

# Outside Expert Opinion

## Outside Expert Opinion



### Kazuhiko Takano

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## 1. Characteristics of the Takuma CSR Report 2020

The Takuma Group is a key part of the foundation on which Japanese industry operates and one of Japan's leading plant engineering groups, and its continued operation is of critical importance to society. Consequently, in rendering my opinion of this report I would like to focus particularly on its characteristics with regard to the concept of sustainability.

The first characteristic is the ability to manage operations based on an understanding of societal issues. For example, Takuma works to resolve issues such as greenhouse gases and renewable energy through its core businesses, for example the development of biomass power plants and energy from waste plants. I believe that these products will continue to earn social support in the future as companies become the focus of stepped-up scrutiny due to the need to realize a low-carbon society.

The second characteristic is a rich selection of content related to the development of programs and an organizational culture that make it easier for employees to work at Takuma. The report contains extensive descriptions of programs that are designed to ensure employees continue their employment over the long term, including workstyle reforms and work-from-home programs. The report notes that President Nanjo visited nine worksites that are responsible for plant operation as part of an initiative that was presumably conceived to help develop a culture that is characterized by good communication. The report also offers a glimpse of managers' belief that valuing employees helps increase the Company's competitiveness.

The third characteristic is the Company's pursuit of initiatives to improve resilience. In last year's Outside Expert Opinion, I suggested that enhancing risk management structures could provide a way to further increase the effectiveness of the Business Continuity Plan (BCP) by facilitating regular exercises simulating a natural disaster. This year's report describes an effort to increase crisis management capability by holding disaster prevention exercises and BCP training with the goal of maintaining and restoring information systems.

In this way, I am pleased to see that the Takuma CSR Report 2020 demonstrates the continued evolution of the Company's programs.

## 2. Towards further development

I'd like to describe some of my expectations toward the Takuma Group's future CSR management.

The first involves studying the value creation process. The year 2020 was identified as a year in which the next long-term vision would be formulated, and I expect to see the Company develop a vision that seeks to realize the sustainable society of the future by resolving societal issues such as those identified in the Sustainable Development Goals (SDGs) through business activities that draw on the Group's strengths, as President Nanjo described in his message at the beginning of this report.

The second involves further deepening global compliance structures. In the "Introduction to Takuma's Businesses" section, the report introduces how the Company is developing its businesses overseas, and this effort will continue in the future. One major risk associated with overseas businesses is that Western laws in areas such as bribery and data protection extend outside their home jurisdictions. Takuma is pursuing an advanced series of compliance initiatives at present, but I hope to see those efforts expanded in the future, including with regard to the unique risks that face global businesses.

The third involves additional resilience initiatives. The COVID-19 pandemic has become a societal problem, and I'd like to see Takuma treat it as an opportunity to increase sustainability by reassessing and improving its BCP.

I believe that the Takuma Group is carrying out a high-quality program of CSR activities in a serious manner. Going forward, I expect to see the Company develop further by contributing to the resolution of societal problems through its core businesses.

## Response to the Outside Expert Opinion



### Koji Tanaka

Director & Executive Officer  
Executive Manager  
Compliance & CSR Promotion Division  
Corporate Services Division

I would like to thank Professor Takano of Kansai University for offering his valuable insights on the CSR Report 2020.

In compiling this report, we have worked to offer stakeholders an easy-to-understand introduction to a variety of activities carried out by the Takuma Group with the goal of resolving social issues and increasing corporate value by achieving sustainable growth as well as to the Group's 12<sup>th</sup> Medium-Term Management Plan, through which we are working to achieve our corporate vision, and we have focused on inviting involved parties to express their thoughts on related subjects in their own words.

In "1. Characteristics of the Takuma CSR Report 2020," Professor Takano offers valuable insights from the standpoint of business continuity, which the Group takes very seriously. We will continue to pursue these initiatives in order to realize the Group's sustainable growth.

In "2. Towards further development," Professor Takano suggests measures that ought to be pursued as part of CSR management. I am grateful to him for suggesting directions for future initiatives. They say that even a journey of a thousand miles begins with a single step, and we are committed to building an even more resilient foundation for our operations so that we can realize the Group's new vision.

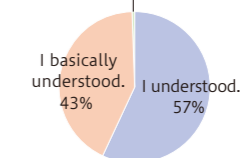
We value Professor Takano's observations and take them seriously, and I would request stakeholders' continued support and encouragement as we work to practice CSR management and enhance our CSR Report.

## Takuma CSR Report 2019 Questionnaire Survey Results

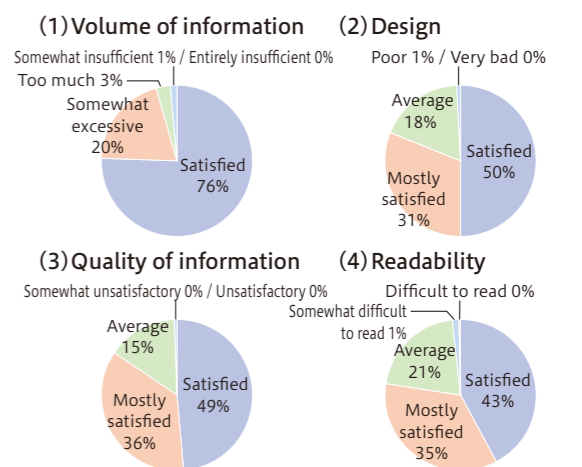
Survey period: July 2019 to June 2020  
Number of respondents: 1079

### Q1 Did you understand the activities of our company?

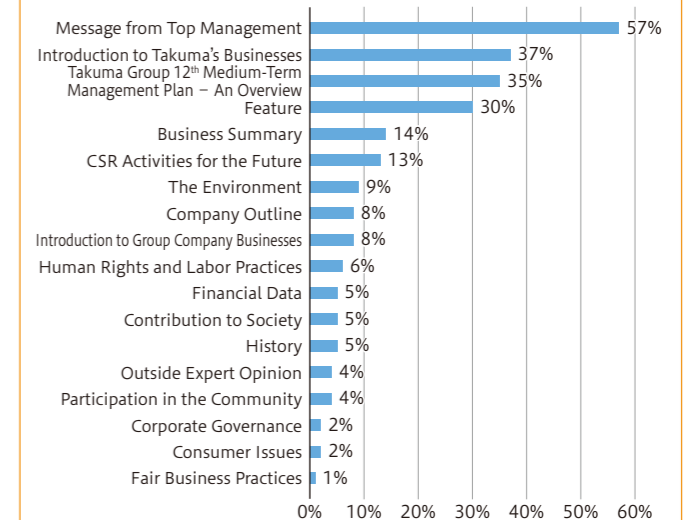
I couldn't understand very well. 0% / I couldn't understand. 0%



### Q2 What is your level of satisfaction regarding this Report?



### Q3 Which items were you interested in? (Select up to three.)



#### • Editorial Policy

We have prepared this document as a CSR Report that details our CSR activities.

#### • Publisher and Contact for Inquiries

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TEL: +81-6-6483-2673  
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#### • Data Collection Period

From April 1, 2019, to March 31, 2020, in principle. In addition, some activities in FY2020 are included.

#### • Coverage

This report applies to Takuma Co., Ltd., and its affiliates in principle.

#### • Time of Issue

Current issue: July 2020  
Next issue: Scheduled for July 2021  
Last issue: July 2019