

ANNUAL REPORT **2021**



THK's History

THK CO., LTD. manufactures and supplies vital machine components around the world. THK products help to convert slippage into controlled rotary motion, enabling parts of machinery to move smoothly, easily, and precisely with linear motion. As a company focused on creation and development driven by its corporate philosophy of *providing innovative products to the world and generating new trends to contribute to the creation of an affluent society*, THK has continued to focus on the development of a variety of products, including the Linear Motion (LM) Guide, since its establishment in 1971.

The 1970s:

Establishment and the Early Years

While rotary motion was commonly achieved through rolling contact utilizing rotary bearings, linear motion was considered difficult to achieve through rolling contact, and it primarily came from sliding contact instead.

In 1971, THK developed the ball spline, which enabled a higher level of linear motion precision and performance. This ball spline was the predecessor to THK's current mainstay product, the LM Guide, which was first introduced in 1972.

In 1978, the Company's products were adopted by a U.S.-based pioneer of the machining center and world-class leader of its day. This breakthrough was the catalyst for the increased use of the LM Guide in machine tools.



Ball Spline

Developed in the same year that THK was established, the ball spline was the precursor to the LM Guide. This revolutionary product allows balls to roll along a rounded groove machined into the ball spline's shaft, boosting the load that the device can tolerate and permitting the transmission of torque.

- 1971 THK established
- 1972 Production and sale of the LM Guide began
- 1977 Kofu Plant (JPN) established

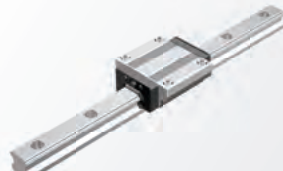
Revenue

(Millions of yen)
 1972–1990: Non-consolidated net sales
 1991–2021: Consolidated revenue

The 1980s:

Significant Developments in Factory Automation (FA)

The 1973 oil crisis saw the demise of heavy industry, pushing technology-based industries, such as the automotive, semiconductor, and home appliance industries, increasingly to the fore. Buoyed by depreciation in the value of the yen as well as the outstanding quality of products manufactured in Japan, export volumes to Europe and the United States climbed steadily. Under these circumstances, there was a demand for mass production of high-quality products. With FA advancing across production front lines, machine tool production volumes increased, and the proportion of advanced machine tools with numerical control (NC) saw steady growth. Against this backdrop, the application of the LM Guide experienced explosive growth.



LM Guide

Developed utilizing the structure and mechanism of ball splines, the LM Guide today is THK's mainstay product. The use of the LM Guide by a major U.S.-based machine tool manufacturer spurred a significant increase in the application of these products in machine tools.

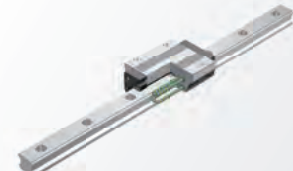
- 1981 THK America, Inc. (USA) established
- 1982 THK Europe GmbH (GER) established
- 1984 Gifu Plant (JPN) established
- 1985 Mie Plant (JPN) established
Yamaguchi Plant (JPN) established
- 1989 THK listed on over-the-counter (OTC) market
THK TAIWAN CO., LTD. (TPE) established

Expansion of numerically controlled (NC) machine tools and factory automation

The 1990s and Onward:

The Rise of the Electronics Industry

During the 1990s, the use of the LM Guide in semiconductor manufacturing equipment surged dramatically, in line with the increase in semiconductor demand. Entering the 2000s, amid the proliferation of mobile devices and digital home appliances, as well as the upswing in demand for semiconductor, flat panel display, and other similar manufacturing equipment, there was a rise in the use of the LM Guide, especially the second-generation Caged Ball LM Guide. In tune with the increasing globalization of manufacturing, THK accelerated its business development around the world.



Caged Ball LM Guide

The Caged Ball LM Guide was developed as the second-generation LM Guide. By keeping the balls in place, the use of caged ball technology extends service life, reduces noise, and enables long-term maintenance-free operation when compared with the first-generation LM Guide.

- 1991 Yamagata Plant (JPN) established
- 1996 Production and sale of the Caged Ball LM Guide began
DALIAN THK CO., LTD. (CHN) established
- 1997 THK Manufacturing of America, Inc. (USA) established

Rise of the electronics industry
 Growth of semiconductor manufacturing equipment industry

3/1972

3/1980

3/1990

Toward a New Era

Achieving Management Targets and Expanding Business Domains by Implementing Three Growth Strategies

As globalization has progressed, the market around THK has also steadily expanded with the rapid development of new technologies such as AI and the IoT. Under these circumstances, the Company aims to expand its business domains 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 in a variety of ways through a *change in business style*. While moving forward with those strategies, THK is accelerating the initiatives being conducted in its industrial machinery and automotive and transportation businesses to achieve the following management targets by the end of the 2026 fiscal year: consolidated revenue of ¥500 billion, an operating income of ¥100 billion, an EPS of ¥590 and an ROE of 17%. Furthermore, the Company will aim to achieve not only these management targets, but also long-term growth and an increase in its corporate value as it contributes to the creation of a sustainable society.

- 2000** THK Manufacturing of Europe S.A.S. (FRA) established
- 2001** Production and sale of the Caged Roller LM Guide began
THK listed on the first section of the Tokyo Stock Exchange (TSE)
- 2003** THK (SHANGHAI) CO., LTD. (CHN) established
- 2004** THK MANUFACTURING OF CHINA (WUXI) CO., LTD. (CHN) established
- 2005** THK MANUFACTURING OF CHINA (LIAONING) CO., LTD. (CHN) established
THK (CHINA) CO., LTD. (CHN) established
- 2006** THK LM SYSTEM Pte. Ltd. (SIN) established
- 2007** Acquisition of RHYTHM CORPORATION (now THK RHYTHM CO., LTD.)
THK RHYTHM (THAILAND) CO., LTD. (THA) established
- 2008** THK MANUFACTURING OF VIETNAM CO., LTD. (VNM) established

- 2011** THK RHYTHM CHANGZHOU CO., LTD. (CHN) established
THK RHYTHM MALAYSIA Sdn. Bhd. (MYS) became a consolidated subsidiary
- 2012** THK RHYTHM MEXICANA S.A. DE C.V. (MEX) established
THK India Private Limited (IND) established
- 2015** Purchased the European and North American L&S business from TRW Automotive Inc. and established THK RHYTHM AUTOMOTIVE (TRA)
- 2017** TRA Holdings, CO., LTD. (JPN) established

Revenue
(Millions of yen)

350,000
300,000
250,000
200,000
150,000
100,000
50,000
0

Proliferation of mobile phones and digital home appliances

Expansion of the IoT

3/2000 3/2010 3/2017 12/2021 0
Years ended March 31 ← Years ended December 31

As it was the year during which THK transitioned to a new reporting period, the data for the fiscal year that ended December 2017 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.



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Please refer to THK's website for the Financial Section.
<https://www.thk.com/eng/ir/annual/>

Disclaimer

This report contains forward-looking statements from THK CO., LTD. and its consolidated subsidiaries pertaining to plans, forecasts, strategies, and results. These forward-looking statements are based on currently available information, and actual results may vary significantly from the forward-looking statements contained in this report due to a range of variable factors.

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.

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.

Labor shortages

Demand for the sophistication of industry

Disaster mitigation

Challenges facing society

Environmental conservation

Governance issues

Infectious diseases

THK's Capital (2021 Fiscal Year)

Equity Attributable to Owners of the Parent **¥304.5 billion**

Ratio of Equity Attributable to Owners of the Parent **59.0%**

Employees
Consolidated **13,073**
Non-consolidated **3,968**

Ratio of Female Employees
Consolidated **23.8%**
Non-consolidated **15.3%**

Ratio of Group Employees Outside of Japan **58%**

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

R&D Expenses **¥5.1 billion**

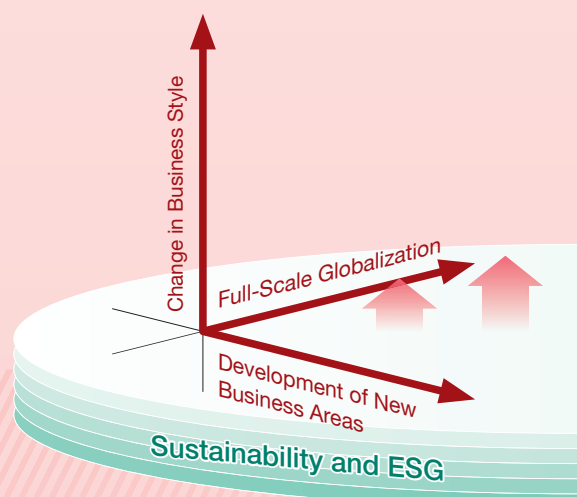
R&D Facilities **3**

Number of Registered Patents
Japan **616**
Outside of Japan **1,271**

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

Corporate Philosophy

Providing innovative products to contribute to the creation



Management Targets

2026 Fiscal Year (Five-Year Plan)

Consolidated revenue **¥500 billion** Operating income **¥100 billion**

Industrial Machinery Business and Other

Targets
Revenue **¥365 billion**
Operating income **¥92 billion**
Average market growth rate **Approx. 7%**

Environment

- Expanded demand for semiconductor equipment
- Advancement of automation and robotization
- Expansion of environmental investments such as electric vehicles

Measures

- Expanding THK's market share and global production structure
- Promotion of DX (Omni THK and OMNI edge)
- Accelerating new product development

Promotion of Sustainability and ESG (Recent Activities)

Establishing the Sustainability Promotion Task Force

Adhering to medium- and long-term targets for carbon neutrality



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.

the world and generating new trends of an affluent society

Our Vision
Transform into a manufacturing and innovative services company

Expansion of Business Areas

EPS
¥590

ROE
17%

Automotive and Transportation Business

Targets
Revenue **¥135 billion**
Operating income **¥8 billion**
Average market growth rate **Approx. 5%**

Environment
• Developments in CASE
• New manufacturers in the automotive industry

Measures
• Expansion of products for next-generation vehicles
• Strengthening of aluminum products
• Profitability improvements

Signing the UN Global Compact

Introducing a stock compensation system

Output

Products

Core technology products

High precision, high rigidity, long service life, low noise

Next-generation products

Renewable energy, robots, seismic isolation systems

Corporate Activities

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

Strengthening our business foundation

Governance, compliance, BCP

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



Involvement in Society [p. 25](#)

Creating a pleasant work environment



Harmony with the Environment [p. 26](#)

Reducing environmental impact



Corporate Governance [p. 28](#)

Strengthening relationships with stakeholders



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.

KEY CHARACTERISTICS



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.

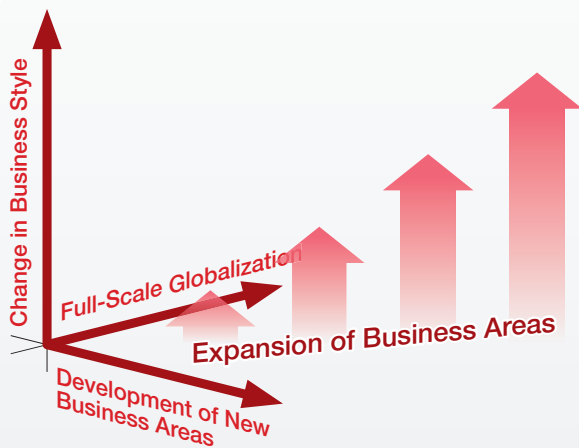
3

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*.



STRATEGIES

Strategy
1

Full-Scale Globalization

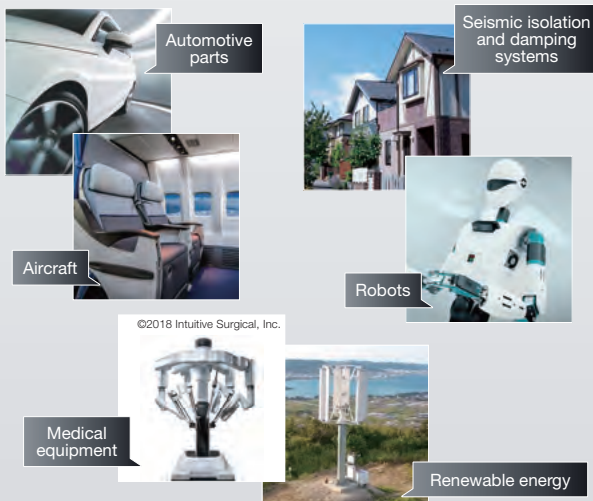
THK has established an integrated production and sales structure with facilities and operations close to centers of demand in order to produce and sell locally in four regions: Japan, the Americas, Europe, and Asia. The Company is working to expand its sales network and production structure in light 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.



Strategy
2

Development of New Business Areas

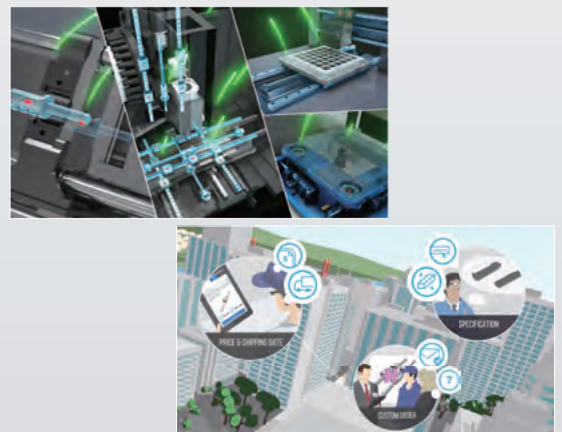
THK is accelerating its expansion into fields related to consumer goods such as automotive parts, seismic isolation and damping systems, medical equipment, aircraft, robotics, and renewable energy. In order to capitalize on the vast potential in these industries, THK is honing its abundant expertise 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.

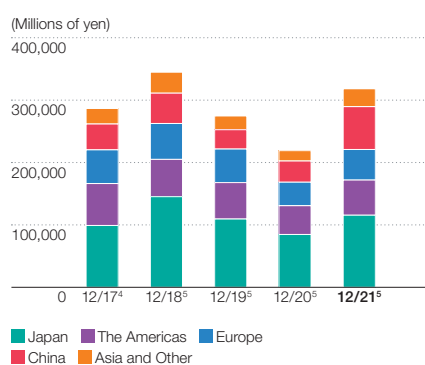


Financial and Non-Financial Highlights

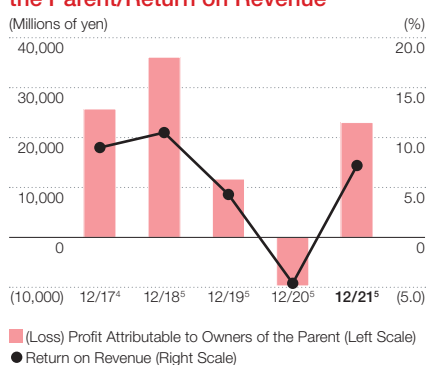
In an effort to better facilitate the global comparison of financial information in the capital market and to strengthen its global financial management by standardizing accounting processes, the THK Group decided to adopt the International Financial Reporting Standards (IFRS) beginning with the 2019 fiscal year. To facilitate comparison with the 2019 fiscal year, the results from the 2018 fiscal year are also noted in accordance with IFRS.

