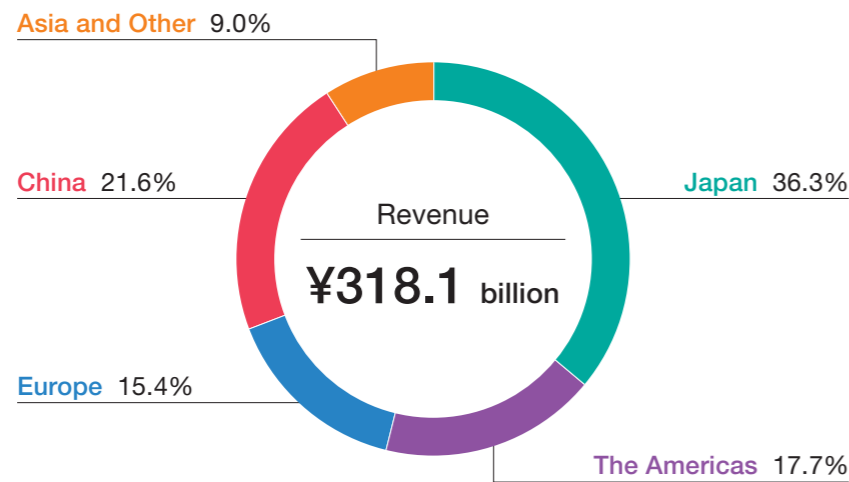


Review by Geographic Region

As THK advances its growth strategy of full-scale globalization, the Company has established an integrated production and sales structure that encompasses four centers of demand: Japan, the Americas, Europe, and Asia. During the 2021 fiscal year, Omni THK was advanced throughout the Company based on the efforts of the THK DX Project. The “OMNI edge” IoT service for the manufacturing industry, which provides predictive failure detection for customer equipment, underwent further expansion in terms of compatible products and available features and services. With regard to THK’s manufacturing operations, in addition to improving productivity through automation and robotization, the Group further expanded its production capacity by beginning operations at its new factory in India in November 2021 and constructing additional facilities at THK NIIGATA (Japan), THK Changzhou (China), and THK Liaoning (China).



JAPAN

Operating Conditions and Performance Review

Revenue in Japan increased 36.4% year on year, to ¥115.5 billion.

The industrial machinery business saw signs of recovery in overall demand, especially in the electronics sector, which continued to experience a recovery. In these circumstances, revenue increased as a result of steadily converting this demand into revenue through prior factory expansions and activities aimed at improving productivity via automation and robotization.

Year Ended December 2021

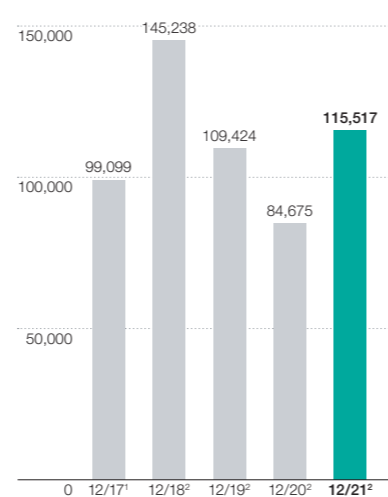
► Sales

Omni THK was advanced throughout the Company based on the efforts of the THK DX Project. The “OMNI edge” IoT service for the manufacturing industry, which provides predictive failure detection for customer equipment, added actuators to its lineup of compatible products in March 2021. In addition, the service was expanded to cover more regions outside of Japan, and two new bonus features launched in September: the no-wait manufacturing ticket and IoT risk coverage.

► Production

As demand trended favorably in the industrial machinery business, the Company pursued various initiatives that utilized automation, robotization, and digital technology in order to further bolster its productivity and steadily convert demand into revenue.

Revenue (Millions of yen)



¹ This data reflects a modified reporting period that includes 9 months from consolidated companies whose fiscal years ended in March and 12 months from consolidated companies whose fiscal years ended in December.
² The THK Group decided to adopt IFRS beginning with the 2019 fiscal year. For the purposes of comparison, the results for the 2018 fiscal year are also noted in accordance with IFRS.

