

# Third-Party Observer



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This year as the TDK Group enters its 75th year the company has assumed a crucial role in the development of a sustainable society. My comments as a third-party observer on the TDK Group's CSR activities are from my perspective as a university researcher on the theory and practice of CSR by corporations, seeking to promote a synthesis of CSR theory and practice.

## Positive aspects of the CSR Report

Preventive and proactive CSR through business activities aimed at the implementation of our Corporate Motto and the pursuit of corporate ethics.

The TDK Group's overall business activities, as based on the TDK Code of Ethics, protects the organization and society in general from all kinds of risk and can thus be described as preventive CSR aimed at putting in place a firm foundation for the future. In addition, the Corporate Motto of "Contribute to culture and industry through creativity" can be described as strategic and proactive CSR. These two aspects of the TDK Group's CSR are evident in the report.

In concrete terms, this is evident from TDK's "Vision, Courage, Trust" activities. For example, the development and release of such products as Super Eco Love and the efforts of employees around the world are noteworthy for how they impress Group's "vision" on stakeholders. Likewise, TDK's contributions to the challenge of building smart grid's and other solutions that corporations are grappling with to achieve a low-carbon society, as well as advanced technology that promotes corporate sustainability and the use of FAE (Field Application Engineer) are among the direct expressions of the determination and courage of Group employees. That it is "knowledge" that cultivates those kinds of values is beyond dispute. Finally, TDK's "trust" activities practiced on a foundation of corporate ethical standards and standards of conduct are made evident through the practice of dialogue and other constructive activities.

## Suggestions for going forward

Greater global communication among employees practicing "Vision, Courage, Trust" values

Management quality (meaning raising the quality of overall business operations) linked to "Vision, Courage, Trust" values depends on people. 87.1% of TDK revenue is from sales overseas. Moreover, 87.2% of TDK employees are overseas people, and the number is increasing every year. Such a high percentage of overseas business makes placing CSR officers, global leaders, and other key persons in important overseas organizations and the global communication role they perform all the more important.

In addition to the head office's Blue Print, making use of "knowledge" in the workplace is crucial to ensure that value creation activities fostered by the practice of such CSR values as corporate ethics and contributions to the environment and society are driven by a truly human spirit. Grassroots activities by CSR officers and global leaders are the key to this success.

Going forward, I suggest holding CSR Global Conferences and other activities that include the participation of CSR officers as a way to link "Vision, Courage, Trust" values with concrete action. I also hope that the TDK Group will make a positive effort to make such information accessible and work to achieve performance excellence.