# World in 2050

In making assumptions for 2050, we took into account 24 political, economic and social themes, in parallel with technological progress and the impact that such advances might have, and performed a PEST analysis.

Predict pension and social security system failure due to changing demographics
 Trend to limit impact of corporate activities on society, with tougher restrictions on use of fossil fuels and use of resources as measures to deal with climate change
 Hub of global economy will shift to emerging countries of Asia that continue to enjoy high economic growth
 Disparity between countries will shrink, paralleling economic growth, but personal income gap will widen
 Population growth is particularly noticeable in Asia, where the benefits of economic progress have extended average life expectancy and produced an aging society
 Technological innovation is fueling economic growth in urban areas while regional economies, impacted by a decrease in population and little promise of a demographic turnaround, are in decline

• Technological innovation will accelerate, technological breakthroughs will become more frequent, and technology will have a major

\*View of the world in 2050 drawn up at Sustainability Project in 2019.

Based on long-term trends, we identified four social issues—financial inclusion, health concerns, urban concentration and rural decline and low-carbon/decarbonized society—that we have the capabilities to address.

Four social issues TIS identified as priorities

impact on political, economic and social activity

where Group strengths can contribute to solutions

Financial inclusion

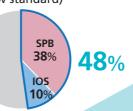
Urban concentration and regional decline

**Technology** 

Health concerns

Low-carbon/decarbonized society

Strategic domain ratio (new standard)



Strategic domain ratio (old standard)

March 2024



#### March 2021

Strategic domain ratio (old standard)

Strategic domain ratio (old standard)

March 2018

Medium-Term Medium-Term
Inagement Plan
Management Plan
2018–2020 2021–2023

Medium-Term Management Plan (2024–2026)

# Frontiers 2026

We will set frontier development as a fundamental strategy and strive for sustainable growth paralleling higher added value. We will strive to achieve changes in society and for corporate clients by enhancing quality across all value chains, starting with forward-looking market development and business domain expansion.

1st stage

Basic

policy

Medium-Term Management Plan 2024–2026 2nd stage

Medium-Term Management Plan 2027–2029 3rd stage

**Brand Message** 

Medium-Term Management Plan 2030–2032

Group Vision 2026 Create Exciting Future VISION 2032

Society oriented, operationally diverse, globally active

Make society's wishes come true through IT. Using advanced technology and know-how, we will add a new dimension of vitality to society and bring smiles to the faces of more people. Our presence will shape the future of this kind of society. The TIS INTEC Group will continue to make society's wishes come true through the power of IT. 2050 Strategic domain ratio (new standard) March 2033 SPB 30% 80% 10% CCB IOS 10% 30% **Group Vision 2032** VISION Society oriented, operationally diverse, globally active **Business policy guiding** Seek to possess insight into future and ability to solve issues, progress toward integrate capabilities of various players, maintain position conducive successful conclusion to co-creation, and be indispensable to social change Redefined Strategic Domains ▶ P.22 Social Innovation Service (SIS) Co-Creation Business (CCB)

Strategic Partnership Business (SPB)

IT & Business Offering Service (IOS)

oru stage

In 2017, TIS announced Group Vision 2026, which described a corporate ideal to be achieved by 2026 under the catchphrase "Create Exciting Future." Seven years on, in 2024, given major changes in the recent past that affected the operating environment, both inside the Company and externally, management decided to reorient operations groupwide with a long-term perspective and defined a new group vision—Group Vision 2032—for where TIS and the TIS INTEC Group should be in 10 years' time. Under the new group vision, TIS is leveraging initiatives that draw on the composite capabilities of the Group and lead to sustainable improvement in corporate value.

#### **■ Group Vision 2032 Themes**



Society oriented, operationally diverse, globally active

**Business policy guiding** progress toward successful conclusion

Seek to gain insights into future and improve ability to solve issues, integrate capabilities of various players, maintain position conducive to co-creation, and be indispensable to social change

Under the theme "society oriented, operationally diverse, globally active," Group Vision 2032 will guide us as we work toward our goal of becoming a progressive, global IT group combining social responsibility and the spirit of innovation. To solve social issues, we will proactively adopt innovative technologies and incorporate capabilities from different industries while leveraging diverse and global operations. This will lead to further business innovation and fuel market creation.

