

A company's CSR report is more than a simple report outlining CSR initiatives. It represents a commitment to undertake initiatives that seek to put the company's principles into practice. My comments this year are once again based on this same perspective.

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1 Positive points

The Citizen Group has maintained a highly admirable stance of involving all of its personnel in initiatives aimed at putting into practice its corporate philosophy of "contributing to and striving to be respected by the citizens of the world" in every aspect of its business activities.

This year's CSR report is the third with an opening feature in which Group personnel around the world each display a board stating what CSR means to them. It also covers examples of initiatives in Citizen and Society and in Citizen and the Environment. They show the personality of the individual employees featured and convince me that the efforts of all employees to fulfill the Group's corporate social responsibility are real.

With respect to CSR targets and initiatives, the report explains that four challenges identified as future issues in the previous year's activities were adopted as major challenges for the current year and that individual Group companies set their own CSR targets and acted on those. Their results, evaluation, future initiatives, and challenges are presented. This indicates that the PDCA cycle is effectively practiced throughout the Group's consistent activities.

The special feature of this year's report focuses on global CSR activities. I am impressed to learn that social contribution activities geared to local needs are underway in different countries and to read the comment that "*These activities provided us with opportunities to turn our attention to global issues and to think about what we each can do to serve the society.*"

The report also suggests that specific initiatives are undertaken and refined on the basis of feedback from stakeholders. For example, customer comments are incorporated into manufacturing. Relationships are built with business partners through dialogues. And different schemes are reviewed for creating ideal working environments.

As for environmental initiatives, the report refers to the target defined in line with the Citizen Group Environmental Policy revised last year as well as results and evaluation for fiscal 2010. It shows that the initiatives are steadily carried out under the slogan of "Small is Eco." I find it unique to the Citizen Group that employees are involved in these initiatives based on the notion that the sensitivity of every single employee is essential to taking action. This is, for instance, seen in introduction of the environmental accounting scheme at a Group company.

2 Potential improvements for the future

This year's report covers overseas initiatives in the Special Feature section. I hope to see more reports on initiatives for sharing the Citizen Group Corporate Philosophy as a foundation of activity promotion and more examples of contributions to overseas local communities, as stated in Article 8 of the Citizen Group Code of Conduct, in addition to reports on social contribution activities in different countries. I also look forward to seeing more faces and voices of overseas staff members being featured, given that more than 60% of the people of the Group are based overseas.

The report also covers initiatives for business continuity plans in the event of natural disaster, since these are defined as a priority risk in the risk assessment at Group companies. Going forward, it will be necessary to review how these initiatives were executed in the process of recovering from damage at some production and sales premises caused by the Great East Japan Earthquake and what problems were identified.

3 Looking ahead

In the wake of the Great East Japan Earthquake on March 11, the importance of the relationship between businesses and society and of the role of businesses as corporate citizens is greater than ever before. It is essential to combine the strengths of businesses and people, of businesses and communities, of different businesses, and of all players and to make them work together. I think that the philosophy of Sontoku Ninomiya is required. This Japanese moralist preached an idea of *ichi-en yugo*, according to which good results come solely from the state in which all things integrate into one, given that they interact with one another.

I hope that all individuals in the Citizen Group will think about what is needed and what they can do to build a truly sustainable society and work together as a corporate group, contributing to and striving to be respected by citizens around the world. I hope also that the Citizen Group will continue its initiatives based on integration between business and people or between business and society.