

# Outside Director Interview



**Koichi Yasui**  
Outside Director



**Yuko Arai**  
Outside Director

## Q1 How would you rate the current Aichi Steel Board of Directors?

**Yasui:** I have the impression that matters are fully discussed and well considered within the company prior to being deliberated on in meetings of the Board of Directors. Important points that need discussion are also clarified, which leads to a constructive exchange of opinions in the Board of Directors.

On the other hand, I believe that there is still room for further improvement in terms of more comprehensive discussions in the draft stage and consideration of matters from more diverse perspectives.

**Arai:** As an outside Director, I am provided with easy-to-understand information needed to supervise the decision-making processes and business execution of the Board of Directors, and from that I believe that the Board of Directors is operating efficiently.

However, the business environment is changing dramatically. I would like to provide opportunities for

generation of new ideas as well by sharing lots of different information with each other about topics not on the agenda.

**Yasui:** Special topic reports are presented on the company's business environment, medium- to long-term strategy trends, and future-focused priority issues. In this and other ways, active discussion is being encouraged.

On the other hand, these discussions have been interrupted by the COVID-19 pandemic, so I am looking forward to restarting site inspections as soon as possible in places like the Smart Company, which will become an important business for the company going forward. I believe that visiting those sites as much as possible to get direct access to the ideas and thoughts of the people working there will lead to even more effective discussions.

In any case, since my appointment, I have found that the function of the Board of Directors is getting better every year.

## Q2 What are your thoughts on initiatives to realize carbon neutrality, which is of the utmost importance for Aichi Steel?

**Yasui:** Major changes in the environment have the potential to create severe risks for Aichi Steel, but carbon neutrality is not something that can be achieved by continuing to implement current practices. In addition to the company's existing commitment to energy-saving activities, Aichi Steel must not only increase its usage of renewable energies, but fully demonstrate its spirit of reform that has become a part of the company's culture. It has to be resolute in taking on the challenges of developing new technologies and opening up new markets.

**Arai:** Aichi Steel has formulated a really specific plan to realize carbon neutrality by 2050, and it is being implemented in a way that is easy to understand for employees.

However, a lot of different mechanisms must be employed to take on such a big challenge. One thing that is important is to encourage every employee to take ownership and act on their own initiative. And something that is essential is speed of management. With the environment changing moment by moment, the company must accelerate the management cycle from decision-making through to implementation.

## Q3 What expectations do you have of Aichi Steel when tackling challenges like this?

**Arai:** To tackle challenges like carbon neutrality, as well as sustainability issues like social issues and governance, the management team must present a clear vision and employee activities must be driven from the bottom up. This would include developing systems and mechanisms that encourage independent action from individuals and workplace colleagues not only deciding and achieving their own targets, but evaluating the processes as well. With sustainability growing evermore important, and to ensure that Aichi Steel remains the company of choice around the world, I hope to meet the expectations of stakeholders as an outside Director through discussions in meetings of the Board of Directors.

**Yasui:** To support the autonomous willingness and motivation of employees, it is important to persevere in the cultivation of a workplace culture on which to base that. I am sure that when each employee understands the company's directions and their own roles in successfully addressing difficult challenges, and strives to achieve their goals, it will not only lead to personal growth but to development of the company as well. I will also check out the state of these initiatives through site inspections myself, and provide support from an outside perspective and as a person from an energy company.