

Messages from Outside Directors



**Wataru
Kitao**
Outside
Director

My approach to business management emphasizes “CEO,” which stands for Customers, Employees, and Owners (shareholders). To sustain growth, companies must conduct business management in a manner that focuses on achieving a balance among these three stakeholder groups.

The Maxell Group has transitioned to a holding company structure, and I feel that employees have set their sights on realizing broader engagement with society. I believe that removing “Hitachi” from the Group’s name has redoubled employees’ motivation to heighten the value of the Maxell brand and meet the expectations of customers and shareholders.

Further, understanding that the holding company and operating companies are not separate but function as parts of the same corporate entity is important. From the viewpoint of creating the basis for such understanding, the establishment of a holding company structure has clearly separated the roles of Group management and business execution.

Another initialism that I find useful in regards to business management is “SPRO.” The “S” stands for Strategies. To function, strategies require “PRO,” which stands for Processes, Resources, and Organizations. When we set out to do something, PRO are necessary. If we do not establish effective PRO, we will not succeed. The Maxell Group did not establish a holding company structure with the aim of organizational change but rather to realize autonomous business management and initiate an entirely different level of growth. To realize these goals, the Group needs to establish PRO as soon as possible. Also, developing the next generation of managers to lead these efforts is an important task.

The roles of outside directors entail using insight to ascertain risks and thereby minimize negative factors while providing a range of options so that the senior management team’s decision-making maximizes growth opportunities. My goals are to offer advice from a slightly broader perspective and contribute to the growth of the Maxell Group.



**Shinobu
Watanabe**
Outside
Director

The Maxell Group is pursuing an ambitious strategy of increasing growth by adopting completely different management systems and corporate governance. As it revamps operations, personnel, organizations, and structures, the Group is, I believe, establishing a “new Maxell.”

I intend to use the experience and insight acquired throughout my years of involvement in business management in Japan and overseas to contribute to the enhancement of the Maxell Group’s growth and corporate value. Regarding business management, my credo is to examine whether initiatives are profitable, enjoyable, and beneficial.

The board of directors, president, and executives are responsible for conducting the business management of companies. If we think of a company as a car, the senior management team is entrusted with operating the steering wheel, gas pedal, and brakes. I believe the basic roles of outside directors and Audit and Supervisory Committee Members are to monitor whether the senior management team is operating the steering wheel, gas pedal, and brakes in a safe, efficient, and timely manner; using in-house resources effectively; and responding appropriately to various risks along the way. I want to make statements and recommendations proactively so that in addition to fulfilling the role of a management board, the board of directors functions effectively as a monitoring board.

Corporate governance is, in my view, primarily a matter of risk management. On a daily basis, the Group is asked to decide on and respond appropriately to business issues in a wide range of fields. Further, it is difficult to guarantee 100% that various issues related to quality, industrial accidents, and compliance will be prevented. Therefore, it is necessary to constantly work toward developing the Group’s systems, personnel, and corporate culture with a view to minimizing the likelihood of risks materializing. By properly monitoring such areas from the viewpoint of an outside director and outside Audit and Supervisory Committee Member, I hope to contribute to the enhancement of the Maxell Group’s growth and corporate value.



**Tatsuhiko
Izumi**
Outside
Director

The optimization of corporate governance to reflect a company’s culture and business characteristics is important. The Maxell Group conducts an extensive range of businesses globally. Aiming to sustain sound growth as an integrated corporate entity that encompasses these diverse businesses, the Group is continuing initiatives to establish governance that is best suited to this diverse business portfolio. As a newly appointed outside director, I would like to draw on my management experience at Clarion Co., Ltd. and the insights I have gained concerning global strategies to contribute to the sound growth of the Maxell Group.

From an external perspective, the Maxell Group’s numerous differentiated technologies seem to harbor great potential. The Group must increase the dissemination of these differentiated technologies worldwide in order to grow further. Companies do not grow simply because they are technology oriented. To convert technologies into growth drivers, the senior management team should use their experience-based intuition and take appropriate measures accordingly. As an outside director, I see it as my responsibility to provide unequivocal recommendations and encourage discussions in relation to proposals of the senior management team that stem from such experience and intuition.

When Japanese companies expand businesses globally, there is a tendency to categorize Japan separately and view matters on a “Japan versus the world” basis. However, Japan is undeniably part of the global market. Although disseminating technology is an important role of the Maxell Group’s domestic operations, perhaps the Group should, for example, transfer certain key manufacturing functions to other countries. I think that by viewing the world as a single entity, rather than on a “Japan versus the world” basis, and deploying functions appropriately, it will be possible for the Group to come closer to becoming a truly global enterprise. At the same time, when rolling out products it is necessary to have an in-depth understanding of the cultures and markets of countries and to introduce products that suit their needs. On the other hand, with respect to physical operations, the Group may need to sharpen its focus on priority areas by consolidating the regions in which it operates as well as the product lineups it offers. Deciding on such matters as it advances business management will be critical for the growth of the Maxell Group going forward.