

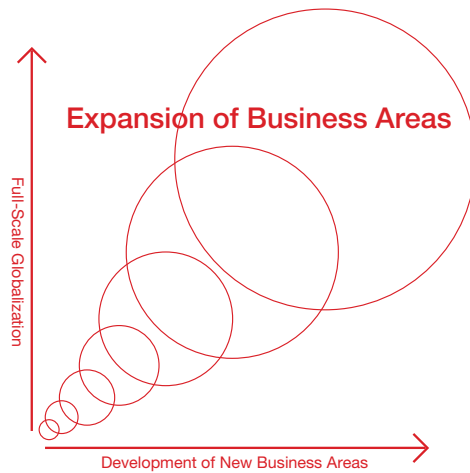
**Full-Scale Globalization**

Recognizing that optimal production is best served by locating facilities closer to demand centers, THK pursues business development through integrated manufacturing and sales systems in the four key geographic regions of Japan, the Americas, Europe and Asia.

In Japan, the Company maintains a production network of 15 plants with the Yamaguchi Plant serving as a mother factory. Complementing THK's production activities the Company has positioned the Technology Center at the heart of its research and development (R&D) endeavors. In this manner, we are active in R&D and the creation of innovative high value-added products.

Under the umbrella of THK Holdings of America, L.L.C., business in the Americas is primarily conducted by a network of subsidiary companies including THK America, Inc., which serves as the sales and marketing arm, THK manufacturing of America, Inc., which is responsible for the production function, and THK RHYTHM NORTH AMERICA CO., LTD., which handles auto parts. In addition to the United States, THK is working diligently to cultivate new business in such markets as Canada and Mexico.

THK Europe B.V. serves as the regional operating company for our operations throughout Europe. Sales activities are for the most part divided between THK GmbH and THK



France S.A.S., the Group's principal marketing subsidiaries in the region. Products are sold through sales bases established in 11 countries as well as a network of sales agents within each country. The production function is dividend between two manufacturing subsidiaries, THK Manufacturing of Europe S.A.S. (TME) and PGM Ballscrews Ireland Ltd.

In Asia, we have production facilities in China, Thailand and South Korea. We are also taking steps to upgrade and expand our sales network within the region. (Please refer to the Special Feature on pages 10 to 13 for details of developments in China).

**Development of New Business Areas**

Within the context of new business development serving as another core pillar in efforts to expand the Group's business domain, THK's current principal customer base comprises manufacturers of such capital goods as machine tools and semiconductor production equipment. In order to expand use into consumer product areas, we have set up and bolstered the activities of specialist divisions including the Future Automotive Industry (FAI) Division, the Amenity Creation Engineering (ACE) Division and the Innovated Mechatronics Technology (IMT) Division.

In addition, THK included RHYTHM CORPORATION (currently THK RHYTHM CO., LTD.), an auto parts manufacturer, in its scope of consolidation as a consolidated subsidiary in 2007 and is working to expand its transportation equipment-related business.

