

Third-party opinion

I have developed manufacturing technology for a manufacturer of electronic components and performed research on machine tools and processing technology at my university. I have used THK products, and as THK has developed new machine elements, my relationship with the company has continued. As a customer, I have been impressed with THK's performance and sense of responsibility, and I consider it an honor to present the third-party opinion in this year's *CSR Report*. Being a university professor, I'm not well versed in the language of the business world, but I can affirm that corporate social responsibility means not merely pursuing one's own business interests but taking responsibility for organized efforts that affect society at large.

My views on this report are summarized below.

1. Continuity

Japanese manufacturing businesses have been heavily affected by the Great East Japan Earthquake and the recent flooding in Thailand. In these events, businesses experienced problems such as the loss of factories, loss of energy sources, disruptions of communications networks and supply chains, and the need to make decisions under crisis conditions, as actual challenges exerting a cumulative impact on a huge scale. President Teramachi addresses this in his introductory message summarizing current measures concerned with business continuity planning, which include decentralizing head office functions and ascertaining the reliability of the supply chain. These and other measures are discussed in detail on page 17. Now that things are returning to normal, it is essential to carry on with efforts such as these.

2. People

The section of the report concerned with customers and customer satisfaction, shareholders, suppliers, and employees is appealingly straightforward. An entire page is devoted to the topic of customer satisfaction, and this gave me a sense of the high value THK places on building positive relationships with its customers. The pages fea-

ting the heading "Together with our employees" were written from the standpoint of support for employee development, diversity in the workplace, and engagement with local communities. THK has pursued a variety of initiatives in these areas, including in-house recruiting to enable entry into new fields, the hiring of people with disabilities and participation in the Abilitylympics, collaborative community projects, and a global engineers meeting. These efforts have helped expand horizons and open up new opportunities for THK's employees.

3. Regions

The graph on page 6 depicting trends in the number of consolidated employees indicates that the number of employees in Asia has more than doubled since 2007, and in conjunction with this sales have risen rapidly as well. THK's contributions can be expected to become even more important in various parts of Asia in the future.

4. The environment

The "big picture" on environmental impact is presented in a format that clearly delineates input and output. This, together with the examinations of individual environmental initiatives, has left me impressed with THK's strong environmental consciousness. The "green curtain" projects are quite unique, although the section in which they are described includes a disclaimer noting that such projects are not a companywide endeavor. I hope many more such experiments are tried in the future, and that they yield more useful new ideas.

THK has set for itself the goals of providing the world's highest quality and maintaining uniform quality throughout the world. In the process of achieving these goals, even in the midst of difficult circumstances, both the people and the organization will grow as they work in partnership with the rest of society. And that, I have learned while mulling over my own opinions, is what corporate social responsibility means. I'm grateful to THK for offering me this opportunity to share my views.

Professor Atsushi Matsubara, D. Eng.
Department of Micro Engineering, Graduate School of Engineering
Kyoto University

Graduated from Kyoto University in 1985; BS, Mechanical Engineering. Worked for Murata Manufacturing Company as a production engineer from 1985 to 1990. Awarded M. Eng in Mechanical Engineering from Kyoto Institute of Technology in March 1991. Assistant Professor, Department of Precision Engineering, Kyoto University, from April 1991 to January 2000. Awarded D. Eng in Mechanical Engineering from Kyoto University in September, 1997. Visiting scholar at University of Illinois at Urbana-Champaign (USA) from 1997 to 1998. Associate Professor, Department of Precision Engineering, Kyoto University, from 2000 to 2005. Professor, Department of Micro Engineering, Kyoto University, since 2005; lecturer on intelligent systems. Head of Machining, Measurement, and Control Laboratory. Principal areas of research: modeling and control of dynamic systems with applications in mechanical systems and manufacturing processes; precision positioning.



Postscript

It has been our pleasure to present this, our sixth annual *THK CSR Report*.

To illustrate one way in which THK products play a useful role in our immediate surroundings, the first part of the feature section of this report presents comments by a customer who has adopted seismic isolation to limit potential earthquake damage, highlighting the importance of being prepared for major earthquakes expected to occur in the future. It is very gratifying to know that people who have installed seismic isolation systems feel they provide the kind of peace of mind that money can't buy. The second part of the feature section examines THK's approach to corporate social responsibility as reflected in its efforts to cut back on electric power consumption in the aftermath of the Great East Japan Earthquake, and in the experiences of THK employees who have volunteered to assist in disaster recovery efforts.

As in other years, the report also includes sections

covering THK's corporate governance and compliance systems, its positive relationships with employees and local communities, and its efforts to alleviate global warming. Wherever possible we have included remarks by people who are, in one way or another, involved with THK.

The THK Group, working together, will continue to take positive action to honor its corporate social responsibilities and will take pride in presenting the results to you, the reader. We are very interested in your views and impressions of this report. Your comments will provide valuable feedback that will guide our future CSR activities and help us in preparing our next report. Please take the time to fill out the enclosed questionnaire.

Thank you.

CSR Report Project Secretariat

(Next scheduled report: November 2013)