	Millions of yen			
	3/2012	3/2013	3/2014	3/2015
Revenue ¹	¥ 196,866	¥ 168,366	¥ 185,466	¥ 217,678
Japan	117,900	101,443	101,052	113,361
The Americas	22,279	22,527	28,900	34,856
Europe	19,979	15,194	18,427	20,456
China	17,087	13,203	19,351	28,302
Asia and Other	19,620	15,996	17,734	20,700
Gross Profit	53,975	44,298	52,903	67,024
Operating (Loss) Profit	19,745	11,692	17,370	28,388
(Loss) Profit before Income Taxes	18,520	14,737	24,004	33,501
(Loss) Profit Attributable to Owners of the Parent	12,641	9,808	15,590	22,705
Total Assets	288,333	293,145	336,416	373,610
Total Equity	175,516	189,058	222,148	250,498
Per Share	Yen			
(Loss) Earnings Attributable to Owners of the Parent—Basic	¥ 98.31	¥ 76.96	¥ 123.16	¥ 179.36
(Loss) Earnings Attributable to Owners of the Parent—Diluted	—	—	—	—
Equity Attributable to Owners of the Parent	1,352.00	1,479.41	1,736.51	1,957.48
Cash Dividend	20	18	26	50
Overseas Revenue Ratio (%)	40.1	39.7	45.5	47.9
Operating Margin (%)	10.0	6.9	9.4	13.0
Ratio of Profit to Equity Attributable to Owners of the Parent (ROE) (%)	7.4	5.4	7.7	9.7
Return on Assets (ROA) (%) ²	7.1	4.2	5.7	8.2
Ratio of Equity Attributable to Owners of the Parent (%)	60.3	63.9	65.3	66.3
Asset Turnover Ratio (Times)	0.69	0.58	0.59	0.61

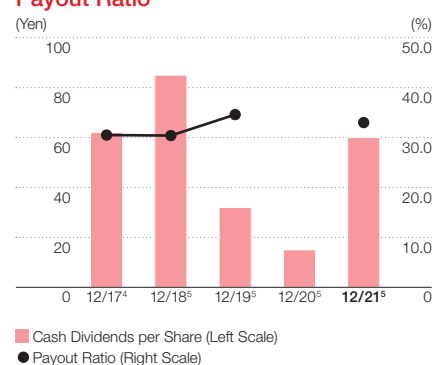
Revenue



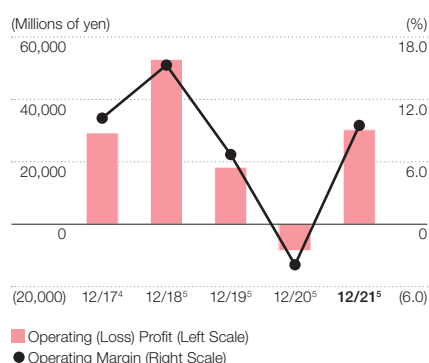
(Loss) Profit Attributable to Owners of the Parent/Return on Revenue



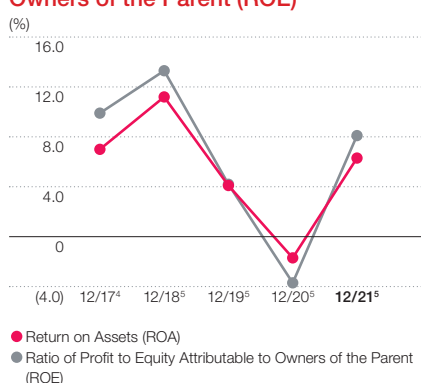
Cash Dividends per Share/ Payout Ratio



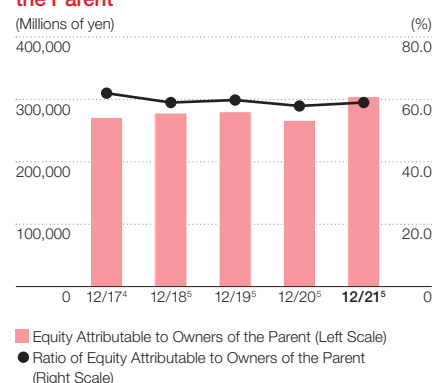
Operating (Loss) Profit/ Operating Margin



Return on Assets (ROA)/ Ratio of Profit to Equity Attributable to Owners of the Parent (ROE)



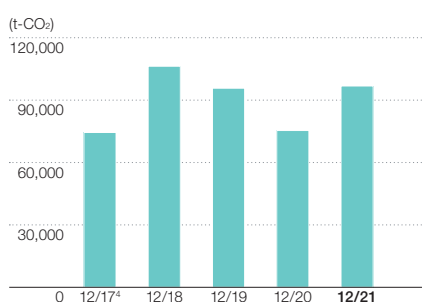
Equity Attributable to Owners of the Parent/ Ratio of Equity Attributable to Owners of the Parent



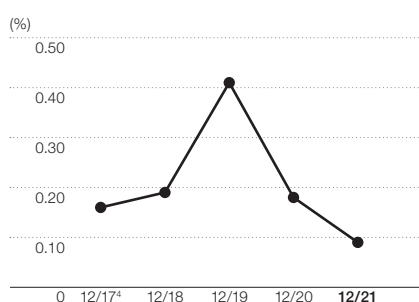
Millions of yen							Thousands of U.S. dollars ³
3/2016	3/2017	12/2017 ⁴	12/2018 ⁵	12/2019 ⁵	12/2020 ⁵	12/2021 ⁵	12/2021
¥ 240,478	¥ 273,577	¥ 286,603	¥ 344,718	¥ 274,599	¥ 218,998	¥ 318,188	\$2,763,007
110,498	112,061	99,099	145,238	109,424	84,675	115,517	1,003,100
50,343	63,025	67,194	59,792	58,390	46,097	56,369	489,484
30,424	46,004	54,001	57,540	53,766	37,625	49,014	425,616
27,967	29,513	41,410	48,554	30,996	34,006	68,662	596,231
21,243	22,971	24,896	33,592	22,021	16,594	28,624	248,558
67,766	70,464	72,112	101,985	67,469	46,430	79,753	692,540
23,169	24,653	29,279	52,848	18,277	(8,499)	30,268	262,834
19,612	23,057	31,034	52,262	18,168	(9,725)	29,984	260,368
13,575	16,731	25,729	36,100	11,690	(9,992)	23,007	199,782
407,808	414,931	436,664	471,369	468,945	460,173	516,086	4,481,469
250,540	251,540	281,754	289,278	291,132	275,148	314,289	2,729,150

Yen							U.S. dollars ³
¥	¥	¥	¥	¥	¥	¥	\$
107.24	132.18	203.28	285.23	92.37	(78.95)	181.97	1.58
—	—	—	—	—	—	—	—
1,953.97	1,966.80	2,140.71	2,198.17	2,214.98	2,105.54	2,442.90	21.21
50	41	62	85	32	15	60	0.52
54.1	59.0	65.4	57.9	60.2	61.3	63.7	
9.6	9.0	10.2	15.3	6.7	(3.9)	9.5	
5.5	6.7	9.9	13.3	4.2	(3.7)	8.1	
6.1	6.1	7.0	11.2	4.1	(1.7)	6.3	
60.7	60.0	62.0	59.0	59.8	57.9	59.0	
0.62	0.67	0.67	0.75	0.58	0.47	0.65	

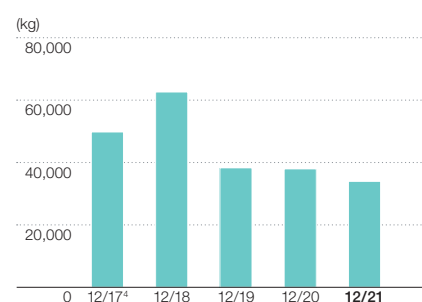
CO₂ Emissions



Emissions Rate



PRTR-Designated Substances



This data was taken from the following 12 production facilities in Japan:

Yamagata, Kofu, Gifu, Mie, Yamaguchi, THK NIIGATA, THK INTECHS (Sendai and Mishima), NIPPON SLIDE, and THK RHYTHM (Hamamatsu, Inasa, and Kyushu)

HR Data (Parent Company)

	12/2017 ⁴	12/2018	12/2019	12/2020	12/2021
Number of Employees (Consolidated)	13,364	13,478	13,260	12,914	13,073
Number of Employees	3,581	3,773	3,891	3,957	3,968
Average Years of Service	17.5	17.1	17.3	17.6	18.1
Ratio of Female Employees (%)	14.5	14.4	15.0	15.1	15.3
Individuals on Childcare Leave	41	46	52	56	65
Turnover Ratio (%)	1.6	1.8	1.5	1.2	1.7
Percentage of Employees with Disabilities (%)	2.20	2.12	2.30	2.32	2.23

Data from the 2017 fiscal year that ended December 31, 2017, includes data from January to March 2017.

¹ Segments are based on where THK's customers are located.

² Return on assets (ROA) represents operating (loss) profit plus interest and dividend income as a percentage of average total assets.

³ U.S. dollar amounts are provided for reference only, converted from Japanese yen at the rate of ¥115.16 = U.S. \$1, the approximate rate of exchange prevailing in Tokyo on December 31, 2021.

⁴ 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.

⁵ 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.

To Our Stakeholders



**Striving toward
Medium- to
Long-Term Growth**

Akihiro Teramachi

President and CEO
THK CO., LTD.

Responding to the Coronavirus (COVID-19)

Since February 3, 2020, the THK Group has convened daily coronavirus task force meetings to collect and share information from all over Japan and around the world in order to take swift action and prevent the spread of the virus. As an essential business, many customers have urged us to continue supplying THK Group products. As we do so, we consider the health and safety of our customers, suppliers, local communities, and all of our employees and their families to be our number-one priority, and we will take even greater steps to prevent infections. We will continue to vigilantly remind all of our employees to take the virus seriously and be careful of how they spend their time outside of work.

Looking Back on the 2021 Fiscal Year

As the coronavirus pandemic continued during the 2021 fiscal year, demand in the industrial machinery business recovered significantly in developed nations and other regions following in the footsteps of China, which was the first country to resume economic activities. In these circumstances, we used our strengthened production capabilities to steadily convert demand into revenue. Meanwhile, the automotive and transportation business was impacted by decreased automobile production due to shortages in semiconductors and other materials. As a result, consolidated revenue reached ¥318.1 billion, an increase of 45.3% from the previous fiscal year.

In terms of costs, as demand rapidly recovered in the industrial machinery business, the volume effect of higher revenue contributed to an increase in profitability in spite of factors such as increased transportation costs and steel prices. Meanwhile, the automotive and transportation business was impacted by lower automobile production and higher steel prices. As a result,

we achieved an operating profit of ¥30.2 billion.

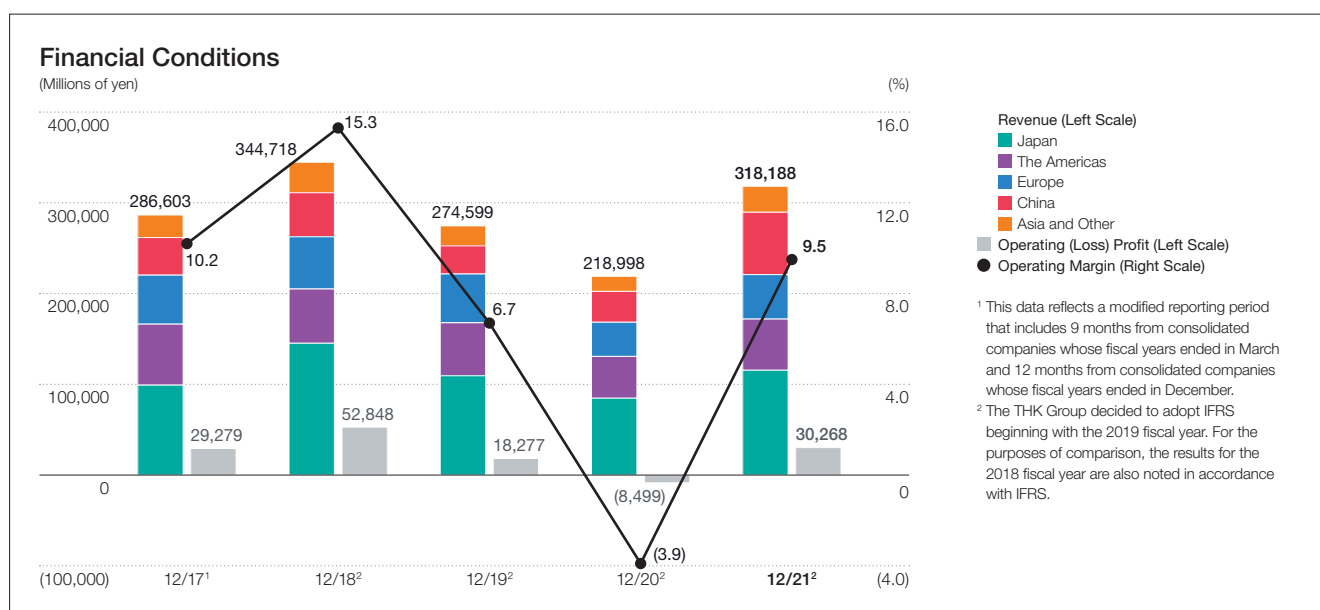
THK's Business and Management Targets

Based on our corporate philosophy of *providing innovative products to the world and generating new trends to contribute to the creation of an affluent society*, we promote our three growth strategies of full-scale globalization, the development of new business areas, and a change in business style in order to expand our business domains. Our vision is to be a manufacturing and innovative services company that goes beyond simply creating things, expanding our business to include everything from before to after the sale, broadening our interactions with customers, and genuinely contributing to their business. Furthermore, we are strengthening our sustainability and ESG activities, which are at the core of those efforts.