#### ■ Background to Creation of Group Vision 2032

# **External Environment**

# Heightened uncertainty in competitive circles,

fueled by technology development and growing interest in SDGs

- √ Technologies with potential to change business models, industrial structures and state of society over next 10. years will become practicable one after another.
- √ Various services utilizing these technologies will be required as measures to address social issues become more. top-priority for companies.
- √ Related to this, opportunities to co-create and compete with various players, including those from other industries, are increasing.

**Internal Environment** 

Good progress toward medium- to long-term management objectives but need to revise targets, given changes in external environment

- ✓ Generally exceeded targets stated in Medium-Term Management Plan (2021–2023)
- ✓ Progress on strategic domain ratio set under group vision tracking as expected
- ✓ Various activities at nascent stage, like buds ready to blossom, so need to rethink corporate position and set new targets given changes in external environment but based on these emerging activities

Must update management policy with long-term perspective based on current conditions

#### ■ Four Strategic Domains to Realize Corporate Ideal

TIS defines areas of business that will underpin sustainable growth, on a groupwide basis, as strategic domains. Since 2017, when Group Vision 2026 was prepared, the social role that we see the TIS INTEC Group playing 10 years into the future and the best business approach to take going forward have come into greater clarity, allowing management to identify new priority business areas. Each segment strives to develop markets and create new demand with the best mix of strategic domains fine-tuned to market characteristics.

#### **Old Strategic Domains**

#### **Strategic Domains**

- Strategic Partnership Business (SPB): Lay both a revenue base and a technology/know-how base
- IT Offering Service (IOS): Upfront investment-style business functioning as pillar of profit
- Business Function Service (BFS): Recognized as Group forte, driver of growth
- Frontier Market Creation Business (FCB): Driver of explosive growth through creative destruction

#### **Strategic Domain Review Policy**

#### Establish new domain to proactively contribute to social change while drawing on Group capabilities to directly address social issues

Establish new domain focusing on co-creation to generate solutions that go beyond current scope of activities

Reassess strategic domains on assumption that wide-ranging methods beyond IT will be used to solve issues

#### **Rebooted FCB and** created new two domains in its place

Create new markets and business models based on more concrete conception of domain activities

#### Integrate BFS into IOS

Will reorient approach to provide services beyond

## **Redefined Strategic Domains**

#### Strengthen response to social issues

#### **Social Innovation Service (SIS)**

Business where TIS INTEC Group directly offers solutions to social issues in line with stated social impact indicator

#### Organic coordination /cycle

# **Expand definition to include BFS**

#### IT & Business Offering Service (IOS)

Business providing services with potential to be de facto standard of the future, using technology and know-how accumulated by TIS INTEC Group and anticipating needs of specific industries and operations

## Promote co-creation style business

#### **Co-Creation Business (CCB)**

Business combining respective strengths of TIS INTEC Group and co-creation partners in areas beyond those where the Group maintains presence to create new

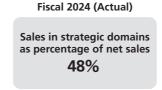
#### Balance revenue base and technology/ know-how base

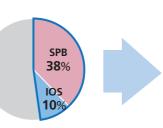
#### **Strategic Partnership Business (SPB)**

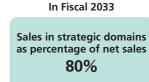
Business providing various need-matched resources to companies in industry top class as strategic partner and supporting client companies' business growth and corporate reforms

#### ■ Strategic Domains: Desired Composition

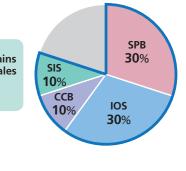
While the ratio of strategic domains to overall business is generally shifting in the desired direction, there are still issues with the contribution of each strategic domain to that balance. We expect SPB and IOS domains to be much bigger, new CCB and SIS domains to have grown to a certain size, and the business portfolio to be a well-balanced mix of diverse business models.







80%



22 21

About the TIS INTEC Group

Long-Term Vision and Value Creation Story

# **Sources of Value Creation and Competitive Advantage**

The management capital that the TIS INTEC Group has developed over the years is an indispensable element for sustainable corporate value growth and a source of value creation. We aim to create further value through the enhancement and effective utilization of this capital.

