

THIRD PARTY COMMENTS



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He currently focuses on how environmental changes in society and the economy change the nation's social system and affect the psychology and behavior of companies and people.

He has a decade of experience in being involved with education and research in Sweden.

Like any report, this year's report has been devised and improved in various ways based on previous reports. Among them, what receives particular attention is the revision from CSR Report to Integrated Report. Although the conventional CSR Report only includes investor relations (IR) information such as financial results and stocks, it is of great significance.

Some time ago, corporate social contribution activities in general were charitable activities that companies made with a profit and incidentally carried out within their budget range. Needless to say, the company's primary goal is to pursue a profit at all times. However, after over 20 years since the term of CSR was introduced, awareness of CSR activities, which are closely linked to the core business, is being built. Even investors who used to insist on shifting the money to the dividend if the company could afford the cost of social contribution activities, tend to think that any company which neglects efforts on CSR activities has a low sustainability and a high investment risk. The revision to Integrated Report keeps up with the mainstream CSR activities and it can be valued.

The new pages of "FEATURE" attract my attention. "FEATURE I" focuses on the SDGs (Sustainable Development Goals) that were introduced in last year's report. I have a particularly favorable impression of which goals you clearly emphasize among the 17 goals after taking one step forward from where you operated in consideration of the SDGs. However, it seems that you only present your goals, thus it will be better if a clear connection is established between respective activities and goals.

"FEATURE II" describes cyber security measures that were not introduced in previous reports. I read the article with interest. While more and more IoT products are being developed and online cashless transactions are being widespread, it is essential to create an environment where users can use products safely and securely. That's why it is remarkable to take a positive attitude toward cyber security by appointing the Vice President as a CISO (Chief Information Security Officer).

In regard to Environment, recent reductions in emissions of chemical substances and total volume of waste generated, which are attributed to the reorganization of the Group, need to be

evaluated carefully. Meanwhile, since I am absolutely certain about your intention to consistently save energy and improve equipment performance at your worldwide bases, I hope you will continue your efforts in the future.

In regard to Social, the workshop for new employees attract my attention. How to increase the creativity of young people is a question emphasized in educational institutions up to university level. There is nothing like an exciting experience involved in actual product development at the company. In addition, new employees who are not engineers can get involved in product development at the company they work for, helping to increase their motivation for future tasks.

On the other hand, I am concerned about the reduction in percentage of new female graduates employed while you are promoting biodiversity. I understand you have implemented various initiatives to recruit women, promote their participation and advancement in the workplace; however, there may be a reason why women keep a distance from your company. You do not need to give up recruiting them and stop thinking just because your company's operations do not meet their expectations. Instead, you need to extract issues considered from the perspective of women and pursue a business style fitting with the times.

You also need to keep in mind not to fall into the idea that you are implementing these initiatives as a corporate responsibility because you feel sorry for women who can hardly work in today's world. Women's recruitment, promotion of their participation and advancement are a mainstream issue of vital importance directly linked to whether Japanese companies succeed or fail, especially in the future with the declining birthrate. Younger generations who share household chores and childcare for granted think a better working environment for women is also a better working environment for men.

The activities presented in this report that also apply to the fields of Environment and Governance may no longer be seen as "responsibilities". From this point of view, the title from which the term of "CSR" has been removed is highly significant.