Due to the pandemic, our management targets were revised to the following: consolidated revenue of ¥500 billion, an operating profit of ¥100 billion, an EPS of ¥590, and an ROE of 17%, which we aim to achieve in 2026. In both our industrial machinery business and automotive and transportation business, we intend to achieve higher growth than the average market growth rate forecast.

Measures to Achieve Our Management Targets

Under these circumstances, the THK Group has accelerated its provision of new solutions in various domains to create a new kind of customer experience. In the industrial machinery business, we will promote the THK DX Project in order to reduce time spent on routine tasks and shift employees toward work with higher added value as well as to develop measures to expand sales. In order to achieve this, we are actively working to further promote





Omni THK, introduce various ICT tools and systems, and develop digital talent that will be at the core of these efforts. For our “OMNI edge” IoT service for the manufacturing industry, we have expanded our lineup and range of services. In March 2021, actuators were added to the list of compatible products. As for the service itself, OMNI edge was expanded to cover more regions outside of Japan, and two new bonus features launched in July: the no-wait manufacturing ticket and IoT risk coverage. This service can be added to machine components already in use, so we anticipate enormous demand for OMNI edge as automation and robotization advance.

As we continue to expand new services such as these, in our existing product areas, we will promote the introduction of high-precision products, such as those for increasingly precise semiconductor manufacturing equipment. In our new business areas, our products are steadily being adopted more than ever before in medical devices, railways, aircraft, and fields that mitigate risks from natural disasters and climate change, such as seismic isolation and damping systems and renewable energy. Additionally, due to labor shortages and rising labor costs, there has been an increasing demand for products that will reduce labor needs in service industries such as logistics, retail, and restaurants, and we are accelerating our provision of new products and various types of robots to respond to this demand.

Dramatic changes are occurring in the automotive and transportation business as CASE progresses in the automotive industry, including horizontal specialization and the emergence of new manufacturers from different industries. Under these circumstances, we will work on improving our profitability, and as we strengthen our traditional linkage and suspension business, we will also propose and add new products in line with CASE and MaaS. Furthermore, in addition to integrated brake controls, whose shipping volume is steadily increasing, we are developing other new products for next-generation automobiles and will further expand this business over the medium to long term.

In addition, as both business divisions advance their respective initiatives, we are strengthening our global production structure to support medium- to long-term top-line expansion. At our new factory for THK India, operations began in November 2021. Other efforts have also been made to further increase our

Revenue Trends

Industrial Machinery Business and Other



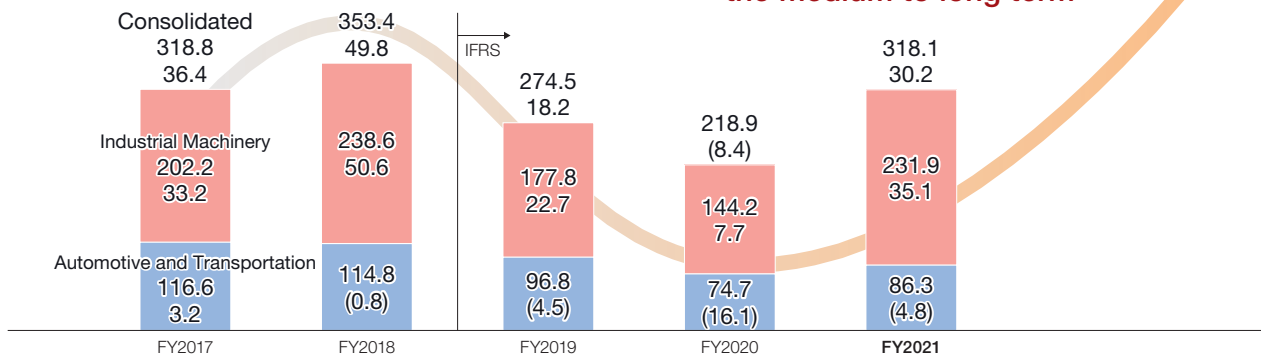
- Expanding THK's market share and global production structure
- Promotion of DX (Omni THK and OMNI edge)
- Accelerating new product development

Automotive and Transportation Business



- Expansion of products for next-generation vehicles
- Strengthening of aluminum products
- Profitability improvements

Revenue (Upper row: billions of yen)
Operating Income (Lower row: billions of yen)

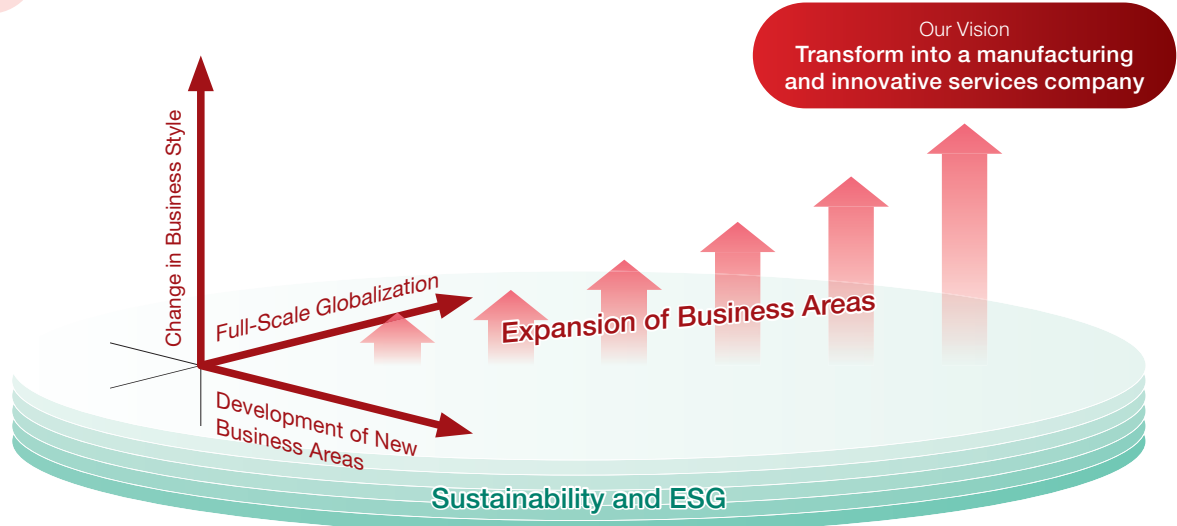


* The figures for the automotive and transportation business are the combined figures of THK RHYTHM and TRA.

THK's Business

Corporate
Philosophy

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



production capabilities, such as moving forward with the construction of new facilities at THK NIIGATA in Japan. In China, where demand is expected to increase over the medium to long term, both THK Changzhou and THK Liaoning are adding facilities on their sites as well. At the same time, we are strengthening our bottom line through exhaustive improvements in productivity made by utilizing automation, robotization, and the IoT in our production processes in addition to utilizing ICT tools in our internal business processes, including in our sales and administrative departments.

Striving for Sustainable Growth and Solutions to Social Challenges

As exemplified by sustainability, society and corporations generate common value through corporate activities that minimize the negative impacts and strengthen the positive. With this mindset of working for the benefit of all in addition to our individual interests, THK is promoting various initiatives to achieve the creation of a sustainable society. Therefore, in August 2021, we established medium- and long-term targets to achieve carbon neutrality. To minimize our negative impact, we have established the Carbon Neutrality Promotion Project, which is working to further reduce the CO₂ emitted through our business activities. Meanwhile, to strengthen our positive impact, we are expanding our offerings of linear motion and other products and services that contribute to energy conservation.

In this manner, we will promote various initiatives aimed at the creation of a sustainable society in addition to growing our business in a sustainable manner and improving our corporate value. As we work toward achieving our established goals, we kindly request the continued support of all stakeholders.

April 2022

Akihiro Teramachi
President and CEO
THK CO., LTD.



Activities to Foster Medium- to Long-Term Growth

As current megatrends revolve around macrodynamic changes such as the rapid advancement of digital technology, the heightened momentum of environmental conservation, and the labor shortages and increased life-spans occurring in developed countries, the keywords to address these changes are 5G, AI, the IoT, CASE, Industry 4.0, automation, and labor and energy savings.

These keywords drive demand for the various solutions THK offers. The Company is promoting various initiatives in both its industrial machinery and automotive and transportation businesses to realize this growth potential.

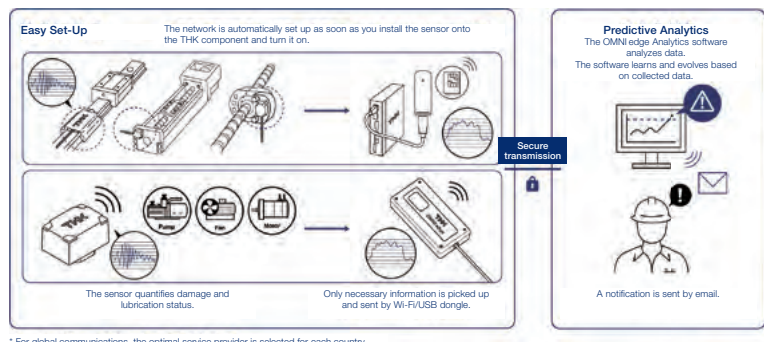
Industrial Machinery Business

IOT Innovation Division Activities for Industrial Machinery

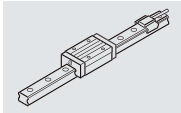
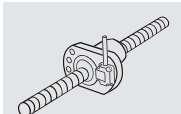
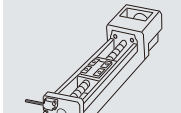
OMNI edge: An IoT Service for Manufacturing—Capable of Being Added to Machine Components Currently in Use




OMNI edge is an IoT service that diagnoses the status of a machine component and performs predictive failure detection. Using the THK SENSING SYSTEM, a sensor attached to the component collects data, which is then quantified and analyzed by an original algorithm and transmitted through a secure network. The package combines

the sensor and other hardware with a communication device, and communication fees are included, which makes the service simple, secure, and available for a reasonable price. This service can be added to machine components already in use, so an enormous level of demand is anticipated as automation and robotization advance.



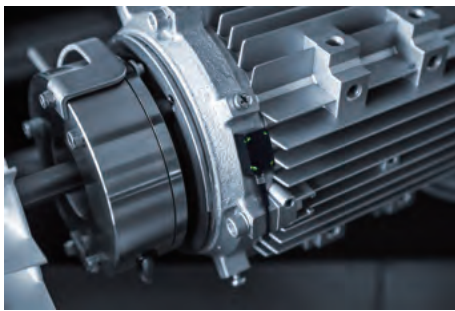
Developments through 2021

Compatible Products	
LM Guide (January 2020)	
Ball screws (November 2020)	
Actuators (March 2021)	

Features and Services	
Official service launch in China	
Connectivity with FANUC CORPORATION's FIELD system	
Global SIM compatibility • USA • Indonesia • Thailand • Singapore • Taiwan	
Peace of mind added with two bonus features	<div data-bbox="1230 1890 1410 1957">No-wait manufacturing ticket</div> <div data-bbox="1230 1980 1410 2047">IoT risk coverage</div>

Rotary Components Added to OMNI edge Lineup— Introducing Predictive Failure Detection to Rotary Components in Addition to Linear Motion Parts

Among customers who have currently installed OMNI edge, one commonality is that they have actively introduced predictive failure detection to rotary components such as pumps, fans, and motors in addition to linear motion components, and the benefits of a unified integration of the predictive failure detection system are evident. This success led to rotary components being added to the official lineup. In this manner, THK will expand the service in a way that best suits customer needs and will help their manufacturing operations achieve continuous productivity improvements.



Features

- ▶ Ready to use for instant monitoring
- ▶ Color-changing LED light clearly indicates the status
- ▶ Functions for remote monitoring and preventing problems from going undetected

Official Order Launch

- ▶ February 2022

Examples of Compatible Components

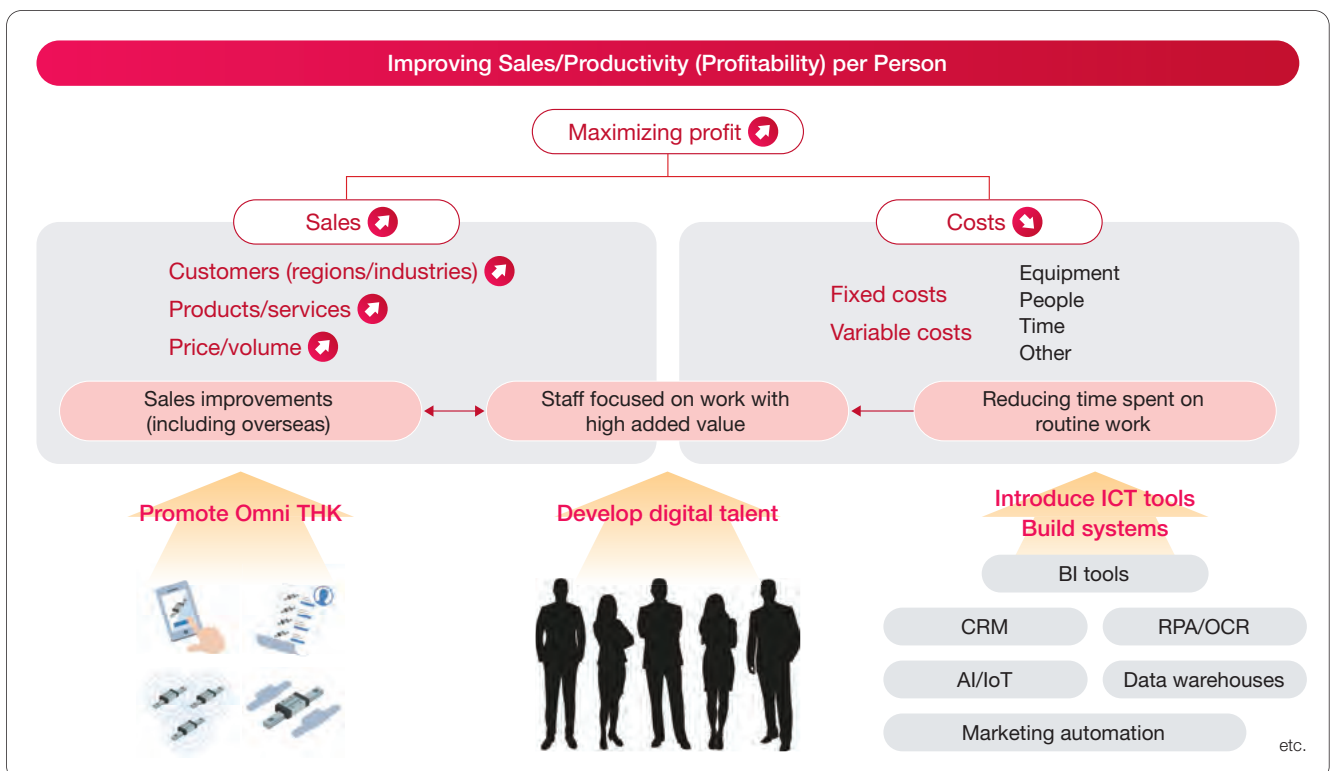


* Parts that feature some type of rotary shaft bearing

The THK DX Project: Advancing Omni THK

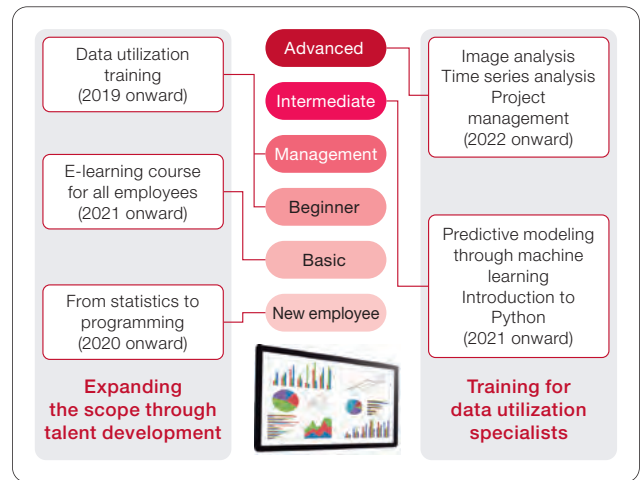
Based on the THK DX Project, the Company is working to reduce time spent on routine tasks and shift employees toward work with higher added value as well as developing measures to expand sales.