Input				Business Activities	Output Outcome		Outcome		
Management Capital	Inputs		Scope of Data Collection	Features	Initiatives to Maintain and Strengthen Capital				Targets of Medium-Term Management Plan (2024–2026)
Social and Related Capital	Number of group trading clients  Client and service satisfaction* Number of business partners  Results of business partner satisfaction survey* Linkage with startups (CVC investees)	Approx. 15,000 companies More than 600 companies 58% About 600 companies 74% 54 companies/ 57 cases	Domestic Overseas C E D	<ul> <li>Stable business promotion through a strong relationship of trust</li> </ul>	Strengthen client relationships and satisfaction by capturing a wide range of client requirements and leveraging them in development and service provision Please refer to "With Clients" and "With Business Partners" on page 101.	Business Ac			Coperating income per person Operating margin ROIC  Key Management Indicators  More than ¥3.5 million 13.1%  More than 13%
Human Capital	Number of employees (consolidated) Results of job satisfaction surveys*3 Percentage of female employees in management positions Number of consultants Number of IT architects Number of high-level sales talent	21,765 56% 12% 545 270 262	A B B B	<ul><li>Diverse human resources engaged as movers</li><li>Sustainable engagement</li></ul>	Visualize human capital investment and returns / review monitoring indicators / expand and utilize cutting-edge talent / promote sustainable recruitment and skill development / cultivate good corporate culture  Please refer to "Key Strategy of the Medium-Term Management Plan/Human Resources Strategies" on page 49.	Activities Based on Gro			ROE More than 16% Net sales ¥620.0 billion EPS CAGR More than 10%
Intellectual Capital	Extensive service menu (aggregate number of solutions) Group awareness (among business people) Trinity: Original quality management system	About 500 68%	Domestic Domestic	<ul> <li>Strong technological capability</li> <li>Abundant experience and know-how</li> <li>Dedication to improving quality, productivity, and technology</li> </ul>	Share of development knowhow and technical issues / Tech Lead Team activities / Brand maintenance and enhancement Please refer to "Key Strategy of the Medium-Term Management Plan/ Intellectual Property Strategies" on page 43.	Group Philosophy and	Creating A		Demonstrate capabilities of employees  Job satisfaction More than 58%  Number of consultants More than 700  Percentage of female employees in management positions More than 15%
Financial Capital	Net assets Equity ratio Credit rating Investments in growth	¥356 billion 61.5% A+ / Stable ¥19.5 billion	A A A	<ul><li>Stable financial base</li><li>Strong profitability and capital efficiency</li></ul>	Promote structural transformation of business by strengthening investment Promote capital optimization Reduce cross-shareholdings Please refer to "Financial Investment Strategy": Message from the Director in Charge of Finance on page 55.	Medium- and	Added Value		Provide value to society  Strategic domain ratio 52%  Operating income per person More than ¥3.5 million  Growth investments ¥100 billion (accumulated three years)
Natural Capital	Energy consumption (electricity)	130,482 MWh	A	High energy efficiency through environmentally friendly data centers	Promote use of renewable energy Consolidate data centers Please refer to "For the Global Environment" on page 97.	Long-Term Management			Quality demanded by society Client and service satisfaction 59% Business partner satisfaction 81%  Company chosen by society
Manufacturing Capital	Business sites throughout Japan Overseas sites centered in ASEAN	About 160 sites 16 countries	Domestic Overseas	<ul> <li>Outsourcing sites based on business continuity</li> </ul>	Development of high-quality services that respond to environmental changes and client needs	nent Strategy			GHG emissions (Scope 1 + 2) (compared to fiscal 2020)  Renewable energy utilization rate (Offices and data centers by fiscal 2031)  70% reduction 100%

Figures are as of March 31, 2025

Scope of data collection

A. TIS INTEC Group, consolidated

<sup>\*1</sup> Percentage of respondents who answered we were "an irreplaceable business partner" in the client satisfaction survey.

<sup>\*2</sup> Percentage of respondents who answered "satisfied with our business and relationship" in the business partner satisfaction survey.

<sup>\*3</sup> Percentage of respondents answering positively to the question "Overall, this company is a good place to work" in the employee awareness survey.

B. TIS and domestic consolidated companies

C. TIS, INTEC, AGREX, QUALICA, AJS, and TIS Solution Link

D. TIS and INTEC

E. TIS parent

To clarify important themes and identify materiality, we assessed importance from a stakeholder perspective, that is, impact on, as well as from a Group perspective, notably, the effect on the Group itself and its growth prospects.



