

The KHI Group's Second Dialogue with Experts

Toward Achieving Kawasaki Business Vision 2020



On December 20, 2012, we invited specialists in a number of aspects of CSR to the KHI Tokyo Head Office for our second Dialogue with Experts. This took the form of an exchange of opinions, including those from KHI staff, on how to achieve Kawasaki Business Vision 2020, as well as how to promote CSR as we approach the formulation of a new medium-term business plan to start from fiscal 2014.

● Event Summary

Date

December 20, 2012

Place

KHI Tokyo Head Office

Outside Participants

Itaru Yasui	Professor Emeritus, The University of Tokyo; former Vice-Rector, United Nations University
Toshihiko Fujii	Visiting Professor, Saitama University, Graduate School of Economic Science
Hitoshi Suzuki	President, Institute for International Socio-Economic Studies Executive Specialist, CSR and Environmental Management Promotion Division, NEC Corporation
Takehiko Mizukami	Consultant, Cre-en Inc. (Facilitator)

KHI Participants

Mitsutoshi Takao	Senior Executive Vice President
Yoshizumi Hashimoto	General Manager, CSR Division Executive Officer
Takashi Shimakawa	Deputy General Manager, Marketing Division Senior Associate Officer
Takamasa Ogata	Senior Manager, Environmental Affairs Department Associate Officer
Kazutoshi Honkawa	Senior Manager, Corporate Planning Department Associate Officer
Yutaka Fukuda	Senior Manager, CSR Department

Note: Official titles are correct as at the time of the dialogue.

● Outline of the Dialogue

This year's dialogue focused on how to reflect the issues and demands of society in our corporate operations going forward, and how to make them relevant in achieving our Business Vision and formulating our medium-term business plan. Opinions were also offered on the issues that need to be tackled in the course of our global business expansion, which will intensify in the years ahead.

● Facilitator's Comment

Staying with our mission to create both social value and corporate value

As we approach the year 2020, innovation and globalization are indispensable. Creating innovation requires risk-taking, but the pivotal point of our decision-making in this area is our mission. Moreover, in terms of business expansion in the emerging nations that are at the heart of globalization, we need to retain a focus on developing hand in hand with society. Putting our mission into practice by increasing points of contact with society, listening to voices in society, and combining creation of social value with corporate value: this is where the future lies for KHI.

Takehiko Mizukami
Consultant Cre-en Inc.



Extracts from Our Experts' Opinions

• All divisions must adapt to achieve the Group's Mission

The KHI Group's Mission is all about CSR. To achieve it would be the most wonderful thing imaginable. The issue going forward is how individual divisions should adapt to the Mission Statement. One problem is that the Mission Statement speaks of "enriching lifestyles," which might be difficult to understand. Enrichment includes both material and financial aspects, but I don't think that's the whole story.

If we view the earth as a kind of system, we need to look ahead constantly to see what courses are open to us. By taking the worldwide lead, I think we can achieve integrated CSR. To do this, an essential precondition is to devise criteria on the amount of risk we can take and the purposes of taking such risk, and this needs to be set out clearly in terms of corporate policy.



Itaru Yasui

Professor Emeritus,
The University of Tokyo;
former Vice-Rector,
United Nations University

• Looking beyond customers to citizens and the society of the future

Looked at from a corporate standpoint, CSR means activity to improve management quality that involves stakeholders and leads to sustainable development. By engaging with stakeholders, we need to identify what society wants and expects from us, add inputs from the perspective of management strategy, and then choose the priority themes of CSR.

When we seek to grow businesses that lead to sustainability, it is important to look beyond our immediate customers to the citizens, global environment and society of the future. I would like to see KHI contributing to society by interacting with citizens and consumers and presenting solutions based on the need to resolve social issues. Although globalization creates new blind spots in terms of risk, my experience with practical operations tells me that these can be identified quickly through engagement with stakeholders.



Hitoshi Suzuki

President, Institute for International Socio-Economic Studies
Executive Specialist, CSR and Environmental Management
Promotion Division, NEC Corporation

• Recognizing the difference in thinking between Japan and overseas

CSR as we think of it in Japan sometimes differs from the idea of CSR that people have overseas. It is not a question of asking who is right and who is wrong, but we need to recognize that there are differences. In Europe, at the root of CSR is the idea that firms should change the way they do business to resolve social issues. For instance, to take the example of human rights, the idea is not to engage in businesses that help to advance human rights, but to change the business process to eliminate practices that infringe on human rights.

In Japan, contributing through business activities is recognized as CSR. In global operations, we must win the sympathies of people from a rich diversity of backgrounds, and CSR is a valuable tool in this regard. I would like KHI to think about what it can do to help these people understand that our company is a really good company.



Toshihiko Fujii

Visiting Professor
Saitama University
Graduate School of Economic Science

Taking on board expert opinion

Yoshizumi Hashimoto

General Manager, CSR Division

I think that what is required of the KHI Group is, through its business operations, to continuously present accurate solutions that answer the demands and expectations of society. The Group Mission advocates two goals, "Enriching lifestyles" and "helping safeguard the environment," that are sometimes in conflict, but I want us to work to fulfill them both. We are committed to continuing to pursue this mission until and beyond the year 2020.

In today's dialogue, we have heard numerous suggestions on how to move forward our management operations and our business itself. In addition, because CSR is reflected in business execution through risk management and other aspects, I realize now that divisions other than those with direct responsibility for CSR need to consider it from the same perspective.

