

Messages from Outside Directors



Corporate Governance Awareness: An Essential Factor in Managing Listed Companies

Akira Kiyota
Outside Director

Awareness of the importance of corporate governance began to grow in Japan around 2000. Under the second Abe administration beginning late 2012, the “Abenomics” growth strategy introduced initiatives to boost the profitability of Japanese companies and enhance shareholder value. In response, the Financial Services Agency and Tokyo Stock Exchange (TSE) formulated the *Corporate Governance Code* in March 2015, which went into effect for all listed companies in June 2015. Corporate governance refers to the framework that ensures companies make transparent, fair, timely, and decisive decisions, taking into account the positions of shareholders, customers, employees, local communities, and others.

Transparent and clear management from a shareholder’s perspective backed by compelling management visions and strategies is essential for listed companies. Such factors allow listed companies to be well-regarded in capital markets and achieve sustainable growth. The Corporate Governance Code responds to this need, aiming to improve shareholder returns by supporting management committed to improving corporate value over the medium to long term through constructive shareholder dialogue. The Corporate Governance Code adopts a *comply or explain* framework to encourage companies to either adopt its standards or explain reasons for non-compliance, thereby promoting proactive governance. As listed companies face significant shifts in their business environments, management must consider ways to achieve sustainable growth and create long-term corporate value, while exploring effective frameworks to achieve these goals.

The TSE revised its market segments for the first time since the Tokyo Stock Exchange and the Osaka Securities Exchange merged, reclassifying the previous four segments—TSE 1st Section, TSE 2nd Section, JASDAQ, and Mothers—to clarify segment concepts. The new structure introduces the Prime Market segment, where companies are expected to maintain a higher standard of corporate governance.

The Corporate Governance Code has undergone multiple revisions since its introduction, urging management to enhance effectiveness through measures including improving board functionality and fostering diversity among core members. The Corporate Governance Code also calls for proactive efforts to enhance sustainability.

Today, nearly all executives of companies listed on the Prime Market actively engage in corporate governance. I am committed to supporting Sharp in their efforts to strengthen corporate governance and enhance corporate value.



Pursuing Diversity and Corporate Value Enhancement

Yumiko Kajiwara
Outside Director

I worked at a business firm until March 2024, handling a wide range of responsibilities. I even contributed to an alliance with Sharp’s mobile business when I worked for a mobile phones business unit. After working in front-line business operations, I moved to corporate functions, where I gained experience in legal affairs, intellectual property, human resources development, purpose, and sustainability. I aim to contribute to Sharp as an outside director by leveraging my knowledge and experience in business transformation, digital transformation, and sustainability transformation during a time of VUCA*.

Sharp is executing significant structural reforms, carrying out Asset Light Initiatives to achieve its new growth strategy. This is a pivotal year as the Company stands at the starting line to remain a company recognized and valued by society for years to come. The Board of Directors engages in transparent and frank discussions, fully aware of the challenging environment and other issues. It goes without saying that I will monitor and advise the progress of these structural reforms. Another area I want to focus on is human resources strategy, which is the driving force of ongoing corporate value enhancement and must be aligned with business strategy.

Sharp’s business philosophy reads, “It is the intention of our corporation to grow hand-in-hand with our employees, encouraging and aiding them to reach their full potential and improve their standard of living.” I aim to contribute as an outside director to support the Company in continuing to practice this philosophy in the context of today’s social environment. For instance, the number of female employees and the ratio of women in managerial positions remain low. I want the executive team to raise the quality of management by responding to a society with diverse values, enhancing workforce diversity, and listening to diverse voices. I also hope to play an advisory role by taking the opportunity to listen to those on the front lines.

I expect Sharp to swiftly advance efforts to enhance physical, organizational, and institutional environments, empowering women and other diverse, motivated employees to unlock their potential and thrive.

*VUCA: Volatility, Uncertainty, Complexity and Ambiguity