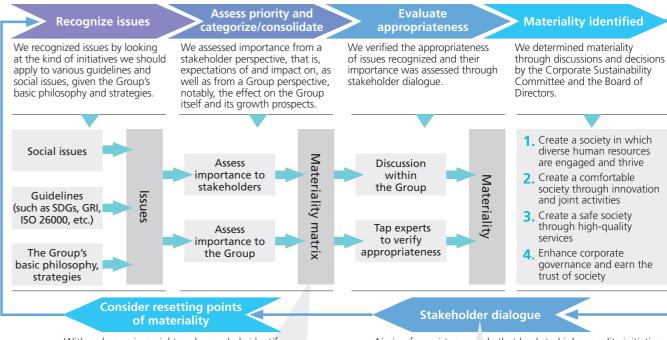
- a. Promote diversity
- b. Promote workstyle reforms
- c. Human resource development and training emphasizing self-fulfillment
- 2. Create a comfortable society through innovation and joint activities
- d. Promote safe, convenient social foundation that supports people and society
- e. Connect with stakeholders and promote joint activities
- f Reduce environmental impact

#### 3. Create a safe society through high-quality services

- g. Continuous quality improvement h. Information security
- i. Safeguard personal information

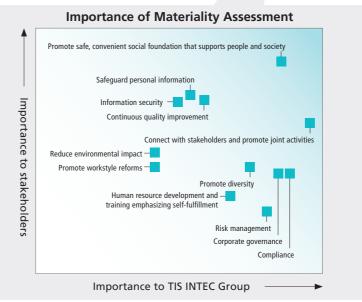
- 4. Enhance corporate governance and earn the trust of society
- Corporate governance
- k. Compliance
- I. Risk management

#### Identifying Materiality



With a change in social trends, regularly identify medium-term issues for the Group to solve

Aiming for a virtuous cycle that leads to higher-quality initiatives, reflecting stakeholder's opinions in management



Dialogue themes

June 2023 Challenges and possibilities in application of IT to healthcare

July 2024 Strengthening human capital to create

corporate value July 2025 Core of sustainability management

Please refer "Dialogue with Stakeholders" on page 32 for details

# Seeking to deepen sustainability management

TIS INTEC Group will reinforce its commitment to corporate social responsibility through its contribution to the sustainable development of society by resolving social issues through its business, and will further strengthen its corporate sustainability initiatives.

#### Overall picture of sustainability management



TIS INTEC Group Philosophy: OUR PHILOSOPHY

Mission: To brightly color the future as a mover

# **Basic Policy on Corporate Sustainability**

# Four Key Themes and Materiality (Priority issues)

- 1. Create a society in which diverse human resources are engaged and thrive 2. Create a comfortable society through innovation and joint activities
- a. Promote diversity
- b. Promote work style reforms
- c. Human resource development and training emphasizing self-fulfillment



- 3. Create a safe society through high-quality services
- g. Continuous quality improvement
- h. Information security i. Safeguard personal information

# 4. Enhance corporate governance and earn the trust of society

d. Promote a safe, convenient social foundation that supports people

e. Connect with stakeholders and promote joint activities

j. Corporate governance k. Compliance

f. Reduce environmental impact

I. Risk management



Address social issues through business activities Social issues where TIS INTEC Group can contribute

● Financial inclusion ● Health concerns ● Urban concentration/ rural decline Low-carbon/decarbonized society

# Improve value exchange

- with stakeholders

- Contribute to recycling society
  - Achieve sustainable improvement in stakeholder engagement
    - Constantly pursue governance that elicits higher level of trust from society

Enhanced management geared to social demands

Sustainable improvement in corporate value

# **Contribute to sustainable society**

# **■ Sustainability Promotion System**

TIS promotes sustainability activities on a groupwide basis under the leadership of the TIS President and Chief Executive Officer, who chairs the Corporate Sustainability Committee. This committee, which meets twice a year in principle, identifies new trends in sustainability and presents to the Board of Directors a selection of issues to focus on and the direction that responses should take. These issues and the respective suggested course of action are reflected in the medium-term management plan and annual business plans as specific measures of response. Progress is discussed by the Management Committee and tracked by the Board of Directors.

