

Interview with a Newly Appointed Outside Director

Diversity is all about the change created by people with wide-ranging attributes and differences collaborating with each other in an environment of mutual respect.

—What are your aspirations as a newly appointed outside director?

I am often asked “what is your area of expertise?” Rather than focusing on a single path, I have increasingly explored a wide range of avenues when encountering different fields and educational opportunities and worked to expand my scope of knowledge. If forced to comment, I would say that my expertise lies in education and economics. I was, for example, approached to become a professor at the Graduate School of Engineering at Tohoku University, not only for my expertise in engineering, but also because of my commitment to foster researchers who can look at their efforts from multiple perspectives, including the practical social application and business value creation of research results.

My first contact with Toray was when I was involved in developing the Science, Technology, and Innovation Basic Plan of Japan’s Cabinet Office. To a large part, I feel that my career has unintentionally fostered a sense of diversity as opposed to specialization, and as a result, I have become adept at examining various issues from multiple perspectives. I have also served as an outside director of Compagnie de Saint Gobain SA, a company based in France with a long history. Immediately after assuming office, conditions deteriorated, most notably with the global economic crisis caused by the collapse of Lehman Brothers, and I was faced with a mountain of unforeseen problems and the need to address investors’ concerns. From this experience, I realized firsthand the importance of the role that outside directors play in reconciling internal and external perspectives. In serving as a Toray outside director, I am therefore committed to using my unique perspective and experience to help the Company enhance its corporate value in a sustainable manner.

—What do you consider are the most important aspects of effective governance?

The larger the organization, the more complex and international the business, the more important it is to integrate the organization and make decisions quickly. I believe that a well-functioning decision-making system that oversees an organization in a manner where critical decisions and issues are addressed in a timely manner is indicative of effective governance. I am not referring here purely to

formats and semantics. Effective governance is not a matter of simply completing an organization chart. It entails the smooth two-way flow of information from the frontline to management and vice versa. Given any decision-making system of organization made up of human component, outputs can often become blurred. With this in mind, I intend to look closely at this from an external perspective as an outside director.

Daring to offer an opinion from a slightly skewed perspective, familiarity with work in a company can often manifest itself in fixed assumptions that impede change. Moreover, while recognizing that engagement is critical to the creation of value involving various stakeholders, self-interest has the exact opposite effect. I will also closely monitor this issue from a neutral standpoint.

—Why do you think diversity is important?

Imagine an organization where everyone thinks and acts the same way. In a world where the correct answer never changes, this scenario can be extremely efficient. In contrast, companies in general, including Toray, operate in a rapidly changing external environment and exist in a world of uncertainty where value disappears in an instant. The world is not a place with fixed answers. Under these circumstances, I am convinced that diversity is critical to ensuring multifaceted views and a flexible organization.

Discussions surrounding diversity in Japan tend to focus on the empowerment of women. It is a mistake to think that this is a solution to efforts aimed at promoting diversity. Putting in place a comfortable workplace for women, increasing the number of female managers, and providing women with preferential treatment are not in themselves the solution. The goal is to secure a level playing field and to allow women to demonstrate their abilities in similar fashion to men, which will lead to increased corporate value. Diversity is not only about gender or other such differences. Diversity is also about individuality and a comprehensive range of factors, including the experience that each individual has gained. On the other hand, when simply bringing together a diverse group of people, should those individuals behave as they please then an inefficient organization that is unable to make any decisions is likely to result. Diversity in business is all about the change



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created by people with wide-ranging attributes and differences collaborating with each other in an environment of mutual respect. With this in mind, I believe that it makes sense to become an organization that is resilient to environmental change and highly capable of creating value.

—What are your thoughts on the use of AI in innovation and the promotion of DX?

Ideas belong to each individual. Historically, people have come together to put forward new ideas. With the emergence of generative AI, which instantly organizes a huge amount of data and facts that people cannot fully examine, human beings gained an amazing bag of wisdom. Wherever possible, I have promoted the importance of becoming people who can employ AI wisely. At the same time, it is equally important that we maintain the necessary axis and materials to judge AI, and ensure that we are not controlled by it. My fear is that AI will proffer plausible answers that we will grow to rely without question. The

application of AI and promotion of DX is merely the natural evolution of tools that help to further enhance convenience. It is important that we utilize these tools to create innovations and not become passive users.

—Do you have any closing words about leadership in a diverse organization?

Leadership is not about a person at the top of the hierarchy wielding authority to make subordinates follow him or her. Leadership is a skill that motivates people to behave with conviction. In a diverse organization, not only management, but also a variety of people are expected to exercise leadership in various situations. I would add one more thing, the key role of a leader is to lead the team or organization into the future. Leadership does not necessarily require the leader to provide all the answers. Leadership can be achieved by letting others decide and taking responsibility. Put simply, I believe that seeing an issue to the very end is of the utmost importance.