In order to achieve this, THK is striving to further promote Omni THK, introduce various ICT tools and systems, and develop digital talent that will be at the core of these efforts.



The THK DX Project: Developing Digital Talent

Since 2019, THK has been conducting data utilization training for staff to gain knowledge and learn about data utilization techniques in order to drive further DX-related activities through a company-wide increase in skill level. Furthermore, conducting the types of training shown on the right has engendered a culture based on digital technology, the extent of which is steadily expanding.

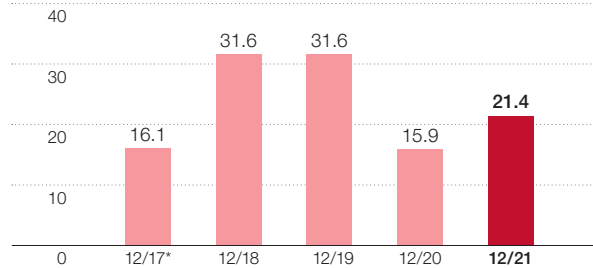


Expanding THK's Global Production Structure

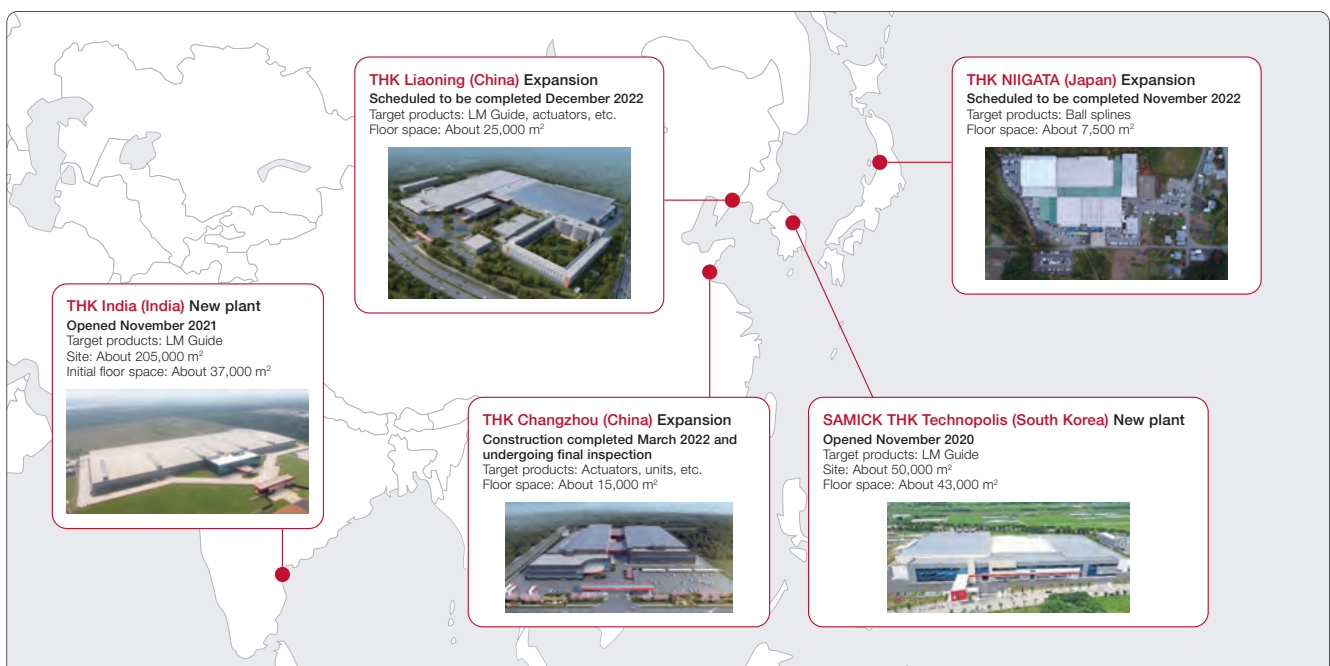
In order to support top-line expansion over the medium to long term, the industrial machinery business is promoting automation and robotization, and a new factory in India began operating in November 2021. Other efforts have also been made to further increase our production capabilities, such as moving forward with the construction of new facilities at THK NIIGATA in Japan. In China, where demand is expected to increase over the medium to long term, both THK Changzhou and THK Liaoning are adding facilities on their sites as well.

Capital Expenditure

(Billions of yen)



* 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.





Automotive and Transportation Business

Dramatic Changes in the Automotive Industry



Capitalizing on CASE

The automotive industry is said to be undergoing a once-in-a-century revolution, and “CASE” is the keyword that exemplifies this new era. CASE is an acronym combining the words “Connected,” “Autonomous,” “Shared,” and “Electric.” Together, these elements have given birth to revolutionary technologies and services and are creating ripples of change that intersect with other industries. In the midst of this trend, the THK Group has capitalized on its core linear motion product technology and has been developing and mass-producing new linear motion products for self-driving cars, as well as working to

expand the use of such products in various automotive mechanisms. While the adoption of electric vehicles is expected to change the configuration of existing L&S (linkage and suspension) components, THK will advance proposals for new offerings in the belief that a collaboration with the linear motion products under development can lead to a new generation of L&S components. The Group will further accelerate its development and sales activities in anticipation of expanded use of such products spurred by CASE.

Activities to Improve Profitability

The automotive and transportation business experienced an operating loss of ¥4.8 billion during the 2021 fiscal year. This was primarily due to an increase in steel prices and a decrease in automobile production caused by shortages in semiconductors and other components. Going forward, the Company will increase its revenue and continue

efforts to improve its profitability, including sustaining the recovery plan that went into effect in 2020 and reevaluating its product portfolio. In doing so, it aims to achieve a profit for automotive and transportation equipment overall.

Accelerating the Development and Proposal of Linear Motion Products for Automobiles

As THK makes improvements in profitability, in response to the CASE-driven shift towards electric automobiles, the Company has utilized new production methods to introduce aluminum products to the market in order to expand sales and meet customer needs for more lightweight components. THK has also developed aluminum hot forging technology in-house in North America, and products manufactured with this technology have been adopted by both American and Japanese-owned businesses looking to procure items locally. Furthermore, as a second pillar in addition to its linkage and suspension business, the Company is also developing and mass-producing ball

screws for use in CASE-related automatic braking systems. These products are officially being adopted for new suspension-related components, and THK is working to serialize these items and expand sales. Furthermore, as a third pillar, the THK Group is promoting the development of next-generation products incorporating multiple technologies in development departments in Japan and overseas by looking forward five or ten years and anticipating needs customers might not be aware of yet while also working to expand the Company's product lineup to meet current customer needs.

Research and Development

Guided by the corporate philosophy of *providing innovative products to the world and generating new trends to contribute to the creation of an affluent society*, THK continually strives to create original products as a company focused on creation and development.

A Global R&D System for the Next Generation

The THK Group conducts R&D at the Technology Center and its headquarters in Tokyo. At these locations, the Company is endeavoring to use its core linear motion system technology and expertise to develop its mainstay linear motion systems, mechatronic devices such as XY precision stages and linear motor actuators, and products in fields related to consumer goods such as automotive parts, seismic isolation and damping systems, and medical equipment.

In 2010, the THK Group established the R&D Center in China. This facility, which was THK's first R&D facility outside of Japan, began full operation in 2012. With the addition of TRA's German R&D facility in 2015, the THK Group is on its way to building R&D structures oriented toward the Americas, Europe, and Asia in order to more accurately meet the needs of customers around the world.



Headquarters (Tokyo)



Technology Center (Tokyo)



R&D Center (China)

Initiatives During the 2021 Fiscal Year

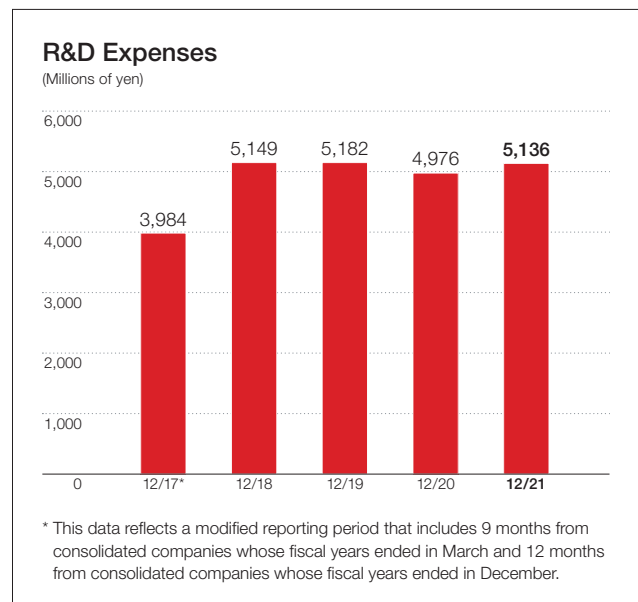
To meet the varied needs of its customers in the industrial machinery field, THK has expanded its lineup of LM Guide and ball screw products and developed a wide array of new products that contribute to the automation of customers' production lines.

In terms of the IoT, the "OMNI edge" IoT service for the manufacturing industry had its full commercial launch in January 2020. This service visualizes the status of LM Guide, ball screw, and actuator products and enables predictive failure detection. In addition, rotary components such as motors, fans, and pumps were added to the lineup in 2022.

With regard to robotics, THK released the life-sized "SEED-Noid" humanoid robot, the "SEED-Lifter" lifting unit, and the "SEED-Mover" omnidirectional trolley as part of its SEED-R7 series. These platform robots come in various types of units that combine the mechanical design, electric and electronic controls, and core software that are essential to service robots. By reducing the burden of robot development, they help customers lower their total costs and accelerate development.

In its automotive and transportation business, in response to the shift towards electric automobiles, THK has utilized new production methods to introduce aluminum products to the market in order to expand sales and meet customer needs for more lightweight components. The Company has also developed aluminum hot forging technology in-house in North America, and products manufactured with this technology have been adopted by both American and Japanese-owned businesses looking to procure items locally. As a second pillar in addition to its linkage and suspension business, the Company is also developing and mass-producing CASE-related ball screws for use in automobiles. These products are officially being

adopted for new suspension-related components, and THK will work to serialize these items and expand sales. Furthermore, the THK Group will promote the development of next-generation products aimed at a truly market-in approach that looks forward five or ten years and anticipates needs customers might not be aware of yet while also working to expand the Company's product lineup to meet current customer needs.



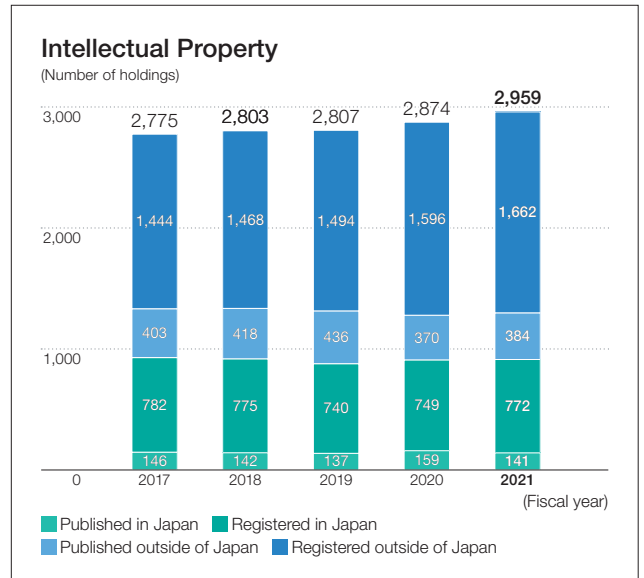
THK's Philosophy on Intellectual Property

Policy

THK values and promotes the creation and full utilization of its intellectual property to continue contributing to the creation of an affluent society through the development of innovative products.

By applying for patents and preserving its specialized knowledge, THK exercises exclusive rights to its linear motion technology and eliminates imitations. At the same time, to avoid infringing upon the patents of others in the industry, THK works with its planning and development departments to conduct thorough patent searches while still in the development stage, and the Company internally educates its employees so that they respect the patent rights of third parties to avoid patent infringement.

Through full-scale globalization and other means, THK is striving to expand the breadth of its preservation of effective intellectual property rights that contribute to industry.



New Products for Improving Productivity

The Adaptive Hand Series TNH is a general-purpose robot hand that is both small and lightweight, capable of suctioning and gripping workpieces with complex shapes in a stable manner through its ability to adapt its form to that of the workpiece it is gripping. Traditionally, specialized tooling and hands would have to be manufactured and swapped out for different workpieces. However, this versatile product is capable of suctioning or gripping small components, food products, plastic goods, or ceramics, which eliminates the need to have an assortment of special tools or to replace hands. This helps lower

costs both in terms of the initial investment and improved productivity. The TNH was awarded the 2021 Grand Manufacturing Prize for Machine and Robot Components, a prize sponsored by THE NIKKAN KOGYO SHIMBUN and the MONODZUKURI Nihon Conference that recognizes superior components and materials that improve the competitiveness of Japanese manufacturing and contribute to the development of industry and society. This product supports solutions to the problems facing an aging society with a declining birthrate, such as labor shortages and rising labor costs.



