

Posted information is identified with the value creation model and sustainability in mind

What we should note in this year's Tokai Rika Report is that it is describing the value creation model. It can help us more easily understand the link between Tokai Rika's business philosophy and its product development with society's requests and expectations and what values those products provide on the basis of that link. The report is a composition that can be held in high regard by having the creation of new values written alongside a Message from the President. This facilitates understanding on created values in detail.

From the next fiscal year, it will be effective to show mid- and long-term visions and the achievement level of targets. Environmental activities are reported in detail, but I think progress on strategies could be understood more effectively if other non-financial KPIs could be quantified. Furthermore, this time, posted information was identified with SDGs (Sustainable Development Goals), and more in mind. I think that is a new approach. From now on, I hope Tokai Rika will specifically describe what activities they take part in and how they specifically relate and contribute to targets.

Product development that is useful to society and motivation that is emphasized in human resources development

The most impressive product is the "Digital outer mirror" installed on production vehicles for the first time in the world. Tokai Rika is responsible for manufacturing its housing and contributed to fuel efficiency improvement by achieving smaller, lighter, and outstanding aerodynamic characteristics. Also, various measures were taken to secure visibility of the camera section. For those reasons, the company received the supplier award. I could feel from your product that new technologies are continuously developing in order to achieve a comfortable, safe, and secure society. On the other hand, I am sure many people do not know about this product in general. Introducing



product details will let a wide range of stakeholders understand the innovativeness of the product.

It is thought that the environment in which innovative manufacturing can be conducted is cultivated through various human resource development commitments. For example, in the Tokai Rika Training School, human resources not only simply acquire skills, but also have high motivation, aiming for improvement in the level of skills with a challenging mind as a core. Capable engineers were awarded from outside the company such as by the Aichi Prefectural Government, so it can be said that there is a high standard for human resource development.

Planned activities for the reduction of environmental load

A unique characteristic point from the environmental activity report is that the mid-term target for 2030 has been set toward the CO₂ reduction target for 2050. This made the plan toward a decarbonization society more distinct and I felt positive toward such activities. In the Activities Summary, action items and the performance of each item are clearly stated both qualitatively and quantitatively, so I can understand their progress in detail.

Regarding the initiatives of this fiscal year, I am impressed with the report that waste was reduced through circulating many resources, such as planning to introduce renewable energy domestically, promoting waste plastic recycling, and reusing waste water in the semiconductor process. Using resources inside the company as much as possible and promoting recycling will lead to the support of stable business without being affected by unstable social conditions. I am expecting that Tokai Rika will continue to actively work on many activities that aim at to reduce the environmental load.



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Our response to the third-party opinion

I am very grateful that we have been receiving Professor Takahara's opinion since 2017.

This time, we received valuable opinions regarding the activities of our technological development which is also found in the dialogue in the Special Feature pages. Once again, I would like to express our appreciation. In order to respond to the transformation of automobiles by means of new technologies such as automated driving, electrification, connected cars, and car sharing, we are focusing on developing next-generation products that provide a higher level of "comfort, security, and safety."

In addition, in order to develop and secure human resources and improve the quality of labor, we will continue to work on the work-style reform of employees. Also, looking toward the target of halving CO₂ emissions by 2050, we will continue to work on that in a planned manner.

Including the "quantification of non-financial KPIs" and the "detailed introduction of new products" Professor Takahara indicated, we will keep reaching out to understand demands from society and stakeholders, and in order to convey our wide range of initiatives in a concrete and easy-to-understand manner, we will provide new values to society, so as to obtain their greater trust and have them expect even more from us.



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