengthening relationships with stakeholders



**Involvement in Society** p. 30

Creating a pleasant work environment



**Harmony with the Environment** p. 32

Reducing environmental impact



Labor shortages

Demand for the sophistication of industry

Disaster mitigation

Challenges facing society

Environmental conservation

Governance issues

Infectious diseases