Adaptive Suction Hand
The built-in flow restrictor accommodates for suction error.



Adaptive Gripping Hand
The opening and closing functions and gripping force can be controlled by just a digital signal.



Adaptive Unit
An adaptive unit available for customization.

Example Applications

Industrial Products



Tool



Machine part

Food Products



Can



Gum container

New Products



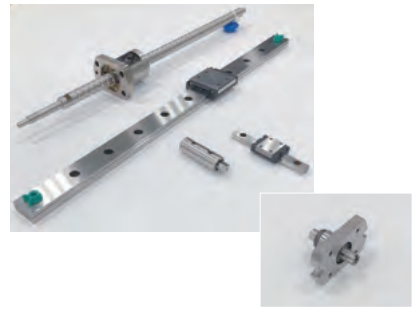
Roller Guide Model SRN Full-Roller Compatibility

An exceptionally robust full-roller model has been added to the lineup. This product helps machine tools demonstrate a high level of performance.



Cross-Roller Guide Model VRG

This product achieves light, smooth motion by not recirculating the rolling elements. THK's proprietary rack and pinion mechanism prevents cage misalignment and provides stable motion.



High-Performance Non-Magnetic Products

As non-magnetic products with optimal features for bearings, these items are ideal for electron beam lithography systems and electron microscopes.



Press Fit Type Linear Bushing Model LMHB

Designed to be assembled by press fitting the unit into a housing, this product helps to make machinery more compact and reduces installation time.



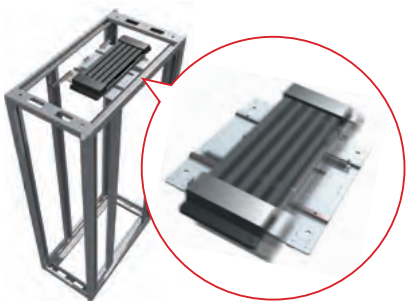
Miniature Ball Screw Lineup Expansion

THK has expanded its highly requested lineup for semiconductor manufacturing equipment, electronic component mounting machines, and medical equipment, which has seen a very favorable shift in demand.



LM Guide Actuator Model KR-RL

This right/left ball screw enables open-and-close movements with a single motor, allowing for use in a variety of orientations and applications.



Seismic Damping System for Servers Model TRMD

As it is mounted to the top of server racks as a seismic damping system, this product can be installed while the servers are running.



SEED-R7 Series

These three highly versatile unit types can be used for a variety of purposes, enabling fast, simple, and inexpensive setup of service applications.



Adaptive Hand Series Model TNH

As a general-purpose robot hand capable of adapting to the shape of workpieces to suction or grip them for stable transport, this product is an all-around solution for a variety of industries.

THK's Products

THK was the first company in the world to develop the Linear Motion (LM) Guide, which is based on an original concept and innovative technology. THK also develops, produces, and supplies to the world a range of other vital machine components, including ball screws and electric actuators, as well as automotive and transportation components, such as L&S (linkage and suspension) products. All of THK's technologies infuse every type of mechanism with smoother and more accurate movement, driving innovation around the world.

The LM Guide

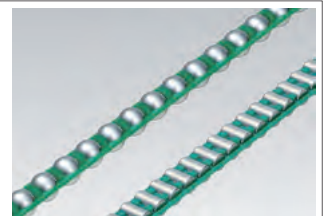
The LM Guide is a machine component that converts sliding motion into rolling motion, enabling machine parts to move smoothly, easily, and precisely with linear motion. As a result, the LM Guide has enabled the precision, rigidity, speed, and energy-saving properties of a wide range of industrial machinery. With the introduction of products such as the Caged Ball LM Guide in 1996 and the Caged Roller LM Guide in 2001, the Company has continued to improve every aspect of the LM Guide and further expand its applications. As a result, LM Guide products with caged ball and caged roller technology are now vital components of machine tools, semiconductor manufacturing equipment, and other industrial equipment.



Machine tool
(Machining center)

Ball Cages and Roller Cages

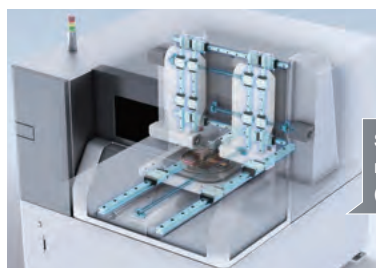
The cages are resin parts that hold and guide the balls or rollers as they move. The use of cages reduces noise and friction by preventing direct contact between the balls or rollers. This allows for a longer service life, reduced noise, and an extended period of maintenance-free operation.



Ball Screws

Ball screws are machine components that function by causing a large number of balls to circulate between a screw shaft and a nut. This mechanism efficiently converts rotary motion into linear motion. With the Caged Ball Screw, THK has incorporated caged ball technology into its existing ball screw designs, thus helping to achieve longer life with reduced noise and provide an extended period of maintenance-free operation.

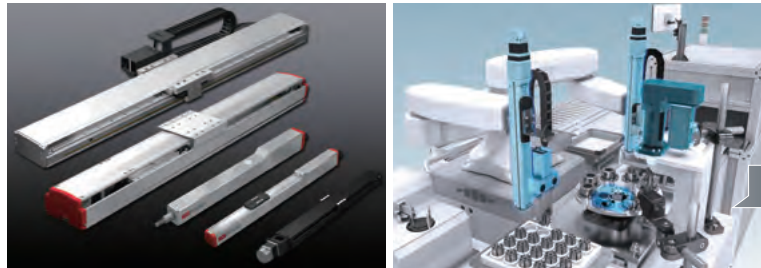
As a result, these products are now essential elements in machine tools, industrial robots, semiconductor manufacturing equipment, and other industrial equipment. THK also offers ball screws that are designed to support high loads, making them ideally suited for replacing the hydraulic cylinders used in equipment such as injection molding machines, presses, and die casting machines.



Semiconductor
manufacturing equipment
(Dicing saw)

Electric Actuators

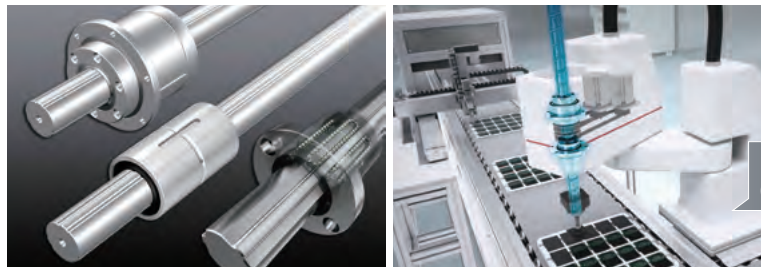
Electric actuators are hybrid products combining a guide component, such as an LM Guide, with a ball screw, linear motor, or other drive component. In industries such as electronics, there is an increasing need to shorten development and manufacturing lead times. Modularization allows these electric actuators to meet such requirements by simplifying the design and reducing assembly time. THK offers a varied lineup of electric actuators ranging from basic, cost-effective units to high-end components designed to operate with high precision or perform to clean room specifications. Such advanced electric actuators have become indispensable parts in equipment used in the manufacture or inspection of semiconductors and liquid crystal displays.



Dual-arm robot

Ball Splines

Developed in 1971, the same year that THK was established, ball splines were the precursor to the LM Guide. This revolutionary linear motion guide element allows balls to roll along a rounded groove machined into the ball spline's shaft, boosting the load that the device can tolerate and permitting the transmission of torque. Compared with the products that came before, these ball splines boosted the permissible load by a factor of 13 and service life by a factor of 2,200. THK offers an extensive lineup featuring ball splines with integrated ball screws and other products that are used in a variety of equipment, including industrial robots, medical equipment, and chip mounters.



Horizontal articulated robot (SCARA robot)

Cross-Roller Rings

Cross-roller rings are roller bearings that feature internal cylindrical rollers arranged orthogonally so as to facilitate load bearing in every direction. The incorporation of the spacer cages between rollers prevents roller skew and friction between the rollers. Possessing high rigidity while maintaining a compact structure, cross-roller rings are used in the rotating parts of many different types of industrial machinery, including the joint areas and rotating parts of industrial robots, as well as machining center swivel tables. Other applications include rotating parts of medical equipment and semiconductor manufacturing equipment.



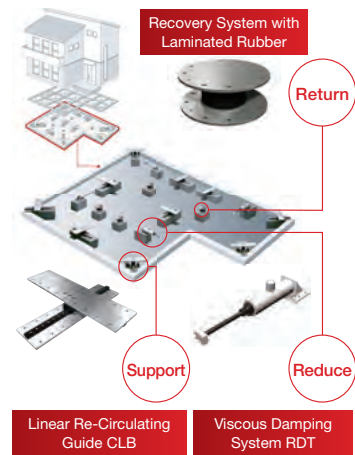
Transfer robot

Products Using Core Linear Motion System Technology

Seismic Isolation and Damping Systems

Seismic isolation and damping systems make use of THK's core linear motion system technology. The THK Group supplies a broad range of products from seismic isolation and damping systems for high-rise buildings, low-rise residences, and other structures such as temples and shrines, to seismic isolation systems for servers and a variety of manufacturing equipment. In this manner, the Group is helping to minimize the damage caused by earthquakes.

Seismic Isolation System for Buildings

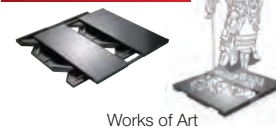


Seismic Isolation Platforms

Seismic Isolation Module Model TGS

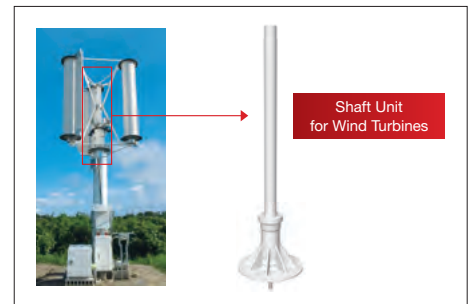


Seismic Isolation Table Model TSD



Renewable Energy

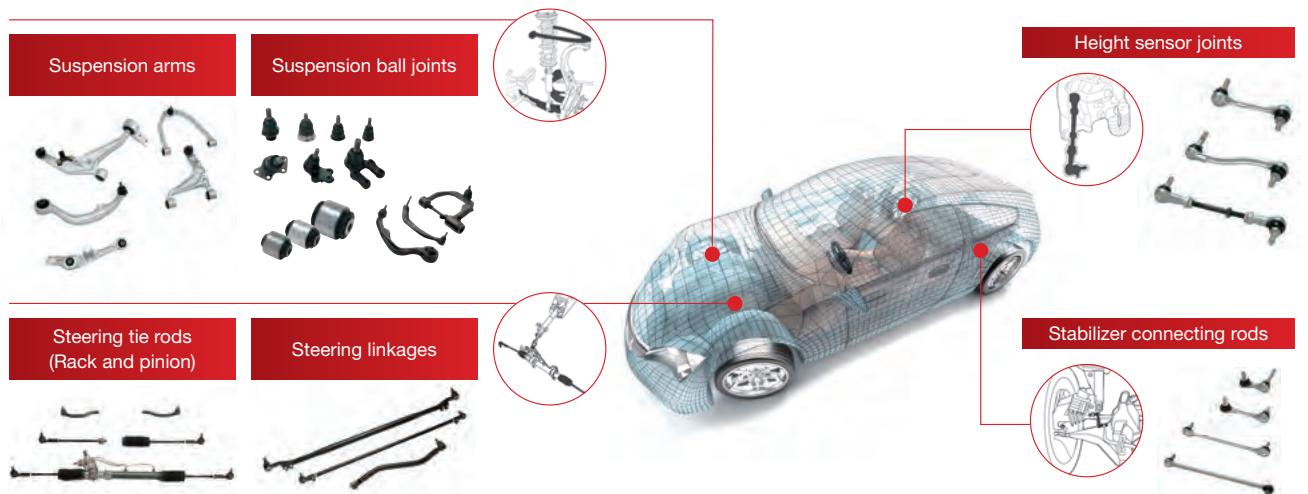
Due to their unique mechanisms, THK's shaft units for wind turbines possess high strength and durability in addition to achieving dramatically lower torque and improved power generation efficiency. In 2017, THK began supplying these products to Challengery Inc., which developed the world's first wind turbine capable of generating energy even during typhoons.



Automotive and Transportation Equipment-Related Products

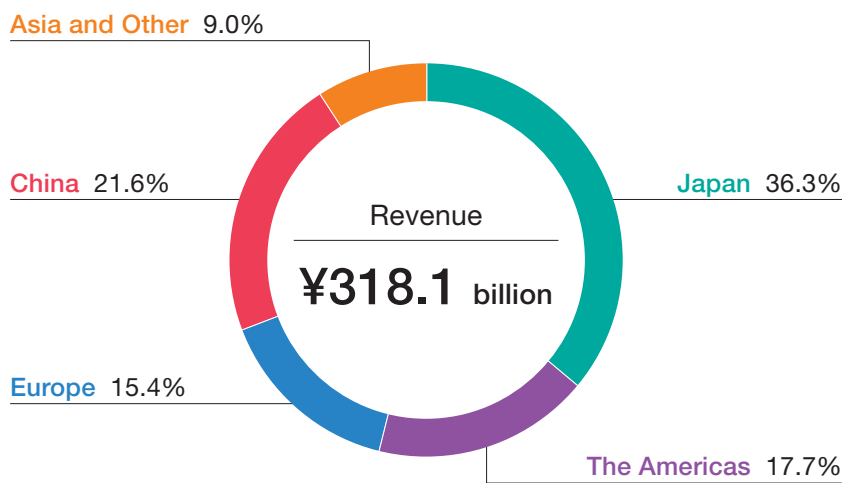
The automotive and transportation business, centered on THK RHYTHM and THK RHYTHM AUTOMOTIVE (TRA), focuses on products related to undercarriage L&S (linkage and suspension) components. Made from aluminum, THK's link balls are highly resistant to corrosion and wear. They are also considerably lighter than traditional steel parts.

THK also develops and mass-produces ball screws for automatic brakes, which utilize the core linear motion product technology of its industrial machinery business. As CASE progresses within the automotive industry, the Company is accelerating its development and introduction of new products that respond to this trend.



