

## Third-Party Opinions

### NTN Report 2010 Third-Party Opinions

Katsuhiko Kokubu

#### Integration of the Annual Report and CSR Report

The most important characteristic of this year's report is that it combines the previously separate CSR Report and Annual Report. President Mori starts off the report with an explanation of NTN's policies on business activities and CSR activities, which facilitates understanding of the NTN Group's activities. Unified disclosure of financial performance and social and environmental performance is a worldwide trend, and more integrated disclosure of this information is likely to become important in the coming years.

#### Reinforcement of CSR Activities

NTN has declared that CSR is the foundation that underpins corporate management and is steadily developing its CSR mechanisms and activities. A new topic in this year's report is the development of a CSR database. Since it is necessary to adopt a group-wide approach to CSR activities, a database is likely to be an effective platform for information sharing. Reflecting CSR performance information in a database should also further enhance CSR management at NTN.

#### Identification of Key Areas

NTN's report contains feature articles that disclose a number of social and environmental activities in detail. Individual activities are highly important, since these can add up to produce tremendous results. A key concept in CSR is materiality, and one CSR approach involves identifying material issues and deepening activities to address those issues each year. Since each of the activity fields covered in the feature articles is material, I hope that NTN will treat them as continuing activities included in the scope of information disclosure, rather than only as subject matter for feature articles.

#### Proactive Environmental Response

NTN vigorously engages in environmental activities and produces remarkable results. For instance, the company establishes and strives to achieve challenging targets for total CO<sub>2</sub> emissions reduction. Environmental problems are simultaneously an opportunity and a risk for NTN, which numbers companies in the automotive industry among its important customers. I believe that the question of how to assess the environment as a risk will become an important perspective in environmental assessment in annual reports. Also, it may be useful to adopt resource productivity or environmental efficiency indicators to express the environmental direction NTN should pursue.

#### Involvement in Stakeholder Dialogue

One important aspect of CSR activities is listening to the views of stakeholders. Since NTN vigorously engages in activities that affect various stakeholders, as indicated in this report, it will likely be necessary to engage in stakeholder dialogue to further strengthen these activities. In particular, it may be possible to discover new issues simply by discussing how the employees feel about NTN's CSR activities and what they hope to accomplish. I expect NTN to increase its corporate capabilities and further contribute to society through its business activities by enhancing CSR activities.



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#### Biographical Information

Katsuhiko Kokubu is a professor at the Graduate School of Business Administration, Kobe University. He specializes in environmental management, environmental accounting, and CSR management and serves as chairman of Material Flow Cost Accounting (MFCA) Forum Japan, chairman of ISO/TC 207 Working Group 8, and a director of the Institute for Environmental Management Accounting, and a member of the executive board of the Society for Environmental Economics and Policy Studies, the Sustainable Management Forum of Japan, the Japan Corporate Social Accounting and Reporting Association, and the Japan Cost Accounting Association. His published books include Material Flow Cost Accounting (Nikkei Publishing Inc.) and Environmental Management and Accounting (Yuhikaku Publishing Co., Ltd.).