

# Our Business

## Industrial Machinery

### Further Strengthening THK's Global Production Structure

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#### Strengthening THK's Production Structure

As of the end of 2021, 60% of our production occurs in Japan, and 40% takes place in other countries. We will expand our framework for increasing production globally in order to achieve our medium-term management plan for the industrial machinery business. Our domestic factories will consider the automation and robotization they have implemented to increase productivity and expand those measures to our facilities outside of Japan.

In terms of our global factories, our plant in India began operations in November. Furthermore, in order to further strengthen our capability to meet the rising demand in China, we are building new facilities at THK MANUFACTURING OF CHINA (CHANGZHOU) CO., LTD. and THK MANUFACTURING OF CHINA (LIAONING) CO., LTD., which are scheduled to be completed in early 2023.

#### BCP Structure

We have devised a variety of countermeasures in response to the threat of natural disasters such as earthquakes and typhoons. We participate in life-saving and firefighting training with our fire brigade, take measures to prevent equipment storage shelves from toppling, stock food and rescue equipment, and collaborate with local public institutions. In addition, with regards to the coronavirus, we have gained the understanding of not only our employees but also their families with regard to taking temperatures, thoroughly washing hands and wearing masks, and refraining from going out as we continue to live our lives while also maintaining our product supply system for our customers. Furthermore, we promote talent development to improve our employees' abilities to quickly fix machines (maintenance skills), work flexibly (cross-training), and perfect quality (improvement skills). For our mainstay products such as the LM Guide and ball screws, we have developed a global production structure so factories in each region can support each other in the event of an emergency.

#### Responding to the Carbon Neutrality Pledge

We have launched the Carbon Neutrality Promotion Project with the medium-term goal of reducing CO<sub>2</sub> emissions in 2030 by 50% of what they were in the base year of 2018. We ac-

#### Industrial Machinery Facilities

Production facilities are mainly centered in Japan and have expanded to the Americas, Europe, and Asia.

#### Japan

Yamagata, Tokyo, Kofu, Gifu, Mie, Yamaguchi, Niigata

#### Outside of Japan

Ohio (USA); Ensisheim (France); Dublin (Ireland); Wuxi, Liaoning, Changzhou, Dalian (China); Bac Ninh (Vietnam); Sri City (India)★; Daegu (South Korea)



tively promoted the introduction of machinery and equipment with high energy-saving effects and the utilization of renewable energy PPAs,<sup>1</sup> and in December, we installed solar panels on the roofs of Factories 1 and 3 at the Yamaguchi plant. Meanwhile, in order to make employees more aware of energy conservation, we have implemented measures such as “energy-saving patrols” and departmental checks on the state of energy savings.

#### Promoting DX and Future Developments

The first general hurdle is to free ourselves from the culture of physical signatures and paper. We are building systems that utilize digital technology and IT in order for our production facilities to go paperless with inspection, drawing, and maintenance information. Similarly, our support departments are also automating and optimizing with RPA<sup>2</sup> and BI.<sup>3</sup> Furthermore, by promoting the THK DX Project, we have built a system to centrally manage information from order receipt to shipment, and we are working to improve overall productivity by optimizing production and shifting our talent to operations with high added value. Making improvements and boosting productivity through digital technology is the eternal concern of the Production Division, and we will further broaden the scope of our activities in the pursuit of becoming a “Smart” company.

<sup>1</sup> PPA stands for “power purchase agreement.” It refers to an agreement between a producer of electricity and the utility company that sells the energy to the user.

<sup>2</sup> RPA stands for “robotic process automation.” This is a technology that automates work processes.

<sup>3</sup> BI stands for “business intelligence.” This is a technology that gathers, stores, analyzes, and reports on a company's organizational data to assist in management-related decision-making.