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

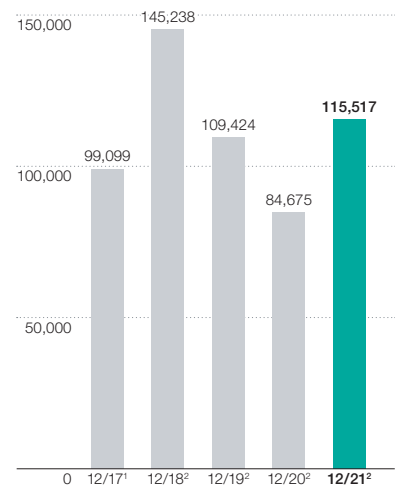
Omni THK was advanced throughout the Company based on the efforts of the THK DX Project. The “OMNI edge” IoT service for the manufacturing industry, which provides predictive failure detection for customer equipment, added actuators to its lineup of compatible products in March 2021. In addition, the 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

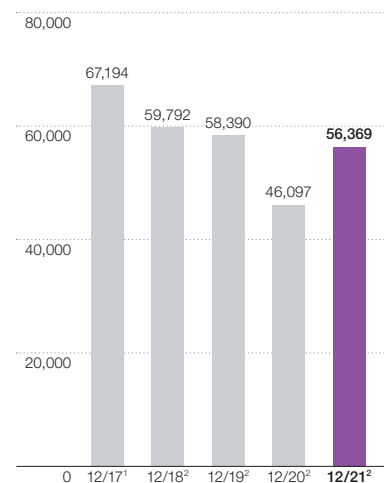
In the industrial machinery business, THK increased its market share by expanding transactions within growth markets in the United States as well as sales to a wide range of customers while taking business from competitors. In addition, the Group bolstered its sales activities during the pandemic, exchanging 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

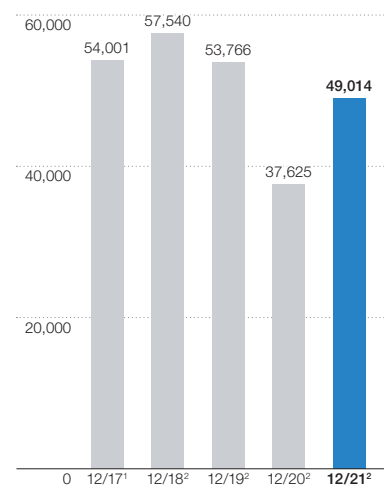
In the industrial machinery business, in addition to expanding transactions with existing customers and advancing various activities to boost sales to a wide range of customers, THK actively promoted sales activities through industry-specific projects aimed at engaging in new growth sectors such as semiconductors,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

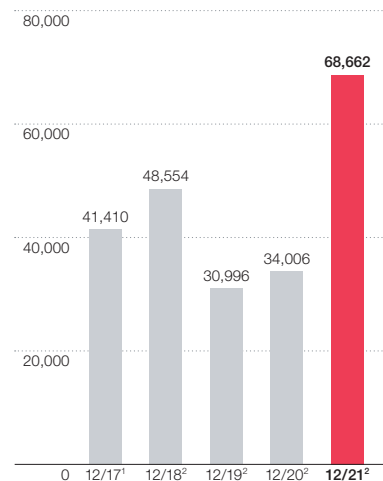
As a result of promoting various initiatives that capitalized on its manufacturing sales structure in order to thoroughly capture business in new growth sectors such as semiconductors, medical devices, and electric vehicles, THK was able to steadily capture the rapidly recovering demand and achieve a 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

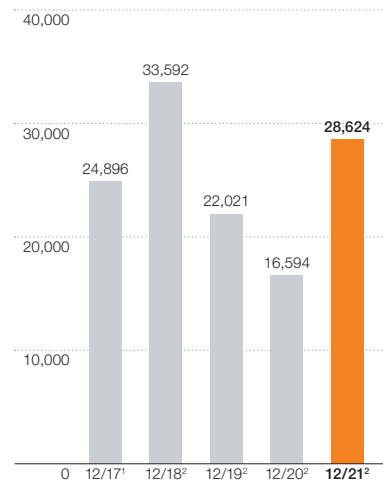
With regard to Taiwan, in addition to expanding transactions with existing customers and bolstering its indirect sales networks, THK cultivated demand in new fields, such as medical devices, food, and packaging, and promoted the use of Omni THK and the Technical Support Site. In the ASEAN region, the 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.



Involvement in Society

Quality Assurance: Trust, Reliability, and Safety

Quality Assurance Structure

Policy

We supply reliable and safe products of superior quality to all customers and provide a complete quality assurance system with global considerations in mind.

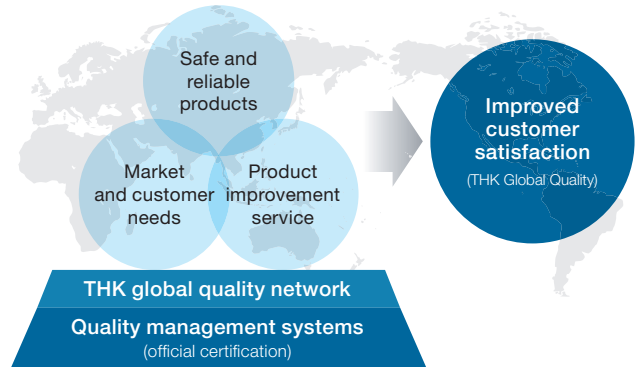
THK has established a quality assurance system in which each production facility both in and outside of Japan is certified with the ISO 9001 Quality Management System. We provide a quality assurance system for the industrial machinery business that produces machine tools, semiconductor manufacturing equipment, medical devices, robots, and seismic isolation and damping systems. With this as our base, we obtain certifications in quality standards adapted for new fields such as the automotive and transportation business and the aerospace industry.

In addition, as the cooperation of our suppliers is critical to improving our product quality, we work to establish trusting relationships with our vendors and conduct quality audits in compliance with our quality management system in order to maintain and improve quality.

Furthermore, as part of managing our product development process, we review the solutions implemented for any issues during the planning, design, prototype, trial, and mass-production stages, and we work to manage the stability and maintenance of quality levels after mass production.

We have also established a system that allows quality data to be shared globally. In addition to gathering feedback from customers in each region, analyzing it, and providing rapid and appropriate service, we endeavor to develop products that meet market needs and improve quality.

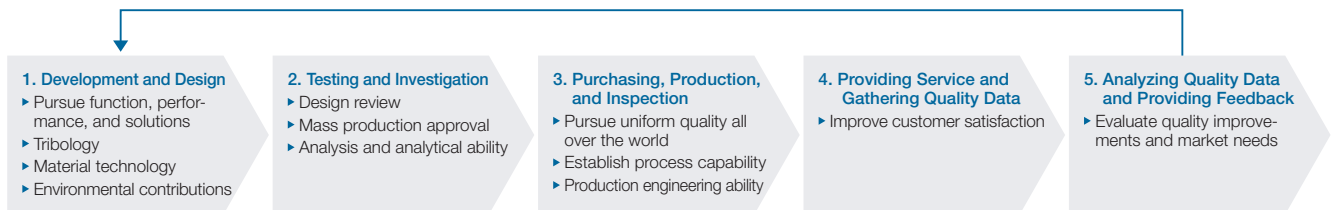
Quality System Overview



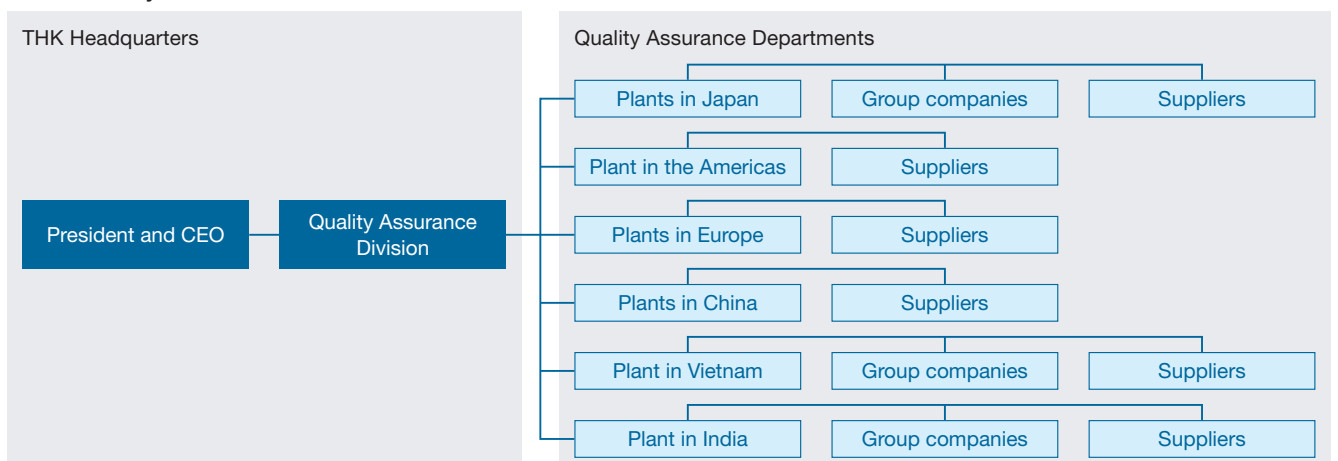
Quality Management System Certification Status (Facilities)

	ISO 9001	JIS Q 9100 Aerospace Industry	IATF 16949 Automotive Industry
Japan	11	1	4
Outside of Japan	13	—	7
Total	24	1	11

Quality Management Process



Global Quality Assurance Structure





Harmony with the Environment

The THK Group contributes to both society and the economy through our pioneering role as manufacturers of the Linear Motion Guide and other products. We also believe that it is a company’s social responsibility to leave the global environment in a healthy state for the next generation, which is why we are promoting the following initiatives to continually decrease our environmental impact and to sustain and improve the natural environment.

THK Group’s Basic Environmental Policy

1. We consider conservation of the environment to be a major management challenge, and we are striving to accurately understand how our business activities, products, and services impact the environment. All divisions set appropriate environmental goals to address this challenge.
2. In addition to complying with environmental laws, we have set self-imposed standards that are reviewed regularly to improve the efficiency and effectiveness of our environmental management.
3. We will continually promote the development of products that help reduce environmental impact.
4. We will cut down energy use in our business activities and continually promote the reduction of energy consumption and greenhouse gas emissions.
5. With a particular focus on the reduction and recycling of waste, we will not only continue to promote the saving and recycling of resources, but also strive to prevent pollution.
6. We recognize the impact our business activities have on biodiversity, and we will actively work toward the conservation of all life on Earth.
7. To achieve greater collaboration with regard to our environmental activities, we provide guidance and support to our affiliate companies and business partners, and also strive to work in cooperation and harmony with the community.
8. This basic environmental policy is disseminated to all divisions in the group through education, training, and awareness campaigns, and we facilitate the timely release of information on the environment both within and outside the Group.

Revised on August 21, 2019

Structure for the Promotion of Environmental Activities

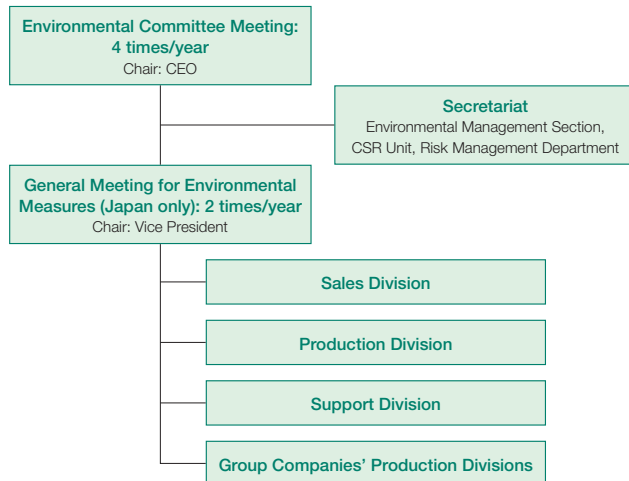
THK has developed a structure that promotes various initiatives aimed at reducing the environmental impact of its business activities.

The Environmental Committee, chaired by the CEO, convenes quarterly and approves each year’s environmental targets and environmental promotion schedule. In addition to reporting on the state of energy conservation activities, the management of hazardous materials, and the status of compliance with various other environmental laws and regulations, it also considers necessary improvements as appropriate.

The General Meeting for Environmental Measures convenes twice a year, headed by the Vice President. Representatives from each production facility and office department gather to recognize the necessity of proactive efforts toward reducing environmental impact. They share useful data, such as the status of energy use at each facility and examples of the results of energy-saving projects, and connect this information to improvement initiatives.

Specifically, these representatives report on activities to reduce environmental impact that are suitable to each business location, such as the discovery and elimination of wasteful uses of energy, the transition to energy-efficient production equipment and HVAC systems, the installation of solar panels in open spaces, the conversion of lighting to LED bulbs, and so on.

Structure for the Promotion of Environmental Activities



As exemplified by sustainability, society and corporations generate common value through corporate activities that minimize the negative impacts and strengthen the positive. With this mindset of working for the benefit of all in addition to our individual interests, THK is promoting various initiatives to achieve the creation of a sustainable society. The world is facing risks driven by climate change from global warming, and in response, the THK Group has established medium- and long-term targets for lowering its emissions of greenhouse gases.

(These targets were approved by the Board of Directors in August 2021.) To minimize our negative impact, we have established the Carbon Neutrality Promotion Project, which is working to further reduce the CO₂ emitted through our business activities. Meanwhile, to strengthen our positive impact, we are expanding our offerings of linear motion and other products and services that contribute to energy conservation. We will accelerate our various initiatives in order to achieve these goals.

