

Three Key Characteristics and Strategies

The Key Characteristics of THK, the Pioneer and Top Manufacturer of the LM Guide

As the world's leading manufacturer in its field with a proven track record of long-standing success, THK has fostered three key characteristics over many years. Drawing on the strengths of its corporate culture, the Company is further honing these key characteristics in an effort to secure long-term growth and generate corporate value.

1 Innovative Core Technology

THK pioneered the development of the world's first LM Guide based on an original concept and innovative technology. By providing components essential to increased precision, rigidity, speed, and energy efficiency in such wide-ranging fields as machine tools and semiconductor manufacturing equipment, the Company has consistently played a major role in the ongoing development of industry.

2 High-Quality Products and Wide-Reaching Proposals

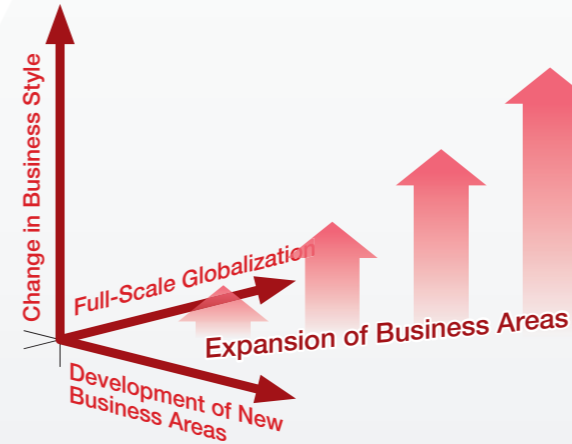
Since it successfully developed the LM Guide, THK has commanded the leading share of the global market. As the world's top manufacturer, the Company has earned the trust of its customers by creating high-quality products and wide-reaching proposals based on extensive expertise developed in response to customers' needs. In addition to refining these key characteristics, THK has actively expanded its reach beyond the field of industrial machinery to also encompass fields related to consumer goods.

3 Global Structure for Supplying Products

THK has actively promoted the development of an integrated production and sales structure with facilities and operations close to centers of demand. The Company currently maintains local production and sales networks that cover its four principal markets: Japan, the Americas, Europe, and Asia. As a result of its activities, THK has steadily built a global business platform, with branches currently established in 25 countries around the world, and continues to cultivate new markets.

Strategies to Expand Business Domains

THK is committed to developing its business through three growth strategies: expanding its geographical range through *full-scale globalization*; broadening the range of its product applications through the *development of new business areas*; and fully utilizing AI, the IoT, robots, and other technologies through a *change in business style*.



Strategy 1 Full-Scale Globalization

THK has established an integrated production and sales structure with facilities and operations close to centers of demand in order to produce and sell locally in four regions: Japan, the Americas, Europe, and Asia. The Company is working to expand its sales network and production structure in light of the medium- to long-term demand increases that have been forecast for China and other emerging markets in recent years. In developed countries, THK is also enhancing its sales network in a bid to steadily capture demand amid expansion in its user base. Through these means, the Company is diligently promoting additional growth.



KEY CHARACTERISTICS



STRATEGIES

Strategy 2 Development of New Business Areas

THK is accelerating its expansion into fields related to consumer goods such as automotive parts, seismic isolation and damping systems, medical equipment, aircraft, robotics, and renewable energy. In order to capitalize on the vast potential in these industries, THK is honing its abundant expertise and the core linear motion system technology it has cultivated over time to accelerate the pace at which it develops new business areas.



Strategy 3 Change in Business Style

As digital technology rapidly develops, the Company is also making efforts to further expand its business domains by ensuring the thorough use of new technologies such as AI, the IoT, and robotics in sales, production, and development. In this way, THK is working to transform the frameworks and methods by which it does business.