# **Corporate Sustainability Executive Officers Divisions/ Departments Group Companies**

#### Composition members

Chief corporate sustainability officer (chair), directors, Audit & Supervisory Board members, corporate sustainability promotion officer, division manager of the Corporate Planning SBU, and department manager of the Corporate Planning Department

• The materiality matrix is assessed by the Corporate Sustainability Committee annually to ensure there is no discrepancy between social trends and the Group's current position. The materiality matrix was reviewed most recently in 2024.

We clarified issues of priority—materiality themes—to achieve our mission, as stated in our basic philosophy. In addition, by analyzing the impact and opportunities presented by each materiality theme, we are able fine-tune measures and raise the effectiveness of initiatives implemented. We aim to reach each target through the roadmap laid out in our Medium-Term Management Plan (2024–2026).

Theme	Materiality	Impacts to Be Reduced	Opportunities to Be Seized
1. Create a society in which diverse human resources are engaged and thrive	a. Promote diversity b. Promote workstyle reforms c. Human resource development and training emphasizing self-fulfillment	Labor shortages that reduce productivity     Inability to input the necessary human resources causing business growth to be impeded     Lack of technology for new areas     Less creativity and imagination among employees     Less intra-Group and intra-organizational synergy	Boost value creation capacity  • Enhance innovation abilities  • Secure human resources  • Boost productivity through greater employee engagement
2. Create a comfortable society through innovation and joint activities	d. Promote a safe, convenient social foundation that supports people and society e. Connect with stakeholders and promote joint activities f. Reduce environmental impact	Opportunities lost through stagnation of R&D, etc. Weak framework for considering new business causing lost business opportunities Environmental burden triggering natural disasters, which in turn damage social infrastructure Changes to environmental regulations	Construct a sustainable profit model  • Shift to a better profit structure  • Market growth  • Global environmental protection and climate change adaptation
3. Create a safe society through high-quality services	g. Continuous quality improvement h. Information security i. Safeguard personal information	Productivity and quality reduced due to lack of manufacturing capacity Deterioration in business sentiment causing clients and business partners to go bankrupt and existing clients to fall away  Lack of understanding of technological trends and client needs, among other deficiencies, creating the risk of providing services of inappropriate quality and safety, and reducing competitiveness Information leaks and cyberattacks Intellectual property lawsuits	Boost market competitiveness  More attractive products and services  Optimization of manufacturing costs  Responses to country risk and technological advance
4. Enhance corporate governance and earn the trust of society	j. Corporate governance k. Compliance l. Risk management	Group governance deficiencies causing vulnerabilities (compliance, risk management, and IT governance)     Fund planning failures     Credibility affected by fraudulent transactions	Enhance corporate credibility  • Better management quality  • Eradication of misconduct

	Medium- to Long Term Targets					
Status of Fiscal 2025 Initiatives	Perspectives on Progress Measurement	Indicators	Scope*1	Fiscal 2025 Results	Fiscal 2027 Targets	
Clarified human resources investment and returns through development of human capital scenarios     Redefined priority measures and monitoring indicators for human resources strategy to strengthen management monitoring	Demonstration of employees' capabilities	Job satisfaction	В	56%	Above 58%	
<ul> <li>Enhanced risk management based on occupational safety and health policy</li> <li>Visualized talent and expand human resources portfolio management groupwide</li> <li>Monitored and improved human resources system operations based on Must/Will/Can framework</li> </ul>		Number of consultants	В	545	Above 700	
Maintained measures for career development and flexible workstyles that encourage active participation of diverse human resources     Reinforced strategic rotation to underpin development of consultants and IT architects		Percentage of female employees in management positions	В	12%	Above 15%	
Constantly monitored status of strategic domains created under current Medium-Term Management Plan (2024–2026)	Providing value to society	Strategic domain ratio*2	А	51%	52%	
<ul> <li>With objective to support people who are digitally disadvantaged, utilized capacity of NPO to create environment where digital technology can be used safely and launched program to eliminate the digital divide</li> <li>Established joint ventures in blockchain node operation</li> </ul>		Operating income per person	А	¥3.1 million	Over ¥3.5 million	
and cryptocurrency accounting management  • Established joint ventures in decarbonization and general consumer goods distribution		Growth investment	А	¥19.6 billion per year	Three-year cumulative total ¥100 billion	
<ul> <li>Analyzing surveys and implementing improvement measures to increase client satisfaction</li> <li>Activities to strengthen relationships with business partners, such as holding exchange meetings and forums, to increase business partner satisfaction</li> <li>Rolled out personal information protection measures based on the latest global perspectives to the Group</li> <li>Maintain and support quality management system at major group companies</li> </ul>	Quality demanded by society	Client and service satisfaction	С	58%	59%	
<ul> <li>Strengthened efforts to create client proposals of increasing sophistication utilizing intellectual assets and digital technology</li> <li>Formulated TIS INTEC Group Supply Chain Sustainability Promotion Guidelines to encourage understanding and widespread acceptance of Policy on Sustainable Procurement</li> <li>Prepared IT-BCP initial response plan to minimize impact on business and clients in the event of emergency, including cyber attack</li> </ul>		Business partner satisfaction	D	74%	81%	
<ul> <li>Promoted BCP by conducting disaster preparedness drills and initial response drills in case of emergency</li> <li>Implemented Self-Assessment Questionnaire (SAQ) for business partners</li> <li>Implemented training to entrench OUR PHILOSOPHY</li> <li>Implemented study sessions to raise the level and</li> </ul>	A company chosen by society	GHG emissions (Scope 1 + 2) [Compared to fiscal 2020]	А	65% reduction	70% reduction	
<ul> <li>awareness of the whistleblower system</li> <li>Implemented measures to reduce GHG emissions, such as data center consolidation and planned transition to renewable energy</li> <li>Enhance engagement with business partners through information meetings to reduce GHG emissions (Scope 3)</li> </ul>		Renewable energy utilization rate (Offices and data centers)	А	64% introduction	100% introduction in Japan (fiscal 2031)	

