

Third-party opinion

The THK Group's corporate philosophy is "providing innovative products to the world and generating new trends to contribute to creation of an affluent society." From the time of its establishment, THK has supplied customers in Japan and elsewhere with the linear motion system known to the world as the LM Guide.

After I was asked to write a third-party opinion for this year's *CSR Report*, I read through the reports for the past five years and explored the THK website. I once chaired a Japan Machine Tool Builders' Association committee that studied the European machine manufacturing industry, and I was also in charge of research planning officer for the Tokyo Institute of Technology Research Strategy Office. In both positions I had occasion to read many CSR reports from Japan and other countries. Judging from experience, it seems to me that THK's CSR reports are designed to be read by an unusually broad range of stakeholders.

In this report, business pursuits derived from THK's corporate philosophy are organized into three major categories, covered in sections entitled "Management system", "Involvement in society", and "Harmony with the environment". To begin with, I'll discuss some positive impressions of the CSR efforts examined in the report.

The THK Group has a firmly rooted corporate culture dedicated to coexistence and mutual prosperity, and this is reflected in its specific initiatives. This is the source of the group's ability to compete in international markets, and it's unquestionably the driving force behind THK's success in establishing a unified worldwide production and sales system, as part of its global expansion initiative.

In keeping with the philosophy of providing innovative products to the world, THK has succeeded in developing new products and new areas of business while pursuing a strategic campaign to advance into new fields. Some of these successful efforts are covered in this report's two-part feature section, under the headings "Creating the fu-

ture with THK technology" and "Leading safer lives with THK technology."

THK attaches great importance to risk management, having formulated business continuity plans early on, along with systems to put its plans into action. I admire THK's determination to honor its responsibility to keep supplying the world with its products.

Finally, in the interest of "harmony with the environment," THK practices environmental management and provides quantitative data to back up its efforts. When I visited THK's YAMAGUCHI Plant in 2010, I observed firsthand that not only do the products help conserve resources and energy, the production process itself is designed to minimize the environmental impact. THK is to be commended for its strong sense of responsibility regarding environmental conservation.

As a third-party commentator, I would also like to point out something that should be addressed in the future. Generally speaking, CSR-related efforts should be conducted in a systematic manner, based on the plan-do-check-act method. This report devotes varying levels of coverage to different efforts and topics, such as compliance and corporate governance, and it does discuss planning, in the form of setting specific targets, as well as doing, in the creation of systems and the implementation of specific initiatives. There is, however, no explicit discussion of checking—evaluations of these initiatives—or acting, which could take the form of follow-up improvements. Coverage of these aspects would help THK's stakeholders to better understand the strategies and tactics it uses to meet its targets, as well as the results of its efforts. I hope to see these topics included in the future.

In closing, I hope that the THK Group continues to work together to create innovative new products and make them available in a timely manner. I truly hope THK succeeds in contributing to creation of an affluent society.

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Curriculum Vitae:

1979: Bachelor of Eng., Department of Mechanical Engineering for Production, Tokyo Institute of Technology
1984: Dr.-Eng., Doctorial Course, Graduate School of Science and Engineering, Tokyo Institute of Technology
1984: Research Scientist, Mechanical Engineering Laboratory, Agency of Industrial Science and Technology, Ministry of International Trade and Industry
1987: Associate Professor, Department of Mechanical Engineering for Production, Tokyo Institute of Technology
1997: Associate Professor, Ultra-fine Machining Division, Department of Precision Machine Devices Precision and Intelligence Laboratory, Tokyo Institute of Technology
1999-Present: Professor, Ultra-fine Machining Division, Department of Precision Machine Devices Precision and Intelligence Laboratory, Tokyo Institute of Technology
Professor, Department of Mechano-Micro Engineering, Interdisciplinary Graduate School of Science and Technology, Tokyo Institute of Technology
2001-2003: Research Planning Officer, Research Strategy Office, Tokyo Institute of Technology
2001-2004: Senior Researcher, National Institute of Advanced Industrial Science and Technology
2004-2005, 2009-2010: Chair, Department of Mechano-Micro Engineering, Interdisciplinary Graduate School of Science and Technology, Tokyo Institute of Technology
2012 -Present: Deputy Director, Precision and Intelligence Laboratory, Tokyo Institute of Technology

Research Field: Research & Development of Ultra-precision Machine Tools and Ultra-precision Measuring Systems, Design Methodology of Machine Tools, Ultra-precision Machining

Present Activities in Academic Societies: Member, Science Council of Japan, Chairperson of Organizing Committee of the 16th International Machine Tool Engineers' Conference (The 16th IMEC), JMTBA, Chair of JSME RC257 Research Committee on Innovative Machine Tool Engineering, Journal of Engineering Design (UK) Editorial Board Member, The Board of Executive Directors, The Board of Executive Directors of FA Foundation, etc.

Past Activities in Academic Societies:

Chair of JSME Manufacturing & Machine Tool Division, The Board of JSME Executive Directors, Japan Society of Mechanical Engineers, Chair of JMTBA Committee on Strategies of European Machine Industry, etc.



Postscript

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

To illustrate ways in which THK products play a vital role in our immediate surroundings, the feature section once again presents comments by customers who are utilizing seismic isolation systems for protection against potential earthquake damage, highlighting the importance of being prepared for a major earthquake. This year's feature section also offers a look at ways in which our products are used in the field of robotics, revealing another aspect of THK's attitude toward its social responsibilities.

As in other years, the report also includes sections covering THK's corporate governance and compliance systems, positive relationships with employees and local communities, and 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're very interested in your views and impressions of this report. Your comments will provide valuable feedback that will guide our future CSR efforts and help us in preparing our next report. Please take the time to fill out the enclosed questionnaire.

Thank you.

CSR Report Project Secretariat

P.S. Our next report is scheduled for September 2014.