

Third-Party Opinion

All around us today, human rights and environmental issues relevant to the supply chain have emerged as a strong area of interest not only for NGOs, but for regulatory authorities as well. For companies, meanwhile, these challenges represent the most difficult area to address among the many CSR themes demanding our attention. This year's TDK CSR Report tackles the subject of supply chain CSR head on, providing a special feature of truly thoughtful content. I give the highest marks to the article's attempt to shed light on the efforts being mounted behind the scenes to effectively cope with this tough demand. The message that multifaceted endeavors are critical for contemporary corporate management in the relations with society was conveyed to readers in easily graspable terms. I found particularly stimulating the details of the internal CSR auditor training, as well as initiatives aimed at maintaining and strengthening response capacity by autonomously seeking out internal audits by third-party organizations when CSR audits are not conducted by customers. In my view, both these areas closely reflect the commitment pledged by TDK President Takehiro Kamigama: "Strive to incorporate CSR thinking throughout the entire supply chain." I also find highly constructive the clear mention of specific proposals, rooted in the experience of dealing with such issues at TDK itself, for deploying a system in support of industry-wide sharing of audits and other key information. I very much look forward to continued strong leadership by TDK in spearheading the formulation of this type of new rule system.

Next, I wish to touch upon the launch of the Global HR Department. For companies, and especially those actively engaged in global business development, furnishing both fair evaluations and equal opportunities for growth, regardless of nationality, employment systems or other parameters is one key pillar of social responsibility. The start of the Global HR Department is a vital first step in that direction.

Another area deserving mention concerns generating social value through TDK technology. For TDK, one of its key strengths lies in the capacity to "Create what society demands from scratch," and, "Supply unique products available at no other company." Stated within the TDK Code of Conduct is the goal: "Resolution of social issues." President Kamigama also goes on record with his resolve to contribute to working out solutions to future-oriented social issues. The act of supplying the world with totally new technology and products will pave the way to lasting solutions for social challenges. This is because social issues act as beacons of the emerging direction for development of new technologies and products. The key for TDK in generating value over the long term is the ability to strike a working balance between the resolution of social issues and earning stellar evaluations on the marketplace. From that perspective, the successful visualization of the environmental contributions made by transformers is an achievement that should never be underrated. In my view, efforts to resolve social issues must always be accompanied by equal attempts to translate those solutions into concrete market value.

Finally, I want to briefly state my expectations for the future. Regarding initiatives focused on the social responsibilities of the supply chain, I support disclosure of objective data, pertaining to audit results and other areas, to the greatest extent possible. For the global human resources system, I heartily encourage the issuing of regular reports on the progress made in promoting operation in that format from here on. Finally, I believe that global business management is defined by the enduring mission of grasping and absorbing the values of different peoples and societies, in a perpetual push to create commensurate global values for companies themselves. Taking this to heart, I am confident that TDK's CSR is set to emerge as the cornerstone of this precious challenge.



Toshihiko Fujii

Consulting Fellow
Research Institute of Economy, Trade and Industry