



**Kei Fujioka**  
External Director



**Minako Miyama**  
External Director



**Kazushi Ambe**  
External Director

Mr. Kei Fujioka has abundant knowledge in a variety of fields such as corporate management, and abundant experience in the logistics field through having worked for Mitsui-Soko Holdings Co., Ltd. We appointed him as an external officer in 2017 in the hope that we can receive supervision, advice etc. on business execution from a professional perspective, regarding overall management centered on the logistics field, making use of his abundant experience, perception, and wisdom.

Ms. Minako Miyama has a proven track record at Dai Nippon Printing Co., Ltd. as a leader in ensuring diversity in addition to her experience in the research, planning and development, and human resource development fields. We appointed her as an external officer in 2022 in the hope that we could receive her extensive experience, perception, and wisdom to provide advice on management reforms from her objective and scientific perspective.

Mr. Kazushi Ambe not only has experience in the human resources and general affairs divisions at Sony Group Corporation, but he also has experience managing an overseas corporation of that group. We appointed him as an external director in 2024 in the hope that he will use his broad and abundant experience, knowledge, and insight to supervise and provide advice on overall management, with a focus on human resources strategy and organizational reform.

## Breathing new life into Tokai Rika during a period of change, we will continue to provide backup while fulfilling our management and supervisory roles.

Three external directors who support Tokai Rika from an outside perspective gave their candid opinions on the state of our corporate governance, our newly formulated Purpose, Vision, and Value, the progress of our mid-term management plan, and the promotion of human capital management.

### About our corporate governance

How do you feel about our company's corporate governance and Board of Directors?

**Fujioka:** The company is currently undergoing dynamic changes, as evidenced by the three external directors and three internal directors on the Board of Directors. I have been an external director for nine years now, and since the time I first took office, I have been saying that we should create a vision that shows the goals we are aiming for as a company and a management plan, and I feel that the various improvements we have made since the time of the previous president are finally taking shape. In particular, due to the first mid-term management plan in 2022, there has been an immediate drive to make major changes in the allocation of human resources. On the other hand, we are aware that this drive for rapid change caused some friction, resulting in quality problems this fiscal year. While maintaining our speed, we must respond with sincerity to prevent recurrence.

**Miyama:** When I took office three years ago, under President Ninoyu's leadership, I had the impression that everyone was a bit restrained, as if they understood the need for change in their heads, but were not keeping up. Now, I feel that the entire company is moving in the same way. However, when everyone is aiming in the same direction with energy, some things inevitably get left behind. I feel that it will be important for us, as external directors, to be aware of this, and to play a role in not neglecting it.

**Ambe:** Being able to take part in Tokai Rika, which has evolved considerably, my first impression of the company is that it is a very open company. I think it is wonderful that the external directors share all kinds of information and are willing to input as much value as possible. After listening to what both of you have said, I believe that what is required of Tokai Rika's current external directors, as the company continues to take on the challenge of growth, is to suggest the right direction so that the company does not go down the wrong path. From this perspective, I have the impression that the information provided is rather broad. I feel that we could evolve into a more efficient form of information sharing in order to properly fulfill our supervisory role.

**Fujioka:** It is true that the company is becoming more and more aggressive in its originally serious corporate culture, and it is now producing more and more information. On the other hand, this fiscal year we have reviewed the transfer of authority to the executive side and the themes to be discussed at the Board of Directors meetings, and have changed the meetings to a space where business strategies, tactics, and directions are discussed more than before. We have made a major shift to a form where we are now responsible for management and supervisory functions, and I look forward to seeing how this will change in the future.

**Miyama:** I have high expectations for future Board of Directors.

### Formulation of our Purpose, Vision, and Value

What are your thoughts on our Purpose, Vision, and Value formulated in May 2024?

**Fujioka:** At a consumer goods company I used to work with, I had the experience of witnessing how the corporate philosophy, which was a common guideline for the entire company, had permeated the company and was shared even by the local staff overseas. I have been suggesting since I arrived at Tokai Rika that they should create a purpose and management plan. Although the original order is reversed, the mid-term management plan was created in 2022, and our Purpose, Vision, and Value were finally put into words this year.

**Ambe:** For a company, maintaining the status quo is synonymous with degeneration, so there must be constant change. In this day and age, the pace of change is much faster than ever before, so I think that if you define what must not be changed, you will be more prepared to change everything else. In this sense, I think it is important to have a universal set of values—a "Purpose"—so that there is no longer any hesitation to make changes.

**Fujioka:** Indeed, it just needed to be put into words. We have always had a clear goal, but we simply had not articulated it. Now that it has all been clearly stated, I expect that everyone will understand what we are trying to achieve, and that it will give a big boost to the implementation of the mid-term management plan.

**Miyama:** What impressed me when I came to Tokai Rika was the founding spirit of "If it's something necessary in the world, we do what others won't do," and "A Call to Thought and Action," which means "thinking and acting." I think it is wonderful that the company's new Purpose, Vision, and Value, which were already in existence, have been established in a form that is easy for employees to understand and can be clearly communicated to those outside the company.

**Ambe:** What made me realize how serious they were about the Purpose was when I heard that they wanted to present the Purpose to stakeholders in the form of a story. I understood that they wanted to tell the story of how they seriously discussed and debated the issue thoroughly in formulating the Purpose, including the thoughts they put into the Purpose and how they came to it, which I felt was a sign that the Purpose is authentic.





## Evaluation of the mid-term management plan

What are your thoughts on our efforts and progress toward the mid-term management plan?

