

Objectives and organization of the CSR Project

THK published its first *CSR Report* in 2007. When I first saw the report, I felt that we had done a pretty good job. From the time it was founded, THK has conducted its business with the aim of contributing to society through its core business, based on a corporate philosophy devoted to “providing innovative products to the world and generating new trends to contribute to the creation of an affluent society.” Our CSR activities have led me to recognize anew that CSR is a direct extension of our corporate objectives, which are to increase our corporate value and earn profits in order to contribute to society and keep our employees happy. But we should not be complacent. Although THK carries out CSR activities in each department, there are no companywide CSR target figures or policies; this is a weak point.

I think the main focus of our CSR activities is environmental measures. If a company believes that getting its work environment in order and increasing production efficiency will ultimately result in environmental protection and higher profits, then active, concrete measures should be taken to advance these goals. THK needs to clarify the criteria by which environmental measures are evaluated and set up a mechanism to link them to each department’s performance evaluation.

Another important subject is compliance. It is important that THK implement companywide measures to prevent any part of the company from lapsing into an exclusively profit-oriented mentality.

With these concerns in mind, THK inaugurated the “CSR Project”, in an effort to pursue CSR through its core business. Thirteen well-experienced employees

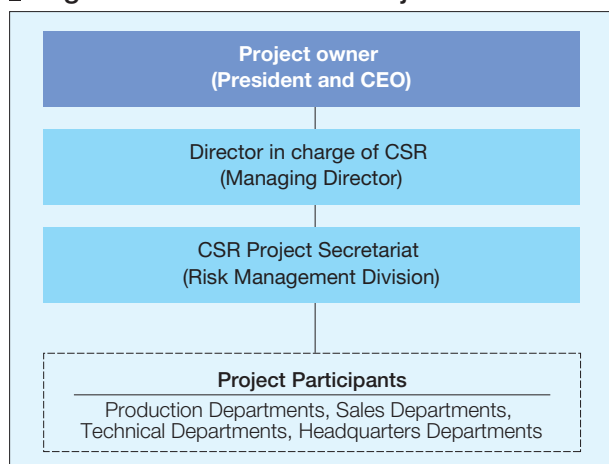
from the production, sales, technical, and headquarters departments are participating in the project, which is based on the plan-do-check-act formula. Under this scheme, the project participants identify 12 subject areas to be addressed by CSR activities and draw up a plan for each area. These plans are then carried out and the results are checked and acted upon by all the participants. Meetings are held whenever necessary to present and discuss status reports. I hope that each THK employee understands the significance of these activities and plays his or her role conscientiously, knowing that they are related to employee happiness.

CSR should not be regarded as a cost but as an investment in the future. I would like everyone to perform their CSR activities with diligence and initiative, in order to increase our corporate value and help us contribute to society.



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Organization of the CSR Project



CSR subject areas

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| ① Corporate governance | ⑦ Social contributions |
| ② Compliance | ⑧ Information disclosure |
| ③ Risk management | ⑨ Quality and product safety |
| ④ Information security | ⑩ Occupational health and safety |
| ⑤ Personal data protection | ⑪ Employment |
| ⑥ Environment | ⑫ Human rights |