Medium- and Long-Term Targets for Carbon Neutrality

Medium-Term Target

- ▶ By 2030, reduce CO₂ emissions to 50% of 2018 levels.
- ▶ Scope: THK Japan and Group companies in Japan
- ▶ 2018 emissions: 106,514 tons

Long-Term Target

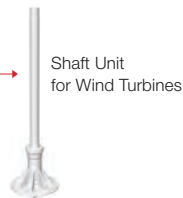
- ▶ By 2050, achieve net-zero CO₂ emissions.
- ▶ Scope: Entire THK Group

Contributions from our products and services (strengthening positive impact)

Expansion of linear motion products (contributing to energy savings and longer service life)



Expansion of products for renewable energy (direct contribution)



Expansion of products that contribute to smaller and lighter vehicles for the shift toward electric vehicles



Reduction of CO₂ emissions from our business activities (minimizing negative impact)

Carbon Neutrality Promotion Project



Recent major initiatives:

- ▶ Upgraded to LED lighting
- ▶ Installed or upgraded equipment for higher efficiency
- ▶ Installed renewable energy equipment
- ▶ Actively utilized existing renewable energy equipment
- ▶ Implemented various creative energy conservation activities
- ▶ Monitored our usage of air conditioning and lighting



Please visit the THK homepage for details.
<https://www.thk.com/eng/csr/environment/warming.html>

Corporate Governance

Basic Stance on Corporate Governance

Intending to maximize its corporate value, THK strives to maintain solid corporate governance in order to make medium- to long-term improvements to its corporate value by sustaining growth through appropriate cooperation with all its shareholders and other stakeholders.

THK's Corporate Governance Framework

In June 2014, THK introduced an executive officer system. After the Company's 46th General Meeting of Shareholders on June 18, 2016, and in conjunction with its establishment of an Audit and Supervisory Committee, THK instituted a non-mandatory Nomination Advisory Committee and a Remuneration Advisory Committee to act as advisors to the Board of Directors. In doing so, THK has endeavored to bring enhanced transparency and objectivity to management, strengthen the auditing functions of the Board of Directors, and bring greater speed and efficiency to management-related decision-making and the management of corporate affairs.

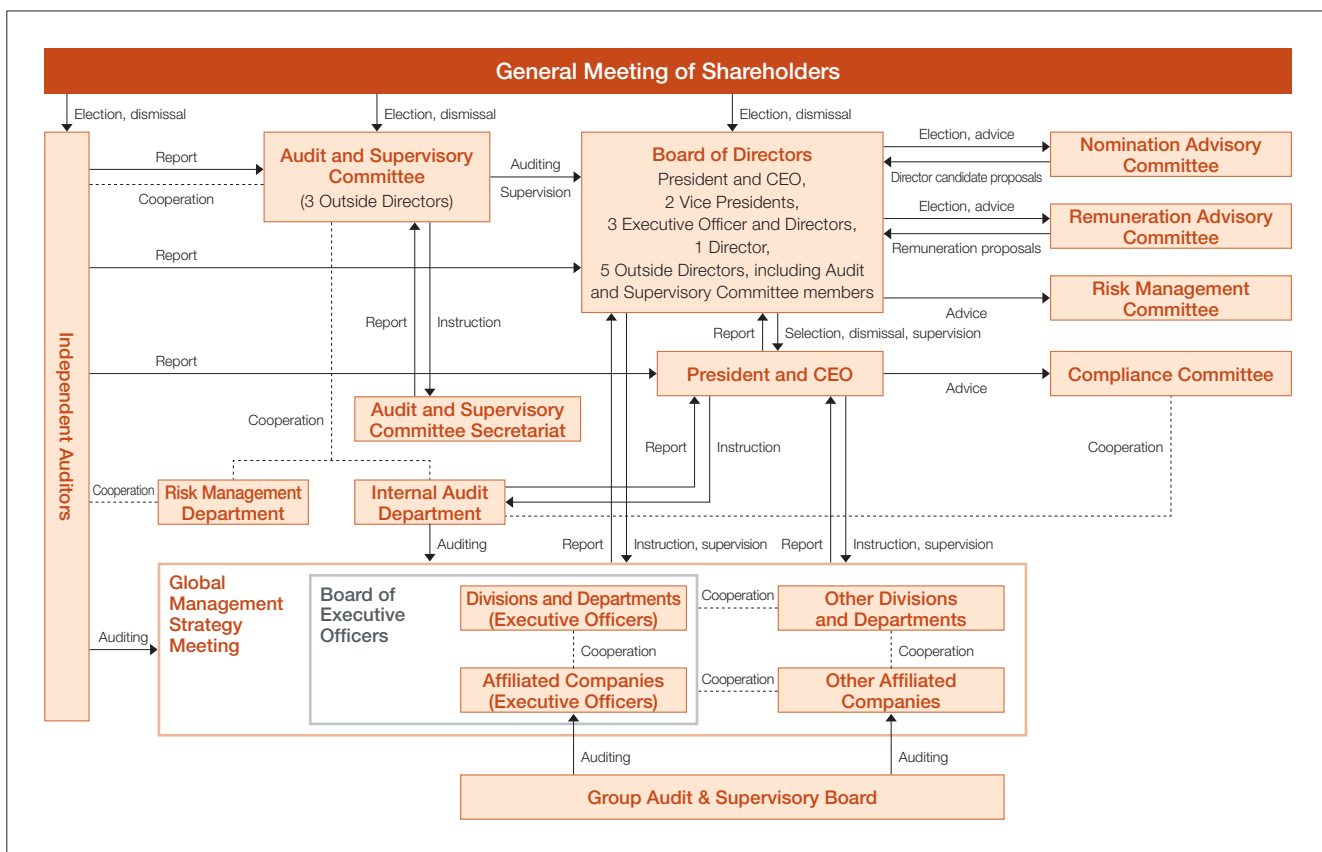
Board of Directors

THK's Board of Directors comprises a total of nine directors—including two outside directors—who are not members of the Audit and Supervisory Committee, in addition to three outside directors who are Audit and Supervisory Committee members. The Board of Directors makes decisions on important matters of general management and carries out the oversight of directors and executive officers in the

execution of their duties. There are also five outside directors whose independence meets the evaluation criteria stipulated by the Tokyo Stock Exchange and THK. With over a third of the directors being outside directors who possess specialized professional knowledge and qualifications related to corporate accounting or general management, this structure has further enhanced management neutrality, legality, and validity while improving the board's management oversight function.

Audit and Supervisory Committee

Comprising three outside directors who are Audit and Supervisory Committee members, the Audit and Supervisory Committee utilizes the internal control system to audit and supervise directors and executive officers with regard to the current status of the execution of their duties. The effectiveness of the audits is also enhanced by collaboration between the Audit and Supervisory Committee and independent auditors. In addition, the Audit and Supervisory Committee Secretariat has been established to support the Audit and



Supervisory Committee and its members. The Audit and Supervisory Committee Secretariat follows the instructions of the Audit and Supervisory Committee, coordinates with each department, and conveys instructions to the Internal Audit Department and the Risk Management Department, which is responsible for the maintenance and operation of internal controls.

Nomination Advisory Committee and Remuneration Advisory Committee

The non-mandatory Nomination Advisory Committee and Remuneration Advisory Committee are each composed of four directors, two of which are outside directors. This composition is in accordance with the rules for both committees, which stipulate that outside directors must make up half or more of the members. As advisory bodies to the Board of Directors, both committees review and deliberate on director candidates and remuneration proposals, and they propose the content and outcomes of those deliberations to the Board of Directors. The Board of Directors conducts its own deliberations on the subject matter before deciding on a resolution.

Executive Officer System

By introducing the executive officer system, THK has endeavored to accelerate decision-making and operational execution, in addition to improving the management oversight function of the Board of Directors and clarifying roles and responsibilities relating to the management of corporate affairs. As a means to share information throughout the Group and improve corporate governance through collaboration between the directors, executive officers, and other members of the management team, the Company implemented its Board of Executive Officers, which is attended by directors and executive officers, and established the Global Management Strategy Meeting, which is attended by members of the Board of Executive Officers in addition to those in charge of each division, department, and affiliate company. To clarify the roles and responsibilities of executive officers relating to the management of corporate affairs, an executive officer's term in office is deemed to be one year.

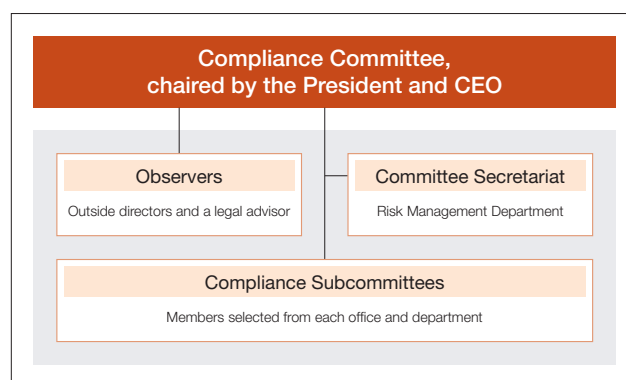
General Meeting of Shareholders

THK has consistently regarded active communication with all stakeholders as a crucial part of management. Accordingly, the Company is actively committed to maintaining fair and proper disclosure of corporate information. In an aim to have open meetings, THK has held its General Meeting of Shareholders on a Saturday every year since 1998, thereby avoiding the period when many shareholder meetings are scheduled. At the General Meeting of Shareholders, the Company provides seating for business partners and other stakeholders to observe the proceedings. A product exhibition is held after the end of the meeting to help more people gain a greater understanding of the Company.

* As a precaution for the coronavirus (COVID-19), there have been no seats for observers or a product exhibition beginning with the 50th General Meeting of Shareholders.

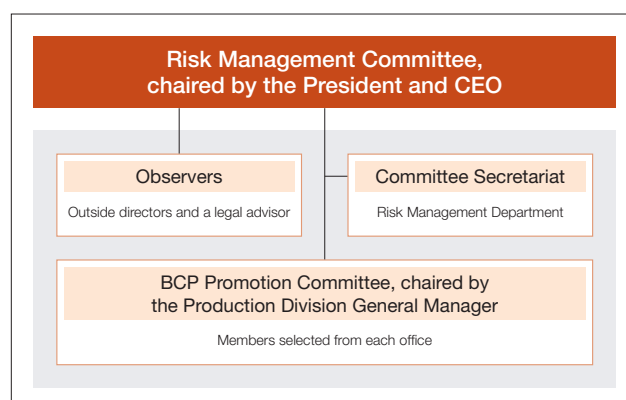
Compliance Structure

The Compliance Committee, chaired by the CEO, approves the annual activity plan and reports on the execution of those activities, as well as on the handling of legal violations by employees and other matters to report internally. This committee is also attended by outside directors and a legal advisor, and it functions in a proper and legal manner. In addition, THK has established compliance subcommittees reporting to the Compliance Committee, with the working group members being selected from each site and department. The working group members play an important role in maintaining the compliance system by means such as holding voluntary seminars on compliance and fulfilling an advisory function.



Risk Management Committee

THK has established a risk management structure that anticipates future circumstances, enabling management to take appropriate risks by identifying, analyzing, and responding to conceivable risks from the perspective of management and the company as a whole. Under its policy of "We facilitate assertive governance with elements of bold risk-taking," the Risk Management Committee convenes annually and is headed by the CEO. The committee, which is attended by outside directors and legal counsel, approves the annual activity plan and works to establish, promote, and maintain the risk management structure by controlling risks throughout the entire Group.



Board of Directors and Executive Officers (As of March 19, 2022)

Directors



Akihiro Teramachi
President and CEO



Toshihiro Teramachi
Executive Vice President and CIO



Hiroshi Imano
Executive Vice President and CFO



Takashi Teramachi
Director and Senior Managing Executive Officer
Senior General Manager of
Industrial Machinery Headquarters



Nobuyuki Maki
Director and Senior Managing
Executive Officer
Senior General Manager of
Automotive & Transportation Headquarters



Junji Shimomaki
Director and Managing Executive Officer
General Manager of
Industrial Machinery Headquarters
Senior General Manager of Sales Division,
Industrial Machinery Headquarters



Junichi Sakai
Director
(In charge of Quality Assurance,
Risk Management, and Production Engineering)



Masaaki Kainosho
Outside Director



Junko Kai
Outside Director



Masakatsu Hioki
Outside Director
(Audit and Supervisory Committee Member)



Tomitoshi Omura
Outside Director
(Audit and Supervisory Committee Member)



Yoshiki Ueda
Outside Director
(Audit and Supervisory Committee Member)

Executive Officers

Managing Executive Officers

Takashi Okubo

Appointive Officer to President in Charge of China

Masaki Sugita

Special Appointive Officer to Head of
Industrial Machinery Headquarters

Tetsuya Hayashida

Special Appointive Officer to President

Naoki Kinoshita

Executive Vice Chairman of THK (CHINA) CO., LTD.
President of THK (CHINA) CO., LTD.

Takanobu Hoshino

General Manager of IMT Division,
Industrial Machinery Headquarters

Akihiko Kambe

Senior General Manager of Production Division,
Industrial Machinery Headquarters

Kaoru Hoshide

Senior General Manager of Engineering Division,
Industrial Machinery Headquarters

Masato Sawada

General Manager of Automotive & Transportation Headquarters
Director and Executive Vice Chairman of THK RHYTHM CO., LTD.

Toshiki Matsuda

Representative Director and President of THK Europe B.V.
Representative Director and President of THK GmbH
Representative Director and President of THK France S.A.S.
Representative Director and President of
THK Manufacturing of Europe S.A.S.
Representative Director and President of
THK Manufacturing of Ireland Ltd.

Nobufumi Sato

President of THK Holdings of America, L.L.C.
President of THK America, Inc.

Executive Officers

Yukio Yamada

General Manager of Sales Division,
Industrial Machinery Headquarters
General Manager of International Sales Division, Sales Division,
Industrial Machinery Headquarters

Takehiro Nakanishi

Deputy Senior General Manager of Production Division,
Industrial Machinery Headquarters
General Manager of Production Engineering Department,
Production Division, Industrial Machinery Headquarters
General Manager of Global Procurement Department,
Production Division, Industrial Machinery Headquarters

Masaki Kimura

Head of The President's Office
Head of Corporate Planning Department,
Corporate Strategy Headquarters

Kenji Nakane

General Manager of Finance & Accounting Department,
Corporate Strategy Headquarters

Takuya Sakamoto

Head of IOT Innovation Division

Yasutoshi Hoshino

Deputy General Manager of Corporate Strategy Headquarters

Katsuya Iida

Head of Product Planning Department,
Industrial Machinery Headquarters
Head of Engineering and Development Department,
Engineering Division, Industrial Machinery Headquarters
Head of Solution Development Unit, IOT Innovation Division
Head of Engineering Department, THK (CHINA) CO., LTD.

Toshihiro Takahashi

President of THK NIIGATA CO., LTD.

Akira Furihata

Representative Director and President of THK RHYTHM CO., LTD.

