

Third-party opinion

From a variety of perspectives, including the need to sustain human populations, provide them with sufficient food and sources of energy, and protect the global environment, the human race is now faced with the pressing issue of establishing a recycling-oriented society that will not place additional burdens on the environment. In this way, humanity has reached a historical turning point and is beginning to confront new challenges. In light of this, it is both reassuring and consistent with societal needs and trends that THK is faithfully pursuing its business activities as described in its *CSR Report 2010/2011*, in accordance with the principle of devotion to the three Es—environmental preservation, energy security, and economic growth.

Nowadays a company's environmental management efforts can have a major impact on the company's reputation. THK's positive approach to environmental management is well expressed in this report's "Message from the top." For corporate management, addressing environmental issues often entails assessing risks, so the trend toward environmental management can be regarded as an opportunity for effective risk management.

The CEO's message pledging to actively develop new products that can help protect the global environment, and THK's determination to make good on this pledge through truly meaningful environmental management, are just what Japan and the rest of the business world need, now more than ever. The situation requires principles to guide environmental management efforts and specific, effective managerial policies. One aspect of environmental management is dealing with energy-related issues. This entails tackling a variety of technological challenges, such as improving energy efficiency, incorporating the use of renewable energy sources, developing nonpolluting transportation fuels, incorporating the combined use of nonpolluting energy sources such as hydrogen and electricity, and developing advanced distributed-energy systems. Through the development of these technologies and the manufacture of devices specifically designed to apply such technology, the world can look forward to overcoming many challenges related to population growth, the demand for food, and the preservation of the global environment. The development and application of such technology will, it is hoped, ultimately yield the necessary developments with respect to

environmental preservation, energy security, and economic growth, and provide a foundation for sustainable development. THK serves as a source for technological innovation that organically integrates these various technologies, based on a broad vision.

In addition, it is essential that environmental management be evaluated by society and by markets. Grassroots-level communication and information-sharing play a very important role in this regard. I'm very impressed with the sincerity of THK's grand vision of environmental management and its efforts to translate this vision into reality by applying it to specific machinery and equipment.

Businesses are now confronted with change: a changing business environment, increasing internationalization, the advance of the information society, and greater corporate social responsibility. As a result, risks have become more diverse and are growing to monumental proportions, and the need to control such risks is increasing. THK's efforts to analyze risks, compile a risk management manual, train its employees properly, and conduct appropriate evaluations are described in the sections of this report dealing with business continuity planning, countermeasures against influenza, information security, and the safety confirmation system, which all come under the heading of "Risk management and information security." Ensuring business continuity in the event of a major disaster and pursuing risk management through constant training and evaluations are aspects of corporate social responsibility that will be increasingly important in the future.

Virtually everyone, from world leaders to ordinary individuals, is now aware that in order to maintain a balance between environmental preservation and economic development and enable people to live healthy, prosperous lives, it is absolutely essential to work to curb global warming, establish a recycling-oriented society, and learn to coexist with nature.

It has become clear that reducing greenhouse gases and protecting the global environment constitute a major investment in the future, one that can yield real economic benefits. Having read this *CSR Report*, I now understand THK's sincere efforts to address environmental issues.

I hope that these efforts, supported by genuine technology, will help usher in new attitudes among people throughout the world, and that the ranks of THK fans will steadily increase.

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Executive Officer, Energy Research Center, Ming Dao University
Professor, Research Institute of Science and Technology, Tokai University

Career: In 1963, Mr. Seki joined the Faculty of Aeromechanics, the Institute of Space and Aeronautical Science, University of Tokyo, as a Research Associate. In 1976, he moved to Tokai University as a Lecturer of the Research Institute of Industrial Science, and then was promoted to an Assistant Professor after several years' experiences. In 1991, he was promoted as a Professor of the Research Institute of Technology Development, Tokai University. In 1997, he became a Professor of the Research Institute of Science and Technology, Tokai University. In 2006, he assumed his current position as a Director-General of the Energy Research Center, Ming Dao University.

Research Topics: Studies on low-subsonic aerodynamics, transonic aerodynamics, and supersonic aerodynamics and hypersonic aerodynamics. Studies on environmental engineering, windmill engineering, rockets, and aerodynamics of flying objects. Studies on applied aerodynamics of vehicles, sphere-shaped objects, long-span bridges, and structural objects. Studies on atmospheric dispersion, and the ventilation of long tunnels. Study on energy conversion engineering. Studies on wind characteristics and wind power systems of varied size. Study on human-powered aircrafts.

Assigned Organization/Academy: Committee Member of the Renewable Energy Group, the Advisory Committee on Energy and Natural Resources of METI; Committee Member of the Wind Power Generation Technology Committee, New Energy and Industrial Technology Development Organization (NEDO); Councilor of the New Energy Industrial Forum/Committee Member of the Wind Power Committee, New Energy Foundation (NEF); General Committee Member of the Wind Power Generation Standardization Committee, The Japan Electrical Manufacturers' Association (JEMA); Chairperson of Japan Wind Energy Association; Administrative Director of the Japan Organization for the Promotion of Renewable Energy.



Postscript

It has been our pleasure to present this year's *THK CSR Report*, our fourth report so far. The two-part feature section of this report includes an account of events during last year's Suruga Bay earthquake that show how THK products play an effective role in people's immediate surroundings, along with comments by people who use seismic isolation devices. The feature section also includes a look at one of our overseas production facilities, exemplifying THK's global expansion, and shows how employees there are seriously committed to *monozukuri*. Other sections offer easy-to-follow explanations of the corporate governance and compliance systems in which our stakeholders place their trust, as well as various mechanisms THK has established for developing the capabilities of its employees, contributing to the welfare of local communities, helping to alleviate global warming, and eliminating the use of chemical substances that can adversely affect human health. As in previous years,

ever since the *CSR Report* was first published in 2007, we have also made an effort to present the voices and opinions of THK employees and other people connected to THK, to provide a behind-the-scenes perspective.

THK will continue to strive to be fully deserving of its stakeholders' trust and remains dedicated to the fair disclosure of relevant information.

We are interested in hearing your views and impressions about this report, so that we can use this valuable feedback as a resource for THK's future CSR activities and when preparing our next report. Your candid thoughts and opinions will be greatly appreciated.

CSR Report Project secretariat

(Next scheduled report: September 2011)