

## Observations by a Third Party

To Mr. Hajime Tejima  
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Takuma Co., Ltd.

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**[ Target and Objective of Operations ]**

Our operations aim to report commendable points as well as those considered to be future tasks for the company from the perspectives of the basic principles of the AA1000 Assurance Standard (materiality, completeness and responsiveness) concerning whether the "Takuma CSR Report 2008" (hereinafter referred to as the "CSR Report") achieves accountability to stakeholders, commissioned by Takuma Co., Ltd. (hereinafter referred to as "Takuma"). In addition, this does not intend to assure the accountability of the company.

**[ Operations implemented ]**

We assessed the CSR Report through a process focusing on written reviews, as follows:

**[ Materiality ]**

As to whether the CSR Report includes information regarding their CSR activities, which is necessary for stakeholders to perform decision-making, judgment and action

**Commendable Points:**

Takuma ensures it remains aware of the concerns and interests of stakeholders as far as possible by engaging in communication with the main stakeholders.

Takuma describes their technological development in terms of CO<sub>2</sub> reduction and environmental purification technologies toward the realization of a sustainable society.

Takuma discloses their business information on the website; in accordance with the Takuma Group Code of Conduct.

Through the acquisition of an ISO9001 certificate, Takuma conducts a customer satisfaction survey targeted at those to whom they have delivered plant facilities and for those to whom they implement periodic maintenance and comprehends customers' concerns and interests. The issues obtained are reported to the QM Committee and improvement is implemented within the company as a whole.

Takuma communicates with their suppliers in accordance with the "Policy of Material Procurement".

Takuma remains aware of the concerns and interests of its employees by conducting communication with all younger and mid-career employees as well as conveying their corporate principles and management vision via "talk session with the President".

Takuma describes the degree of penetration, such as the interest level of their employees toward CSR, by conducting in-house questionnaires after implementing the compliance education program.

Takuma achieves to accountability to stakeholders on vital issues, such as compliance and making reports on future business development.

Takuma considers and describes the following issues in terms of processes that specify important aspects.

Takuma considers issues regarding the Takuma Group Ethics Charter on a group-wide basis.

As for the issues regarding the ten principle of the UN Global Compact, Takuma considers and describes the fact that they implement such issues through their business activities.

Takuma considers issues which affect financial affairs in terms of compliance through the improvement and establishment of internal controls.

In accordance with the Risk Management Policy, Takuma considers the risk management of the group and describes it.

**The Points Considered as Future Tasks:**

It is hoped that Takuma will further strive to ensure CSR activities penetrate within the company, as well as securing transparency in the form of a CSR Report and enhancing information on the corporate group.

**[ Completeness ]**

As to whether Takuma is fully aware of the relevant information concerning important issues to the extent necessary for their business activities

**Commendable Points:**

Takuma is aware of the impacts on their CSR activities in the following manner and describes them in the CSR Report.

In terms of safety and health activities, Takuma comprehends the state of their activities concerning the promotion of "Objective for Safety and Health" and TK-COHSMS.

Takuma sets their own environmental objectives and understands the state of environmental accounting as well as the details of approaches toward the environment.

**The Points Considered as Future Tasks:**

It is hoped that Takuma will clarify how they would tackle efforts to reduce the environmental load.

**[ Responsiveness ]**

As to whether the CSR Report responds to significant issues, such as the concerns and interests of stakeholders, as well as it describes in its countermeasures

**Commendable Points:**

Takuma participates in the "Green Spirits Association" and provides support for the UNWFP (World Food Programme).

Takuma introduces the development of a hybrid hot water system (Preheating), which is an activity performed by their subsidiary as a topic.

Takuma implements information transmission related to in-house developmental technologies via the Takuma Technical Review.

Takuma introduces their approaches toward the environment and society via presentations at "ECOMA 2007" and "N-EXPO 2007".

Takuma introduces volunteer activities performed by employees as social contribution activities.

**The Points Considered as Future Tasks:**

It is hoped that Takuma will specify the objectives of CSR activities in terms of how they specifically reflect stakeholders' voices in future.

**[ Editor's Postscript ]**

This report is our second issue as a "CSR Report".

It is compiled with the main aim of conveying Takuma's CSR activities in clearly understandable terms as much as possible.

The manuscript was entirely prepared by our employees and through the activity involving the production of the CSR Report, I realized each employee deepened his/her understanding of CSR activities.

Although this is only half complete, I would like to establish "Takuma's CSR" by enhancing this Report. I would therefore appreciate your feedback on this report.