

Message from the CSSO (Chief Sustainability & Supply Chain Officer)



Through practical action, we will strengthen our resilient business foundation and work to enhance social impact and corporate value.

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Integrating Materiality into business

Looking back, our 2023–2025 Medium-Term Management Plan (previous medium-term plan) was a turning point in which we transitioned sustainability from philosophy to execution and redefined Materiality as business itself.

Promoting essential contributions in Materiality means advancing initiatives in the business focus areas. I feel a clear sense of progress in the fact that a shared understanding is taking hold within the Group, and that the creation of social value, including the value provided to customers, is the result of these initiatives and will help us realize Our Purpose.

For example, initiatives to improve supply chain transparency create social value by helping reduce greenhouse gas emissions and conserve the global environment. At the same time, greater resilience helps

reduce risk and ultimately leads to lower capital cost. Trust earned from customers and society through our own initiatives also helps improve business continuity and competitive advantage. Furthermore, by reflecting the knowledge gained through our own practice in services including Uvance, we enhance the value provided to customers.

Practicing AI-driven transformation as Customer Zero

In Management Vision 2035 as well, achieving both the resolution of societal issues and the enhancement of corporate value remains an important theme. Looking toward 2035, to accelerate growth by providing trusted technology, we have set a policy of first implementing AI in our own operations as Customer Zero and turning the knowledge gained through this process into value provided to customers. This is not simply a matter of

improving efficiency or reducing costs, but an effort to transform both the speed of work and the quality of value creation itself.

As CSSO, I will also work to strengthen supply chain management by combining AI with the practical knowledge we have accumulated through steady efforts to encourage and support suppliers in providing data, as well as with knowledge unique to the Group, including our understanding of industry-specific issues and the entire value chain. I will also endeavor to visualize the process by which the value provided to customers leads to broader social value and aim to establish a new driver of corporate value enhancement by linking non-financial activities to financial results. At the same time, I will contribute to the formulation of strategies based on global trends by deepening our expertise in sustainability, while also emphasizing action as a practitioner in the role of CSSO, to maximize impact.

Clarifying the logic of corporate value enhancement

We are currently advancing a financial and non-financial analysis project that uses data to visualize how non-financial activities contribute to corporate value enhancement and to clarify the causal relationships involved. Executives from a wide range of divisions, including finance and accounting, the CRO* Office, internal IT divisions, and business units, are working together to refine and verify hypotheses on how non-financial activities are linked to financial indicators. These activities include human resources initiatives, the use of digital tools, and changes in how we engage with customers. The project is gradually showing that non-financial activities, starting with human resources initiatives, may encourage changes in employee behavior, enhance the value provided to customers, and help increase orders. By promoting this project, we will accelerate the internal practice of sustainability management, while sharing the knowledge and insights gained with customers and society and working to co-create value.