

Message from New Chair of Board of Directors

As the new Chair, I aim to
operate the Board of Directors
to realize sustainable growth.

Izumi Kawashima

Outside Director
Chair of the Board of Directors



In June 2018, the Japanese Corporate Governance Code, which originally began in the United Kingdom, was revised for the first time, three years after its introduction in Japan. This was when I became an outside director of OKI. During that period, Japanese companies were seriously looking at strengthening governance, starting to take initiatives to consolidate it. I originally was a researcher specializing in the areas of the Companies Act and the Financial Instruments and Exchange Law. In particular, I had studied the history of the Corporate Governance Code in the U.K., so I think that I was expected to use this knowledge in the management of OKI. Unlike the U.K., there are detailed rules about governance in the Companies Act of Japan. Properly aligning the framework of the Companies Act with the soft law of the Corporate Governance Code was an unknown area. The question was about how to actually implement these standards as a company.

After several years involved in the management of OKI, I assumed the role of Chair of the Board of Directors in June of this year. Former Chair Kawasaki was very conscious of the role of the Board of Directors and operated it to encourage a lively exchange of ideas. In the development of the current Medium-Term Business Plan, he held off-site meetings outside of the Board of Directors meetings. By the time I became an outside director of OKI, the percentage of outside directors had already exceeded 40%, showing how OKI has emphasized the role of outside directors. In the Board of Directors, an environment has already been built for outside directors to freely and actively express their thoughts. In that sense, I feel that OKI is achieving the goals of the Corporate Governance Code.

The merits of making an outside director such as myself Chair is that I am not aware of any sense of impossibility that may be felt inside the company. I believe that can be a strength. On the other hand, I must be careful not to become too close with the executive side.

My aspiration as the new Chair is to simply refine the general direction of past leadership. What I found especially good in my past experiences, was that all of the outside

directors worked together in detail from the stage of developing the Medium-Term Business Plan. In the future, we will need to supervise the progress of the Medium-Term Business Plan and form the next medium-term business plan based on its status.

Looking at the revision of the Corporate Governance Code in June 2021, the role and responsibilities of outside directors are likely to grow even more. At OKI, there are managers with experience in other companies. By becoming Chair, I intend to strike a balance in taking the opinions of outside directors so that we can strengthen OKI's governance.

I believe that one of the important themes we will discuss in the Board of Directors is developing the next generation of managers. We are discussing the succession plan in the Personnel Affairs and Compensation Advisory Committee as well as the current situation. However, it is best for candidates to have a career that doesn't take the common shape of climbing one ladder to reach the next stage. Instead, I believe management candidates should first go to various places and have a variety of experiences and skills. We need to spend more time discussing how to develop the next generation of candidates starting from people about a decade younger than whom we can think of as the next possible candidates. The same can be said for female managers. It is good to promote extremely talented female employees to executive officer at an early stage, but we will be unable to maintain diversity without creating a system to produce the next such human resource.

It is my understanding that there are still not many female candidates or candidates with a global perspective. OKI must create a system to provide such candidates experience at an early age and to see if they have the qualities for management.

In the Medium-Term Business Plan, OKI states that our key message is "Delivering OK! to your life." In this age in particular, this is a very important message. I would like for the Board of Directors to properly supervise the progress of the Medium-Term Business Plan and build a framework that realizes sustainable growth for the company.