<sup>\*1</sup> A: TIS INTEC Group consolidated; B: TIS and consolidated companies (domestic); C: TIS, INTEC, AGREX, QUALICA, AJS, and TIS Solution Link; D: TIS and INTEC

<sup>\*2</sup> New standard ratio based on the review of strategic domain in Medium-Term Management Plan (2024–2026)

Stakeholders	Engagement opportunities	Value provided			
Employees Indispensable to Group operations, bringing about corporate growth through demonstration of diverse personal skills and self-directed collaboration and development	<ul> <li>Company news, Group news, internal portal site</li> <li>Employee awareness surveys</li> <li>Personnel exchange groups, opinion exchange groups</li> <li>One-on-one career development</li> <li>Manifest issue of Human Resources SBU and others</li> </ul>	<ul> <li>Provide opportunities for growth and personal development</li> <li>Provide an environment that is safe and comfortable</li> <li>Promote diversity and good physical and mental health</li> <li>Provide appropriate and attractive compensation for performance</li> <li>Please refer to "Key Strategy of the Medium-Term Management Plan/Human Resources Strategies" on page 49</li> </ul>			
Clients Users of services offered by Group companies to address client-side business concerns and help solve social issues	<ul> <li>Client service points of contact (call center, website, main phone line)</li> <li>Seminars, fairs and forums for clients</li> <li>Publication of PR magazine, technical brochures and e-mail newsletters</li> <li>Client satisfaction surveys</li> <li>Regular and extraordinary meetings and others</li> </ul>	Provide the best services Plan/propose new application formats for IT Lead/support realization of vision and strategies  Please refer to "With Clients" on page 101.			
Shareholders and Investors Provide capital that supports Group business activities and participate in management through the exercise of voting rights, etc.	<ul> <li>General meeting of shareholders</li> <li>Results briefings</li> <li>Small meetings, domestic and overseas roadshows, participation in conferences</li> <li>Information disclosure on IR section of corporate websites</li> <li>Integrated Report and others</li> </ul>	<ul> <li>Sustainable improvement in shareholder value and return to shareholders</li> <li>Highly transparent disclosure</li> <li>Engaging in constructive dialogue</li> <li>Please refer to "With Shareholders and Investors" on page 102.</li> </ul>			
Business Partners Partners helping to enhance value provided through Group operations and contributing to business growth and creation	<ul> <li>Information meetings on policy (guidelines)</li> <li>Creating opportunities for discussion (project information)</li> <li>Engineer development and support (educational support, seminars)</li> <li>Opinion exchange groups</li> <li>Business Partner Satisfaction Survey and others</li> </ul>	Create new added value Fair, transparent, open competition and appropriate business practices Responsible procurement  Please refer to "With Business Partners" on page 101.			
Local Communities Direct and indirect support of Group's corporate activities in areas where companies operate through provision of various forms of infrastructure	Participation in local events     Support for activities contributing to society     Charity concerts     Public feedback posted on website     Responses to requests from relevant ministries/agencies, industry associations and others	Realize the means for safe and secure living Active interaction with local residents in areas in which we operate Reduction of environmental impact Please refer to "With Local Communities and Society" on page 102.			