THE AMERICAS

Operating Conditions and Performance Review

Revenue in the Americas increased 22.3% year on year, to ¥56.3 billion.

In the industrial machinery business, overall demand showed signs of recovery centered around the electronics sector. Revenue increased as a result of steadily converting this demand into revenue through prior activities aimed at improving productivity.

Year Ended December 2021

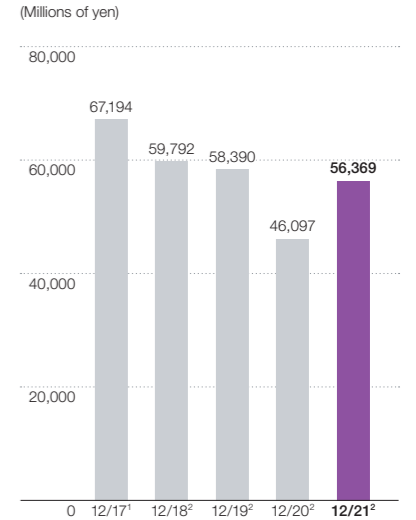
► Sales

In the industrial machinery business, THK increased its market share by expanding transactions within growth markets in the United States as well as sales to a wide range of customers while taking business from competitors. In addition, the Group bolstered its sales activities during the pandemic, exchanging technical information and conducting sales visits online. Furthermore, the Company promoted DX efforts to enhance productivity through process and efficiency improvements.

► Production

Capitalizing on its strengths as the only company in the linear motion industry with a production facility in North America, THK has conducted its production activities in a way that meets customer needs, and it has made improvements in per-person productivity by increasing its utilization of automation, robotization, and IT tools.

Revenue (Millions of yen)



¹ This data reflects a modified reporting period that includes 9 months from consolidated companies whose fiscal years ended in March and 12 months from consolidated companies whose fiscal years ended in December.
² The THK Group decided to adopt IFRS beginning with the 2019 fiscal year. For the purposes of comparison, the results for the 2018 fiscal year are also noted in accordance with IFRS.

EUROPE

Operating Conditions and Performance Review

Revenue in Europe increased 30.3% year on year, to ¥49.0 billion.

In the industrial machinery business, overall demand showed signs of recovery. Revenue increased as a result of steadily converting this demand into revenue through prior activities aimed at improving productivity.

Year Ended December 2021

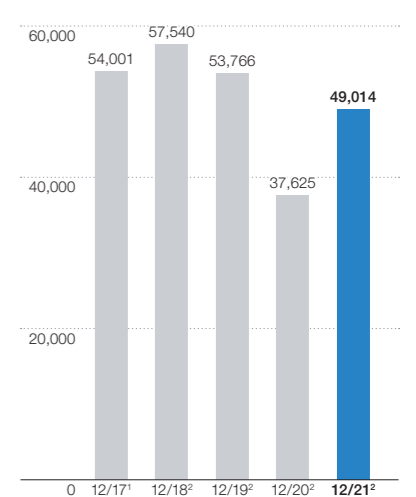
► Sales

In the industrial machinery business, in addition to expanding transactions with existing customers and advancing various activities to boost sales to a wide range of customers, THK actively promoted sales activities through industry-specific projects aimed at engaging in new growth sectors such as semiconductors, medical devices, robotics, aircraft, trains, and electric vehicles.

► Production

THK improved productivity by improving its manufacturing methods and installing new equipment to promote automation and robotization. In addition, the Company strengthened its quality control structures through various means, including reevaluating its inspection methods, thoroughly training employees, and correcting machining programs with the automatic capture of inspection data.

Revenue (Millions of yen)



¹ This data reflects a modified reporting period that includes 9 months from consolidated companies whose fiscal years ended in March and 12 months from consolidated companies whose fiscal years ended in December.
² The THK Group decided to adopt IFRS beginning with the 2019 fiscal year. For the purposes of comparison, the results for the 2018 fiscal year are also noted in accordance with IFRS.

CHINA

Operating Conditions and Performance Review

Revenue in China increased 101.9% year on year, to ¥68.6 billion.

