

# Together with Our Customers, Together with Our Suppliers

## Sales Activities

- Policy** **1. Increase market share** Strengthen collaboration between global branches
- 2. Enter new markets** Generate new demand
- 3. Strengthen proposal-based sales** Discover customers' problems and propose solutions

Our company name incorporates three principles: Toughness (tough, durable products), High Quality (the world's top-quality products), and Know-how (expertise for our customers). Under these principles, we conduct our daily sales activities with a customer-focused approach where we think, act, and verify results from the customer's perspective. Currently, we have established an integrated production and sales structure with 122 sales offices and 37 production facilities close to centers of demand in order to produce and sell locally in four regions: Japan, the Americas, Europe, and Asia.

In the past few years, we have been expanding into fields that are different from our conventional ones in order to implement continuous initiatives in new business areas. Due to the influence of the coronavirus pandemic, we have been actively entering the medical device industry since last year, and our products have been adopted for use in many new

pieces of equipment such as PCR testing machines. As we did last year, we held meetings with customers online in order to conduct business activities even during a state of emergency. For exhibitions outside of Japan as well, although there were time differences, we used the internet to link Japan with local sites, meet with outside executives, and conduct technical discussions.

Next year and beyond, we will maintain a sales attitude that is in line with market trends and considerate of customers.

	Events Held (Times)	
	In-person	Online
Technical seminars	0	52
Exhibitions in Japan	19	9
Exhibitions outside of Japan	6	2
Private shows	13	3

## Together with Our Suppliers

- Policy** **1. Global procurement, optimizing procurement locations, and promoting green procurement**
- 2. Accelerating work speed and boosting work efficiency with AI**
- 3. Establishing a structure with suppliers to increase production and promoting improvement activities**

Our daily operations are performed in accordance with our policy to manufacture products in the optimal location and to conduct our business and improve our technology in a way that meets the needs of our customers. Throughout our supply chain, from design to sales, we also strive to adhere to social norms and be environmentally conscious with our activities in order to create a sustainable society.

This year saw a sudden increase in orders, but thanks to the tremendous cooperation of our business partners, we were able to keep production facilities in and outside of Japan supplied without any delays. On the other hand, the pandemic made in-person meetings with our affiliates even more difficult than last year, and remote meetings became the norm even for THK Association events.

The response to the European RoHS restrictions on lead, which we have been working on since last year, is expected

to be completed in the first quarter of 2022 as relevant components are gradually replaced with lead-free alternatives.

In addition, there is an increasing trend of customers requesting environmental surveys such as SVHC and TSCA and surveys related to various laws and regulations, and we have received cooperation from our business partners on a scale larger than usual.

From the next fiscal year onward, it will be necessary to take measures to further increase production, so we will rapidly consider, coordinate, and implement enhancement measures with our business partners in Japan. In consideration of global transportation issues caused by the pandemic, such as the shipping container shortage and resultant lengthening of lead times, we will continue to make adjustments as needed in Japan and around the world to procure materials and ensure production.