**Fujioka:** If you set high goals, gaps will appear, and the external environment is constantly changing, so it is necessary to review strategies on a regular basis. Unfortunately, we have not been able to roll up the three phases of Vision, mid-term management plan, and annual policies, always going back and forth between them. I have been saying this since the mid-term management plan was created in 2022, and I said the same thing last year, so perhaps the executive side is doing something about it, but I strongly hope that the company will systematically and firmly address this issue.

**Miyama:** When I first came to Tokai Rika, my initial impression was that they had been in the business of supplying parts to large clients for many years, and that their business had been established within the framework of their clients setting the target figures. Behind Mr. Fujioka's point about the lack of roll-up, I imagine that there is a part of the organizational culture that has become complacent with making plans. I also had a historical background at DNP (Dai Nippon Printing) in the order-based business, so I can somewhat understand what he is saying.



We'll work together to figure out how to reach the next plateau

**Fujioka:** The moment before a major business transformation is a time of birth pains for any company. Right now, it is the most difficult period for this company as well. That is why I think we should be more careful in our evaluation of where we have differed from initial assumptions, where we need to revise our strategies, and where we need to proceed as planned.

**Miyama:** Mr. Ambe has joined on as an external director as we take up the challenge of changing the business format. I am looking forward to seeing how Tokai Rika will be changed



There is a growing momentum to try new things. How much can we encourage that change?

by the synergistic effect of Mr. Ambe's knowledge, including his many years of experience fighting for the Sony brand.

**Ambe:** I think the mid-term management plan, which is divided into four quadrants and specifies each direction, is very well done. I believe that the role of external directors is to monitor progress and make necessary proposals to ensure that the plan is steadily implemented. In doing so, it is important to have a correct understanding of progress.

There are two types of progress that can be monitored: those that can be approached quantitatively, and those that are qualitative and difficult for us to understand. I think it is important to use quantitative information more effectively to make drastic discussions, such as the size of the business and its portfolio. In addition, one of the most difficult qualitative pieces of information to measure is the shift in people's mindset. If we could conduct a kind of awareness survey to see if everyone is really working positively with a clear mind under the strong leadership of President Ninoyu, how much progress has been made in sharing the vision and changing mindsets, and make an effort to monitor the progress of the mid-term management plan from a fixed point, we could have a lively exchange of opinions while observing the progress of the mid-term management plan.

## Promotion of human capital management

What initiatives do you think are necessary to promote human capital management?

**Miyama:** All of Tokai Rika's employees are really serious, sincere, and hardworking. I often hear that the younger generation, in particular, is energetic and motivated to take on new challenges, and I myself have a sense that the environment must change in order for this to happen. Since changes are steadily taking place, I wonder how much more those in their fifties and sixties will be able to push for such changes. It may be that I just don't see it yet, but I believe that the acceleration of change will differ greatly depending on how much you encourage the change.

**Ambe:** When President Ninoyu invited me to join the board, he told me that he envied Sony employees because they are all self-motivated and willing to take on challenges. However, I don't think that all of our approximately 110,000 employees



Corporate culture, clear direction, Passionate leaders, Positive employees. The ingredients are already in place.

globally could possibly be full of this proactive spirit, and it's only human to fear change. If you just have some curiosity, then you will get the urge to try something new. I believe that it is the role of management and leaders to ignite that fire.

Since Tokai Rika already has all the ingredients in place—a wonderful corporate culture, a clear direction, passionate leaders, and positive employees—I have spoken about one idea to encourage employee autonomy. Although we tend to view this from a management perspective as Tokai Rika “hiring,” “training,” and “utilizing” employees, what if we instead put the employees as the subject? What if we put it as employees “choosing” Tokai Rika, that they “grow” and “play an active role” at Tokai Rika? When we put employees as the subject, it may become clearer how everyone feels, needs, and wants.

**Fujioka:** I like that idea. We come so far as a result of moving a large number of people to change the business format. However, we are now stuck at a plateau where we have to move on to the next point. Management is taking various measures to develop new technologies to challenge new areas, but we have not yet reached a state where employees are readily coming up their own new plans. As Mr. Ambe said, I think it is time for us to put the employees in the lead and work together to find a way to take the company to the next stage.

## Expectations for Tokai Rika in the future

What are your expectations for the future, and what are some of the issues that need to be addressed in the long term?

**Miyama:** It would be interesting to see Tokai Rika become a company that in years to come people will wonder what it is that we even make. It is not an easy task, but it is my hope. Here I once again recognize my role as bringing forth the first female executives. To use Mr. Ambe's employee-as-subject formulation, letting the first female executives bring themselves forth.

The same is true of DNP, but while women are steadily making progress, such as by becoming executives, it is difficult to see who will follow in their footsteps. How do we progress in this area? President Ninoyu is working on this issue with great passion, and I believe that all of the executive officers need to support him in this endeavor more than ever before.

**Ambe:** I am still working on deepening my understanding of Tokai Rika, but if I may say so, I have the impression that the movement to create new value is led mainly by domestic employees, while overseas employees are specialized in manufacturing. Since the growth of a company is the sum total of the growth of each and every employee, I expect that excellent human resources will play an active role by removing the boundaries between domestic and overseas employees, and that all 20,000 employees will together lead to the growth of Tokai Rika. In this sense, I feel that there are still opportunities for growth.

**Fujioka:** Again, I have to notice how cool it is that we are going to take on the challenge of entering a new area of business, moving from being “a company for some car parts” to now being marketed under the brand name of Tokai Rika. The corporate culture that has been cultivated over the company's history of being a behind-the-scenes company will naturally have a different feel when it comes out under its own brand.

Employees who have taken the next step will not wait to be told what to do explicitly but will embrace a new culture of trying and suggesting new things on their own. I think the emergence of the Tokai Rika brand in the world will mean such a change.