The Selection of Outside Directors

<p>Masaaki Kainosho</p> <p>June 2012 Became Outside Director of THK</p> <hr/> <p>Significant concurrent positions: Representative Director of KAINOSHO CO., LTD.</p>	<p>Reason for selection</p>	<p>In addition to being a university professor deeply versed in business administration, Masaaki Kainosho possesses a wealth of experience, a history of success, and sound judgment from managing an executive consulting company.</p>
	<p>Independent status</p>	<p>Masaaki Kainosho was employed at THK's current lender, Sumitomo Mitsui Banking Corporation (previously Mitsui Bank), from April 1976 to April 1996. However, he was consistently working in a systems-related division, and the THK Group did not do business with Mitsui Bank at the time. Therefore, he is considered to be independent.</p>
<p>Junko Kai</p> <p>March 2022 Became Outside Director of THK</p> <hr/> <p>Significant concurrent positions: Partner attorney of Hamaji Takahasi Kai Law Office Outside Director of NARITA INTERNATIONAL AIRPORT CORPORATION Outside Audit & Supervisory Board Member of JSR Corporation</p>	<p>Reason for selection</p>	<p>In addition to the legal knowledge that she has cultivated over the many years she has been a lawyer, Junko Kai is a legal expert who possesses a wealth of experience, a history of success, and sound judgment.</p>
	<p>Independent status</p>	<p>There are no particular conflicts of interest concerning Junko Kai's relationship with THK. Additionally, although she does not have direct experience in corporate management, the Company has determined that she appropriately executes her duties as an outside director because of the aforementioned reasons.</p>
<p>Masakatsu Hioki</p> <p>June 2016 Became Outside Director of THK and Audit and Supervisory Committee Member</p> <hr/> <p>Significant concurrent positions: Outside Director of SUKIYA Co., Ltd. Outside Director of ZUIKO CO., LTD.</p>	<p>Reason for selection</p>	<p>In addition to possessing sound judgment, Masakatsu Hioki has extensive experience and a proven history of success as an executive responsible primarily for human resources and general affairs in a global manufacturing company.</p>
	<p>Independent status</p>	<p>Masakatsu Hioki began his career with Komatsu Ltd. Although THK and Komatsu do have a business relationship that includes the sale of THK products, the sum value of those transactions equals less than 1% of THK's and Komatsu's consolidated net sales for the corresponding fiscal year. Therefore, he is considered to be independent.</p>
<p>Tomitoshi Omura</p> <p>June 2016 Became Outside Director of THK and Audit and Supervisory Committee Member</p> <hr/> <p>Significant concurrent positions: Certified Public Accountant Managing Director of Omura Accounting Office</p>	<p>Reason for selection</p>	<p>In addition to the knowledge of corporate accounting he has gained over many years as a certified public accountant, Tomitoshi Omura is an accounting expert who possesses a wealth of experience, a history of success, and sound judgment.</p>
	<p>Independent status</p>	<p>There are no particular conflicts of interest concerning Tomitoshi Omura's relationship with THK. Additionally, although he does not have direct experience in corporate management, the Company has determined that he appropriately executes his duties as an outside director because of the aforementioned reasons.</p>
<p>Yoshiki Ueda</p> <p>June 2016 Became Outside Director of THK and Audit and Supervisory Committee Member</p> <hr/> <p>Significant concurrent positions: Outside Director, Representative Director & Chairman of SINTOKOGIO, LTD.</p>	<p>Reason for selection</p>	<p>In addition to possessing sound judgment, Yoshiki Ueda has extensive experience and a proven history of success as an executive deeply versed in corporate management, having spent many years at a global company active in machinery-related fields.</p>
	<p>Independent status</p>	<p>Yoshiki Ueda is the Outside Director of SINTOKOGIO, LTD. Although THK and SINTOKOGIO do have a business relationship that includes the purchase of SINTOKOGIO products, the sum value of those transactions equals less than 1% of THK's and SINTOKOGIO's consolidated net sales for the corresponding fiscal year.</p>

Structure of the Board of Directors (Skill Matrix)

	Corporate management	Finance and accounting	Governance and risk management	Global business	Sales and marketing	DX and IT	Development, engineering, and manufacturing
Akihiro Teramachi	●		●	●	●	●	●
Toshihiro Teramachi	●			●	●	●	
Hiroshi Imano	●	●	●	●			●
Takashi Teramachi	●				●	●	●
Nobuyuki Maki	●			●	●		●
Junji Shimomaki				●	●		
Junichi Sakai			●		●		●
Masaaki Kainosho	●		●		●	●	
Junko Kai			●				
Masakatsu Hioki			●	●			
Tomitoshi Omura		●	●				
Yoshiki Ueda	●		●	●	●		

THK's Response to the Coronavirus (COVID-19)

As coronavirus cases have spread around the world, many customers have asked THK to continue supplying products. Therefore, in order to fulfill its role as an essential business, the Group has implemented a number of countermeasures.

On February 3, 2020, the Company instituted a coronavirus response task force headed by the CEO. These meetings continue to be held every day, using virtual meeting tools to collect and share information with business locations all over Japan and around the world. Measures were also taken to prevent the spread of the virus. In Japan, the Company encouraged hand washing, required masks to be worn, instituted daily temperature checks, established home quarantine periods for those with fevers and anyone who was in contact with them, prohibited in-person meetings with guests and unnecessary business travel, limited visitors to factories, and forbade the use of public transit. In these and other efforts, THK requested the full compliance of employees, their families, and suppliers. Furthermore, the Company transitioned to remote work, formed value chain teams, and took other steps to thoroughly prevent infections and ensure business continuity. During the peak, around 90% of head-quarters and sales staff were working from home.

As a result of these measures, THK was able to maintain operations at its Japanese production facilities even when a state of emergency was declared, and although some overseas factories were forced to suspend operations, they were able to resume activity quickly once they reopened. In terms of sales, while it became difficult to interact with customers in person, representatives continued their activities online, inviting engineers to virtual meetings, and hosting technical webinars. In addition, THK actively promoted the use of Omni THK, its platform for remotely communicating with customers. Through these means, the Company was able to continue its sales activities without any major issues.



Coronavirus response task force

Subsidiaries & Affiliate

As of December 31, 2021

Subsidiaries	Main Operations	Head Office	Percentage Owned by the Company, Directly or Indirectly (%)
THK INTECHS CO., LTD.	Manufacture and sale of vital machinery components and machinery	Tokyo, Japan	100.00
TALK SYSTEM CO., LTD.	Sale of machinery parts and various types of equipment	Tokyo, Japan	99.00
THK NIIGATA CO., LTD.	Manufacture of ball splines	Niigata, Japan	100.00
THK RHYTHM CO., LTD.	Transportation equipment-related business	Shizuoka, Japan	70.00
NIPPON SLIDE CO., LTD.	Manufacture and sale of slide rails	Tokyo, Japan	100.00
TRA Holdings, CO., LTD.	Holding and management company	Tokyo, Japan	70.00
THK Holdings of America, L.L.C.	Holding and management company	Illinois, U.S.A.	100.00
THK America, Inc.	Sale of the LM Guide, ball screws	Illinois, U.S.A.	100.00
THK Manufacturing of America, Inc.	Manufacture of the LM Guide, special bearings	Ohio, U.S.A.	100.00
THK RHYTHM NORTH AMERICA CO., LTD.	Transportation equipment-related business	Tennessee, U.S.A.	70.00
THK RHYTHM MEXICANA, S.A. DE C.V.	Transportation equipment-related business	Guanajuato, Mexico	99.99
THK RHYTHM AUTOMOTIVE MICHIGAN CORPORATION	Transportation equipment-related business	Michigan, U.S.A.	100.00
THK RHYTHM AUTOMOTIVE CANADA LIMITED	Transportation equipment-related business	Ontario, Canada	100.00
THK Europe B.V.	Holding and management company	Amsterdam, Netherlands	100.00
THK GmbH	Sale of the LM Guide, ball screws	Ratingen, Germany	100.00
THK France S.A.S.	Sale of the LM Guide, ball screws	Tremblay-en-France, France	100.00
THK Manufacturing of Europe S.A.S.	Manufacture of the LM Guide, ball screws	Ensisheim, France	100.00
THK Manufacturing of Ireland Ltd.	Manufacture of ball screws	Dublin, Ireland	100.00
THK RHYTHM AUTOMOTIVE GmbH	Transportation equipment-related business	Dusseldorf, Germany	100.00
THK RHYTHM AUTOMOTIVE CZECH a.s.	Transportation equipment-related business	Dacice, Czech Republic	100.00
THK CAPITAL UNLIMITED COMPANY	Financing and loan management for affiliated companies in the Americas	Dublin, Ireland	100.00
THK FINANCE UNLIMITED COMPANY	Financing and loan management for affiliated companies in Europe	Dublin, Ireland	100.00
THK (CHINA) CO., LTD.	Holding and management company, sale of the LM Guide	Dalian, China	100.00
THK (SHANGHAI) CO., LTD.	Sale of the LM Guide, ball screws	Shanghai, China	100.00
DALIAN THK CO., LTD.	Manufacture and sale of ball screws, actuators	Dalian, China	70.00
THK MANUFACTURING OF CHINA (WUXI) CO., LTD.	Manufacture of the LM Guide	Wuxi, China	100.00
THK MANUFACTURING OF CHINA (LIAONING) CO., LTD.	Manufacture of the LM Guide	Dalian, China	100.00
THK RHYTHM GUANGZHOU CO., LTD.	Transportation equipment-related business	Guangzhou, China	70.00
THK RHYTHM CHANGZHOU CO., LTD.	Transportation equipment-related business	Changzhou, China	75.00
THK MANUFACTURING OF CHINA (CHANGZHOU) CO., LTD.	Manufacture of LM-related parts, unit products	Changzhou, China	100.00
THK TAIWAN CO., LTD.	Sale of the LM Guide, ball screws	Taipei, Taiwan	100.00
THK LM SYSTEM Pte. Ltd.	Sale of the LM Guide, ball screws	Kaki Bukit, Singapore	100.00
THK RHYTHM (THAILAND) CO., LTD.	Transportation equipment-related business	Rayong, Thailand	70.00
THK MANUFACTURING OF VIETNAM CO., LTD.	Manufacture of the LM Guide, slide rails	Bac Ninh, Vietnam	100.00
THK RHYTHM MALAYSIA Sdn. Bhd.	Transportation equipment-related business	Penang, Malaysia	56.00
THK India Pvt. Ltd.	Manufacture and sale of the LM Guide	Karnataka, India	99.98

Affiliate	Main Operations	Head Office	Percentage Owned by the Company, Directly or Indirectly (%)
SAMICK THK CO., LTD.	Manufacture and sale of the LM Guide	Daegu, South Korea	33.82

Corporate Data

As of December 31, 2021

Company Profile

Headquarters	2-12-10 Shibaura, Minato-ku, Tokyo 108-8506, Japan Telephone: +81-3-5730-3911
Established	April 1971
Number of Employees	13,073 (consolidated); 3,968 (parent company)
Month of Ordinary General Meeting of Shareholders	March
URL	www.thk.com
Independent Auditors	Grant Thornton Taiyo LLC

Stock Information

Common Stock: Authorized	465,877,700 shares
Issued	129,856,903 shares
Stock Exchange Listing	Tokyo Stock Exchange (First Section)
Stock Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation
Number of Shareholders	22,768

Major Shareholders

Shareholders	Number of Issued Shares Held (Thousands of shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	20,620	16.53
Custody Bank of Japan, Ltd. (Trust Account)	18,433	14.78
SSBTC CLIENT OMNIBUS ACCOUNT	3,846	3.08
Akihiro Teramachi	3,299	2.64
THE CHASE MANHATTAN BANK 385013	2,900	2.32
FTC CO., LTD.	2,774	2.22
JP MORGAN CHASE BANK 385635	2,006	1.60
Custody Bank of Japan, Ltd. (Trust Account 9)	1,805	1.44
NORTHERN TRUST CO. (AVFC) RE 10PCT TREATY ACCOUNT	1,796	1.44
Mizuho Bank, Ltd.	1,600	1.28

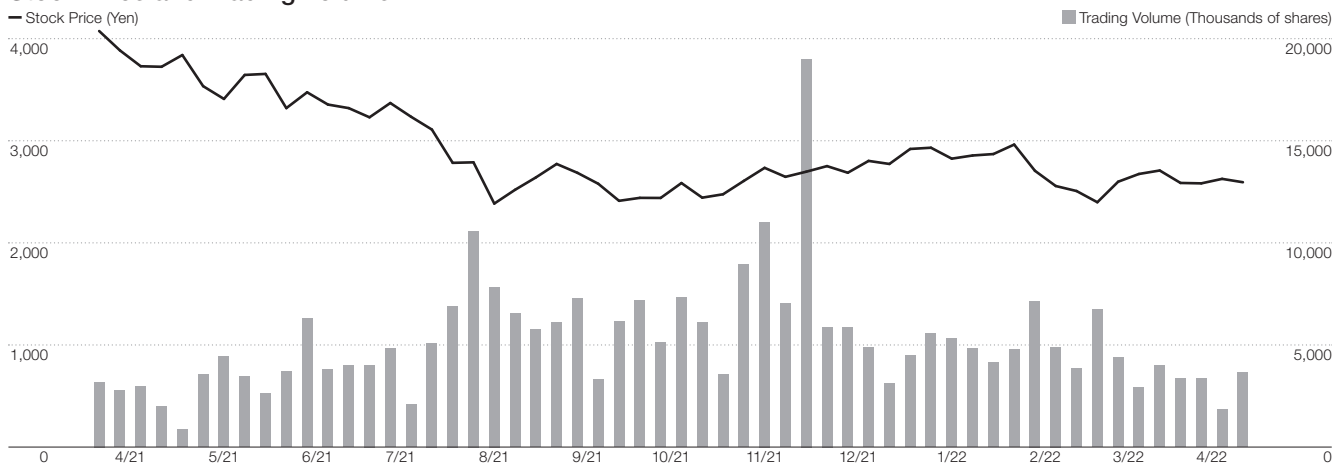
¹ The Company holds 5.184 million shares of treasury stock, but it is omitted from the above list of major shareholders.

² The calculation of the shareholding ratio does not include treasury stock.

Shareholder Composition

Shareholder Type	Number of Shareholders	Number of Issued Shares Held (Thousands of shares)	Shareholding Ratio (%)
Financial Institutions	69	52,973	40.8
Securities Companies	49	2,883	2.2
Other Corporations	322	5,026	3.9
Overseas Institutions	394	45,987	35.4
Individuals and Others	21,933	17,801	13.7
Treasury Stock	1	5,184	4.0

Stock Price and Trading Volume



THK CO., LTD.

URL: www.thk.com

