

Messages from an Outside Director and an Audit & Supervisory Board Member

Advancing self-transformation and achieving growth through innovation

Technology in fields, such as ICT, AI and IoT, is evolving at a pace far faster than we could have imagined. To meet these trends in a timely manner, it is important for NEC to continuously create customer value by honing its technology in these fields, sparking innovation, and developing new business models. As NEC competes on a global stage, simply responding to changes that happen is too slow, and offers no prospects for significant growth. Transforming oneself is more important and essential.

On the one hand, NEC should closely examine what it considers its core technologies to be, and rigorously refine them until they are the best in the world. At the same time, in fields where NEC faces challenges, it is being asked to take steps to adopt external technologies and move away from overreliance on self-sufficiency, all while taking the initiative in open innovation.

From this perspective, I offer insights based on my own experience for the projects we discuss at meetings of the Board of Directors, doing my utmost to assist in the effort to speed up NEC growth strategies.

There is another vital role I play as an Outside Director. That is the ability to speak objectively from a position of fairness as an outside observer, thereby ensuring that corporate governance functions properly. In particular, I consider it the top priority to deeply embed the phrase "Compliance First" among NEC's employees. Through the vitalization of the Board of Directors, I fully expect NEC to quickly arrive at a growth trajectory prefaced on the idea of "Compliance First."

Outside Director
Kunio Noji



View your own actions objectively for thorough compliance

The word "integrity" is the basis of occupational ethics for professional accountants. Put simply, this word means, "don't lie" and "don't deceive." While it may be nothing if not obvious to say this, most scandals that emerge happen because of a lack of integrity. Intentional criminal behavior aside, it is entirely possible for individuals, thinking they are acting in the interest of a client or the organization, to inadvertently violate rules, cover up facts or deceive others.

To prevent this, I think the most effective approach may be to have an individual objectively observe their decisions and actions. In other words, the idea is to have them consider the impact or likely outcome of their decisions and actions, and to be able to explain why this happened to someone else. The same thing applies to a company's management. I definitely feel that deliberation by the Board of Directors, and particularly questions and guidance from the varied perspectives of the Outside Directors and Audit & Supervisory Board Members ("A&SBMs"), is crucial for boosting transparency. And if management objectivity and transparency are enhanced, employee awareness will be, as well. This, in turn, will lead each employee to see the actions they take in carrying out their duties each day more objectively.

A year has passed since my A&SBM appointment. As part of my duties, thinking of ways to address compliance and risk is never far from mind. With that said, as an Outside A&SBM, I strive to keep an objective viewpoint, and want to sidestep excessive risk avoidance in the hope that I can support rational risk taking and dynamic corporate activities.

Outside Audit & Supervisory Board Member (KANSAYAKU)
Kazuyasu Yamada

