

Third-Party Opinion

This is the fourth time I have been invited to write a third-party opinion for the FHI Group's CSR Report. This year, in addition to my reading of the report for fiscal 2014, I will summarize my impressions based on my tour of the new head office as well as the CSR Report Reading, a dialogue with students from the seminar I am in charge of.

High Rating for Sincere Efforts to Address Observations

Over the past four years, I have made a variety of observations about FHI Group in the third-party opinion. For example, last year I commented that FHI should "disclose all information including negative information." I pointed out that FHI should report on what kind of negative opinions were received from stakeholders, including customer complaints and claims, and how FHI is dealing with them. Furthermore, on the environment front, I suggested that FHI should ascertain the environmental impact through the entire product lifecycle, i.e. from the extraction of resources to final disposal when vehicles reach the end of their lives, in relation to its core business of "making cars," with a particular focus on the relationship with biodiversity.

FHI Group has responded sincerely to many of my observations and promoted improvements as described at the beginning on page 3 of this CSR Report. This shows that FHI does not intend to gain a third-party opinion merely for form's sake, but has the true intention to utilize the opinions it receives in its business activities. This effort should be highly evaluated.

Even Information that is "Obvious" to People Inside the Company Should be Reported

While FHI Group's CSR initiatives are being enhanced every year, I think there is still scope for improvements in the content of information included in the report and the style of reporting. This is particularly the case with things that are treated as "obvious" internally, such as information concerning responses and preparedness for disasters, technical development of vehicle safety, etc.

"Pursuing safety" has been handed down continuously from FHI's days as an aircraft manufacturer, and it may already have become the company's DNA. However, it is a shame that FHI has not been putting much emphasis on publicizing how it has worked to overcome cost challenges while developing technology to improve safety in actual car manufacturing. There are initiatives that people inside the company probably consider "obvious," but those initiatives can appeal strongly to the general public.

Making the Overall Organization of Automobile Recycling Easier to Understand

One thing that I noticed in this year's report is the explanation of automobile recycling. Automobile recycling is structured so that measures such as the recycling of airbags and CFCs and the sorting and recycling of materials are a legal obligation, and the costs are borne by consumers at the time of purchase. This is also a legal compliance topic, and I think that it is important to show that recycling is carried out strictly in accordance with this legal system. Aside from recycling, a variety of other legal regulations are imposed on automobiles. A more detailed commentary is needed to enhance the understanding of readers regarding these issues.

Moreover, automobile recycling involves a number of processes, such as recovering valuable resources from cars and recycling them into raw materials as well as sending used cars overseas for reuse. I think that it is important to be creative in making these processes easier for readers to understand by using diagrams and other methods.



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Profile

Graduated from the Faculty of Economics, Yokohama National University. After completing her postgraduate course in the Department of International and Business Law of the said university, she served as researcher at the Tokyo Institute of Municipal Research from 1993 through 1998, and as Assistant Professor at the Faculty of Environmental Studies of Nagasaki University from 1998 through 2006. At present, she is Professor and Director of the Division of Urban Policy, Faculty of Urban Liberal Arts of Tokyo Metropolitan University. Specializing in environmental law and administrative law, Prof. Oku is the author of Environmental Laws System of EC and Environmental Management Measures (publisher: the Tokyo Institute for Municipal Research), Approaches to Environmental Laws (SEIBUNDO Publishing Co., Ltd.), Frontlines of Municipal Environmental Administration (GYOSEI Corporation), Environmental Business Handbook (Chuohoki Publishing Co., Ltd.) and others.