# **Dialogue with Stakeholders**

Viewing dialogue with stakeholders as an important opportunity, we regularly hold sessions that bring together external

#### ■ The Core of Sustainability Management—Building the Future by Staying Connected with Society

In our stakeholder dialogue for fiscal 2026, we welcomed Mr. Norio Masuda, an expert in corporate sustainability promotion and disclosure, which is a key driver of progress in corporate management and its role in society. Together, we discussed from a broad perspective how companies should integrate management and sustainability and the direction society and business should pursue. From his objective standpoint, he also shared candid and invaluable opinions.

Here, the discussion centered on the question, "How do businesses connect with society?"



Participants: [Outside expert] Norio Masuda

[TIS Inc.]

Yasushi Okamoto Masakazu Kawamura

[Facilitator]

Manager, Group Sustainability Division, Hitachi, Ltd.) (President & Representative Director)

(Managing Executive Officer, Division Manager of Corporate Planning SBU, Corporate Sustainability Promotion Officer)

Tomohiko Yamaguchi (Consultant, Cre-en Inc.)



#### Profile: Norio Masuda

Mr. Masuda joined Hitachi Solutions Ltd. in 1985 and transferred to Hitachi, Ltd., in April 2015. From fiscal 2017 to fiscal 2019, he served as Senior Manager of that company's Planning Department, Group Sustainability Division, where he helped formulate and promote the Hitachi Group's sustainability strategy. Since April 2020, he has held his current position as Senior Manager of the Group Sustainability Division. In June 2020, he became Co-Representative Director of the ESG Disclosure Study Group (General Incorporated Association) upon its establishment, a role he continues to hold. From April 2022 to March 2024, he also served as a specially appointed professor at Kyoto University Graduate School of Management.

Kawamura: Having enhanced sustainability management through ongoing dialogue with stakeholders, the Group now seeks to move further by contributing to society itself. Going forward, I feel we need to go beyond addressing individual social issues and, through our core business, demonstrate the overall value we provide to society.

Yamaguchi: According to Mr. Kawamura, the Company is working to shift from "focusing on solving specific issues" to "ensuring that business activities themselves help resolve social challenges." Doesn't this give rise to a vague and diluted notion that "everything we are doing now must somehow be addressing social issues"?

Okamoto: There is no need for concern on that point. Under OUR PHILOSOPHY, we define growth as "improved value exchange" with our stakeholders, who include not only clients and employees but also business partners, shareholders and other investors, and ultimately society at large. From that perspective, we have asked ourselves whether our business activities truly serve society, and we reaffirmed that all of our businesses, even if gradually, do indeed bring value to society.

That is why it is essential for individual employees to continually reflect on why their work holds meaning for society. We want all employees—programmers and system operators alike—to think deeply about how their daily work impacts society through our clients. By doing so, employees can take pride in the work they do. While the four social issues we have identified are symbolic, they apply to other challenges as well.

In response to Mr. Yamaguchi's question, being mindful of the connection between overall corporate activities and society does not dilute our awareness about addressing social issues. Rather, it creates a foundation for employees to become more strongly aware of the meaning of their own work.

Masuda: Much like B2B2C2S\* concept, when the value chain is broken down and visualized, employees can clearly understand where their work generates social value. This, in turn, gives greater clarity to the meaning of their daily tasks.

By organizing impacts and measuring them qualitatively and quantitatively, employees can clearly recognize that their work is having a ripple effect on society as a whole. This awareness naturally fosters engagement and pride.

\*B2B2C2S: An abbreviation for "Business to Business to Consumer to Society." It refers to a business model in which a company provides products or services to consumers through another company, ultimately delivering value beyond the consumer to society as a whole.

Please refer to the following site for the full content of the dialogue. https://www.tis.com/group/sustainability/stakeholder/dialogue2025/