As economic activity reopened ahead of the rest of the world and overall demand continues to recover rapidly, revenue increased as a result of steadily converting this demand into revenue through prior activities aimed at improving productivity.

Year Ended December 2021

► Sales

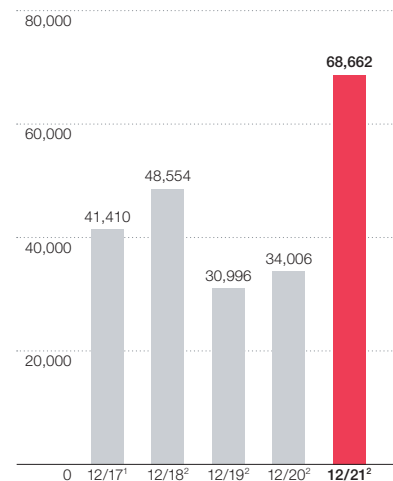
As a result of promoting various initiatives that capitalized on its manufacturing sales structure in order to thoroughly capture business in new growth sectors such as semiconductors, medical devices, and electric vehicles, THK was able to steadily capture the rapidly recovering demand and achieve a drastic increase in revenue. Furthermore, with the official service launch of OMNIedge using infrastructure provided by major Chinese corporations, the Company expanded its provision of the optimal solution service to customers.

► Production

Each plant further improved its productivity by promoting automation and robotization and using the IoT to collect and analyze data. In doing so, they steadily converted the rapidly recovering demand into revenue. Furthermore, in anticipation of an expansion in demand over the medium to long term in China, THK commenced the construction of new facilities at THK Changzhou and THK Liaoning.

Revenue

(Millions of yen)



¹ This data reflects a modified reporting period that includes 9 months from consolidated companies whose fiscal years ended in March and 12 months from consolidated companies whose fiscal years ended in December.

² The THK Group decided to adopt IFRS beginning with the 2019 fiscal year. For the purposes of comparison, the results for the 2018 fiscal year are also noted in accordance with IFRS.

ASIA AND OTHER

Operating Conditions and Performance Review

Revenue in Asia and other regions increased 72.5% year on year, to ¥28.6 billion.

As the range of demand for THK products is steadily growing in India, the ASEAN region, and other parts of the world, the Group bolstered its sales network and undertook aggressive sales activities to acquire new customers. In addition, the recovery of demand in China impacted certain regions, resulting in increased revenue.

Year Ended December 2021

► Sales

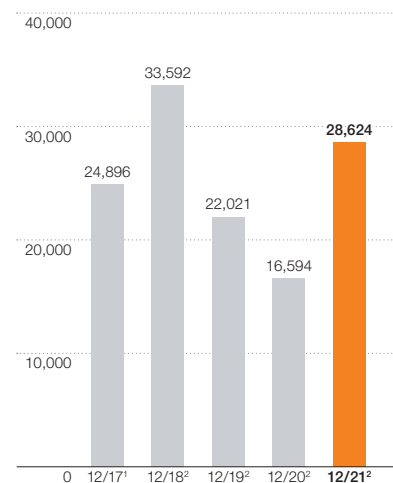
With regard to Taiwan, in addition to expanding transactions with existing customers and bolstering its indirect sales networks, THK cultivated demand in new fields, such as medical devices, food, and packaging, and promoted the use of Omni THK and the Technical Support Site. In the ASEAN region, the Company promoted the use of Omni THK and its Technical Support Site in order to expand sales to a wide range of customers. Furthermore, THK utilized online seminars and various IT tools in order to expand sales of electric actuators.

► Production

Each plant further improved the productivity of its manufacturing processes through automation and robotization. A new factory in India, where demand is expected to increase over the medium to long term, commenced operations in November 2021.

Revenue

(Millions of yen)



¹ This data reflects a modified reporting period that includes 9 months from consolidated companies whose fiscal years ended in March and 12 months from consolidated companies whose fiscal years ended in December.

² The THK Group decided to adopt IFRS beginning with the 2019 fiscal year. For the purposes of comparison, the results for the 2018 fiscal year are also noted in accordance with IFRS.