

## Corporate Governance and Outside Directors



Outside Director  
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In corporate management, governance refers to a structure and rules for achieving sustainable growth for the company while coordinating its diverse stakeholders. Governance has become important because in the age of global competition and constant technological innovation, having a good “compass” is the key to the company’s successful performance. This compass—governance—provides disciplines on which a company is managed.

In an uncertain operating environment, effective checks and balances is a crucial element for executive leadership. Because company leaders need to address incessant changes in customers’ needs, their thinking must be objective and incorporate a diverse range of viewpoints in decision making.

Governance is the framework for successfully managing this process, with external governance supplementing internal governance. Internal governance is a structure within the company’s organization, while the capital markets and outside directors perform the role of external governance.

Human errors cannot be eradicated. Corporate governance, while aiming to increase corporate value, is to establish the system that can quickly identify and rectify those errors within organizations on a daily basis. For this purpose, it is important for both managers and organizations to have objective self-awareness and the ability to correct mistakes on their own, and for top management to take the initiative in this process.

It is corporate managers who have a detailed understanding of the company’s business, and manage daily operations in order to increase corporate value. Outside directors share the goal of increasing corporate value with managers, but their role is to oversee management with “outside eyes.” At Board of Directors’ meetings, outside directors seek clarification regarding what are the bases of their decision making. They also play an important role by asking questions to make managers “aware,” so that as they seek solutions to difficult issues they do not become overly subjective in their thinking or try to resolve the issues in terms of only short-term solutions. In conducting this task outside directors need to maintain close communication with managers. To this end, I strive to understand Yamaha Motor’s products and customers, markets and competitors, and factories and dealerships.

Yamaha Motor is a robust and vibrant company that possesses technologies of global levels and irreplaceable human resources. Under strong leadership, management works as a united team, and is noteworthy for its openness as it constantly seeks the views of shareholders, customers and employees. As a Japan-based manufacturer, the Company must of course continue to work to adapt quickly to changes in markets and customers’ needs around the world. Using my experience, I hope to contribute to Yamaha Motor by working hard to continuously ensure that management makes the right decisions.